

Annual Comprehensive Financial Report

For the Fiscal Year
Ended June 30, 2023

**The York County
School Division**

County of York, Virginia

*A Component Unit of the
County of York, Virginia*



YORK COUNTY SCHOOL DIVISION
(A Component Unit of the County of York, Virginia)
ANNUAL COMPREHENSIVE FINANCIAL REPORT
June 30, 2023

William Bowen
Chief Financial Officer

Margaret Riggins Kirk, CPA
Accounting and Finance Manager

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INTRODUCTORY SECTION



November 29, 2023

Honorable Members of the School Board of the County of York, Virginia and
Citizens of York County

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the York County School Division (hereafter “School Division” or “YCSD”), a component unit of the County of York, Virginia, for the fiscal year ending June 30, 2023 (FY 2023). State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of the fiscal year. This report has been prepared in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB) and the Auditor of Public Accounts of the Commonwealth of Virginia. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. All disclosures necessary to enable the reader to gain an understanding of the School Division’s financial activities have been included.

Generally Accepted Accounting Principles in the United States of America 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 the MD&A and should be read in conjunction with it. The School Division’s MD&A can be found immediately following the report of the independent auditor.

The ACFR is presented in four sections: introductory, financial, statistical, and compliance. The introductory section includes this transmittal letter, an organizational chart, and a list of principal officials. The financial section includes the MD&A, basic and fund financial statements, notes to the financial statements, required supplemental information (RSI) other than MD&A, as well as the independent auditor’s report on the financial statements and schedules. The statistical section includes selected financial and demographic information, presented on a multi-year basis, where possible. The compliance section includes reports by the independent auditor on compliance and internal control.

The School Division is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act Amendments of 1996. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor’s report, is included in the County of York’s ACFR.

Profile of the Reporting Entity and Organization

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 given the name of the then Duke of York. York County has played a major role in the development of the 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. York County (County) is located in the Virginia Coastal Plain on a peninsula formed by the James and York Rivers and the Chesapeake Bay. Situated midway between Richmond and Virginia Beach, the County’s residents help comprise one of the nation’s largest metropolitan areas, commonly referred to as Hampton Roads.

EMBRACE	•	ENGAGE	•	EMPOWER
Mark J. Shafer District 1		Brett Higginbotham District 2		James E. Richardson District 4
		Laurel M. Garrelts District 3		Sean P. Myatt District 5

The School Division is the 23rd largest of 132 school divisions in the Commonwealth of Virginia. Total enrollment in FY 2023 was 12,855 and the projected budgeted enrollment for FY 2024 is 12,881. Students are offered a broad range of services including regular education, special education, career and technical education, and gifted education. The oldest school building was built in the early 1950's and the newest school building was built in the mid 1990's. All school facilities undergo a complete renovation approximately every 20 years.

The elected five-member School Board, vested with legislative powers, appoints the Superintendent, the executive and administrative head of the public school division. The School Division is fiscally dependent (i.e., it does not have taxing, levying, or borrowing authority) and is a component unit of the County of York. It derives most of its funding from allocations from the County and the Commonwealth of Virginia. The County Board of Supervisors approves the School Division's operating budget, levies the necessary taxes to finance operations, and approves the borrowing of money and issuance of bonds when necessary. The Board of Supervisors is prohibited from exercising any control over specific appropriations within the operating budget of the School Division. However, the Board of Supervisors may exercise control in total by major categories (e.g., Instruction, Technology, Pupil Transportation) as prescribed by the Code of Virginia, as amended.

In accordance with the requirements of the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government (County of York) and its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable (e.g., a component unit that is fiscally dependent on the primary government). The School Division is considered a component unit of the County of York. This report includes all funds of the School Division. The School Division has no component units for financial reporting purposes.

Economic Outlook and COVID-19

The School Division is largely dependent upon the state (47% of total revenue), local (41% of total revenue) and federal (12% of total revenue) governments for its funding. Consequently, it is imperative to understand the impact of the economy as it relates to current and future funding.

For FY 2023, actual state revenues exceeded the forecast by \$1.5 billion. As a result, revenues were \$3.0 billion higher than was projected. However, the outlook for FY 2024 is concerning. The official revenue forecast anticipates a year-over-year decline in general fund revenues of 5.5 percent, including the impact of various tax policy actions adopted in 2022 and 2023, and reflecting the potential for an economic slowdown in the latter part of FY 2024. With the possibility of a recession in the second half of FY 2024, revenue growth is expected to moderate over the balance of the fiscal year.

On the local level, sales and historic triangle sales tax continue to increase and remain strong. Lodging and meals tax remain strong and are above the pre-pandemic level. The cigarette tax was allowed for counties by the prior year's General Assembly action in FY2022 and remains a strong revenue source. Regarding employment, the areas of most significant gains were Healthcare and Social Assistance, Scientific & Technical followed by Leisure & Hospitality services. The County's unemployment rate in 2023 remained the same as in 2022. The County's annual unemployment rate from the U.S. Bureau of Labor Statistics of 2.8% in June 2023 was more favorable than the Virginia Beach-Norfolk-Newport News, VA MSA of 3.0% and was comparable to the Commonwealth's civilian noninstitutional rate of 2.8%.

One particular area of concern that may impact the national and local economies is the expiration of federal stimulus funds. During the pandemic, states were provided billions of dollars in federal stimulus to help stabilize their economies. Local governments and School divisions were provided millions of dollars for construction, technology, to address learning loss, and provide mental health support in communities and schools. The majority of these funds are set to expire in September 2024. With the loss of these stimulus funds, it is expected that the economy will contract, and a recession may follow.

Economic Development

- **Organizational Restructuring:** As a result of the County's decision in December of 2021 to combine the Office of Economic Development and the Office of Tourism into a combined department, there has been a focus on leveraging strategic partnerships in an effort to capture regional benefits and opportunities related to tourism and economic development. The newly formed Department has used this focus to achieve goals that are not only directly related to the strategic priorities of York County's Board of Supervisors, such as quality of life and place-making, but also those related to the five pillars of health, education, environmental/recreational opportunities, social and cultural activities, and information/communications technology.
- **Regional Economic Development:** The site assessment and pre-engineering work was completed for the new solar array to be installed on a portion of the Kings Creek Commerce Center site. The Eastern Virginia Regional Industrial Facility Authority (EVRIFA) entered into an agreement for the completion of site assessment work, development of conceptual site layout options, and to begin the design of transportation and utility infrastructure plans, for the remaining portion of the Kings Creek Commerce Center property. Once completed, this work will provide EVRIFA with a substantial amount of information to assist with marketing the property and demonstrating the ability for a prospective project to quickly come to fruition on the site.
- **Hampton Roads Alliance:** York County continued to be an active participant in Hampton Roads Alliance activities during FY2023. Beyond engagement in the Alliance's recurring meetings, staff from York County participated in various subgroup meetings including the quarterly Business Retention Roundtable. In September of 2022, York County sent a representative as part of an Alliance marketing mission trip to the International Manufacturing Trade Show in Chicago, Illinois, where they were able to meet with site selection consultants along with business leaders from domestic and international firms to promote the benefits of locating facilities in Hampton Roads.
- **Commercial Development Activity:** In FY2023, commercial development in York County remained strong, despite the economic headwinds of increasing interest rates and ongoing supply chain challenges. Just over 1,400 commercial permits were issued in FY2023, with a total permit value of over \$103 million. While down from FY2022's numbers, mainly due to a substantial decrease in demolition permit values, the value of FY2023 permits was nearly double the permit value of FY2019 - the last full year prior to the pandemic-related drop and rebound cycle. In FY 2023, substantial construction was completed on two new industrial buildings located in Busch Industrial Park - one owned by Southport Holdings and the other by Perry Junction. Each building offers approximately 20,000 square feet of flex space in close proximity to I-64. The Southport Holdings property is capable of supporting an additional 35,000 - 40,000 square feet of industrial flex space development, which the developer intends to bring online in the next few years. Both spaces provide much needed industrial space in York County's portfolio of available facilities. In addition, the owner of Chilled Ponds Ice Sports Complex in Chesapeake completed acquisition of the former Iceplex facility in the Kiln Creek area of York County. In association with the acquisition, work began on an estimated \$3 million renovation of the facility that will upgrade and modernize the new Chilled Ponds Yorktown and allow the facility to be better positioned to operate in partnership with the Chesapeake facility to attract regional ice hockey tournaments.

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 and internal service 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

In fiscal year 2023, the School Division has adopted GASB Statement No. 96 ("GASB 96"), Subscription-Based Information Technology Arrangements (SBITAs). It provides guidance on the accounting and financial reporting for SBITAs. Additional information can be found on GASB 96 in Notes 1 and 9.

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.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also report on the County's compliance with federal requirements for each major program as well as on internal control over compliance pursuant to the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The reports of the independent auditors that relate specifically to the single audit are also included in the compliance section of this report.

Accounting System

In developing and evaluating the School Division's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide a 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; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the School Division's internal control structure adequately safeguards assets and provides reasonable assurance of the proper recording of financial transactions. The accounting system is organized and operated on a function basis. Each function, relating to a specific area of operation, includes a report of appropriations, expenditures, encumbrances, and fund balances for each line item appropriate for that function.

Budgetary Controls

The School Division's budgetary controls are an integral part of the School Division's internal control system. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board and County Board of Supervisors.

The School Board is required to submit an adopted budget to the County Board of Supervisors by April 1 of each year for the fiscal year beginning July 1. The School Board determines how resources are allocated by fund and major categories (e.g., instruction, technology, operations, and transportation). The County adopts the School Division's budget on a lump sum basis for funding.

The annual budget is controlled at certain legal, as well as administrative levels. The legal level is placed at the individual fund level and the administrative controls are placed at the commitment item group for each office and school within a fund. The Superintendent or designee may transfer resources within major categories as needed. However, the Superintendent must seek approval from the School Board to transfer funds from one major category to another.

Activities of the General Fund, Special Revenue Fund, and Internal Service Fund are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Fund.

The County and School Board maintain an encumbrance accounting system as a technique of accomplishing budgetary control. Expenditure commitments, including purchase orders and contracts, are encumbered to ensure funds have been reserved and will be available when payment is due. Unspent appropriations for all encumbrances, including major capital projects, roll forward to the next fiscal year. The County serves as the purchasing agent for the School Board and ensures that all procurements are in compliance with purchasing regulations and all bid awards and contracts are properly approved.



Major Initiatives

In FY 2022, the School Board adopted a new 5-year Strategic Plan for FY 23-27. The Strategic Plan serves as a roadmap for the School Board and division administration to plan for the success of York County's public schools. Through this plan, the School Board sets the vision, mission and core values along with division's priorities for the next five years. Division staff then develop the strategies and leading indicators used to assess our progress in meeting these priorities. As a dynamic plan meant to be reviewed regularly, we expect strategies and actions to evolve to stay current and relevant in an ever-changing world.

Vision

Together, we inspire all students and staff to explore paths leading to personal and collective success.

A vision statement depicts the future state an organization aspires to achieve. Our vision is intended to create a mental image of a school system that values individuality in how we approach and define achievement to ensure our students, staff and the division thrive in an ever-changing world.

Mission

Ensure every student is valued, supported, and challenged through learning experiences, which prepare them for a successful future.

A mission statement defines an organization's fundamental purpose and scope of work. Our mission communicates whom, how and why we serve to guide the decisions and actions of our staff and School Board.

Core Values

Core values are the essential and enduring tenets of an organization. These tenets guide behavior, help shape culture, and support the planning, decision-making, and work responsibilities of an organization.

Our core values - engagement, safety, growth, integrity, and innovation - reflect the division's fundamental commitment, to serve our community with excellence. The division's values are further reflected in our logo, the YCSD star. For centuries, travelers have used stars to guide their path just as our core values help us navigate our path forward. Stars are also widely recognized as symbols of inspiration and excellence.

- Engagement: Cultivate meaningful, collaborative relationships with students, families, staff, and community members.
- Safety: Provide safe, secure, and caring environments that support the whole child.
- Growth: Invest in supports and resources so students and staff can realize their individual potential.
- Integrity: Demonstrate mutual trust and respect by acting honestly and ethically.
- Innovation: Foster creativity, critical thinking and problem-solving to support new ideas and solutions that advance progress.

Our plan is shaped around four strategic priorities. To meet these priorities, our Instruction, Finance, Operations, Human Resources, and school-based team members must work cohesively and hold each other accountable for achieving what we have set out to do.

- **Collective Commitment:** Students, staff, families and community members are invested in student outcomes and actively engaged in meaningful, collaborative relationships to support student success.
- **Highly Effective Talent:** Attract and retain highly skilled, compassionate, diverse, and committed team members by providing personalized and differentiated pathways for professional growth, improvement, and advancement.
- **Supportive Culture:** Provide safe, welcoming and caring environments in which all students and staff have a sense of belonging and purpose.
- **Future Ready Graduates:** Students will acquire knowledge, skills, habits, and traits necessary for success in future educational experiences, the workforce, and life.

Instructional Leadership Awards

The Virginia Board of Education recognized the YCSD as one of the first “School Divisions of Innovations” in the state. Divisions are selected for designing and implementing alternatives to traditional instructional practices and school structures that improve learning and promote college and career readiness, and good citizenship. The designation is retained for three years.

YCSD earned its designation as a School Division of Innovation for developing elementary and middle school high-tech makerspaces and a high school learning commons as well as for expanding science, technology, engineering, and mathematics (STEM) programs with a particular focus on computer science and engineering.

In FY 2023, YCSD was recognized by Niche.com,Inc. as the best school division in the region and number three in the state. Niche.com,Inc. also recognized York County teachers as best in the region and number two in the state.

YCSD received the 2023 STEM Innovation Award from the Virginia Department of Education. YCSD was recognized for implementing a program in 14 elementary and middle schools that provides a STEM-focused curriculum, makerspaces, summer enrichment camps, career exploration, STEM-related club activities, teacher professional learning and access to STEM professionals.

Within the School Division, 18 have been awarded as Purple Star Schools. This award honors schools that demonstrate a commitment to meeting military families’ needs, while also providing resources and programming related to transitions and academic planning. Approximately 32% of all YCSD students have at least one parent serving in the military.

Tabb Elementary School was awarded a 2022 Blue Ribbon School. Tabb Elementary ranks in the top 15% of all schools in Virginia in both reading and math along with their subgroups placed in the top 40% of all schools for reading & math. Only 7 schools in Virginia and 297 schools in the nation received this honor.

The School Division was awarded the 2023 Best Community for Music Education by the National Association of Music Merchants (NAMM) Foundation. This recognition was given to 830 school divisions nationwide and 19 in Virginia in 2023.

Financial Reporting Certificate Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the York County School Division for its ACFR for fiscal year 2022. In addition, the Association of School Business Officials of the United States and Canada (ASBO) awarded a *Certificate of Excellence in Financial Reporting* to the York County School Division for its ACFR for fiscal year 2022. In order to be awarded a Certificate of Achievement from the GFOA or a Certificate of Excellence from ASBO, a governmental entity must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate is the highest form of recognition awarded in the field of governmental financial reporting.

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

Budget Presentation Awards

The ASBO presented a *Meritorious Budget Award* to the York County School Division for its annual budget for the fiscal year beginning July 1, 2022. This program is designed to recognize school systems for achieving excellence in their school system budget presentation. The foundation of this program is a set of criteria developed by ASBO.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated service of the entire finance staff of the School Division and without the coordination and collaborative efforts with the finance staff of York County. We would also like to thank the members of the School Board for their interest and support in planning and conducting the financial operations of the School Division in a responsible and progressive manner.

Respectfully submitted,

Victor D. Shandor

Victor D. Shandor, Ed.D.
Division Superintendent

William B. Bowen, Sr.

William B. Bowen, Sr.
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**York County School Division
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING –
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL
June 30, 2023**



**The Certificate of Excellence in Financial Reporting
is presented to**

York County School Division

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'John W. Hutchison', written over a horizontal line.

**John W. Hutchison
President**

A handwritten signature in black ink, appearing to read 'Siobhán McMahon', written over a horizontal line.

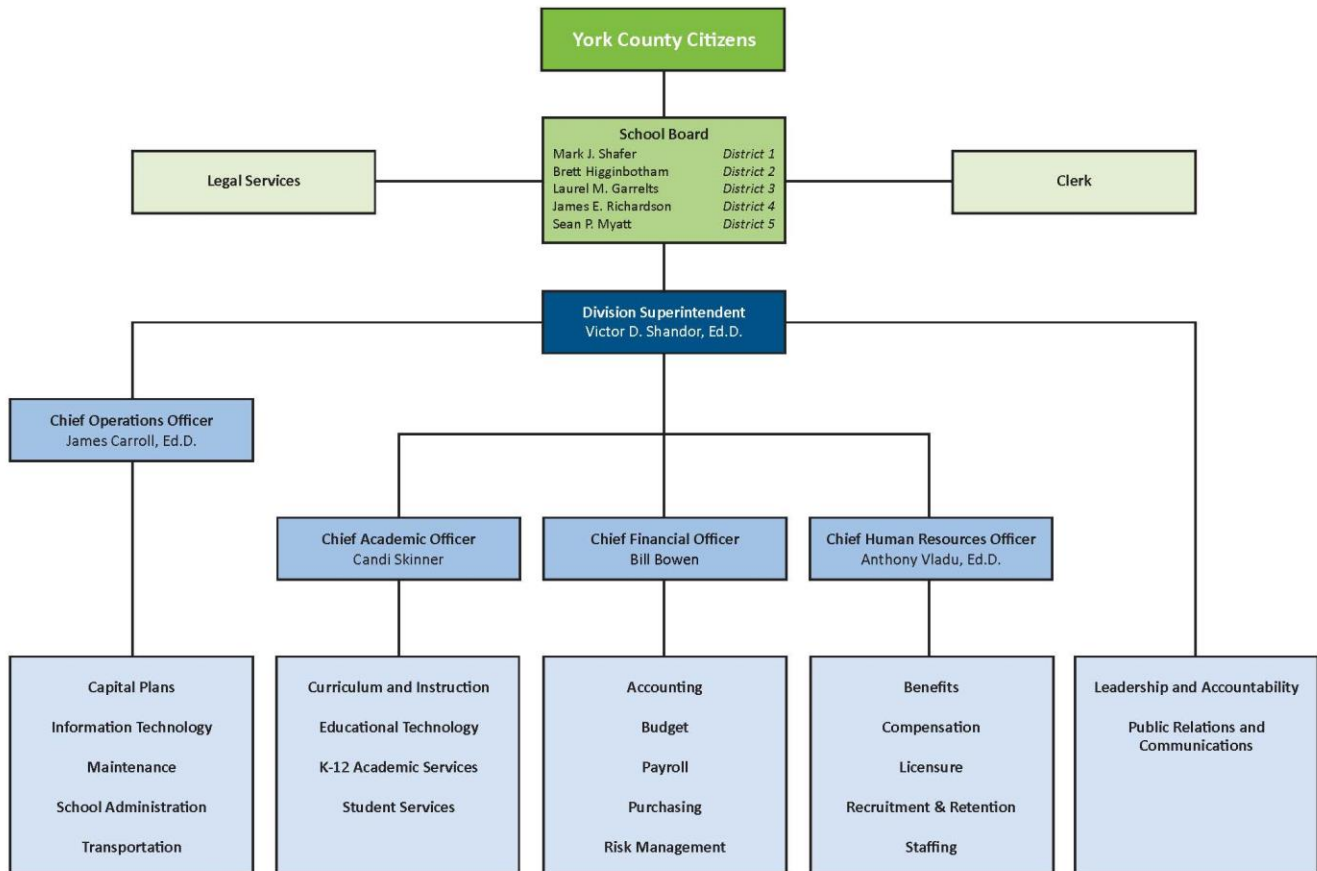
**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**ORGANIZATIONAL CHART
June 30, 2023**

YORK COUNTY SCHOOL DIVISION ORGANIZATIONAL CHART FY2023

Effective July 1, 2022



YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
June 30, 2023

SCHOOL DIVISION BOARD MEMBERS

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

SCHOOL OFFICIALS

Superintendent of Schools	Dr. Victor D. Shandor
Chief Academic Officer	Candi Skinner
Chief Financial Officer	William Bowen
Chief Human Resources Officer	Dr. Anthony Vladu
Chief Operations Officer	Dr. James Carroll
Director of School Leadership	Dr. David Reitz
Director of Information Technology	Douglas E. Meade
Director of School Administration	Dr. Aaron Butler
Director of Curriculum and Instruction	Dr. Karen Cagle
Director of Student Services	Christy Morgan

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the
School Board
York County School Division
York County, Virginia

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the York County School Division (the "School Division"), a component unit of the County of York, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School Division's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Division, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School Division and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Notes 1 and 9 to the financial statements, in 2023, the School Division adopted new accounting guidance, GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Division's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Report on the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School Division's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the School Division's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, 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.

Report on the Financial Statements (Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Division's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2023, on our consideration of the School Divisions' 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 School Divisions' 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 School Division's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
November 29, 2023

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023**

The discussion and analysis of the York County School Division's (hereafter School Division) financial performance provides an overall review of the School Division's financial activities for FY 2023. The intent of this discussion and analysis is to look at the School Division's financial performance as a whole; readers should also review the transmittal letter at the front of this report and the School Division's financial statements and notes to the basic financial statements which immediately follow this section, to enhance their understanding of the School Division's financial performance.

Financial Highlights

- The School Division maintained a healthy net position of \$113.6 million. The value of net position reflects the financial health of the School Division and includes certain assets procured with debt issued by the County of York. The School Division is a component unit of, and fiscally dependent on, the County of York. As such, all debt related to School Division assets are shown on the County's Statement of Net Position.
- For the governmental funds, General Fund revenues accounted for \$168.6 million or 84.1% of all revenues, and expenditures were \$168.7 million or 86.5% of all expenditures, compared to \$152.7 million (91.4%) in revenues and \$152.7 million (88.2%) in expenditures in FY 2022.
- Food Services ended the fiscal year with a fund balance of \$5.8 million, a decrease of \$124 thousand from the beginning of the year fund balance. School Division operations staff and a food service management company closely monitor revenues and expenditures during the fiscal year. For FY 2023, the slight decrease in fund balance is attributed to the US Department of Agriculture's (USDA) decision to end the free breakfast and lunch program that was instituted during the COVID-19 pandemic. Since the pandemic, enrollment from FY 2020 to FY 2023 increased by 611, and participation in the food service program has remained strong. The School Division is required to maintain three (3) months of reserves in the food service fund. Funds held in excess of the required reserves are used to replace cafeteria equipment and supplies.

Using This Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report consists of four sections: introductory, financial, statistical, and compliance.

As illustrated in Figure A-1, the financial section of this annual report consists of three parts: *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

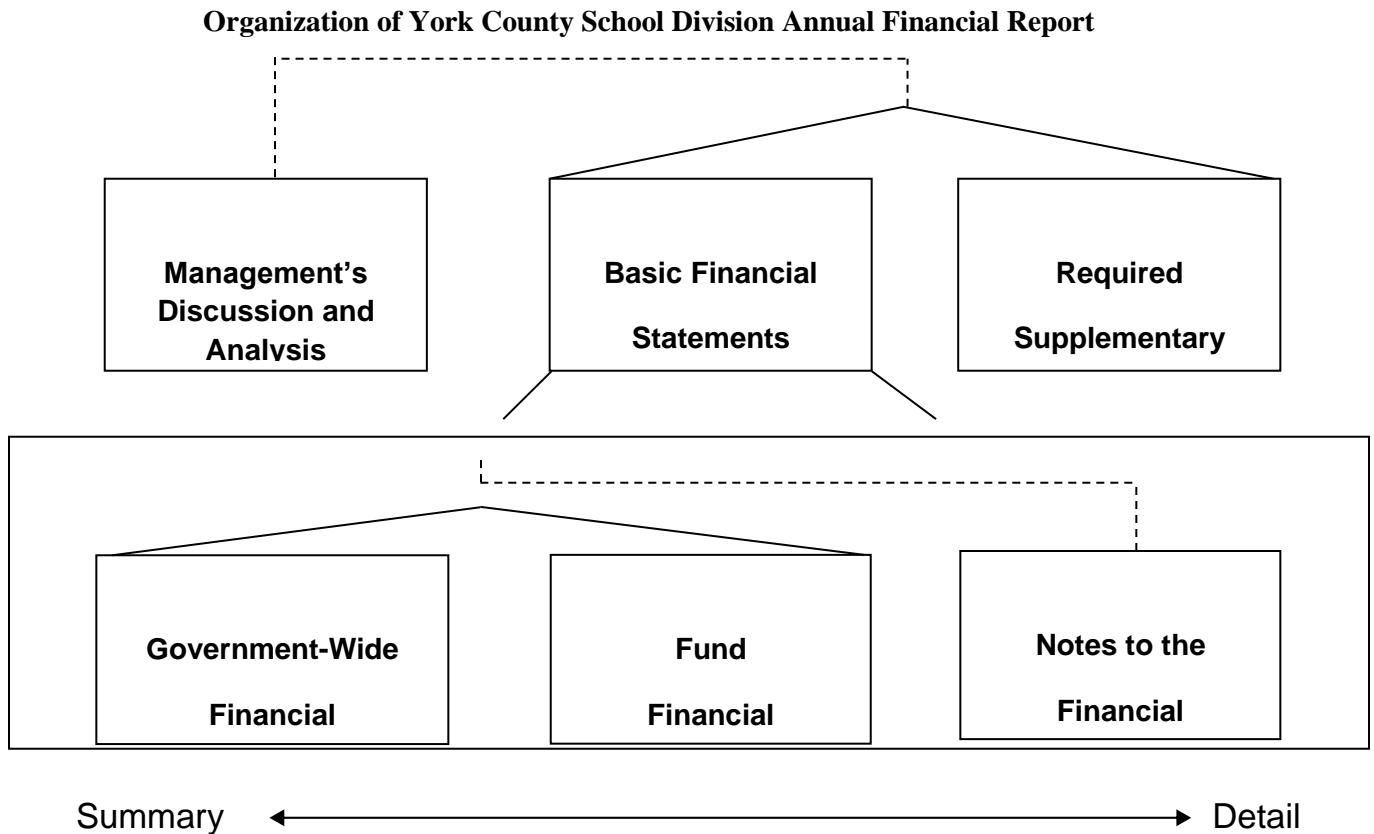
Using This Annual Comprehensive Financial Report (*Continued*)

The basic financial statements include three kinds of statements that present different views of the School Division.

- The first two statements are *Government-wide financial statements* that provide both *short-term* and *long-term* information about the School Division’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School Division, reporting the School Division’s operations in *more detail* than the School Division-wide statements.
- The *governmental funds statements* tell how basic services, such as regular and special education, were financed in the *short-term* as well as what remains for future spending.
- The *proprietary funds statements* offers short-term and long-term financial information about the activities that the school division operates like businesses.
- *Fiduciary funds* statements provide information about the financial relationships in which the School Division acts solely as a *trustee or custodian*.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the financial statements with a comparison of the School Division’s budget for the year. Figure A-1 shows how the various parts of the annual report are arranged and related to one another.

FIGURE A-1



**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023**

Using This Annual Comprehensive Financial Report (Concluded)

Figure A-2 summarizes the major features of the School Division's financial statements, including the portion of the School Division's activities they cover and the types of information they contain. The remainder of the overview section of the MD&A highlights the structure and contents of each of the financial statements.

FIGURE A-2

Major Features of the Government-Wide and Fund Financial Statements				
	Government-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School Division (except fiduciary funds)	The activities of the School Division that are not proprietary or fiduciary, such as special education and building maintenance	Activities the School Division operates similar to private businesses; self-insurance, health insurance	Instances in which the School Division administers resources on behalf of someone else, such as pensions and OPEB trust.
Required Financial Statements	*Statement of Net Position *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures, and Changes in Fund Balances	*Statement of Fund Net Position *Statement of Revenues, Expenses, and Changes in Fund Net Position *Statement of Cash Flows	*Statement of Fiduciary Net Position *Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023**

Government-Wide Statements

The Government-wide statements report information about the York County School Division as a whole using accounting methods similar to those used in private-sector companies. While this document contains a number of funds used by the School Division to provide programs and activities, the view of the School Division, as a whole, looks at all financial transactions and asks the question, “How did we do financially during FY 2023?” The Statement of Net Position and the Statement of Activities answer this question. These statements report all of the assets and liabilities using the accrual basis of accounting. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

The two Government-wide statements report the School Division’s *net position* and how they have changed. Net position - the difference between the School Division’s assets plus deferred outflows and liabilities plus deferred inflows - are only one way to measure the School Division’s financial health or position.

- Over time, increases or decreases in the School Division’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the School Division, additional non-financial factors may also be relevant, such as changes in the County tax base, the condition of school buildings and other facilities, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the School Division reports only activities related to governmental-type activities, since it has no business-type activities. The School Division’s governmental-type activities include instruction, administration/attendance and health, transportation, operations and maintenance, technology, food service, and interest on long-term liabilities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School Division’s most significant or “major” funds. Funds are accounting devices that the School Division uses to help keep track of specific sources of funding and spending for particular purposes.

The School Division has three types of funds:

- *Governmental Funds:* Most of the School Division’s activities are reported in governmental funds, which focus on how much money flows into and out of those funds and the balances remaining at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the School Division’s general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer resources that can be spent in the near future to finance educational programs. Because the governmental funds information does not encompass the additional long-term focus of the School Division-wide statements, additional information has been added in the form of a reconciliation between the total fund balances of the governmental funds and the total net position of the School Division-wide activities.
- *Proprietary Funds:* Proprietary funds are reported on a full accrual basis and economic resources focus. The School Division uses one internal service fund (a type of proprietary fund) to report activities that provide health and dental services for the School Division.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Fund Financial Statements (Continued)

- *Fiduciary Funds:* The School Division is trustee or fiduciary for the York County School Board Benefit and Pension Trust Fund. All of the fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. These activities are excluded from the School Division-wide statements because the School Division cannot use these assets to finance its operation.

Financial Analysis of the School Division as a Whole

Net Position

The condensed Statement of Net Position below describes the financial position of the School Division on June 30, 2023. The School Division's financial position remained stable during FY 2023. The largest portion of the School Division net position reflects its investment in capital assets (buildings, land, equipment, and construction-in-progress). Net investment in capital assets accounts for 160% of the total net position and has increased by \$9.2 million since June 30, 2022. As a component unit (School Division) in Virginia, the School Division does not have the authority to issue debt. All debt, other than debt acquired through financed purchase arrangements or lease/subscription contracts, is issued by the County of York and, therefore, is shown as a liability on its Statement of Net Position. In years where there are substantial additions to capital assets that are funded through the issuance of County debt, the School Division will have substantial increases in net position invested in capital assets, net of related debt. A more detailed discussion on debt is contained in a later section entitled "Outstanding Long-Term Debt."

The other components of net position are restricted net position and unrestricted net position. Restricted net position represents those resources that have externally imposed constraints on their use. At the end of the fiscal year, the restricted net position amounted to \$12.4 million, which represents cash restricted for food service, school activity funds, OPEB, and pension. Unrestricted net position are those resources that may be used to meet the obligations placed on the School Division by its creditors and to pay for ongoing operations of the School Division. At the end of the fiscal year, unrestricted net position (deficit) amounted to (\$81.1 million), a positive increase of \$28.7 million from June 30, 2022. The deficit is a result of the continued impact of pension and OPEB liability reporting.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Financial Analysis of the School Division as a Whole (Continued)

Net Position (Continued)

Condensed Statement of Net Position			
(in millions)			
	Governmental Activities 2023	Governmental Activities 2022	Total Percentage Change
Assets			
Current and other assets	\$ 47.1	\$ 42.7	10.3%
Capital assets	184.4	174.5	5.7%
Total assets	<u>231.4</u>	<u>217.2</u>	6.5%
Deferred outflows of resources			
Pension and OPEB costs	<u>25.5</u>	<u>30.3</u>	-15.8%
Total liabilities			
Current liabilities	12.1	21.6	-44.0%
Long-term liabilities	<u>101.5</u>	<u>86.3</u>	17.6%
Total liabilities	<u>113.6</u>	<u>107.9</u>	5.3%
Deferred inflows of resources			
Pension, OPEB & lease costs	<u>29.7</u>	<u>62.8</u>	-52.7%
Net position			
Net investment in capital assets	182.3	173.2	5.3%
Restricted	12.4	13.4	-7.5%
Unrestricted (deficit)	<u>(81.1)</u>	<u>(109.8)</u>	-26.1%
Total net position	<u>\$ 113.6</u>	<u>\$ 76.8</u>	47.9%
Note: Totals may not add due to rounding.			

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Financial Analysis of the School Division as a Whole (Continued)

Net Position (Continued)

The following table summarizes the changes in the School Division's net position for FY 2023, as compared with FY 2022.

Changes in Net Position (in millions)			
	Governmental Activities 2023	Governmental Activities 2022	Total Percentage Change
Revenues			
Program revenues			
Charges for services	\$ 3.9	\$ 1.0	290.0%
Operating grants and contributions	96.5	91.3	5.7%
Capital grants and contributions	4.7	0.5	840.0%
General revenues			
County	73.9	55.2	33.9%
Shared intergovernmental revenues	17.5	17.4	0.6%
Miscellaneous revenues	3.3	2.5	32.0%
Total revenues	<u>200.2</u>	<u>167.9</u>	19.2%
Expenses			
Instruction	117.9	109.5	7.7%
Administration/attendance and health	8.4	8.4	0.0%
Transportation	8.2	8.5	-3.5%
Operations and maintenance	11.9	12.3	-3.3%
Technology	10.6	9.1	16.5%
Food service	6.3	6.6	-4.5%
Total expenses	<u>163.3</u>	<u>154.4</u>	5.8%
Change in net position	36.9	13.5	173.3%
Net position - beginning of year, restated	<u>76.8</u>	<u>63.3</u>	21.3%
Net position - end of year	<u><u>\$ 113.6</u></u>	<u><u>\$ 76.8</u></u>	47.9%
Note: Totals may not add due to rounding.			

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

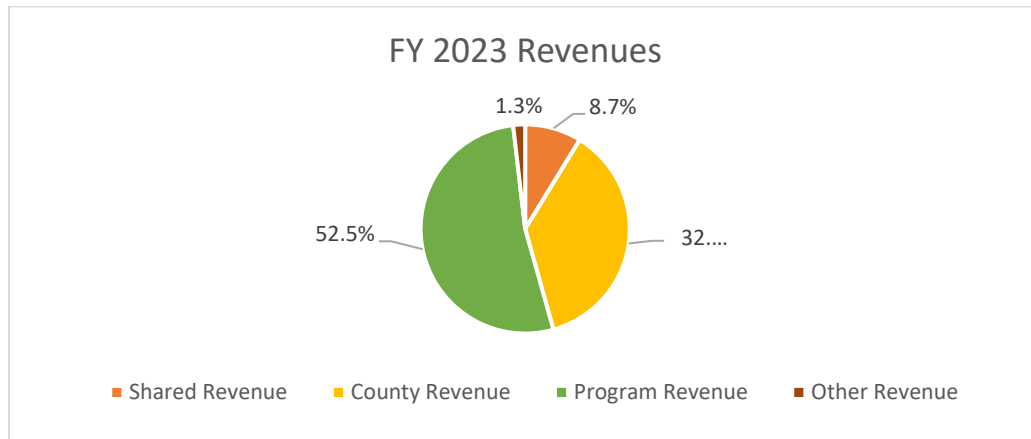
Financial Analysis of the School Division as a Whole (Continued)

Changes in Net Position

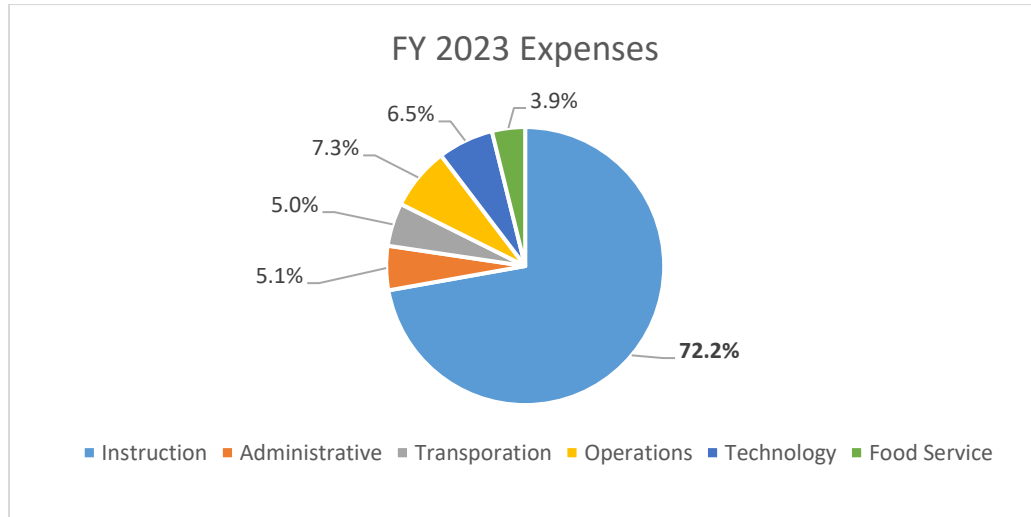
For FY 2023, revenues from governmental activities totaled \$200.2 million. State and federal revenue for operating grants and contributions account for 48.2% of the School Division's resources as compared to 55.7% for FY 2022. This includes state funding for meeting the Standards of Quality and federal impact aid. Revenues from the County totaled \$73.9 million or 36.9% of the total revenues as compared to \$55.2 million or 32.6% for FY 2022. The increase in County funding is a result of an increase in appropriation for operations for FY 2023, the reappropriation of the School Division's end-of-year fund balance from FY 2022, the County's decision to provide a mid-year appropriation for a 1% raise for County and School Division employees, and an increase in capital funding.

The total cost of all programs was \$163.3 million in FY 2023. Instruction made up 72.2% of the total costs for the School Division in FY 2023 and 70.9% in FY 2022. The School Division's operations and maintenance activities accounted for 7.3% of total costs for FY 2023 and 8.0% for FY 2022 while administration/attendance and health amounted to 5.2% of total costs for FY 2023 and 5.5% in FY 2022.

For FY 2023, revenues exceeded expenses by a total of \$36.9 million. A substantial portion of the difference in net position results from (1) Charges for services increased by \$2.2 million as a result of the USDA's decision to eliminate the free breakfast/lunch program in FY 2022, (2) the one-time state appropriation of school construction funding totaling \$4.1 million in FY 2023, (3) the increase in state operational funding and ESSER federal funding for FY 2023 totaling \$5.2 million (net), and (4) an increase in County operational and capital funding, and the reappropriation of the School Division's FY 2022 year-end fund balance all totaling \$18.7 million.



YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023



YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Governmental Activities

The three primary sources of revenue for the School Division are from the County of York, the Commonwealth (State) of Virginia, and the United States Department of Education. State and federal government funding is included in total program revenues. Funding from the County is provided by the York County Board of Supervisors.

State funding is provided through a formula that calculates the State share of the cost of education, as determined in the Standards of Quality, including basic aid and categorical funds. Sales tax (Shared Intergovernmental Revenue) revenue totaled \$17.5 million in FY 2023.

Federal funding comes to the School Division from federal grants and impact aid. Impact aid is designed to reimburse school districts for the loss of revenue due to the presence of the federal government. This is an important source of revenue to the School Division since the federal government does not pay property taxes. In FY 2023, the School Division received \$9.7 million in Impact Aid funding, an increase of \$1.2 million from FY 2022. Impact Aid revenues exceeding \$8.7 million in a fiscal year are transferred to the Revenue Stabilization Reserve Fund for future use. Use of the Revenue Stabilization Funds requires the approval of both the County Board of Supervisors and the School Board.

The following table shows, for government-type activities, the total cost of services and the net cost of services. The net cost of services reflects the support to be provided by tax revenue, state aid, and federal aid not restricted to specific programs.

Net Cost of Governmental Activities				
(in millions)				
	Total Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2023	Net Cost of Services 2022
Instruction	\$ 117.9	\$ 109.5	\$ 19.9	\$ 26.9
Administration/attendance and health	8.4	8.4	8.4	8.4
Transportation	8.2	8.5	8.0	8.4
Operations and maintenance	11.9	12.3	11.9	11.7
Technology	10.6	9.1	10.0	8.6
Food service	6.3	6.6	-	(2.5)
	<u>\$ 163.3</u>	<u>\$ 154.4</u>	<u>\$ 58.3</u>	<u>\$ 61.5</u>

Note: Totals may not add due to rounding.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023**

Significant Changes in Governmental Activities Include:

- The cost of all governmental activities was \$163.3 million. This is an increase of \$8.9 million from the previous year. The increase can be attributed to the increase in state and local funding to support a 7.5% compensation increase for licensed employees and 6.5% for non-licensed employees, an increase in spending on summer academy, mental health programs, learning loss and technology, which were supported by the federal ESSER funds.
- The net cost of governmental activities was \$58.3 million. This is a decrease of \$3.3 million from the previous year. The decrease can be attributed to the one-time revenue of \$4.1 million provided by the state for capital construction in FY 2023.
- The federal and state governments subsidized certain programs with operating and capital grants and contributions of \$101.2 million. This is an increase of \$9.4 million from the previous year. The increase is attributed to the one-time state appropriation of construction funding totaling \$4.1 million, the increase in state funding for FY 2023 to support a compensation increase, and the increase in the spend down of federal ESSER funds. ESSER funds will continue to be spent down through September 2024.
- Most of the School Division's net cost of services of \$58.3 million was funded by the County and state taxpayers.

Financial Analysis of the School Division's Funds

The strong financial performance of the School Division is also reflected in its major governmental funds.

As the School Division completed the year, the General Fund reported a fund balance of \$3.0 million, or a \$1.8 million decrease from the fund balance reported for FY 2022. The decrease in fund balance for the General Fund is a result of (1) the School Division having fewer unfilled positions than the previous year and (2) the School Division receiving approximately \$1.5 million less than what was anticipated from the state due to an error in the state's funding formula that impacted all school divisions and the state's inflated projection of sales tax revenue.

The Technology Reserve Fund was established in late FY 2020 to support the School Division's one-to-one technology program. The reported fund balance at the end of FY 2023 was \$6.0 million, an increase of \$3.6 million. The increase is attributable to the County's reappropriation of the School Division's FY 2022 year-end fund balance totaling \$4.9 million. The priority will be to continue to increase the balance of the Technology Reserve Fund in order to be prepared for the scheduled replacement of student devices.

The Capital Projects Fund reported a fund balance at the end of FY 2023 of \$1.2 million or a \$3.5 million increase from the fund balance reported for FY 2022. The change in fund balance in FY 2023 was due to the timing of reimbursements from bond proceeds.

The Food Service Fund reported a fund balance of \$5.8 million at the end of FY 2023, representing a \$0.1 million decrease from the FY 2022 reported fund balance. School Division's with outsourced food service programs are required to maintain three (3) months of operational reserves, or approximately \$1.5 million. However, during the pandemic, the U.S. Department of Agriculture's decision to cover the cost of all student meals in FY 2021 and FY 2022 led to an increase in student participation and a significantly higher fund balance. The School Division is working to reduce its fund balance by replacing outdated cafeteria equipment and furniture.

The non-major governmental fund represents the Student Activity Funds. The fund reported a balance at the end of FY 2023 of \$1.9 million or a \$0.2 million increase from the fund balance reported for FY 2022.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

General Fund Budgetary Highlights

The School Division’s budget is prepared in accordance with Virginia School Laws. The most significant budgeted fund is the General Fund. During the course of FY 2023, the School Division amended its general fund budget as follows:

- State revenue was increased by \$45,953 to account for miscellaneous adjustments to state programs.
- Federal revenue was increased by \$2,405,378 to account for the award of two new grants (1) NOAA Environmental Science grant for \$225,000 and (2) Department of Defense - Foreign Language grant for \$2,000,000. Federal stimulus funds will be used to continue to address learning loss, mental health support, students with disabilities, saving jobs, and technology through September 2024.
- Most major budget expenditure categories were amended to accommodate changes in programs and services.

The actual results for the year show a net change in fund balance of \$1.8 million. General Fund revenues were \$168.6 million or 10.5% higher in FY 2023 as compared to FY 2022. Federal revenue increased \$3.0 million or 16.4% in FY 2023 as compared to the previous fiscal year. General Fund actual expenditures for FY 2023 were \$8.8 million less than the final budgeted amount. Significant factors contributing to the variance include:

- Outstanding encumbrances on June 30, 2023, are not reflected in the budget comparison schedule.
- Portions of state and federal grants were carried forward to FY 2023.
- Personnel savings due to vacant positions, staff on leave without pay, and personnel attrition.
- Managed savings in numerous budget accounts.

Proprietary Funds

The School Division’s internal service fund, a proprietary fund type, is presented on the same basis as the government-wide financial statements but is presented in more detail in the fund financial statements. FY15 was the first year of operation for the fund. As of June 30, 2023, the ending net position of the fund was \$4.2 million. The actual results for the year show a net change in fund balance of \$5.5 million. Charges for services totaled \$25.4 million and payments for contractual services totaled \$20.2 million.

Capital Assets

At the end of FY 2023, the School Division had \$184.4 million invested in furniture and equipment, land, buildings, and construction-in-progress in governmental-type activities, which represents an increase of \$9.8 million or 5.6% over FY 2022. The significant increase attributed to the construction-in-progress of Seaford Elementary School. This is two-year project totaling more than \$20 million. The project will be completed in early FY 2024. The following table displays FY 2023 and 2022 balances, net of accumulated depreciation. More detailed information about capital assets can be found in Note 5 to the financial statements.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Capital Assets, net of depreciation			
(in millions)			
	Governmental Activities 2023	Governmental Activities 2022	Total Percentage Change
Land	\$ 4.8	\$ 4.8	0.0%
Construction in progress	33.0	20.5	61.0%
Depreciable capital assets	146.5	149.2	-1.8%
Total	\$ 184.3	\$ 174.5	5.6%

Major Capital Asset Additions for FY 2023 Included:

- Completed the Bruton High football field at a cost of \$1,155,933
- Completed the Tabb Elementary playground repair at a cost of \$287,634
- Completed gym renovations at Queens Lake Middle at a cost of \$263,949
- Completed the security vestibule at Queens Lake Middle at a cost of \$27,854
- Completed gym renovations at Bruton High at a cost of \$206,483
- Completed maintenance building electrical upgrade at a cost of \$55,314
- Completed the York High new front entrances at a cost of \$76,196

The Following Major Capital Projects are Included in the School Division's FY 2024 Capital Budget:

- Phase I and II of the renovation and addition to Seaford Elementary School
- Replace and coat the low slope roof at York High School
- Replace the HVAC and system controls at Mt. Vernon Elementary School
- Replace the HVAC and system controls at Tabb Middle School

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023

Outstanding Long-Term Debt

School Divisions in the Commonwealth of Virginia are fiscally dependent, in that they do not have the taxing authority or borrowing authority and rely upon appropriations from the County/City. Therefore, all debt required for capital projects for the School Division is incurred by the County. As a result, the County of York government retains the liability for the portion of general obligation bonds issued to fund capital projects for the School Division. For additional information on the long-term liabilities of the school division please refer to Note 6 to the financial statements.

Factors Influencing Future Budgets

The FY 2024 budget provides the following significant costs and budget reductions:

- For FY 2024, the School Division added 12 new security officer positions at the secondary level to address ongoing challenges with student behavior and to provide added levels of security at school sponsored events. In October 2024, the School Board approved adding 6 additional behavior support technicians at the elementary level to address challenges with student behavior.
- As of October 2023, state officials have indicated that the current economy is showing signs of slowing down. Furthermore, the state is predicting a recession in calendar year 2024, which could affect fiscal years 2024 and 2025. The state provides approximately 53% of all funding for the School Division. Any recession will certainly have an impact on the budget.
- A top budget priority as noted by staff and administrators continues to be employee compensation. The School Division provided a 7.5% raise to all teachers and para-educators and a 6.5% raise for all other employee groups in FY 2023, and 5% compensation increase for FY 2024. It is uncertain at this time whether the School Division can continue significant raises in the near future.
- Mandated costs for FY 2024 include employer increases to the health insurance plan totaling more than \$1 million, an increase to the New Horizons Regional Education Center, and a change to the State Standards of Quality that required an additional school counselor and media specialist.
- As of July 1, 2023, the School Division has received more than \$21.5 million in pandemic stimulus funds. More than 50% of the funding has been spent with the primary focus on learning loss, mental health, and special education support. Additional funding was provided for school HVAC replacement/upgrades. Under the current rules, all stimulus funding will expire September 2024, with the exception of construction funding, which expires December 2024.
- The School Division relies on the local government for funding major capital projects in the Capital Improvements Program (CIP). Since late 2021, we have experienced a 30-40% increase in costs for labor and materials. This has resulted in many project bids exceeding the budget. Continued cost increases will result in projects being postponed or moved out to future years.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2023**

At the time these financial statements were prepared and audited, the School Division was aware of the following existing circumstances that could significantly affect its financial health in the future.

- On December 20, 2023, the Governor will release his budget amending the FY 2024 budget and introduce budgets for FY 2025 and FY 2026. In July 2023, the Joint Legislative Audit and Review Commission (JLARC) released a report on the state funding for K-12 education. The report detailed areas where the state was deficient in funding. School Divisions remain hopeful that the Governor and General Assembly will begin to address these issues during the next session beginning January 2024. The Governor has indicated that he is proposing additional tax cuts/rebates for FY 2025. This action could significantly reduce the state funding available to address teacher compensation, school construction and the JLARC report. State officials are noting a slowing down of the Virginia economy, which will impact K-12 funding. Fortunately, the state reserve funds are at their highest levels in history and should be able to support educational mandates through a very mild recession.
- The majority of federal stimulus for the School Division will expire September 2024. The impact on other federal programs is unknown at this time. The federal government will be considering the budget for Impact Aid for FY 2024 during the next Congressional session. There is concern that further reductions to the Impact Aid program will be made, which will limit the School Division's ability to support our military-connected students and families.

Contacting the York County School Division's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, parents, students, and creditors with a general overview of the School Division's finances and to show the School Division's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at York County School Division, 302 Dare Road, Yorktown, Virginia, 23692, and (757) 898-0449.

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BASIC FINANCIAL STATEMENTS

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents (Note 2)	\$ 25,687,879
Receivables:	
Other receivables	132,468
Due from the County of York, Virginia (Note 3)	4,243,919
Due from other governments	5,501,964
Prepaid expenses	90,000
Net pension asset (Note 10)	1,017,763
Net OPEB asset (Note 11)	3,707,725
Lease receivable (Note 8)	6,666,396
Lease interest receivable (Note 8)	12,754
Capital assets (Note 5):	
Nondepreciable	37,867,684
Depreciable, net	146,487,230
Total assets	<u>231,415,782</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension (Note 10)	21,396,887
Deferred outflows of resources - OPEB (Note 11)	4,149,101
Total deferred outflows of resources	<u>25,545,988</u>
LIABILITIES	
Vouchers and accounts payable	4,076,573
Deposit payable	848
Retainage payable	959,218
Salaries, taxes, and benefits payable	6,733,356
Unearned revenues	285,778
Accrued interest	4,046
Long-term liabilities, due within one year (Note 6)	4,287,762
Long-term liabilities, due in more than one year (Note 6)	97,244,551
Total liabilities	<u>113,592,132</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension (Note 10)	20,338,520
Deferred inflows of resources - OPEB (Note 11)	2,949,801
Deferred inflows of resources - leases (Note 8)	6,436,686
Total deferred inflows of resources	<u>29,725,007</u>
NET POSITION	
Net investment in capital assets	182,323,332
Restricted:	
Food service	5,754,435
School activity funds	1,894,856
OPEB	3,707,725
Pension	1,017,763
Unrestricted (deficit)	<u>(81,053,480)</u>
Total net position	<u><u>\$ 113,644,631</u></u>

The Notes to Financial Statements are an integral part of this statement.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
PRIMARY GOVERNMENT					
Governmental Activities:					
Instructional	\$ 117,906,208	\$ 1,430,809	\$ 92,426,456	\$ 4,100,902	\$ (19,948,041)
Administrative, attendance, and health services	8,437,113	-	-	-	(8,437,113)
Transportation	8,198,470	-	152,905	-	(8,045,565)
Operations and maintenance	11,873,443	-	-	-	(11,873,443)
Technology	10,591,981	-	-	597,189	(9,994,792)
Food services	6,316,272	2,487,004	3,874,923	-	45,655
Interest on long-term liabilities	13,592	-	-	-	(13,592)
Total governmental activities	<u>\$ 163,337,079</u>	<u>\$ 3,917,813</u>	<u>\$ 96,454,284</u>	<u>\$ 4,698,091</u>	<u>(58,266,891)</u>
General revenues:					
Payments from the County of York, Virginia (Note 3)					73,872,935
Shared intergovernmental revenues					17,536,017
Investment income					399,376
Miscellaneous					3,328,716
Total general revenues					<u>95,137,044</u>
Change in net position					36,870,153
NET POSITION					
Beginning					<u>76,774,478</u>
Ending					<u>\$ 113,644,631</u>

The Notes to Financial Statements are an integral part of this statement.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Technology Reserve</u>	<u>School Food Service</u>	<u>Non-major Governmental Fund</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 1,983,240	\$ 3,318,442	\$ 5,972,591	\$ 6,045,668	\$ 1,894,856	\$19,214,797
Other receivables	87,335	-	-	10,401	-	97,736
Due from the County of York, Virginia (Note 3)	4,243,919	-	-	-	-	4,243,919
Due from other governments	5,371,603	-	-	130,361	-	5,501,964
Lease receivable (Note 8)	6,666,396	-	-	-	-	6,666,396
Lease interest receivable (Note 8)	12,754	-	-	-	-	12,754
Total assets	<u>\$18,365,247</u>	<u>\$ 3,318,442</u>	<u>\$ 5,972,591</u>	<u>\$ 6,186,430</u>	<u>\$ 1,894,856</u>	<u>\$35,737,566</u>
LIABILITIES						
Vouchers and accounts payable	\$ 2,062,161	\$ 1,177,582	\$ 9,415	\$ 242,461	\$ -	\$ 3,491,619
Deposit payable	848	-	-	-	-	848
Retainage payable	-	959,218	-	-	-	959,218
Salaries, taxes, and benefits payable	6,727,898	43	-	2,804	-	6,730,745
Unearned revenues	99,048	-	-	186,730	-	285,778
Total liabilities	<u>8,889,955</u>	<u>2,136,843</u>	<u>9,415</u>	<u>431,995</u>	<u>-</u>	<u>11,468,208</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - leases (Note 8)	<u>6,436,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,436,686</u>
FUND BALANCES (Note 7)						
Restricted:						
Food service	-	-	-	5,754,435	-	5,754,435
School activities	-	-	-	-	1,894,856	1,894,856
Committed	1,935,682	-	-	-	-	1,935,682
Assigned	1,102,924	1,181,599	5,963,176	-	-	8,247,699
Total fund balances	<u>3,038,606</u>	<u>1,181,599</u>	<u>5,963,176</u>	<u>5,754,435</u>	<u>1,894,856</u>	<u>17,832,672</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$18,365,247</u>	<u>\$ 3,318,442</u>	<u>\$ 5,972,591</u>	<u>\$ 6,186,430</u>	<u>\$ 1,894,856</u>	<u>\$35,737,566</u>

The Notes to Financial Statements are an integral part of this statement.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION**

June 30, 2023

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

Total fund balances - governmental funds	\$ 17,832,672
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.	184,354,914
Accrued interest related to long-term liabilities and, therefore, are not reported in the funds.	(4,046)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Workers' compensation claims payable	\$ (1,935,682)
Compensated absences	(3,615,606)
Lease liabilities	(873,135)
SBITA liabilities	(199,229)
	<u>(6,623,652)</u>
The net pension liability is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(77,975,447)
The net pension asset is not a current financial resource and, therefore, is not reported as an asset in the governmental funds.	1,017,763
The net OPEB asset is not a current financial resource and, therefore, is not reported as an asset in the governmental funds.	3,707,725
The net OPEB liability is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(15,140,214)
Deferred outflows and inflows of resources related to the net pension obligations are not recognized in the funds.	1,058,367
Deferred outflows and inflows of resources related to the net OPEB obligations are not recognized in the funds.	1,199,300
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	<u>4,217,249</u>
Net position of governmental activities	<u><u>\$ 113,644,631</u></u>

The Notes to Financial Statements are an integral part of this statement.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Technology Reserve</u>	<u>School Food Service</u>	<u>Non-major Governmental Fund</u>	<u>Total Governmental Funds</u>
REVENUES						
Intergovernmental:						
From the County of York, Virginia (Note 3)	\$56,515,923	\$13,367,012	\$ 3,990,000	\$ -	\$ -	\$73,872,935
From the Commonwealth of Virginia	89,087,625	4,100,902	597,189	223,056	-	94,008,772
From the federal government	21,027,753	-	-	3,651,867	-	24,679,620
Revenues from use of money and property	997,830	267,625	36,050	50,244	-	1,351,749
Charges for services	836,256	-	-	2,487,004	-	3,323,260
Miscellaneous	172,053	-	-	-	3,156,663	3,328,716
Total revenues	<u>168,637,440</u>	<u>17,735,539</u>	<u>4,623,239</u>	<u>6,412,171</u>	<u>3,156,663</u>	<u>200,565,052</u>
EXPENDITURES						
Current:						
Instruction	126,489,933	-	-	-	2,918,797	129,408,730
Administration, attendance, and health services	9,489,629	-	-	-	-	9,489,629
Public transportation	8,907,698	-	-	-	-	8,907,698
Operations and maintenance	13,192,711	-	-	-	-	13,192,711
Technology	10,083,444	-	545,673	-	-	10,629,117
Food services	-	-	-	6,521,503	-	6,521,503
Capital outlay	372,528	15,869,186	-	-	-	16,241,714
Debt service:						
Principal	115,670	-	498,100	-	-	613,770
Interest	79	-	13,592	-	-	13,671
Total expenditures	<u>168,651,692</u>	<u>15,869,186</u>	<u>1,057,365</u>	<u>6,521,503</u>	<u>2,918,797</u>	<u>195,018,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,252)</u>	<u>1,866,353</u>	<u>3,565,874</u>	<u>(109,332)</u>	<u>237,866</u>	<u>5,546,509</u>
OTHER FINANCING SOURCES (USES)						
SBITA financing (Note 9)	280,269	-	-	-	-	280,269
Transfers in (Note 4)	15,000	1,680,000	-	-	-	1,695,000
Transfers out (Note 4)	(2,065,000)	-	-	(15,000)	-	(2,080,000)
Total other financing sources (uses)	<u>(1,769,731)</u>	<u>1,680,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(104,731)</u>
Net change in fund balances	<u>(1,783,983)</u>	<u>3,546,353</u>	<u>3,565,874</u>	<u>(124,332)</u>	<u>237,866</u>	<u>5,441,778</u>
FUND BALANCE						
Beginning	<u>4,822,589</u>	<u>(2,364,754)</u>	<u>2,397,302</u>	<u>5,878,767</u>	<u>1,656,990</u>	<u>12,390,894</u>
Ending	<u>\$ 3,038,606</u>	<u>\$ 1,181,599</u>	<u>\$ 5,963,176</u>	<u>\$ 5,754,435</u>	<u>\$ 1,894,856</u>	<u>\$17,832,672</u>

The Notes to Financial Statements are an integral part of this statement.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023**

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

Net change in fund balances - total governmental funds		\$ 5,441,778
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense.		
Capital outlay	\$ 16,890,470	
Depreciation and amortization expense	<u>(7,078,879)</u>	9,811,591
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		
Gross value of capital asset disposals	(140,678)	
Depreciation of capital asset disposals	<u>124,904</u>	(15,774)
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.		
Compensated absences	(189,083)	
Pension costs	13,996,595	
OPEB	1,093,768	
Workers' compensation claims	<u>861,900</u>	15,763,180
Acquisition of subscription liabilities consume the current financial resources of governmental funds but does not have an effect on net position.		
		(280,269)
Principal payments on long-term lease and subscription liabilities consume the current financial resources of governmental funds but does not have an effect on net position.		
		613,770
Change in accrued interest on subscription liabilities consume the current financial resources of governmental funds but does not have an effect on net position.		
		(4,046)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds is reported with governmental activities.		
		<u>5,539,923</u>
Change in net position of governmental activities		<u><u>\$ 36,870,153</u></u>

The Notes to Financial Statements are an integral part of this statement.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2023

	<u>Internal Service Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 6,473,082
Accounts receivable	34,732
Prepaid expenses	<u>90,000</u>
Total assets	<u>6,597,814</u>
LIABILITIES	
CURRENT LIABILITIES	
Vouchers and accounts payable	584,954
Salaries, taxes, and benefits payable	2,611
Claims payable	<u>1,793,000</u>
Total liabilities	<u>2,380,565</u>
NET POSITION	
Unrestricted	<u><u>\$ 4,217,249</u></u>

The Notes to Financial Statements are an integral part of this statement.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND
Year Ended June 30, 2023

	<u>Internal Service Fund</u>
OPERATING REVENUES	
Charges for services	\$ 25,350,419
OPERATING EXPENSES	
Insurance payments	<u>20,222,676</u>
Operating income	5,127,743
NONOPERATING REVENUES	
Interest revenue	<u>27,180</u>
Income before transfers	5,154,923
TRANSFERS IN (Note 4)	<u>385,000</u>
Change in net position	5,539,923
NET POSITION	
Beginning	<u>(1,322,674)</u>
Ending	<u><u>\$ 4,217,249</u></u>

The Notes to Financial Statements are an integral part of this statement.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended June 30, 2023

	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from users	\$ 25,315,687
Payments for services	(20,081,399)
	<u>5,234,288</u>
Net cash provided by operating activities	<u>5,234,288</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	<u>385,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>27,180</u>
Net increase in cash and cash equivalents	5,646,468
CASH AND CASH EQUIVALENTS	
Beginning	<u>826,614</u>
Ending	<u><u>\$ 6,473,082</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 5,127,743
Change in:	
Accounts receivable	(34,732)
Prepaid expenses	501,000
Vouchers and accounts payable	(187,345)
Salaries, taxes, and benefits payable	(11,378)
Claims payable	<u>(161,000)</u>
Net cash provided by operating activities	<u><u>\$ 5,234,288</u></u>

The Notes to Financial Statements are an integral part of this statement.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
June 30, 2023

	Pension Trust Fund
ASSETS	
Restricted cash (Note 2)	\$ 27,585
Restricted investments (Note 2):	
Federal agency bonds and notes	117,254
Corporate obligations	165,662
Commercial paper	1,045,351
Total restricted investments	1,328,267
Accrued income	1,943
Total assets	\$ 1,357,795
NET POSITION	
Net position restricted for pensions	\$ 1,357,795

The Notes to Financial Statements are an integral part of this statement.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
Year Ended June 30, 2023

	Pension Trust Fund
ADDITIONS	
Investment earnings:	
Interest, dividends, and other	\$ 37,503
Net increase in the fair value of investments	41,129
Other receipts	861
	<hr/>
Investment income	79,493
	<hr/>
DEDUCTIONS	
Benefit paid to participants or beneficiaries	196,551
Administrative expenses	15,550
Other expenses	216
	<hr/>
Total deductions	212,317
	<hr/>
Net change in net position	(132,824)
NET POSITION RESTRICTED FOR PENSIONS	
Beginning	1,490,619
	<hr/>
Ending	\$ 1,357,795
	<hr/> <hr/>

The Notes to Financial Statements are an integral part of this statement.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

1. Summary of Significant Accounting Policies

The basic financial statements presented for the York County School Division (School Division), are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to governmental units. The School Division's significant accounting and reporting policies are described below.

Financial reporting entity

The School Division is considered a component unit of the County of York, Virginia (County). The School Division has no component units. Component units are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: (a) the primary government is accountable for the component unit, and (b) the primary government is able to impose its will upon the component unit (or there is a possibility that the component unit may provide specific financial benefits or impose specific financial burdens on the primary government). The information included in these basic financial statements will also be included in the County's basic financial statements because of the significance of the School Division's financial relationship with the County.

The School Board determines educational policy and employs a Superintendent of Schools to administer the School Division's policies. The members of the School Board are elected by the citizens of York County.

The School Division is responsible for elementary and secondary education for the County. The accounting policies of the School Division conform with U.S. GAAP as applicable to governmental units.

Basis of presentation

The School Division's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the School Division as a whole, except for fiduciary funds. These statements are reflected on a full accrual basis of accounting and economic resources measurement focus, which incorporates long-term assets, as well as long-term liabilities. Interfund transfers are eliminated to avoid "doubling up" revenues and expenditures. Governmental funds' financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The statement of net position presents the financial condition of the governmental-type activities of the School Division at year-end. The School Division does not have any business-type activities. The statement of activities presents a comparison between direct expenses and program revenues for each function of the School Division's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, identifiable to a particular function. Expenses are grouped in the following categories: instruction; administration, attendance, and health services; transportation; operations and maintenance; technology; and food services.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

1. Summary of Significant Accounting Policies (Continued)

Basis of presentation (Continued)

Program Revenues include charges paid by the recipient for the goods or services offered by the program or from grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Charges for services include pupil fees, summer school tuition, and cafeteria sales. Revenues not classified as program revenues are presented as general revenues of the School Division. The comparison of direct expenses with program revenues identifies the extent to which the governmental function is self-financing or draws from the general revenues of the School Division. The School Division does not allocate indirect expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used, however, are not eliminated in this process.

Fund Financial Statements: During the year, the School Division segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements present financial information of the School Division at this more detailed level. The focus of governmental fund financial statements is on major funds, each displayed in a separate column. The School Division has identified the General Fund, the Capital Projects Fund, the Technology Reserve Fund, and the School Food Services (Cafeteria) Fund as major.

The accounts of the School Division are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The fund statements are presented on a current financial resources measurement focus and the modified accrual basis of accounting. The acquisition, use, and balances of the School Division's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is based upon the determination of changes in financial position, rather than upon net income determination. The following fund types are used by the School Division:

Governmental Funds: Governmental funds are those funds through which most governmental functions of the School Division are financed. The acquisition, use, and balances of the School Division's expendable financial resources and the related liabilities are accounted for through governmental funds. Governmental fund types use the flow of current financial resources measurement focus. This means that generally only current assets and current liabilities are reflected on their balance sheets. Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net fund balance.

The following are the School Division's governmental funds:

General Fund: The General Fund is the general operating fund of the School Division. It is used to account for all financial resources except those accounted for in another fund.

Capital Projects Fund: The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or maintenance of school facilities (other than those used financed by the operating fund).

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

1. Summary of Significant Accounting Policies (Continued)

Basis of presentation (Continued)

Among the government funds, the School Division reports the following special revenue funds:

Technology Reserve Fund: The Technology Reserve Fund is used to account for financial resources to be used for the technology initiatives.

School Food Services Fund: The School Food Services Fund is used to account for the school cafeteria operations. Revenues restricted for cafeteria operations include cafeteria sales and Federal grant reimbursements.

Non-major Governmental Fund: The Non-major Governmental Fund (School Activity Fund) is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. Accordingly, the School Activity Fund is used to account for the numerous extracurricular school activities, groups, and clubs existing in the schools for the benefit of the students. Revenues restricted school activities include funds collected from students.

Proprietary Fund - Internal Service Fund: The Internal Service Fund accounts for the financing of services provided by one fund to other funds of the School Board. The Health and Dental Fund accounts for the payment of claims on liability claims arising from operations of the School Board. Operating revenues include charges for services. Operating expenses include cost of services. The Internal Service Fund is included in governmental activities for government-wide reporting purposes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The excess of revenue over expenses for the fund are allocated to the appropriate functional activity.

Fiduciary Funds: Fiduciary funds are custodial in nature and do not involve measurement of the results of operations. Accordingly, the measurement focus is upon determination of changes in financial position rather than upon net income determination. The Pension Trust Fund consists of the Pension Trust Fund - Optional Plan.

Pension Trust Fund - The Pension Trust Fund - Optional Plan accounts for the revenues and expenses related to the School Division sponsored retirement plan, which is administered by a fiduciary agent of the School Division. The Pension Trust Fund - Optional Plan follows the accrual basis of accounting. The recognition of contributions, benefits, and refunds use the "flow of economic resources" measurement focus. The costs of plan administration are financed through employer and member contributions and earnings on investments.

Fiduciary funds are not included in the government-wide financial statements.

Basis of accounting

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

1. Summary of Significant Accounting Policies (Continued)

Basis of accounting (Continued)

Governmental activities in the government-wide financial statements, proprietary fund financial statements, and the fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds measurement focus is based upon the determination of changes in financial position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The primary revenues susceptible to accrual include intergovernmental revenues. In applying the subject to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

There are, however, essentially two types of these revenues. In one type, monies must be expended on the specific purpose or project before any amounts will be paid to the School Division, therefore, revenues are recognized based upon the expenditures recorded. In the other type, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt, or earlier, if the accrual criteria are met.

The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues collected within 45 days of year-end are recognized. For grants, revenue is recognized when all eligibility requirements have been met. The primary revenues susceptible to accrual include revenues from the County, the Commonwealth of Virginia, and the Federal government. Expenditures, other than interest and principal on long-term debt, which is recorded when due, are recorded when the fund liability is incurred, if measurable.

Cash and investments

Cash and cash equivalents are pooled with the cash and investments of the County. The School Division utilizes the pooled cash investment method wherein income from the investment of pooled cash is allocated to the various funds based on the percentage of cash and cash equivalents of each fund to the total pooled cash and cash equivalents. Investments in State Treasurer's Local Government Investment Pool (LGIP) are recorded at amortized cost. All others are reported at fair value. The cash in the non-major governmental fund represents the student activity funds cash balances in the separate bank accounts maintained by the individual schools. Investments with original maturities of 90 days or less are considered cash equivalents.

For purposes of the statement of cash flows, investments with original maturities of three months or less from the date of purchase are grouped into cash and temporary investments.

Receivables and due from other governments

Amounts due from the Commonwealth of Virginia consist primarily of June sales tax, receivables from State entitlements, and reimbursement of grant expenditures. Amounts due from the Federal government are for reimbursement of grant expenditures. Other receivables consist primarily of amounts due from students and other customers of the School Division. All amounts should be collected within one year.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

1. Summary of Significant Accounting Policies (Continued)

Inventory

Inventory is accounted for under the consumption method and is stated at cost on a first-in, first-out basis. The cost is recorded as an expenditure at the time inventory is purchased. The United States Department of Agriculture (USDA) donated food commodities are accounted for in the School Food Services Fund at the estimated value at the time of receipt. Revenues are recorded when donated goods are received and expenditures are recorded as these goods are used.

Prepaid expenses

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 expensed using the consumption method.

Capital assets

General capital assets have been acquired for general school purposes. Capital outlays are recorded as expenditures in the governmental funds and as assets in the government-wide financial statements to the extent the School Division capitalization threshold is met.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated assets are recorded at acquisition value on the date received. The School Division maintains a capitalization threshold of \$5,000 for equipment, improvements, and buildings. Land is capitalized regardless of value. The School Division has no infrastructure assets.

Depreciation is recorded on general capital assets on a government-wide basis. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings	25 - 80 years
Improvements other than buildings	30 - 80 years
Machinery and equipment and vehicles	10 - 25 years
Leased and subscription assets	Contract term

Compensated absences

Employees are granted vacation and sick pay in varying amounts as services are provided. They may accumulate, subject to certain limitations, unused vacation pay earned and, upon retirement, termination, or death may be compensated as salary-related payments for certain amounts at their then current rates of pay. The cost of accumulated compensated absences pay, including associated benefits, is accounted for as a liability in the government-wide financial statements. Compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

1. Summary of Significant Accounting Policies (Continued)

Fund balances/net position

Fund balances have classified to reflect the limitations and restrictions placed on the respective funds as follows:

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

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

Committed: Includes amounts that can be used only for the specific purposes determined by the School Board via School Board Policy and cannot be used for any other purpose unless the School Division removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Only the School Board can modify or rescind a fund balance commitment via School Board Policy legislation.

Assigned: Includes amounts that are intended to be used by the School Division for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, the School Board has authorized the Superintendent of Schools to assign fund balance via School Board Policy legislation.

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

The School Division's policy is to apply expenditures against restricted resources first when either restricted or unrestricted amounts are available. Within the unrestricted fund balance, it is the School Division's policy to apply expenditures against committed amounts first, followed by assigned, and then unassigned amounts. It is possible for the non-general funds to have a negative unassigned fund balance when nonspendable and restricted amounts exceed the positive fund balance for that fund.

Net position in government-wide financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents 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.

Interfund activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as due to and due from, as appropriate, and are subject to elimination in the government-wide statements. Services provided are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other Interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide statements.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

1. Summary of Significant Accounting Policies (Continued)

Unearned revenues

The School Division reports unearned revenues on its government-wide financial statements when revenues are received prior to the period in which all eligibility requirements have 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. Unearned revenues also arise when resources are received by the government before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. 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 outflows/inflows of resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period, and so it will not be recognized as an expense or expenditure until then. The School Division’s deferred outflows of resources relate to pensions and other postemployment benefits (OPEB) and consist of the difference between expected and actual experience, changes of assumptions, net difference between projected and actual earnings on plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so it will not be recognized as revenue until then. The School Division’s deferred inflows of resources relate to pensions, OPEB, and leases. Deferred inflows relating to pensions and OPEB consist of the difference between expected and actual experience, changes of assumptions, the net difference between projected and actual earnings on plan investments, and changes in proportion and differences between employer contributions and proportionate share of contributions. Deferred inflows relating to leases consist of lease revenues, which are applicable to a future period, and will not be recognized until the period they become available.

Amounts reported as deferred outflows of resources related to pensions and OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the liability, or an increase of the asset, in the following year. Other amounts reported as deferred inflows and deferred outflows of resources will be amortized according to the actuarial amortization calculation. See Notes 8, 9, 10 and 11 for further details.

VRS Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the School Division Plan and additions to/deductions from the School Division Plan’s fiduciary net position have been determined on the same basis as they are reported by the School Division Plan. For this purpose, the School Division Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Optional Retirement Plan

Retirement Plan contributions are actuarially determined and consist of current service costs and amortization of prior service costs over a 30-year period. The School Division’s policy is to fund pension costs as they accrue.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

1. Summary of Significant Accounting Policies (Continued)

Leases

Lessee: At the commencement of a lease, the School Division initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the life of the lease. Key estimates and judgments related to leases include how the School Division determines (1) the discount rate it uses to discount the expected future lease payments to present value, (2) lease term, and (3) lease payments. The School Division uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School Division generally uses its estimated incremental borrowing rate as the discount rate for leases. The School Division recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The School Division recognizes lease liabilities with an initial, individual value of \$5,000 or more. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: At the commencement of a lease, the School Division initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the School Division determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The School Division recognizes as lease receivable and a deferred inflow of resources related to leases in the financial statements.

The School Division monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or receivable.

Use of estimates

Management of the School Division has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities, to prepare these financial statements in conformity with U.S. GAAP. Management believes any differences between these estimates and actual results should not materially affect the School Division's reporting of its financial position.

Adoption of new accounting standard

On July 1, 2022, the School Division adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, see Note 9. The adoption of GASB 96 resulted in the recognition of right-of-use subscription assets and subscription liabilities at July 1, 2022.

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

2. Deposits and Investments

The Code of Virginia, as amended, requires the election of a County Treasurer. By law, the Treasurer is the custodian of cash investments for both the County and the School Division, and has powers and duties prescribed by general law. Cash and cash equivalents pertaining to the School Division's funds, except the Pension Trust Fund and the School Activity Funds, are primarily held with the County Treasurer.

Deposits

All cash is maintained in accounts collateralized in accordance with the *Virginia Security for Public Deposits Act*, Section 2.2-4400 et seq. or covered by Federal Depository insurance. At June 30, 2023, cash and investments of the School Division consisted of:

Bank deposits	\$ 23,608,189
Investments	<u>184,234</u>
Cash and investments with York County Treasurer	23,792,423
Bank Deposits - York County School Activity Funds	1,894,856
Petty cash	<u>600</u>
Total cash and investments	<u><u>\$ 25,687,879</u></u>

Cash and investments of the School Division's Pension Trust Fund at June 30, 2023, consisted of:

Restricted cash	\$ 27,585
Restricted investments	<u>1,328,267</u>
	<u><u>\$ 1,355,852</u></u>

Investments

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 LGIP. LGIP is managed in accordance with the "2a7-like pool" risk-limiting requirements of U.S. GAAP with the portfolio securities valued by the amortized-cost method. Investments with a maturity date of one year or less are stated at amortized cost. All investments stated at amortized cost approximate the fair value. 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 Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP.

Investment policy

In accordance with the Code of Virginia and other applicable laws, including regulations, the County's investment policy (Policy) permits investments in U.S. Government obligations, certain municipal bonds, prime quality commercial paper, high-grade corporate notes and bonds, bankers' acceptances, repurchase agreements, certificates of deposit, and other forms of deposit at financial institutions, money market mutual funds, and the LGIP.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

2. Deposits and Investments (Continued)

Investment policy (Continued)

State Statute limits the percentage of the portfolio that can be invested in commercial paper to 35%. The Policy does not impose additional diversification limits but does require that the portfolio avoid over-concentration in specific security types, issuers, and business sectors.

The School Division has a separate funding policy (Trust Policy) for their Pension Trust Fund. The Trust Policy's principal goal is to invest in funds considering both the safety of principal with long-term stability and moderate capital appreciation commensurate with the expected retirement dates of plan participants. However, these investments should be liquid in order to enable the plan, on short notice, to make distributions of benefits in the event of death, disability, or termination of a plan participant. The Trust Policy establishes the percentage of the portfolio that can be invested in fixed-income investments to 40% to 70% and equity investments to 25% to 50%.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of the failure of a depository financial institution, the School Board will not be able to recover its deposits or collateral securities that are in the possession of an outside party. All deposits of the School Division are maintained in accounts collateralized in accordance with the *Virginia Security for Public Deposits Act*, Section 2.2-400 et seq. of the Code of Virginia. The School Division has no such policies related to this risk.

Custodial credit risk - investments

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, 2023, all of the County's investments were held in a bank's trust department in the County's name.

Credit risk

As required by State Statute, the Policy requires commercial paper to be rated "prime quality" by at least two nationally recognized, statistical rating organizations 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.

The Trust Policy does not limit credit risk to any specific category.

As of June 30, 2023, the School Division's investments held by the County Treasurer consisted of \$184,234 invested in LGIP, with a Standard & Poor's rating of AAA.

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

2. Deposits and Investments (Continued)

The School Division's Pension Trust Fund investments as rated by Standard & Poor's were as follows:

	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>Not Rated</u>
Commercial paper	\$ 135,266	\$ 231,740	\$ 401,119	\$ 264,962	\$ 12,264
U.S. Government bonds	-	102,320	-	-	14,934
Corporate obligations	-	-	56,062	87,039	22,561
	<u>\$ 135,266</u>	<u>\$ 334,060</u>	<u>\$ 457,181</u>	<u>\$ 352,001</u>	<u>\$ 49,759</u>

Concentration of credit risk

State Statute limits the percentage of the portfolio that can be invested in commercial paper of a single issuer to no more than 5%. The County's policy does not set additional credit concentration limits. As of June 30, 2023, the School Division's portfolio held with the County Treasurer had two investments that were 10.10% of the total portfolio.

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 holding to no more than 18 months, unless approved by the Treasurer.

As of June 30, 2023, the carrying values and weighted-average maturity of the School Division's investments held with the County Treasurer were as follows:

<u>Investment Type</u>	<u>Value</u>
LGIP	<u>\$ 184,234</u>

As of June 30, 2023, the carrying values and weighted-average maturity of the School Division's Pension Trust Fund investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Maturity</u>
Commercial paper	\$ 1,045,351	N/A
U.S. Government bonds	117,254	2.46 years
Corporate obligations	<u>165,662</u>	2.86 years
Total investments	<u>\$ 1,328,267</u>	

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

2. Deposits and Investments (Continued)

Fair value

The School Division categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All the School Division's investments are valued using quoted market prices (Level 1 inputs).

3. Transactions between the County and the School Division

The following activities took place between the County and the School Division during the year ended June 30, 2023:

	<u>Due From</u>
Due from County of York, Virginia	
School General Fund for school operations	\$ <u>4,243,919</u>
	<u>Intergovernmental</u>
	<u>Revenues</u>
School General Fund	\$ 56,515,923
Capital Projects Fund	13,367,012
Technology Reserve Fund	<u>3,990,000</u>
Intergovernmental Revenues from the County of York, Virginia for school operations	\$ <u>73,872,935</u>

4. Transfers Between Funds

During the year ended June 30, 2023, \$15,000 was transferred from the School Food Services Fund to the General Fund for the School Food Services Fund's portion of workers' compensation and \$1,680,000 was transferred from the General Fund to the School Construction Fund for support for various construction projects. Additionally, \$385,000 was transferred from the General Fund to the School Health Dental Insurance Fund for ensuring balances are sufficient to cover insurance premiums and claims.

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

5. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance July 1, 2022 as restated*	Additions	Deletions	Balance June 30, 2023
Capital assets not depreciated or amortized:				
Land	\$ 4,824,818	\$ -	\$ -	\$ 4,824,818
Construction in progress	<u>20,458,535</u>	<u>14,950,364</u>	<u>2,366,033</u>	<u>33,042,866</u>
Total non-depreciable capital assets	<u>25,283,353</u>	<u>14,950,364</u>	<u>2,366,033</u>	<u>37,867,684</u>
Capital assets depreciated or amortized:				
Buildings	227,166,231	688,908	-	227,855,139
Improvements	16,373,671	1,677,127	-	18,050,798
Machinery and equipment	2,826,184	1,015,585	140,678	3,701,091
Motor vehicles	16,110,218	551,991	-	16,662,209
Computer equipment, leased	1,874,107	-	-	1,874,107
Subscriptions	<u>34,630</u>	<u>372,528</u>	<u>-</u>	<u>407,158</u>
Total depreciable capital assets	<u>264,385,041</u>	<u>4,306,139</u>	<u>140,678</u>	<u>268,550,502</u>
Less accumulated depreciation and amortization for:				
Buildings	97,938,455	4,283,745	-	102,222,200
Improvements	5,235,356	818,616	-	6,053,972
Machinery and equipment	1,940,744	208,961	124,904	2,024,801
Motor vehicles	9,393,424	1,019,842	-	10,413,266
Computer equipment, leased	601,318	601,318	-	1,202,636
Subscriptions	<u>-</u>	<u>146,397</u>	<u>-</u>	<u>146,397</u>
Total accumulated depreciation	<u>115,109,297</u>	<u>7,078,879</u>	<u>124,904</u>	<u>122,063,272</u>
Total depreciable capital assets - net	<u>149,275,744</u>	<u>(2,772,740)</u>	<u>15,774</u>	<u>146,487,230</u>
Total Governmental activities capital assets - net	<u>\$174,559,097</u>	<u>\$ 12,177,624</u>	<u>\$ 2,381,807</u>	<u>\$184,354,914</u>

*The beginning balances have been restated to reflect the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*, to reflect the beginning balance of the School Division's subscriptions.

Depreciation and amortization expense was charged to functions as follows:

Governmental activities:

Instruction	\$ 5,176,480
Administration, attendance, and health services	153,612
Pupil transportation	899,126
Operations and maintenance	179,169
Technology	601,318
Food services	<u>69,174</u>

Total governmental activities depreciation and amortization expense \$ 7,078,879

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

5. Capital Assets (Continued)

The County has issued general obligation bonds and obtained literary loans from the Commonwealth of Virginia on behalf of the School Division. Certain school buildings have been pledged as collateral for the literary loans.

Construction in progress is composed of the following as June 30, 2023:

Project authorization	\$ 19,577,902
Less: Expended through June 30, 2023	<u>(14,950,364)</u>
Balance of authorization	<u>\$ 4,627,538</u>

6. Long-Term Liabilities

A summary of changes in long-term obligations for governmental activities for the year ended June 30, 2023, follows:

	Balance July 1, 2022 as restated*	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Compensated absences	\$ 3,426,523	\$ 1,327,107	\$ 1,138,024	\$ 3,615,606	\$ 1,280,000
Net OPEB liability	15,628,352	-	488,138	15,140,214	-
Net pension liability	65,339,532	12,635,915	-	77,975,447	-
Claims liability	4,751,582	294,707	1,317,607	3,728,682	2,331,000
Lease liability	1,371,235	-	498,100	873,135	580,507
SBITA liability	<u>34,630</u>	<u>280,269</u>	<u>115,670</u>	<u>199,229</u>	<u>96,255</u>
Total long-term liabilities	<u>\$ 90,551,854</u>	<u>\$ 14,537,998</u>	<u>\$ 3,557,539</u>	<u>\$101,532,313</u>	<u>\$ 4,287,762</u>

*The beginning balances have been restated to reflect the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*, to reflect the beginning balance of the School Division's subscriptions.

The liability for compensated absences is generally liquidated by the fund for which the employee works, which is typically the General Fund. The net OPEB obligation, net pension liability, and claims liabilities are typically liquidated by the General Fund or the Internal Service Fund.

7. Fund Balances

Fund balances may be classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School Division is bound to observe constraints imposed upon the use of the resources in the governmental funds.

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

7. Fund Balances (Continued)

The constraints placed on fund balances for the major governmental funds and all other governmental funds are presented below:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Technology Reserve</u>	<u>School Food Service</u>	<u>Non-major Governmental</u>	<u>Governmental Funds</u>
Restricted:						
Food service	\$ -	\$ -	\$ -	\$ 5,754,435	\$ -	\$ 5,754,435
Student activity funds	-	-	-	-	1,894,856	1,894,856
Total restricted	-	-	-	5,754,435	1,894,856	7,649,291
Committed:						
Self-insurance	1,935,682	-	-	-	-	1,935,682
Assigned:						
Instruction	723,623	-	-	-	-	723,623
Administration	152,731	-	-	-	-	152,731
Transportation	101,567	-	-	-	-	101,567
Operations and maintenance	78,909	-	-	-	-	78,909
Technology	46,094	-	5,963,176	-	-	6,009,270
Capital projects	-	1,181,599	-	-	-	1,181,599
Total assigned	1,102,924	1,181,599	5,963,176	-	-	8,247,699
Total fund balances	\$ 3,038,606	\$ 1,181,599	\$ 5,963,176	\$ 5,754,435	\$ 1,894,856	\$ 17,832,672

Significant encumbrances of the School Division relate to contractual services for special education and building replacement and maintenance. The School Division had encumbrances of \$1,102,924 for the General Fund, \$10,402,618 for the Capital Projects Fund, \$280,313 for the School Food Services fund, and no encumbrances for the Non-major Governmental Fund.

8. Leases

Lessee

On July 1, 2021, York County School Division, Virginia entered into a 37-month noncancelable lease as lessee for the use of computer equipment. An initial lease liability was recorded in the amount of \$1,874,107. As of June 30, 2023, the value of the lease liability is \$873,135. The School Division is required to make semi-annual fixed payments of \$255,846. The lease has an interest rate of 1.09%. The value of the right-to-use asset (computer equipment, leased) as of June 30, 2023, of \$1,874,107 with accumulated amortization of \$1,202,636.

A summary of future principal and interest payments under noncancelable leases as of June 30, 2023, is as follows:

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2024	\$ 580,507	\$ 7,940
2025	292,628	1,595
	<u>\$ 873,135</u>	<u>\$ 9,535</u>

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

8. Leases (Continued)

Lessor

The School Division is a lessor for noncancelable leases of certain land where radio towers are located with varying terms ranging from 24 to 40 years. The School Division does not own the radio towers but does own the land. The radio towers are located at various schools throughout the School Division. The School Division also leases space in certain schools for before and after-school childcare. As of June 30, 2023, the value of the lease receivable for all leases of the School Division is \$6,666,396. The lessee is required to make monthly fixed payments ranging from \$680 to \$9,007. The leases have interest rates ranging from 0.88% to 2.43%. The value of the deferred inflow of resources as of June 30, 2023, was \$6,436,686, and the School Division recognized lease revenue of \$333,957 during the fiscal year.

A summary of future rental receipts under noncancelable leases as of June 30, 2023, is as follows:

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2024	\$ 243,511	\$ 151,152
2025	252,762	146,797
2026	261,887	142,280
2027	180,948	137,855
2028	168,143	133,933
2029 - 2033	965,714	605,621
2034 - 2038	1,180,761	478,115
2039 - 2043	1,356,443	328,557
2044 - 2048	1,366,319	163,090
2049 - 2053	276,395	65,734
2054 - 2058	277,327	33,945
2059 - 2061	<u>136,186</u>	<u>3,887</u>
	<u>\$ 6,666,396</u>	<u>\$ 2,390,966</u>

9. Subscription-Based Information Technology Arrangements (SBITAs)

The School Division has several SBITAs for communication software. During 2023, the School Division adopted GASB 96, *Subscription-based Information Technology Arrangements*, and recognized an initial subscription liability in the amount of \$34,630. Additionally, during 2023, the School Division entered into an additional subscription arrangement recognizing a related subscription liability of \$280,269. As of June 30, 2023, the cumulative value of the subscription liability was \$199,229. The School Division is required to make annual fixed payments ranging from \$9,723 to \$90,763. The SBITAs have interest rates ranging from 1.58% - 2.04%. The value of the right-of-use assets (Subscriptions) as of June 30, 2023, was \$407,158 with accumulated amortization of \$146,397.

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

9. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

A summary of future principal and interest payments under SBITAs as of June 30, 2023, is as follows:

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2024	\$ 96,255	\$ 4,046
2025	<u>102,974</u>	<u>2,092</u>
	<u>\$ 199,229</u>	<u>\$ 6,138</u>

10. Defined Benefit Pension Plan

Virginia Retirement System Pension Plan

Plan description

All full-time, salaried permanent (professional) employees of public-school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. All full-time, salaried permanent (nonprofessional) employees of the School Division are automatically covered by the VRS Political Subdivision Retirement Plan upon employment. These plans are administered by the Virginia Retirement System (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 pay contributions to VRS. Members are eligible to purchase prior 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 military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees - Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

Employees covered by benefit terms - Non-Professional

As of the June 30, 2021, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Members</u>
Inactive members or their beneficiaries currently receiving benefits	<u>252</u>
Inactive members:	
Vested inactive members	37
Non-vested inactive members	162
Long-term disability	1
Inactive members active elsewhere in VRS	<u>62</u>
Total inactive members	262
Active members	<u>246</u>
Total covered employees	<u>760</u>

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

10. Defined Benefit Pension Plan (Continued)

Virginia Retirement System Pension Plan (Continued)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Teacher Retirement Plan (Professional)

Each school division's contractually required contribution rate for the year ended June 30, 2023, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. Contributions to the pension plan from the School Division were \$12,923,612 and \$12,558,998 for the years ended June 30, 2023 and 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

Nonprofessional Retirement Plan (Non-teacher)

The School Division's contractually required contribution rate for the year ended June 30, 2023, was 5.87% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

Contributions to the pension plan from the School Division were \$337,518 and \$405,782 for the years ended June 30, 2023 and 2022, respectively.

Net pension liability

Teacher Retirement Plan (Professional)

At June 30, 2023, the School Division reported a net pension liability of \$77,962,278 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, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Division's proportion was 0.81888% as compared to 0.84025% at June 30, 2021.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

10. Defined Benefit Pension Plan (Continued)

Virginia Retirement System Pension Plan (Continued)

Net pension liability (Continued)

Nonprofessional Retirement Plan (Non-teacher)

In addition, the School Division's Net Pension Asset for the Nonprofessional (non-teacher) Retirement Plan was measured as of June 30, 2022. The net pension liability/asset is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with U.S. GAAP, less that employer's fiduciary net position. The total pension liability used to calculate the Net Pension Asset was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022. At June 30, 2023, the School Division reported an asset of \$1,017,763 for the Nonprofessional (non-teacher) Retirement Plan.

Actuarial assumptions

The total pension liability for General Employees in the Political Subdivision's Retirement Plan and the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

Inflation	2.50%
General employees - Salary increases, including inflation	3.50 - 5.35%
Teacher cost sharing plan - Salary increases, including inflation	3.50 - 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates: General employees - 15 to 20% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various setbacks or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees - Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

10. Defined Benefit Pension Plan (Continued)

Virginia Retirement System Pension Plan (Continued)

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:

<u>Asset Class Strategy</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	<u>3.00%</u>	<u>6.55%</u>	<u>0.20%</u>
Total	<u>100.00%</u>		5.33%
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.83%</u>

* The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

10. Defined Benefit Pension Plan (Continued)

Virginia Retirement System Pension Plan (Continued)

Discount rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System 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, 2023, the alternate rate was the employer contribution rate used in the FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. From July 1, 2022, on, participating employers are assumed to continue 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.

Changes in net pension liability (asset) - Non-Professional Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at June 30, 2021	\$ 29,269,967	\$ 31,502,000	\$ (2,232,033)
Changes for the year:			
Service cost	541,141	-	541,141
Interest	1,961,360	-	1,961,360
Difference between expected and actual experience	(673,672)	-	(673,672)
Contributions - employer	-	360,068	(360,068)
Contributions - employee	-	298,632	(298,632)
Net investment income (loss)	-	(25,148)	25,148
Benefit payments, including refunds of employee contributions	(1,507,833)	(1,507,833)	-
Administrative expense	-	(19,712)	19,712
Other changes	-	719	(719)
Net changes	320,996	(893,274)	1,214,270
Balances at June 30, 2022	\$ 29,590,963	\$ 30,608,726	\$ (1,017,763)

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

10. Defined Benefit Pension Plan (Continued)

Virginia Retirement System Pension Plan (Continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate

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

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Non-Professional net pension liability (asset)	<u>\$ 2,633,443</u>	<u>\$ (1,017,763)</u>	<u>\$ (4,017,032)</u>
Professional net pension liability (asset)	<u>\$ 139,246,597</u>	<u>\$ 77,962,278</u>	<u>\$ 28,063,366</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended June 30, 2023, the School Division recognized pension expense (benefit) of \$(166,136) for the non-professional plan and \$2,923,601 for the professional plan. At June 30, 2023, the School Division reported deferred outflows of resources and deferred inflows of resources related to the non-professional pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,516	\$ 352,876
Changes of assumptions	87,181	-
Net difference between projected and actual earnings on pension plan investments	-	910,527
Employer contributions subsequent to the measurement date	<u>337,518</u>	<u>-</u>
	<u>\$ 426,215</u>	<u>\$ 1,263,403</u>

The \$337,518 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 total pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2024	\$ (586,494)
2025	(400,952)
2026	(611,706)
2027	424,446
2028	-
Thereafter	-

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

10. Defined Benefit Pension Plan (Continued)

Virginia Retirement System Pension Plan (Continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (Continued)

At June 30, 2023, the School Division reported deferred outflows of resources and deferred inflows of resources related to the professional pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,375,807
Changes of assumptions	7,350,272	-
Net difference between projected and actual earnings on pension plan investments	-	10,164,648
Change in proportionate share	687,008	3,534,662
Employer contributions subsequent to the measurement date	<u>12,923,612</u>	<u>-</u>
	<u>\$ 20,960,892</u>	<u>\$ 19,075,117</u>

The \$12,923,612 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 fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2024	\$ (3,286,163)
2025	(4,212,094)
2026	(7,666,330)
2027	4,126,750
2028	-
Thereafter	-

Net pension liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 54,732,329
Plan fiduciary net position	<u>45,211,731</u>
Employer's net pension liability (asset)	<u>\$ 9,520,598</u>
Plan fiduciary net position as a percentage of the total pension liability	82.61%

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

10. Defined Benefit Pension Plan (Continued)

Virginia Retirement System Pension Plan (Continued)

Net pension liability (Continued)

The total pension 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 pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Pension plan data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

York County Public Schools - Optional Plan

Plan description

The York County School Division administers the Optional Plan, a single employer defined benefit pension plan. The plan provides pension benefits to nonprofessional 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 nonprofessional employees who participated in the plan became fully vested. The nonprofessional employees now participate in the VRS as noted above. Stand-alone financial reports are not issued for this plan.

Employees covered by the Optional Plan

As of the July 1, 2022, actuarial valuation, the following employees were covered by the Optional Plan:

	<u>Members</u>
Active members	5
Retirees and beneficiaries	58
Number of vested terminations	<u>3</u>
Total covered employees	<u><u>66</u></u>

Benefits provided

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

Contributions - Optional Plan

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%. For the year ended June 30, 2023, the average active member contributions rate was -0-% of annual payroll and the School Division's average contribution rate was -0-% of annual payroll.

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

10. Defined Benefit Pension Plan (Continued)

York County Public Schools - Optional Plan (Continued)

Rate of returns - Optional Plan

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 5.68%. The money-weighted return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

Investment policy - Optional Plan

The 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 the 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. The target asset allocation and best estimate of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class Strategy</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>	<u>Expected Nominal Rate of Return</u>
Cash equivalents	2.03%	0.98%	3.30%
U.S. Government securities	8.65%	1.86%	4.20%
Corporate debt instruments	12.22%	1.76%	4.10%
Equity investments	77.10%	4.40%	6.80%
	<u>100.00%</u>	<u>4.08%</u>	<u>6.47%</u>

Changes in net pension liability - Optional Plan

Based on a measurement date of June 30, 2022, the components of the net pension liability reported as of June 30, 2023, were as follows:

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/ (Asset) (a) - (b)</u>
Balance at June 30, 2021	\$ 1,845,700	\$ 1,735,593	\$ 110,107
Changes for the year:			
Service cost	963	-	963
Interest	105,566	-	105,566
Difference between expected and actual experience	(205,194)	-	(205,194)
Changes of assumptions	(66,190)	-	(66,190)
Net investment income (loss)	-	(78,776)	78,776
Benefit payments, including refunds of employee contributions	(177,057)	(177,057)	-
Contributions - employer	-	29,445	(29,445)
Administrative expense	-	(18,586)	18,586
Net changes	<u>(341,912)</u>	<u>(244,974)</u>	<u>96,938</u>
Balance at June 30, 2022	<u>\$ 1,503,788</u>	<u>\$ 1,490,619</u>	<u>\$ 13,169</u>

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

10. Defined Benefit Pension Plan (Continued)

York County Public Schools - Optional Plan (Continued)

Actuarial assumptions - Optional Plan

The total pension liability for the Optional Plan was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.40%
Expected return on assets	6.75%

Mortality rates were based on the Pub 2010, "Teachers" Classification table under Scale MP-2021, sex-distinct.

Discount rate - Optional Plan

From July 1, 2019, forward, 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 6.75%.

Sensitivity of the net pension liability to changes in the discount rate - Optional Plan

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

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Net pension liability (asset) for the Optional Plan	\$ 104,478	\$ 13,169	\$ (67,806)

Pension expense and deferred outflows of resources related to pension - Optional Plan

At June 30, 2023, the School Division reported deferred outflows of resources from the following sources.

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 9,780

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

10. Defined Benefit Pension Plan (Continued)

York County Public Schools - Optional Plan (Continued)

Pension expense and deferred outflows of resources related to pension - Optional Plan (Continued)

The School Division did not make any contributions to the plan during 2023. Other amounts reported as deferred outflows of resources related to the Optional Plan will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Increase (Reduction) to Pension Expense</u>
2024	\$ (10,779)
2025	1,609
2026	(16,705)
2027	35,655
2028	-
Thereafter	-

For the year ended June 30, 2023, the School Division recognized a pension recovery for the Optional Plan of \$280,750.

Combining pension liabilities, pension expense, deferred outflows of resources, and deferred inflows of resources related to pensions

The VRS professional plan, VRS non-professional plan, and the School Division's Optional Plan are reported separately herein since each plan has distinctive characteristics, reporting requirements and valuations. The impact of total pension requirements on the net position of the School Division is combined and summarized in the schedule below:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability (Asset)</u>	<u>Pension Expense (Revenue)</u>
VRS - Professional	\$ 20,960,892	\$ 19,075,117	\$ 77,962,278	\$ 2,923,601
VRS - Non-professional	426,215	1,263,403	(1,017,763)	(166,136)
Optional Plan	<u>9,780</u>	<u>-</u>	<u>13,169</u>	<u>(280,750)</u>
Total	<u>\$ 21,396,887</u>	<u>\$ 20,338,520</u>	<u>\$ 76,957,684</u>	<u>\$ 2,476,715</u>

11. Postemployment Benefits Other Than Pensions (OPEB)

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the School Division also participate in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Plan description

Group Life Insurance Program

All full-time teachers and other employees are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

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 GLI Program OPEB.

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

Teacher Employee Health Insurance Credit Program

All full time, salaried permanent (professional) employees of public School Divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. 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.

Specific information about the Teacher HIC is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

Virginia Retirement System - Virginia Local Disability Program

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 Virginia Local Disability Program (VLDP). This plan is administered by VRS. 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 VLDP.

Specific information about the VLDP is available at <https://www.varetirement.org/hybrid/benefits/disability/virginia-local-disability-program.html>.

The GLI, Teacher HIC and VLDP are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. All of these plans are considered multiple employers, cost sharing plans.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

General Employee Health Insurance Credit Program

The General Employee Health Insurance Credit Program (HIC) is available for all full time, salaried employees of local government entities other than teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent plan.

As of the June 30, 2021, actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>53</u>
Inactive members:	
Vested	<u>2</u>
Total inactive members	<u>55</u>
Active members	<u>246</u>
Total covered employees	<u><u>301</u></u>

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to School Divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023, Contribution - general employees	\$37,419
June 30, 2022, Contribution - general employees	\$35,511
June 30, 2023, Contribution - teachers	\$439,536
June 30, 2022, Contribution - teachers	\$409,496

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

(Continued)

**YORK COUNTY SCHOOL DIVISION
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**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Contributions (Continued)

Teacher Health Insurance Credit Program

Governed by:	<i>Code of Virginia 51.1-506 51.1-1401(E) and may be impacted as a result of funding provided to School Divisions by the Virginia General Assembly</i>
Total rate:	1.21% of covered employee compensation.
June 30, 2023, Contribution - teachers	\$979,466
June 30, 2022, Contribution - teachers	\$914,343

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly</i>
Total rate:	0.12% of covered employee compensation.
June 30, 2023, Contribution - general employees	\$48,936
June 30, 2022, Contribution - general employees	\$42,714

Virginia Local Disability Program

Governed by:	<i>Code of Virginia 51.1-1178(C), as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly</i>
Total rate:	0.85% of covered employee compensation.
June 30, 2023, Contribution - general employees	\$24,631
June 30, 2022, Contribution - general employees	\$20,783
June 30, 2023, Contribution - teachers	\$127,029
June 30, 2022, Contribution - teachers	\$100,189

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB liabilities, OPEB expense, and deferred inflows and outflows of resources related to OPEB

The net OPEB liabilities were measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2023 proportionate share of liability - general employees	\$363,998
June 30, 2023 proportionate share of liability - teachers	\$4,197,601
June 30, 2022 proportion - general employees	0.03023%
June 30, 2021 proportion - general employees	0.03104%
June 30, 2022 proportion - teachers	0.34861%
June 30, 2021 proportion - teachers	0.35728%
June 30, 2022 recovery - general employees	\$(2,780)
June 30, 2022 expense - teachers	\$82,515

Teacher Health Insurance Credit Program

June 30, 2023 proportionate share of liability	\$10,127,019
June 30, 2022 proportion	0.81078%
June 30, 2021 proportion	0.83233%
June 30, 2022 expense	\$702,099

Virginia Local Disability Program

June 30, 2023 proportionate share of asset - general employees	\$(3,142)
June 30, 2023 proportionate share of asset - teachers	\$(2,978)
June 30, 2022 proportion - general employees	0.05345%
June 30, 2021 proportion - general employees	0.05374%
June 30, 2022 proportion - teachers	2.64852%
June 30, 2021 proportion - teachers	2.67037%
June 30, 2022 expense - general employees	\$17,091
June 30, 2022 expense - teachers	\$75,918

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB liabilities, OPEB expense, and deferred inflows and outflows of resources related to OPEB (Continued)

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	\$ 486,966	\$ 63,244	\$ 423,722
Changes for the year:			
Service cost	8,178	-	8,178
Interest	32,525	-	32,525
Differences between expected and actual experience	5,927	-	5,927
Assumption changes	33,853	-	33,853
Contributions - employer	-	42,739	(42,739)
Net investment income	-	(418)	418
Benefit payments	(26,575)	(26,575)	-
Administrative expenses	-	(142)	142
Other changes	-	10,430	(10,430)
Net changes	53,908	26,034	27,874
Balances at June 30, 2022	\$ 540,874	\$ 89,278	\$ 451,596

In addition, for the year ended June 30, 2022, the School Division recognized OPEB expense of \$110,513 related to the General Employee Health Insurance Credit Program.

At June 30, 2023, the School Division reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

General Employee Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,824	\$ 14,603
Change in assumptions	13,577	35,455
Net difference between projected and actual earnings on OPEB plan investments	-	22,745
Change in proportion	-	39,519
Employer contributions subsequent to the measurement date	37,419	-
	\$ 79,820	\$ 112,322

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YORK COUNTY SCHOOL DIVISION
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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB liabilities, OPEB expense, and deferred inflows and outflows of resources related to OPEB (Continued)

Teacher Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 332,397	\$ 168,398
Change in assumptions	156,564	408,863
Net difference between projected and actual earnings on OPEB plan investments	-	262,288
Change in proportion	34,408	192,804
Employer contributions subsequent to the measurement date	439,536	-
	<u>\$ 962,905</u>	<u>\$ 1,032,353</u>

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 412,793
Change in assumptions	295,862	25,861
Net difference between projected and actual earnings on OPEB plan investments	-	10,165
Changes in proportion	71,346	498,196
Employer contributions subsequent to the measurement date	979,466	-
	<u>\$ 1,346,674</u>	<u>\$ 947,015</u>

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 166,857	\$ 5,793
Change in assumptions	34,196	-
Net difference between projected and actual earnings on OPEB plan investments	293	-
Employer contributions subsequent to the measurement date	48,936	-
	<u>\$ 250,282</u>	<u>\$ 5,793</u>

(Continued)

YORK COUNTY SCHOOL DIVISION
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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB liabilities, OPEB expense, and deferred inflows and outflows of resources related to OPEB (Continued)

General Employee Virginia Local Disability Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,418	\$ 6,724
Change in assumptions	120	1,127
Net difference between projected and actual earnings on OPEB plan investments	-	14
Change in proportion	242	452
Employer contributions subsequent to the measurement date	24,631	-
	<u>\$ 29,411</u>	<u>\$ 8,317</u>

Teacher Virginia Local Disability Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,120	\$ 9,035
Change in assumptions	8,883	-
Net difference between projected and actual earnings on OPEB plan investments	-	828
Change in proportion	435	481
Employer contributions subsequent to the measurement date	127,029	-
	<u>\$ 171,467</u>	<u>\$ 10,344</u>

The deferred outflows of resources related to OPEB resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

General Employee Group Life Insurance Program

Year Ending June 30,	Reduction to OPEB Expense
2024	\$ (19,299)
2025	(16,186)
2026	(26,356)
2027	(3,484)
2028	(4,596)

(Continued)

YORK COUNTY SCHOOL DIVISION
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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB liabilities, OPEB expense, and deferred inflows and outflows of resources related to OPEB (Continued)

Teacher Group Life Insurance Program

<u>Year Ending June 30,</u>	<u>Reduction to OPEB Expense</u>
2024	\$ (115,966)
2025	(95,995)
2026	(242,691)
2027	(2,888)
2028	(51,444)

Teacher Health Insurance Credit Program

<u>Year Ending June 30,</u>	<u>Reduction to OPEB Expense</u>
2024	\$ (138,140)
2025	(119,739)
2026	(86,523)
2027	(52,907)
2028	(96,683)
Thereafter	(85,815)

General Employee Health Insurance Credit Program

<u>Year Ending June 30,</u>	<u>Increase to OPEB Expense</u>
2024	\$ 85,258
2025	85,347
2026	14,955
2027	8,463
2028	1,530

General Employee Virginia Local Disability Program

<u>Year Ending June 30,</u>	<u>Reduction to OPEB Expense</u>
2024	\$ (323)
2025	(368)
2026	(1,578)
2027	166
2028	(197)
Thereafter	(1,237)

(Continued)

YORK COUNTY SCHOOL DIVISION
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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB liabilities, OPEB expense, and deferred inflows and outflows of resources related to OPEB (Continued)

Teacher Virginia Local Disability Program

<u>Year Ending June 30,</u>	<u>Increase to OPEB Expense</u>
2024	\$ 2,302
2025	2,327
2026	1,757
2027	5,885
2028	3,275
Thereafter	18,548

Actuarial assumptions and other inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Inflation	2.50%
Salary increases, including inflation:	
Locality - general employees	3.50 - 5.35%
Hazardous duty employees	3.50 - 4.75%
Teachers	3.50 - 5.95%
Healthcare cost trend rates:	
Under age 65	7.00 - 4.75%
Ages 65 and older	5.25 - 4.75%
Investment rate of return, net of expenses, including inflation	6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 10.

Net OPEB liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<u>Group Life Insurance Program</u>	<u>Teacher Employee Plan</u>	<u>Teacher Virginia Local Disability Program</u>	<u>Non-Teacher Virginia Local Disability Program</u>
Total OPEB liability	\$ 3,672,085	\$ 1,470,891	\$ 7,207	\$ 7,360
Plan fiduciary net position	2,467,989	221,845	7,320	7,948
Net OPEB liability (asset)	<u>\$ 1,204,096</u>	<u>\$ 1,249,046</u>	<u>\$ (113)</u>	<u>\$ (588)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	67.21%	15.08%	101.57%	107.99%

(Continued)

**YORK COUNTY SCHOOL DIVISION
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**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

The total liability is calculated by the VRS actuary and each plan's fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

Long-term expected rate of return

The long-term expected rate of return on VRS 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 OPEB 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:

<u>Asset Class Strategy</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate Return</u>	<u>Weighted Average Long-Term Expected Rate Return</u>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		5.33%
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.83%</u>

- * The above allocation provides for a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of 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 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11, including inflation of 2.50%.

(Continued)

**YORK COUNTY SCHOOL DIVISION
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**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Long-term expected rate of return (Continued)

Discount Rate

The discount rate used to measure the GLI, HIC, and VLDP OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System 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, 2022, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liabilities of the School Division, as well as what the School Division's net OPEB liabilities would be if they were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current discount rate:

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
General Employee GLI Net OPEB liability	\$ 529,660	\$ 363,998	\$ 230,121
Teacher GLI Net OPEB liability	6,108,000	4,197,601	2,653,736
General Employee HIC Net OPEB liability	510,186	451,596	401,556
Teacher HIC Net OPEB liability	11,413,267	10,127,019	9,036,700
General Employee VLDP Net OPEB liability (asset)	333	(3,142)	(6,160)
Teacher VLDP Net OPEB liability (asset)	21,574	(2,978)	(24,212)

OPEB Plan fiduciary net position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

School Division OPEB Plan

Plan Description

The County and School Division's OPEB plans are each single employer defined benefit plans administered by the County and School Division.

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. U.S. GAAP disclosures are reported in the County's Annual Comprehensive Financial Report. 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 and employees covered by the Plan

The School Division provides postemployment 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 a dependent spouse are provided until the earlier of the spouse'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 participants 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 years, 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.

Employees Covered by Benefit Terms

Participants in the School Division's OPEB plan must attain age 55 and have 5 or more years of service with the School Division to be eligible for health benefits upon retirement. Participants must also retire directly from active employment and satisfy one of the VRS retirement eligibility requirements to be eligible for health benefits. VRS retirement eligibility requirements were previously discussed in this note. At July 1, 2021, there were 1,498 active employees and 89 retirees participating in this program.

Contributions

Contribution requirements are established and may be amended by the School Board. Retirees having less than 20 years of service with the School Division upon retirement are responsible for 100% of their medical premium cost and dental premium cost, regardless of the plan or coverage tier elected. The School Divisions' contribution for retirees having 20 or more years of service with the School Division is equal to 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 Health Insurance Credit received by the retiree. The required contributions were actuarially determined and are based upon projected pay-as-you-go financing requirements. Contributions to the School Division Plan were \$388,148 for the year ended June 30, 2023.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

School Division OPEB Plan (Continued)

Actuarial Methods and Assumptions

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of July 1, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
Discount rate	6.50%
Payroll growth	3.00%
Asset valuation method	Market Value
Amortization method:	
Level percent or level dollar	Level Percentage of Payroll
Closed, open, or layered periods	Layered
Amortization period at July 1, 2022	Each New Base 30 Years
Amortization growth rate	3.00%
Actuarial cost method	Projected Unit Credit
Mortality rates:	

Pre-Retirement: RP-2014 Employees Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service-related.

Post-Retirement: RP-2014 Employees Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males setback 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

Disability rates:

Female		Male	
Age	Rate	Age	Rate
30	0.008%	30	0.013%
35	0.027%	35	0.020%
40	0.046%	40	0.026%
45	0.105%	45	0.088%
50	0.163%	50	0.149%
55	0.293%	55	0.286%
60	0.422%	60	0.422%

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

School Division OPEB Plan (Continued)

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by taking the annual average long-term future inflation and real return components, 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, 2022, capital market assumptions (real returns). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Real Rate of Return</u>	<u>Geometric Long-Term Expected Real Rate of Return</u>
U.S. Core Fixed Income	20.00%	2.27%	2.13%
U.S. Large Caps	21.00%	5.64%	4.09%
U.S. Small Caps	10.00%	7.25%	4.67%
Foreign Developed Equity	13.00%	6.90%	5.15%
Emerging Markets Equity	5.00%	9.58%	6.20%
Private Real Estate Property	15.00%	4.86%	3.70%
Private Equity	10.00%	10.74%	6.54%
Hedge FOF Strategic	<u>6.00%</u>	4.42%	3.48%
	<u>100.00%</u>		
Assumed inflation - mean		2.33%	2.33%
Assumed inflation - standard deviation		1.41%	1.41%
Portfolio real mean return		5.81%	4.90%
Portfolio nominal mean return		8.14%	7.34%
Portfolio standard deviation			13.07%
Long-term expected rate of return			6.50%

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 School Division contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

School Division OPEB Plan (Continued)

Change in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	<u>\$ 6,049,885</u>	<u>\$ 9,643,035</u>	<u>\$ (3,593,150)</u>
Changes for the year:			
Service cost	317,574	-	317,574
Interest	401,469	-	401,469
Assumption changes	285,158	-	285,158
Contributions - employer	-	388,148	(388,148)
Net investment income	-	734,895	(734,895)
Benefit payments	(388,148)	(388,148)	-
Administrative expenses	<u>-</u>	<u>(10,387)</u>	<u>10,387</u>
Net changes	<u>616,053</u>	<u>724,508</u>	<u>(108,455)</u>
Balances at June 30, 2023	<u>\$ 6,665,938</u>	<u>\$ 10,367,543</u>	<u>\$ (3,701,605)</u>

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liabilities of the School Division, as well as what the School Division's net OPEB liabilities would be if they were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current discount rate:

	1.00% Decrease 5.50%	Current Discount Rate 6.50%	1.00% Increase 7.50%
Net OPEB liability (asset)	<u>\$ (3,287,340)</u>	<u>\$ (3,701,605)</u>	<u>\$ (4,090,572)</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liabilities of the School Division, calculated using the current healthcare cost trend rates as well as what the School Division's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rate:

	1.00% Decrease (5.2% decreasing to 2.9%)	Healthcare Cost Trend Rate (6.2% decreasing to 3.9%)	1.00% Increase (7.2% decreasing to 4.9%)
Net OPEB liability (asset)	<u>\$ (4,377,314)</u>	<u>\$ (3,701,605)</u>	<u>\$ (2,927,193)</u>

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

11. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

School Division OPEB Plan (Continued)

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

For the year ended June 30, 2023, the School Division recognized OPEB expense of \$178,778. At June 30, 2023, the School Division reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 301,044	\$ 43,865
Change in assumptions	776,659	789,792
Net difference between projected and actual earnings on OPEB plan investments	<u>230,839</u>	<u>-</u>
	<u>\$ 1,308,542</u>	<u>\$ 833,657</u>

Amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2024	\$ 40,424
2025	(11,870)
2026	357,279
2027	22,750
2028	44,436
Thereafter	21,866

Combining OPEB liabilities, OPEB expense, deferred outflows of resources, and deferred inflows of resources related to OPEB

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

	Deferred Outflows	Deferred Inflows	Net OPEB Liability (Asset)	OPEB Expense (Revenue)
VRS GLI - Professional	\$ 112,322	\$ 79,820	\$ 363,998	\$ (2,780)
VRS GLI - Non-professional	1,032,353	962,905	4,197,601	82,515
VRS HIC - Professional	1,346,674	947,015	10,127,019	702,099
VRS HIC - Non-professional	250,282	5,793	451,596	110,513
VRS VLDP - Professional	171,467	10,344	(2,978)	75,918
VRS VLDP - Non-professional	29,411	8,317	(3,142)	17,091
Optional Plan	<u>1,308,542</u>	<u>833,657</u>	<u>(3,701,605)</u>	<u>178,778</u>
	<u>\$ 4,149,101</u>	<u>\$ 2,949,801</u>	<u>\$ 11,432,489</u>	<u>\$ 1,164,134</u>

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

12. Deferred Compensation Plan

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 Division employees, permits them to defer a portion of their salary to 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.

13. Contingent Liabilities

Risk management

The School Division is 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 School Division maintains 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 School Division reports all its risk management activities in its General Fund, except those related to health and dental benefits. The General Fund retains the full risk for unemployment compensation, with a \$400,000 deductible. All claims for retained risks are paid from the General 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 healthcare claim is \$300,000.

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

Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The School Division's healthcare liability of \$1,793,000 at June 30, 2023, is reasonably estimated and has been included in claims payable in the Internal Service Fund. The School Division's workers' compensation claims liability of \$1,935,682 at June 30, 2023, 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 of health care and workers' compensation liabilities since June 30, 2022, resulted from the following:

	<u>2023</u>	<u>2022</u>
Accrued liability / committed fund balance - beginning of year	\$ 4,751,582	\$ 4,834,141
Claims and changes in estimates	294,707	284,856
Claim payments	(517,607)	(367,415)
Transfers	<u>(800,000)</u>	<u>-</u>
Accrued liability / committed fund balance - end of year	<u>\$ 3,728,682</u>	<u>\$ 4,751,582</u>

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023**

13. Contingent Liabilities (Continued)

Grants

The School Division received grant funds, principally from the State and Federal Government, for instructional and various other programs. Expenditures from these grants are subject to audit by the grantor and the School Division is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the School Division, any refunds that may be required, as a result of expenditures disallowed by the grantors, will not be material to the financial statements.

Litigation

The School Division has a variety of cases that are coverage by insurance during the year management estimates that the outcome will not have a material adverse effect on the financial condition of the School Division.

14. New Accounting Standards

In April 2022, the GASB issued **Statement No. 99**, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

14. New Accounting Standards (Continued)

In June 2022, the GASB issued **Statement No. 100**, *Accounting Changes and Error Corrections*. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued **Statement No. 101**, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
INTERGOVERNMENTAL				
County of York, Virginia	\$ 58,637,094	\$ 59,287,094	\$ 56,515,923	\$ (2,771,171)
Commonwealth of Virginia:				
State sales tax	16,297,049	18,214,459	17,536,017	(678,442)
Basic aid	44,960,349	42,849,782	43,293,156	443,374
Salary supplement	2,520,150	2,508,136	2,528,914	20,778
Supplemental support	3,237,254	3,231,352	3,259,648	28,296
Foster home children	20,138	2,317	5,749	3,432
Special education - foster children	28,979	3,475	-	(3,475)
Gifted and talented programs	442,412	440,108	443,774	3,666
Remedial programs	506,763	504,123	508,323	4,200
Remedial summer school	136,520	318,669	318,669	-
Reading intervention	237,810	190,719	190,719	-
Special education - SOQ	4,327,595	4,305,052	4,340,914	35,862
Homebound	17,605	27,031	27,032	1
Comprehensive services act	475,000	475,000	638,565	163,565
Free textbooks	1,064,846	1,059,299	1,068,123	8,824
Substitute teachers	-	-	109	109
VOC ED - SOQ	466,544	464,113	467,980	3,867
Special education support	971,995	1,201,817	1,277,125	75,308
Employer share benefit	8,293,217	8,250,015	8,318,741	68,726
Medicaid reimbursement	150,000	150,000	225,400	75,400
Project Graduation	21,762	21,762	21,762	-
Other CAT/VOC ED	33,832	31,746	-	(31,746)
At-risk	508,667	506,114	246,760	(259,354)
At-risk lottery	-	-	263,439	263,439
National board certification	50,000	50,000	52,500	2,500
K-3 initiative	177,226	183,834	183,834	-
SOL algebra readiness	76,582	71,653	71,653	-
Pre-school initiative	389,758	539,868	202,061	(337,807)
VPI Teacher to Student	-	-	15,801	15,801
VPI At Risk 3-Year-Old	-	-	64,257	64,257
VPI Aflex Special	-	-	29,687	29,687
Miscellaneous grants	820,000	454,921	-	(454,921)
LEP	347,140	328,440	328,440	-
ISAEP	16,465	16,405	16,405	-
CTE equipment	-	-	24,445	24,445
CTE occupational	-	-	6,222	6,222
Mentor teacher	6,797	5,992	7,094	1,102
Advanced computer science grant	-	138,800	138,800	-
K-12 innovation	-	-	11,038	11,038
CTE industry certification	-	-	14,511	14,511
TE workplace readiness	-	-	2,446	2,446
Positive behavior	-	-	29,000	29,000

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Commonwealth of Virginia: (Continued)				
Grocery tax hold harmless	\$ 975,574	\$ 975,574	\$ 975,574	\$ -
Re-benchmark hold harmless	1,817,205	1,817,205	1,817,205	-
Community school grant	-	11,500	111,601	100,101
Seclusion / restraint grant	-	-	4,132	4,132
Total from the Commonwealth of Virginia	89,395,234	89,349,281	89,087,625	(261,656)
Federal government:				
Title I	823,412	793,309	945,664	152,355
Title II A	190,408	201,155	227,037	25,882
Title III A	36,938	36,969	31,775	(5,194)
Title IV A	54,048	61,839	57,455	(4,384)
Impact aid	8,700,000	8,700,000	9,734,140	1,034,140
DOD - heavily impacted	1,200,000	1,200,000	1,138,916	(61,084)
NOAA	-	225,000	63,971	(161,029)
DOD Stem	356,265	356,265	162,250	(194,015)
Title VI B	2,656,618	2,143,262	2,179,602	36,340
Foreign language grant	-	2,000,000	21,899	(1,978,101)
NJROTC	140,000	140,000	137,225	(2,775)
ARP - VIB	498,706	485,020	515,020	30,000
ARP - Homeless	23,917	23,443	20,687	(2,756)
CTE Carl Perkins	114,693	122,324	122,324	-
CAA	-	-	325,720	325,720
ESSER II - Unfinished Learning	1,235,254	1,101,463	939,564	(161,899)
ESSER II - Extended Year	450,000	900,000	580,690	(319,310)
ESSER III - Unfinished Learning	3,751,614	4,010,338	1,711,353	(2,298,985)
ESSER III - Mentor Teacher	970,650	970,650	596,533	(374,117)
ARPA bonus payment	1,244,843	1,244,843	1,292,672	47,829
Covid 19 Public Health WF	-	144,271	144,268	(3)
Early chil prov lic teacher incent	-	-	9,773	9,773
Special Education Preschool	49,332	49,332	46,237	(3,095)
ARP - Preschool	27,706	20,299	22,978	2,679
Total from the federal government	22,524,404	24,929,782	21,027,753	(3,902,029)
Total intergovernmental revenues	170,556,732	173,566,157	166,631,301	(6,934,856)
MISCELLANEOUS REVENUES				
Use of money and property	717,111	717,111	997,830	280,719
Charges for services	994,900	994,900	836,256	(158,644)
Miscellaneous	303,000	303,000	172,053	(130,947)
Total miscellaneous revenues	2,015,011	2,015,011	2,006,139	(8,872)
Total revenues	\$ 172,571,743	\$ 175,581,168	\$ 168,637,440	\$ (6,943,728)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2023

	Original	Final Budget	Actual	Variance Positive (Negative)
EDUCATION				
Instruction:				
Classroom instruction services:				
Regular education	\$ 75,959,979	\$ 74,963,607	\$ 74,927,030	\$ 36,577
Special education	16,968,906	16,952,576	15,615,100	1,337,476
Vocational education	3,289,261	3,285,522	3,291,938	(6,416)
Gifted and talented	494,641	494,976	643,130	(148,154)
Other programs	13,133,096	15,414,245	10,367,615	5,046,630
Instructional support - student:				
Guidance	4,221,210	4,221,213	3,884,035	337,178
Social work	582,785	582,785	574,213	8,572
Homebound	79,354	79,354	144,720	(65,366)
Instructional support - staff:				
Management and staff development	4,932,845	4,951,976	5,336,244	(384,268)
Media services	2,188,269	2,193,269	2,239,547	(46,278)
Instructional support - school administration:				
Principals' office	9,381,708	9,384,450	9,466,361	(81,911)
Total instruction	<u>131,232,054</u>	<u>132,523,973</u>	<u>126,489,933</u>	<u>6,034,040</u>
Administration, attendance, and health services:				
Board services	147,141	147,141	133,877	13,264
Executive services	751,066	751,066	800,022	(48,956)
Communication services	699,296	705,330	666,203	39,127
Human resources	1,313,766	1,453,766	1,466,462	(12,696)
Fiscal services	1,390,136	2,152,660	1,557,215	595,445
Health services	2,317,695	2,317,693	2,298,294	19,399
Psychological services	1,396,469	1,396,469	1,327,406	69,063
Speech and audiology services	1,086,931	1,136,930	1,240,150	(103,220)
Total administration, attendance, and health services	<u>9,102,500</u>	<u>10,061,055</u>	<u>9,489,629</u>	<u>571,426</u>
Pupil transportation:				
Vehicle operation services	7,592,808	7,592,808	7,391,299	201,509
Vehicle maintenance services	1,787,356	1,745,300	1,516,399	228,901
Total pupil transportation	<u>9,380,164</u>	<u>9,338,108</u>	<u>8,907,698</u>	<u>430,410</u>
Operations and maintenance:				
Management and direction	257,680	382,680	278,868	103,812
Building services	10,482,023	10,983,023	10,896,316	86,707
Grounds services	1,206,600	1,206,600	1,206,600	-
Vehicle services	439,766	481,822	411,429	70,393
Warehouse and distribution services	410,902	515,902	399,498	116,404
Total operations and maintenance	<u>12,796,971</u>	<u>13,570,027</u>	<u>13,192,711</u>	<u>377,316</u>
Technology:				
Classroom instruction	3,696,192	3,846,457	3,116,905	729,552
Instructional support	4,145,256	4,015,344	2,761,129	1,254,215
Administration	1,367,157	1,367,157	1,425,409	(58,252)
Operations and maintenance	2,646,406	2,646,404	2,656,171	(9,767)
Other programs - grants	114,693	122,324	123,830	(1,506)
Total technology	<u>11,969,704</u>	<u>11,997,686</u>	<u>10,083,444</u>	<u>1,914,242</u>
Total education	<u>174,481,393</u>	<u>177,490,849</u>	<u>168,163,415</u>	<u>9,327,434</u>

(Continued)

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2023

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
CAPITAL OUTLAY				
Subscriptions	\$ -	\$ -	\$ 372,528	\$ (372,528)
DEBT SERVICE				
Principal	-	-	115,670	(115,670)
Interest	-	-	79	(79)
Total debt service	-	-	115,749	(115,749)
 Total expenditures	 \$ 174,481,393	 \$ 177,490,849	 \$ 168,651,692	 \$ 8,839,157

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
TECHNOLOGY RESERVE FUND
Year Ended June 30, 2023

	Technology Reserve Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental:				
From the County of York, Virginia	\$ 3,990,000	\$ 3,990,000	\$ 3,990,000	\$ -
From the Commonwealth of Virginia	3,644,000	3,644,000	597,189	(3,046,811)
Revenue from the use of money	5,000	5,000	36,050	31,050
Charges for services	1,271,000	1,271,000	-	(1,271,000)
Total revenues	<u>\$ 8,910,000</u>	<u>\$ 8,910,000</u>	<u>\$ 4,623,239</u>	<u>\$ (4,286,761)</u>
EXPENDITURES				
Technology - classroom instruction	\$ 8,398,307	\$ 8,398,307	\$ 545,673	\$ 7,852,634
Debt service	511,693	511,693	511,692	1
Total expenditures	<u>\$ 8,910,000</u>	<u>\$ 8,910,000</u>	<u>\$ 1,057,365</u>	<u>\$ 7,852,635</u>

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
SCHOOL FOOD SERVICE FUND
Year Ended June 30, 2023

	School Food Service Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental:				
From the Commonwealth of Virginia	\$ 287,812	\$ 288,952	\$ 223,056	\$ (65,896)
From the federal government	7,371,644	7,478,308	3,651,867	(3,826,441)
Revenue from the use of money	5,000	5,000	50,244	45,244
Charges for services	185,000	185,000	2,487,004	2,302,004
Total revenues	<u>\$ 7,849,456</u>	<u>\$ 7,957,260</u>	<u>\$ 6,412,171</u>	<u>\$ (1,545,089)</u>
EXPENDITURES				
Food Services:				
Contractual services and purchases for resale	\$ 5,878,369	\$ 5,970,490	\$ 4,840,799	\$ 1,129,691
Donated commodities	585,784	693,588	819,508	(125,920)
Salaries and wages	392,854	392,854	263,893	128,961
Fringe benefits	335,957	335,957	117,990	217,967
Equipment replacement	656,492	656,491	479,313	177,178
Total expenditures	<u>\$ 7,849,456</u>	<u>\$ 8,049,380</u>	<u>\$ 6,521,503</u>	<u>\$ 1,527,877</u>

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS -
VRS - NONPROFESSIONAL EMPLOYEES

Years Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY									
Service cost	\$ 541,141	\$ 600,482	\$ 612,876	\$ 601,823	\$ 601,022	\$ 639,053	\$ 645,253	\$ 657,682	\$ 651,659
Interest	1,961,360	1,799,838	1,716,651	1,652,635	1,586,058	1,511,907	1,434,468	1,340,262	1,257,618
Benefit payments	(1,507,833)	(1,309,188)	(1,245,823)	(1,143,487)	(968,357)	(883,431)	(836,736)	(756,608)	(700,700)
Changes of assumptions	-	845,285	-	706,288	-	(186,884)	-	-	-
Difference between expected and actual	(673,672)	14,692	180,378	56,704	(180,060)	21,121	(113,364)	144,530	-
Net change in total pension liability	320,996	1,951,109	1,264,082	1,873,963	1,038,663	1,101,766	1,129,621	1,385,866	1,208,577
Total pension liability - beginning	29,269,967	27,318,858	26,054,776	24,180,813	23,142,150	22,040,384	20,910,763	19,524,897	18,316,320
Total pension liability - ending	<u>\$ 29,590,963</u>	<u>\$ 29,269,967</u>	<u>\$ 27,318,858</u>	<u>\$ 26,054,776</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>
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 360,068	\$ 351,643	\$ 322,379	\$ 326,377	\$ 354,063	\$ 361,828	\$ 487,737	\$ 474,730	\$ 540,694
Contributions - employee	298,632	291,284	308,119	305,891	303,951	309,049	310,891	303,379	300,981
Net investment income (loss)	(25,148)	6,866,691	483,529	1,615,700	1,696,743	2,525,399	361,926	896,825	2,649,679
Benefit payments	(1,507,833)	(1,309,188)	(1,245,823)	(1,143,487)	(968,357)	(888,431)	(836,736)	(756,608)	(700,700)
Administrative expenses	(19,712)	(17,255)	(16,631)	(16,095)	(14,629)	(14,499)	(12,543)	(12,064)	(14,022)
Other changes	719	646	(571)	(1,017)	(1,513)	(2,249)	(151)	(188)	139
Net change in plan fiduciary net position	(893,274)	6,183,821	(148,998)	1,087,369	1,370,258	2,291,097	311,124	906,074	2,776,771
Plan fiduciary net position - beginning	31,502,000	25,318,179	25,467,177	24,379,808	23,009,550	20,713,453	20,402,329	19,496,255	16,719,484
Plan fiduciary net position - ending	<u>30,608,726</u>	<u>31,502,000</u>	<u>25,318,179</u>	<u>25,467,177</u>	<u>24,379,808</u>	<u>23,004,550</u>	<u>20,713,453</u>	<u>20,402,329</u>	<u>19,496,255</u>
Net pension liability (asset)	<u>\$ (1,017,763)</u>	<u>\$ (2,232,033)</u>	<u>\$ 2,000,679</u>	<u>\$ 587,599</u>	<u>\$ (198,995)</u>	<u>\$ 137,600</u>	<u>\$ 1,326,931</u>	<u>\$ 508,434</u>	<u>\$ 28,642</u>
Plan fiduciary net position as a percentage of total pension liability (asset)	103.44%	107.63%	92.68%	97.74%	100.82%	99.41%	93.98%	97.57%	99.85%
Covered Payroll	<u>\$ 6,471,798</u>	<u>\$ 6,257,392</u>	<u>\$ 6,598,388</u>	<u>\$ 6,466,346</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>
Net pension liability (asset) as a percentage of covered payroll	-15.73%	-35.67%	30.32%	9.09%	-3.13%	2.16%	20.86%	8.24%	0.47%

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

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

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS -
 OPTIONAL PLAN**

Years Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY									
Service cost	\$ 963	\$ 702	\$ 646	\$ 1,138	\$ 1,206	\$ 1,385	\$ 1,834	\$ 1,731	\$ 2,224
Interest	105,566	118,665	115,237	117,944	120,762	127,986	132,210	120,051	124,341
Benefit payments	(177,057)	(182,403)	(179,529)	(206,332)	(189,804)	(197,602)	(194,429)	(164,908)	(193,616)
Changes of assumptions	(66,190)	97,283	79,355	(4,898)	(11,814)	(36,292)	-	157,315	-
Difference between expected and actual	(205,194)	25,735	34,647	40,567	47,716	(2,386)	2,076	74,161	-
Net change in total pension liability	(341,912)	59,982	50,356	(51,581)	(31,934)	(106,909)	(58,309)	188,350	(67,051)
Total pension liability - beginning	1,845,700	1,785,718	1,735,362	1,786,943	1,818,877	1,925,786	1,984,095	1,795,745	1,862,796
Total pension liability - ending	<u>\$ 1,503,788</u>	<u>\$ 1,845,700</u>	<u>\$ 1,785,718</u>	<u>\$ 1,735,362</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	\$ 29,445	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 10,000	\$ -	\$ 290,495
Net investment income (loss)	(78,776)	364,782	23,675	179,448	237,109	142,975	89,571	20,333	-
Benefit payments	(177,057)	(182,403)	(179,529)	(206,332)	(189,804)	(197,602)	(194,429)	(164,908)	(177,455)
Administrative expenses	(18,586)	(17,943)	(18,397)	(19,034)	(19,484)	(19,782)	(21,276)	(21,515)	(22,106)
Net change in plan fiduciary net position	(244,974)	164,436	(174,251)	(45,918)	27,821	(54,409)	(116,134)	(166,090)	90,934
Plan fiduciary net position - beginning	1,735,593	1,571,157	1,745,408	1,791,326	1,763,505	1,817,914	1,934,048	2,100,138	2,009,204
Plan fiduciary net position - ending	<u>1,490,619</u>	<u>1,735,593</u>	<u>1,571,157</u>	<u>1,745,408</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>\$ 13,169</u>	<u>\$ 110,107</u>	<u>\$ 214,561</u>	<u>\$ (10,046)</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 (asset)	99.12%	94.03%	87.98%	100.58%	100.25%	96.96%	94.40%	97.48%	116.95%
Covered Payroll	<u>\$ 336,359</u>	<u>\$ 320,207</u>	<u>\$ 334,285</u>	<u>\$ 315,384</u>	<u>\$ 393,083</u>	<u>\$ 416,038</u>	<u>\$ 490,949</u>	<u>\$ 540,694</u>	<u>\$ 605,577</u>
Net pension liability (asset) as a percentage of covered payroll	3.92%	34.39%	64.19%	-3.19%	-1.12%	13.31%	21.97%	9.26%	-50.26%

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

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

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
VRS - PROFESSIONAL EMPLOYEES**

Years Ended June 30,	(a) Employer's Portion of the Net Pension Liability	(b) Employer's Proportionate Share of the Net Pension Liability	(c) Employer's Covered Payroll	(d) Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll (b) / (c)	(e) Plan Fiduciary Net Position as a % of the Total Pension Liability
2023	0.81888%	\$ 77,962,278	\$ 75,656,571	103.05%	82.61%
2022	0.84025%	65,229,425	73,610,398	88.61%	85.46%
2021	0.85723%	124,749,477	74,340,993	167.81%	71.47%
2020	0.85177%	112,097,772	70,985,746	157.92%	73.51%
2019	0.84051%	98,844,000	67,691,857	146.02%	74.81%
2018	0.85148%	104,715,000	66,894,061	156.54%	72.92%
2017	0.87024%	121,956,000	66,367,678	183.76%	68.28%
2016	0.85504%	107,618,000	63,559,725	169.32%	70.68%
2015	0.83118%	100,445,000	60,755,750	165.33%	70.88%

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

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the School Division's fiscal year.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION

Years Ended June 30,	(a) Contractually Required Contributions	(b) Contribution In Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a)-(b)	(d) Employer's Covered Payroll	(e) Contributions as a Percentage of Covered Employee Payroll (b) / (d)
VRS - PROFESSIONAL EMPLOYEES					
2023	\$ 12,923,612	\$ 12,923,612	\$ -	\$ 80,928,634	15.97%
2022	12,558,998	12,558,998	-	75,565,571	16.62%
2021	12,234,048	12,234,048	-	73,610,398	16.62%
2020	11,359,571	11,359,571	-	74,340,993	15.28%
2019	10,917,764	10,917,764	-	70,985,746	15.38%
2018	10,867,762	10,867,762	-	67,691,857	16.05%
2017	9,684,516	9,684,516	-	66,894,061	14.48%
2016	9,271,511	9,271,511	-	66,367,678	13.97%
2015	9,180,878	9,180,878	-	63,559,725	14.44%
2014	7,081,843	7,081,843	-	60,755,750	11.66%

VRS - NONPROFESSIONAL EMPLOYEES

2023	\$ 337,518	\$ 337,518	\$ -	\$ 6,796,623	4.97%
2022	405,782	405,782	-	6,471,798	6.27%
2021	392,338	392,338	-	6,257,392	6.27%
2020	324,157	324,157	-	6,598,388	4.91%
2019	327,734	327,734	-	6,466,346	5.07%
2018	355,364	355,364	-	6,347,608	5.60%
2017	363,194	363,194	-	6,373,699	5.70%
2016	489,081	489,081	-	6,361,525	7.69%
2015	475,903	475,903	-	6,167,447	7.72%
2014	542,604	542,604	-	6,035,633	8.99%

OPTIONAL PLAN*

2023	\$ 1,923	\$ -	\$ 1,923	\$ 265,269	0.00%
2022	8,671	29,445	(20,774)	336,359	8.75%
2021	19,821	-	19,821	320,207	0.00%
2020	-	-	-	334,285	0.00%
2019	79	-	79	315,384	0.00%
2018	7,178	-	7,178	393,083	0.00%
2017	10,884	20,000	(9,116)	416,038	4.81%
2016	5,370	10,000	(4,630)	490,949	2.04%
2015	-	-	-	540,694	0.00%

*Schedule is intended to show information for 10 years. Since 2023 is the ninth year for this presentation, no earlier data is available. However, additional years will be included as they become available.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF INVESTMENTS - OPTIONAL PLAN

Years Ended June 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2023	5.68%
2022	(4.77%)
2021	24.69%
2020	1.44%
2019	10.67%
2018	14.26%
2017	8.28%
2016	4.88%
2015	1.26%
2014	14.93%

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF SCHOOL DIVISION'S SHARE OF NET OPEB LIABILITY
GROUP LIFE INSURANCE PROGRAM - NONPROFESSIONAL EMPLOYEES

Years Ended June 30,	2023	2022	2021	2020	2019	2018
Employer's proportion of the net GLI OPEB liability	0.03023%	0.03104%	0.03261%	0.03328%	0.03399%	0.03505%
Employer's proportionate share of the net GLI OPEB liability	\$ 363,998	\$ 361,390	\$ 544,207	\$ 541,554	\$ 516,000	\$ 527,000
Employer's covered payroll	\$ 6,576,091	\$ 6,407,980	\$ 6,710,645	\$ 6,524,499	\$ 6,464,042	\$ 6,465,629
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	5.54%	5.64%	8.11%	8.30%	7.98%	8.15%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2023 is the sixth year for this presentation, no earlier 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.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF SCHOOL DIVISION'S SHARE OF NET OPEB LIABILITY
GROUP LIFE INSURANCE PROGRAM - PROFESSIONAL EMPLOYEES

Years Ended June 30,	2023	2022	2021	2020	2019	2018
Employer's proportion of the net GLI OPEB liability	0.34861%	0.35728%	0.36222%	0.36358%	0.35768%	0.36412%
Employer's proportionate share of the net GLI OPEB liability	\$ 4,197,601	\$ 4,159,709	\$ 6,044,858	\$ 5,916,415	\$ 5,432,000	\$ 5,479,000
Employer's covered payroll	\$ 75,832,600	\$ 73,764,438	\$ 74,545,554	\$ 71,274,389	\$ 68,011,166	\$ 67,163,557
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	5.54%	5.64%	8.11%	8.30%	7.99%	8.16%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2023 is the sixth year for this presentation, no earlier 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.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**SCHEDULE OF SCHOOL DIVISION'S SHARE OF NET OPEB LIABILITY
HEALTH INSURANCE CREDIT PROGRAM - PROFESSIONAL EMPLOYEES**

Years Ended June 30,	2023	2022	2021	2020	2019	2018
Employer's proportion of the net HIC OPEB liability	0.81078%	0.83233%	0.84826%	0.84659%	0.83687%	0.84856%
Employer's proportionate share of the net HIC OPEB liability	\$ 10,127,019	\$ 10,683,531	\$ 11,065,692	\$ 11,082,687	\$ 10,626,000	\$ 10,765,000
Employer's covered payroll	\$ 75,565,571	\$ 73,610,398	\$ 74,364,656	\$ 71,009,117	\$ 67,680,531	\$ 66,968,466
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	13.40%	14.51%	14.88%	15.61%	15.70%	16.07%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%

Schedule is intended to show information for 10 years. Since 2023 is the sixth year for this presentation, no earlier 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.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS -
HEALTH INSURANCE CREDIT PROGRAM - NONPROFESSIONAL EMPLOYEES

Years Ended June 30,	2023	2022	2021	2020
TOTAL HIC OPEB LIABILITY				
Service cost	\$ 8,178	\$ 11,959	\$ 11,482	\$ 11,130
Interest	32,525	30,977	21,325	(540)
Benefit changes	-	-	7,946	-
Difference between expected and actual experience	5,927	(9,103)	124,238	321,805
Changes of assumptions	33,853	5,800	-	9,367
Benefit payments	(26,575)	(23,179)	(20,815)	(15,426)
Net change in total HIC liability	53,908	16,454	144,176	326,336
Total HIC liability - beginning	486,966	470,512	326,336	-
Total HIC liability - ending	<u>\$ 540,874</u>	<u>\$ 486,966</u>	<u>\$ 470,512</u>	<u>\$ 326,336</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 42,739	\$ 41,300	\$ 35,120	\$ 34,311
Net investment income (loss)	(418)	10,673	431	1,107
Benefit payments	(26,575)	(23,179)	(20,815)	(15,426)
Administrative expenses	(142)	(185)	(64)	(28)
Other changes	10,430	-	-	(1)
Net change in plan fiduciary net position	26,034	28,609	14,672	19,963
Plan fiduciary net position - beginning	63,244	34,635	19,963	-
Plan fiduciary net position - ending	<u>89,278</u>	<u>63,244</u>	<u>34,635</u>	<u>19,963</u>
Net OPEB Liability	<u>\$ 451,596</u>	<u>\$ 423,722</u>	<u>\$ 435,877</u>	<u>\$ 306,373</u>
Plan fiduciary net position as a percentage of covered payroll	16.51%	12.99%	7.36%	6.12%
Covered Payroll	\$ 6,471,798	\$ 6,257,392	\$ 6,473,737	\$ 6,473,737
Net OPEB Liability as a percentage of covered payroll	6.98%	6.77%	6.73%	4.73%

Schedule is intended to show information for 10 years. Since the York County School Division nonprofessional employees began participating in the program in 2020, only four years 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.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF SCHOOL DIVISION'S SHARE OF NET OPEB LIABILITY (ASSET)
VIRGINIA LOCAL DISABILITY PROGRAM - NONPROFESSIONAL EMPLOYEES

Years Ended June 30,	2023	2022	2021	2020	2019	2018
Employer's proportion of the Net VLDP OPEB liability (asset)	0.05345%	0.05374%	0.59289%	0.56622%	0.55393%	0.58111%
Employer's proportionate share of the net VLDP OPEB liability (asset)	\$ (3,142)	\$ (5,440)	\$ 5,919	\$ 11,471	\$ 4,000	\$ 3,000
Employer's covered payroll	\$ 2,503,941	\$ 2,158,928	\$ 2,209,330	\$ 1,749,657	\$ 1,344,986	\$ 1,067,079
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	-0.13%	-0.25%	0.27%	0.66%	0.30%	0.28%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	107.99%	119.64%	76.88%	49.21%	51.39%	38.40%

Schedule is intended to show information for 10 years. Since 2023 is the sixth year for this presentation, no earlier 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.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**SCHEDULE OF SCHOOL DIVISION'S SHARE OF NET OPEB LIABILITY
VIRGINIA LOCAL DISABILITY PROGRAM - PROFESSIONAL EMPLOYEES**

Years Ended June 30,	2023	2022	2021	2020	2019
Employer's proportion of the net VLDP OPEB liability (asset)	2.64852%	2.67037%	2.67889%	2.60420%	2.70217%
Employer's proportionate share of the net VLDP OPEB liability (asset)	\$ (2,978)	\$ (18,799)	\$ 21,492	\$ 15,140	\$ 2,100
Employer's covered payroll	\$21,316,819	\$17,969,082	\$15,845,658	\$12,487,933	\$10,075,546
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	-0.01%	-0.10%	0.14%	0.12%	0.02%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	101.57%	114.41%	78.25%	74.07%	46.18%

Schedule is intended to show information for 10 years. Since 2023 is the sixth year for this presentation, no earlier 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.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF CHANGES IN NET OPEB ASSET AND RELATED RATIOS
SCHOOL DIVISION PLAN

Years Ended June 30,	2023	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY							
Service cost	\$ 317,574	\$ 284,337	\$ 339,426	\$ 324,527	\$ 256,396	\$ 280,180	\$ 261,850
Interest	401,469	347,122	402,318	382,499	348,052	323,944	308,920
Effect of economic/demographic gains or losses	-	291,650	(61,892)	-	131,855	-	-
Effect of assumption changes or inputs	285,158	256,189	(1,094,130)	(25,368)	626,213	-	-
Benefit payments	(388,148)	(365,094)	(394,021)	(389,344)	(383,086)	(352,983)	(395,238)
Net change in total OPEB liability	616,053	814,204	(808,299)	292,314	979,430	251,141	175,532
Total OPEB liability - beginning	6,049,885	5,235,681	6,043,980	5,751,666	4,772,236	4,521,095	4,345,563
Total OPEB Liability - ending	<u>\$ 6,665,938</u>	<u>\$ 6,049,885</u>	<u>\$ 5,235,681</u>	<u>\$ 6,043,980</u>	<u>\$ 5,751,666</u>	<u>\$ 4,772,236</u>	<u>\$ 4,521,095</u>
PLAN FIDUCIARY NET POSITION							
Contributions - employer	\$ 388,148	\$ 588,407	\$ 635,431	\$ 389,344	\$ 593,608	\$ 563,505	\$ 589,228
Net investment income	734,895	(982,306)	2,355,368	232,409	325,272	602,829	700,174
Benefit payments	(388,148)	(365,094)	(394,021)	(389,344)	(383,086)	(352,983)	(395,238)
Administrative expenses	(10,387)	(11,534)	(9,365)	(8,907)	(8,187)	(7,558)	(5,293)
Net change in plan fiduciary net position	724,508	(770,527)	2,587,413	223,502	527,607	805,793	888,871
Plan fiduciary net position - beginning	9,643,035	10,413,562	7,826,149	7,602,647	7,075,040	6,269,247	5,380,376
Plan fiduciary net position - ending	<u>10,367,543</u>	<u>9,643,035</u>	<u>10,413,562</u>	<u>7,826,149</u>	<u>7,602,647</u>	<u>7,075,040</u>	<u>6,269,247</u>
Net OPEB asset	<u>\$ (3,701,605)</u>	<u>\$ (3,593,150)</u>	<u>\$ (5,177,881)</u>	<u>\$ (1,782,169)</u>	<u>\$ (1,850,981)</u>	<u>\$ (2,302,804)</u>	<u>\$ (1,748,152)</u>
Plan fiduciary net position as a percentage of total OPEB Liability	155.53%	159.39%	198.90%	129.49%	132.18%	148.25%	138.67%
Covered-employee payroll	\$ 68,592,182	\$ 68,592,182	\$ 78,051,732	\$ 72,562,703	\$ 72,562,703	\$ 73,417,704	\$ 73,417,704
Net OPEB asset as a percentage of covered employee payroll	-5.40%	-5.24%	-6.63%	-2.46%	-2.55%	-3.14%	-2.38%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, no earlier data is available. However, additional years will be included as they become available.

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE PROGRAM

Years Ended June 30,	(a) Contractually Required Contributions	(b) Contribution In Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a)-(b)	(d) Employer's Covered Payroll	(e) Contributions as a Percentage of Covered Employee Payroll (b) / (d)
PROFESSIONAL EMPLOYEES					
2023	\$ 439,536	\$ 439,536	\$ -	\$ 81,395,515	0.54%
2022	409,496	409,496	-	75,832,600	0.54%
2021	398,328	398,328	-	73,764,438	0.54%
2020	387,637	387,637	-	74,545,554	0.52%
2019	370,627	370,627	-	71,274,389	0.52%
2018	353,658	353,658	-	68,011,166	0.52%
2017	349,251	349,251	-	67,163,557	0.52%
2016	319,402	319,402	-	66,542,088	0.48%
2015	306,106	306,106	-	63,772,157	0.48%
2014	292,259	292,259	-	60,887,315	0.48%
NONPROFESSIONAL EMPLOYEES					
2023	\$ 37,419	\$ 37,419	\$ -	\$ 6,929,380	0.54%
2022	35,511	35,511	-	6,576,091	0.54%
2021	34,603	34,603	-	6,407,980	0.54%
2020	34,895	34,895	-	6,710,645	0.52%
2019	33,927	33,927	-	6,524,499	0.52%
2018	33,613	33,613	-	6,464,042	0.52%
2017	33,621	33,621	-	6,465,629	0.52%
2016	31,104	31,104	-	6,479,929	0.48%
2015	29,858	29,858	-	6,220,361	0.48%
2014	29,091	29,091	-	6,060,588	0.48%

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the School Division's fiscal year.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE CREDIT PROGRAM**

Years Ended June 30,	(a) Contractually Required Contributions	(b) Contribution In Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a)-(b)	(d) Employer's Covered Payroll	(e) Contributions as a Percentage of Covered Employee Payroll (b) / (d)
PROFESSIONAL EMPLOYEES					
2023	\$ 979,466	\$ 979,466	\$ -	\$ 80,947,643	1.21%
2022	914,343	914,343	-	75,565,571	1.21%
2021	890,686	890,686	-	73,610,398	1.21%
2020	892,376	892,376	-	74,364,656	1.20%
2019	852,109	852,109	-	71,009,117	1.20%
2018	832,471	832,471	-	67,680,531	1.23%
2017	743,350	743,350	-	66,968,466	1.11%
2016	703,335	703,335	-	66,352,331	1.06%
2015	673,859	673,859	-	63,571,618	1.06%
2014	674,705	674,705	-	60,784,260	1.11%
NONPROFESSIONAL EMPLOYEES					
2023	\$ 48,936	\$ 48,936	\$ -	\$ 6,796,623	0.72%
2022	42,714	42,714	-	6,471,798	0.66%
2021	41,299	41,299	-	6,257,392	0.66%
2020	34,311	34,311	-	6,473,737	0.53%

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

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
VIRGINIA LOCAL DISABILITY PROGRAM

Years Ended June 30,	(a) Contractually Required Contributions	(b) Contribution In Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a)-(b)	(d) Employer's Covered Payroll	(e) Contributions as a Percentage of Covered Employee Payroll (b) / (d)
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PROFESSIONAL EMPLOYEES

2023	\$ 127,029	\$ 127,029	\$ -	\$ 27,027,551	0.47%
2022	100,189	100,189	-	21,316,819	0.47%
2021	84,455	84,455	-	17,969,082	0.47%
2020	64,967	64,967	-	15,845,658	0.41%
2019	51,201	51,201	-	12,487,933	0.41%
2018	31,234	31,234	-	10,075,546	0.31%
2017	25,458	25,458	-	8,212,334	0.31%
2016	18,227	18,227	-	6,285,203	0.29%
2015	9,074	9,074	-	3,129,075	0.29%
2014	336	336	-	115,933	0.29%

NONPROFESSIONAL EMPLOYEES

2023	\$ 24,631	\$ 24,631	\$ -	\$ 2,897,818	0.85%
2022	20,783	20,783	-	2,503,941	0.83%
2021	17,919	17,919	-	2,158,928	0.83%
2020	15,907	15,907	-	2,209,330	0.72%
2019	10,848	10,848	-	1,749,657	0.62%
2018	8,070	8,070	-	1,344,986	0.60%
2017	6,402	6,402	-	1,067,079	0.60%
2016	4,505	4,505	-	750,816	0.60%
2015	2,825	2,825	-	470,890	0.60%
2014	461	461	-	76,841	0.60%

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF OPEB CONTRIBUTIONS
SCHOOL DIVISION PLAN

Years Ended June 30,	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 86,606	\$ 148,716	\$ 260,789	\$ 241,410	\$ 223,313	\$ 210,522	\$ 193,990
Contribution in relation to the actuarially determined contribution	388,148	588,407	635,431	389,344	593,608	563,505	589,228
Contribution excess	<u>\$ 301,542</u>	<u>\$ 439,691</u>	<u>\$ 374,642</u>	<u>\$ 147,934</u>	<u>\$ 370,295</u>	<u>\$ 352,983</u>	<u>\$ 395,238</u>
Covered-employee payroll	<u>\$ 68,592,182</u>	<u>\$ 68,592,182</u>	<u>\$ 78,051,732</u>	<u>\$ 72,562,703</u>	<u>\$ 72,562,703</u>	<u>\$ 73,417,704</u>	<u>\$ 73,417,704</u>
Contributions as a percentage of covered-employee payroll	0.57%	0.86%	0.81%	0.54%	0.82%	0.77%	0.80%

Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, no earlier data is available. However, additional years will be included as they become available.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023**

1. Budgets and Budgetary Accounting

The School Division follows these procedures in establishing the budgetary data reflected in the required supplementary information.

As required under Section 22.1-92 of the Code of Virginia, the Division Superintendent prepares an estimate of the amount of money deemed to be needed in the General Fund, School Food Service Fund, Technology Reserve Fund, and Capital Projects Fund during the next fiscal year for the support of the public schools of the School Division. The estimate is required to be allocated for each major classification prescribed by the State Division of Education. Section 22.1-115 of the Code of Virginia states “the Division shall prescribe the following major classifications for expenditures of school funds: (i) instruction, (ii) administration, attendance, and health, (iii) pupil transportation, (iv) operation and maintenance, (v) school food services and other non-instructional operations, (vi) facilities, and (vii) debt and fund transfers.”

The Superintendent’s proposed budget is based on budget requests prepared by administrative and supervisory staff. The Superintendent also receives input from the School Division, Employee Associations, Parent Teacher Associations, County Administrator, etc., in formulating the budget proposal. Citizen input is provided via a public forum early in the budget process. After the Superintendent’s budget is made public, the School Division conducts a public hearing on the proposed budget.

The School Division is required by State law (Section 22.1-92 of the Code of Virginia) to conduct a public hearing on the proposed budget to receive the views of citizens. The School Division also holds several work sessions on the proposed budget and modifies the proposed budget if necessary. The School Division must approve the budget by April 1 and submit it to the Board of Supervisors for the County of York for its approval.

The Board of Supervisors is required by State law to approve a School Division budget by May 1. If the Board of Supervisors approves a local appropriation that is less than the amount the School Division requested, the School Division must reduce the proposed budget accordingly.

The School Division appropriates funds on a major classification level and may make supplemental appropriations based on the availability of financial resources. The Division Superintendent may only authorize the transfer of funds within the major classification, the legal level of budgetary control.

Every appropriation lapses at the close of the fiscal year to the extent that it has not been expended. Funding for projects such as the capital improvement program is reappropriated annually until the project has been accomplished or abandoned.

The budgets are prepared on a basis consistent with the modified accrual basis of accounting. Budgeted amounts reflected in the required supplementary information are as originally adopted or as amended by the School Division. The General Fund’s budget is adopted on a basis of accounting consistent with U.S. GAAP.

The general, capital projects, and all special revenue funds, except for the School Activity funds have legally adopted annual budgets.

(Continued)

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023**

2. Changes of Pension and OPEB Benefit Terms

Pension

There have been no actuarial material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB)

There have been no actuarial material changes to the System benefit provisions since the prior actuarial valuation.

3. Changes of Assumptions

Pension

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace the load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace the load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023**

3. Changes of Assumptions (Continued)

Other Postemployment Benefits (OPEB)

The actuarial assumptions used in the June 30, 2021, valuation was based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace the load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

OTHER SUPPLEMENTARY INFORMATION

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
Year Ended June 30, 2023

	Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental:				
From the County of York, Virginia	\$ 14,104,751	\$ 14,327,728	\$ 13,367,012	\$ (960,716)
From the Commonwealth of Virginia	4,100,902	4,100,902	4,100,902	-
Revenue from the use of money and property	-	-	267,625	267,625
Total revenues	<u>\$ 18,205,653</u>	<u>\$ 18,428,630</u>	<u>\$ 17,735,539</u>	<u>\$ (693,091)</u>
EXPENDITURES				
Capital outlay	<u>\$ 19,914,676</u>	<u>\$ 30,437,791</u>	<u>\$ 15,869,186</u>	<u>\$ 14,568,605</u>
Total expenditures	<u>\$ 19,914,676</u>	<u>\$ 30,437,791</u>	<u>\$ 15,869,186</u>	<u>\$ 14,568,605</u>

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION OVERVIEW

This part of the 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 School Division's overall financial health.

CONTENTS

TABLE

FINANCIAL TRENDS

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

1 - 4

REVENUE CAPACITY

These schedules contain information to help the reader assess the School Division's most significant local revenue source, Food Services charges for services. They also include the County's most significant local revenue source, property taxes, as the County provides significant revenues to the School Division.

5 - 8

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and ability to issue additional debt in the future. These schedules are shown because the County incurs significant debt for the School Division's use.

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DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand how the environment within which the School Division's financial activities take place and to help make comparisons over time and with other governments.

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OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the School Division's financial report relates to the services the School Division provides and the activities it performs.

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TABLE 1

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**NET POSITION BY COMPONENT - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020***</u>	<u>2019</u>	<u>2018</u>	<u>2017**</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$182,323,332	\$173,153,232	\$169,160,959	\$170,595,181	\$156,943,622	\$152,110,815	\$146,987,819	\$141,610,738	\$137,691,072	\$134,132,537
Restricted	12,374,779	13,385,179	9,906,047	4,736,677	1,185,624	1,071,325	1,191,119	918,597	686,016	458,168
Unrestricted	<u>(81,053,480)</u>	<u>(109,763,933)</u>	<u>(115,786,737)</u>	<u>(116,247,782)</u>	<u>(103,580,890)</u>	<u>(106,942,035)</u>	<u>(110,957,989)</u>	<u>(89,536,482)</u>	<u>(101,213,135)</u>	<u>(73,724)</u>
Total Primary Government net position	<u>\$113,644,631</u>	<u>\$ 76,774,478</u>	<u>\$ 63,280,269</u>	<u>\$ 59,084,076</u>	<u>\$ 54,548,356</u>	<u>\$ 46,240,105</u>	<u>\$ 37,220,949</u>	<u>\$ 52,992,853</u>	<u>\$ 37,163,953</u>	<u>\$134,516,981</u>

* As restated, for GASB 68 implementation.

** As restated, for GASB 75 implementation.

*** As restated, for GASB 84 implementation.

TABLE 2

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**CHANGES IN NET POSITION BY COMPONENT - ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS (UNAUDITED)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental activities:										
Instructional	\$117,906,208	\$109,536,768	\$123,840,382	\$115,941,528	\$103,903,971	\$ 97,463,764	\$ 98,994,229	\$ 89,230,595	\$ 92,702,062	\$ 88,230,990
Administrative, attendance, and health services	8,437,113	8,424,075	7,966,469	7,628,619	7,207,151	6,646,762	6,816,306	6,778,996	6,563,077	6,379,114
Transportation	8,198,470	8,455,934	8,399,926	8,224,005	8,113,924	7,064,721	7,245,277	6,500,649	7,408,338	7,562,949
Operations and maintenance	11,873,443	12,305,570	11,822,890	11,606,603	12,376,319	12,017,480	12,953,780	13,275,449	12,191,709	11,253,356
Technology	10,591,981	9,133,130	11,682,803	10,593,856	9,937,410	11,211,833	9,033,406	8,933,514	11,766,850	9,048,406
Food Services	6,316,272	6,579,597	4,412,977	3,383,690	3,756,602	3,992,948	3,487,629	3,329,231	3,223,096	3,558,256
Interest on long-term liabilities	13,592	-	-	-	-	-	-	-	-	-
Total Primary Government expenses	163,337,079	154,435,074	168,125,447	157,378,301	145,295,377	138,397,508	138,530,627	128,048,434	133,855,132	126,033,071
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
Instructional	1,430,809	785,028	779,056	875,745	848,275	760,626	762,215	733,664	6,527,643	877,582
Food services	2,487,004	234,058	47,280	1,506,968	2,115,571	2,039,125	2,049,390	1,977,639	1,988,920	2,257,018
Operating grants and contributions	96,454,284	91,287,927	87,431,532	77,016,050	74,208,314	66,824,501	65,443,883	68,291,758	63,298,465	59,579,412
Capital grants and contributions	4,698,091	490,811	20,881	-	-	523,118	544,000	-	-	-
Total Primary Government program revenues	105,070,188	92,797,824	88,278,749	79,398,763	77,172,160	70,147,370	68,799,488	71,003,061	71,815,028	62,714,012
NET EXPENSE										
Total Primary Government net expense	(58,266,891)	(61,637,250)	(79,846,698)	(77,979,538)	(68,123,217)	(68,250,138)	(69,731,139)	(57,045,373)	(62,040,104)	(63,319,059)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Payments from the County of York, Virginia	73,872,935	55,209,924	64,822,756	65,291,097	62,577,101	63,398,906	60,614,764	60,055,486	59,859,842	46,784,869
Shared intergovernmental revenues	17,536,017	17,430,188	15,266,600	14,032,251	13,467,499	13,605,183	12,863,884	12,594,334	12,199,662	11,905,068
Investment income	399,376	5,366	15,805	3,523	817	5,284	74,145	22,026	2,338	4,594
Miscellaneous	3,328,716	2,485,981	3,937,730	1,598,966	386,051	259,921	480,190	202,427	124,826	348,728
Total Primary Government	95,137,044	75,131,459	84,042,891	80,925,837	76,431,468	77,269,294	74,032,983	72,874,273	72,186,668	59,043,259
CHANGES IN NET POSITION										
Total Primary Government	\$ 36,870,153	\$ 13,494,209	\$ 4,196,193	\$ 2,946,299	\$ 8,308,251	\$ 9,019,156	\$ 4,301,844	\$ 15,828,900	\$ 10,146,564	\$ (4,275,800)

TABLE 3

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**FUND BALANCES OF GOVERNMENTAL FUNDS - MODIFIED ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020*</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
GENERAL FUND										
Committed	\$ 1,935,682	\$ 2,797,582	\$ 2,816,141	\$ 2,798,730	\$ 2,869,564	\$ 2,969,079	\$ 3,085,163	\$ 3,895,668	\$ 3,835,909	\$ 3,662,355
Assigned	<u>1,102,924</u>	<u>2,025,007</u>	<u>2,100,733</u>	<u>2,627,653</u>	<u>2,379,760</u>	<u>2,054,555</u>	<u>3,266,407</u>	<u>2,310,064</u>	<u>2,054,820</u>	<u>4,636,248</u>
Total general fund	<u>\$ 3,038,606</u>	<u>\$ 4,822,589</u>	<u>\$ 4,916,874</u>	<u>\$ 5,426,383</u>	<u>\$ 5,249,324</u>	<u>\$ 5,023,634</u>	<u>\$ 6,351,570</u>	<u>\$ 6,205,732</u>	<u>\$ 5,890,729</u>	<u>\$ 8,298,603</u>
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	\$ 7,649,291	\$ 7,535,757	\$ 4,728,166	\$ 1,355,041	\$ 1,185,624	\$ 1,071,325	\$ 1,191,119	\$ 1,073,848	\$ 686,016	\$ 458,168
Assigned	7,144,775	2,397,302	6,991,504	4,789,421	4,836,473	4,329,671	3,290,302	3,487,134	-	-
Unassigned	<u>-</u>	<u>(2,364,754)</u>	<u>-</u>	<u>(2,827,583)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(594,587)</u>	<u>(1,586,250)</u>
Total all other governmental funds	<u>\$ 14,794,066</u>	<u>\$ 7,568,305</u>	<u>\$ 11,719,670</u>	<u>\$ 3,316,879</u>	<u>\$ 6,022,097</u>	<u>\$ 5,400,996</u>	<u>\$ 4,481,421</u>	<u>\$ 4,560,982</u>	<u>\$ 91,429</u>	<u>\$ (1,128,082)</u>

*As restated, for GASB 84 implementation.

TABLE 4

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS -
MODIFIED ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS (UNAUDITED)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Federal sources:										
Federal grants	\$ 21,027,753	\$ 18,064,511	\$ 17,748,693	\$ 15,934,429	\$ 16,044,090	\$ 13,004,218	\$ 14,334,552	\$ 18,551,861	\$ 13,927,494	\$ 13,270,776
Food services	3,651,867	8,592,318	6,186,737	1,932,035	1,620,688	1,723,615	1,578,226	1,456,241	1,375,528	1,355,737
Total federal sources	24,679,620	26,656,829	23,935,430	17,866,464	17,664,778	14,727,833	15,912,778	20,008,102	15,303,022	14,626,513
State sources:										
State education basic aid	43,293,156	38,989,586	38,824,864	37,700,709	37,524,771	34,705,092	34,869,350	34,165,873	34,368,771	31,543,761
State sales tax	17,536,017	17,430,188	15,266,600	14,032,251	13,467,499	13,605,183	12,863,884	12,594,334	12,199,662	11,905,068
Food services	223,056	244,404	36,320	69,123	69,382	66,343	63,018	51,963	49,860	53,498
State grants and other	32,956,543	25,277,420	23,759,219	20,868,704	18,321,959	17,291,940	14,603,951	13,545,506	12,958,096	12,854,878
Total state sources	94,008,772	81,941,598	77,887,003	72,670,787	69,383,611	65,668,558	62,400,203	60,357,676	59,576,389	56,357,205
Local sources:										
Payments from York County	73,872,935	54,381,071	63,713,753	65,291,097	62,577,101	63,398,906	60,614,764	60,055,486	59,859,842	46,784,869
Food service sales	2,487,004	234,058	47,280	1,506,968	2,115,571	2,039,125	2,055,703	2,008,323	1,988,920	2,257,018
Interest and other income	1,351,749	843,945	1,021,213	727,061	842,869	714,263	715,424	651,918	621,054	643,278
Other revenues	4,164,972	3,042,929	4,607,958	2,262,223	1,019,698	867,979	1,133,599	795,829	884,448	1,088,388
Total local resources	81,876,660	58,502,003	69,390,204	69,787,349	66,555,239	67,020,273	64,519,490	63,511,556	63,354,264	50,773,553
Total revenues	200,565,052	167,100,430	171,212,637	160,324,600	153,603,628	147,416,664	142,832,471	143,877,334	138,233,675	121,757,271
EXPENDITURES										
Instruction	129,408,730	117,587,881	115,556,444	105,057,545	102,230,963	97,518,132	93,725,651	92,381,922	90,844,194	84,047,592
Administration, attendance, and health services	9,489,629	8,259,153	7,800,042	7,454,224	7,014,045	6,425,158	6,584,797	6,566,995	6,356,344	6,181,470
Public transportation	8,907,698	8,265,182	9,099,077	7,756,141	8,124,228	7,925,403	7,785,003	6,910,247	7,717,260	7,173,435
Operations and maintenance	13,192,711	12,954,377	10,613,492	10,796,058	11,365,499	11,703,598	11,355,711	11,535,722	11,608,122	11,906,865
Technology	10,629,117	10,886,379	11,651,508	10,475,107	9,629,912	10,871,427	8,955,157	8,836,453	10,880,109	8,889,363
Food services	6,521,503	6,530,439	4,364,617	3,336,412	3,708,710	3,940,456	3,441,040	3,283,240	3,182,554	3,517,128
Capital outlay	16,241,714	8,736,776	4,234,175	19,566,693	10,683,480	9,440,851	10,918,835	9,578,199	8,833,455	5,499,987
Debt service	627,441	-	-	-	-	-	-	-	-	-
Total expenditures	195,018,543	173,220,187	163,319,355	164,442,180	152,756,837	147,825,025	142,766,194	139,092,778	139,422,038	127,215,840
Excess (deficiency) of revenues over (under) expenditures	5,546,509	(6,119,757)	7,893,282	(4,117,580)	846,791	(408,361)	66,277	4,784,556	(1,188,363)	(5,458,569)
OTHER FINANCING SOURCES (USES)										
Financing	280,269	1,874,107	-	-	-	-	-	-	-	-
Transfers in	1,695,000	15,000	15,000	3,215,000	15,000	15,000	804,000	4,000	4,000	-
Transfers out	(2,080,000)	(15,000)	(15,000)	(3,215,000)	(15,000)	(15,000)	(804,000)	(4,000)	(4,000)	-
Total other financing sources (uses), net	(104,731)	1,874,107	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 5,441,778	\$ (4,245,650)	\$ 7,893,282	\$ (4,117,580)	\$ 846,791	\$ (408,361)	\$ 66,277	\$ 4,784,556	\$ (1,188,363)	\$ (5,458,569)

TABLE 5

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**FOOD SERVICES - BREAKFAST AND LUNCH PROGRAM RATES AND PARTICIPATION
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Breakfast Program Meal Prices				Lunch Program Meal Prices				Average Percentage of Students Participating in School Lunch Program	Percentage of Students Receiving Free or Reduced Meals
	Elementary	Middle/ High	Adult	Reduced	Elementary	Middle/ High	Adult	Reduced		
2023	\$ 1.65	\$ 1.75	\$ 2.15	\$ 0.30	\$ 2.75	\$ 2.85	\$ 3.50	\$ 0.40	43.31%	37.08%
2022	1.65	1.75	2.15	0.30	2.75	2.85	3.50	0.40	N/A	23.28%
2021	1.65	1.75	2.15	0.30	2.75	2.85	3.50	0.40	N/A	23.71%
2020	1.60	1.70	2.10	0.30	2.70	2.80	3.45	0.40	38.65%	22.16%
2019	1.55	1.65	2.05	0.30	2.65	2.75	3.40	0.40	19.84%	21.51%
2018	1.50	1.60	2.00	0.30	2.60	2.70	3.35	0.40	33.33%	22.11%
2017	1.50	1.60	2.00	0.30	2.60	2.70	3.35	0.40	28.44%	21.28%
2016	1.40	1.50	1.90	0.30	2.50	2.60	3.25	0.40	28.19%	19.94%
2015	1.35	1.45	1.85	0.30	2.45	2.55	3.20	0.40	35.59%	20.30%
2014	1.25	1.35	1.75	0.30	2.35	2.45	3.10	0.40	29.39%	19.53%

N/A - York County School Division was under an open community feeding program during fiscal year 2022.

Source: York County School Division

TABLE 6

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
OF THE COUNTY OF YORK, VIRGINIA (UNAUDITED)**

Year	Real Estate	Personal Property	Mobile Home	Public Utility		Total Taxable Assessed Value	Total Direct Tax Rate
				Real Estate	Personal Property		
2023	\$ 10,555,619,500	\$ 849,824,325	\$ 3,264,500	\$ 437,354,678	\$ 31,509	\$ 11,846,094,512	\$ 0.9946
2022	10,441,342,000	913,081,510	3,322,900	421,182,483	36,863	11,778,965,756	1.0296
2021	9,662,298,100	688,651,850	3,196,500	420,403,508	39,455	10,774,589,413	0.9999
2020	9,513,758,000	621,368,315	3,218,000	323,164,444	39,455	10,461,548,214	0.9854
2019	9,213,037,900	612,318,755	3,302,000	453,482,644	50,142	10,282,191,441	0.9859
2018	9,103,775,170	595,105,775	3,294,500	459,070,808	55,504	10,161,301,757	0.9827
2017	9,104,219,600	582,157,745	3,568,200	459,191,601	82,826	10,149,219,972	0.9789
2016	9,000,762,700	593,894,890	3,512,600	442,369,715	104,756	10,040,644,661	0.9437
2015	8,798,868,900	561,880,260	3,939,500	430,748,916	127,592	9,795,565,168	0.9379
2014	8,734,569,500	552,552,935	3,780,000	425,978,786	148,514	9,717,029,735	0.9363

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 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.

Source: County of York, Virginia
Annual Comprehensive Financial Report Fiscal Year 2023

TABLE 7

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**PROPERTY TAX RATES FOR THE COUNTY OF YORK, VIRGINIA
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Real Estate (1) (2) (3)	Personal Property (1) (4)	Mobile Home (1) (3)	Boats > 5 Tons (1) (5)	Total Direct Tax Rate
2023	\$ 0.770	\$ 3.90	\$ 0.7700	\$ 0.000000001	\$ 0.9946
2022	0.780	4.00	0.7800	0.000000001	1.0296
2021	0.795	4.00	0.7950	0.000000001	0.9999
2020	0.795	4.00	0.7950	0.000000001	0.9854
2019	0.795	4.00	0.7950	0.000000001	0.9859
2018	0.795	4.00	0.7950	0.000000001	0.9827
2017	0.7515/0.795	4.00	0.7515/0.7950	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

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

⁽²⁾ The amount designated for school operating is \$0.56 per \$100 of valuation for fiscal year 2023.

⁽³⁾ The tax rate, 1st half/2nd half, is 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 board tax rate has been effectively eliminated on all classes of boats.

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

Source: County of York, Virginia

Annual Comprehensive Financial Report Fiscal Year 2023

TABLE 8

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**PRINCIPAL PROPERTY TAXPAYERS OF THE COUNTY OF YORK, VIRGINIA - CALENDAR YEAR
CURRENT YEAR AND NINE YEARS PRIOR* (UNAUDITED)**

Taxpayer	Description	2023 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2013 Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Virginia Power Company	Generating plant	\$ 334,791,310	1	2.82%	\$ 343,971,507	1	3.55%
Lawyers Title/Fairfield Resorts/Wyndham	Timeshare condominiums	195,740,460	2	1.65%	179,429,000	2	1.85%
City of Newport News **	Water system	134,027,100	3	1.13%	76,053,500	6	0.79%
Kings Creek Plantation	Timeshare condominiums	100,471,145	4	0.85%	74,454,155	5	0.77%
GWR OP Lessee VA LLC (Great Wolf Lodge)	Hotel and water park	83,118,140	5	0.70%	80,326,935	4	0.83%
BP/Plains Marketing L P (former Refinery)	Former Refinery	70,254,940	6	0.59%	157,925,005	3	1.63%
Moyork LLC (Commonwealth Apartments)	Apartment complex	57,413,100	7	0.48%	-		0.00%
Bush Entertainment/Water Country USA	Water park	57,173,135	8	0.48%	45,508,275	7	0.47%
De Arbordale LLC	Apartment complex	49,082,065	9	0.41%	-		0.00%
Walmart	Retail sales	39,789,815	10	0.34%	36,096,916	8	0.37%
1991 Ashe Partnership	Apartment complex	-		0.00%	39,660,815	9	0.41%
852 LLC	Apartment complex	-		0.00%	34,433,475	10	0.36%
		<u>\$ 1,121,861,210</u>		<u>9.45%</u>	<u>\$ 1,067,859,583</u>		<u>11.03%</u>

* The County's assessment cycle is on a calendar year basis.

** City of Newport News is the third largest taxpayer based on assessed value. However, the city pays a tax to the County according to a formula set out in the Code of Virginia Section 58.1-3663, based on the proportion of its total revenues derived from outside York County. The applicable taxable percentage is approximately 56%.

Source: County of York, Virginia
Annual Comprehensive Financial Report Fiscal Year 2023

TABLE 9

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**PROPERTY TAX LEVIES AND COLLECTIONS OF THE COUNTY OF YORK, VIRGINIA
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Year	Total Collections to Date Amount	Percentage of Levy
2023	\$ 107,596,392	\$ 103,129,071	95.85%	\$ -	\$ 103,129,071	95.85%
2022	103,326,263	98,607,357	95.43%	3,531,147	102,138,504	98.85%
2021	95,712,249	91,357,773	95.45%	3,790,829	95,148,602	99.41%
2020	92,019,828	88,843,578	96.55%	2,704,658	91,548,236	99.49%
2019	90,196,473	87,055,100	96.52%	2,673,487	89,728,587	99.48%
2018	89,691,238	87,216,407	97.24%	1,926,071	89,142,478	99.39%
2017	87,536,065	84,909,975	97.00%	2,149,251	87,059,226	99.46%
2016	84,110,482	81,503,407	96.90%	2,067,057	83,570,464	99.36%
2015	80,716,523	77,929,910	96.55%	2,540,047	80,469,957	99.69%
2014	79,831,923	77,513,973	97.10%	1,970,263	79,484,236	99.56%

Source: County of York, Virginia
Annual Comprehensive Financial Report Fiscal Year 2023

TABLE 10

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

RATIO OF OUTSTANDING DEBT BY TYPE ⁽¹⁾
LAST TEN FISCAL YEARS (UNAUDITED)

SCHOOL DIVISION									
Fiscal Year	General Obligation Bonds	Revenue Bonds	Leases and Subscriptions ⁽³⁾	Direct Financing Leases	Lease Revenue Bonds	Total School Division	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾	
2023	\$ -	\$ -	\$ 1,072,364	\$ -	\$ -	\$ 1,072,364	N/A	\$ 15	
2022	-	-	1,371,235	-	-	1,371,235	N/A	20	
2021	-	-	-	-	-	-	0.00%	-	
2020	-	-	-	-	-	-	0.00%	-	
2019	-	-	-	-	-	-	0.00%	-	
2018	-	-	-	-	-	-	0.00%	-	
2017	-	-	-	-	-	-	0.00%	-	
2016	-	-	-	-	-	-	0.00%	-	
2015	-	-	-	-	-	-	0.00%	-	
2014	-	-	-	-	-	-	0.00%	-	

PRIMARY GOVERNMENT - COUNTY OF YORK, VIRGINIA									
Fiscal Year	General Obligation Bonds	Revenue Bonds	Leases and Subscriptions ⁽³⁾	Direct Financing Leases	Lease Revenue Bonds	Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾	
2023	\$ 80,560,591	\$ 16,799,211	\$ 7,449,959	\$ 2,403,836	\$ 52,268,619	\$ 159,482,216	N/A	2093	
2022	76,941,376	17,801,109	7,768,211	3,454,792	55,122,798	161,088,286	N/A	2276	
2021	82,529,933	18,768,007	-	919,423	23,287,473	125,504,836	N/A	1787	
2020	77,733,259	19,604,905	-	1,515,179	25,756,218	124,609,561	N/A	1785	
2019	74,271,325	19,963,073	-	1,997,074	25,446,020	121,677,492	2.46%	1753	
2018	69,812,399	20,616,187	-	3,423,720	28,136,579	121,988,885	2.57%	1775	
2017	66,330,054	21,254,301	-	5,722,996	21,308,937	114,616,288	2.52%	1664	
2016	61,906,639	21,169,120	-	2,420,659	23,247,569	108,743,987	2.46%	1586	
2015	53,270,668	21,696,428	-	3,185,983	23,544,723	101,697,802	2.35%	1464	
2014	49,619,991	22,207,989	-	3,751,628	24,847,309	100,426,917	2.38%	1490	

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 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.

⁽³⁾ In FY2022, the County implemented GASB 87 - Leases.

Source: County of York, Virginia, Annual Comprehensive Financial Report Fiscal Year 2023

TABLE 11

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**RATIO OF GENERAL BONDED DEBT OUTSTANDING FOR THE COUNTY OF YORK, VIRGINIA
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2023	\$ 80,560,591	\$ -	\$ 80,560,591	0.68%	\$ 1,118
2022	76,941,376	-	76,941,376	0.77%	1,175
2021	82,529,933	-	82,529,933	0.77%	1,175
2020	77,733,259	-	77,733,259	0.74%	1,114
2019	74,271,325	-	74,271,325	0.72%	1,070
2018	69,812,399	-	69,812,399	0.69%	1,016
2017	66,330,054	-	66,330,054	0.65%	963
2016	61,906,639	-	61,906,639	0.62%	903
2015	53,270,668	-	53,270,668	0.54%	767
2014	49,619,991	-	49,619,991	0.51%	736

⁽¹⁾ See Assessed Value table.

⁽²⁾ See Population on Demographic and Economic Statistics table.

Source: County of York, Virginia
Annual Comprehensive Financial Report Fiscal Year 2023

TABLE 12

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Population ⁽¹⁾	Personal Income⁽²⁾ (Thousands)	Per Capita Income⁽²⁾	Median Age⁽³⁾	Education Level In Years of Formal Schooling⁽⁴⁾	Student Average Daily Membership⁽⁵⁾	Unemployment Rate⁽⁶⁾
2023	71,491	N/A	\$ 97,500	39.80	13.20	12,855	5.30%
2022	70,319	N/A	N/A	41.30	13.20	12,609	5.30%
2021	70,230	N/A	N/A	39.20	13.20	12,244	3.40%
2020	69,792	N/A	N/A	39.20	13.20	12,914	5.60%
2019	69,407	4,938,435	61,308	39.00	13.20	12,756	2.60%
2018	68,725	4,756,232	59,345	38.80	13.20	12,610	2.80%
2017	68,890	4,541,816	56,729	38.80	13.20	12,584	3.50%
2016	68,585	4,415,578	55,344	39.30	13.20	12,522	3.80%
2015	69,466	4,326,498	54,201	39.40	13.20	12,519	4.20%
2014	67,396	4,216,899	53,697	39.40	13.20	12,333	4.90%

N/A - This information is not available.

Source:

⁽¹⁾ Weldon Cooper Center for Public Service; 2023 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, VDOE Calculation Tool.

⁽⁶⁾ Virginia Employment Commission; 2023 estimate per County Planning Division.

TABLE 13

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS PRIOR (UNAUDITED)

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Naval Weapons Station / Cheatham Annex	2,731	1	11.65%	3,420	1	15.75%
York County School Division	1,874	2	8.00%	1,730	2	7.97%
U.S. Coast Guard Station	1,474	3	6.29%	1,391	3	6.41%
York County Government	862	4	3.68%	721	7	3.32%
Sentara Williamsburg Regional Medical Center	830	5	3.54%	812	6	3.74%
Water Country	758	6	3.23%	820	5	3.78%
Great Wolf Lodge of Williamsburg, LLC	439	7	1.87%	463	8	2.13%
Walmart	385	8	1.64%	831	4	3.83%
YMCA				443	9	2.04%
Kroger	225	9	0.96%			
Food lion	212	10	0.90%			
Wyndham Vacation Ownership				276	10	1.27%
Total	9,790		41.76%	10,907		50.24%

Source: County Office of Economic Development.

TABLE 14

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**FULL-TIME EQUIVALENT DIVISION EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Athletic Directors	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Board Members	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bus Drivers	106.00	119.00	119.00	119.00	129.00	129.00	131.00	131.00	131.00	131.00
Bus Driver Assistants	30.00	30.00	30.00	30.00	25.00	25.00	25.00	25.00	25.00	25.00
Cafeteria Monitors	3.15	3.15	3.15	3.15	3.15	3.00	3.00	3.00	3.00	3.00
Clerical	77.75	76.50	77.00	73.75	72.75	69.25	69.75	69.75	69.75	69.75
Clerk of the Board	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Crossing Guards	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Custodians	94.50	94.50	94.50	94.50	94.50	94.50	94.50	94.50	94.50	94.50
Directors	14.25	14.25	10.25	9.25	9.25	8.25	7.25	7.25	7.25	8.25
Division Chiefs	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Food Service Personnel	11.00	11.00	15.00	15.00	20.00	23.00	25.00	25.00	26.66	28.66
Guidance Counselors	39.50	39.50	37.00	36.00	33.50	33.50	33.50	33.50	33.50	31.50
Instructors	10.00	10.00	10.00	10.00	10.00	9.00	9.00	9.00	11.00	10.00
Librarians	19.00	19.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Mechanics	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Nurses	17.00	18.00	18.00	18.00	18.00	17.00	17.00	17.00	17.00	17.00
Occupational Therapists	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.50
Para-Educators	291.30	296.00	299.50	291.75	280.50	275.50	271.50	264.50	259.50	254.50
Physical Therapists	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	2.00
Principals	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Principals (Assistants)	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Psychologists	13.00	13.00	14.00	14.00	12.00	11.00	11.00	11.00	9.00	9.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Teachers	922.84	925.84	907.14	893.64	889.08	870.55	864.05	860.05	845.05	830.55
Technical	119.10	114.50	115.47	113.47	96.87	95.42	94.42	98.57	97.09	97.92
Trades	27.00	27.00	27.00	26.00	26.00	25.00	24.00	24.00	24.00	24.00
Total full-time equivalents	<u>1,874.49</u>	<u>1,890.34</u>	<u>1,874.11</u>	<u>1,844.61</u>	<u>1,816.70</u>	<u>1,786.07</u>	<u>1,776.07</u>	<u>1,769.22</u>	<u>1,749.40</u>	<u>1,729.63</u>

Source: York County School Division

TABLE 15

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

OPERATING STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Percentage Change
2023	12,855	\$172,959,452	\$ 13,455	12.5%	917.54	14.0	2.9%
2022	12,609	150,797,193	11,959	-3.9%	925.84	13.6	0.9%
2021	12,244	152,426,999	12,449	13.6%	907.14	13.5	-6.6%
2020	12,914	141,539,075	10,960	1.0%	893.64	14.5	6.6%
2019	12,756	138,364,647	10,847	1.7%	940.58	13.6	-0.8%
2018	12,610	134,443,718	10,662	4.5%	922.05	13.7	-0.5%
2017	12,584	128,406,319	10,204	1.2%	915.55	13.7	0.1%
2016	12,522	126,231,339	10,081	-0.9%	911.55	13.7	-1.6%
2015	12,519	127,406,029	10,177	6.2%	896.55	14.0	-0.4%
2014	12,333	118,198,725	9,584	-1.6%	880.05	14.0	1.9%

Source: York County School Division

TABLE 16

YORK COUNTY SCHOOL DIVISION

CAPITAL ASSETS INFORMATION BY GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS (UNAUDITED)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
INSTRUCTION										
Buildings:										
Elementary Schools	10	10	10	10	10	10	10	10	10	10
Middle Schools	4	4	4	4	4	4	4	4	4	4
High Schools	4	4	4	4	4	4	4	4	4	4
Charter Schools	1	1	1	1	1	1	1	1	1	1
Other:										
Athletic Fields	45	45	45	45	45	45	45	45	45	45
Playgrounds	30	30	30	30	30	30	30	30	30	30
PUPIL TRANSPORTATION										
Buses	161	166	161	153	169	166	162	162	160	160
OPERATIONS AND MAINTENANCE										
Vehicles	107	109	104	126	118	106	97	106	92	85

Source: York County School Division

TABLE 17

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

School	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ELEMENTARY										
Bethel Manor Elementary:										
Square feet	79,685	79,685	79,685	79,685	79,685	79,685	79,685	79,685	79,685	79,685
Capacity	698	698	698	698	698	698	698	698	698	698
Enrollment	594	594	553	642	640	607	603	594	554	493
Coventry Elementary:										
Square feet	78,337	78,337	78,337	78,337	78,337	78,033	78,033	78,033	78,033	78,033
Capacity	708	708	708	708	708	708	708	708	708	708
Enrollment	644	682	667	737	693	586	564	577	543	548
Dare Elementary:										
Square feet	65,785	65,785	65,785	65,785	65,785	63,415	63,415	63,415	63,415	63,415
Capacity	867	867	867	867	867	867	867	867	867	867
Enrollment	415	388	347	397	413	421	422	379	354	372
Grafton Bethel Elementary:										
Square feet	68,583	68,583	68,583	68,583	68,583	68,583	68,583	68,583	68,583	68,583
Capacity	703	703	703	703	703	703	703	703	703	703
Enrollment	623	635	578	649	623	640	644	616	575	601
Magruder Elementary:										
Square feet	74,867	74,867	74,867	74,867	74,867	74,867	74,867	74,867	74,867	74,867
Capacity	740	740	740	740	740	740	740	740	740	740
Enrollment	700	631	537	620	613	608	626	626	562	602
Mt. Vernon Elementary:										
Square feet	71,989	71,989	71,989	71,989	71,989	69,689	69,689	69,689	69,689	69,689
Capacity	782	782	782	782	782	782	782	782	782	782
Enrollment	565	603	520	603	592	591	560	533	485	509
Seaford Elementary:										
Square feet	84,159	61,731	61,731	61,731	61,731	61,731	61,731	61,731	61,731	61,731
Capacity	656	656	656	656	656	656	656	656	656	656
Enrollment	492	524	484	537	529	451	437	452	437	455
Tabb Elementary:										
Square feet	77,037	77,037	77,037	77,037	77,037	77,037	76,790	76,790	76,790	76,790
Capacity	777	777	777	777	777	777	777	777	777	777
Enrollment	684	642	570	696	654	620	606	627	620	608
Waller Mill Elementary:										
Square feet	60,151	60,151	60,151	60,151	60,151	60,151	60,151	60,151	36,665	36,665
Capacity	460	460	460	460	460	460	460	460	297	297
Enrollment	382	373	312	359	373	387	344	320	267	278
Yorktown Elementary:										
Square feet	70,307	70,307	70,307	70,307	70,307	70,307	70,307	66,402	66,402	66,402
Capacity	734	734	734	734	734	734	734	734	734	734
Enrollment	619	604	558	592	619	674	696	694	610	624

(Continued)

TABLE 17

YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

School	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
MIDDLE										
Grafton Middle:										
Square feet	150,461	150,461	57,047	57,047	57,047	57,047	57,047	57,047	57,047	57,047
Capacity	1,215	1,215	681	681	681	681	681	681	681	681
Enrollment	899	883	501	515	487	460	465	459	423	425
Queens Lake Middle:										
Square feet	57,047	57,047	91,771	91,771	91,771	91,771	91,771	91,771	91,771	91,771
Capacity	681	681	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178
Enrollment	576	555	849	891	865	858	850	903	853	857
Tabb Middle:										
Square feet	91,771	91,771	98,918	98,918	98,918	98,918	98,918	98,918	98,918	98,918
Capacity	1,178	1,178	982	982	982	982	982	982	982	982
Enrollment	963	883	643	708	730	751	791	767	720	717
Yorktown Middle:										
Square feet	98,918	98,918	150,461	150,461	150,461	150,461	150,461	150,461	150,461	145,229
Capacity	982	982	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215
Enrollment	653	652	853	925	935	905	882	872	808	815
HIGH										
Bruton High:										
Square feet	155,040	155,040	155,040	155,040	155,040	155,040	155,040	155,040	155,040	155,040
Capacity	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039
Enrollment	735	663	584	572	550	600	564	608	547	538
Grafton High:										
Square feet	164,961	164,961	164,961	164,961	164,961	164,961	164,961	164,961	164,961	159,729
Capacity	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397
Enrollment	1,217	1,156	1,085	1,169	1,156	1,168	1,183	1,176	1,104	1,132
Tabb High:										
Square feet	160,597	160,597	160,597	160,597	160,597	160,597	160,597	160,597	160,597	160,597
Capacity	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Enrollment	1,142	1,062	1,029	1,115	1,098	1,126	1,162	1,161	1,075	1,021
York High:										
Square feet	184,091	184,091	184,091	184,091	184,091	184,091	184,091	184,091	184,091	184,091
Capacity	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214
Enrollment	975	1,057	1,092	1,116	1,103	1,106	1,059	1,060	1,015	993
York River Academy:										
Square feet	24,451	24,451	24,451	24,451	24,451	24,451	24,451	24,451	24,451	24,451
Capacity	128	128	128	128	128	128	128	128	128	128
Enrollment	73	64	55	69	71	64	73	72	74	66

* Enrollment excludes Extend Center which was added in 2009. Students are included in the enrollment at their home school.

Source: York County School Division

COMPLIANCE SECTION



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the School Board
York County School Division
York County, Virginia

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the York County School Division (the “School Division”), a component unit of the County of York, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School Division’s basic financial statements, and have issued our report thereon dated November 29, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School Division’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Division’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School Division’s internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Brown, Edwards & Company, L.L.P." in a cursive script.

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
November 29, 2023

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**SUMMARY OF COMPLIANCE MATTERS
June 30, 2023**

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the Schools' compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

STATE COMPLIANCE MATTERS

Code of Virginia

Budget and Appropriation Laws

Cash and Investment Laws

Conflicts of Interest Act

Local Retirement Systems

Procurement Laws

State Agency Requirements

Education

**YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**

**SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2023**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies and no material weaknesses** relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements were disclosed.