Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

The York County School Division

County of York, Virginia

A Component Unit of the County of York, Virginia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

THE YORK COUNTY SCHOOL DIVISION
(Component Unit of the County of York, Virginia)

For the Fiscal Year Ended June 30, 2020

Prepared by the Department of Finance

William Bowen
Chief Financial Officer

Margaret Kirk, CPA
Financial Supervisor

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THE YORK COUNTY SCHOOL DIVISION
(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2020

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Superintendent Victor D. Shandor, Ed.D. | yorkcountyschools.org
302 Dare Road, Yorktown, Virginia 23692 | (757) 898-0300 | Fax (855) 878-9063

November 20, 2020

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 Comprehensive Annual Financial Report (CAFR) of the York County School Division (hereafter School Division), a component unit of the County of York, Virginia, for the fiscal year ended June 30, 2020 (FY2020). 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 the 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 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 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 CAFR 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 MD&A, 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 CAFR.

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 Atlantic Coast's "urban crescent" on the beautiful Virginia peninsula. 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.

The School Division is the 23rd largest of 132 school divisions in the Commonwealth of Virginia. Total enrollment in FY 2020 was 12,914 and projected budgeted enrollment for FY 2021 is 13,138. 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 Virginia economy continued to show signs of recovery for most of FY 2020. However, in March 2020, the world began to react to the Coronavirus pandemic, COVID-19. Both the State and County governments had completed much of the budget work for FY 2021. However, an economic pause created by the temporary shutdown of many businesses and governments, coupled with restrictions on travel and tourism required a complete reevaluation and assessment of state and local revenues. The County and School Division worked collaboratively to assess its financial position through the end of the fiscal year.

The County's early estimated losses were less than the actual losses primarily due to the infusion of federal funds to individuals, businesses and governments, which aided the economy. In addition, the County received an allocation from the Coronavirus Relief Fund (CFR) through the State, which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020, to assist in the pandemic response efforts. These federal dollars along with strong fiscal management measures taken early on have ensured that the County and School Division's financial condition remains strong despite the ongoing uncertainty surrounding COVID-19.

The savings generated from the shutdown of schools from March 13 through the end of the year offset the School Division's estimated losses for FY20. The outlook for FY21 continues to be uncertain for state and local revenues; however, the School Division expects a significant increase in federal funds in the form of Coronavirus Relief and CARES Act funds.

Economic Development

York County is fortunate to have affordable and plentiful housing and a moderate cost of living. As members of the dynamic Hampton Roads community, York County citizens have at their fingertips a wide variety of personal, professional and leisure opportunities, including numerous colleges and universities, theme parks, historical areas and much more.

During FY 2020, the Board of Supervisors re-affirmed its commitment to economic development by adopting the following as one of its six Strategic Priorities – *Facilitate QUALITY ECONOMIC DEVELOPMENT that is sensitive to community character and the environment*. In support of this objective, the Economic Development Authority (EDA), the Office of Economic Development (OED), and the entire County organization pursued and made significant strides on several initiatives, including:

- **York CARES Grant Program:** Utilizing $250,000 of the CARES Act funds delivered to York County the OED and Finance Department implemented the York CARES Grant program at the end of June. The program provided up to $3,000 grants to reimburse businesses impacted by the pandemic for operating expenses and COVID-19 related expenditures. By October 1, 2020 all of the funds had been dispersed and 87 businesses had benefited.

- **COVID-19 Small Business Recovery Grant Program:** Led by the County's Housing and Neighborhood Revitalization Division, with assistance from the OED, an application was made to the state Department of Housing and Community Development for CDBG funds to support a business recovery grant program. The application was made on a regional basis on behalf of York, Williamsburg and Poquoson. The request was successful and $500,000 was made available for York County businesses. The grant program was launched in mid-July and, by the end of October, 91 businesses had received grants totaling $420,000.

- **Home-Based Business Support:** Due to the COVID-19 pandemic, the Office of Economic Development, in partnership with the five other Peninsula localities and Gloucester County, was forced to cancel the 5th annual Home-Based Business Conference, planned for late March 2020. The conference plans to resume again in 2021. The seven localities transitioned the monthly Home-based Business Lunch & Learn sessions to a virtual format and continued to host that popular series from April 2020 forward. The new and more flexible format allowed more participants to attend than ever before. In the entrepreneurial arena, the 8th annual Peninsula-wide business plan competition, START Peninsula, was held at Hampton University in Hampton in November 2019. A total of 27 people pitched their business ideas and three startups were awarded a combined total of $15,000, free membership in the local chamber of commerce of their choice, as well as extensive business counseling and mentorship services.

- **Regional Economic Development.** In November 2018, the Peninsula localities and Gloucester officially established the Eastern Virginia Regional Industrial Facility Authority (EVRIFA). The EVRIFA grew to 10 localities in FY2020 by adding Isle of Wight, Franklin and Chesapeake. The EVRIFA's first project will be acquiring 432 acres of surplus state property in York County formerly known as the "Fuel Farm". The EVRIFA plans to lease 250 acres to KDC Solar for a 20 MW facility and develop the remaining acreage as a light industrial park. A portion of the light industrial park has GO Va. grant funds available to do the initial design for an unmanned systems testing and demonstration facility.

- **Residential Development Activity.** Home construction peaked in FY2019 at $113.5 million, primarily due to pent up market demand for multi-family, townhomes, and small lot single family dwellings. Permitting for townhouse and apartment projects dropped significantly in FY2020 and single family detached construction increased slightly. The value of permits issued for all residential work dropped to $67 million in FY2020. Ryan Homes dominated the new construction market in York County in FY 2020 with new construction in Arbordale, Whittakers Mill, and Marquis Hills.

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- **Commercial Development Activity.** Building permit values dropped by over 50% from $57.4 million in FY2019 to $24.3 million in FY2020. While the pandemic had some negative impact on commercial construction the number of new projects permitted increased from 10 in FY2019 to 16 in FY2020. The EDA went under contract with two existing companies to build a new shared facility on two acres in the York River Commerce Park South. The EDA also went under contract with the Miller Group for three acres in Busch Industrial Park for a 20,000 sq. ft. flex space building. Waukeshaw Development received site plan approval for the Beale's East Brew Pub on Rt. 17 and plans to open in the spring of 2021. The branding effort for the "Edge District" in upper York County, James City County, and Williamsburg received additional funding as part of a regional EPA Brownfields Grant. Initial funding for this project, to promote the Merrimac Trail/Second Street commercial corridor, was provided by the three localities Economic Development Authorities.

In addition to local economic growth, the current period's financial statements were positively impacted by federal grants. In accordance with School Board policy, the School Division accepts all federal funds that are available, provided there is a specific need for such funds. In continuing to implement that policy, the School Division applied for and received funds from the federal government for programs such as Impact Aid, No Child Left Behind, Special Education Title VIB, and one-time funds from the Department of Defense due to the high percentage of students with parents or legal guardians connected to the military. Funds were also received from the federal government related to the Department of Defense Educational Activity grant program. The grant funds efforts to improve student achievement in literacy in the School Division. In total, federal grant revenue comprised 9.8% of total General Fund Revenue. This percentage slightly decreased in FY 2020 as compared to FY 2019 because of one-time prior year Impact Aid payments from the federal government.

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 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 (eg, instruction, technology, operations, transportation). The County adopts the School System budget on a lump sum basis for funding.

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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 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 2020, the York County School Division continued to focus on programs and services that support the School Board's FY18-22 Strategic Plan, which provides the framework for the school system's instructional, operational and financial programs.

Throughout FY 2020, the School Board received progress reports on the strategies and benchmarks used to assess progress in meeting each of the Strategic Plan's goal statements as summarized below:

Goal 1 – Student Achievement
York County students will consistently demonstrate growth and excellence in the skills and knowledge needed to be productive citizens.

All 19 schools earned state accreditation based on performance on multiple school-quality indicators, with all but three schools (Dare Elementary - achievement gap in English, Magruder Elementary - achievement gap in English and math, Queen's Lake Middle – achievement gap in English) earning Level One status in the new accountability system. The division also met or exceeded all federal targets for reading and mathematics, with the most notable gain in reading among students with disabilities. Since 2014, reading performance for that subgroup has improved by more than 17 percentage points.

Goal 2 – Student Experiences
The York County School Division will engage all students in rigorous educational experiences.

Authentic learning experiences provide opportunities for students to engage in work that is meaningful to the discipline and connected to real world application. These experiences require students to problem solve, think critically and communicate what they have learned. A key focus of this goal is the Career Connections program, which includes four objectives related to career readiness. This comprehensive program has also resulted in the YCSD earning a $50,000 school innovation grant from the state to expand its entrepreneurship program — currently offered in middle school — to elementary grades by providing an early introduction to entrepreneurship through innovation, real-word problem solving and product development.

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Goal 3 – Staff Support
The York County School Division will recruit, hire, retain and support a diverse staff that meets our highest standards.

In FY19, the division developed numerous changes to the non-licensed compensation structure, raising the minimum and maximum salaries 14% and 25% respectively, placing the division in a more competitive market position. Additionally, the Human Resources office identified a new formula to evaluate the division's workforce demographics along with indices that support to more accurately track retention statistics.

Goal 4 – School Culture
The York County School Division will foster effective partnerships with families and our community and promote positive relationships between and among staff, students and families.

The division recognizes that fostering effective, positive relationships with YCSD families is one of the most important responsibilities we have as educators. The division established a Family Engagement Committee that will meet quarterly each school year. As of FY19, all schools are using Virginia Tiered Systems of Support/Positive Behavior Intervention Systems as a framework for cultural responsiveness in the areas of academics, behavior and social-emotional wellness.

Goal 5 – Operational Stewardship
The York County School Division will maintain efficient, effective, service-oriented operations that support student achievement in safe, secure environments.

For FY20, we compared the cost per pupil and standardized test scores between the York County School Division (YCSD) and eight (8) other school divisions. The results determined that YCSD had the lowest cost per pupil and the highest Standards of Learning (SOL) scores for English-reading, English-writing, math, science, history-social science and the highest percentage for on-time graduation rates.

Policies and Significant Changes

Phase II of the County and school division's new financial software system, MUNIS offered by Tyler Technologies went live January 2020. Phase II included human resources and payroll.

As a result of COVID-19, the School Division revised its workforce policies to include teleworking capabilities which is an alternative work arrangement available to eligible employees within departments that can maintain official School Division business operations with the employee working from an alternate work location

On February 3, 2020, at approximately 3:45 p.m., the York County Department of Fire & Life Safety responded to an electrical fire at the Grafton School Complex. This is our largest facility and houses both Grafton High and Grafton Middle school. The cause of this fire is still under investigation. Fortunately, the fire occurred at a time when most students and staff had already left the building for the day and those remaining in the building were able to evacuate safely.

The sprinkler system activated in the electrical room, containing the fire and water damage to that area of the building. Smoke damage affected the entire building, with the greatest smoke damage on the middle school side. However, the fire destroyed the electrical distribution panel that provides power to the entire complex. As this is a custom-designed unit, reconstruction of the electrical panel took months to complete. This was further complicated with the worldwide pandemic as many parts for the electrical panel came from overseas

The entire Grafton Complex was shut down as crews spent the next 7 months cleaning the building of smoke damage and repairing the electrical, lighting and HVAC systems throughout the building. The total cost for the fire currently exceeds $10 million. Fortunately, insurance is expected to cover the entire cost.

Independent Audit

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

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

Cherry Bakaert, LLP, an independent certified public accounting firm, has audited the financial statements and the firm's opinions are contained within this report.

Instructional Leadership Awards

The Virginia Board of Education recognized the York County School Division (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.

Nine schools in the division were recognized by the state for high student achievement, continuous improvement or innovative practices under the board's exemplar performance school recognition program. Tabb Elementary School earned the Board of Education's Highest Achievement Award. To earn the award, a school must earn a state accreditation rating of Accredited and demonstrate high levels of success across all of school quality indicators, including success in narrowing achievement gaps. Bethel Manor Elementary, Dare Elementary, Grafton Middle, Magruder Elementary, Queens Lake Middle, Tabb High, York High and York River Academy received the Board of Education Continuous Improvement Award. The Exemplar Performance School Awards replaced the Virginia Index of Performance program to recognize schools that are exceeding state accreditation standards and making continuous improvement in narrowing achievement gaps.

Ten York County schools have earned the Purple Star designation. The Purple Star award honors schools that demonstrate a commitment to meeting military families' needs while also providing resources and programming related to transitions and academic planning. Virginia is home to several of the largest and most important military installations in the country and approximately 32% of all YCSD students have at least one parent serving in the military.

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 comprehensive annual financial report for the fiscal year ended June 30, 2019. 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 comprehensive annual financial report for FY 2019. 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 comprehensive annual financial report. 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 comprehensive annual financial report 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 comprehensive annual financial report 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, 2020. 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

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

York County School Division
Virginia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

York County School Division

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.

CERTIFICATE OF EXCELLENCE
IN FINANCIAL REPORTING

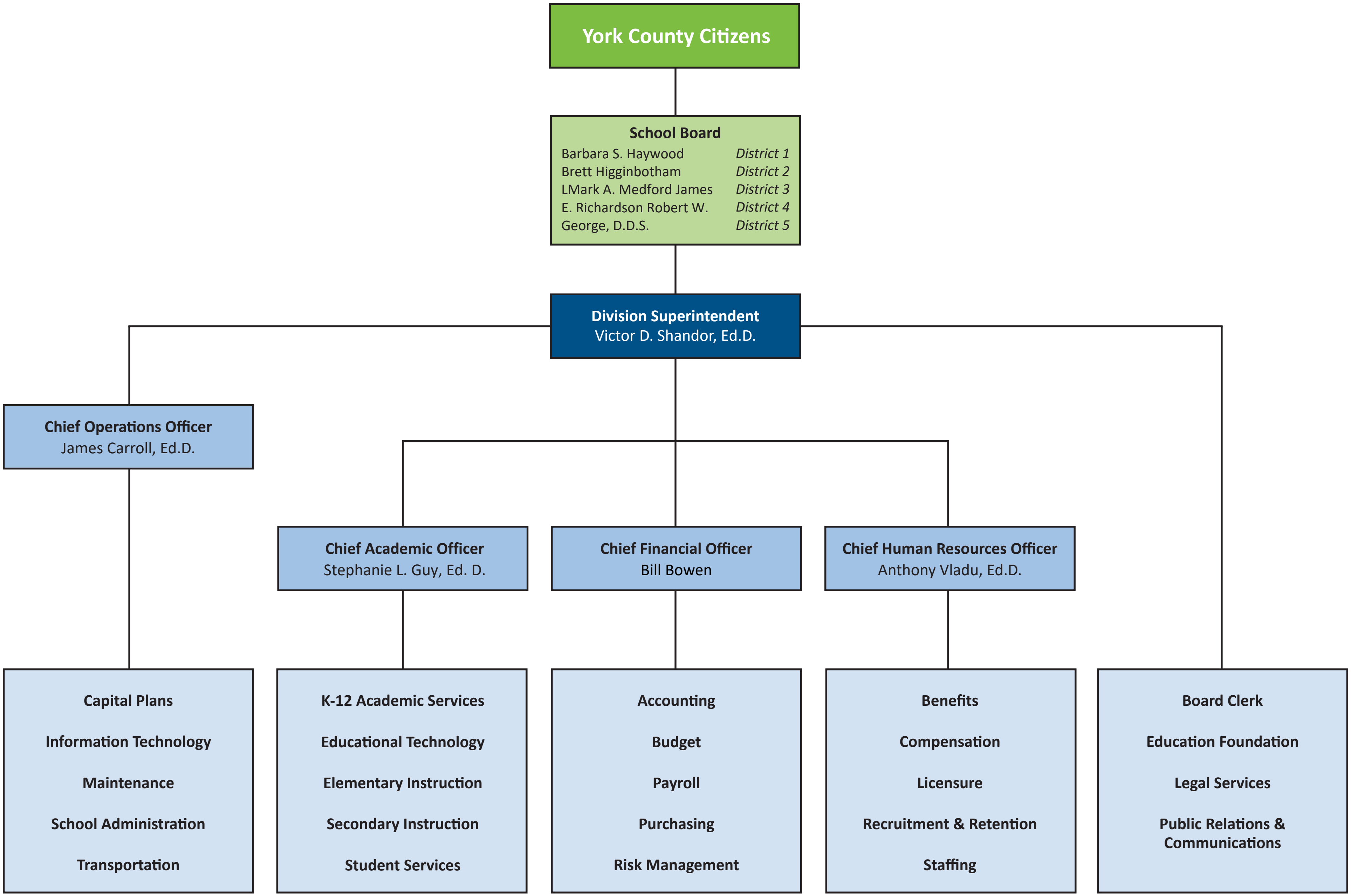
Claire Hertz

Claire Hertz, SFO
President

David J. Lewis
Executive Director

YORK COUNTY SCHOOL DIVISION ORGANIZATIONAL CHART FY2020

Effective July 1, 2019



School Division Board Members

James E. Richardson, Chair

Brett Higginbotham, Vice Chair

Mark J. Shafer

Laurel M. Garrelts

Sean P. Myatt

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 Elementary Instruction	Dr. David Reitz
Director of Information Technology	Douglas E. Meade
Director of School Administration	Dr. Aaron Butler
Director of Secondary Instruction	Angela Seiders
Director of Student Services	Dr. Elaine B. Gould

FINANCIAL SECTION

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

Members of the School Board
York County School Division

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the School Division’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the School Division, as of June 30, 2020, 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.

Uncertainty
As discussed in Note 13 to the financial statements, in March 2020, the World Health Organization declared COVID-19 a global pandemic. Given the uncertainty of the situation and the duration of any business disruption, the related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matters

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

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Division's basic financial statements. The Introductory Section, Other Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary 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 financials statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of the School Division's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Division's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Division's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Virginia Beach, Virginia
November 20, 2020

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 2020. 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 $57.5 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 $144.9 million or 90.4% of all revenues, and expenditures were $141.5 million or 86.1% of all expenditures, compared to $138.6 million (90.2%) in revenues and $138.4 million (91%) in expenditures in FY 2019.
- Food Services ended the fiscal year with a fund balance of $1,355,041, an increase of $169,417 over the beginning of year fund balance. School Division operations staff and a food service management company closely monitored revenues and expenditures during the fiscal year. The increase in fund balance can be attributed to an increase in student enrollment and participation. In addition, due to the pandemic, COVID-19, all schools were closed as of March 13, 2020. However, the US Department of Agriculture agreed to the cover the cost of all meals for the remainder of the school year and throughout the summer. The School Division continued to provide breakfast and lunch to any student regardless of need. This was done with minimal staff as food service operations were concentrated out of three (3) buildings.

  It should also be noted that a new food service management company was contracted by the School Division for FY 2014. Since that time, the School Division has steadily increased the fund balance. The school division maintains three (3) months of food service reserves which largely comprises the fund balance. Funds held in excess of the required reserves are used to replace cafeteria equipment and supplies.

Using This Comprehensive Annual Financial Report

The Comprehensive Annual 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*.

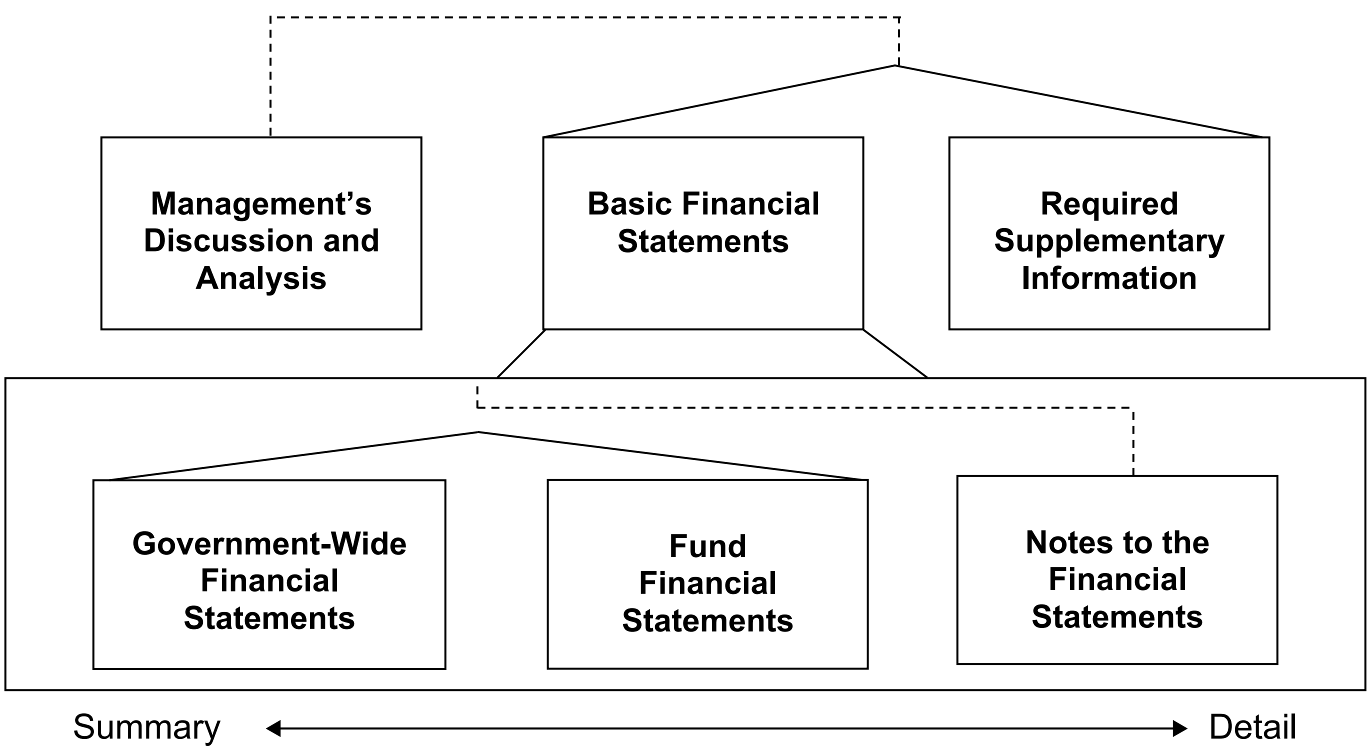
The basic financial statements include three kinds of statements that present different views of the School Division.

- 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 agent*.

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

Organization of York County School Division Annual Financial Report



Using This Comprehensive Annual 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 scholarship programs and student activities monies
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

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 2020?” 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, food service, and interest on capital leases and capital projects.

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.

- *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. The student activity monies are also accounted for in this fund type, as an agency fund.

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, 2020. The School Division's financial position remained stable during FY 2020. The largest portion of the School Division net position reflects its investment in capital assets (buildings, land, equipment, and construction-in-progress). Capital assets account for 297% of the total net position and have increased by $13.7 million since June 30, 2019. The only debt the School Division nets against capital assets is for capital leases; however, there are no capital leases outstanding at June 30, 2020. As a component unit (School Division) in Virginia, the School Division does not have the authority to issue debt. All debt 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, restricted net position amounted to $3.1 million, which represents cash restricted for School capital projects. Unrestricted net position is 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 ($116.2 million), an increase of $12.6 million from June 30, 2019. The deficit is a result of the continued impact of pension liability reporting.

Condensed Statement of Net Position
(in millions)

	Governmental Activities 2020	Governmental Activities 2019	Total Percentage Change
Assets			
Current and other assets	$ 29.5	$ 40.0	-26.3%
Capital assets	170.6	156.9	8.7%
Total assets	200.1	196.9	1.6%
Deferred outflows of resources			
Pension and OPEB costs	29.1	16.7	74.3%
Total liabilities			
Current liabilities	23.6	24.5	-3.7%
Long-term liabilities	134.9	119.4	13.0%
Total liabilities	158.5	143.9	10.1%
Deferred inflows of resources			
Pension and OPEB costs	13.2	15.1	-12.6%
Net position			
Net investment in capital assets	170.6	156.9	8.7%
Restricted	3.1	1.2	158.3%
Unrestricted (deficit)	(116.2)	(103.6)	12.2%
Total net position	$ 57.5	$ 54.5	5.5%

Note: Totals may not add due to rounding.

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 the FY 2020, as compared with FY 2019.

Changes in Net Position
(in millions)

	Governmental Activities 2020	Governmental Activities 2019	Total Percentage Change
Revenues			
Program revenues			
Charges for services	$ 2.4	$ 3.0	-20.0%
Operating grants and contributions	77.0	74.2	3.8%
Capital grants and contributions	-	-	0.0%
General revenues			
County	65.3	62.6	4.3%
Shared intergovernmental revenues	14.0	13.4	4.5%
Miscellaneous revenues	1.6	0.4	300.0%
Total revenues	160.3	153.6	4.4%
Expenses			
Instruction	115.9	103.9	11.5%
Administration/attendance and health	7.6	7.2	5.6%
Transportation	8.2	8.1	1.2%
Operations and maintenance	11.6	12.4	-6.5%
Technology	10.6	9.9	7.1%
Food service	3.4	3.8	-10.5%
Total expenses	157.3	145.3	8.3%
Change in net position	3.0	8.3	-63.9%
Net position - beginning of year	54.5	46.2	18.0%
Net position - end of year	$ 57.5	$ 54.5	5.5%

Note: Totals may not add due to rounding.

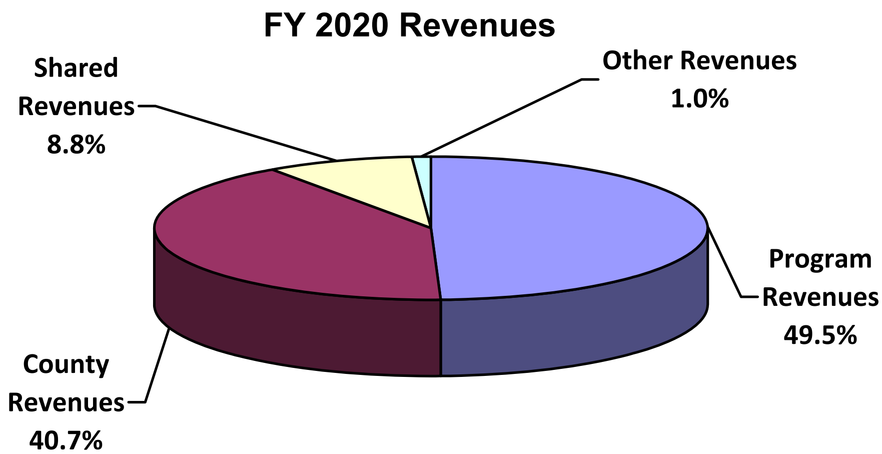
Financial Analysis of the School Division as a Whole *(Continued)*

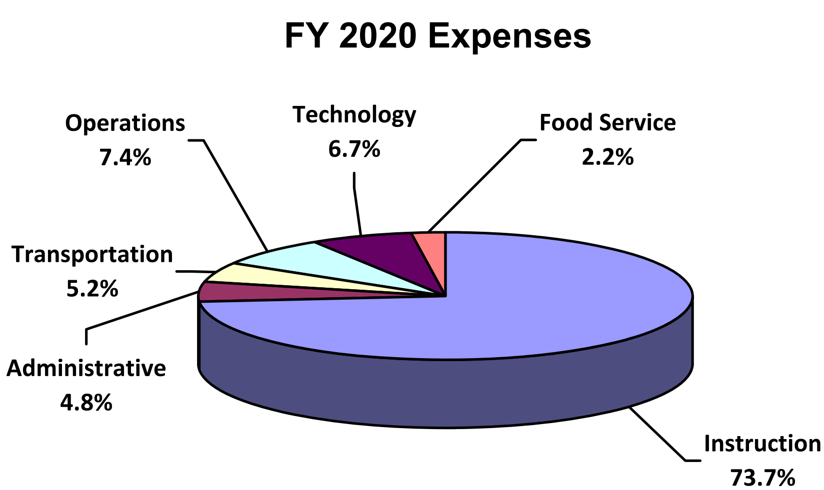
Changes in Net Position

For FY 2020, revenues from governmental activities totaled $160.3 million. State and federal revenue for operating grants and contributions account for 48% of the School Division's resources as compared to 45.3% for FY 2019. This includes state funding for meeting the Standards of Quality and federal impact aid. Revenues from the County totaled $65.3 million or 40.7% of the total revenues as compared to $62.6 million or 40.7% for FY 2019. The increase in County funding is due to the (encumbrances) for operations and capital projects.

The total cost of all programs was $157.3 million in FY 2020. Instruction made up 73.7% of the total costs for the School Division in FY 2020 and 71.5% in FY 2019. The School Division's operations and maintenance activities accounted for 7.4% of total costs for FY 2020 and 8.5% for FY 2019 while administration/attendance and health amounted to 4.8% of total costs for FY 2020 and 5% in FY 2019.

For FY 2020, revenues exceeded expenses by a total of $3 million. A substantial portion of the difference in net position results from (1) funding of capital projects through County contributions and (2) an increase in revenue from the County of York and Commonwealth of Virginia and a less than anticipated growth in expenditures.





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 $14.03 million in FY 2020.

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 reimbursement source of revenue to the School Division since the federal government does not pay property taxes. In FY 2020, the School Division received $10.7 million in Impact Aid funding, a decrease of $0.2 million from FY 2019. Impact Aid revenues exceeding $8.5 million in a fiscal year are transferred to the Revenue Stabilization Reserve Fund.

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 2020	Total Cost of Services 2019	Net Cost of Services 2020	Net Cost of Services 2019
Instruction	$ 115.9	$ 103.9	$ 40.6	$ 31.1
Administration/attendance and health	7.6	7.2	7.6	7.2
Transportation	8.2	8.1	8.1	8.0
Operations and maintenance	11.6	12.4	11.2	11.9
Technology	10.6	9.9	10.6	9.9
Food service	3.4	3.8	(0.1)	-
	$ 157.3	$ 145.3	$ 78.0	$ 68.1

Note: Totals may not add due to rounding.

Significant Changes in Governmental Activities Include:

- The cost of all governmental activities was $157.3 million.
- The net cost of governmental activities was $78 million.
- The federal and state governments subsidized certain programs with operating and capital grants and contributions of $77 million.
- Most of the School Division's net cost of services of $78 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, the General Fund and the Capital Projects Fund. As the School Division completed the year, the General Fund reported a fund balance of $5.4 million or a $0.2 million increase from the fund balance reported for FY 2019. The increase in fund balance for the General Fund stems from the inability to fill all vacant positions during the year. The Capital Projects Fund reported a negative fund balance at the end of FY 2019 of $2.8 million or a $7.6 million decrease from the fund balance reported for FY 2019 due to the timing in reimbursements from bond proceeds and reimbursements from the insurance company related to the Grafton Complex fire. The Food Service Fund, the non-major governmental fund, reported a fund balance of $1.3 million at the end of FY 2020, representing a $0.1 million increase from the FY 2019 reported fund balance. This increase was the result of an increased student enrollment and an increase in participation.

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 2020, the School Division amended its general fund budget as follows:

- Amended and decreased appropriations by ($1,019,019) to account for changes in state funding due to the economic uncertainty related to the COVID-19 pandemic. All schools were shut down on March 13, 2020. The Governor and Virginia Department of Education advised school divisions that sales tax and lottery revenues may not meet state forecasts, which would mean shortfalls in funding. The School Division took precautionary measures to curtail spending and freeze all unfilled positions.

- Amended appropriations throughout the major budget expenditure categories to accommodate changes in programs and services.

The actual results for the year show a net change in fund balance of $0.2 million. The increase, for the most part, was driven by the precautionary measures put into place as a result the uncertain economy related to the pandemic. General Fund revenues were $144.9 million or 4.6% higher in FY 2020 as compared to FY 2019. Federal revenue decreased $0.1 million or 0.7% in FY 2020 as compared to the previous fiscal year. This was due primarily to a decrease in Impact Aid revenue and fluctuations in spending in other grant programs.

General Fund actual expenditures for FY 2020 were $5.6 million less than the final budgeted amount. Significant factors contributing to the variance include:

- Outstanding encumbrances at June 30, 2020 are not reflected in the budget comparison schedule.

- Personnel savings due to vacant positions, staff on leave without pay, and personnel attrition.

- Portions of state and federal grants were carried forward to FY 2020.

- 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, 2020, the ending net position of the fund was a negative $1.4 million. The actual results for the year show a net change in fund balance of ($5.2) million. The decrease was driven by a significant increase in payments for contractual services. Charges for services totaled $17.5 million and payments for contractual services totaled $22.7 million.

Capital Assets

At the end of FY 2020, the School Division had $170.6 million (an 8.7% increase from FY 2019) invested in furniture and equipment, land, buildings, and construction-in-progress in governmental-type activities. The following table displays FY 2020 balances, net of accumulated depreciation. More detailed information about capital assets can be found in Note 5 to the financial statements.

Capital Assets, net of depreciation
(in millions)

	Governmental Activities 2020	Governmental Activities 2019	Total Percentage Change
Land	$ 4.8	$ 4.8	0.0%
Construction in progress	13.0	11.5	13.0%
Depreciable capital assets	152.8	140.6	8.7%
Total	$ 170.6	$ 156.9	8.7%

Major Capital Asset Additions for FY 2020 Included:

- Completed the Learning Commons at York High School $1.2 million
- Completed the roof replacement project at Tabb Elementary at a cost of $1.5 million
- Completed the HVAC replacement at Tabb Elementary at a cost of $5.8 million
- Completed the roof replacement project at Coventry Elementary at a cost of $1.5 million
- Completed the parking lot and bus loop expansion project at Yorktown Elementary at a cost of $600,339

The Following Major Capital Projects are Included in the School Division's FY 2020 Capital Budget:

Due to the economic impact of the COVID-19 pandemic, significant capital projects previously approved for FY 2021 have been postponed. Funding for FY 2021 includes $1 million in appropriated funds from the County of York for Learning Cottages/Mobile Classrooms.

Outstanding Long-Term Debt

School Divisions in the Commonwealth of Virginia are fiscally dependent, in that they do not have 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.

Factors Influencing Future Budgets

The FY 2021 budget provides the following significant costs and budget reductions:

- The School Board adopted its FY 2021 operating budget on March 19, 2020. Two months later, the School Board amended the budget to account for unexpected reductions in state and local revenues due to the COVID-19 pandemic

- Planned compensation increases for FY 2021 were eliminated in the amended budget

- Mandated costs for FY 2021 include the addition of 8 teacher positions, 4 SPED teacher positions, 1 school counselor, 1 EL teacher, and 7 SPED para-educator positions to meet enrollment growth and special education needs. There are increases to New Horizons Regional Education Center and the Children's Services Act, Virginia Retirement System rates for employee benefits and health insurance.

- Other budget initiatives include adding an associate director of Student Services, four (4) office clerks at our most populated elementary schools, two help desk technicians to support the one-to-one device program initiated in FY 2021 for virtual instruction

- Funding to support major capital projects included in the original FY 2021 Capital Improvements Program (CIP) was all but eliminated due to the pandemic. The School Division and County hope to reinstate the major projects in the FY 2022 CIP.

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.

- The Virginia General Assembly held a special session in August 2020 to amend the state budget. State sales tax revenue was forecast lower resulting in reductions to school divisions. The General Assembly passed legislation to hold school division harmless by providing a one-time COVID-19 appropriation.

- The School Division is currently 800 students short of the projected budget. The impact to YCSD on the loss of these students is approximately $4.2 million. However, the General Assembly will consider legislation during the January 2021 session to hold school divisions harmless on the loss of revenue.

- The General Assembly will be considering updates to the current FY 2021 budget and the budget for FY 2022 during the 2021 January session. The impact on the School Division is unknown at this time. The Governor will be releasing his proposed budget in late December 2020.

- All major capital projects previously approved for FY 2021 have been postponed.

- The impact on the School Division related to the federal budget is unknown at this time. The federal government will be considering the budget for Impact Aid for FY 2021 during the next Congressional session. There is concern that further reductions to the Impact Aid program will be made, which will make it difficult for the School Division to continue to deliver superior services to our military connected students and families.

- The County government will not be conducting the reassessment of real estate in 2021.

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) 898-0303.

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BASIC FINANCIAL STATEMENTS

THE YORK COUNTY SCHOOL DIVISION

Statement of Net Position
Governmental Activities
June 30, 2020

	Governmental Activities
Assets	
Cash and investments	$ 7,778,140
Receivables:	
Other receivables	1,183,190
Due from the County of York, Virginia	15,405,486
Due from other governments	2,743,247
Prepaid expenses	586,000
Net pension asset	10,046
Net OPEB asset	1,782,169
Capital assets:	
Land	4,824,818
Construction in progress	12,967,657
Buildings, improvements, and equipment - net	152,802,706
Total assets	200,083,459
Deferred outflows of resources	
Deferred outflows of resources - pension	25,229,871
Deferred outflows of resources - OPEB	3,858,533
Total deferred outflows of resources	29,088,404
Liabilities	
Vouchers and accounts payable	3,231,854
Deposits payable	139
Salaries, taxes, and benefits payable	16,492,086
Unearned revenues	310,822
Due within one year	3,538,100
Due in more than one year	134,933,649
Total liabilities	158,506,650
Deferred inflows of resources	
Deferred inflows of resources - pension	12,155,034
Deferred inflows of resources - OPEB	1,015,524
Total deferred inflows of resources	13,170,558
Net position	
Net investment in capital assets	170,595,181
Restricted:	
Food service	1,355,041
Pension	10,046
OPEB	1,782,169
Unrestricted (deficit)	(116,247,782)
Total net position	$ 57,494,655

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

THE YORK COUNTY SCHOOL DIVISION

Statement of Activities
Governmental Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Total
Primary Government					
Governmental activities:					
Instructional	$ 115,941,528	$ 875,745	$ 74,503,842	$ -	$ (40,561,941)
Administrative, attendance, and health services	7,628,619	-	-	-	(7,628,619)
Transportation	8,224,005	-	73,659	-	(8,150,346)
Operations and maintenance	11,606,603	-	437,391	-	(11,169,212)
Technology	10,593,856	-	-	-	(10,593,856)
Food services	3,383,690	1,506,968	2,001,158	-	124,436
Total governmental activities	157,378,301	2,382,713	77,016,050	-	(77,979,538)
Total Primary Government	$ 157,378,301	$ 2,382,713	$ 77,016,050	$ -	(77,979,538)
General revenues:					
Payments from the County of York (unrestricted)					65,291,097
Shared intergovernmental revenues (unrestricted)					14,032,251
Investment income (unrestricted)					3,523
Miscellaneous					1,598,966
Total general revenues					80,925,837
Change in net position					2,946,299
Net position - beginning					54,548,356
Net position - ending					$ 57,494,655

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

Balance Sheet
Governmental Funds
June 30, 2020

	General	Capital Projects	Technology Reserve	Non-major Governmental Fund	Total Governmental Funds
Assets					
Cash and temporary investments	$ 2,810,546	$ -	$ 3,200,000	$ 1,418,575	$ 7,429,121
Other receivables	8,721	1,116,635	-	406	1,125,762
Due from the County of York, Virginia	18,364,173	-	-	-	18,364,173
Due from other governments	2,570,712	-	-	172,535	2,743,247
Total assets	$ 23,754,152	$ 1,116,635	$ 3,200,000	$ 1,591,516	$ 29,662,303
Liabilities and fund balances					
Liabilities:					
Vouchers and accounts payable	$ 1,695,176	$ 981,963	$ -	$ 86,735	$ 2,763,874
Deposits payable	139	-	-	-	139
Salaries, taxes, and benefits payable	16,440,632	3,568	-	30,740	16,474,940
Due to the County of York, Virginia	-	2,958,687	-	-	2,958,687
Unearned revenues	191,822	-	-	119,000	310,822
Total liabilities	18,327,769	3,944,218	-	236,475	22,508,462
Fund balances:					
Restricted					
Food service	-	-	-	1,355,041	1,355,041
Committed	2,798,730	-	-	-	2,798,730
Assigned	2,627,653	-	3,200,000	-	5,827,653
Unassigned	-	(2,827,583)	-	-	(2,827,583)
Total fund balances	5,426,383	(2,827,583)	3,200,000	1,355,041	7,153,841
Total liabilities and fund balances	$ 23,754,152	$ 1,116,635	$ 3,200,000	$ 1,591,516	$ 29,662,303

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

THE YORK COUNTY SCHOOL DIVISION

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2020

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

Total fund balances - governmental funds	$ 7,153,841
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	170,595,181
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(6,052,638)
The net pension asset is not a current financial resource and, therefore, is not reported as an asset in the governmental funds.	10,046
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.	(112,685,371)
The net OPEB asset is not a current financial resource and, therefore, is not reported as an asset in the governmental funds.	1,782,169
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.	(17,873,640)
Deferred outflows and inflows of resources related to the net pension obligations are not recognized in the funds.	13,074,837
Deferred outflows and inflows of resources related to the net OPEB obligations are not recognized in the funds.	2,843,009
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.	(1,352,779)
Net position of governmental activities	$ 57,494,655

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

THE YORK COUNTY SCHOOL DIVISION

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	General	Capital Projects	Technology Reserve	Non-major Governmental Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
From the County of York, Virginia	$ 54,828,091	$ 10,463,006	$ -	$ -	$ 65,291,097
From the Commonwealth of Virginia	72,601,664	-	-	69,123	72,670,787
From the federal government	15,934,429	-	-	1,932,035	17,866,464
Revenues from use of money and property	641,362	72,996	-	12,703	727,061
Charges for services	875,745	-	-	1,506,968	2,382,713
Miscellaneous	19,843	1,366,635	-	-	1,386,478
Total revenues	144,901,134	11,902,637	-	3,520,829	160,324,600
Expenditures					
Current - education:					
Instruction	105,057,545	-	-	-	105,057,545
Administration, attendance, and health services	7,454,224	-	-	-	7,454,224
Public transportation	7,756,141	-	-	-	7,756,141
Operations and maintenance	10,796,058	-	-	-	10,796,058
Technology	10,475,107	-	-	-	10,475,107
Total education	141,539,075	-	-	-	141,539,075
Food services	-	-	-	3,336,412	3,336,412
Capital outlay	-	19,566,693	-	-	19,566,693
Total expenditures	141,539,075	19,566,693	-	3,336,412	164,442,180
Excess (deficiency) of revenues over (under) expenditures	3,362,059	(7,664,056)	-	184,417	(4,117,580)
Other financing sources (uses)					
Transfers in	15,000	-	3,200,000	-	3,215,000
Transfers out	(3,200,000)	-	-	(15,000)	(3,215,000)
Total other financing sources (uses), net	(3,185,000)	-	3,200,000	(15,000)	-
Net change in fund balance	177,059	(7,664,056)	3,200,000	169,417	(4,117,580)
Fund balance - beginning	5,249,324	4,836,473	-	1,185,624	11,271,421
Fund balance - ending	$ 5,426,383	$ (2,827,583)	$ 3,200,000	$ 1,355,041	$ 7,153,841

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

THE YORK COUNTY SCHOOL DIVISION

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds			$ (4,117,580)
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 outlays exceeds depreciation expense.			
	Capital outlay	$ 19,304,189	
	Depreciation expense	(5,566,743)	13,737,446
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	(996,643)	
	Depreciation of capital asset disposals	910,756	(85,887)
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	(418,550)	
	Pension costs	(1,435,029)	
	OPEB	387,477	
	Workers' compensation claims	70,834	(1,395,268)
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.			(5,192,412)
Change in net position of governmental activities			$ 2,946,299

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

THE YORK COUNTY SCHOOL DIVISION

Statement of Net Position
Proprietary Fund
June 30, 2020

	Internal Service Fund
Assets	
Current assets:	
Cash and investments	$ 349,019
Accounts receivable	57,428
Prepaid expenses	586,000
Total current assets	992,447
Total assets	992,447
Liabilities	
Current liabilities:	
Vouchers and accounts payable	467,980
Salaries, taxes, and benefits payable	17,146
Claims payable	1,860,100
Total current liabilities	2,345,226
Total liabilities	2,345,226
Net position	
Unrestricted	$ (1,352,779)

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

THE YORK COUNTY SCHOOL DIVISION

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2020

	Internal Service Fund
Operating revenues	
Charges for services	$ 17,531,969
Operating expenses	
Insurance payments	22,750,199
Operating loss	(5,218,230)
Nonoperating revenues	
Interest income	25,818
Change in net position	(5,192,412)
Net position - beginning	3,839,633
Net position - ending	$ (1,352,779)

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

THE YORK COUNTY SCHOOL DIVISION

Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2020

	Internal Service Fund
Cash flows from operating activities	
Received from users	$ 21,127,023
Payments for services	(24,334,679)
Net cash used in operating activities	(3,207,656)
Cash flows from investing activities	
Interest income	25,818
Net decrease in cash	(3,181,838)
Cash - beginning	3,530,857
Cash - ending	$ 349,019
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	$ (5,218,230)
Change in:	
Accounts receivable	(57,428)
Prepaid expenses	1,978,600
Accounts and vouchers payable	(181,954)
Salaries, taxes, and benefits payable	1,961
Unearned revenues	(40,087)
Claims payable	309,482
Net cash used in operating activities	$ (3,207,656)

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

THE YORK COUNTY SCHOOL DIVISION

Statement of Net Position
Fiduciary Funds
June 30, 2020

	Pension Trust Fund Optional Plan	Agency Fund School Activity Funds
Assets		
Cash and investments	$ -	$ 1,589,422
Restricted cash	82,116	-
Restricted investments:		
Federal agency bonds and notes	100,121	-
Corporate obligations	264,029	-
Commercial paper	1,122,562	-
Total restricted investments	1,486,712	-
Accrued income	2,329	-
Total assets	$ 1,571,157	$ 1,589,422
Liabilities		
Assets held for others	$ -	$ 1,589,422
Total liabilities	-	$ 1,589,422
Net position		
Net position restricted for pensions	$ 1,571,157	

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

THE YORK COUNTY SCHOOL DIVISION

Statement of Changes in Net Position
Fiduciary Fund
Year Ended June 30, 2020

	Pension Trust Fund Optional Plan
Additions	
Contributions:	
Employer	$ -
Total contributions	-
Investment income:	
Earning from investments	45,578
Net depreciation in the fair value of investments	(21,924)
Other receipts	22
Net investment income	23,676
Total additions	23,676
Deductions	
Benefit payments	179,530
Administrative expenses	18,397
Total deductions	197,927
Net change in net position	(174,251)
Net position restricted for pensions	
Net position - beginning	1,745,408
Net position - ending	$ 1,571,157

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

NOTES TO BASIC FINANCIAL STATEMENTS

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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, as prescribed by the Governmental Accounting Standards Board (GASB). 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. The following is a summary of the more significant accounting policies of the School Division:

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 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, capital projects (not capitalized), and food services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(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, and the Technology Reserve 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 fund types:

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 financed by the operating fund).

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

Non-major Governmental Fund - The Non-major Governmental Fund (School Food Services Fund) is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Accordingly, 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.

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

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 (assets equal liabilities) 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 Trust and Agency funds consist of the Pension Trust Fund - Optional Plan and the School Activity Funds.

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.

Agency Fund - The Agency Fund is custodial in nature and does not involve measurement of results of operations. The School Division’s Agency Fund are the School Activity Funds, which accounts for the student activity monies maintained on behalf of the students by the principal of each school.

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

Basis of Accounting

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.

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. Agency funds have no measurement focus. 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.

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

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, Cash Equivalents, and Temporary Investments

Cash and temporary investments 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 agency 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.

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.

Prepaids

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

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

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:

Description	Useful Lives
Buildings	25-80 years
Improvements other than buildings	30-80 years
Machinery and equipment and vehicles	10-25 years

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).

Fund Balances/Net Position
Fund balances have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

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

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

Committed - Includes amounts that can be used only for the specific purposes determined by 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.

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

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

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.

Retirement Plan
Retirement 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 cost as it accrues.

Deferred Outflows and Inflows of Resources
Deferred outflows of resources represent a consumption of net position 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, 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 position 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 and OPEB, and consist of the difference between expected and actual experience, changes of assumptions, the net difference between projected and actual earnings on pension plan investments, 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.

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 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 Note 9 and 10 for further details.

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.

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

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.

Other Postemployment Benefits

For purposes of measuring the net OPEB liability, 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.

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 temporary investments 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, 2020, cash and investments of the School Division consisted of:

Bank deposits	$ 7,601,077
Investments	176,463
Cash and cash equivalents with York County Treasurer	7,777,540
Petty cash	600
Total cash and cash equivalents	$ 7,778,140

Cash and investments of the School Division's Pension Trust Fund and School Activity Funds at June 30, 2020 consisted of:

Bank deposits	$ 1,589,422
Restricted cash	82,116
Investments	1,486,712
	$ 3,158,250

2. DEPOSITS AND INVESTMENTS *(Continued)*

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 evidences of deposit at financial institutions, money market mutual funds, and the LGIP.

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 participates. 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, 2020, 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 that commercial paper 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.

2. DEPOSITS AND INVESTMENTS *(Concluded)*

As of June 30, 2020, the School Division's investments held by the County Treasurer consisted of $176,463 invested in LGIP, with a Standard & Poor's rating of AAA.

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

Investment Type	AAA	AA	A	B	Not Rated
Commercial paper	$ -	$ -	$ 277,418	$ 581,963	$ 263,181
U.S. Government bonds	-	-	-	-	100,121
Corporate obligations	-	25,722	147,779	25,164	65,364
Total Investments	$ -	$ 25,722	$ 425,197	$ 607,127	$ 428,666

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, 2020, the School Division's portfolio held with the County Treasurer had one investment that was 6.84% 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 holdings to no more than 18 months, unless approved by the Treasurer.

As of June 30, 2020, the carrying values and weighted average maturity of the School Division's investments held with the County Treasurer were as follows:

Investment Type	Value
LGIP	$ 176,463

As of June 30, 2020, the carrying values and weighted average maturity of the School Division's Pension Trust Fund investments were as follows:

Investment Type	Fair Value	Average Maturity in Years
Commercial paper	$ 1,122,562	
U.S. Government bonds	101,121	
Corporate obligations	264,029	2.87
Total Investments	$ 1,487,712	
Weighted Average of Portfolio		0.70

Fair Value
The School Division categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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.

The School Division has the following recurring fair value measurements as of June 30, 2020:

- Commercial paper of $1,122,562 are valued using quoted market prices (Level 1 inputs)
- Corporate obligations of $364,150 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, 2020:

	Due From
Due from (to) County	
School Operating Fund	$ 18,364,173
Capital Projects Fund:	(2,958,687)
	$ 15,405,486
Purpose:	
School Operations	$ 18,364,173
School Operations	(2,958,687)
	$ 15,405,486

	Intergovernmental Revenues
School Operating Fund	$ 54,828,091
Capital Projects Fund	10,463,006
Intergovernmental Revenues from the County of York	$ 65,291,097
Purpose:	
School Operations	$ 66,400,100
Year-End Reversion Entry	(1,109,003)
	$ 65,291,097

4. TRANSFERS BETWEEN FUNDS

During the year ended June 30, 2020, $3,200,000 was transferred from the General Fund to the Technology Reserve Fund for resources to be used for technology initiatives.

During the year ended June 30, 2020, $15,000 was transferred from the Non-major Governmental Fund to the General Fund for the School Food Service Fund's portion of workers' compensation.

5. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Governmental activities				
Capital assets not depreciated:				
Land	$ 4,824,818	$ -	$ -	$ 4,824,818
Construction in progress	11,504,241	18,824,695	17,361,279	12,967,657
Total non-depreciable capital assets	16,329,059	18,824,695	17,361,279	17,792,475
Capital assets depreciated:				
Buildings	215,156,463	8,610,879	-	223,767,342
Improvements	6,156,606	8,750,400	-	14,907,006
Machinery and equipment	2,954,605	88,487	489,828	2,553,264
Motor vehicles	15,112,634	391,007	506,815	14,996,826
Total depreciable capital assets	239,380,308	17,840,773	996,643	256,224,438
Less acummulated depreciation for:				
Buildings	84,955,155	4,209,343	-	89,164,498
Improvements	3,646,793	250,993	-	3,897,786
Machinery and equipment	1,994,077	172,142	417,702	1,748,517
Motor vehicles	8,169,720	934,265	493,054	8,610,931
Total accumulated depreciation	98,765,745	5,566,743	910,756	103,421,732
Total depreciable capital assets - net	140,614,563	12,274,030	85,887	152,802,706
Total governmental activities capital assets - net	$ 156,943,622	$ 31,098,725	$ 17,447,166	$ 170,595,181

Depreciation expense was charged to functions as follows:

Governmental activities	
Instruction	$ 4,296,303
Administration, attendance, and health services	174,395
Pupil transportation	858,871
Operations and maintenance	189,896
Food services	47,278
Total governmental activities depreciation expense	$ 5,566,743

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.

5. CAPITAL ASSETS *(Concluded)*

Construction in progress is composed of the following at June 30, 2020:

	Project Authorization	Expended through June 30, 2020	Balance of Authorization	Future Requirements
School projects	$ 19,247,289	$ 12,967,657	$ 6,279,632	$ -

6. LONG-TERM LIABILITIES

A summary of changes in long-term obligations for governmental activities for the year ended June 30, 2020 follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Compensated absences	$ 2,835,358	$ 1,432,441	$ 1,013,891	$ 3,253,908	$ 1,140,000
Net OPEB liability	16,599,000	3,917,140	2,642,500	17,873,640	-
Net pension liability *	98,645,005	40,381,348	26,340,982	112,685,371	-
Claims liability	4,420,182	608,976	370,328	4,658,830	2,398,100
Total minimum payments	$ 122,499,545	$ 46,339,905	$ 30,367,701	$ 138,471,749	$ 3,538,100

* Beginning balance restated to add School Division's Nonprofessional (non-teacher) retirement plan, which was a net pension asset in the prior year.

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.

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

	General	Capital Projects	Technology Reserve	Non-major Governmental	Governmental Funds
Restricted					
Food Service	$ -	$ -	$ -	$ 1,355,041	$ 1,355,041
Total Restricted	-	-	-	1,355,041	1,355,041
Committed					
Self-insurance	2,798,730	-	-	-	2,798,730
Total Committed	2,798,730	-	-	-	2,798,730
Assigned					
Instruction	51,323	-	-	-	51,323
Administration	4,865	-	-	-	4,865
Transportation	980,907	-	-	-	980,907
Operations and maintenance	128,217	-	-	-	128,217
Technology	1,462,341	-	3,200,000	-	4,662,341
Capital projects	-	-	-	-	-
Total Assigned	2,627,653	-	3,200,000	-	5,827,653
Unassigned	-	(2,827,583)	-	-	(2,827,583)
Total Fund Balances	$ 5,426,383	$ (2,827,583)	$ 3,200,000	$ 1,355,041	$ 7,153,841

Significant encumbrances of the School Division relate to contractual services for special education and building replacement and maintenance. The School Division had encumbrances of $2,630,387 for the General fund, $1,501,161 for the Capital Projects fund, $380,508 for the Technology Reserve Fund, and no encumbrances for the Non-major Governmental fund.

8. LEASES

Lessee

The School Division leases certain equipment and office space under non-cancelable operating lease agreements. A summary of future minimum rental payments under non-cancelable operating leases as of June 30, 2020 is as follows:

Fiscal Year	
2021	$ 171,161
2022	171,161
2023	171,161
2024	14,263
Total Minimum Payments	$ 527,746

Rental expenditures for the year ended June 30, 2020 for all operating leases were $171,161.

8. LEASES *(Concluded)*

Lessor

The School Division leases certain land where radio towers are located. The School Division does not own the radio towers but does own the land. The radio towers are located at York Middle School, York High School, and Waller Mill Elementary School. The School Division also leases a portion of Yorktown Middle School to the New Horizons Regional Education Center. The total cost and accumulated depreciation of the Yorktown Middle School building at June 30, 2020 is $1,066,600 and $881,642, respectively.

A summary of future minimum rental receipts under noncancelable operating leases as of June 30, 2020 is as follows:

Fiscal Year		
2021	$	353,810
2022		371,294
2023		371,073
2024		371,190
2025		371,320
Total Minimum Payments	$	1,838,687

Rental revenue for all operating leases was $364,628 for the year ended June 30, 2020.

9. DEFINED BENEFIT PENSION PLANS

Virginia Retirement System

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

All full-time, salaried permanent (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 Political Subdivision are automatically covered by the VRS Retirement Plan upon employment. These plans are administered by the Virginia Retirement 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.

9. **DEFINED BENEFIT PENSION PLANS** *(Continued)*

The System administers three different benefit structures for covered employees - Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each Plan and eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.	**About Plan 2** Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.	**About the Hybrid Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit, and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

RETIREMENT PLAN PROVISIONS		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least 5 years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** Defined Benefit Components: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach 5 years (60 months) of service credit. Plan 1 or Plan 2 members with at least 5 years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. Defined Contribution Component: Defined contribution vesting refers to minimum length of service a member needs to be eligible to withdraw employer contributions from the defined contribution component of the plan. Members are always 100% vested in contributions they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distributions not required, except as governed by law.

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

RETIREMENT PLAN PROVISIONS		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** Defined Benefit Component: See definition under Plan 1. Defined Contribution Component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for members is 1.70%.	**Service Retirement Multiplier** Same as Plan 1 for service earned, purchased, or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013.	**Service Retirement Multiplier** Defined Benefit Component: The retirement multiplier for the defined benefit component is 1.0%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. Defined Contribution Component: Not applicable.

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

RETIREMENT PLAN PROVISIONS		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Normal Retirement Age Age 65.	**Normal Retirement Age** Normal Social Security retirement age.	**Normal Retirement Age** Defined Benefit Component: Same as Plan 2. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.	**Earliest Unreduced Retirement Eligibility** Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.	**Earliest Unreduced Retirement Eligibility** Defined Benefit Component: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.	**Earliest Reduced Retirement Eligibility** Age 60 with at least five years (60 months) of service credit.	**Earliest Reduced Retirement Eligibility** Defined Benefit Component: Age 60 with at least 5 years (60 months) of service credit. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

9. **DEFINED BENEFIT PENSION PLANS** *(Continued)*

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

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

RETIREMENT PLAN PROVISIONS		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Exceptions to COLA Effective Dates (continued): • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.		
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased, or granted.	**Disability Coverage** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted.	**Disability Coverage** Employees of school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** Defined Benefit Component: Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. Defined Contribution Component: Not applicable.

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

1. Employees Covered by Benefit Terms

As of the June 30, 2018, actuarial valuation, the following Nonprofessional employees (non-teacher) were covered by the benefit terms of the pension plan:

Nonprofessional Employees (non-teacher)	
Inactive Members or Their Beneficiaries Currently Receiving Benefits	209
Inactive Members:	
Vested Inactive Members	30
Non-Vested Inactive Members	150
Inactive Members Active Elsewhere in VRS	57
Total Inactive Members	237
Active Members	276
Total Covered Employees	722

2. Contributions

The contribution requirement for active employees is governed by Section 51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5% of their compensation toward their retirement.

For the Professional (teacher) employees, each school division's contractually required contribution rate for the year ended June 30, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Division were $11,359,571 and $10,917,764 for the years ended June 30, 2020 and June 30, 2019, respectively.

In addition, for the Nonprofessional (non-teacher) employees, the School Division's contractually required employer contribution rate for the year ended June 30, 2020 was 5.46% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. This 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. Contributions to the pension plan from the School Division were $324,157 and $327,734 for the years ended June 30, 2020 and June 30, 2019, respectively.

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

3. Net Pension Liability

At June 30, 2020, the School Division reported a net pension liability of $112,097,772 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, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Division's proportion was 0.85177% as compared to 0.84051% at June 30, 2018.

In addition, the School Division's Net Pension Liability for the Nonprofessional (non-teacher) Retirement Plan was measured as of June 30, 2019. The net pension liability 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 Liability was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019. At June 30, 2020, the School Division reported a liability of $587,599 for the Nonprofessional (non-teacher) Retirement Plan.

4. Pension Expense

For the year ended June 30, 2020, the School Division recognized pension expense of $12,490,811 of the Teacher Retirement Plan (Professional). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

In addition, for the year ended June 30, 2020, the School Division recognized pension expense of $573,478 for the Nonprofessional (non-teacher) Retirement Plan.

5. Deferred Outflows/Inflows of Resources

At June 30, 2020, for the Teacher Retirement Plan (Professional), the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 7,178,093
Change of assumptions	11,100,307	-
Net difference between projected and actual earnings on pension plan investments	-	2,461,401
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,006,146	2,129,425
Employer contributions subsequent to the measurement date	11,359,571	-
Total	$ 24,466,024	$ 11,768,919

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

5. Deferred Outflows/Inflows of Resources (continued)

Deferred outflows of resources of $11,359,571 related to pensions resulting from the School Division's contributions, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Amounts
2021	$ 182,303
2022	(2,506,883)
2023	676,472
2024	1,974,270
2025	1,011,372
Total	$ 1,337,534

In addition, at June 30, 2020, for the Nonprofessional (non-teacher) Retirement Plan, the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 32,677	$ 41,552
Changes of assumptions	407,013	-
Net difference between projected and actual earnings on pension plan investments	-	221,086
Employer contributions subsequent to the measurement date	324,157	-
Total	$ 763,847	$ 262,638

Deferred outflows of resources of $324,157 related to pensions resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Amounts
2021	$ 272,923
2022	(105,328)
2023	(5,022)
2024	14,479
Total	$ 177,052

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions

Professional / Teacher Retirement Plan

The total pension liability for the Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including Inflation	3.5% to 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for U.S. GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

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

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

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

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016 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:

Mortality Rates (pre-retirement, post-retirement healthy and disabled	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from age 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

Nonprofessional (non-teacher) Retirement Plan

The total pension liability for Nonprofessional Retirement Plan (non-teacher) was based on an actuarial valuation as of June 30, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including inflation	3.5% to 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

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

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

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

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

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

Mortality Rates (pre-retirement, post-retirement healthy and disabled	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from age 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase from 14% to 15%
Discount Rate	Decrease from 7.00% to 6.75%

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

7. Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS – Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP – Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
Inflation			2.50%
Expected arithmetic nominal return*			7.63%

* The above allocation provides a one-year return of 7.63%. 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 7.11%, including expected inflation of 2.50%. 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.

8. 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 member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the School Division for the VRS Professional/Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019, on, school divisions 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.

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

The following presents the School Division's proportionate share of the net pension liability for the Professional/Teacher Retirement Plan using the discount rate of 6.75%, as well as what the School Division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (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%)
School Division's Proportionate Share of the Net Pension Liability for the VRS Teacher Retirement Plan	$ 168,755,846	$ 112,097,772	$ 65,252,039

In addition, the following presents the net pension asset of the Nonprofessional (non-teacher) Retirement Plan using the discount rate of 6.75%, as well as what the net pension asset 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%)
School Division's Proportionate Share of the Net Pension Liability (Asset) for the Nonprofessional Retirement Plan	$ 3,694,845	$ 587,599	$ (1,913,515)

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance - July 1, 2018	$ 24,180,813	$ 24,379,808	$ (198,995)
Changes for the fiscal year:			
Service cost	601,823	-	601,823
Interest	1,652,635	-	1,652,635
Assumptions	706,288	-	706,288
Difference between expected and actual experience	56,704	-	56,704
Contributions - employer	-	326,377	(326,377)
Contributions - employee	-	305,891	(305,891)
Net investment income	-	1,615,700	(1,615,700)
Benefit payments, including refunds of employee contributions	(1,143,487)	(1,143,487)	-
Administrative expense	-	(16,095)	16,095
Other changes	-	(1,017)	1,017
Net changes	1,873,963	1,087,369	786,594
Balance - June 30, 2019	$ 26,054,776	$ 25,467,177	$ 587,599

11. Pension Plan Fiduciary Net Position – Teacher Retirement Plan

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at varetire.org/pdf/publications/2019-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

12. Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 CAFR. A copy of the 2019 VRS CAFR may be downloaded from the VRS website at varetire.org/pdf/publications/2019-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

York County Public Schools - Optional Plan

Plan Description

Plan Administration – The York County School Division administers the Optional Plan, a single employer defined benefit pension plan. 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.

Plan Membership – At June 30, 2020, Optional Plan membership consisted of the following:

Active Plan Members	8
Retirees and Beneficiaries	66
Number of Vested Terminations	4
	78

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 the age of 55 and with 5 years of participation for early retirement. Benefits are reduced actuarially for early commencement.

Contributions – 2.50% of pay contribution was required as a condition of participation; however, no employee contributions were required after June 30, 1992. Employee contributions are accumulated with interest at 5.00%. For the year ended June 30, 2020, the average active member contribution rate was 0% of annual payroll and the School Division's average contribution rate was 0% of annual payroll.

Summary of Significant Accounting Policies

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

Investments

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

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Cash equivalents	5.30%	7.00%	0.37%
U.S. government securities	6.40%	7.00%	0.45%
Corporate debt instruments	16.80%	7.00%	1.18%
Equity investments	71.50%	7.00%	5.00%
Total	100.00%		7.00%
		Inflation	2.50%

Rate of Return – For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 1.44%. The money-weighted return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the School Division – Optional Plan

Based on a measurement date of June 30, 2019, the components of the net pension liability of the School Division's Optional Plan at June 30, 2020 were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance - June 30, 2019	$ 1,786,943	$ 1,791,326	$ (4,383)
Changes for the fiscal year:			
Service cost	1,138	-	1,138
Interest	117,944	-	117,944
Difference between expected and actual experience	40,567	-	40,567
Changes of assumptions	(4,898)	-	(4,898)
Benefit payments	(206,332)	(206,332)	-
Net investment income	-	179,448	(179,448)
Administrative expense	-	(19,034)	19,034
Net Changes	(51,581)	(45,918)	(5,663)
Balance - June 30, 2020	$ 1,735,362	$ 1,745,408	$ (10,046)

9. DEFINED BENEFIT PENSION PLANS *(Continued)*

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions applied to all periods included in the measurement:

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

Mortality rates were based on the Pub 2010, "Teachers" Classification table under Scale MP-2019.

Discount Rate – From July 1, 2018 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 7.00%.

Pension Expense and Deferred Outflows/Inflows of Resources – At June 30, 2020, for the Optional Plan, the School Division reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 123,477
Total	$ -	$ 123,477

The School Division did not make any contributions to the plan during 2020, so there are no contributions subsequent to the measurement date to be reported as a deferred outflow of resources that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources related to the Optional Plan will be recognized in pension expense as follows:

	Deferred Amounts
2021	$ (33,392)
2022	(41,112)
2023	(36,586)
2024	(12,387)
Total	$ (123,477)

For the year ended June 30, 2020, the School Division recognized pension expense for the Optional Plan of $15,553.

9. DEFINED BENEFIT PENSION PLANS *(Concluded)*

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

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Net Pension Liability (Asset) for the Optional Plan	$ 108,959	$ (10,046)	$ (115,327)

Combining Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The VRS Professional plan, VRS Nonprofessional plan, and the York County Public Schools – 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 York County School Division is combined and summarized in the schedule below:

	VRS Professional Plan	VRS Nonprofessional Plan	Optional Plan	Combined Totals
Net pension liability	$ 112,097,772	$ 587,599	$ -	$ 112,685,371
Net pension asset	$ -	$ -	$ 10,046	$ 10,046
Pension expense	$ 12,490,811	$ 573,478	$ 15,553	$ 13,079,842
Deferred outflows of resources:				
Differences between expected and actual experience	$ -	$ 32,677	$ -	$ 32,677
Changes of assumptions	11,100,307	407,013	-	11,507,320
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,006,146	-	-	2,006,146
Employer contributions subsequent to the measurement date	11,359,571	324,157	-	11,683,728
Total deferred outflows of resources	$ 24,466,024	$ 763,847	$ -	$ 25,229,871
Deferred inflows of resources:				
Differences between expected and actual experience	$ 7,178,093	$ 41,552	$ -	$ 7,219,645
Net difference between projected and actual earnings on pension plan investments	2,461,401	221,086	123,477	2,805,964
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,129,425	-	-	2,129,425
Total deferred inflows of resources	$ 11,768,919	$ 262,638	$ 123,477	$ 12,155,034

10. OTHER POSTEMPLOYMENT BENEFITS

School Division VRS OPEB Plans

The School Division participates in the following multiple-employer, cost-sharing plans: Group Life Insurance Program (GLIP), Teacher Employee Health Insurance Credit Program (HICP), Political Subdivision Employee Virginia Local Disability Program (VLDP), and Teacher Employee VLDP offered by the VRS. The School Division also participates in a multiple-employer, agent defined benefit plan: Political Subdivision HICP.

Fiduciary Net Position
Detailed information about the VRS plans is available in the separately issued VRS 2019 CAFR. A copy of the 2019 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2019-annual-report.pdf, or by writing to VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

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

Actuarial Assumptions
The VRS OPEB liability for all VRS plans were based on an actuarial valuation as of June 30, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including inflation –	
General state employees	3.5% – 5.35%
Teachers	3.5% – 5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for U.S. GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Mortality Rates – Teachers:

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

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

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

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from age 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Mortality Rates – Non-Largest Ten Locality Employers - General Employees:

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

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

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

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from age 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decreased rate from 7.00% to 6.75%

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS – Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP – Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
Inflation			2.50%
Expected arithmetic nominal return*			7.63%

* The above allocation provides a one-year return of 7.63%. 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 7.11%, including expected inflation of 2.50%. 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.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Discount Rate
The discount rate used to measure the total VRS OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the VRS OPEB will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VRS OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total VRS OPEB liability.

Virginia Retirement System – GLIP

Plan Description
All full-time, salaried permanent teachers and employees of participating political subdivisions are automatically covered by the VRS GLIP upon employment. This plan is administered by the VRS, along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

The specific information for GLIP, including eligibility, coverage and benefits is set out in the table below:

GLIP PLAN PROVISIONS
Eligible Employees The GLIP was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

GLIP PLAN PROVISIONS (continued)
Benefit Amounts The benefits payable under GLIP have several components. • **Natural Death Benefit** – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit. • **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: o Accidental dismemberment benefit o Safety belt benefit o Repatriation benefit o Felonious assault benefit o Accelerated death benefit option
Reduction in Benefit Amounts The benefit amounts provided to members covered under GLIP are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,463 as of June 30, 2020.

Contributions
The contribution requirements for the GLIP are governed by § 51.1-506 and § 51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLIP was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020, was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLIP from the School Division for nonprofessional employees were $34,895 and $33,927 for the years ended June 30, 2020 and June 30, 2019, respectively. Contribution to GLIP from the School Division for professional employees were $387,637 and $370,627 for the years ended June 30, 2020 and June 30, 2019, respectively.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

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

At June 30, 2020, the School Division reported a liability of $541,554 for its proportionate share of the Net GLIP OPEB Liability for nonprofessional employees. At June 30, 2020, the School Division reported a liability of $5,916,415 for its proportionate share of the Net GLIP OPEB Liability for professional employees. The Net GLI OPEB Liability was measured as of June 30, 2019 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2019, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the participating employer's proportion was 0.03328% as compared to 0.03399% at June 30, 2018 for nonprofessional employees. At June 30, 2019, the participating employer's proportion was 0.36358% as compared to 0.35768% at June 30, 2018 for professional employees.

For the year ended June 30, 2020, the School Division recognized GLIP OPEB expense of $5,277 for nonprofessional employees. For the year ended June 30, 2020, the School Division recognized GLIP OPEB expense of $118,210 for professional employees. Since there was a change in proportionate share between measurement dates, a portion of the GLIP OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to the GLIP OPEB for nonprofessional employees from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 36,017	$ 7,025
Net difference between projected and actual earnings on OPEB plan investments	-	11,124
Changes of assumptions	34,191	16,330
Changes in proportionate share	-	30,987
Employer contributions subsequent to the measurement date	34,895	-
Total	$ 105,103	$ 65,466

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

$34,895 reported as deferred outflows of resources related to GLIP resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLIP OPEB Liability in the Fiscal Year ending June 30, 2021 for nonprofessional employees. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLIP OPEB will be recognized in the GLIP OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	$ (5,322)
2022	(5,321)
2023	(610)
2024	5,175
2025	8,306
Thereafter	2,514
Total	$ 4,742

At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to the GLIP OPEB for professional employees from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 393,477	$ 76,741
Net difference between projected and actual earnings on OPEB plan investments	-	121,528
Changes of assumptions	373,528	178,406
Changes in proportionate share	78,712	131,457
Employer costs subsequent to the measurement date	387,637	-
Total	$ 1,233,354	$ 508,132

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

$387,637 reported as deferred outflows of resources related to GLIP resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLIP OPEB Liability in the Fiscal Year ending June 30, 2021 for professional employees. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLIP OPEB will be recognized in the GLIP OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	$ 2,420
2022	2,425
2023	53,897
2024	110,017
2025	130,073
Thereafter	38,753
Total	$ 337,585

Net GLIP OPEB Liability

The net OPEB liability (NOL) for the GLIP represents the program's total OPEB liability determined in accordance with U.S. GAAP, less the associated fiduciary net position. As of the measurement date of June 30, 2019, NOL amounts for the GLIP is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLIP OPEB Liability	$ 3,390,238
Plan Fiduciary Net Position	1,762,972
Employer's Net GLIP OPEB Liability	$ 1,627,266
Plan Fiduciary Net Position as a Percentage of the Total GLPI OPEB Liability	52.00%

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

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Sensitivity of the School Division's Proportionate Share of the Net GLIP OPEB Liability to Changes in the Discount Rate
The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (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%)
School Division's Proportionate Share of the GLIP Net OPEB Liability - nonprofessional employees	$ 711,452	$ 541,554	$ 403,772

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of the GLIP Net OPEB Liability - professional employees	$ 7,772,531	$ 5,916,415	$ 4,411,156

Virginia Retirement System – Health Insurance Credit Program

Plan Description
All full-time, salaried permanent employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program (HICP) for professional employees or VRS Political Subdivision Health Insurance Credit Program. This plan is administered by VRS. 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.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

The specific information for the HICP, including eligibility, coverage, and benefits is set out in the table below:

HICP PLAN PROVISIONS
Eligible Employees – Teacher Employee (Professional) The Teacher Employee Retiree HICP was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS. **Eligible Employees – Political Subdivision (Nonprofessional)** The political subdivision's Retiree HICP was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
Benefit Amounts – Teacher Employee (Professional) The Teacher Employee Retiree HICP provides the following benefits for eligible employees: • **<u>At Retirement</u>** – For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount. • **<u>Disability Retirement</u>** – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: o $4.00 per month, multiplied by twice the amount of service credit, or o $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower. **Benefit Amounts – Political Subdivision (Nonprofessional)** The political subdivision's Retiree HICP provides the following benefits for eligible employees: • **<u>At Retirement</u>** – For employees who retire, the monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month. • **<u>Disability Retirement</u>** – For employees who retire on disability or go on long-term disability under Virginia Local Disability Program (VLDP), the monthly benefit is $45.00 per month.
HICP Notes – Teacher Employee (Professional): • The monthly Health Insurance Credit (HIC) benefit cannot exceed the individual premium amoun • Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the HIC as a retiree. **HICP Notes – Political Subdivision (Nonprofessional):** • The monthly HIC benefit cannot exceed the individual premium amount. • No HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. • Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the HIC as a retiree.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Contributions

Nonprofessional – The contribution requirement for active employees is governed by Section 51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. The School Division's contractually required employer contribution rate for the year ended June 30, 2020, was 0.53% of covered compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Division to the HICP were $34,311 and $-0- for the years ended June 30, 2020 and June 30, 2019, respectively.

Professional – The contribution requirement for active employees is governed by Section 51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2020 was 1.20% of covered employee compensation for employees in the HICP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Division to the HICP were $892,376 and $852,109 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

Nonprofessional - The School Division's net HICP OPEB liability was measured as of June 30, 2019. The total Health Insurance Credit OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019. At June 30, 2020, the School Division reported a liability of $306,373 for the HICP Net OPEB Liability.

For the year ended June 30, 2020, the School Division recognized HICP OPEB expense of $64,700. At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to the School Division's HICP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 268,168	$ -
Changes of assumptions	7,816	-
Employer contributions subsequent to the measurement date	34,311	-
Total	$ 310,295	$ -

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

$34,311 reported as deferred outflows of resources related to the HICP OPEB resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net HICP OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HICP will be recognized in the HICP OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	$ 54,741
2022	54,741
2023	54,741
2024	54,739
2025	54,830
Thereafter	2,192
Total	$ 275,984

Professional – At June 30, 2020, the School Division reported a liability of $11,082,687 for its proportionate share of the HICP Net OPEB Liability. The net HICP OPEB Liability was measured as of June 30, 2019 and the total HICP OPEB liability used to calculate the net HICP OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. The School Division's proportion of the net HICP OPEB Liability was based on the School Division's actuarially determined employer contributions to the HICP OPEB plan for the year ended June 30, 2019, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Division's proportion of the HICP was 0.84659% as compared to 0.83687% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized HICP OPEB expense of $872,816. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HICP OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to the HICP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 62,774
Net difference between projected and actual earnings on OPEB plan investments	700	-
Changes of assumptions	257,945	77,009
Changes in proportionate share	108,521	276,240
Employer contributions subsequent to the measurement date	892,376	-
Total	$ 1,259,542	$ 416,023

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

$892,376 reported as deferred outflows of resources related to the HICP resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net HICP OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HICP will be recognized in the HICP OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	$ (28,801)
2022	(28,813)
2023	(23,956)
2024	(25,582)
2025	(6,973)
Thereafter	65,268
Total	$ (48,857)

Professional HICP OPEB Liability
The net OPEB liability for the VRS Teacher Employee HICP represents the program's total OPEB liability determined in accordance with U.S. GAAP, less the associated fiduciary net position. As of June 30, 2019, the amounts for the HICP is as follows (amounts expressed in thousands):

	HICP
Total HICP Liability	$ 1,438,114
Plan Fiduciary Net Position	129,016
Net HICP OPEB Liability	$ 1,309,098
Plan Fiduciary Net Position as a Percentage of the Total HICP Liability	8.97%

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

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Nonprofessional Changes in Net HIC OPEB Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance - July 1, 2018	$ -	$ -	$ -
Changes for the fiscal year:			
Service cost	11,130	-	11,130
Interest	(540)	-	(540)
Difference between expected and actual experience	321,805	-	321,805
Contributions - employer	-	34,311	(34,311)
Changes of assumptions	9,367		9,367
Net investment income	-	1,107	(1,107)
Benefit payments, including refunds of employee contributions	(15,426)	(15,426)	-
Administrative expense	-	(28)	28
Other changes	-	(1)	1
Net changes	326,336	19,963	306,373
Balance - June 30, 2019	$ 326,336	$ 19,963	$ 306,373

Sensitivity of the School Division's Net OPEB Liability to Changes in the Discount Rate
The following presents the School Division's proportionate share of the VRS Teacher Employee HICP (Professional) OPEB liability and the Political Subdivision HICP (Nonprofessional) OPEB liability using the discount rate of 6.75%, as well as what the School Division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (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%)
School Division's Proportionate Share of HICP Net OPEB Liability - professional employees	$ 12,403,411	$ 11,082,687	$ 9,960,733

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of HICP Net OPEB Liability - nonprofessional employees	$ 347,858	$ 306,373	$ 271,029

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Virginia Retirement System – Virginia Local Disability Program

Plan Description
All full-time, salaried permanent teachers and general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS 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.

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

VLDP PLAN PROVISIONS
Eligible Employees VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include: • Political subdivision (non-professional) – Full-time general employees; including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS. • Teachers (professional) – Teachers and other full-time permanent salaried employees of public school division covered under VRS.
Benefit Amounts VLDP provides the following benefits for eligible employees: **Short-Term Disability** – • The program provides a short-term disability benefit beginning after a 7-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer. • During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related of work-related disability. • Once the eligibility period is satisfied, employees are eligible for higher income replacement levels. **Long-Term Disability** – • VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week. • Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.
VLDP Notes: • Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible. • VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Contributions
Nonprofessional – The contribution requirement for active Hybrid employees is governed by Section 51.1-1178(C) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the year ended June 30, 2020 was 0.72% of covered employee compensation for employees in VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions were $15,907 and $10,848 for the years ended June 30, 2020 and June 30, 2019, respectively.

Professional – The contribution requirement for active Hybrid employees is governed by Section 51.1-1178(C) 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. Each school division's contractually required employer contribution rate for the year ended June 30, 2020 was 0.41% of covered employee compensation for employees in VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions were $64,967 and $51,201 for the years ended June 30, 2020 and June 30, 2019, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP
Nonprofessional – At June 30, 2020, the School Division reported a liability of $11,471 for its proportionate share of the net VLDP OPEB Liability. The net VLDP OPEB Liability was measured as of June 30, 2019 and the total VLDP OPEB liability used to calculate the net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2018, an rolled forward to the measurement date of June 30, 2019. The School Division's proportion of the net VLDP OPEB Liability was based on the School Division's actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Division's proportion of VLDP was 0.56622% as compared to 0.55393% at June 30, 2018.

For the year ended June 30, 2020, the School Division recognized VLDP OPEB expense of $13,501. Since there was a change in proportionate share between measurement dates a portion of the VRS Political Subdivision Employee Virginia Local Disability Program Net OPEB expense was related to deferred amounts from changes in proportion.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to VLDP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,753	$ 353
Net difference between projected and actual earnings on OPEB plan investments	39	-
Changes of assumptions	329	439
Changes in proportionate share	96	-
Employer contributions subsequent to the measurement date	15,907	-
Total	$ 22,124	$ 792

$15,907 reported as deferred outflows of resources related to VLDP resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB Liability in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to VLDP will be recognized in VLDP OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	$ 1,126
2022	1,119
2023	1,113
2024	1,125
2025	1,076
Thereafter	(134)
Total	$ 5,425

Professional – At June 30, 2020, the School Division reported a liability of $15,140 for its proportionate share of the net VLDP OPEB Liability. The net VLDP OPEB Liability was measured as of June 30, 2019 and the total VLDP OPEB liability used to calculate the net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The School Division's proportion of the net VLDP OPEB Liability was based on the School Division's actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Division's proportion of VLDP was 2.60420% as compared to 2.70217% at June 30, 2018.

For the year ended June 30, 2020, the School Division recognized VLDP OPEB expense of $45,701. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee Virginia Local Disability Program Net OPEB expense was related to deferred amounts from changes in proportion.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related VLDP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 1,827
Net difference between projected and actual earnings on OPEB plan investments	58	-
Changes of assumptions	2,585	-
Changes in proportionate share	-	673
Employer contributions subsequent to the measurement date	64,967	-
Total	$ 67,610	$ 2,500

$64,967 reported as deferred outflows of resources related to VLDP resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB Liability in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to VLDP will be recognized in VLDP OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	$ (1)
2022	(1)
2023	(40)
2024	(66)
2025	(42)
Thereafter	293
Total	$ 143

Net VLDP OPEB Liability

The net VLDP OPEB liabilities represents the program's total OPEB liability determined in accordance with U.S. GAAP, less the associated fiduciary net position. As of June 30, 2019, net VLDP OPEB liabilities are as follows (amounts expressed in thousands):

	Polictical Subdivision Employee VLDP OPEB Plan	Teacher Employee VLDP OPEB Plan
Total VLDP OPEB Liability	$ 3,989	$ 2,241
Plan Fiduciary Net Position	1,962	1,661
Net VLDP OPEB Liability	$ 2,027	$ 580
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	49.19%	74.12%

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

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

Sensitivity of the School Division's Proportionate Share of the VLDP OPEB Liability to Changes in the Discount Rate
The following presents the proportionate share of the net VLDP OPEB liability using the discount rate of 6.75%, as well as the net VLDP OPEB 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%)
School Division's Proportionate Share of net VLDP OPEB liability - nonprofessional employees	$ 13,192	$ 11,471	$ 9,966

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of net VLDP OPEB liability - professional employees	$ 22,240	$ 15,140	$ 9,007

School Division OPEB Plan

General Information about the 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. GASB 74 disclosures are reported in the County's Comprehensive Annual 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
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 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.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

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 on of the VRS retirement eligibility requirements to be eligible for health benefits. VRS retirement eligibility requirements are shown in Note 9. At July 1, 2018, there were 1,638 active employees and 153 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 $241,410 for the year ended June 30, 2020.

Net OPEB Liability

The School Division's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

Actuarial Methods and Assumptions
The School Division pre-funds benefits through contributions to the trust. The current funding policy is to contribute the Actuarially Determined Contribution as calculated by the actuary. The Actuarially Determined Contribution is the sum of the current year's normal cost plus and amount necessary to amortize the unfunded liability over a closed period. The following methods and assumptions were used to calculate the Actuarially Determined Contribution for the fiscal year ending June 30, 2020.

Valuation Timing	Actuarial valuations for OPEB funding purposes are performed biennially as of July 1. The most recent valuation was performed as of July 1, 2018.
Actuarial Cost Method for Funding	Projected Unit Credit
Amortization Method	
Level Percent or Level Dollar	Level Percentage of Payroll
Closed, Open, or Layered Periods	Layered
Amortization Period as of June 30, 2018	Each New Base 30 years
Amortization Growth Rate	3.00%
Asset Valuation Method	Market Value
Inflation	2.50%
Payroll Growth	3.00%
Discount Rate	6.50
Age-Related Claims Costs	Based on a blended premium rate for active employees and retirees under age 65.
Healthcare Cost Trend Rates	Based on long-term healthcare cost trend rates generated by the Getzen Model.
Retirement Rates	Age 55 - 15.0%; Age 56-59 - 2.0%; Age 60 -15.0%; Age 61 - 2.0%; Age 62 - 4.0%; Age 63-64 - 10.0%; Age 65 - 100.0%

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Mortality Rates	
Pre-Retirement	RP-2014 Employee 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 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females set back 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	Male: Age 30 - 0.013%; Age 35 - 0.020%; Age 40 - 0.026%; Age 45 - 0.088%; Age 50 - 0.149%; Age 55 - 0.286%; Age 60 - 0.422%. Female: Age 30 - 0.008%; Age 35 - 0.027%; Age 40 - 0.046%; Age 45 - 0.105%; Age 50 - 0.163%; Age 55 - 0.293%; Age 60 - 0.422%.

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, 2019 capital market assumptions (real returns) and the 2019 Social Security Trustees Report (inflation). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core Fixed Income	21.00%	1.56%
Large Cap US Equities	26.00%	4.33%
Small Cap US Equities	10.00%	5.65%
Global Equities	5.00%	5.27%
Developed Foreign Equities	13.00%	5.94%
Emerging Market Equities	5.00%	8.03%
Hedge Funds/Absolute Return	10.00%	2.88%
Real Estate (REITS)	7.00%	3.84%
Commodities	3.00%	2.83%
Total	100.00%	

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.

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Changes in the Net OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Balance - June 30, 2019	$ 5,751,666	$ 7,602,647	$ (1,850,981)
Changes for the fiscal year:			
Service cost	324,527	-	324,527
Interest on total OPEB liability	382,499	-	382,499
Effect of assumption changes or inputs	(25,368)	-	(25,368)
Benefit payments	(389,344)	(389,344)	-
Employer contributions	-	389,344	(389,344)
Net investment income	-	232,409	(232,409)
Administrative expenses	-	(8,907)	8,907
Net changes	292,314	223,502	68,812
Balance - June 30, 2020	$ 6,043,980	$ 7,826,149	$ (1,782,169)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate
The following presents the net OPEB liability of the School Division, as well as what the School Division's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentagepoint 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 Asset	$ (1,365,280)	$ (1,782,169)	$ (2,169,313)

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

	1.00% Decrease (3.6% decreasing to 3.2%)	Healthcare Cost Trend Rates (4.6% decreasing to 4.2%)	1.00% Increase (5.6% decreasing to 5.2%)
Net OPEB Asset	$ (2,448,206)	$ (1,782,169)	$ (1,011,785)

10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

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

For the year ended June 30, 2020, the School Division recognized OPEB expense of $350,630. At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 105,745	$ -
Changes of assumptions	502,211	22,611
Net difference between projected and actual earnings on OPEB plan investments	252,549	-
Total	$ 860,505	$ 22,611

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

	Deferred Amounts
2021	$ 128,584
2022	128,586
2023	159,982
2024	124,593
2025	72,299
Thereafter	223,850
Total	$ 837,894

10. OTHER POSTEMPLOYMENT BENEFITS *(Concluded)*

Combining Net OPEB Liabilities/Assets, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The VRS GLIP Professional plan, VRS GLIP Nonprofessional plan, VRS HICP Professional Plan, VRS VLDP Professional Plan, VRS VLDP Nonprofessional 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:

	VRS GLIP Professional Plan	VRS GLIP Nonprofessional Plan	VRS HICP Professional Plan	VRS HICP Nonprofessional Plan	VRS VLDP Professional Plan	VRS VLDP Nonprofessional Plan	School Division Plan	Combined Totals
Net OPEB liability	$ 5,916,415	$ 541,554	$ 11,082,687	$ 306,373	$ 15,140	$ 11,471	$ -	$ 17,873,640
Net OPEB asset	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,782,169	$ 1,782,169
OPEB expense	$ 118,210	$ 5,277	$ 872,816	$ 64,700	$ 45,701	$ 13,501	$ 350,630	$ 1,470,835
Deferred outflows of resources:								
Differences between expected and actual experience	$ 393,477	$ 36,017	$ -	$ 268,168	$ -	$ 5,753	$ 105,745	$ 809,160
Changes of assumptions	373,528	34,191	257,945	7,816	2,585	329	502,211	1,178,605
Net difference between projected and actual earnings on OPEB plan investments	-	-	700	-	58	39	252,549	253,346
Changes in proportionate share	78,712	-	108,521	-	-	96		187,329
Employer contributions subsequent to the measurement date	387,637	34,895	892,376	34,311	64,967	15,907	-	1,430,093
Total deferred outflows of resources	$ 1,233,354	$ 105,103	$ 1,259,542	$ 310,295	$ 67,610	$ 22,124	$ 860,505	$ 3,858,533
Deferred inflows of resources:								
Differences between expected and actual experience	$ 76,741	$ 7,025	$ 62,774	$ -	$ 1,827	$ 353	$ -	$ 148,720
Net difference between projected and actual earnings on OPEB plan investments	121,528	11,124	-	-	-	-	-	132,652
Changes of assumptions	178,406	16,330	77,009	-	-	439	22,611	294,795
Changes in proportionate share	131,457	30,987	276,240	-	673	-	-	439,357
Total deferred inflows of resources	$ 508,132	$ 65,466	$ 416,023	$ -	$ 2,500	$ 792	$ 22,611	$ 1,015,524

11. 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.

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

12. CONTINGENT LIABILITIES *(Concluded)*

All unemployment and workers' compensation claims are paid through a third-party administrator through resources from the School Operating Fund, and health care 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 health care liability of $1,860,100 at June 30, 2020 is reasonably estimated and has been included in claims payable in the School Internal Service Fund. School Division's workers' compensation claims liability of $2,798,730 at June 30, 2020 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, 2019 resulted from the following:

	2020	2019
Accrued liability/committed fund balance - beginning of year	$ 4,420,182	$ 3,863,529
Claims and changes in estimates	608,976	957,205
Claims payment	(370,328)	(400,552)
Accrued liability/committed fund balance - end of year	$ 4,658,830	$ 4,420,182

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

13. UNCERTAINTY

In March 2020, the World Health Organization declared COVID-19 a global pandemic. Due to the pandemic, the School Division undertook steps to limit non-essential spending, while continuing to provide virtual and hybrid learning models for the safety of our students and staff. As there is still a significant level of uncertainty associated with the pandemic, the School Division continues to actively monitor developments and will take steps to respond accordingly to the situation.

REQUIRED SUPPLEMENTARY INFORMATION

THE YORK COUNTY SCHOOL DIVISION

Schedule of Revenues - Budget and Actual
General Fund
Year Ended June 30, 2020
(Unaudited)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Intergovernmental:				
County of York	$ 55,937,094	$ 55,937,094	$ 54,828,091	$ (1,109,003)
Commonwealth of Virginia:				
State sales tax	13,929,177	13,929,177	14,032,251	103,074
Basic aid	38,163,605	38,163,605	37,700,709	(462,896)
Salary supplement	2,176,147	2,176,147	2,153,128	(23,019)
Supplemental support	2,927,222	2,927,222	2,920,009	(7,213)
Foster home children	24,349	24,349	23,008	(1,341)
Gifted and talented	401,107	401,107	398,897	(2,210)
Remedial programs	417,151	417,151	414,853	(2,298)
Remedial summer school	152,761	152,761	176,531	23,770
Reading intervention	115,643	115,643	121,838	6,195
Special education - SOQ	4,339,974	4,339,974	4,316,070	(23,904)
Homebound	18,258	18,258	18,167	(91)
Comprehensive services act	300,000	300,000	480,714	180,714
Free textbooks	807,749	807,749	803,300	(4,449)
VOC ED - SOQ	264,730	264,730	263,272	(1,458)
Special education support	590,493	590,493	692,107	101,614
Employer share benefits	7,083,543	7,083,543	7,044,528	(39,015)
Project Graduation	17,498	17,498	17,498	-
Other CAT/VOC ED	18,345	18,345	80,026	61,681
Career switcher mentor	-	-	4,000	4,000
At-risk	169,520	169,520	169,839	319
National board certification	45,000	45,000	67,500	22,500
K-3 initiative	164,832	164,832	155,471	(9,361)
SOL algebra readiness	58,652	58,652	59,534	882
Tech initiative - Current	544,000	544,000	-	(544,000)
Pre-school initiative	191,502	191,502	125,062	(66,440)
Miscellaneous grants	348,895	484,235	94,231	(390,004)
LEP	307,567	307,567	269,121	(38,446)
Total from the Commonwealth of Virginia	73,577,720	73,713,060	72,601,664	(1,111,396)

THE YORK COUNTY SCHOOL DIVISION

Schedule of Revenues - Budget and Actual (Continued)
General Fund
Year Ended June 30, 2020
(Unaudited)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Federal government:				
Title I	697,930	698,146	665,600	(32,546)
Title II A	179,849	170,872	152,745	(18,127)
Title III A	36,020	42,327	50,547	8,220
Title IV A	49,321	53,020	52,446	(574)
Impact aid	8,500,000	10,700,000	10,709,632	9,632
DOD - heavily impacted	657,400	657,400	924,152	266,752
Forest Reserve	-	-	27,187	27,187
Medicaid reimbursement	135,000	135,000	191,657	56,657
DODEA - Literature Grant	388,803	388,803	422,807	34,004
DOD STEM	356,266	356,266	242,447	(113,819)
Title VI B	2,475,108	2,340,202	2,217,554	(122,648)
NJROTC	80,000	80,000	120,768	40,768
Miscellaneous grants	781,222	781,024	156,887	(624,137)
Total from the federal government	14,336,919	16,403,060	15,934,429	(468,631)
Miscellaneous revenues:				
Use of money and property	654,112	654,112	641,362	(12,750)
Charges for services	895,600	895,600	875,745	(19,855)
Miscellaneous	341,100	320,600	19,843	(300,757)
Total miscellaneous revenues	1,890,812	1,870,312	1,536,950	(333,362)
Total revenues	$ 145,742,545	$ 147,923,526	$ 144,901,134	$ (3,022,392)

THE YORK COUNTY SCHOOL DIVISION

Schedule of Expenditures - Budget and Actual
General Fund
Year Ended June 30, 2020
(Unaudited)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Education				
Instruction:				
Classroom instruction services:				
Regular education	$ 67,399,787	$ 65,141,071	$ 64,767,769	$ 373,302
Special education	14,036,909	14,036,909	14,150,836	(113,927)
Vocational education	2,526,644	2,526,644	2,676,499	(149,855)
Gifted and talented	461,336	461,336	442,627	18,709
Other programs	5,815,122	5,681,369	4,526,850	1,154,519
Instructional support - student:				
Guidance	3,499,675	3,499,676	3,419,609	80,067
Social work	216,683	331,523	271,351	60,172
Homebound	113,609	79,354	37,127	42,227
Instructional support - staff:				
Management and staff development	4,007,581	3,966,581	4,070,899	(104,318)
Media services	1,918,872	1,868,872	1,758,096	110,776
Instructional support - school administration:				
Principals' offices	8,495,196	8,453,076	8,223,968	229,108
School carryover	671,249	671,249	711,914	(40,665)
Total instruction	109,162,663	106,717,660	105,057,545	1,660,115
Administration, attendance, and health services:				
Board services	125,243	125,243	115,386	9,857
Executive services	660,046	710,046	767,836	(57,790)
Communication services	511,903	605,658	562,284	43,374
Human resources	968,446	1,343,446	964,635	378,811
Fiscal services	1,301,472	1,351,472	1,266,663	84,809
Health services	1,906,639	1,906,639	1,965,366	(58,727)
Psychological services	816,278	816,278	874,365	(58,087)
Speech and audiology services	965,392	965,392	953,746	11,646
School carryover	-	-	(16,057)	16,057
Total administration, attendance, and health services	7,255,419	7,824,174	7,454,224	369,950

THE YORK COUNTY SCHOOL DIVISION

Schedule of Expenditures - Budget and Actual (Continued)
General Fund
Year Ended June 30, 2020
(Unaudited)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Education				
Operating costs:				
Pupil transportation:				
Vehicle operation services	6,866,389	6,866,389	6,514,398	351,991
Vehicle maintenance services	1,521,863	1,944,863	981,639	963,224
School carryover	300,092	300,092	260,104	39,988
Total pupil transportation	8,688,344	9,111,344	7,756,141	1,355,203
Operations and maintenance:				
Management and direction	223,257	223,257	229,112	(5,855)
Building services	9,295,083	9,328,683	8,830,052	498,631
Grounds services	1,134,650	1,134,650	1,135,000	(350.00)
Vehicle services	277,035	277,035	190,989	86,046
Warehouse and distribution services	320,164	320,164	319,352	812
School carryover	163,623	163,623	91,553	72,070
Total operations and maintenance	11,413,812	11,447,412	10,796,058	651,354
Total operating costs	20,102,156	20,558,756	18,552,199	2,006,557
Technology:				
Classroom instruction	4,299,351	4,700,086	3,059,023	1,641,063
Instructional support	2,386,844	2,476,844	2,305,985	170,859
Administration	1,368,300	1,368,300	1,205,430	162,870
Operations and maintenance	1,996,172	1,906,172	2,375,192	(469,020)
Other programs - grants	108,604	108,498	109,480	(982)
School carryover	1,442,796	1,442,796	1,419,997	22,799
Total technology	11,602,067	12,002,696	10,475,107	1,527,589
Total expenditures	$ 148,122,305	$ 147,103,286	$ 141,539,075	$ 5,564,211

THE YORK COUNTY SCHOOL DIVISION

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Nonprofessional Employees
Years Ended June 30
(Unaudited)

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	$ 601,823	$ 601,022	$ 639,053	$ 645,253	$ 657,682	$ 651,659
Interest	1,652,635	1,586,058	1,511,907	1,434,468	1,340,262	1,257,618
Benefit payments	(1,143,487)	(968,357)	(883,431)	(836,736)	(756,608)	(700,700)
Changes of assumptions	706,288	-	(186,884)	-	-	-
Difference between expected and actual	56,704	(180,060)	21,121	(113,364)	144,530	-
Net change in total pension liability	1,873,963	1,038,663	1,101,766	1,129,621	1,385,866	1,208,577
Total pension liability - beginning	24,180,813	23,142,150	22,040,384	20,910,763	19,524,897	18,316,320
Total pension liability - ending	$ 26,054,776	$ 24,180,813	$ 23,142,150	$ 22,040,384	$ 20,910,763	$ 19,524,897
Plan Fiduciary Net Position						
Contributions - employer	$ 326,377	$ 354,063	$ 361,828	$ 487,737	$ 474,730	$ 540,694
Contributions - employee	305,891	303,951	309,049	310,891	303,379	300,981
Net investment income	1,615,700	1,696,743	2,525,399	361,926	896,825	2,649,679
Benefit payments	(1,143,487)	(968,357)	(883,431)	(836,736)	(756,608)	(700,700)
Administrative expenses	(16,095)	(14,629)	(14,499)	(12,543)	(12,064)	(14,022)
Other changes	(1,017)	(1,513)	(2,249)	(151)	(188)	139
Net change in plan fiduciary net position	1,087,369	1,370,258	2,296,097	311,124	906,074	2,776,771
Plan fiduciary net position - beginning	24,379,808	23,009,550	20,713,453	20,402,329	19,496,255	16,719,484
Plan fiduciary net position - ending	$ 25,467,177	$ 24,379,808	$ 23,009,550	$ 20,713,453	$ 20,402,329	$ 19,496,255
Net pension (asset) liability	$ 587,599	$ (198,995)	$ 132,600	$ 1,326,931	$ 508,434	$ 28,642
Plan fiduciary net position as a percentage of total pension (asset) liability	97.74%	100.82%	99.43%	93.98%	97.57%	99.85%
Covered payroll	$ 6,466,346	$ 6,347,608	$ 6,373,699	$ 6,361,525	$ 6,167,447	$ 6,035,633
Net pension (asset) liability as a percentage of covered payroll	9.09%	-3.13%	2.08%	20.86%	8.24%	0.47%

Schedule is intended to show information for 10 years. Since 2020 is the sixth year for this presentation, only five additional years of data are 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.

THE YORK COUNTY SCHOOL DIVISION

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Optional Plan
Years Ended June 30
(Unaudited)

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	$ 1,138	$ 1,206	$ 1,385	$ 1,834	$ 1,731	$ 2,224
Interest	117,944	120,762	127,986	132,210	120,051	124,341
Benefit payments	(206,332)	(189,804)	(197,602)	(194,429)	(164,908)	(193,616)
Change in assumptions	(4,898)	(11,814)	(36,292)	-	157,315	-
Difference between expected and actual	40,567	47,716	(2,386)	2,076	74,161	-
Net change in total pension liability	(51,581)	(31,934)	(106,909)	(58,309)	188,350	(67,051)
Total pension liability - beginning	1,786,943	1,818,877	1,925,786	1,984,095	1,795,745	1,862,796
Total pension liability - ending	$ 1,735,362	$ 1,786,943	$ 1,818,877	$ 1,925,786	$ 1,984,095	$ 1,795,745
Plan Fiduciary Net Position						
Contributions - employer	$ -	$ -	$ 20,000	$ 10,000	$ -	$ 290,495
Net investment income	179,448	237,109	142,975	89,571	20,333	-
Benefit payments	(206,332)	(189,804)	(197,602)	(194,429)	(164,908)	(177,455)
Administrative expenses	(19,034)	(19,484)	(19,782)	(21,276)	(21,515)	(22,106)
Net change in plan fiduciary net position	(45,918)	27,821	(54,409)	(116,134)	(166,090)	90,934
Plan fiduciary net position - beginning	1,791,326	1,763,505	1,817,914	1,934,048	2,100,138	2,009,204
Plan fiduciary net position - ending	$ 1,745,408	$ 1,791,326	$ 1,763,505	$ 1,817,914	$ 1,934,048	$ 2,100,138
Net pension liability (asset)	$ (10,046)	$ (4,383)	$ 55,372	$ 107,872	$ 50,047	$ (304,393)
Plan fiduciary net position as a percentage of total pension liability (asset)	100.58%	100.25%	96.96%	94.40%	97.48%	116.95%
Covered employee payroll	$ 315,384	$ 393,083	$ 416,038	$ 490,949	$ 540,694	$ 605,577
Net pension liability (asset) as a percentage of covered employee payroll	-3.19%	-1.12%	13.31%	21.97%	9.26%	-50.26%

Schedule is intended to show information for 10 years. Since 2020 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

THE YORK COUNTY SCHOOL DIVISION

Schedule of Employer's Share of Net Pension Liability

Year Ended June 30, 2020

(Unaudited)

Date	(a) Employer's Proportion 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 NPL as a % of its Covered Employee Payroll b / c	(e) Plan Fiduciary Net Position as a % of the Total Pension Liability
		Professional Employees			
June 30, 2020	0.85177%	$ 112,097,772	$ 70,985,746	157.92%	73.51%
June 30, 2019	0.84051%	98,844,000	67,691,857	146.02%	74.81%
June 30, 2018	0.85148%	104,715,000	66,894,061	156.54%	72.92%
June 30, 2017	0.87024%	121,956,000	66,367,678	183.76%	68.28%
June 30, 2016	0.85504%	107,618,000	63,559,725	169.32%	70.68%
June 30, 2015	0.83118%	100,445,000	60,755,750	165.33%	70.88%

Schedule is intended to show information for 10 years. Since 2020 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

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

THE YORK COUNTY SCHOOL DIVISION

Schedule of Employer Contributions - Professional Employees

Year Ended June 30, 2020

(Unaudited)

Date	(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)
June 30, 2020	$ 11,359,571	$ 11,359,571	$ -	$ 74,340,993	15.28%
June 30, 2019	10,917,764	10,917,764	-	70,985,746	15.38%
June 30, 2018	10,867,762	10,867,762	-	67,691,857	16.05%
June 30, 2017	9,684,516	9,684,516	-	66,894,061	14.48%
June 30, 2016	9,271,511	9,271,511	-	66,367,678	13.97%
June 30, 2015	9,180,878	9,180,878	-	63,559,725	14.44%
June 30, 2014	7,081,843	7,081,843	-	60,755,750	11.66%
June 30, 2013	6,906,219	6,906,219	-	59,230,011	11.66%
June 30, 2012	6,876,567	6,876,567	-	60,693,441	11.33%
June 30, 2011	5,482,734	5,482,734	-	61,396,807	8.93%

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

Changes of Assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

THE YORK COUNTY SCHOOL DIVISION

Schedule of Employer Contributions - Nonprofessional Employees

Year Ended June 30, 2020

(Unaudited)

Date	(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)
June 30, 2020	$ 324,157	$ 324,157	$ -	$ 6,598,388	4.91%
June 30, 2019	327,734	327,734	-	6,466,346	5.07%
June 30, 2018	355,364	355,364	-	6,347,608	5.60%
June 30, 2017	363,194	363,194	-	6,373,699	5.70%
June 30, 2016	489,081	489,081	-	6,361,525	7.69%
June 30, 2015	475,903	475,903	-	6,167,447	7.72%
June 30, 2014	542,604	542,604	-	6,035,633	8.99%
June 30, 2013	519,830	519,830	-	5,782,294	8.99%
June 30, 2012	699,906	699,906	-	6,016,887	11.63%
June 30, 2011	717,579	717,579	-	6,164,768	11.64%

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

Changes of Assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

THE YORK COUNTY SCHOOL DIVISION

Schedule of Employer Contributions - Optional Plan

Year Ended June 30, 2020

(Unaudited)

Date	(a) Contractually Required Contributions	(b) Contributions in Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a) - (b)	(d) Employer's Covered Employee Payroll	(e) Contributions as a Percentage of Covered Employee Payroll (b) / (d)
June 30, 2020	$ -	$ -	$ -	$ 334,285	0.00%
June 30, 2019	-	-	-	315,384	0.00%
June 30, 2018	-	-	-	393,083	0.00%
June 30, 2017	20,000	20,000	-	416,038	4.81%
June 30, 2016	5,370	10,000	(4,630)	490,949	2.04%
June 30, 2015	-	-	-	540,694	0.00%

Schedule is intended to show information for 10 years. Since 2020 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

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

THE YORK COUNTY SCHOOL DIVISION

Schedule of Investments - Optional Plan

Year Ended June 30, 2020

(Unaudited)

Date	Annual Money-Weighted Rate of Return, Net of Investment Expense
June 30, 2020	1.44%
June 30, 2019	10.67%
June 30, 2018	14.26%
June 30, 2017	8.28%
June 30, 2016	4.88%
June 30, 2015	1.26%

Schedule is intended to show information for 10 years. Since 2020 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

THE YORK COUNTY SCHOOL DIVISION

Schedule of School Division's Share of Net OPEB Liability
Group Life Insurance Program - Nonprofessional Employees
Years Ended June 30
(Unaudited)

	2020	2019	2018
Employer's proportion of the Net GLI OPEB Liability	0.03328%	0.03399%	0.03505%
Employer's proportionate share of the net GLI OPEB Liability	$ 541,554	$ 516,000	$ 527,000
Employer's covered payroll	$ 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	8.30%	7.98%	8.15%
Plan Fiduciary Net Position as a percentage of the total GLI OPEB Liability	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional 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.

THE YORK COUNTY SCHOOL DIVISION

Schedule of School Division's Share of Net OPEB Liability
Group Life Insurance Program - Professional Employees
Years Ended June 30

(Unaudited)

	2020	2019	2018
Employer's proportion of the Net GLI OPEB Liability	0.36358%	0.35768%	0.36412%
Employer's proportionate share of the net GLI OPEB Liability	$ 5,916,415	$ 5,432,000	$ 5,479,000
Employer's covered payroll	$ 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	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a percentage of the total GLI OPEB Liability	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional 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.

THE YORK COUNTY SCHOOL DIVISION

Schedule of School Division's Share of Net OPEB Liability
Health Insurance Credit Program - Professional Employees
Years Ended June 30
(Unaudited)

	2020	2019	2018
Employer's proportion of the Net HIC OPEB Liability	0.84659%	0.83687%	0.84856%
Employer's proportionate share of the net HIC OPEB Liability	$ 11,082,687	$ 10,626,000	$ 10,765,000
Employer's covered payroll	$ 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	15.61%	15.70%	16.07%
Plan Fiduciary Net Position as a percentage of the total HIC OPEB Liability	8.97%	8.08%	7.04%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional 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.

THE YORK COUNTY SCHOOL DIVISION

Schedule of Changes in Net OPEB Liability and Related Ratios - Health Insurance Credit Program - Nonprofessional Employees Years Ended June 30

(Unaudited)

	2020
Total HIC OPEB Liability	
Service cost	$ 11,130
Interest	(540)
Difference between expected and actual	321,805
Changes of assumptions	9,367
Benefit payments	(15,426)
Net change in total pension liability	326,336
Total pension liability - beginning	-
Total pension liability - ending	$ 326,336
Plan Fiduciary Net Position	
Contributions - employer	$ 34,311
Net investment income	1,107
Benefit payments	(15,426)
Administrative expenses	(28)
Other changes	(1)
Net change in plan fiduciary net position	19,963
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending	$ 19,963
Net OPEB (asset) liability	$ 306,373
Plan fiduciary net position as a percentage of total OPEB (asset) liability	6.12%
Covered payroll	$ 6,441,833
Net OPEB (asset) liability as a percentage of covered payroll	4.76%

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 one year of data is available. However, additional years will be included as they become available.

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

THE YORK COUNTY SCHOOL DIVISION

Schedule of School Division's Share of Net OPEB Liability
Virginia Local Disability Program - Nonprofessional Employees
Years Ended June 30
(Unaudited)

	2020	2019	2018
Employer's proportion of the Net VLDP OPEB Liability	0.56622%	0.55393%	0.58111%
Employer's proportionate share of the net VLDP OPEB Liability	$ 11,471	$ 4,000	$ 3,000
Employer's covered payroll	$ 1,749,657	$ 1,344,986	$ 1,067,079
Employer's proportionate share of the net VLDP OPEB Liability as a percentage of its covered payroll	0.66%	0.30%	0.28%
Plan Fiduciary Net Position as a percentage of the total VLDP OPEB Liability	49.21%	51.39%	38.40%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional 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.

THE YORK COUNTY SCHOOL DIVISION

Schedule of School Division's Share of Net OPEB Liability
Virginia Local Disability Program - Professional Employees
Years Ended June 30
(Unaudited)

	2020	2019	2018
Employer's proportion of the Net VLDP OPEB Liability	2.60420%	2.70217%	2.91011%
Employer's proportionate share of the net VLDP OPEB Liability	$ 15,140	$ 21,000	$ 17,000
Employer's covered payroll	$ 12,487,933	$ 10,075,546	$ 8,212,334
Employer's proportionate share of the net VLDP OPEB Liability as a percentage of its covered payroll	0.12%	0.21%	0.21%
Plan Fiduciary Net Position as a percentage of the total VLDP OPEB Liability	74.07%	46.18%	31.96%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional 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.

THE YORK COUNTY SCHOOL DIVISION

Schedule of Changes in Net OPEB Asset and Related Ratios - School Division Plan Years Ended June 30

(Unaudited)

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	$ 324,527	$ 256,396	$ 280,180	$ 261,850
Interest	382,499	348,052	323,944	308,920
Effect of economic/demographic gains	-	131,855	-	-
Effect of assumption changes or inputs	(25,368)	626,213	-	-
Benefit payments	(389,344)	(383,086)	(352,983)	(395,238)
Net change in total OPEB liability	292,314	979,430	251,141	175,532
Total OPEB liability - beginning	5,751,666	4,772,236	4,521,095	4,345,563
Total OPEB liability - ending	$ 6,043,980	$ 5,751,666	$ 4,772,236	$ 4,521,095
Plan Fiduciary Net Position				
Contributions - employer	$ 389,344	$ 593,608	$ 563,505	$ 589,228
Net investment income	232,409	325,272	602,829	700,174
Benefit payments	(389,344)	(383,086)	(352,983)	(395,238)
Administrative expenses	(8,907)	(8,187)	(7,558)	(5,293)
Net change in plan fiduciary net position	223,502	527,607	805,793	888,871
Plan fiduciary net position - beginning	7,602,647	7,075,040	6,269,247	5,380,376
Plan fiduciary net position - ending	$ 7,826,149	$ 7,602,647	$ 7,075,040	$ 6,269,247
Net OPEB asset	$ (1,782,169)	$ (1,850,981)	$ (2,302,804)	$ (1,748,152)
Plan fiduciary net position as a percentage of total OPEB liability	129.49%	132.18%	148.25%	138.67%
Covered-employee payroll	$ 72,562,703	$ 72,562,703	$ 73,417,704	$ 73,417,704
Net OPEB asset as a percentage of covered employee payroll	-2.46%	-2.55%	-3.14%	-2.38%

Schedule is intended to show information for 10 years. Since 2020 is the fourth year for this presentation, only three additional years of data are available. However, additional years will be included as they become available.

THE YORK COUNTY SCHOOL DIVISION

Schedule of Employer Contributions
Group Life Insurance Program - Nonprofessional Employees
Year Ended June 30, 2020
(Unaudited)

Date	(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)
June 30, 2020	$ 34,895	$ 34,895	$ -	$ 6,710,645	0.52%
June 30, 2019	33,927	33,927	-	6,524,499	0.52%
June 30, 2018	33,613	33,613	-	6,464,042	0.52%
June 30, 2017	33,621	33,621	-	6,465,629	0.52%
June 30, 2016	31,104	31,104	-	6,479,929	0.48%
June 30, 2015	29,858	29,858	-	6,220,361	0.48%
June 30, 2014	29,091	29,091	-	6,060,588	0.48%
June 30, 2013	28,253	28,253	-	5,885,972	0.48%
June 30, 2012	16,918	16,918	-	6,042,070	0.28%
June 30, 2011	17,495	17,495	-	6,248,301	0.28%

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

Changes of Assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

THE YORK COUNTY SCHOOL DIVISION

Schedule of Employer Contributions
Group Life Insurance Program - Professional Employees
Year Ended June 30, 2020
(Unaudited)

Date	(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)
June 30, 2020	$ 387,637	$ 387,637	$ -	$ 74,545,554	0.52%
June 30, 2019	370,627	370,627	-	71,274,389	0.52%
June 30, 2018	353,658	353,658	-	68,011,166	0.52%
June 30, 2017	349,251	349,251	-	67,163,557	0.52%
June 30, 2016	319,402	319,402	-	66,542,088	0.48%
June 30, 2015	306,106	306,106	-	63,772,157	0.48%
June 30, 2014	292,259	292,259	-	60,887,315	0.48%
June 30, 2013	284,574	284,574	-	59,286,277	0.48%
June 30, 2012	170,304	170,304	-	60,822,776	0.28%
June 30, 2011	172,205	172,205	-	61,501,849	0.28%

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

Changes of Assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

THE YORK COUNTY SCHOOL DIVISION

Schedule of Employer Contributions
Health Insurance Credit Program - Professional Employees
Year Ended June 30, 2020

(Unaudited)

Date	(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)
June 30, 2020	$ 892,376	$ 892,376	$ -	$ 74,364,656	1.20%
June 30, 2019	852,109	852,109	-	71,009,117	1.20%
June 30, 2018	832,471	832,471	-	67,680,531	1.23%
June 30, 2017	743,350	743,350	-	66,968,466	1.11%
June 30, 2016	703,335	703,335	-	66,352,331	1.06%
June 30, 2015	673,859	673,859	-	63,571,618	1.06%
June 30, 2014	674,705	674,705	-	60,784,260	1.11%
June 30, 2013	657,477	657,477	-	59,232,163	1.11%
June 30, 2012	364,850	364,850	-	60,808,301	0.60%
June 30, 2011	368,935	368,935	-	61,489,088	0.60%

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

Changes of Assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

THE YORK COUNTY SCHOOL DIVISION

Schedule of Employer Contributions
Health Insurance Credit Program - Nonprofessional Employees
Year Ended June 30, 2020
(Unaudited)

Date	(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)
June 30, 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 one year of data is available. However, additional years will be included as they become available.

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

Changes of Assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

THE YORK COUNTY SCHOOL DIVISION

Schedule of Employer Contributions
Virginia Local Disability Program - Nonprofessional Employees
Year Ended June 30, 2020
(Unaudited)

Date	(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)
June 30, 2020	$ 15,907	$ 15,907	$ -	$ 2,209,330	0.72%
June 30, 2019	10,848	10,848	-	1,749,657	0.62%
June 30, 2018	8,070	8,070	-	1,344,986	0.60%
June 30, 2017	6,402	6,402	-	1,067,079	0.60%
June 30, 2016	4,505	4,505	-	750,816	0.60%
June 30, 2015	2,825	2,825	-	470,890	0.60%
June 30, 2014	461	461	-	76,841	0.60%

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

Changes of Assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

THE YORK COUNTY SCHOOL DIVISION

Schedule of Employer Contributions
Virginia Local Disability Program - Professional Employees
Year Ended June 30, 2020

(Unaudited)

Date	(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)
June 30, 2020	$ 64,967	$ 64,967	$ -	$ 15,845,658	0.41%
June 30, 2019	51,201	51,201	-	12,487,933	0.41%
June 30, 2018	31,234	31,234	-	10,075,546	0.31%
June 30, 2017	25,458	25,458	-	8,212,334	0.31%
June 30, 2016	18,227	18,227	-	6,285,203	0.29%
June 30, 2015	9,074	9,074	-	3,129,075	0.29%
June 30, 2014	336	336	-	115,993	0.29%

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

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

Changes of Assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

THE YORK COUNTY SCHOOL DIVISION

Schedule of OPEB Contributions
- School Division Plan
Years Ended June 30
(Unaudited)

	2020	2019	2018	2017
Actuarially determined contribution	$ 241,410	$ 223,313	$ 210,522	$ 193,990
Contributions in relation to the actuarially determined contribution	389,344	593,608	563,505	589,228
Contribution excess	$ (147,934)	$ (370,295)	$ (352,983)	$ (395,238)
Covered-employee payroll	$ 72,562,703	$ 72,562,703	$ 73,417,704	$ 73,417,704
Contributions as a percentage of covered-employee payroll	0.54%	0.82%	0.77%	0.80%

Notes to Schedule

Valuation Timing:

Actuarial valuations for OPEB funding purposes are performed biennially as of July 1. The most recent valuation was performed as of July 1, 2018.

Methods and assumptions used to determine contribution rates for funding purposes:

Actuarial cost method	Projected unit credit
Amortization method	
Level percent or level dollar	Level percentage of payroll
Closed, open, or layered periods	Layered
Amortization period as of June 30, 2018	Each new base 30 years
Amortization growth rate	3.00%
Asset valuation method	Market value
Inflation	2.50%
Payroll growth	3.00%
Discount rate	6.50%
Age-related claims costs	Based on a blended premium rate for active employees and retirees under age 65.
Healthcare cost trend rates	Based on long-term healthcare cost trend rates generated by the Getzen Model.
Retirement rates	Age 55 - 15.0%; Age 56-59 - 2.0%; Age 60 -15.0%; Age 61 - 2.0%; Age 62 - 4.0%; Age 63-64 - 10.0%; Age 65 - 100.0%
Mortality rates	
Pre-retirement	RP-2014 Employee 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 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; females set back 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	Male: Age 30 - 0.013%; Age 35 - 0.020%; Age 40 - 0.026%; Age 45 - 0.088%; Age 50 - 0.149%; Age 55 -0.286%; Age 60 - 0.422%. Female: Age 30 - 0.008%; Age 35 - 0.027%; Age 40 - 0.046%; Age 45 - 0.105%; Age 50 - 0.163%; Age 55 -0.293%; Age 60 - 0.422%.

Schedule is intended to show information for 10 years. Since 2020 is the fourth year for this presentation, only three additional years of data are available. However, additional years will be included as they become available.

1. BUDGETARY DATA

The School Division follows these procedures in establishing the budgetary data reflected in the basic financial statements:

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, Special Revenue 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.

2. LEGALLY ADOPTED BUDGETS

The general, capital projects, and special revenue funds have legally adopted annual budgets.

3. PENSION DATA

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

4. OTHER POSTEMPLOYMENT BENEFITS DATA

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Information pertaining to the OPEB plan can be found in the notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

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THE YORK COUNTY SCHOOL DIVISION

Schedule of Revenues and Expenditures - Budget and Actual
Capital Projects Fund
Year Ended June 30, 2020

	Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental:				
From the County of York	$ -	$ 1,545,300	$ 10,463,006	$ 8,917,706
Revenue from the use of money	8,725,300	8,725,300	72,996	(8,652,304)
Miscellaneous	-	-	1,366,635	1,366,635
Total revenues	$ 8,725,300	$ 10,270,600	$ 11,902,637	$ 1,632,037
Expenditures				
Capital outlay	$ 21,941,815	$ 24,415,920	$ 19,566,693	$ 4,849,227
Total expenditures	$ 21,941,815	$ 24,415,920	$ 19,566,693	$ 4,849,227

THE YORK COUNTY SCHOOL DIVISION

Schedule of Revenues and Expenditures - Budget and Actual
Technology Reserve Fund
Year Ended June 30, 2020

	Capital Projects Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget Positive (Negative)**
Revenues				
Intergovernmental:				
From the County of York	$ -	$ -	$ -	$ -
Total revenues	$ -	$ -	$ -	$ -
Expenditures				
Instruction	$ -	$ 3,200,000	$ -	$ 3,200,000
Total expenditures	$ -	$ 3,200,000	$ -	$ 3,200,000

THE YORK COUNTY SCHOOL DIVISION

Schedule of Revenues and Expenditures - Budget and Actual
Non-major Special Revenue Fund
Year Ended June 30, 2020

	School Food Service Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental:				
From the Commonwealth of Virginia	$ 75,500	$ 75,500	$ 69,123	$ (6,377)
From the federal government	1,800,000	1,800,000	1,932,035	132,035
Revenue from the use of money	5,000	5,000	12,703	7,703
Charges for services	2,400,000	2,405,000	1,506,968	(898,032)
Total revenues	$ 4,280,500	$ 4,285,500	$ 3,520,829	$ (764,671)
Expenditures				
Food Services:				
Contractual services and purchases for resale	$ 3,226,689	$ 3,231,689	$ 2,253,677	$ 978,012
Donated commodities	270,000	270,000	484,871	(214,871)
Salaries and wages	392,854	392,854	303,198	89,656
Fringe benefits	295,957	295,957	177,656	118,301
Equipment replacement	187,225	187,225	117,010	70,215
Employee development	5,000	5,000	-	5,000
Travel	5,000	5,000	-	5,000
Total expenditures	$ 4,382,725	$ 4,387,725	$ 3,336,412	$ 1,051,313

THE YORK COUNTY SCHOOL DIVISION

Statement of Changes in Assets and Liabilities
Agency Fund - School Activity Funds
Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Assets				
Cash and temporary investments	$ 1,695,951	$ 2,486,858	$ 2,593,387	$ 1,589,422
Liabilities				
Amounts held for others	$ 1,695,951	$ 2,486,858	$ 2,593,387	$ 1,589,422

STATISTICAL SECTION

(Unaudited)

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Statistical Section

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

Contents:

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

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.

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.

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.

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 provides and the activities it performs.

THE YORK COUNTY SCHOOL DIVISION

Net Position by Component - Accrual Basis of Accounting
Last Ten Fiscal Years
(Unaudited)

	2020	2019	2018	2017*	2016
Governmental activities					
Net investment in capital assets	$ 170,595,181	$ 156,943,622	$ 152,110,815	$ 146,987,819	$ 141,610,738
Restricted	3,147,256	1,185,624	1,071,325	1,191,119	918,597
Unrestricted	(116,247,782)	(103,580,890)	(106,942,035)	(110,957,989)	(89,536,482)
Total Primary Government net position	$ 57,494,655	$ 54,548,356	$ 46,240,105	$ 37,220,949	$ 52,992,853

* As restated, for GASB 75 implementation.

THE YORK COUNTY SCHOOL DIVISION

Net Position by Component - Accrual Basis of Accounting (Continued)
Last Ten Fiscal Years
(Unaudited)

	2015*	2014	2013	2012	2011
Governmental activities					
Net investment in capital assets	$ 137,691,072	$ 134,132,537	$ 132,539,275	$ 130,339,563	$ 132,111,487
Restricted	686,016	458,168	3,935,417	8,279,990	2,902,899
Unrestricted	(101,213,135)	(73,724)	2,318,089	4,898,751	6,433,477
Total Primary Government net position	$ 37,163,953	$ 134,516,981	$ 138,792,781	$ 143,518,304	$ 141,447,863

* As restated, for GASB 68 implementation.

THE YORK COUNTY SCHOOL DIVISION

Changes in Net Position - Accrual Basis of Accounting
Last Ten Fiscal Years
(Unaudited)

	2020	2019	2018	2017	2016
Expenses					
Governmental activities:					
Instruction	$ 115,941,528	$ 103,903,971	$ 97,463,764	$ 98,994,229	$ 89,230,595
Administrative, attendance, and health services	7,628,619	7,207,151	6,646,762	6,816,306	6,778,996
Transportation	8,224,005	8,113,924	7,064,721	7,245,277	6,500,649
Operations maintenance	11,606,603	12,376,319	12,017,480	12,953,780	13,275,449
Technology	10,593,856	9,937,410	11,211,833	9,033,406	8,933,514
Food services	3,383,690	3,756,602	3,992,948	3,487,629	3,329,231
Total Primary Government expenses	157,378,301	145,295,377	138,397,508	138,530,627	128,048,434
Program revenues					
Governmental activities:					
Charges for services:					
Instruction	875,745	848,275	760,626	762,215	733,664
Food services	1,506,968	2,115,571	2,039,125	2,049,390	1,977,639
Operating grants and contributions	77,016,050	74,208,314	66,824,501	65,443,883	68,291,758
Capital grants and contributions	-	-	523,118	544,000	-
Total Primary Government program revenues	79,398,763	77,172,160	70,147,370	68,799,488	71,003,061
Net expense					
Total Primary Government net expense	(77,979,538)	(68,123,217)	(68,250,138)	(69,731,139)	(57,045,373)
General revenues and other changes in net position					
Governmental activities:					
Payments from York County	65,291,097	62,577,101	63,398,906	60,614,764	60,055,486
Shared intergovernmental revenues	14,032,251	13,467,499	13,605,183	12,863,884	12,594,334
Revenues from the use of money and property	3,523	817	5,284	74,145	22,026
Miscellaneous	1,598,966	386,051	259,921	480,190	202,427
Total Primary Government	80,925,837	76,431,468	77,269,294	74,032,983	72,874,273
Changes in net position					
Total Primary Government	$ 2,946,299	$ 8,308,251	$ 9,019,156	$ 4,301,844	$ 15,828,900

Changes in Net Position - Accrual Basis of Accounting (Continued)
Last Ten Fiscal Years
(Unaudited)

	2015	2014	2013	2012	2011
Expenses					
Governmental activities:					
Instruction	$ 92,702,062	$ 88,230,990	$ 89,826,521	$ 88,259,923	$ 88,146,183
Administrative, attendance, and health services	6,563,077	6,379,114	6,158,654	5,979,687	5,621,318
Transportation	7,408,338	7,562,949	7,376,543	7,317,981	7,343,358
Operations maintenance	12,191,709	11,253,356	10,787,363	11,111,778	11,110,634
Technology	11,766,850	9,048,406	9,316,847	9,078,782	8,702,882
Food services	3,223,096	3,558,256	3,698,382	3,959,082	4,146,776
Total Primary Government expenses	133,855,132	126,033,071	127,164,310	125,707,233	125,071,151
Program revenues					
Governmental activities:					
Charges for services:					
Instruction	6,527,643	877,582	877,091	688,885	645,255
Food services	1,988,920	2,257,018	1,996,950	2,530,712	2,543,614
Operating grants and contributions	63,298,465	59,579,412	58,859,190	59,233,478	60,334,335
Capital grants and contributions	-	-	-	-	-
Total Primary Government program revenues	71,815,028	62,714,012	61,733,231	62,453,075	63,523,204
Net expense					
Total Primary Government net expense	(62,040,104)	(63,319,059)	(65,431,079)	(63,254,158)	(61,547,947)
General revenues and other changes in net position					
Governmental activities:					
Payments from York County	59,859,842	46,784,869	48,246,996	52,761,202	46,276,697
Shared intergovernmental revenues	12,199,662	11,905,068	12,126,120	12,272,494	11,861,997
Revenues from the use of money and property	2,338	4,594	19,688	13,633	30,789
Miscellaneous	124,826	348,728	312,752	277,270	255,081
Total Primary Government	72,186,668	59,043,259	60,705,556	65,324,599	58,424,564
Changes in net position					
Total Primary Government	$ 10,146,564	$ (4,275,800)	$ (4,725,523)	$ 2,070,441	$ (3,123,383)

THE YORK COUNTY SCHOOL DIVISION

Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting Last Ten Fiscal Years

(Unaudited)

	2020	2019	2018	2017	2016
General fund					
Committed	$ 2,798,730	$ 2,869,564	$ 2,969,079	$ 3,085,163	$ 3,895,668
Assigned	2,627,653	2,379,760	2,054,555	3,266,407	2,310,064
Total general fund	$ 5,426,383	$ 5,249,324	$ 5,023,634	$ 6,351,570	$ 6,205,732
All other governmental funds					
Restricted	$ 1,355,041	$ 1,185,624	$ 1,071,325	$ 1,191,119	$ 1,073,848
Assigned	3,200,000	4,836,473	4,329,671	3,290,302	3,487,134
Unassigned	(2,827,583)	-	-	-	-
Total all other governmental funds	$ 1,727,458	$ 6,022,097	$ 5,400,996	$ 4,481,421	$ 4,560,982

THE YORK COUNTY SCHOOL DIVISION

Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting (Continued)
Last Ten Fiscal Years
(Unaudited)

	2015	2014	2013	2012	2011
General fund					
Committed	$ 3,835,909	$ 3,662,355	$ 3,625,296	$ 3,485,632	$ 3,309,690
Assigned	2,054,820	4,636,248	5,123,822	6,193,449	7,668,987
Total general fund	$ 5,890,729	$ 8,298,603	$ 8,749,118	$ 9,679,081	$ 10,978,677
All other governmental funds					
Restricted	$ 686,016	$ 458,168	$ 3,935,417	$ 8,279,990	$ 542,233
Assigned	-	-	-	1,193,459	3,547,130
Unassigned	(594,587)	(1,586,250)	(55,445)	-	-
Total all other governmental funds	$ 91,429	$ (1,128,082)	$ 3,879,972	$ 9,473,449	$ 4,089,363

THE YORK COUNTY SCHOOL DIVISION

Changes in Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting Last Ten Fiscal Years

(Unaudited)

	2020	2019	2018	2017	2016
Revenues					
Federal sources:					
Federal grants	$ 15,934,429	$ 16,044,090	$ 13,004,218	$ 14,334,552	$ 18,551,861
Food services	1,932,035	1,620,688	1,723,615	1,578,226	1,456,241
Total federal sources	17,866,464	17,664,778	14,727,833	15,912,778	20,008,102
State sources:					
State education basic aid	37,700,709	37,524,771	34,705,092	34,869,350	34,165,873
State sales tax	14,032,251	13,467,499	13,605,183	12,863,884	12,594,334
Food services	69,123	69,382	66,343	63,018	51,963
State grants and other	20,868,704	18,321,959	17,291,940	14,603,951	13,545,506
Total state sources	72,670,787	69,383,611	65,668,558	62,400,203	60,357,676
Local sources:					
Payments from York County	65,291,097	62,577,101	63,398,906	60,614,764	60,055,486
Food service sales	1,506,968	2,115,571	2,039,125	2,055,703	2,008,323
Interest and other income	727,061	842,869	714,263	715,424	651,918
Other revenues	2,262,223	1,019,698	867,979	1,133,599	795,829
Total local resources	69,787,349	66,555,239	67,020,273	64,519,490	63,511,556
Total revenues	160,324,600	153,603,628	147,416,664	142,832,471	143,877,334
Expenditures					
Instruction	105,057,545	102,230,963	97,518,132	93,725,651	92,381,922
Administration, attendance, and health services	7,454,224	7,014,045	6,425,158	6,584,797	6,566,995
Puplic transportation	7,756,141	8,124,228	7,925,403	7,785,003	6,910,247
Operations and maintenance	10,796,058	11,365,499	11,703,598	11,355,711	11,535,722
Technology	10,475,107	9,629,912	10,871,427	8,955,157	8,836,453
Food services	3,336,412	3,708,710	3,940,456	3,441,040	3,283,240
Capital outlay	19,566,693	10,683,480	9,440,851	10,918,835	9,578,199
Total expenditures	164,442,180	152,756,837	147,825,025	142,766,194	139,092,778
Excess (deficiency) of revenues over (under) expenditures	(4,117,580)	846,791	(408,361)	66,277	4,784,556
Other financing sources (uses)					
Transfers in	3,215,000	15,000	15,000	804,000	4,000
Transfers out	(3,215,000)	(15,000)	(15,000)	(804,000)	(4,000)
Total other financing sources (uses), net	-	-	-	-	-
Net change in fund balances	$ (4,117,580)	$ 846,791	$ (408,361)	$ 66,277	$ 4,784,556

THE YORK COUNTY SCHOOL DIVISION

Changes in Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting (Continued)
Last Ten Fiscal Years
(Unaudited)

	2015	2014	2013	2012	2011
Revenues					
Federal sources:					
Federal grants	$ 13,927,494	$ 13,270,776	$ 13,779,273	$ 14,113,544	$ 15,871,798
Food services	1,375,528	1,355,737	1,246,480	1,323,875	1,372,392
Total federal sources	15,303,022	14,626,513	15,025,753	15,437,419	17,244,190
State sources:					
State education basic aid	34,368,771	31,543,761	31,035,613	32,894,123	31,862,952
State sales tax	12,199,662	11,905,068	12,126,120	12,272,494	11,861,997
Food services	49,860	53,498	59,869	59,770	61,857
State grants and other	12,958,096	12,854,878	11,896,765	10,365,060	10,684,346
Total state sources	59,576,389	56,357,205	55,118,367	55,591,447	54,471,152
Local sources:					
Payments from York County	59,859,842	46,784,869	48,246,996	52,761,202	46,276,697
Food service sales	1,988,920	2,257,018	2,125,836	2,530,712	2,543,614
Interest and other income	621,054	643,278	653,798	606,530	628,793
Other revenues	884,448	1,088,388	1,268,037	850,364	783,322
Total local resources	63,354,264	50,773,553	52,294,667	56,748,808	50,232,426
Total revenues	138,233,675	121,757,271	122,438,787	127,777,674	121,947,768
Expenditures					
Instruction	90,844,194	84,047,592	85,789,332	83,857,197	83,820,381
Administration, attendance, and health services	6,356,344	6,181,470	5,974,176	5,817,828	5,462,641
Puplic transportation	7,717,260	7,173,435	6,994,450	6,997,948	7,091,905
Operations and maintenance	11,608,122	11,906,865	11,423,130	11,119,949	10,961,577
Technology	10,880,109	8,889,363	8,932,377	9,156,293	8,601,876
Food services	3,182,554	3,517,128	3,664,307	3,922,593	4,109,497
Capital outlay	8,833,455	5,499,987	6,184,455	2,821,376	3,723,394
Total expenditures	139,422,038	127,215,840	128,962,227	123,693,184	123,771,271
Excess (deficiency) of revenues over (under) expenditures	(1,188,363)	(5,458,569)	(6,523,440)	4,084,490	(1,823,503)
Other financing sources (uses)					
Transfers in	4,000	-	-	-	-
Transfers out	(4,000)	-	-	-	-
Total other financing sources (uses), net	-	-	-	-	-
Net change in fund balances	$ (1,188,363)	$ (5,458,569)	$ (6,523,440)	$ 4,084,490	$ (1,823,503)

THE YORK COUNTY SCHOOL DIVISION

Food Services - Breakfast and Lunch Program Rates and Participation
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Breakfast Program Meal Prices: Elementary	Middle/ High	Adult	Reduced	Lunch Program Rates Meal Prices: Elementary	Middle/ High	Adult	Reduced	Average Percentage of Students Participating in School Lunch Program	Percentage of Students Receiving Free or Reduced Meals
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%
2013	1.25	1.35	1.75	0.30	2.25	2.35	3.00	0.40	28.00%	19.02%
2012	1.15	1.25	1.60	0.30	2.15	2.25	2.75	0.40	33.15%	17.18%
2011	1.15	1.25	1.60	0.30	2.15	2.25	2.75	0.40	38.67%	17.18%

Source: York County School Division

THE YORK COUNTY SCHOOL DIVISION

Assessed Value and Estimated Actual Value of Taxable Property of the County of York, Virginia Last Ten Calendar Years

(Unaudited)

				Public Utility			Total Taxable	Total Direct
Year	Real Estate	Personal Property	Mobile Home	Real Estate	Personal Property	CPC Equipment	Assessed Value	Tax Rate
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
2013	8,690,891,300	531,217,905	3,912,100	420,994,403	186,019	-	9,647,201,727	0.9304
2012	8,638,730,000	514,828,080	3,812,600	393,773,490	69,127	-	9,551,213,297	0.9172
2011	8,949,135,600	493,248,385	4,187,400	382,175,535	96,956	68,960,274	9,897,804,150	0.8232

Note: Values are net of tax exempt property. Property in the County is reassessed every two years. Property is assessed on a calendar year basis and at actual value; therefore, the assessed values are equal to actual value. Tax rates are per $100 of assessed value. Calendar year 2012 reflects an amendment to the Virginia State Code, which exempted CPC (Certified Pollution Control) Equipment. Calendar year 2017 included a change to the boat tax in that all boats are taxed at $.000000001/$100; previously boats less than 5 tons were taxed in the same class as personal property.

Source: County of York, Virginia
Comprehensive Annual Financial Report Fiscal Year 2020

THE YORK COUNTY SCHOOL DIVISION

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
2020	$ 0.795	$ 4.00	$ 0.795	$ 0.000000001	$ 0.9854
2019	0.795	4.00	0.795	0.000000001	0.9859
2018	0.795	4.00	0.795	0.000000001	0.9827
2017	0.7515/0.795	4.00	0.7515/0.795	1.00/0.000000001	0.9789
2016	0.7515	4.00	0.7515	1.00	0.9437
2015	0.7515	4.00	0.7515	1.00	0.9379
2014	0.7515	4.00	0.7515	1.00	0.9363
2013	0.7415/0.7515	4.00	0.7415/0.7515	1.00	0.9304
2012	0.6575/0.7415	4.00	0.6575/0.7415	1.00	0.9172
2011	0.6575	4.00	0.6575	1.00	0.8232

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

(2) The amount designated for school operating is $0.605 per $100 of valuation for fiscal year 2020.

(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
Comprehensive Annual Financial Report Fiscal Year 2020

THE YORK COUNTY SCHOOL DIVISION

Principal Property Taxpayers of the County of York, Virginia - Calendar Year
Current Year and Nine Years Prior*
(Unaudited)

Taxpayer	Description	2019 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2010 Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Virginia Power Company	Generating plant	$ 349,608,827	1	3.38%	$ 379,602,613	1	3.78%
Lawyers Title/Fairfield Resorts/Wyndham	Timeshare condominiums	180,538,900	2	1.75%	187,579,815	3	1.87%
City of Newport News	Water system	134,899,500	3	1.31%	75,864,300	5	0.75%
GWR OP Lessee VA LLC (Great Wolf Lodge)	Hotel and water park	98,463,400	4	0.95%	84,425,890	4	0.84%
Kings Creek Plantation	Timeshare condominiums	83,642,000	5	0.81%	73,321,625	6	0.73%
BP/Western Refining/Plains Marketing	Former Refinery	67,000,000	6	0.65%	193,263,805	2	1.92%
Premier Properties-Marquis	Retail sales				35,324,200	9	0.35%
Moyork LLC (Commonwealth Apartments)	Apartment complex	45,131,500	7	0.44%			
Bush Entertainment/Water Country USA	Water park	37,024,000	8	0.36%	49,390,485	7	0.49%
Walmart	Retail sales	36,756,800	9	0.36%	38,875,975	8	0.39%
852 LLC (Belmont Apartments)	Apartment complex	33,543,900	10	0.32%			
Phillip Morris	Manufacturer				18,157,300	10	0.18%
Total		$ 1,066,608,827		10.33%	$ 1,135,806,008		11.30%

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

Source: County of York, Virginia

Comprehensive Annual Financial Report Fiscal Year 2020

THE YORK COUNTY SCHOOL DIVISION

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
2020	$ 92,019,828	$ 88,843,578	96.55%	$ -	$ 88,843,578	96.55%
2019	90,196,473	87,055,100	96.52%	2,372,478	89,427,578	99.15%
2018	89,691,238	87,216,407	97.24%	1,837,923	89,054,330	99.29%
2017	87,536,065	84,909,975	97.00%	2,108,779	87,018,754	99.41%
2016	84,110,482	81,503,407	96.90%	2,058,579	83,561,986	99.35%
2015	80,716,523	77,929,910	96.55%	2,533,872	80,463,782	99.69%
2014	79,831,923	77,513,973	97.10%	1,955,129	79,469,102	99.55%
2013	78,390,079	75,580,443	96.42%	2,376,997	77,957,440	99.45%
2012	77,167,308	75,120,925	97.35%	1,561,246	76,682,171	99.37%
2011	78,309,524	74,202,547	94.76%	1,638,286	75,840,833	96.85%

Source: County of York, Virginia
Comprehensive Annual Financial Report Fiscal Year 2020

THE YORK COUNTY SCHOOL DIVISION

Ratio of Outstanding Debt By Type of the County of York, Virginia [(1)]
Last Ten Fiscal Years
(Unaudited)

	Total Primary Government - County of York, Virginia							Total School Division			
Fiscal Year	General Obligation Bonds	Revenue Bonds	Literary Loans	Capital Leases	Lease Revenue Bonds	Note Payable	Total Primary Government	Capital Leases	Total School Division	Percentage of Personal Income (2)	Per Capita (2)
2020	$ 77,733,259	$ 19,604,905	$ -	$ 1,515,179	$ 25,756,218	$ -	$124,609,561	$ -	$ -	N/A	$ 1,791
2019	74,271,325	19,963,073	-	1,997,074	25,446,020	-	121,677,492	-	-	N/A	1,753
2018	69,812,399	20,616,187	-	3,423,720	28,136,579	-	121,988,885	-	-	2.58%	1,775
2017	66,330,054	21,254,301	-	5,722,996	21,308,937	-	114,616,288	-	-	2.54%	1,664
2016	61,906,639	21,169,120	-	2,420,659	23,247,569	-	108,743,987	-	-	2.47%	1,586
2015	53,270,668	21,696,428	-	3,185,983	23,544,723	-	101,697,802	-	-	2.34%	1,464
2014	49,619,991	22,207,989	-	3,751,628	24,847,309	-	100,426,917	-	-	2.38%	1,490
2013	54,961,398	22,141,530	-	3,803,050	26,059,652	372,740	107,338,370	-	-	2.67%	1,603
2012	59,822,805	22,570,884	-	4,147,737	27,499,214	719,393	114,760,033	-	-	2.88%	1,728
2011	56,564,037	22,984,594	100,000	5,021,889	29,052,785	1,041,781	114,765,086	-	-	2.96%	1,740

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 2011 - 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.

Source: County of York, Virginia
Comprehensive Annual Financial Report Fiscal Year 2020

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)
2020	$ 77,733,259	$ -	$ 77,733,259	0.74%	$ 1,117
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
2013	54,961,398	-	54,961,398	0.57%	821
2012	59,822,805	-	59,822,805	0.63%	901
2011	56,564,037	-	56,564,037	0.57%	857

(1) See Assessed Value table.

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

Source: County of York, Virginia
Comprehensive Annual Financial Report Fiscal Year 2020

THE YORK COUNTY SCHOOL DIVISION

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]
2020	69,594	N/A	N/A	N/A	13.20	12,914	7.60%
2019	69,407	N/A	N/A	N/A	13.20	12,756	2.70%
2018	68,725	$ 4,731,142	$ 59,113	39.20	13.20	12,610	2.80%
2017	68,890	4,519,462	56,549	39.00	13.20	12,584	3.50%
2016	68,585	4,398,149	55,146	38.80	13.20	12,522	3.90%
2015	69,466	4,339,310	54,349	38.80	13.20	12,519	4.30%
2014	67,396	4,216,349	53,660	39.30	13.20	12,333	5.00%
2013	66,955	4,014,347	51,387	39.40	13.20	12,226	5.40%
2012	66,428	3,983,237	51,080	39.40	13.20	12,410	5.80%
2011	65,973	3,875,164	49,776	39.40	13.20	12,477	6.10%

N/A - This information is not available.

Source:

(1) Weldon Cooper Center for Public Service; 2020 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; 2020 estimate per County Planning Division.

THE YORK COUNTY SCHOOL DIVISION

Principal Employers
Current Year and Nine Years Prior
(Unaudited)

	2020			2011		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Naval Weapons Station / Cheatham Annex	3,856	1	16.94%	2,998	1	13.44%
York County School Division	1,845	2	10.58%	1,808	2	8.11%
U.S. Coast Guard Station	1,126	3	4.95%	1,399	3	6.27%
Sentara Williamsburg Regional Medical Center	813	4	3.57%	671	7	3.01%
York County Government	763	5	3.35%	732	6	3.28%
Walmart	495	6	2.17%	962	4	4.31%
Water Country (1)				954	5	4.28%
Kroger	365	7	1.60%			
Great Wolf Lodge of Williamsburg, LLC	303	8	1.33%	505	8	2.26%
YMCA	287	9	1.26%			
Snow Companies	169	10	0.74%			
Wyndham Vacation Ownership				281	9	1.26%
Kings Creek Plantation				199	10	0.89%
Total	10,022		46.49%	10,509		47.11%

Source: County Office of Economic Development.
(1) In FY2020, Water County was temporarily closed as a result of the COVID-19 pandemic.

THE YORK COUNTY SCHOOL DIVISION

Full-time Equivalent Division Employees by Type
Last Ten Fiscal Years
(Unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	119.00	129.00	129.00	131.00	131.00	131.00	131.00	131.00	131.00	131.00
Bus Driver Assistants	30.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Cafeteria Monitors	3.15	3.15	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Clerical	73.75	72.75	69.25	69.75	69.75	69.75	69.75	70.72	70.72	72.69
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	97.50	103.50
Directors	9.25	9.25	8.25	7.25	7.25	7.25	8.25	7.25	7.25	10.25
Division Chiefs	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Food Service Personnel	15.00	20.00	23.00	25.00	25.00	26.66	28.66	29.66	29.66	33.66
Guidance Counselors	36.00	33.50	33.50	33.50	33.50	33.50	31.50	31.50	31.50	33.00
Instructors	10.00	10.00	9.00	9.00	9.00	11.00	10.00	10.00	10.00	10.00
Librarians	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Mechanics	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00
Nurses	18.00	18.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Occupational Therapists	5.00	5.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50	4.50
Para-Educators	291.75	280.50	275.50	271.50	264.50	259.50	254.50	255.50	256.50	270.00
Physical Therapists	1.60	1.60	1.60	1.60	1.60	1.60	2.00	2.00	2.00	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	14.00	12.00	11.00	11.00	11.00	9.00	9.00	9.00	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	893.64	889.08	870.55	864.05	860.05	845.05	830.55	830.55	841.79	867.80
Technical	113.47	96.87	95.42	94.42	98.57	97.09	97.92	97.67	96.47	101.79
Trades	26.00	26.00	25.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Total Full-Time Equivalents	1,844.61	1,816.70	1,786.07	1,776.07	1,769.22	1,749.40	1,729.63	1,731.35	1,745.39	1,807.69

Source: York County School Division

THE YORK COUNTY SCHOOL DIVISION

Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Percentage Change
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%
2013	12,226	119,113,465	9,743	3.4%	889.05	13.8	1.8%
2012	12,410	116,949,215	9,424	1.4%	918.80	13.5	-0.4%
2011	12,477	115,938,380	9,292	-2.3%	919.80	13.6	-2.7%

Source: York County School Division

THE YORK COUNTY SCHOOL DIVISION

Capital Assets Information by Governmental Activities
Last Ten Fiscal Years
(Unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	44	44	44
Playgrounds	30	30	30	30	30	30	30	30	30	30
Pupil Transportation										
Buses	153	169	166	162	162	160	160	159	160	158
Operations and Maintenance										
Vehicles	126	118	106	97	106	92	85	85	85	76

Source: York County School Division

THE YORK COUNTY SCHOOL DIVISION

School Building Information
Last Ten Fiscal Years
(Unaudited)

School	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	642	640	607	603	594	554	493	410	382	388
Coventry Elementary:										
Square feet	78,337	78,337	78,033	78,033	78,033	78,033	78,033	78,033	78,033	78,033
Capacity	708	708	708	708	708	708	708	708	708	708
Enrollment	737	693	586	564	577	543	548	589	628	640
Dare Elementary:										
Square feet	65,785	65,785	63,415	63,415	63,415	63,415	63,415	63,415	63,415	63,415
Capacity	867	867	867	867	867	867	867	867	867	867
*Enrollment	397	413	421	422	379	354	372	409	428	460
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	649	623	640	644	616	575	601	622	640	624
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	620	613	608	626	626	562	602	600	590	570
Mt. Vernon Elementary:										
Square feet	71,989	71,989	69,689	69,689	69,689	69,689	69,689	69,689	69,689	69,689
Capacity	782	782	782	782	782	782	782	782	782	782
Enrollment	603	592	591	560	533	485	509	548	553	557
Seaford Elementary:										
Square feet	61,731	61,731	61,731	61,731	61,731	61,731	61,731	55,553	55,553	55,553
Capacity	656	656	656	656	656	656	656	506	506	506
Enrollment	537	529	451	437	452	437	455	479	494	521
Tabb Elementary:										
Square feet	77,037	77,037	77,037	76,790	76,790	76,790	76,790	76,790	68,425	68,425
Capacity	777	777	777	777	777	777	777	777	627	627
Enrollment	696	654	620	606	627	620	608	625	643	634
Waller Mill Elementary:										
Square feet	60,151	60,151	60,151	60,151	60,151	36,665	36,665	36,665	36,665	36,665
Capacity	460	460	460	460	460	297	297	297	297	297
Enrollment	359	373	387	344	320	267	278	279	315	320
Yorktown Elementary:										
Square feet	70,307	70,307	70,307	70,307	66,402	66,402	66,402	66,402	66,402	66,402
Capacity	734	734	734	734	734	734	734	734	734	734
Enrollment	592	619	674	696	694	610	624	663	636	625

THE YORK COUNTY SCHOOL DIVISION

School Building Information (Continued)
Last Ten Fiscal Years
(Unaudited)

School	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Middle										
Grafton Middle:										
Square feet	57,047	57,047	57,047	57,047	57,047	57,047	57,047	57,047	57,047	57,047
Capacity	681	681	681	681	681	681	681	681	681	681
Enrollment	515	487	460	465	459	423	425	448	468	473
Queens Lake Middle:										
Square feet	91,771	91,771	91,771	91,771	91,771	91,771	91,771	91,771	91,771	91,771
Capacity	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178
Enrollment	891	865	858	850	903	853	857	828	786	774
Tabb Middle:										
Square feet	98,918	98,918	98,918	98,918	98,918	98,918	98,918	98,918	98,918	98,918
Capacity	982	982	982	982	982	982	982	982	982	982
Enrollment	708	730	751	791	767	720	717	742	759	742
Yorktown Middle:										
Square feet	150,461	150,461	150,461	150,461	150,461	150,461	145,229	145,229	145,229	145,229
Capacity	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215
Enrollment	925	935	905	882	872	808	815	850	868	881
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	572	550	600	564	608	547	538	585	616	636
Grafton High:										
Square feet	164,961	164,961	164,961	164,961	164,961	164,961	159,729	159,729	159,729	159,729
Capacity	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397
Enrollment	1,169	1,156	1,168	1,183	1,176	1,104	1,132	1,271	1,302	1,309
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	1,115	1,098	1,126	1,162	1,161	1,075	1,021	1,100	1,138	1,164
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	1,116	1,103	1,106	1,059	1,060	1,015	993	1,054	1,045	1,045
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	69	71	64	73	72	74	66	65	56	56

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

Source: York County School Division

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COMPLIANCE SECTION

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

Members of the School Board
York County School Division

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, 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, 2020, 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 20, 2020.

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 opinions 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 or other matters that are required to be reported under *Government Auditing* Standards or the *Specifications for Audits of Counties, Cities, and Towns*.

Purpose of this Report

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

Cherry Bekaert LLP

Virginia Beach, Virginia
November 20, 2020

THE YORK COUNTY SCHOOL DIVISION

Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2020

1) Summary of Auditor's Results

Financial Statements:

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

2) Finding Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

None

3) Findings related to Compliance with Commonwealth of Virginia's Specifications

None

4) Resolution of Prior Year's Findings Related to Compliance with Commonwealth of Virginia's Specifications

Finding 2019-001 – Nonmaterial Noncompliance – Statement of Economic Interest Forms

Status: Corrective action was taken. Finding not repeated in current year

Finding 2019-002 – Nonmaterial Noncompliance – Annual School Report

Status: Corrective action was taken. Finding not repeated in current year

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