

# Annual Comprehensive Financial Report

For the Fiscal Year  
Ended June 30, 2022



**The York County  
School Division**

County of York, Virginia

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



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

## **THE YORK COUNTY SCHOOL DIVISION**

**(Component Unit of the County of York, Virginia)**

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For the Fiscal Year Ended June 30, 2022

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)  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
June 30, 2022**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b><i>INTRODUCTORY SECTION</i></b>	
Letter of Transmittal .....	1-8
Certificate of Achievement for Excellence in Financial Reporting – Government Finance Officers Associations.....	9
Certificate of Excellence in Financial Reporting - Association of School Business Officials International .....	10
Organizational Chart .....	11
School Division Board Members and Officials.....	12
 <b><i>FINANCIAL SECTION</i></b>	
Report of Independent Auditor .....	13-15
Management’s Discussion and Analysis .....	16-27
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Governmental Activities.....	28
Statement of Activities - Governmental Activities .....	29
Funds’ Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	33
Proprietary Fund Financial Statements:	
Statement of Net Position - Proprietary Fund .....	34
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund .....	35
Statement of Cash Flows - Proprietary Fund.....	36

**FINANCIAL SECTION (continued)**Basic Financial Statements (*continued*):Funds' Financial Statements (*continued*):

## Fiduciary Funds' Financial Statements:

Statement of Fiduciary Net Position - Fiduciary Funds..... 37

Statement of Changes in Fiduciary Net Position - Fiduciary Fund -

Pension Trust Fund - Optional Plan..... 38

Notes to Basic Financial Statements (The notes to basic financial statements are an

integral part of the basic financial statements) ..... 39-95

## Required Supplementary Information Other than Management's Discussion and Analysis:

Schedule of Revenues - Budget and Actual - General Fund ..... 96-97

Schedule of Expenditures - Budget and Actual - General Fund ..... 98-99

Schedule of Revenues and Expenditures - Budget and Actual -

Technology Reserve Fund ..... 100

Schedule of Revenues and Expenditures - Budget and Actual -

School Food Service Fund ..... 101

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios -

Nonprofessional Employees ..... 102

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios -

Optional Plan ..... 103

Schedule of Employer's Share of Net Pension Liability ..... 104

Schedule of Employer Contributions - Professional Employees ..... 105

Schedule of Employer Contributions - Nonprofessional Employees ..... 106

Schedule of Employer Contributions - Optional Plan ..... 107

Schedule of Investments – Optional Plan ..... 108

Schedule of School Division's Share of Net OPEB Liability - Group Life Insurance Program

Nonprofessional Employees ..... 109

Schedule of School Division's Share of Net OPEB Liability - Group Life Insurance Program -

Professional Employees ..... 110

Schedule of School Division's Share of Net OPEB Liability - Health Insurance Credit Program -

Professional Employees ..... 111

Schedule of Changes in Net OPEB Liability and Related Ratios - Health Insurance Credit Program -

Nonprofessional Employees ..... 112

Schedule of School Division's Share of Net OPEB Liability - Virginia Local Disability Program -

Nonprofessional Employees ..... 113

**FINANCIAL SECTION (continued)**

## Required Supplementary Information Other than Management's Discussion and Analysis (continued):

Schedule of School Division's Share of Net OPEB Liability - Virginia Local Disability Program - Professional Employees.....	114
Schedule of Changes in Net OPEB Asset and Related Ratios - School Division Plan.....	115
Schedule of Employer Contributions - Group Life Insurance Program - Nonprofessional Employees .....	116
Schedule of Employer Contributions - Group Life Insurance Program - Professional Employees.....	117
Schedule of Employer Contributions - Health Insurance Credit Program - Professional Employees.....	118
Schedule of Employer Contributions - Health Insurance Credit Program - Nonprofessional Employees .....	119
Schedule of Employer Contributions - Virginia Local Disability Program - Nonprofessional Employees .....	120
Schedule of Employer Contributions - Virginia Local Disability Program - Professional Employees.....	121
Schedule of OPEB Contributions - School Division Plan .....	122
Notes to Required Supplementary Information.....	123-124
Other Supplementary Information:	
Schedule of Revenues and Expenditures - Budget and Actual - Capital Projects Fund.....	125

**STATISTICAL SECTION**

Statistical Section.....	126
Net Position by Component - Accrual Basis of Accounting - Last Ten Fiscal Years .....	127-128
Changes in Net Position - Accrual Basis of Accounting - Last Ten Fiscal Years.....	129-130
Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting - Last Ten Fiscal Years .....	131-132
Changes in Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting - Last Ten Fiscal Years .....	133-134
Food Services - Breakfast and Lunch Program Rates and Participation - Last Ten Fiscal Years .....	135

	<b>PAGE</b>
<b>STATISTICAL SECTION (continued)</b>	
Assessed Value and Estimated Actual Value of Taxable Property of the County of York, Virginia - Last Ten Calendar Years .....	136
Property Tax Rates for the County of York, Virginia - Last Ten Fiscal Years .....	137
Principal Property Taxpayers of the County of York, Virginia - Calendar Year Current Year and Nine Years Prior .....	138
Property Tax Levies and Collections of the County of York, Virginia - Last Ten Fiscal Years .....	139
Ratio of Outstanding Debt by Type of the County of York, Virginia - Last Ten Fiscal Years .....	140
Ratio of General Bonded Debt Outstanding for the County of York, Virginia - Last Ten Fiscal Years .....	141
Demographic and Economic Statistics - Last Ten Fiscal Years .....	142
Principal Employers - Current Year and Nine Years Prior .....	143
Full-time Equivalent Division Employees by Type - Last Ten Fiscal Years .....	144
Operating Statistics - Last Ten Fiscal Years .....	145
Capital Assets Information by Governmental Activities - Last Ten Fiscal Years .....	146
School Building Information - Last Ten Fiscal Years .....	147-148
 <b>COMPLIANCE SECTION</b>	
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 <i>Government Auditing Standards</i> .....	149-150
Schedule of Findings and Responses .....	151

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## ***INTRODUCTORY SECTION***



December 12, 2022

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the York County School Division (hereafter School Division), a component unit of the County of York, Virginia, for the fiscal year ending June 30, 2022 (FY 2022). State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of the fiscal year. This report has been prepared in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB) and the Auditor of Public Accounts of the Commonwealth of Virginia. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. All disclosures necessary to enable the reader to gain an understanding of the School Division's financial activities have been included.

Generally Accepted Accounting Principles in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The School Division's MD&A can be found immediately following the report of the independent auditor.

The ACFR is presented in four sections: introductory, financial, statistical, and compliance. The introductory section includes this transmittal letter, an organizational chart, and a list of principal officials. The financial section includes the MD&A, basic and fund financial statements, notes to the financial statements, required supplemental information (RSI) other than MD&A, as well as the independent auditor's report on the 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 ACFR.

### **Profile of the Reporting Entity and Organization.**

York County, which was originally named Charles River County, was one of Virginia's eight original "shires" formed in 1634. It was renamed nine years later in 1643 when the river that determines the County's character was given the name of the then Duke of York. York County has played a major role in the development of the nation. Most importantly, it was the location of the culminating battle of the Revolutionary War and the subsequent surrender of Lord Cornwallis and his British army on October 19, 1781.

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

EMBRACE	•	ENGAGE	•	EMPOWER
Mark J. Shafer District 1		Laurel M. Garrelts District 3		Sean P. Myatt District 5

The School Division is the 23rd largest of 132 school divisions in the Commonwealth of Virginia. Total enrollment in FY 2022 was 12,609 and the projected budgeted enrollment for FY 2023 is 12,766. 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 continues to show signs of stability for FY 2021. 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. Federal stimulus funds continue to be used by the school division to support learning loss, technology and supports to our special needs students. By December 2024, all stimulus funds are set to expire.

The savings generated from the shutdown of schools through the end of FY 2020 offset the School Division's estimated losses for FY 2020. Schools in FY 2021 operated for more than half the year in a virtual environment. Savings were realized throughout the budget, particularly in transportation, utilities, and staffing, which helped offset expected shortfalls. FY 2022 was a record-breaking year in state revenues. The outlook for FY 2023 looks significantly strong at the state level as current revenues continue to outpace projected forecasts. Local sales and historic triangle sales tax continue to increase and remain strong. Lodging and meal taxes remain strong and are above the pre-pandemic level. Beginning in

FY2022, the cigarette tax was allowed for counties by the prior year's General Assembly action and remains a strong revenue source. Regarding employment, the areas of most significant gains were Leisure & Hospitality, followed by Healthcare & Social and Education services. The County's unemployment rate in 2022 was more favorable than in 2021. The County's annual unemployment rate from the U.S. Bureau of Labor Statistics of 2.8% in June 2022 was more favorable than both the Virginia Beach-Norfolk-Newport News, VA MSA, and the Commonwealth's civilian non-institutional rate of 3.4% and 3.0%, respectively.

### **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.

In FY2022, the Board of Supervisors continued to firmly support economic development as one of its six Strategic Priorities – *Facilitate VALUE DRIVEN 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 new Department of Economic & Tourism Development (ETD), focused on assisting the County's business base as it began the process of shifting from survival in a COVID-19 environment, to rebuilding in a post-COVID-19 economy.

- **COVID-19 Small Business Recovery Grant Program:** Led by the County's Housing and Neighborhood Revitalization Division (HNR), with assistance from the OED, funds from the COVID-19 Small Business Recovery Grant Program were fully expended in FY2022. Throughout three phases of the program, over \$1,638,400 of Community Development Block Grant (CDBG) funds were utilized to support 167 unique funding applications from York County businesses.
- **Organizational Restructuring:** Recognizing the importance of tourism-based assets and activities to the York County economic base, the County decided in FY2022 to combine the Office of Economic Development and the Office of Tourism Development into a single department. The new Department of Economic & Tourism Development was formed in December 2021. While still in the developmental phase, clear benefits in terms of business outreach efforts, marketing, and event planning, have already been evident. Going forward, it is anticipated these initial positive results will only be amplified as the two groups continue to identify ways in which ETD staff experience and expertise can be utilized in a highest and best use manner.
- **Regional Economic Development:** In December 2021, the Eastern Virginia Regional Industrial Facility Authority (EVRIFA), closed on the purchase of 432 acres of surplus state property in York County formerly known as the "Fuel Farm", which will be used to create Kings Creek Commerce Center. Subsequent to the property acquisition, EVRIFA entered into a long-term lease with CI Renewable for the use of 250 acres for a 20-megawatt solar facility. CI Renewable's rights under the long-term lease were then transferred to Dominion Virginia. Dominion has continued to move forward with design development for the solar facility. In FY2022, EVRIFA also began to actively market the remaining portion of the Kings Creek Commerce Center property for uses such as light industrial, R&D unmanned technologies, etc.
- **Hampton Roads Alliance:** Effective December 1, 2021, the communities of James City County, Williamsburg and York County, aligned their regional economic development association with other regional endeavors, and joined the Hampton Roads Alliance. The entire region will benefit from the comprehensive strategic cooperation, workforce development and general collaboration provided by membership in the Hampton Roads Alliance.

- **Commercial Development Activity:** While FY2021 had a total permit value of just over \$45 million, FY2022's total permit value grew to over \$213 million. New construction increased from \$16.6 million in FY2021 to almost \$53 million in FY2022, while additions and alterations increased from almost \$13 million in FY2021 to almost \$35.5 million in FY2022. Commercial activity was evenly distributed throughout the County and across the commercial, retail, and industrial market sectors. Backfill of existing commercial space continued to be a focus in FY2022. Ollie's and Ashley Home Store opened their doors in the former Big K space in Kingsgate Green Shopping Center. The Kingsgate Green management company also announced a lease signing with Locke Supply Co., a new-to-market supplier of plumbing, electrical, and HVAC equipment. Build-out of the Locke Supply Co. space is underway with an opening expected in FY2023. In the southern end of the County, Raising Cane's announced plans to build a new location on the site of the former Ruby Tuesday restaurant in the Kiln Creek development.

In addition to local economic growth, the current period's financial statements were positively impacted by numerous 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 11.8% of total General Fund Revenue. This percentage increased in FY 2022 as compared to FY 2021 due to the allocations of one-time federal pandemic funds.

### **Accounting System**

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

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

### **Budgetary Controls**

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

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

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

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

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

### **Major Initiatives**

In FY 2022, 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 2022, 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.

On-time graduation rate is the percentage of students who entered high school as first time-ninth graders in 2017 and earned a Board of Education-approved diploma within four years of entering high school for the first time. In 2021, YCSD had a graduation rate of 97.62% which is an increase of 2.4% over a 5-year span. In comparison to the state of Virginia's graduation rate of 93% which is an increase of 1.5% over the past 5 years. The graduation rate for the black subgroup for the class of 2021 was 100% which is an increase of 8.5% over the past 5 years. The 2021 YCSD graduation rate for students with disabilities was 93.2% which is an increase of 11.6% over the past 5 years.

#### **Goal 2 – Student Experiences**

The York County School Division will engage all students in rigorous educational experiences.

For the FY22 school year, qualitative data was used, including pictures and videos from all school sites, to illustrate teachers providing a minimum of two authentic learning experiences in the FY22 school year.

During the FY22 school year, our schools provided opportunities for students to learn about and explore careers at all grade levels. Students in grades K-3 explored the 17 Career Clusters and students in grades 4 and 5 identified personal skills and values so they could begin developing personal goals for their Academic and Career portfolios. Middle school students used the portfolios created in elementary school to develop their academic and career plans for secondary. This plan guides student course selection in grades 8-12. In addition, the following career awareness and opportunities occurred in FY22:

Our elementary school counselors collaborated with many of our business and community partners to bring 'real world' job experiences into the classroom.



At the middle school level, the two YCSD Career Coaches supported career fairs for students. In addition to the Career Investigations course, students had the opportunity to enroll in the entrepreneurship course, Make It Your Business where students designed a product and operated a small business.

High school career events included guest speakers, a variety of career panels, and career fairs. In addition, mock interviews were conducted at all five high schools, with both virtually and in-person options where 970 students and 95 business and community partners participated. Finally, students had the opportunity to enroll in the new Entrepreneurship course where students learned entrepreneurship concepts and fundamental business principles. As the culminating project, students participated in “pitch events” where groups brought their concepts to reality by presenting their business idea to local businesses.

During the FY22 school year, students in grades 3-5 had access to their Virginia Education Wizard accounts to work on their academic and career portfolios. Students in grades 7-12 had access to Major Clarity to work on career inventories and post-secondary career and educational options.

During the FY22 school year, 851 students completed a work-based learning experience.

### **Goal 3 – Staff Support**

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

During the 2021-2022 school year, the division was intentional in limiting the demand for teachers’ time during the workday by reducing professional development requirements to only essential, optional, and state-mandated training. Professional development offerings were aligned with the YCSD strategic plan and supported teachers as part of the license renewal process. A variety of job-embedded topics were offered focusing on curriculum and instruction, assessments, technology education and E-Learning tools, school climate, safety, and wellness.

### **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. Establishing two-way communication, always focusing on academic success, is key. Moving forward, efforts will begin to differentiate family involvement from family engagement, and work towards ensuring parents are not only involved in school efforts, but engaged in them as well.

Each school year, YCSD schools develop a school-level family engagement plan. These plans include goals for families, and are maintained within School Improvement Plans. Applicable data is reviewed for monitoring family engagement efforts. Student and family input is an important part of how family engagement goals are established at each building.

### **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 FY 2022, we compared the cost per pupil and results of 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**

For FY 2022, the school division adopted GASB Statement No. 84, *Fiduciary Activities*. “The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for account and financial reporting purposes and how those activities should be reported. Additional information can be found on GASB 84 in Note 8.

## **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 Bekaert, 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.

Within the School Division, 16 were awarded as Purple Star Schools. This award honors schools that demonstrate a commitment to meeting military families’ needs, while also providing resources and programming related to transitions and academic planning. Approximately 32% of all YCSD students have at least one parent serving in the military.

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

The School Division was awarded the 2022 Best Community for Music Education by the National Association of Music Merchants (NAMM) Foundation. 738 school divisions nationwide and 19 in Virginia in 2022.



A York County School Division third-grade teacher at Coventry Elementary (she is now the school's ACC) won the 2022 Milken Award. The award is intended to recognize excellence in education and inspire a passion to join the teaching profession. Criteria for selecting an awardee include: exceptional educational talent as evidenced by effective and innovative instructional practices and student learning results in the classroom and school, exemplary educational accomplishments and leadership beyond the classroom that provide models of excellence for the profession and engaging and inspiring presence that motivates and impacts students, colleagues, and the community.

### **Financial Reporting Certificate Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the York County School Division for its ACFR for fiscal year 2021. In addition, the Association of School Business Officials of the United States and Canada (ASBO) awarded a *Certificate of Excellence in Financial Reporting* to the York County School Division for its ACFR for fiscal year 2021. In order to be awarded a Certificate of Achievement from the GFOA or a Certificate of Excellence from ASBO, a governmental entity must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate is the highest form of recognition awarded in the field of governmental financial reporting.

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

### **Budget Presentation Awards**

The ASBO presented a *Meritorious Budget Award* to the York County School Division for its annual budget for the fiscal year beginning July 1, 2021. This program is designed to recognize school systems for achieving excellence in their school system budget presentation. The foundation of this program is a set of criteria developed by ASBO.

### **Acknowledgments**

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

Respectfully submitted,

*Victor D. Shandor*

Victor D. Shandor, Ed.D.  
Division Superintendent

*William B. Bowen, Sr.*

William B. Bowen, Sr.  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**York County School Division  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



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

**York County School Division**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.**

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



A handwritten signature in black ink, appearing to read 'Will Sutter'.

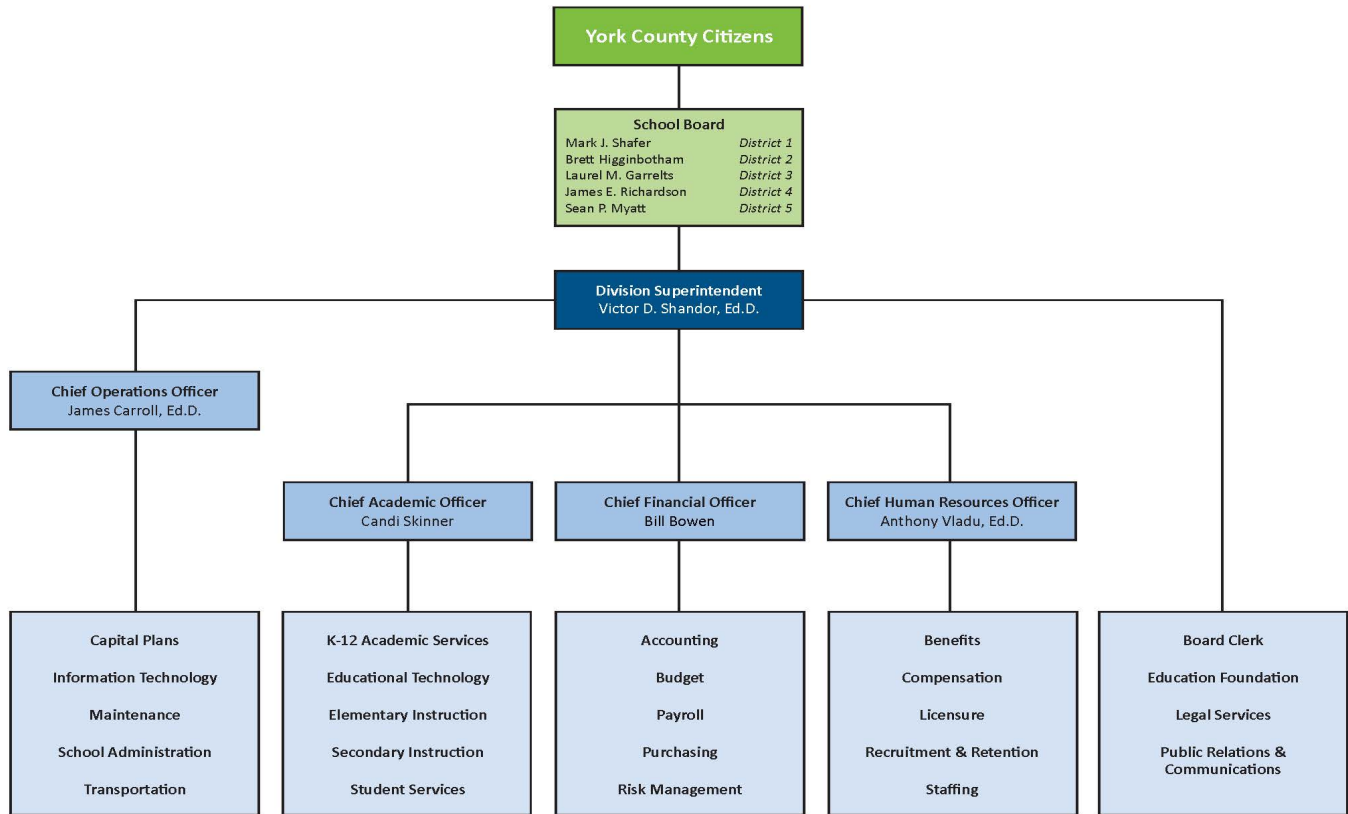
**William A. Sutter**  
**President**

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

**David J. Lewis**  
**Executive Director**

# YORK COUNTY SCHOOL DIVISION ORGANIZATIONAL CHART FY2022

Effective July 1, 2021



**THE YORK COUNTY SCHOOL DIVISION**  
**(A COMPONENT UNIT OF THE COUNTY OF YORK, VIRGINIA)**  
**June 30, 2022**

**School Division Board Members**

Laurel M. Garrelts, Chair

Sean P. Myatt, Vice Chair

Brett Higginbotham

James E. Richardson

Mark J. Shafer

**School Officials**

Superintendent of Schools

Chief Academic Officer

Chief Financial Officer

Chief Human Resources Officer

Chief Operations Officer

Director of Elementary Instruction

Director of Information Technology

Director of School Administration

Director of Curriculum and Instruction

Director of Student Services

Dr. Victor D. Shandor

Candi Skinner

William Bowen

Dr. Anthony Vladu

Dr. James Carroll

Dr. David Reitz

Douglas E. Meade

Dr. Aaron Butler

Dr. Karen Cagle

Christy Morgan

## ***FINANCIAL SECTION***

## Report of Independent Auditor

Members of the School Board  
York County School Division

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the York County School Division (the "School Division"), a component unit of the County of York, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School Division's basic financial statements as listed on the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Division, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 "Specifications"). Our responsibilities under those standards and specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School Division and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Division's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Division's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***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 on 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 December 12, 2022, 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 School Division's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Virginia Beach, Virginia  
December 12, 2022

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

Management's Discussion and Analysis  
For the Year Ended June 30, 2022  
(Unaudited)

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 2022. 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 \$76.8 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 \$152.7 million or 91.4% of all revenues, and expenditures were \$152.7 million or 88.2% of all expenditures, compared to \$151.9 million (88.7%) in revenues and \$152.4 million (93.3%) in expenditures in FY 2021.
- Food Services ended the fiscal year with a fund balance of \$5.9 million an increase of \$2.6 million over the beginning of the year fund balance. School Division operations staff and a food service management company closely monitor revenues and expenditures during the fiscal year. For FY 2022, the increase in fund balance can be attributed to the US Department of Agriculture's (USDA) decision to cover the cost of student meals for the year. This included summer meals as well. This decision led to an increase in student participation. The School Division continued to provide breakfast and lunch to any student regardless of need. It should also be noted that a new food service management company was contracted by the School Division in FY 2014. Since that time, the School Division has steadily increased its fund balance. The School Division is required to maintain three (3) months of food service reserves. Funds held in excess of the required reserves are used to replace cafeteria equipment and supplies.

## Using This Annual Comprehensive Financial Report

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

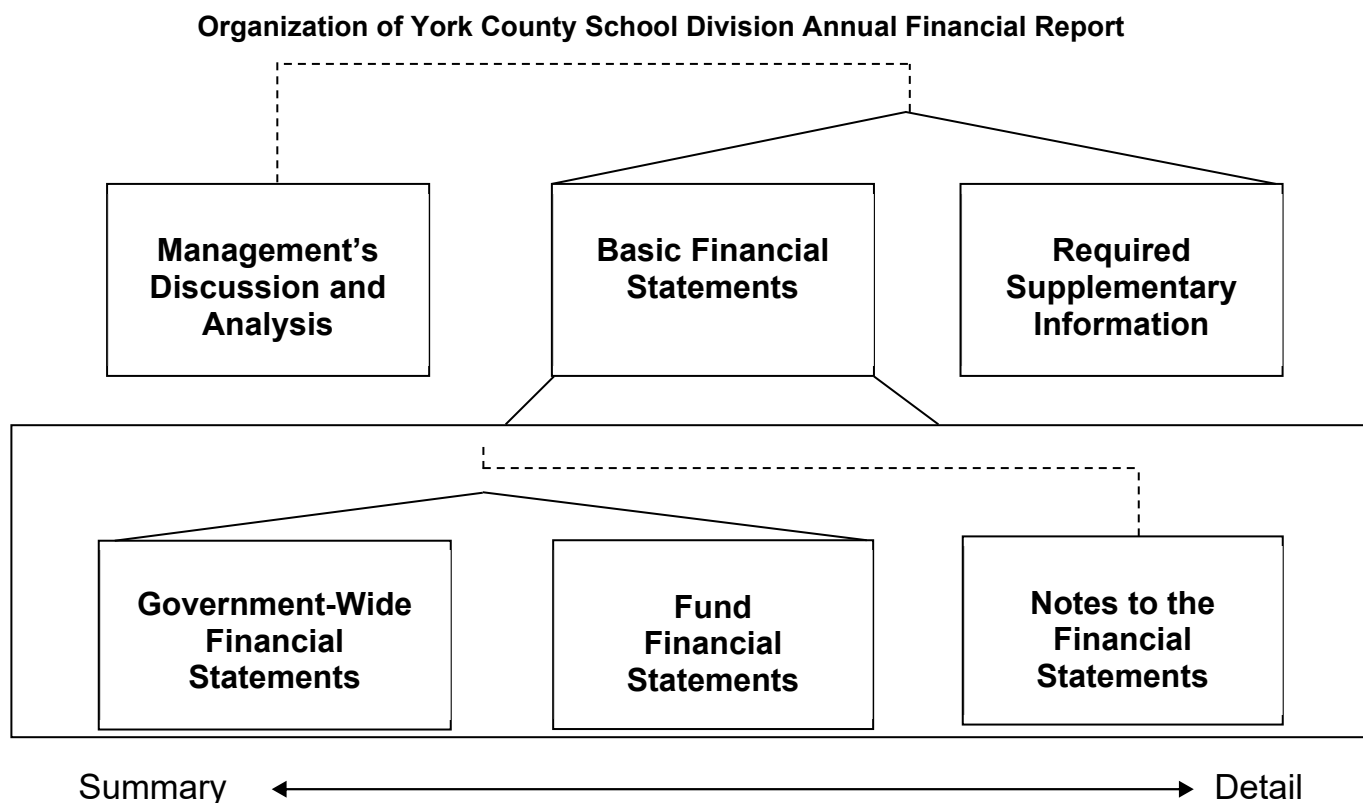
As illustrated in Figure A-1, the financial section of this annual report consists of three parts: *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*.

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

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

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

**FIGURE A-1**



## Using This Annual Comprehensive Financial Report (Concluded)

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

**FIGURE A-2**

<b>Major Features of the Government-Wide and Fund Financial Statements</b>				
	<b>Government-Wide Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
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	Account for resources that are held by YCSD for the benefit of outside parties, such as pension and OPEB trust
Required Financial Statements	*Statement of Net Position *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures, and Changes in Fund Balances	*Statement of Fund Net Position *Statement of Revenues, Expenses, and Changes in Fund Net Position *Statement of Cash Flows	*Statement of Fiduciary Net Position *Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## 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 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements report all of the assets and liabilities using the accrual basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

## 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, 2022. The School Division's financial position remained stable during FY 2022. 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 226% of the total net position and have increased by \$5.3 million since June 30, 2021. 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, the restricted net position amounted to \$13.4 million, which represents cash restricted for food service, school activity funds and OPEB. Unrestricted net position are those resources that may be used to meet the obligations placed on the School Division by its creditors and to pay for ongoing operations of the School Division. At the end of the fiscal year, unrestricted net position (deficit) amounted to (\$109.8 million), a decrease of \$6.0 million from June 30, 2021. The deficit is a result of the continued impact of pension liability reporting.

<b>Condensed Statement of Net Position</b> (in millions)			
	<b>Governmental Activities 2022</b>	<b>Governmental Activities 2021</b>	<b>Total Percentage Change</b>
<b>Assets</b>			
Current and other assets	\$ 42.7	\$ 43.3	-1.4%
Capital assets	174.5	169.2	3.1%
<b>Total assets</b>	<u>217.2</u>	<u>212.5</u>	2.2%
<b>Deferred outflows of resources</b>			
Pension and OPEB costs	<u>30.3</u>	<u>37.0</u>	-18.1%
<b>Total liabilities</b>			
Current liabilities	21.6	24.5	-11.8%
Long-term liabilities	86.3	149.8	-42.4%
<b>Total liabilities</b>	<u>107.9</u>	<u>174.3</u>	-38.1%
<b>Deferred inflows of resources</b>			
Pension, OPEB & lease costs	<u>62.8</u>	<u>11.9</u>	427.7%
<b>Net position</b>			
Investment in capital assets	173.2	169.2	2.4%
Restricted	13.4	9.9	35.4%
Unrestricted (deficit)	(109.8)	(115.8)	-5.2%
<b>Total net position</b>	<u>\$ 76.8</u>	<u>\$ 63.3</u>	21.3%

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 FY 2022, as compared with FY 2021.

<b>Changes in Net Position</b> <b>(in millions)</b>			
	<b>Governmental Activities 2022</b>	<b>Governmental Activities 2021</b>	<b>Total Percentage Change</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 1.0	\$ 0.8	25.0%
Operating grants and contributions	91.3	87.4	4.5%
Capital grants and contributions	0.5	-	0.0%
General revenues			
County	55.2	63.7	-13.3%
Shared intergovernmental revenues	17.4	15.3	13.7%
Miscellaneous revenues	2.5	4.0	-37.5%
<b>Total revenues</b>	<b>167.9</b>	<b>171.2</b>	<b>-1.9%</b>
<b>Expenses</b>			
Instruction	109.5	122.7	-10.8%
Administration/attendance and health	8.4	8.0	5.0%
Transportation	8.5	8.4	1.2%
Operations and maintenance	12.3	11.8	4.2%
Technology	9.1	11.7	-22.2%
Food service	6.6	4.4	50.0%
<b>Total expenses</b>	<b>154.4</b>	<b>167.0</b>	<b>-7.5%</b>
<b>Change in net position</b>	<b>13.5</b>	<b>4.2</b>	<b>221.4%</b>
<b>Net position - beginning of year, restated</b>	<b>63.3</b>	<b>59.1</b>	<b>7.1%</b>
<b>Net position - end of year</b>	<b>\$ 76.8</b>	<b>\$ 63.3</b>	<b>21.3%</b>
Note: Totals may not add due to rounding.			



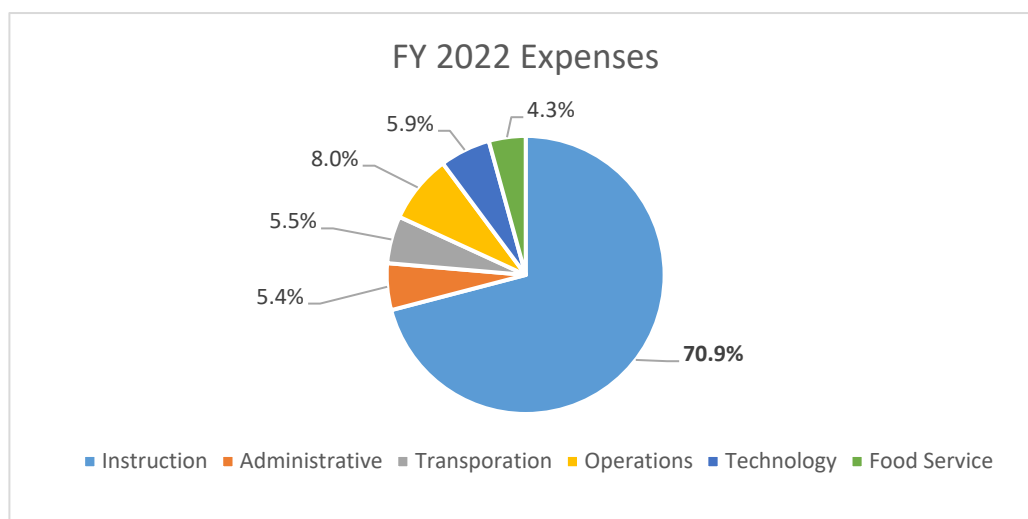
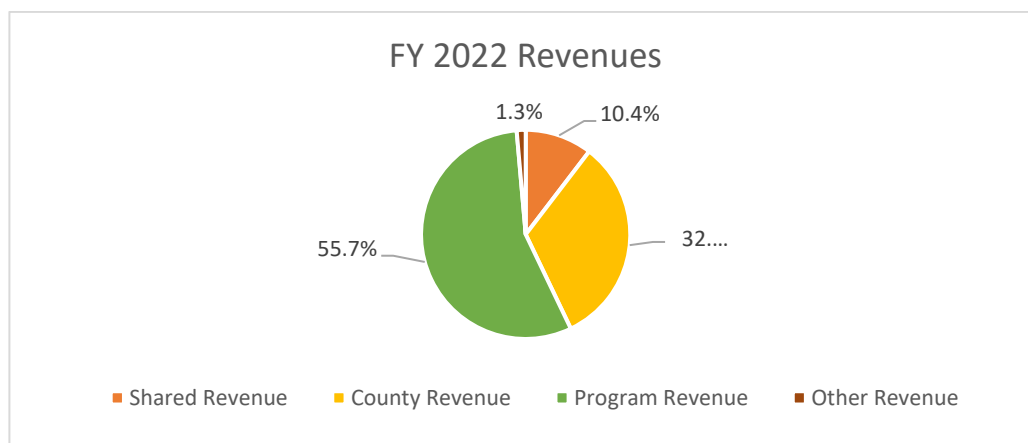
## Financial Analysis of the School Division as a Whole (Continued)

### Changes in Net Position

For FY 2022, revenues from governmental activities totaled \$167.9 million. State and federal revenue for operating grants and contributions account for 55.7% of the School Division's resources as compared to 58.1% for FY 2021. This includes state funding for meeting the Standards of Quality and federal impact aid. Revenues from the County totaled \$55.2 million or 32.6% of the total revenues as compared to \$63.7 million or 37.2% for FY 2021. The decrease in County funding is a result of a one-year reduction to the capital projects fund due to uncertain economic conditions from the COVID-19 pandemic.

The total cost of all programs was \$154.4 million in FY 2022. Instruction made up 70.9% of the total costs for the School Division in FY 2022 and 73.5% in FY 2021. The School Division's operations and maintenance activities accounted for 8.0% of total costs for FY 2022 and 7.1% for FY 2021 while administration/attendance and health amounted to 5.5% of total costs for FY 2022 and 4.8% in FY 2021.

For FY 2022, revenues exceeded expenses by a total of \$13.5 million. A substantial portion of the difference in net position results from (1) In FY 2021, the School Division had to implement a one-to-one technology program in order to provide remote instruction throughout the pandemic. This was a significant increase in spending. (2) In FY 2022, the School Division experienced a significant increase in vacant positions across all employee groups resulting in fewer expenses.



## Governmental Activities

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

State funding is provided through a formula that calculates the State share of the cost of education, as determined in the Standards of Quality, including basic aid and categorical funds. Sales tax (Shared Intergovernmental Revenue) revenue totaled \$17.4 million in FY 2022.

Federal funding comes to the School Division from federal grants and impact aid. Impact aid is designed to reimburse school districts for the loss of revenue due to the presence of the federal government. This is an important source of revenue to the School Division since the federal government does not pay property taxes. In FY 2022, the School Division received \$8.5 million in Impact Aid funding, a decrease of \$0.6 million from FY 2021. Impact Aid revenues exceeding \$8.7 million in a fiscal year are transferred to the Revenue Stabilization Reserve Fund for future use. Use of the Revenue Stabilization Funds requires the approval of both the County Board of Supervisors and the School Board.

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

<b>Net Cost of Governmental Activities (in millions)</b>				
	<b>Total Cost of Services 2022</b>	<b>Total Cost of Services 2021</b>	<b>Net Cost of Services 2022</b>	<b>Net Cost of Services 2021</b>
Instruction	\$ 109.5	\$ 122.7	\$ 26.9	\$ 41.6
Administration/attendance and health	8.4	8.0	8.4	8.0
Transportation	8.5	8.4	8.4	8.4
Operations and maintenance	12.3	11.8	11.7	10.9
Technology	9.1	11.7	8.6	11.7
Food service	6.6	4.4	(2.5)	(1.9)
	<u>\$ 154.4</u>	<u>\$ 167.0</u>	<u>\$ 61.5</u>	<u>\$ 78.7</u>

Note: Totals may not add due to rounding.

### Significant Changes in Governmental Activities Include:

- The cost of all governmental activities was \$154.4 million. The significant change can be attributed to the increase in the cost of providing instruction and support, and the cost of implementing a one-to-one tech program in FY21 due to the pandemic. Also, in FY22 there was a significant increase in vacant positions across the division.
- The net cost of governmental activities was \$61.5 million.
- The federal and state governments subsidized certain programs with operating and capital grants and contributions of \$91.8 million.
- Most of the School Division's net cost of services of \$61.5 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 \$4.8 million, or a \$0.1 million decrease from the fund balance reported for FY 2021. The slight decrease in fund balance for the General Fund is a result of the use of operational savings generated primarily from unfilled positions.

The Technology Reserve Fund was established in late FY2020 to support the school division's one-to-one technology program. The reported fund balance at the end of FY2022 was \$ 2.4 million. The priority will be to continue to increase the balance of the Technology Reserve Fund through FY2024, which will be the first major refresh of student devices.

The Capital Projects Fund reported a fund balance at the end of FY 2022 of \$(2.4) million or a \$(5.5) million decrease from the fund balance reported for FY 2021. The negative fund balance in FY2022 was due to the timing of reimbursements from bond proceeds.

The Food Service Fund reported a fund balance of \$5.9 million at the end of FY 2022, representing a \$2.6 million increase from the FY 2021 reported fund balance. This increase was the result of the U.S. Department of Agriculture's decision to cover the cost of all student meals in FY 2021 and FY 2022 due to the COVID-19 pandemic, which led to increased student participation.

The non-major governmental fund represents the Student Activity Funds. FY 2021 was the first year reporting Student Activity Funds. The beginning fund balance of July 1, 2021, as restated, was \$1.5 million and \$1.7 million at June 30, 2022 representing a \$0.2 million increase over FY2021.

### **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 2022, the School Division amended its general fund budget as follows:

- State revenue was decreased by \$311,394 to account for miscellaneous adjustments to state programs.
- Federal revenue was increased by \$717,308 to account for several adjustments in our Title I grant and additional appropriations of federal stimulus funds. Federal stimulus funds will be used to continue to address learning loss, mental health supports, students with disabilities, saving jobs, and technology.
- Most major budget expenditure categories were amended to accommodate changes in programs and services.

The actual results for the year show a net change in fund balance of \$0.1 million. General Fund revenues were \$152.7 million or 0.5% higher in FY 2022 as compared to FY 2021. Federal revenue increased \$0.3 million or 1.8% in FY 2022 as compared to the previous fiscal year. General Fund actual expenditures for FY 2022 were \$13 million less than the final budgeted amount. Significant factors contributing to the variance include:

- Outstanding encumbrances on June 30, 2022, 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 2023.
- 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, 2022, the ending net position of the fund was (\$1.3) million. The actual results for the year show a net change in fund balance of less than \$0.1 million. Charges for services totaled \$22.5 million and payments for contractual services totaled \$22.4 million.

## Capital Assets

At the end of FY 2022, the School Division had \$174.5 million invested in furniture and equipment, land, buildings, and construction-in-progress in governmental-type activities, which represents an increase of \$5.4 or 3.2% over FY 2021. In FY 2021, the school division's capital funding was reduced to \$1.0 due to the pandemic. Capital funding was restored in FY 2022, but only a few major projects were completed. The following table displays FY 2022 and 2021 balances, net of accumulated depreciation. More detailed information about capital assets can be found in Note 5 to the financial statements.

<b>Capital Assets, net of depreciation (in millions)</b>			
	<b>Governmental Activities 2022</b>	<b>Governmental Activities 2021</b>	<b>Total Percentage Change</b>
Land	\$ 4.8	\$ 4.8	0.0%
Construction in progress	20.5	13.1	56.5%
Depreciable capital assets	149.2	151.2	-1.3%
<b>Total</b>	<b>\$ 174.5</b>	<b>\$ 169.1</b>	<b>3.2%</b>

### Major Capital Asset Additions for FY 2022 Included:

- Completed the Bruton High learning commons and School of the Arts bathrooms at a cost of \$779,197
- Completed the Tabb Elementary playground drainage project at a cost of \$266,989
- Completed gym renovations at Queens Lake Middle at a cost of \$267,575
- Completed the security vestibule at Queens Lake Middle at a cost of \$27,000
- Completed gym renovations at Bruton High at a cost of \$206,483
- Replaced the cooling tower at Tabb High at a cost of \$212,277
- Completed the security vestibule for the School Board Office at a cost of \$31,460

### The Following Major Capital Projects are Included in the School Division's FY 2023 Capital Budget:

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

## **Outstanding Long-Term Debt**

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

## **Factors Influencing Future Budgets**

The FY 2023 budget provides the following significant costs and budget reductions:

- In FY2021, the school division lost approximately 700 students due to the COVID-19 pandemic. In FY2022, the Virginia General Assembly held school divisions harmless in funding for the enrollment loss. This funding was eliminated in FY2023. However, due to a strong Virginia economy, the state increased funding for YCSD by more than \$7.4 million for FY2023.
- A top budget priority as noted by staff and administrators is employee compensation. The school division provided a 6.5% raise to all teachers and para-educators and a 5.5% raise for all other employee groups as of July 1, 2022. The school division will provide a \$1,000 bonus to all full-time employees and a \$750 bonus for all part-time employees and long-term substitutes in November 2022. Additionally, the school division is anticipating supplemental funding from the local government effective January 1, 2023, to provide another 1% cost-of-living to all employees.
- Mandated costs for FY2023 include increases to the New Horizons Regional Education Center, an increase in the state minimum wage, and an increase to the health insurance plan.
- As of July 1, 2023, the school division has received more than \$21.5 million in pandemic stimulus funds. More than 50% of the funding has been spent with the primary focus on learning loss, mental health, and special education support. Under the current rules, all stimulus funding will expire in December 2024.
- The school division relies on the local government for funding major capital projects in the Capital Improvements Program (CIP). Since late 2021, we have experienced a 25-35% increase in costs for labor and materials. This has resulted in many project bids exceeding the budget. Continued cost increases will result in projects being postponed or moved out to future years.

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

- On December 15, 2022, the Governor will release his budget amending the FY 2023 and FY 2024 budgets. At the end of FY 2022, the state realized a record surplus. The economy in FY 2023 has remained strong and has exceeded the budget forecast. This could mean that significant funding will be available for K-12 education.
- 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 FY24 during the next Congressional session. There is concern that further reductions to the Impact Aid program will be made, which will limit the school division's ability to support our military-connected students and families.
- The Virginia General Assembly will be considering additional tax cuts for FY 2024. One item of great concern is the elimination of the local tax on groceries. This tax cut was proposed in January 2022 but did not pass. If successful in 2023, localities will lose tax revenue, which could be passed onto school divisions.

## **Contacting the York County School Division's Financial Management**

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

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## ***BASIC FINANCIAL STATEMENTS***



# THE YORK COUNTY SCHOOL DIVISION

## Statement of Net Position Governmental Activities June 30, 2022

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 14,053,756
Receivables:	
Other receivables	67,425
Due from the County of York, Virginia	8,746,300
Due from other governments	6,838,128
Prepaid expenses	591,000
Net Pension asset	2,232,033
Net OPEB asset	3,617,389
Lease receivable	6,514,270
Lease interest receivable	11,925
Capital assets:	
Land	4,824,818
Construction in progress	20,458,535
Buildings, improvements, equipment, and right-of-use assets - net	149,241,114
Total assets	<u>217,196,693</u>
<b>Deferred outflows of resources</b>	
Deferred outflows of resources - pension	25,971,983
Deferred outflows of resources - OPEB	4,311,560
Total deferred outflows of resources	<u>30,283,543</u>
<b>Liabilities</b>	
Vouchers and accounts payable	5,556,522
Deposits payable	53
Retainage payable	374,375
Salaries, taxes, and benefits payable	11,245,525
Unearned revenues	213,285
Long-term liabilities, due within one year	4,240,100
Long-term liabilities, due in more than one year	86,277,124
Total liabilities	<u>107,906,984</u>
<b>Deferred inflows of resources</b>	
Deferred inflows of resources - pension	52,760,396
Deferred inflows of resources - OPEB	3,627,554
Deferred inflows of resources - leases	6,410,824
Total deferred inflows of resources	<u>62,798,774</u>
<b>Net position</b>	
Investment in capital assets	173,153,232
Restricted:	
Food service	5,878,767
School activity funds	1,656,990
OPEB	3,617,389
Pension	2,232,033
Unrestricted (deficit)	(109,763,933)
Total net position	<u>\$ 76,774,478</u>

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, 2022

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>					
Governmental activities:					
Instructional	\$ 109,536,768	\$ 785,028	\$ 81,840,706	\$ -	\$ (26,911,034)
Administrative, attendance, and health services	8,424,075	-	-	-	(8,424,075)
Transportation	8,455,934	-	17,002	-	(8,438,932)
Operations and maintenance	12,305,570	-	593,497	-	(11,712,073)
Technology	9,133,130	-	-	490,811	(8,642,319)
Food services	6,579,597	234,058	8,836,722	-	2,491,183
Total governmental activities	<u>154,435,074</u>	<u>1,019,086</u>	<u>91,287,927</u>	<u>490,811</u>	<u>(61,637,250)</u>
Total Primary Government	<u>\$ 154,435,074</u>	<u>\$ 1,019,086</u>	<u>\$ 91,287,927</u>	<u>\$ 490,811</u>	<u>(61,637,250)</u>
General revenues:					
Payments from the County of York (unrestricted)					55,209,924
Shared intergovernmental revenues (unrestricted)					17,430,188
Investment income (unrestricted)					5,366
Miscellaneous					2,485,981
Total general revenues					<u>75,131,459</u>
Change in net position					13,494,209
Net position - beginning					<u>63,280,269</u>
Net position - ending					<u>\$ 76,774,478</u>

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

**THE YORK COUNTY SCHOOL DIVISION**

**Balance Sheet  
Governmental Funds  
June 30, 2022**

	<b>General</b>	<b>Capital Projects</b>	<b>Technology Reserve</b>	<b>School Food Service</b>	<b>Non-major Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Cash and cash equivalents	\$3,038,123	\$ 210,725	\$ 2,397,302	\$ 5,924,002	\$ 1,656,990	\$ 13,227,142
Other receivables	64,484	-	-	2,941	-	67,425
Due from the County of York, Virginia	8,746,300	-	-	-	-	8,746,300
Due from other governments	6,525,398	-	-	312,730	-	6,838,128
Lease receivable	6,514,270	-	-	-	-	6,514,270
Lease interest receivable	11,925	-	-	-	-	11,925
<b>Total assets</b>	<b>\$24,900,500</b>	<b>\$ 210,725</b>	<b>\$ 2,397,302</b>	<b>\$ 6,239,673</b>	<b>\$ 1,656,990</b>	<b>\$ 35,405,190</b>
<b>Liabilities</b>						
Vouchers and accounts payable	\$ 2,332,154	\$ 2,197,271	\$ -	\$ 254,798	\$ -	\$ 4,784,223
Deposits payable	53	-	-	-	-	53
Retainage payable	-	374,375	-	-	-	374,375
Salaries, taxes, and benefits payable	11,217,528	3,833	-	10,175	-	11,231,536
Unearned revenues	117,352	-	-	95,933	-	213,285
<b>Total liabilities</b>	<b>13,667,087</b>	<b>2,575,479</b>	<b>-</b>	<b>360,906</b>	<b>-</b>	<b>16,603,472</b>
<b>Deferred inflows of resources</b>						
Deferred inflows - leases	\$ 6,410,824	\$ -	\$ -	\$ -	\$ -	\$ 6,410,824
<b>Fund balances:</b>						
Restricted						
Food service	-	-	-	5,878,767	-	5,878,767
School activities	-	-	-	-	1,656,990	1,656,990
Committed	2,797,582	-	-	-	-	2,797,582
Assigned	2,025,007	-	2,397,302	-	-	4,422,309
Unassigned	-	(2,364,754)	-	-	-	(2,364,754)
<b>Total fund balances</b>	<b>4,822,589</b>	<b>(2,364,754)</b>	<b>2,397,302</b>	<b>5,878,767</b>	<b>1,656,990</b>	<b>12,390,894</b>
<b>Total liabilities and fund balances</b>	<b>\$ 24,900,500</b>	<b>\$ 210,725</b>	<b>\$ 2,397,302</b>	<b>\$ 6,239,673</b>	<b>\$ 1,656,990</b>	<b>\$ 35,405,190</b>

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, 2022

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

Total fund balances - governmental funds	\$ 12,390,894
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	174,524,467
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(7,595,340)
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.	(65,339,532)
The net pension asset is not a current financial resource and, therefore, is not reported as an asset in the governmental funds.	2,232,033
The net OPEB asset is not a current financial resource and, therefore, is not reported as an asset in the governmental funds.	3,617,389
The net OPEB liability is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(15,628,352)
Deferred outflows and inflows of resources related to the net pension obligations are not recognized in the funds.	(26,788,413)
Deferred outflows and inflows of resources related to the net OPEB obligations are not recognized in the funds.	684,006
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	<u>(1,322,674)</u>
Net position of governmental activities	<u><u>\$ 76,774,478</u></u>

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, 2022

	General	Capital Projects	Technology Reserve	School Food Service	Non-major Governmental Fund	Total Governmental Funds
<b>Revenues</b>						
Intergovernmental:						
From the County of York, Virginia	\$51,138,071	\$ 3,243,000	\$ -	\$ -	\$ -	\$ 54,381,071
From the Commonwealth of Virginia	81,697,194	-	-	244,404	-	81,941,598
From the federal government	18,064,511	-	-	8,592,318	-	26,656,829
Revenues from use of money and property	833,637	7,006	1,412	1,890	-	843,945
Charges for services	785,028	-	-	234,058	-	1,019,086
Miscellaneous	171,888	-	-	-	2,086,013	2,257,901
Total revenues	<u>152,690,329</u>	<u>3,250,006</u>	<u>1,412</u>	<u>9,072,670</u>	<u>2,086,013</u>	<u>167,100,430</u>
<b>Expenditures</b>						
Current - education:						
Instruction	\$114,725,222	-	961,906	-	1,900,753	117,587,881
Administration, attendance, and health services	8,259,153	-	-	-	-	8,259,153
Public transportation	8,265,182	-	-	-	-	8,265,182
Operations and maintenance	12,954,377	-	-	-	-	12,954,377
Technology	8,500,580	-	2,385,799	-	-	10,886,379
Total education	<u>152,704,514</u>	<u>-</u>	<u>3,347,705</u>	<u>-</u>	<u>1,900,753</u>	<u>157,952,972</u>
Food services	-	-	-	6,530,439	-	6,530,439
Capital outlay	-	8,736,776	-	-	-	8,736,776
Total expenditures	<u>152,704,514</u>	<u>8,736,776</u>	<u>3,347,705</u>	<u>6,530,439</u>	<u>1,900,753</u>	<u>173,220,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,185)</u>	<u>(5,486,770)</u>	<u>(3,346,293)</u>	<u>2,542,231</u>	<u>185,260</u>	<u>(6,119,757)</u>
<b>Other financing sources (uses)</b>						
Other financing sources - leases	-	-	1,874,107	-	-	1,874,107
Transfers in	15,000	-	-	95,100	-	110,100
Transfers out	<u>(95,100)</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(110,100)</u>
Total other financing sources (uses), net	<u>(80,100)</u>	<u>-</u>	<u>1,874,107</u>	<u>80,100</u>	<u>-</u>	<u>1,874,107</u>
Net change in fund balance	(94,285)	(5,486,770)	(1,472,186)	2,622,331	185,260	(4,245,650)
Fund balance - beginning	<u>4,916,874</u>	<u>3,122,016</u>	<u>3,869,488</u>	<u>3,256,436</u>	<u>1,471,730</u>	<u>16,636,544</u>
Fund balance - ending	<u>\$ 4,822,589</u>	<u>\$ (2,364,754)</u>	<u>\$ 2,397,302</u>	<u>\$ 5,878,767</u>	<u>\$ 1,656,990</u>	<u>\$ 12,390,894</u>

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, 2022

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

Net change in fund balances - total governmental funds \$ (4,245,650)

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	\$ 10,278,052	
Depreciation and amortization expense	<u>(6,775,547)</u>	3,502,505

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	(154,656)	
Depreciation of capital asset disposals	<u>141,552</u>	(13,104)

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	81,238	
Pension costs	12,548,629	
OPEB	1,002,963	
Workers' compensation claims	<u>18,559</u>	13,651,389

Principal payments on long-term lease liabilities consume the current financial resources of governmental funds but does not have an effect on net position. 502,872

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.

96,197

Change in net position of governmental activities \$ 13,494,209

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, 2022

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	<b>Internal Service Fund</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 826,614
Prepaid expenses	591,000
Total current assets	<u>1,417,614</u>
 Total assets	 <u>1,417,614</u>
<b>Liabilities</b>	
Current liabilities:	
Vouchers and accounts payable	772,299
Salaries, taxes, and benefits payable	13,989
Claims payable	1,954,000
Total current liabilities	<u>2,740,288</u>
 Total liabilities	 <u>2,740,288</u>
<b>Net position</b>	
Unrestricted	<u><u>\$ (1,322,674)</u></u>

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, 2022

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	<u>Internal Service Fund</u>
<b>Operating revenues</b>	
Charges for services	\$ 22,458,811
<b>Operating expenses</b>	
Insurance payments	<u>22,362,614</u>
Operating loss	<u>96,197</u>
Change in net position	96,197
Net position - beginning	<u>(1,418,871)</u>
Net position - ending	<u><u>\$ (1,322,674)</u></u>

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, 2022

	<u>Internal Service Fund</u>
<b>Cash flows from operating activities</b>	
Received from users	\$ 22,458,811
Payments for services	<u>(22,105,914)</u>
Net cash provided by operating activities	<u>352,897</u>
Net increase in cash	352,897
Cash - beginning	<u>473,717</u>
Cash - ending	<u><u>\$ 826,614</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities</b>	
Operating loss	\$ 96,197
Change in:	
Prepaid expenses	(5,000)
Accounts and vouchers payable	333,211
Salaries, taxes, and benefits payable	(7,511)
Claims payable	<u>(64,000)</u>
Net cash provided by operating activities	<u><u>\$ 352,897</u></u>

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

# THE YORK COUNTY SCHOOL DIVISION

## Statement of Fiduciary Net Position Fiduciary Funds June 30, 2022

---

	Pension Trust Fund
<b>Assets</b>	
Restricted cash	\$ 34,202
Restricted investments:	
Federal agency bonds and notes	83,940
Corporate obligations	217,125
Commercial paper	<u>1,153,561</u>
Total restricted investments	1,454,626
Accrued income	<u>1,791</u>
Total assets	<u>\$ 1,490,619</u>
<b>Net position</b>	
Net position restricted for pensions	<u>\$ 1,490,619</u>

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, 2022

---

	<b>Pension Trust Fund</b>
<b>Additions</b>	
Investment earnings:	
Interest, dividends, and other	\$ 40,850
Other receipts	29,748
Investment income	<u>70,598</u>
 Total additions	 <u>70,598</u>
 <b>Deductions</b>	
Benefit paid to participants or beneficiaries	177,360
Net decrease in the fair value of investments	119,626
Administrative expenses	<u>18,586</u>
 Total deductions	 <u>315,572</u>
 Net change in net position	 (244,974)
 <b>Net position restricted for pensions</b>	
Net position - beginning	<u>1,735,593</u>
 Net position - ending	 <u><u>\$ 1,490,619</u></u>

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

***NOTES TO BASIC FINANCIAL STATEMENTS***

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# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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.

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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

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

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

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

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

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

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

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

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

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

#### ***Basis of Accounting***

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. Fiduciary funds measurement focus is based upon the determination of changes in financial position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The primary revenues susceptible to accrual include intergovernmental revenues. In applying the subject to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

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



# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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 and Cash Equivalents***

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

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

#### ***Receivables and Due from Other Governments***

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

#### ***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.

#### ***Prepays***

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

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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.

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

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### ***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, net difference between projected and actual earnings on plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date.

Deferred inflows of resources represent an acquisition of net 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, OPEB, and leases. Deferred inflows relating to pensions and OPEB consist of the difference between expected and actual experience, changes of assumptions, the net difference between projected and actual earnings on plan investments, and changes in proportion and differences between employer contributions and proportionate share of contributions. Deferred inflows relating to leases consist of lease revenues, which are applicable to a future period, and will not be recognized until the period they become available.

Amounts reported as deferred outflows of resources related to pensions and OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the liability 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.

#### ***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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### ***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.

#### ***Leases***

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

*Lessee* - The School Division is a lessee for a noncancellable lease of a facility. The School Division recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The School Division recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the School Division initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the School Division determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School Division uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School Division generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School Division is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

*Lessor* - The School Division is a lessor for a noncancellable lease of office space and land. The School Division recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the School Division initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Conclude)*

Key estimates and judgments include how the School Division determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The School Division uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The School Division monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### 2. DEPOSITS AND INVESTMENTS

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

#### ***Deposits***

All cash is maintained in accounts collateralized in accordance with the *Virginia Security for Public Deposits Act*, Section 2.2-4400 et seq. or covered by Federal depository insurance. At June 30, 2022, cash and investments of the School Division consisted of:

Bank deposits	\$ 12,218,974
Investments	177,192
Cash and investments with York County Treasurer	12,396,166
Bank deposits - York County School Activity Funds	1,656,990
Petty cash	600
Total cash and investments	<u>\$ 14,053,756</u>

Cash and cash equivalents of the School Division's Pension Trust Fund at June 30, 2022 consisted of:

Restricted cash	\$ 34,202
Investments	1,454,626
	<u>\$ 1,488,828</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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 forms 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 participants. However, these investments should be liquid in order to enable the plan, on short notice, to make distributions of benefits in the event of death, disability, or termination of a plan participant. The Trust Policy establishes the percentage of the portfolio that can be invested in fixed income investments to 40% to 70% and equity investments to 25% to 50%.

#### ***Custodial Credit Risk - Deposits***

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

#### ***Custodial Credit Risk - Investments***

The policy requires that all investment securities purchased by the County be held by an independent third-party custodian and evidenced by safekeeping receipts in the County's name. As of June 30, 2022, all of the County's investments were held in a bank's trust department in the County's name.

#### ***Credit Risk***

As required by State Statute, the Policy requires commercial paper to be rated "prime quality" by at least two nationally recognized, statistical rating organizations and corporate notes and bonds must be rated in the AAA or AA categories by both Standard & Poor's and Moody's Investor Service. The County's Policy further limits credit risk by limiting investments in securities that have higher credit risks.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 2. DEPOSITS AND INVESTMENTS (Continued)

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

As of June 30, 2022, the School Division's investments held by the County Treasurer consisted of \$177,192 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	AA	A	B	Not Rated
Commercial paper	\$ -	\$ 753,516	\$ 136,479	\$ 263,566
U.S. Government bonds	35,104	-	-	48,836
Corporate obligations	24,754	104,705	87,666	-
Total Investments	<u>\$ 59,858</u>	<u>\$ 858,221</u>	<u>\$ 224,145</u>	<u>\$ 312,402</u>

#### Concentration of Credit Risk

State Statute limits the percentage of the portfolio that can be invested in commercial paper of a single issuer to no more than 5%. The County's policy does not set additional credit concentration limits. As of June 30, 2022, the School Division's portfolio held with the County Treasurer had two investments that were 10.32% 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, 2022, 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	<u>\$ 177,192</u>

As of June 30, 2022, 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
Commercial paper	\$ 1,153,561	
U.S. Government bonds	83,940	
Corporate obligations	<u>217,125</u>	3.581 years
Total Investments	<u>\$ 1,454,626</u>	
Weighted Average of Portfolio		0.74

#### 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. All the School Division's investments are valued using quoted market prices (Level 1 inputs).

## THE YORK COUNTY SCHOOL DIVISION

### Notes to Basic Financial Statements June 30, 2022

#### 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, 2022:

	<u>Due From</u>
Due from (to) County	
School Operating Fund	<u>\$ 8,746,300</u>
	<u>\$ 8,746,300</u>
Purpose:	
School Operations	<u>\$ 8,746,300</u>
	<u>\$ 8,746,300</u>
	<u>Intergovernmental</u>
	<u>Revenues</u>
School Operating Fund	<u>\$ 51,138,071</u>
Capital Projects Fund	<u>3,243,000</u>
Intergovernmental Revenues from the County of York	<u>\$ 54,381,071</u>
Purpose:	
School Operations	<u>\$ 54,457,253</u>
Year-End Reversion Entry	<u>(76,182)</u>
	<u>\$ 54,381,071</u>

#### 4. TRANSFERS BETWEEN FUNDS

During the year ended June 30, 2022, \$15,000 was transferred from the School Food Services Fund to the General Fund for the School Food Services Fund's portion of workers' compensation.

Also, during the year ended June 30, 2022, \$95,100 was transferred from the General Fund to the School Food Services Fund for operational support of the Food Services Fund.



# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 5. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
<b>Governmental activities</b>				
Capital assets not depreciated or amortized:				
Land	\$ 4,824,818	\$ -	\$ -	\$ 4,824,818
Construction in progress	13,092,601	9,241,947	1,876,013	20,458,535
<b>Total non-depreciable capital assets</b>	<b>17,917,419</b>	<b>9,241,947</b>	<b>1,876,013</b>	<b>25,283,353</b>
Capital assets depreciated or amortized:				
Buildings	226,756,883	409,348	-	227,166,231
Improvements	14,907,006	1,466,665	-	16,373,671
Machinery and equipment	2,606,403	305,836	86,055	2,826,184
Motor vehicles	15,448,550	730,269	68,601	16,110,218
Right-of-use leased assets	-	1,874,107	-	1,874,107
<b>Total depreciable capital assets</b>	<b>259,718,842</b>	<b>4,786,225</b>	<b>154,656</b>	<b>264,350,411</b>
Less accumulated depreciation and amortization for:				
Buildings	93,575,865	4,362,590	-	97,938,455
Improvements	4,565,678	669,678	-	5,235,356
Machinery and equipment	1,879,048	134,647	72,951	1,940,744
Motor vehicles	8,454,711	1,007,314	68,601	9,393,424
Right-of-use leased assets	-	601,318	-	601,318
<b>Total accumulated depreciation</b>	<b>108,475,302</b>	<b>6,775,547</b>	<b>141,552</b>	<b>115,109,297</b>
<b>Total depreciable capital assets - net</b>	<b>151,243,540</b>	<b>(1,989,322)</b>	<b>13,104</b>	<b>149,241,114</b>
<b>Total governmental activities capital assets - net</b>	<b>\$ 169,160,959</b>	<b>\$ 7,252,625</b>	<b>\$ 1,889,117</b>	<b>\$ 174,524,467</b>

Depreciation and amortization expense was charged to functions as follows:

<b>Governmental activities</b>	
Instruction	\$ 4,867,620
Administration, attendance, and health services	164,922
Pupil transportation	921,021
Operations and maintenance	171,508
Technology	601,318
Food services	49,158
<b>Total governmental activities depreciation and amortization expense</b>	<b>\$ 6,775,547</b>

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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 5. CAPITAL ASSETS (Concluded)

Construction in progress is composed of the following at June 30, 2022:

	<b>Project Authorization</b>	<b>Expended through June 30, 2022</b>	<b>Balance of Authorization</b>	<b>Future Requirements</b>
School projects	\$ 26,584,435	\$ 20,458,535	\$ 6,125,900	\$ -

### 6. LONG-TERM LIABILITIES

A summary of changes in long-term obligations for governmental activities for the year ended June 30, 2022 follows:

	<b>Balance July 1, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2022</b>	<b>Due Within One Year</b>
Compensated absences	\$ 3,507,761	\$ 1,596,398	\$ 1,677,636	\$ 3,426,523	\$ 1,250,000
Net OPEB liability	18,118,045	3,396,078	5,885,771	15,628,352	-
Net pension liability	126,964,717	24,784,774	86,409,959	65,339,532	-
Claims liability	4,834,141	284,856	367,415	4,751,582	2,492,000
Lease liability	-	1,874,107	502,872	1,371,235	498,100
Total long-term liabilities	\$ 153,424,664	\$ 31,936,213	\$ 94,843,653	\$ 90,517,224	\$ 4,240,100

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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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	School Food Services	Non-major Governmental	Governmental Funds
<b>Restricted</b>						
Food Service	\$ -	\$ -	\$ -	\$ 5,878,767	\$ -	\$ 5,878,767
Student activity funds	-	-	-	-	1,656,990	1,656,990
<b>Total Restricted</b>	-	-	-	5,878,767	1,656,990	7,535,757
<b>Committed</b>						
Self-insurance	2,797,582	-	-	-	-	2,797,582
<b>Total Committed</b>	2,797,582	-	-	-	-	2,797,582
<b>Assigned</b>						
Instruction	707,822	-	-	-	-	707,822
Administration	60,478	-	-	-	-	60,478
Transportation	103,591	-	-	-	-	103,591
Operations and maintenance	551,093	-	-	-	-	551,093
Technology	602,023	-	2,397,302	-	-	2,999,325
Capital projects	-	-	-	-	-	-
<b>Total Assigned</b>	2,025,007	-	2,397,302	-	-	4,422,309
<b>Unassigned</b>	-	(2,364,754)	-	-	-	(2,364,754)
<b>Total Fund Balances</b>	\$ 4,822,589	\$ (2,364,754)	\$ 2,397,302	\$ 5,878,767	\$ 1,656,990	\$ 12,390,894

Significant encumbrances of the School Division relate to contractual services for special education and building replacement and maintenance. The School Division had encumbrances of \$2,360,798 for the General Fund, \$2,911,781 for the Capital Projects Fund, \$92,129 for the School Food Services fund, and no encumbrances for the Non-major Governmental Fund.

### 8. LEASES

#### Lessee

The School Division leases certain office space under a non-cancelable operating lease agreement with term ending August 12, 2024. An initial lease liability was recorded in the amount of \$1,874,107 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$1,371,235. The Authority is required to make semi-annual principal and interest payments of \$255,846. The lease has an interest rate of 1.0900%. The value of the right-to-use asset as of the end of the current fiscal year was \$1,874,107 and had accumulated amortization of \$601,318.

A summary of future principal and interest payments under non-cancelable leases as of June 30, 2022 is as follows:

Fiscal Year	Principal	Interest
2023	\$ 498,100	13,593
2024	580,506	7,940
2025	292,629	1,595
	<u>\$ 1,371,235</u>	<u>\$ 23,128</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 8. LEASES (Concluded)

#### ***Lessor***

The School Division leases certain land where radio towers are located with varying terms ranging from 24 to 40 years. The School Division does not own the radio towers but does own the land. The radio towers are located at York Middle School, York High School, and Waller Mill Elementary School. The School Division also leases space in certain schools for before and after school childcare. As of June 30, 2022, the value of the lease receivable for all leases of the School Division is \$6,514,270. The lessee is required to make annual fixed payments ranging from \$8,735 to \$104,818. The leases have interest rates ranging from 0.81% to 2.36%. The value of the deferred inflow of resources as of June 30, 2022 was \$6,410,824, and School Division recognized lease revenue of \$246,116 during the fiscal year.

A summary of future rental receipts under noncancelable leases as of June 30, 2022 is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 207,541	\$ 146,486
2024	234,885	142,830
2025	243,417	138,688
2026	252,204	134,393
2027	170,795	130,200
2028-2032	861,567	593,411
2033-2037	1,072,110	478,777
2038-2042	1,230,520	342,774
2043-2047	1,309,030	189,374
2048-2052	467,140	74,815
2053-2057	270,690	40,583
2058-2061	194,371	7,956
	<u>\$ 6,514,270</u>	<u>\$ 2,420,287</u>

### 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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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
<p><b><u>About Plan 1</u></b> 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.</p>	<p><b><u>About Plan 2</u></b> 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.</p>	<p><b><u>About the Hybrid Plan</u></b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<p><b><u>Eligible Members</u></b> 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.</p> <p><b><u>Hybrid Opt-In Election</u></b> 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.</p>	<p><b><u>Eligible Members</u></b> 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.</p> <p><b><u>Hybrid Opt-In Election</u></b> 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.</p>	<p><b><u>Eligible Members</u></b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• School division employees</li> <li>• 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.</li> </ul>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b><u>Eligible Members</u></b>  <b><u>Hybrid Opt-In Election</u></b>  <i>(continued)</i>            If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>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.</p>	<p><b><u>Eligible Members</u></b>  <b><u>Hybrid Opt-In Election</u></b>  <i>(continued)</i>            The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>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.</p>	<p><b><u>Eligible Members</u></b> <i>(continued)</i>            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.</p>
<p><b><u>Retirement Contributions</u></b>            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.</p>	<p><b><u>Retirement Contributions</u></b>            Same as Plan 1.</p>	<p><b><u>Retirement Contributions</u></b>            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.</p>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b><u>Service Credit</u></b> 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.</p>	<p><b><u>Service Credit</u></b> Same as Plan 1.</p>	<p><b><u>Service Credit</u></b> <u>Defined Benefit Component:</u> 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.</p> <p><u>Defined Contribution Component:</u> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>
<p><b><u>Vesting</u></b> 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.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b><u>Vesting</u></b> Same as Plan 1.</p>	<p><b><u>Vesting</u></b> <u>Defined Benefit Components:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach 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.</p>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p><b><u>Vesting</u></b> (continued)  <u>Defined Contribution Component:</u>            Defined contribution vesting refers to minimum length of service a member needs to be eligible to withdraw employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in contributions they make.</p> <p>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.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distributions not required, except as governed by law.</p>
<p><b><u>Calculating the Benefit</u></b>            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.</p>	<p><b><u>Calculating the Benefit</u></b>            See definition under Plan 1.</p>	<p><b><u>Calculating the Benefit</u></b>  <u>Defined Benefit Component:</u>            See definition under Plan 1.</p> <p><u>Defined Contribution Component:</u>            The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b><u>Average Final Compensation</u></b>            A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b><u>Average Final Compensation</u></b>            A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p><b><u>Average Final Compensation</u></b>            Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>



# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b><u>Service Retirement Multiplier</u></b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for members is 1.70%.</p>	<p><b><u>Service Retirement Multiplier</u></b> 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.</p>	<p><b><u>Service Retirement Multiplier</u></b> <b><u>Defined Benefit Component:</u></b> The retirement multiplier for the defined benefit component is 1.0%.</p> <p>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.</p> <p><b><u>Defined Contribution Component:</u></b> Not applicable.</p>
<p><b><u>Normal Retirement Age</u></b> Age 65.</p>	<p><b><u>Normal Retirement Age</u></b> Normal Social Security retirement age.</p>	<p><b><u>Normal Retirement Age</u></b> <b><u>Defined Benefit Component:</u></b> Same as Plan 2.</p> <p><b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b><u>Earliest Unreduced Retirement Eligibility</u></b> Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p>	<p><b><u>Earliest Unreduced Retirement Eligibility</u></b> Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.</p>	<p><b><u>Earliest Unreduced Retirement Eligibility</u></b> <b><u>Defined Benefit Component:</u></b> Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.</p> <p><b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b><u>Earliest Reduced Retirement Eligibility</u></b> Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p>	<p><b><u>Earliest Reduced Retirement Eligibility</u></b> Age 60 with at least five years (60 months) of service credit.</p>	<p><b><u>Earliest Reduced Retirement Eligibility</u></b> <b><u>Defined Benefit Component:</u></b> Age 60 with at least 5 years (60 months) of service credit.</p> <p><b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b><u>Cost-of-Living Adjustment (COLA) in Retirement</u></b>  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%.</p> <p><b><u>Eligibility:</u></b>  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.</p> <p>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.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b>  The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within 5 years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability.</li> <li>• 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.</li> </ul>	<p><b><u>Cost-of-Living Adjustment (COLA) in Retirement</u></b>  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%.</p> <p><b><u>Eligibility:</u></b>  Same as Plan 1.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b>  Same as Plan 1.</p>	<p><b><u>Cost-of-Living Adjustment (COLA) in Retirement</u></b>  <u>Defined Benefit Component:</u>  Same as Plan 2.</p> <p><u>Defined Contribution Component:</u>  Not applicable.</p> <p><b><u>Eligibility:</u></b>  Same as Plan 1 and Plan 2.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b>  Same as Plan 1 and Plan 2.</p>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b><u>Exceptions to COLA Effective Dates</u></b> <i>(continued)</i></p> <ul style="list-style-type: none"> <li>The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.</li> </ul> <p>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.</p>		
<p><b><u>Disability Coverage</u></b></p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased, or granted.</p>	<p><b><u>Disability Coverage</u></b></p> <p>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.</p>	<p><b><u>Disability Coverage</u></b></p> <p>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.</p> <p>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.</p>
<p><b><u>Purchase of Prior Service</u></b></p> <p>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.</p>	<p><b><u>Purchase of Prior Service</u></b></p> <p>Same as Plan 1.</p>	<p><b><u>Purchase of Prior Service</u></b></p> <p><b><u>Defined Benefit Component:</u></b> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>Hybrid Retirement Plan members are ineligible for ported service.</li> </ul> <p><b><u>Defined Contribution Component:</u></b> Not applicable.</p>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### *Employees Covered by Benefit Terms*

As of the June 30, 2020, 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	241
Inactive Members:	
Vested Inactive Members	39
Nonvested Inactive Members	167
Long-term Disability	1
Inactive Members Active Elsewhere in VRS	55
Total Inactive Members	262
Active Members	265
Total Covered Employees	768

#### *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, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$12,558,998 and \$12,234,048 for the years ended June 30, 2022 and 2021, respectively.

In addition, for the Nonprofessional (non-teacher) employees, the School Division's contractually required employer contribution rate for the year ended June 30, 2022 was 6.27% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$405,782 and \$392,338 for the years ended June 30, 2022 and 2021, respectively.

#### *Net Pension Liability*

At June 30, 2022, the School Division reported a net pension liability of \$65,229,425 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, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Division's proportion was 0.84025% as compared to 0.85723% at June 30, 2020.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

In addition, the School Division's Net Pension Asset for the Nonprofessional (non-teacher) Retirement Plan was measured as of June 30, 2021. The net pension asset is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with U.S. GAAP, less that employer's fiduciary net position. The total pension liability used to calculate the Net Pension Asset was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021. At June 30, 2022, the School Division reported an asset of \$2,232,033 for the Nonprofessional (non-teacher) Retirement Plan.

#### *Pension Expense*

For the year ended June 30, 2022, the School Division recognized pension expense of \$465,399 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, 2022, the School Division recognized pension expense of \$8,325 for the Nonprofessional (non-teacher) Retirement Plan.

#### *Deferred Outflows/Inflows of Resources*

At June 30, 2022, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 5,555,849
Change of assumptions	11,428,025	-
Net difference between projected and actual earnings on pension plan investments	-	41,105,838
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,087,701	2,488,575
Employer contributions subsequent to the measurement date	12,558,998	-
Total	<u>\$ 25,074,724</u>	<u>\$ 49,150,262</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### *Deferred Outflows/Inflows of Resources (concluded)*

Deferred outflows of resources of \$12,558,998 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>Deferred Amounts</b>
2023	\$ (8,764,859)
2024	(7,479,299)
2025	(8,429,250)
2026	(11,967,804)
2027	6,676
Total	<u>\$ (36,634,536)</u>

In addition, at June 30, 2022, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 25,244	\$ -
Changes of assumptions	466,233	-
Net difference between projected and actual earnings on pension plan investments	-	3,406,657
Employer contributions subsequent to the measurement date	405,782	-
Total	<u>\$ 897,259</u>	<u>\$ 3,406,657</u>

Deferred outflows of resources of \$405,782 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>Deferred Amounts</b>
2023	\$ (395,563)
2024	(690,145)
2025	(793,319)
2026	(1,036,153)
Total	<u>\$ (2,915,180)</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### *Actuarial Assumptions*

The total pension liability for the VRS Teacher Retirement Plan and Nonprofessional Retirement Plan (non-teacher) was based on an actuarial valuation as of June 30, 2020, 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, 2020.

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 fair 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 Teachers:

##### Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

##### Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.

##### Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

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

##### Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

##### Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

##### Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

##### Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

##### Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

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

Teachers:

Mortality Rates (pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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

Mortality Rates (pre-retirement, post-retirement healthy and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change



# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### *Long-Term Expected Rate of Return*

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

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS – Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP – Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
Inflation			2.50%
Expected arithmetic nominal return*			7.39%

- \* The above allocation provides a one-year expected return of 7.39%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

#### *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, 2021, 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, 2021, 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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### *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:

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School Division's Proportionate Share of the Net Pension Liability for the VRS Teacher Retirement Plan	<u>\$ 125,889,259</u>	<u>\$ 65,229,425</u>	<u>\$ 15,328,610</u>

In addition, the following presents the School Division's Net Pension Liability (Asset) for the Nonprofessional 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:

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School Division's the Net Pension Liability (Asset) for the Nonprofessional Retirement Plan	<u>\$ 1,313,015</u>	<u>\$ (2,232,033)</u>	<u>\$ (5,194,261)</u>

#### *Changes in Net Pension Liability (Asset) – Nonprofessional (non-teacher) Retirement Plan*

	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balance - July 1, 2020	<u>\$ 27,318,858</u>	<u>\$ 25,318,179</u>	<u>\$ 2,000,679</u>
Changes for the fiscal year:			
Service cost	600,482	-	600,482
Interest	1,799,838	-	1,799,838
Changes of assumptions	845,285	-	845,285
Difference between expected and actual experience	14,692	-	14,692
Contributions - employer	-	351,643	(351,643)
Contributions - employee	-	291,284	(291,284)
Net investment income	-	6,866,691	(6,866,691)
Benefit payments, including refunds of employee contributions	(1,309,188)	(1,309,188)	-
Administrative expense	-	(17,255)	17,255
Other changes	-	646	(646)
Net changes	<u>1,951,109</u>	<u>6,183,821</u>	<u>(4,232,712)</u>
Balance - June 30, 2021	<u>\$ 29,269,967</u>	<u>\$ 31,502,000</u>	<u>\$ (2,232,033)</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### *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 2021 Comprehensive Annual Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2021-annual-report.pdf](http://varetire.org/pdf/publications/2021-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

#### *Pension Plan Data*

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2021-annual-report.pdf](http://varetire.org/pdf/publications/2021-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

#### **York County Public Schools - Optional Plan**

##### ***Plan Description***

###### *Plan Administration*

The York County School Division administers the Optional Plan, a single employer defined benefit pension plan. 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, 2022, Optional Plan membership consisted of the following:

Active Plan Members	5
Retirees and Beneficiaries	58
Number of Vested Terminations	3
	<hr/>
	66
	<hr/>

###### *Benefits Provided*

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

###### *Contributions*

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, 2022, 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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### ***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.

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

	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Cash equivalents	2.30%	0.49%	0.14%
U.S. government securities	5.60%	1.07%	0.34%
Corporate debt instruments	14.60%	1.27%	0.88%
Equity investments	77.50%	4.79%	4.65%
Total	<u>100.00%</u>		<u>6.00%</u>
		Inflation	<u>2.40%</u>

#### ***Rate of Returns***

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was (4.77%). The money-weighted return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### ***Net Pension Liability of the School Division – Optional Plan***

Based on a measurement date of June 30, 2022, the components of the net pension liability of the School Division's Optional Plan at June 30, 2022 were as follows:

	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balance - June 30, 2021	\$ 1,785,718	\$ 1,571,157	\$ 214,561
Changes for the fiscal year:			
Service cost	702	-	702
Interest	118,665	-	118,665
Difference between expected and actual experience	25,735	-	25,735
Changes of assumptions	97,283	-	97,283
Benefit payments	(182,403)	(182,403)	-
Net investment income	-	364,782	(364,782)
Administrative expense	-	(17,943)	17,943
Net Changes	59,982	164,436	(104,454)
Balance - June 30, 2022	\$ 1,845,700	\$ 1,735,593	\$ 110,107

#### ***Actuarial Assumptions***

The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions applied to all periods included in the measurement:

Interest	7.00%
General Inflation	2.40%
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-2021, sex-distinct.

#### ***Discount Rate***

From July 1, 2019 forward, it is assumed the School Division will contribute 100% of the actuarially determined contribution rates. Based on those assumptions the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 7.00%.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

#### *Pension Expense and Deferred Outflows/Inflows of Resources*

At June 30, 2022, for the Optional Plan, the School Division reported deferred outflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 203,477
Total	\$ -	\$ 203,477

The School Division did not make any contributions to the plan during 2022, 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, 2023. Other amounts reported as deferred outflows of resources related to the Optional Plan will be recognized in pension expense as follows:

	<b>Deferred Amounts</b>
2023	\$ 70,632
2024	46,436
2025	34,047
2026	52,362
Total	\$ 203,477

For the year ended June 30, 2022, the School Division recognized pension expense for the Optional Plan of \$82,584.

#### *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:

	<b>1.00% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.00% Increase (8.00%)</b>
Net Pension Liability for the Optional Plan	\$ 237,382	\$ 110,107	\$ (2,586)

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 9. DEFINED BENEFIT PENSION PLANS (Concluded)

#### **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 asset	\$ -	\$ 2,232,033	\$ -	\$ 2,232,033
Net pension liability	\$ 65,229,425	\$ -	\$ 110,107	\$ 65,339,532
Pension expense	\$ 465,399	\$ 8,325	\$ 82,584	\$ 556,308
<i>Deferred outflows of resources:</i>				
Differences between expected and actual experience	\$ -	\$ 25,244	\$ -	\$ 25,244
Changes of assumptions	11,428,025	466,233	-	11,894,258
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,087,701	-	-	1,087,701
Employer contributions subsequent to the measurement date	12,558,998	405,782	-	12,964,780
Total deferred outflows of resources	\$ 25,074,724	\$ 897,259	\$ -	\$ 25,971,983
<i>Deferred inflows of resources:</i>				
Differences between expected and actual experience	\$ 5,555,849	\$ -	\$ -	\$ 5,555,849
Net difference between projected and actual earnings on pension plan investments	41,105,838	3,406,657	203,477	44,715,972
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,488,575	-	-	2,488,575
Total deferred inflows of resources	\$ 49,150,262	\$ 3,406,657	\$ 203,477	\$ 52,760,396

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-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 actuarial assumptions used for the VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The actuarial assumptions are discussed in detail at Note 9.

#### *Long-Term Expected Rate of Return*

The long-term expected rate of return used for the VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The long-term expected rate of return is discussed in detail at Note 9.

#### *Discount Rate*

The discount rate used for the VRS OPEB plans is the same as those used for the actuarial valuations of the VRS pension plans. The discount rate is discussed in detail at Note 9.

#### **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 YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

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

GLIP PLAN PROVISIONS
<p><b>Eligible Employees</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>• City of Richmond</li> <li>• City of Portsmouth</li> <li>• City of Roanoke</li> <li>• City of Norfolk</li> <li>• Roanoke City School Board</li> </ul> <p>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.</p>
<p><b>Benefit Amounts</b></p> <p>The benefits payable under GLIP have several components.</p> <ul style="list-style-type: none"> <li>• <b><u>Natural Death Benefit</u></b> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.</li> <li>• <b><u>Accidental Death Benefit</u></b> – The accidental death benefit is double the natural death benefit.</li> <li>• <b><u>Other Benefit Provisions</u></b> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> <li>○ Accidental dismemberment benefit</li> <li>○ Safety belt benefit</li> <li>○ Repatriation benefit</li> <li>○ Felonious assault benefit</li> <li>○ Accelerated death benefit option</li> </ul> </li> </ul>
<p><b>Reduction in Benefit Amounts</b></p> <p>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.</p>
<p><b>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</b></p> <p>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 \$8,616 as of June 30, 2022.</p>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

#### *Contributions*

The contribution requirements for the GLIP are governed by Section 51.1-506 and Section 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 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$35,511 and \$34,603 for the years ended June 30, 2022 and 2021, respectively. Contribution to GLIP from the School Division for professional employees were \$409,496 and \$398,328 for the years ended June 30, 2022 and 2021, respectively.

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

At June 30, 2022, the School Division reported a liability of \$361,390 for its proportionate share of the Net GLIP OPEB Liability for nonprofessional employees. At June 30, 2022, the School Division reported a liability of \$4,159,709 for its proportionate share of the Net GLIP OPEB Liability for professional employees. The Net GLI OPEB Liability was measured as of June 30, 2021 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, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.03104% as compared to 0.03261% at June 30, 2020 for nonprofessional employees. At June 30, 2021, the participating employer's proportion was 0.35728% as compared to 0.36222% at June 30, 2020 for professional employees.

For the year ended June 30, 2022, the School Division recognized GLIP OPEB expense of \$1,851 for nonprofessional employees. For the year ended June 30, 2022, the School Division recognized GLIP OPEB expense of \$134,025 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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

At June 30, 2022, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 41,218	\$ 2,754
Net difference between projected and actual earnings on OPEB plan investments	-	86,256
Changes of assumptions	19,923	49,446
Changes in proportionate share	-	42,708
Employer contributions subsequent to the measurement date	35,511	-
Total	<u>\$ 96,652</u>	<u>\$ 181,164</u>

\$35,511 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, 2023 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:

	<b>Deferred Amounts</b>
2023	\$ (30,758)
2024	(25,262)
2025	(22,144)
2026	(32,647)
2027	(9,212)
Total	<u>\$ (120,023)</u>

At June 30, 2022, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 474,429	\$ 31,695
Net difference between projected and actual earnings on OPEB plan investments	-	992,833
Changes of assumptions	229,324	569,137
Changes in proportionate share	49,176	139,232
Employer costs subsequent to the measurement date	409,496	-
Total	<u>\$ 1,162,425</u>	<u>\$ 1,732,897</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

\$409,496 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, 2023 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:

	<b>Deferred Amounts</b>
2023	\$ (241,314)
2024	(186,005)
2025	(165,985)
2026	(316,242)
2027	(70,422)
Total	<u>\$ (979,968)</u>

#### *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, 2021, NOL amounts for the GLIP is as follows (amounts expressed in thousands):

	<b>Group Life Insurance OPEB Program</b>
Total GLIP OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	<u>2,413,074</u>
Employer's Net GLIP OPEB Liability	<u>\$ 1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLIP OPEB Liability	67.45%

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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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:

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School Division's Proportionate Share of the GLIP Net OPEB Liability - nonprofessional employees	<u>\$ 528,004</u>	<u>\$ 361,390</u>	<u>\$ 226,842</u>
	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School Division's Proportionate Share of the GLIP Net OPEB Liability - professional employees	<u>\$ 6,077,486</u>	<u>\$ 4,159,709</u>	<u>\$ 2,611,018</u>

#### **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 for professional employees or VRS Political Subdivision Health Insurance Credit Program (HICP). 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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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
<p>The HICP was established July 1, 1993 for retired employees covered under VRS who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"><li>• Full-time permanent salaried employees of public school divisions covered under VRS.</li></ul>
<p><b>Benefit Amounts – Teacher Employee (Professional)</b></p> <p>The Teacher Employee Retiree HICP provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"><li>• <b><u>At Retirement</u></b> – 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.</li><li>• <b><u>Disability Retirement</u></b> – 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:<ul style="list-style-type: none"><li>○ \$4.00 per month, multiplied by twice the amount of service credit, or</li><li>○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.</li></ul></li></ul>
<p><b>Benefit Amounts – Political Subdivision (Nonprofessional)</b></p> <p>The political subdivision's Retiree HICP provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"><li>• <b><u>At Retirement</u></b> – 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.</li><li>• <b><u>Disability Retirement</u></b> – 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.</li></ul>
<p><b>HICP Notes:</b></p> <ul style="list-style-type: none"><li>• The monthly Health Insurance Credit (HIC) benefit cannot exceed the individual premium amount.</li><li>• 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.</li><li>• No HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. (Nonprofessional employees only)</li></ul>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

#### *Employees Covered by Benefit Terms*

As of the June 30, 2020, actuarial valuation, the Nonprofessional employees were covered by the benefit terms of the HIC OPEB plan:

Nonprofessional Employees (non-teacher)	
Inactive Members or Their Beneficiaries Currently Receiving Benefits	43
Active Members	265
Total Covered Employees	<u>308</u>

#### *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, 2022, was 0.66% of covered compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. 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 \$42,714 and \$41,299 for the years ended June 30, 2022 and 2021, 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, 2022 was 1.21% 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, 2020. 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 \$914,343 and \$890,686 for the years ended June 30, 2022 and 2021, 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, 2021. The total Health Insurance Credit OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. At June 30, 2022, the School Division reported a liability of \$423,722 for the HICP Net OPEB Liability.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

For the year ended June 30, 2022, the School Division recognized HICP OPEB expense of \$116,672. At June 30, 2022, 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	\$ 238,968	\$ 7,448
Net difference between projected and actual earnings on OPEB plan investments	-	5,526
Changes of assumptions	9,459	-
Employer contributions subsequent to the measurement date	42,714	-
Total	<u>\$ 291,141</u>	<u>\$ 12,974</u>

\$42,714 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, 2023. 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
2023	\$ 76,494
2024	76,492
2025	76,581
2026	6,189
2027	(303)
Total	<u>\$ 235,453</u>

Professional – At June 30, 2022, the School Division reported a liability of \$10,683,531 for its proportionate share of the HICP Net OPEB Liability. The net HICP OPEB Liability was measured as of June 30, 2021 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, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2020, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Division's proportion of the HICP was 0.83233% as compared to 0.84826% at June 30, 2020.

For the year ended June 30, 2022, the School Division recognized HICP OPEB expense of \$792,423. 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.



# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

At June 30, 2022, 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	\$ -	\$ 186,427
Net difference between projected and actual earnings on OPEB plan investments	-	140,734
Changes of assumptions	288,795	42,936
Changes in proportionate share	90,947	342,584
Employer contributions subsequent to the measurement date	914,343	-
Total	<u>\$ 1,294,085</u>	<u>\$ 712,681</u>

\$914,343 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, 2023. 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
2023	\$ (90,736)
2024	(92,334)
2025	(73,807)
2026	(40,532)
2027	(6,100)
Thereafter	(29,430)
Total	<u>\$ (332,939)</u>

#### 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, 2021, the amounts for the HICP is as follows (amounts expressed in thousands):

	HICP
Total HICP Liability	\$ 1,477,874
Plan Fiduciary Net Position	194,305
Net HICP OPEB Liability	<u>\$ 1,283,569</u>

Plan Fiduciary Net Position as a Percentage of the  
Total HICP Liability

13.15%

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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.

#### *Nonprofessional Changes in Net HIC OPEB Liability*

	<b>Total Pension Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balance - July 1, 2020	\$ 470,512	\$ 34,635	\$ 435,877
Changes for the fiscal year:			
Service cost	11,959	-	11,959
Interest	30,977	-	30,977
Changes of assumptions	5,800	-	5,800
Difference between expected and actual experience	(9,103)	-	(9,103)
Contributions - employer	-	41,300	(41,300)
Net investment income	-	10,673	(10,673)
Benefit payments, including refunds of employee contributions	(23,179)	(23,179)	-
Administrative expense	-	(185)	185
Net changes	16,454	28,609	(12,155)
Balance - June 30, 2021	\$ 486,966	\$ 63,244	\$ 423,722

#### *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:

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School Division's Proportionate Share of HICP Net OPEB Liability - professional employees	\$ 12,026,695	\$ 10,683,531	\$ 9,546,894
	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School Division's HICP Net OPEB Liability - nonprofessional employees	\$ 478,724	\$ 423,722	\$ 376,899

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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
<p><b>Eligible Employees</b></p> <p>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.</p> <p>Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Teachers (professional) – Teachers and other full-time permanent salaried employees of public school division covered under VRS.</li> </ul>
<p><b>Benefit Amounts</b></p> <p>VLDP provides the following benefits for eligible employees:</p> <p><b><u>Short-Term Disability</u></b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.</li> </ul> <p><b><u>Long-Term Disability</u></b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<p><b>VLDP Notes</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.</li> </ul>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 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, 2022 was 0.83% 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, 2019. 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 \$20,783 and \$17,919 for the years ended June 30, 2022 and 2021, 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, 2022 was 0.47% 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, 2019. 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 \$100,189 and \$84,455 for the years ended June 30, 2022 and 2021, respectively.

#### *OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP*

Nonprofessional – At June 30, 2022, the School Division reported an asset of \$5,440 for its proportionate share of the net VLDP OPEB Asset. The net VLDP OPEB Asset was measured as of June 30, 2021 and the total VLDP OPEB Asset used to calculate the net VLDP OPEB Asset was determined by an actuarial valuation as of June 30, 2020, an rolled forward to the measurement date of June 30, 2021. The School Division's proportion of the net VLDP OPEB Asset was based on the School Division's actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Division's proportion of VLDP was 0.53742% as compared to 0.59289% at June 30, 2020.

For the year ended June 30, 2022, the School Division recognized VLDP OPEB expense of \$14,797. 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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

At June 30, 2022, the School Division reported deferred outflows of resources and deferred inflows of resources related to VLDP from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 3,232	\$ 8,150
Net difference between projected and actual earnings on OPEB plan investments	-	3,035
Changes of assumptions	185	1,475
Changes in proportionate share	289	571
Employer contributions subsequent to measurement date	20,783	-
Total	<u>\$ 24,489</u>	<u>\$ 13,231</u>

\$20,783 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, 2023. 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:

	<b>Deferred Amounts</b>
2023	\$ (1,363)
2024	(1,352)
2025	(1,397)
2026	(2,615)
2027	(862)
Thereafter	(1,936)
Total	<u>\$ (9,525)</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Professional – At June 30, 2022, the School Division reported an asset of \$18,799 for its proportionate share of the net VLDP OPEB Asset. The net VLDP OPEB Asset was measured as of June 30, 2021 and the total VLDP OPEB Asset used to calculate the net VLDP OPEB Asset was determined by an actuarial valuation as of June 30, 2020, an rolled forward to the measurement date of June 30, 2021. The School Division's proportion of the net VLDP OPEB Asset was based on the School Division's actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Division's proportion of VLDP was 2.67037% as compared to 2.67889% at June 30, 2020.

For the year ended June 30, 2022, the School Division recognized VLDP OPEB expense of \$63,265. 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.

At June 30, 2022, the School Division reported deferred outflows of resources and deferred inflows of resources related VLDP from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 9,400	\$ 10,447
Net difference between projected and actual earnings on OPEB plan investments	-	14,957
Changes of assumptions	10,204	554
Changes in proportionate share	356	-
Employer contributions subsequent to measurement date	100,189	-
Total	<u>\$ 120,149</u>	<u>\$ 25,958</u>

\$100,189 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, 2023. 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:

	<b>Deferred Amounts</b>
2023	\$ (3,005)
2024	(3,022)
2025	(2,997)
2026	(3,572)
2027	590
Thereafter	6,008
Total	<u>\$ (5,998)</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### *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, 2021, net VLDP OPEB liabilities are as follows (amounts expressed in thousands):

	Political Subdivision Employee VLDP OPEB Plan	Teacher Employee VLDP OPEB Plan
Total VLDP OPEB Liability	\$ 5,156	\$ 4,884
Plan Fiduciary Net Position	6,166	5,590
Net VLDP OPEB Liability (Asset)	<u>\$ (1,010)</u>	<u>\$ (706)</u>
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	119.59%	114.46%

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 asset - nonprofessional employees	<u>\$ 2,914</u>	<u>\$ 5,440</u>	<u>\$ 7,631</u>
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of net VLDP OPEB asset - professional employees	<u>\$ 2,821</u>	<u>\$ 18,799</u>	<u>\$ 32,846</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

#### **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. U.S. GAAP disclosures are reported in the County's Annual Comprehensive Financial Report. The School Division in accordance with this election has joined the Virginia Pooled OPEB Trust Fund (Trust Fund), an irrevocable trust, with the purpose to fund other postemployment benefits. The Trust Fund issues separate financial statements, which can be obtained by requesting a copy from the plan administrator, VML/VACo Finance, 919 E. Main Street, Suite 1100, Richmond, Virginia 23219.

###### ***Benefits Provided***

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.

###### ***Employees Covered by Benefit Terms***

Participants in the School Division's OPEB plan must attain age 55 and have 5 or more years of service with the School Division to be eligible for health benefits upon retirement. Participants must also retire directly from active employment and satisfy one of the VRS retirement eligibility requirements to be eligible for health benefits. VRS retirement eligibility requirements are shown in Note 9. At July 1, 2020, there were 1,498 active employees and 142 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 \$588,407 for the year ended June 30, 2022.

###### ***Net OPEB Liability***

The School Division's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.



# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### *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, 2022.

Valuation Timing	Actuarial valuations for funding purposes are performed biennially as of July 1. The most recent valuation was performed as of July 1, 2020. (The Actuarially Determined Contribution for the fiscal year ending June 30, 2021 was based on the July 1, 2018 valuation.)
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, 2019	Each New Base 30 years
Amortization Growth Rate	3.00%
Asset Valuation Method	Fair 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 Trend 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%.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 2020 capital market assumptions (real returns) and the 2020 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Core Fixed Income	21.00%	0.76%
U.S. Large Caps	26.00%	2.74%
U.S. Small Caps	10.00%	3.08%
Foreign Developed Equity	13.00%	4.16%
Emerging Markets Equity	5.00%	4.70%
Private Real Estate Property	7.00%	3.18%
Private Equity	5.00%	5.19%
Commodities	3.00%	0.68%
Hedge FOF Strategic	10.00%	2.20%
<b>Total</b>	<b>100.00%</b>	

#### *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.

#### *Changes in the Net OPEB Liability (Asset)*

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Asset (a) - (b)</b>
Balance - June 30, 2020	\$ 5,235,681	\$ 10,413,562	\$ (5,177,881)
Changes for the fiscal year:			
Service cost	284,337	-	284,337
Interest on total OPEB liability	347,122	-	347,122
Effect of economic demographic gains or losses	291,650	-	291,650
Effect of assumption changes or inputs	256,189	-	256,189
Benefit payments	(365,094)	(365,094)	-
Employer contributions	-	588,407	(588,407)
Net investment income	-	(982,306)	982,306
Administrative expenses	-	(11,534)	11,534
<b>Net changes</b>	<b>814,204</b>	<b>(770,527)</b>	<b>1,584,731</b>
Balance - June 30, 2021	\$ 6,049,885	\$ 9,643,035	\$ (3,593,150)

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### *Sensitivity of the Net OPEB Asset to Changes in the Discount Rate*

The following presents the net OPEB asset 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-percentage-point higher (7.50%) than the current discount rate:

	<b>1.00% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1.00% Increase (7.50%)</b>
Net OPEB Asset	<u>\$ (3,205,635)</u>	<u>\$ (3,593,150)</u>	<u>\$ (5,514,763)</u>

#### *Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates*

The following presents the net OPEB asset 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 (4.3% decreasing to 2.7%) or 1-percentage-point higher (6.3% decreasing 4.7%) than the current healthcare cost trend rates:

	<b>1.00% Decrease (4.3% decreasing to 2.7%)</b>	<b>Healthcare Cost Trend Rates (5.3% decreasing to 3.7%)</b>	<b>1.00% Increase (6.3% decreasing to 4.7%)</b>
Net OPEB Asset	<u>\$ (4,170,440)</u>	<u>\$ (3,593,150)</u>	<u>\$ (2,932,884)</u>

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

For the year ended June 30, 2022, the School Division recognized OPEB expense of \$(11,909). At June 30, 2022, the School Division reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 342,692	\$ 49,874
Changes of assumptions	609,281	898,775
Net difference between projected and actual earnings on OPEB plan investments	370,646	-
Total	<u>\$ 1,322,619</u>	<u>\$ 948,649</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 10. OTHER POSTEMPLOYMENT BENEFITS (Concluded)

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
2023	\$ 66,837
2024	31,448
2025	(20,846)
2026	348,303
2027	13,774
Thereafter	(65,546)
Total	<u>\$ 373,970</u>

### 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	\$ 4,159,709	\$ 361,390	\$ 10,683,531	\$ 423,722	\$ -	\$ -	\$ -	\$ 15,628,352
Net OPEB asset	\$ -	\$ -	\$ -	\$ -	\$ 18,799	\$ 5,440	\$ 3,593,150	\$ 3,617,389
OPEB expense	\$ 134,025	\$ 1,851	\$ 792,423	\$ 116,672	\$ 63,265	\$ 14,797	\$ (11,909)	\$ 1,111,124
<i>Deferred outflows of resources:</i>								
Differences between expected and actual experience	\$ 474,429	\$ 41,218	\$ -	\$ 238,968	\$ 9,400	\$ 3,232	\$ 342,692	\$ 1,109,939
Net difference between projected and actual earnings on OPEB plan investments	-	-	-	-	-	-	370,646	370,646
Changes of assumptions	229,324	19,923	288,795	9,459	10,204	185	609,281	1,167,171
Changes in proportionate share	49,176	-	90,947	-	356	289	-	140,768
Employer contributions subsequent to the measurement date	409,496	35,511	914,343	42,714	100,189	20,783	-	1,523,036
Total deferred outflows of resources	\$ 1,162,425	\$ 96,652	\$ 1,294,085	\$ 291,141	\$ 120,149	\$ 24,489	\$ 1,322,619	\$ 4,311,560
<i>Deferred inflows of resources:</i>								
Differences between expected and actual experience	\$ 31,695	\$ 2,754	\$ 186,427	\$ 7,448	\$ 10,447	\$ 8,150	\$ 49,874	\$ 296,795
Net difference between projected and actual earnings on OPEB plan investments	992,833	86,256	140,734	5,526	14,957	3,035	-	1,243,341
Changes of assumptions	569,137	49,446	42,936	-	554	1,475	898,775	1,562,323
Changes in proportionate share	139,232	42,708	342,584	-	-	571	-	525,095
Total deferred inflows of resources	\$ 1,732,897	\$ 181,164	\$ 712,681	\$ 12,974	\$ 25,958	\$ 13,231	\$ 948,649	\$ 3,627,554

### 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.

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

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

All unemployment and workers' compensation claims are paid through a third-party administrator through resources from the 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 \$1,954,000 at June 30, 2022 is reasonably estimated and has been included in claims payable in the School Internal Service Fund. School Division's workers' compensation claims liability of \$2,797,582 at June 30, 2022 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, 2021 resulted from the following (all figures are gross amounts):

	<b>2022</b>	<b>2021</b>
Accrued liability/committed fund balance - beginning of year	\$ 4,834,141	\$ 4,658,830
Claims and changes in estimates	284,856	441,807
Claims payment	(367,415)	(266,496)
Accrued liability/committed fund balance - end of year	<u>\$ 4,751,582</u>	<u>\$ 4,834,141</u>

# THE YORK COUNTY SCHOOL DIVISION

## Notes to Basic Financial Statements June 30, 2022

### 12. CONTINGENT LIABILITIES *(Concluded)*

#### ***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.

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***REQUIRED SUPPLEMENTARY INFORMATION***



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# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Revenues - Budget and Actual General Fund Year Ended June 30, 2022 (Unaudited)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Intergovernmental:				
County of York	\$ 56,837,094	\$ 56,837,094	\$51,138,071	\$ (5,699,023)
Commonwealth of Virginia:				
State sales tax	14,535,825	16,453,476	17,430,188	976,712
Basic aid	39,911,192	39,069,075	38,989,586	(79,489)
Salary supplement	2,432,786	2,451,209	2,470,742	19,533
Supplemental support	3,107,348	3,152,807	3,170,832	18,025
Foster home children	19,223	19,835	23,467	3,632
Special education - foster children	27,772	28,543	23,188	(5,355)
Gifted and talented	399,672	402,487	405,713	3,226
Remedial programs	438,101	441,188	444,724	3,536
Remedial summer school	179,752	236,747	236,747	-
Reading intervention	112,192	219,983	219,983	-
Special education - SOQ	4,388,701	4,419,618	4,455,039	35,421
Homebound	17,290	1,680	26,054	24,374
Comprehensive services act	400,000	400,000	512,514	112,514
Free textbooks	826,013	831,833	653,822	(178,011)
Lottery Textbooks	-	-	184,677	184,677
VOC ED - SOQ	292,068	294,125	296,482	2,357
Special education support	620,018	909,108	1,050,318	141,210
Employer share benefits	7,501,527	7,554,373	7,614,918	60,545
Medicaid reimbursement	-	135,000	247,507	-
Project Graduation	17,699	21,202	21,202	-
Other CAT/VOC ED	17,995	33,832	-	(33,832)
Career switcher mentor	-	-	3,450	3,450
At-risk	396,027	382,101	192,848	(189,253)
At-risk lottery	-	-	168,509	168,509
National board certification	50,000	50,000	57,500	7,500
K-3 initiative	163,213	169,515	169,515	-
SOL algebra readiness	68,838	68,913	68,913	-
Tech initiative - previous year	-	-	490,811	490,811
Tech initiative - current	544,000	544,000	-	(544,000)
Pre-school initiative	525,797	248,688	248,688	-
VPI Teacher to Student	-	-	23,685	23,685
VPI At Risk 3 Year Old	-	-	180,003	180,003
Miscellaneous grants	337,548	337,548	-	(337,548)
LEP	273,528	303,278	303,278	-
ISAEP	16,772	16,465	16,465	-
CTE equipment	-	-	23,923	23,923
CTE occupational	-	-	7,823	7,823
Mentor teacher	6,303	6,797	5,846	(951)
K-12 innovation	-	85,000	85,000	-
CTE industry certification	-	-	14,206	14,206
TE workplace readiness	-	-	2,394	2,394
Positive behavior	-	-	31,000	31,000
Security grant	-	-	2,703	2,703
Albuterol	-	1,176	1,176	-
No loss funding	3,986,961	2,148,165	1,116,255	(1,031,910)
PI Provis license	-	-	5,500	5,500
<b>Total from the Commonwealth of Virginia</b>	<b>81,614,161</b>	<b>81,437,767</b>	<b>81,697,194</b>	<b>259,427</b>

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Revenues - Budget and Actual (Continued)

### General Fund

### Year Ended June 30, 2022

(Unaudited)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Federal government:				
Title I	724,867	823,412	949,612	126,200
Title II A	192,058	190,408	185,534	(4,874)
Title III A	40,898	36,938	3,163	(33,775)
Title IV A	54,048	54,048	39,719	(14,329)
Impact aid	8,700,000	8,700,000	8,497,678	(202,322)
DOD - heavily impacted	1,200,000	1,200,000	1,147,208	(52,792)
Medicaid reimbursement	135,000	-	-	-
DOD STEM	356,265	356,265	153,769	(202,496)
CARES Act	-	583,700	-	(583,700)
ESSER-GEER	-	259,472	-	(259,472)
CRRSA - Bus Driver	-	24,544	27,364	2,820
Title VI B	2,467,611	2,346,421	2,075,219	(271,202)
NJROTC	140,000	140,000	132,828	(7,172)
Miscellaneous grants	672,383	892,063	-	(892,063)
ARP - VIB	-	86,591	70,373	(16,218)
CARES Act Assessment	115,991	-	-	-
ARP - Homeless	-	27,365	10,707	(16,658)
CTE Carl Perkins	115,819	114,693	118,414	3,721
CAA	2,321,396	2,318,396	2,011,176	(307,220)
ESSER II - Unfinished Learning	-	2,470,500	1,366,037	(1,104,463)
ESSER II - Extended Year	-	900,000	-	(900,000)
ESSER III - Unfinished Learning	5,213,526	1,461,912	1,162,400	(299,512)
ESSER III - Mentor Teacher	-	-	5,846	5,846
ESSER -GEER	-	-	29,451	29,451
Special education preschool	48,516	48,869	55,518	6,649
ARP-Preschool	-	15,089	22,495	7,406
<b>Total from the federal government</b>	<b>22,498,378</b>	<b>23,050,686</b>	<b>18,064,511</b>	<b>(4,986,175)</b>
Miscellaneous revenues:				
Use of money and property	717,112	717,112	833,637	116,525
Charges for services	961,400	961,400	785,028	(176,372)
Miscellaneous	721,500	721,500	171,888	(549,612)
<b>Total miscellaneous revenues</b>	<b>2,400,012</b>	<b>2,400,012</b>	<b>1,790,553</b>	<b>(609,459)</b>
<b>Total revenues</b>	<b>\$ 163,349,645</b>	<b>\$ 163,725,559</b>	<b>\$ 152,690,329</b>	<b>\$ (11,035,230)</b>

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Expenditures - Budget and Actual General Fund Year Ended June 30, 2022 (Unaudited)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Education</b>				
Instruction:				
Classroom instruction services:				
Regular education	\$ 69,741,561	\$ 68,027,531	\$ 67,597,772	\$ 429,759
Special education	15,432,562	15,432,562	14,632,145	800,417
Vocational education	2,881,771	2,881,771	2,951,596	(69,825)
Gifted and talented	490,085	490,085	419,287	70,798
Other programs	14,072,413	14,454,087	8,441,373	6,012,714
Instructional support - student:				
Guidance	3,926,566	3,926,566	3,747,444	179,122
Social work	528,428	528,428	421,669	106,759
Homebound	79,354	79,354	59,359	19,995
Instructional support - staff:				
Management and staff development	4,334,798	4,434,841	4,431,811	3,030
Media services	2,033,518	2,033,518	1,883,449	150,069
Instructional support - school administration:				
Principals' offices	9,011,936	9,015,236	9,226,876	(211,640)
School carryover	965,583	965,583	912,441	53,142
Total instruction	<u>123,498,575</u>	<u>122,269,562</u>	<u>114,725,222</u>	<u>7,544,340</u>
Administration, attendance, and health services:				
Board services	135,741	135,741	137,648	(1,907)
Executive services	722,013	722,013	742,774	(20,761)
Communication services	582,842	690,342	653,392	36,950
Human resources	1,283,397	1,320,897	1,008,351	312,546
Fiscal services	1,299,338	1,204,338	1,365,438	(161,100)
Health services	2,139,336	2,139,336	2,175,652	(36,316)
Psychological services	1,343,863	1,343,863	1,139,006	204,857
Speech and audiology services	1,042,955	1,042,955	1,049,939	(6,984)
School carryover	4,521	4,521	(13,047)	17,568
Total administration, attendance, and health services	<u>8,554,006</u>	<u>8,604,006</u>	<u>8,259,153</u>	<u>344,853</u>

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Expenditures - Budget and Actual (Continued)

### General Fund

Year Ended June 30, 2022

(Unaudited)

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Education</b>				
Operating costs:				
Pupil transportation:				
Vehicle operation services	7,227,984	7,280,849	6,800,227	480,622
Vehicle maintenance services	1,637,767	1,637,767	1,476,771	160,996
School carryover	28,172	28,172	(11,816)	39,988
Total pupil transportation	<u>8,893,923</u>	<u>8,946,788</u>	<u>8,265,182</u>	<u>681,606</u>
Operations and maintenance:				
Management and direction	241,166	491,166	248,339	242,827
Building services	9,721,093	10,392,018	10,017,354	374,664
Grounds services	1,206,600	1,206,600	1,206,600	-
Vehicle services	432,710	640,132	343,762	296,370
Warehouse and distribution services	375,320	675,320	337,960	337,360
School carryover	925,252	925,252	800,362	124,890
Total operations and maintenance	<u>12,902,141</u>	<u>14,330,488</u>	<u>12,954,377</u>	<u>1,376,111</u>
Total operating costs	<u>21,796,064</u>	<u>23,277,276</u>	<u>21,219,559</u>	<u>2,057,717</u>
Technology:				
Classroom instruction	5,067,586	5,007,586	2,525,580	2,482,006
Instructional support	2,903,030	2,874,530	2,553,203	321,327
Administration	1,200,841	1,200,841	1,140,120	60,721
Operations and maintenance	1,909,253	2,104,593	1,868,654	235,939
Other programs - grants	115,818	114,693	98,543	16,150
School carryover	390,053	390,053	314,480	75,573
Total technology	<u>11,586,581</u>	<u>11,692,296</u>	<u>8,500,580</u>	<u>3,191,716</u>
<b>Total expenditures</b>	<u>\$ 165,435,226</u>	<u>\$ 165,843,140</u>	<u>\$ 152,704,514</u>	<u>\$ 13,138,626</u>

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Revenues and Expenditures - Budget and Actual Technology Reserve Fund Year Ended June 30, 2022

	Technology Reserve Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Revenue from the use of money	\$ 5,000	\$ 5,000	\$ 1,412	\$ (3,588)
Charges for services	1,271,000	1,271,000	-	(1,271,000)
Miscellaneous	1,632,000	1,632,000	-	(1,632,000)
Total revenues	<u>\$ 2,908,000</u>	<u>\$ 2,908,000</u>	<u>\$ 1,412</u>	<u>\$ (2,906,588)</u>
<b>Expenditures</b>				
Instruction	\$ 2,398,167	\$ 2,909,860	\$ 961,906	\$ 1,947,954
Lease payments	511,693	511,693	2,385,799	(1,874,106)
Total expenditures	<u>\$ 2,909,860</u>	<u>\$ 3,421,553</u>	<u>\$ 3,347,705</u>	<u>\$ 73,848</u>

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Revenues and Expenditures - Budget and Actual School Food Service Fund Year Ended June 30, 2022

	School Food Service Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Intergovernmental:				
From the Commonwealth of Virginia	\$ 84,998	\$ 206,320	\$ 244,404	\$ 38,084
From the federal government	1,800,000	7,170,000	8,592,318	1,422,318
Revenue from the use of money	10,000	5,000	1,890	(3,110)
Charges for services	2,400,000	185,000	234,058	49,058
Total revenues	<u>\$ 4,294,998</u>	<u>\$ 7,566,320</u>	<u>\$ 9,072,670</u>	<u>\$ 1,506,350</u>
<b>Expenditures</b>				
Food Services:				
Contractual services and purchases for resale	\$ 3,185,246	\$ 6,258,725	\$ 5,250,714	\$ 1,008,011
Donated commodities	325,941	384,140	523,760	(139,620)
Salaries and wages	392,854	392,854	247,657	145,197
Fringe benefits	295,957	295,957	127,494	168,463
Equipment replacement	70,000	575,000	380,814	194,186
Employee development	5,000	5,000	-	5,000
Travel	5,000	5,000	-	5,000
Total expenditures	<u>\$ 4,279,998</u>	<u>\$ 7,916,676</u>	<u>\$ 6,530,439</u>	<u>\$ 1,386,237</u>

**THE YORK COUNTY SCHOOL DIVISION**

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

	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>								
Service cost	\$ 600,482	\$ 612,876	\$ 601,823	\$ 601,022	\$ 639,053	\$ 645,253	\$ 657,682	\$ 651,659
Interest	1,799,838	1,716,651	1,652,635	1,586,058	1,511,907	1,434,468	1,340,262	1,257,618
Benefit payments	(1,309,188)	(1,245,823)	(1,143,487)	(968,357)	(883,431)	(836,736)	(756,608)	(700,700)
Changes of assumptions	845,285	-	706,288	-	(186,884)	-	-	-
Difference between expected and actual	14,692	180,378	56,704	(180,060)	21,121	(113,364)	144,530	-
Net change in total pension liability	1,951,109	1,264,082	1,873,963	1,038,663	1,101,766	1,129,621	1,385,866	1,208,577
Total pension liability - beginning	27,318,858	26,054,776	24,180,813	23,142,150	22,040,384	20,910,763	19,524,897	18,316,320
Total pension liability - ending	<u>\$ 29,269,967</u>	<u>\$ 27,318,858</u>	<u>\$ 26,054,776</u>	<u>\$ 24,180,813</u>	<u>\$ 23,142,150</u>	<u>\$ 22,040,384</u>	<u>\$ 20,910,763</u>	<u>\$ 19,524,897</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 351,643	\$ 322,379	\$ 326,377	\$ 354,063	\$ 361,828	\$ 487,737	\$ 474,730	\$ 540,694
Contributions - employee	291,284	308,119	305,891	303,951	309,049	310,891	303,379	300,981
Net investment income	6,866,691	483,529	1,615,700	1,696,743	2,525,399	361,926	896,825	2,649,679
Benefit payments	(1,309,188)	(1,245,823)	(1,143,487)	(968,357)	(883,431)	(836,736)	(756,608)	(700,700)
Administrative expenses	(17,255)	(16,631)	(16,095)	(14,629)	(14,499)	(12,543)	(12,064)	(14,022)
Other changes	646	(571)	(1,017)	(1,513)	(2,249)	(151)	(188)	139
Net change in plan fiduciary net position	6,183,821	(148,998)	1,087,369	1,370,258	2,296,097	311,124	906,074	2,776,771
Plan fiduciary net position - beginning	25,318,179	25,467,177	24,379,808	23,009,550	20,713,453	20,402,329	19,496,255	16,719,484
Plan fiduciary net position - ending	<u>\$ 31,502,000</u>	<u>\$ 25,318,179</u>	<u>\$ 25,467,177</u>	<u>\$ 24,379,808</u>	<u>\$ 23,009,550</u>	<u>\$ 20,713,453</u>	<u>\$ 20,402,329</u>	<u>\$ 19,496,255</u>
Net pension liability (asset)	<u>\$ (2,232,033)</u>	<u>\$ 2,000,679</u>	<u>\$ 587,599</u>	<u>\$ (198,995)</u>	<u>\$ 132,600</u>	<u>\$ 1,326,931</u>	<u>\$ 508,434</u>	<u>\$ 28,642</u>
Plan fiduciary net position as a percentage of total pension liability (asset)	<u>107.63%</u>	<u>92.68%</u>	<u>97.74%</u>	<u>100.82%</u>	<u>99.43%</u>	<u>93.98%</u>	<u>97.57%</u>	<u>99.85%</u>
Covered payroll	<u>\$ 6,257,392</u>	<u>\$ 6,598,388</u>	<u>\$ 6,466,346</u>	<u>\$ 6,347,608</u>	<u>\$ 6,373,699</u>	<u>\$ 6,361,525</u>	<u>\$ 6,167,447</u>	<u>\$ 6,035,633</u>
Net pension liability (asset) as a percentage of covered payroll	<u>-35.67%</u>	<u>30.32%</u>	<u>9.09%</u>	<u>-3.13%</u>	<u>2.08%</u>	<u>20.86%</u>	<u>8.24%</u>	<u>0.47%</u>

Schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, only seven 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)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>								
Service cost	\$ 702	\$ 646	\$ 1,138	\$ 1,206	\$ 1,385	\$ 1,834	\$ 1,731	\$ 2,224
Interest	118,665	115,237	117,944	120,762	127,986	132,210	120,051	124,341
Benefit payments	(182,403)	(179,529)	(206,332)	(189,804)	(197,602)	(194,429)	(164,908)	(193,616)
Changes of assumptions	97,283	79,355	(4,898)	(11,814)	(36,292)	-	157,315	-
Difference between expected and actual	25,735	34,647	40,567	47,716	(2,386)	2,076	74,161	-
Net change in total pension liability	59,982	50,356	(51,581)	(31,934)	(106,909)	(58,309)	188,350	(67,051)
Total pension liability - beginning	1,785,718	1,735,362	1,786,943	1,818,877	1,925,786	1,984,095	1,795,745	1,862,796
Total pension liability - ending	<u>\$ 1,845,700</u>	<u>\$ 1,785,718</u>	<u>\$ 1,735,362</u>	<u>\$ 1,786,943</u>	<u>\$ 1,818,877</u>	<u>\$ 1,925,786</u>	<u>\$ 1,984,095</u>	<u>\$ 1,795,745</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 10,000	\$ -	\$ 290,495
Net investment income	364,782	23,675	179,448	237,109	142,975	89,571	20,333	-
Benefit payments	(182,403)	(179,529)	(206,332)	(189,804)	(197,602)	(194,429)	(164,908)	(177,455)
Administrative expenses	(17,943)	(18,397)	(19,034)	(19,484)	(19,782)	(21,276)	(21,515)	(22,106)
Net change in plan fiduciary net position	164,436	(174,251)	(45,918)	27,821	(54,409)	(116,134)	(166,090)	90,934
Plan fiduciary net position - beginning	1,571,157	1,745,408	1,791,326	1,763,505	1,817,914	1,934,048	2,100,138	2,009,204
Plan fiduciary net position - ending	<u>\$ 1,735,593</u>	<u>\$ 1,571,157</u>	<u>\$ 1,745,408</u>	<u>\$ 1,791,326</u>	<u>\$ 1,763,505</u>	<u>\$ 1,817,914</u>	<u>\$ 1,934,048</u>	<u>\$ 2,100,138</u>
Net pension liability (asset)	<u>\$ 110,107</u>	<u>\$ 214,561</u>	<u>\$ (10,046)</u>	<u>\$ (4,383)</u>	<u>\$ 55,372</u>	<u>\$ 107,872</u>	<u>\$ 50,047</u>	<u>\$ (304,393)</u>
Plan fiduciary net position as a percentage of total pension liability (asset)	<u>94.03%</u>	<u>87.98%</u>	<u>100.58%</u>	<u>100.25%</u>	<u>96.96%</u>	<u>94.40%</u>	<u>97.48%</u>	<u>116.95%</u>
Covered employee payroll	<u>\$ 320,207</u>	<u>\$ 334,285</u>	<u>\$ 315,384</u>	<u>\$ 393,083</u>	<u>\$ 416,038</u>	<u>\$ 490,949</u>	<u>\$ 540,694</u>	<u>\$ 605,577</u>
Net pension liability (asset) as a percentage of covered employee payroll	<u>34.39%</u>	<u>64.19%</u>	<u>-3.19%</u>	<u>-1.12%</u>	<u>13.31%</u>	<u>21.97%</u>	<u>9.26%</u>	<u>-50.26%</u>

Schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, only seven 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

Years Ended June 30,  
(Unaudited)

	(a)	(b)	(c)	(d)	(e)
	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the NPL as a % of its Covered Employee Payroll b / c	Plan Fiduciary Net Position as a % of the Total Pension Liability
Date					
<b>Professional Employees</b>					
June 30, 2022	0.84025%	\$ 65,229,425	\$ 73,610,398	88.61%	85.46%
June 30, 2021	0.85723%	124,749,477	74,340,993	167.81%	71.47%
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 2022 is the eighth year for this presentation, only seven 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

**Years Ended June 30,**  
(Unaudited)

	(a)	(b)	(c)	(d)	(e)
	Contractually Required Contributions	Contribution in Relation to Contractually Required Contributions	Contribution Deficiency (Excess) (a) - (b)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll (b) / (d)
Date					
June 30, 2022	\$ 12,558,998	\$ 12,558,998	\$ -	\$ 75,656,571	16.60%
June 30, 2021	12,234,048	12,234,048	-	73,610,398	16.62%
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%

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Employer Contributions - Nonprofessional Employees

**Years Ended June 30,**  
(Unaudited)

	(a)	(b)	(c)	(d)	(e)
	Contractually Required Contributions	Contribution in Relation to Contractually Required Contributions	Contribution Deficiency (Excess) (a) - (b)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll (b) / (d)
Date					
June 30, 2022	\$ 405,782	\$ 405,782	\$ -	\$ 6,471,798	6.27%
June 30, 2021	392,338	392,338	-	6,257,392	6.27%
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%

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Employer Contributions - Optional Plan

Years Ended June 30,  
(Unaudited)

	(a)	(b)	(c)	(d)	(e)
	Contractually Required Contributions	Contribution in Relation to Contractually Required Contributions	Contribution Deficiency (Excess) (a) - (b)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll (b) / (d)
Date					
June 30, 2022	\$ -	\$ -	\$ -	\$ 336,359	0.00%
June 30, 2021	19,821	-	19,821	320,207	0.00%
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 2022 is the eighth year for this presentation, only seven 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, 2022**

(Unaudited)

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<u>Date</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
June 30, 2022	(4.77%)
June 30, 2021	24.69%
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 2022 is the eighth year for this presentation, only seven 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)

	2022	2021	2020	2019	2018
Employer's proportion of the Net GLI OPEB Liability	0.03104%	0.03261%	0.03328%	0.03399%	0.03505%
Employer's proportionate share of the net GLI OPEB Liability	\$ 361,390	\$ 544,207	\$ 541,554	\$ 516,000	\$ 527,000
Employer's covered payroll	\$ 6,407,980	\$ 6,710,645	\$ 6,524,499	\$ 6,464,042	\$ 6,465,629
Employer's proportionate share of the net GLI OPEB Liability as a percentage of its covered payroll	5.64%	8.11%	8.30%	7.98%	8.15%
Plan Fiduciary Net Position as a percentage of the total GLI OPEB Liability	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2022 is the fifth year for this presentation, only four additional years of data are available. However, additional years will be included as they become available.

Per GAAP, net 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)

	2022	2021	2020	2019	2018
Employer's proportion of the Net GLI OPEB Liability	0.35728%	0.36222%	0.36358%	0.35768%	0.36412%
Employer's proportionate share of the net GLI OPEB Liability	\$ 4,159,709	\$ 6,044,858	\$ 5,916,415	\$ 5,432,000	\$ 5,479,000
Employer's covered payroll	\$ 73,764,438	\$ 74,545,554	\$ 71,274,389	\$ 68,011,166	\$ 67,163,557
Employer's proportionate share of the net GLI OPEB Liability as a percentage of its covered payroll	5.64%	8.11%	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a percentage of the total GLI OPEB Liability	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2022 is the fifth year for this presentation, only four additional years of data are available. However, additional years will be included as they become available.

Per GAAP, net 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)

	2022	2021	2020	2019	2018
Employer's proportion of the Net HIC OPEB Liability	0.83233%	0.84826%	0.84659%	0.83687%	0.84856%
Employer's proportionate share of the net HIC OPEB Liability	\$ 10,683,531	\$ 11,065,692	\$ 11,082,687	\$ 10,626,000	\$ 10,765,000
Employer's covered payroll	\$ 73,610,398	\$ 74,364,656	\$ 71,009,117	\$ 67,680,531	\$ 66,968,466
Employer's proportionate share of the net HIC OPEB Liability as a percentage of its covered payroll	14.51%	14.88%	15.61%	15.70%	16.07%
Plan Fiduciary Net Position as a percentage of the total HIC OPEB Liability	13.15%	9.95%	8.97%	8.08%	7.04%

Schedule is intended to show information for 10 years. Since 2022 is the fifth year for this presentation, only four additional years of data are available. However, additional years will be included as they become available.

Per GAAP, net 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)**

	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Total HIC OPEB Liability</b>			
Service cost	\$ 11,959	\$ 11,482	\$ 11,130
Interest	30,977	21,325	(540)
Benefit changes	-	7,946	-
Difference between expected and actual	(9,103)	124,238	321,805
Changes of assumptions	5,800	-	9,367
Benefit payments	<u>(23,179)</u>	<u>(20,815)</u>	<u>(15,426)</u>
Net change in total pension liability	16,454	144,176	326,336
Total pension liability - beginning	<u>470,512</u>	<u>326,336</u>	<u>-</u>
Total pension liability - ending	<u><u>\$ 486,966</u></u>	<u><u>\$ 470,512</u></u>	<u><u>\$ 326,336</u></u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 41,300	\$ 35,120	\$ 34,311
Net investment income	10,673	431	1,107
Benefit payments	(23,179)	(20,815)	(15,426)
Administrative expenses	(185)	(64)	(28)
Other changes	<u>-</u>	<u>-</u>	<u>(1)</u>
Net change in plan fiduciary net position	28,609	14,672	19,963
Plan fiduciary net position - beginning	<u>34,635</u>	<u>19,963</u>	<u>-</u>
Plan fiduciary net position - ending	<u><u>\$ 63,244</u></u>	<u><u>\$ 34,635</u></u>	<u><u>\$ 19,963</u></u>
Net OPEB liability	<u><u>\$ 423,722</u></u>	<u><u>\$ 435,877</u></u>	<u><u>\$ 306,373</u></u>
Plan fiduciary net position as a percentage of total OPEB liability	<u><u>12.99%</u></u>	<u><u>7.36%</u></u>	<u><u>6.12%</u></u>
Covered payroll	<u><u>\$ 6,257,392</u></u>	<u><u>\$ 6,473,737</u></u>	<u><u>\$ 6,473,737</u></u>
Net OPEB liability as a percentage of covered payroll	<u><u>6.77%</u></u>	<u><u>6.73%</u></u>	<u><u>4.73%</u></u>

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 three years 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)

	2022	2021	2020	2019	2018
Employer's proportion of the Net VLDP OPEB Liability	0.053742%	0.59289%	0.56622%	0.55393%	0.58111%
Employer's proportionate share of the net VLDP OPEB Liability	\$ (5,440)	\$ 5,919	\$ 11,471	\$ 4,000	\$ 3,000
Employer's covered payroll	\$ 2,158,928	\$ 2,209,330	\$ 1,749,657	\$ 1,344,986	\$ 1,067,079
Employer's proportionate share of the net VLDP OPEB Liability as a percentage of its covered payroll	-0.25%	0.27%	0.66%	0.30%	0.28%
Plan Fiduciary Net Position as a percentage of the total VLDP OPEB Liability	119.64%	76.88%	49.21%	51.39%	38.40%

Schedule is intended to show information for 10 years. Since 2022 is the fifth year for this presentation, only four additional years of data are available. However, additional years will be included as they become available.

Per GAAP, net 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)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer's proportion of the Net VLDP OPEB Liability	2.67037%	2.67889%	2.60420%	2.70217%
Employer's proportionate share of the net VLDP OPEB Liability	\$ (18,799)	\$ 21,492	\$ 15,140	\$ 21,000
Employer's covered payroll	\$ 17,969,082	\$ 15,845,658	\$ 12,487,933	\$ 10,075,546
Employer's proportionate share of the net VLDP OPEB Liability as a percentage of its covered payroll	-0.10%	0.14%	0.12%	0.21%
Plan Fiduciary Net Position as a percentage of the total VLDP OPEB Liability	114.41%	78.25%	74.07%	46.18%

Schedule is intended to show information for 10 years. Since 2022 is the fifth year for this presentation, only four additional years of data are available. However, additional years will be included as they become available.

Per GAAP, net 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)

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

Schedule is intended to show information for 10 years. Since 2021 is the fifth year for this presentation, only four additional years of data are available. However, additional years will be included as they become available.

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Employer Contributions Group Life Insurance Program - Nonprofessional Employees Years Ended June 30, (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, 2022	\$ 35,511	\$ 35,511	\$ -	\$ 6,576,091	0.54%
June 30, 2021	34,603	34,603	-	6,407,980	0.54%
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%

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Employer Contributions Group Life Insurance Program - Professional Employees Years Ended June 30, (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, 2022	\$ 409,496	\$ 409,496	\$ -	\$ 75,832,600	0.54%
June 30, 2021	398,328	398,328	-	73,764,438	0.54%
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%

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Employer Contributions Health Insurance Credit Program - Professional Employees Years Ended June 30, (Unaudited)

	(a)	(b)	(c)	(d)	(e)
	Contractually Required Contributions	Contribution in Relation to Contractually Required Contributions	Contribution Deficiency (Excess) (a) - (b)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll (b) / (d)
Date					
June 30, 2022	\$ 914,343	\$ 914,343	\$ -	\$ 75,565,571	1.21%
June 30, 2021	890,686	890,686	-	73,610,398	1.21%
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%

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change



# THE YORK COUNTY SCHOOL DIVISION

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

	(a)	(b)	(c)	(d)	(e)
	Contractually Required Contributions	Contribution in Relation to Contractually Required Contributions	Contribution Deficiency (Excess) (a) - (b)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll (b) / (d)
Date					
June 30, 2022	\$ 42,714	\$ 42,714	\$ -	\$ 6,471,798	0.66%
June 30, 2021	41,299	41,299	-	6,257,392	0.66%
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 three 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, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

# THE YORK COUNTY SCHOOL DIVISION

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

	(a)	(b)	(c)	(d)	(e)
	Contractually Required Contributions	Contribution in Relation to Contractually Required Contributions	Contribution Deficiency (Excess) (a) - (b)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll (b) / (d)
Date					
June 30, 2022	\$ 20,783	\$ 20,783	\$ -	\$ 2,503,941	0.83%
June 30, 2021	17,919	17,919	-	2,158,928	0.83%
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 nine 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, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Employer Contributions Virginia Local Disability Program - Professional Employees Years Ended June 30, (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, 2022	\$ 100,189	\$ 100,189	\$ -	\$ 21,316,819	0.47%
June 30, 2021	84,455	84,455	-	17,969,082	0.47%
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 nine 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, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

# THE YORK COUNTY SCHOOL DIVISION

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

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

### Notes to Schedule

#### Valuation Timing:

Actuarial valuations for funding purposes are performed biennially as of July 1. The most recent valuation was performed as of July 1, 2021. (The Actuarially Determined Contribution for the fiscal year ending June 30, 2022 was based on the July 1, 2020 valuation.)

#### 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	Fair 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 2022 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**

## **Notes to Required Supplementary Information June 30, 2022 (Unaudited)**

### **1. BUDGETARY DATA**

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

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

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

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

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

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

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

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

# **THE YORK COUNTY SCHOOL DIVISION**

## **Notes to Required Supplementary Information June 30, 2022 (Unaudited)**

### **2. LEGALLY ADOPTED BUDGETS**

The general and capital projects funds have legally adopted annual budgets. Also, all special revenue funds, except for the School Activity 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, 2022

	Capital Projects Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Intergovernmental:				
From the County of York	\$ 1,243,000	\$ 3,243,000	\$ 3,243,000	\$ -
Revenue from the use of money	10,160,920	10,160,920	7,006	(10,153,914)
Total revenues	<u>\$ 11,403,920</u>	<u>\$ 13,403,920</u>	<u>\$ 3,250,006</u>	<u>\$ (10,153,914)</u>
<b>Expenditures</b>				
Capital outlay	\$ 14,525,936	\$ 19,065,936	\$ 8,736,776	\$ 10,329,160
Total expenditures	<u>\$ 14,525,936</u>	<u>\$ 19,065,936</u>	<u>\$ 8,736,776</u>	<u>\$ 10,329,160</u>

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## ***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:

#### Financial Trends (pages 127 - 134)

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

#### Revenue Capacity (pages 135 - 139)

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.

#### Debt Capacity (pages 140 - 141)

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.

#### Demographic and Economic Information (pages 142 - 144)

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.

#### Operating Information (pages 145 - 147)

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)

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	2022	2021	2020**	2019	2018
<b>Governmental activities</b>					
Net investment in capital assets	\$ 173,153,232	\$ 169,160,959	\$ 170,595,181	\$ 156,943,622	\$ 152,110,815
Restricted	13,385,179	9,906,047	4,736,677	1,185,624	1,071,325
Unrestricted	(109,763,933)	(115,786,737)	(116,247,782)	(103,580,890)	(106,942,035)
<b>Total Primary Government net position</b>	<u>\$ 76,774,478</u>	<u>\$ 63,280,269</u>	<u>\$ 59,084,076</u>	<u>\$ 54,548,356</u>	<u>\$ 46,240,105</u>

\*\* As restated, for GASB 84 implementation.

# THE YORK COUNTY SCHOOL DIVISION

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

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	2017**	2016	2015*	2014	2013
<b>Governmental activities</b>					
Net investment in capital assets	\$ 146,987,819	\$ 141,610,738	\$ 137,691,072	\$ 134,132,537	\$ 132,539,275
Restricted	1,191,119	918,597	686,016	458,168	3,935,417
Unrestricted	(110,957,989)	(89,536,482)	(101,213,135)	(73,724)	2,318,089
<b>Total Primary Government net position</b>	<u>\$ 37,220,949</u>	<u>\$ 52,992,853</u>	<u>\$ 37,163,953</u>	<u>\$ 134,516,981</u>	<u>\$ 138,792,781</u>

\*\* As restated, for GASB 75 implementation.

\* As restated, for GASB 68 implementation.

# THE YORK COUNTY SCHOOL DIVISION

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

	2022	2021	2020	2019	2018
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 109,536,768	\$ 123,840,382	\$ 115,941,528	\$ 103,903,971	\$ 97,463,764
Administrative, attendance, and health services	8,424,075	7,966,469	7,628,619	7,207,151	6,646,762
Transportation	8,455,934	8,399,926	8,224,005	8,113,924	7,064,721
Operations maintenance	12,305,570	11,822,890	11,606,603	12,376,319	12,017,480
Technology	9,133,130	11,682,803	10,593,856	9,937,410	11,211,833
Food services	6,579,597	4,412,977	3,383,690	3,756,602	3,992,948
Total Primary Government expenses	154,435,074	168,125,447	157,378,301	145,295,377	138,397,508
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
Instruction	785,028	779,056	875,745	848,275	760,626
Food services	234,058	47,280	1,506,968	2,115,571	2,039,125
Operating grants and contributions	91,287,927	87,431,532	77,016,050	74,208,314	66,824,501
Capital grants and contributions	490,811	20,881	-	-	523,118
Total Primary Government program revenues	92,797,824	88,278,749	79,398,763	77,172,160	70,147,370
<b>Net expense</b>					
Total Primary Government net expense	(61,637,250)	(79,846,698)	(77,979,538)	(68,123,217)	(68,250,138)
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Payments from York County	55,209,924	64,822,756	65,291,097	62,577,101	63,398,906
Shared intergovernmental revenues	17,430,188	15,266,600	14,032,251	13,467,499	13,605,183
Revenues from the use of money and property	5,366	15,805	3,523	817	5,284
Miscellaneous	2,485,981	3,937,730	1,598,966	386,051	259,921
Total Primary Government	75,131,459	84,042,891	80,925,837	76,431,468	77,269,294
<b>Changes in net position</b>					
Total Primary Government	\$ 13,494,209	\$ 4,196,193	\$ 2,946,299	\$ 8,308,251	\$ 9,019,156



# THE YORK COUNTY SCHOOL DIVISION

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

	2017	2016	2015	2014	2013
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 98,994,229	\$ 89,230,595	\$ 92,702,062	\$ 88,230,990	\$ 89,826,521
Administrative, attendance, and health services	6,816,306	6,778,996	6,563,077	6,379,114	6,158,654
Transportation	7,245,277	6,500,649	7,408,338	7,562,949	7,376,543
Operations maintenance	12,953,780	13,275,449	12,191,709	11,253,356	10,787,363
Technology	9,033,406	8,933,514	11,766,850	9,048,406	9,316,847
Food services	3,487,629	3,329,231	3,223,096	3,558,256	3,698,382
Total Primary Government expenses	138,530,627	128,048,434	133,855,132	126,033,071	127,164,310
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
Instruction	762,215	733,664	6,527,643	877,582	877,091
Food services	2,049,390	1,977,639	1,988,920	2,257,018	1,996,950
Operating grants and contributions	65,443,883	68,291,758	63,298,465	59,579,412	58,859,190
Capital grants and contributions	544,000	-	-	-	-
Total Primary Government program revenues	68,799,488	71,003,061	71,815,028	62,714,012	61,733,231
<b>Net expense</b>					
Total Primary Government net expense	(69,731,139)	(57,045,373)	(62,040,104)	(63,319,059)	(65,431,079)
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Payments from York County	60,614,764	60,055,486	59,859,842	46,784,869	48,246,996
Shared intergovernmental revenues	12,863,884	12,594,334	12,199,662	11,905,068	12,126,120
Revenues from the use of money and property	74,145	22,026	2,338	4,594	19,688
Miscellaneous	480,190	202,427	124,826	348,728	312,752
Total Primary Government	74,032,983	72,874,273	72,186,668	59,043,259	60,705,556
<b>Changes in net position</b>					
Total Primary Government	\$ 4,301,844	\$ 15,828,900	\$ 10,146,564	\$ (4,275,800)	\$ (4,725,523)

# THE YORK COUNTY SCHOOL DIVISION

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

	2022	2021	2020*	2019	2018
<b>General fund</b>					
Committed	\$ 2,797,582	\$ 2,816,141	\$ 2,798,730	\$ 2,869,564	\$ 2,969,079
Assigned	2,025,007	2,100,733	2,627,653	2,379,760	2,054,555
Total general fund	<u>\$ 4,822,589</u>	<u>\$ 4,916,874</u>	<u>\$ 5,426,383</u>	<u>\$ 5,249,324</u>	<u>\$ 5,023,634</u>
<b>All other governmental funds</b>					
Restricted	\$ 7,535,757	\$ 4,728,166	\$ 1,355,041	\$ 1,185,624	\$ 1,071,325
Assigned	2,397,302	6,991,504	4,789,421	4,836,473	4,329,671
Unassigned	(2,364,754)	-	(2,827,583)	-	-
Total all other governmental funds	<u>\$ 7,568,305</u>	<u>\$ 11,719,670</u>	<u>\$ 3,316,879</u>	<u>\$ 6,022,097</u>	<u>\$ 5,400,996</u>

\* As restated, for GASB 84 implementation.

# THE YORK COUNTY SCHOOL DIVISION

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

	2017	2016	2015	2014	2013
<b>General fund</b>					
Committed	\$ 3,085,163	\$ 3,895,668	\$ 3,835,909	\$ 3,662,355	\$ 3,625,296
Assigned	3,266,407	2,310,064	2,054,820	4,636,248	5,123,822
Total general fund	<u>\$ 6,351,570</u>	<u>\$ 6,205,732</u>	<u>\$ 5,890,729</u>	<u>\$ 8,298,603</u>	<u>\$ 8,749,118</u>
<b>All other governmental funds</b>					
Restricted	\$ 1,191,119	\$ 1,073,848	\$ 686,016	\$ 458,168	\$ 3,935,417
Assigned	3,290,302	3,487,134	-	-	-
Unassigned	-	-	(594,587)	(1,586,250)	(55,445)
Total all other governmental funds	<u>\$ 4,481,421</u>	<u>\$ 4,560,982</u>	<u>\$ 91,429</u>	<u>\$ (1,128,082)</u>	<u>\$ 3,879,972</u>

# THE YORK COUNTY SCHOOL DIVISION

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

	2022	2021	2020	2019	2018
<b>Revenues</b>					
Federal sources:					
Federal grants	\$ 18,064,511	\$ 17,748,693	\$ 15,934,429	\$ 16,044,090	\$ 13,004,218
Food services	8,592,318	6,186,737	1,932,035	1,620,688	1,723,615
Total federal sources	26,656,829	23,935,430	17,866,464	17,664,778	14,727,833
State sources:					
State education basic aid	38,989,586	38,824,864	37,700,709	37,524,771	34,705,092
State sales tax	17,430,188	15,266,600	14,032,251	13,467,499	13,605,183
Food services	244,404	36,320	69,123	69,382	66,343
State grants and other	25,277,420	23,759,219	20,868,704	18,321,959	17,291,940
Total state sources	81,941,598	77,887,003	72,670,787	69,383,611	65,668,558
Local sources:					
Payments from York County	54,381,071	63,713,753	65,291,097	62,577,101	63,398,906
Food service sales	234,058	47,280	1,506,968	2,115,571	2,039,125
Interest and other income	843,945	1,021,213	727,061	842,869	714,263
Other revenues	3,042,929	4,607,958	2,262,223	1,019,698	867,979
Total local resources	58,502,003	69,390,204	69,787,349	66,555,239	67,020,273
Total revenues	167,100,430	171,212,637	160,324,600	153,603,628	147,416,664
<b>Expenditures</b>					
Instruction	117,587,881	115,556,444	105,057,545	102,230,963	97,518,132
Administration, attendance, and health services	8,259,153	7,800,042	7,454,224	7,014,045	6,425,158
Pupil transportation	8,265,182	9,099,077	7,756,141	8,124,228	7,925,403
Operations and maintenance	12,954,377	10,613,492	10,796,058	11,365,499	11,703,598
Technology	10,886,379	11,651,508	10,475,107	9,629,912	10,871,427
Food services	6,530,439	4,364,617	3,336,412	3,708,710	3,940,456
Capital outlay	8,736,776	4,234,175	19,566,693	10,683,480	9,440,851
Total expenditures	173,220,187	163,319,355	164,442,180	152,756,837	147,825,025
Excess (deficiency) of revenues over (under) expenditures	(6,119,757)	7,893,282	(4,117,580)	846,791	(408,361)
<b>Other financing sources (uses)</b>					
Other financing sources - leases	1,874,107	-	-	-	-
Transfers in	15,000	15,000	3,215,000	15,000	15,000
Transfers out	(15,000)	(15,000)	(3,215,000)	(15,000)	(15,000)
Total other financing sources (uses), net	1,874,107	-	-	-	-
Net change in fund balances	\$ (4,245,650)	\$ 7,893,282	\$ (4,117,580)	\$ 846,791	\$ (408,361)

# THE YORK COUNTY SCHOOL DIVISION

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

	2017	2016	2015	2014	2013
<b>Revenues</b>					
Federal sources:					
Federal grants	\$ 14,334,552	\$ 18,551,861	\$ 13,927,494	\$ 13,270,776	\$ 13,779,273
Food services	1,578,226	1,456,241	1,375,528	1,355,737	1,246,480
Total federal sources	15,912,778	20,008,102	15,303,022	14,626,513	15,025,753
State sources:					
State education basic aid	34,869,350	34,165,873	34,368,771	31,543,761	31,035,613
State sales tax	12,863,884	12,594,334	12,199,662	11,905,068	12,126,120
Food services	63,018	51,963	49,860	53,498	59,869
State grants and other	14,603,951	13,545,506	12,958,096	12,854,878	11,896,765
Total state sources	62,400,203	60,357,676	59,576,389	56,357,205	55,118,367
Local sources:					
Payments from York County	60,614,764	60,055,486	59,859,842	46,784,869	48,246,996
Food service sales	2,055,703	2,008,323	1,988,920	2,257,018	2,125,836
Interest and other income	715,424	651,918	621,054	643,278	653,798
Other revenues	1,133,599	795,829	884,448	1,088,388	1,268,037
Total local resources	64,519,490	63,511,556	63,354,264	50,773,553	52,294,667
Total revenues	142,832,471	143,877,334	138,233,675	121,757,271	122,438,787
<b>Expenditures</b>					
Instruction	93,725,651	92,381,922	90,844,194	84,047,592	85,789,332
Administration, attendance, and health services	6,584,797	6,566,995	6,356,344	6,181,470	5,974,176
Public transportation	7,785,003	6,910,247	7,717,260	7,173,435	6,994,450
Operations and maintenance	11,355,711	11,535,722	11,608,122	11,906,865	11,423,130
Technology	8,955,157	8,836,453	10,880,109	8,889,363	8,932,377
Food services	3,441,040	3,283,240	3,182,554	3,517,128	3,664,307
Capital outlay	10,918,835	9,578,199	8,833,455	5,499,987	6,184,455
Total expenditures	142,766,194	139,092,778	139,422,038	127,215,840	128,962,227
Excess (deficiency) of revenues over (under) expenditures	66,277	4,784,556	(1,188,363)	(5,458,569)	(6,523,440)
<b>Other financing sources (uses)</b>					
Other financing sources - leases	-	-	-	-	-
Transfers in	804,000	4,000	4,000	-	-
Transfers out	(804,000)	(4,000)	(4,000)	-	-
Total other financing sources (uses), net	-	-	-	-	-
Net change in fund balances	\$ 66,277	\$ 4,784,556	\$ (1,188,363)	\$ (5,458,569)	\$ (6,523,440)

# 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				Lunch Program Meal Prices				Average Percentage of Students Participating in School Lunch Program	Percentage of Students Receiving Free or Reduced Meals
	Elementary	Middle/ High	Adult	Reduced	Elementary	Middle/ High	Adult	Reduced		
2022	\$ 1.65	\$ 1.75	\$ 2.15	\$ 0.30	\$ 2.75	\$ 2.85	\$ 3.50	\$ 0.40	N/A	23.28%
2021	1.65	1.75	2.15	0.30	2.75	2.85	3.50	0.40	N/A	23.71%
2020	1.60	1.70	2.10	0.30	2.70	2.80	3.45	0.40	38.65%	22.16%
2019	1.55	1.65	2.05	0.30	2.65	2.75	3.40	0.40	19.84%	21.51%
2018	1.50	1.60	2.00	0.30	2.60	2.70	3.35	0.40	33.33%	22.11%
2017	1.50	1.60	2.00	0.30	2.60	2.70	3.35	0.40	28.44%	21.28%
2016	1.40	1.50	1.90	0.30	2.50	2.60	3.25	0.40	28.19%	19.94%
2015	1.35	1.45	1.85	0.30	2.45	2.55	3.20	0.40	35.59%	20.30%
2014	1.25	1.35	1.75	0.30	2.35	2.45	3.10	0.40	29.39%	19.53%
2013	1.25	1.35	1.75	0.30	2.25	2.35	3.00	0.40	28.00%	19.02%

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

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)

Year	Real Estate	Personal Property	Mobile Home	Public Utility		Total Taxable Assessed Value	Total Direct Tax Rate
				Real Estate	Personal Property		
2022	\$ 10,441,342,000	\$ 913,081,510	\$ 3,322,900	\$ 421,182,483	\$ 36,863	\$ 11,778,965,756	1.0296
2021	9,662,298,100	688,651,850	3,196,500	420,403,508	39,455	10,774,589,413	0.9999
2020	9,513,758,000	621,368,315	3,218,000	323,164,444	39,455	10,461,548,214	0.9854
2019	9,213,037,900	612,318,755	3,302,000	453,482,644	50,142	10,282,191,441	0.9859
2018	9,103,775,170	595,105,775	3,294,500	459,070,808	55,504	10,161,301,757	0.9827
2017	9,104,219,600	582,157,745	3,568,200	459,191,601	82,826	10,149,219,972	0.9789
2016	9,000,762,700	593,894,890	3,512,600	442,369,715	104,756	10,040,644,661	0.9437
2015	8,798,868,900	561,880,260	3,939,500	430,748,916	127,592	9,795,565,168	0.9379
2014	8,734,569,500	552,552,935	3,780,000	425,978,786	148,514	9,717,029,735	0.9363
2013	8,690,891,300	531,217,905	3,912,100	420,994,403	186,019	9,647,201,727	0.9304

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

Annual Comprehensive Financial Report Fiscal Year 2021

# 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
2022	\$ 0.780	\$ 4.00	\$ 0.780	\$ 0.000000001	\$ 1.0296
2021	0.795	4.000	0.795	0.000000001	0.9999
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

<sup>(1)</sup> Tax rate per \$100 of assessed valuation.

<sup>(2)</sup> The amount designated for school operating is \$0.605 per \$100 of valuation for fiscal year 2021.

<sup>(3)</sup> The tax rate, 1st half/2nd half, is different.

<sup>(4)</sup> The tax rate per \$100 of assessed valuation for Disabled American Veterans has been \$1.00 since 2008.

<sup>(5)</sup> Effective for calendar year 2017, all boats are taxed at \$.000000001/\$100. The board tax rate has been effectively eliminated on all classes of boats.

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

Source: County of York, Virginia  
Annual Comprehensive Financial Report Fiscal Year 2021



# 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	2022 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2013 Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Virginia Power Company	Generating plant	\$ 324,641,826	1	2.99%	\$ 338,845,802	1	3.52%
Lawyers Title/Fairfield Resorts/Wyndham	Timeshare condominiums	184,874,905	2	1.71%	178,964,075	2	1.86%
City of Newport News **	Water system	134,899,500	3	1.24%	76,446,255	5	0.79%
GWR OP Lessee VA LLC (Great Wolf Lodge)	Hotel and water park	116,823,885	4	1.08%	80,246,685	4	0.83%
BP/Western Refining/Plains Marketing	Former Refinery	87,770,960	6	0.81%	157,730,005	3	1.64%
Kings Creek Plantation	Timeshare condominiums	87,523,965	5	0.81%	74,007,185	6	0.77%
Moyork LLC (Commonwealth Apartments)	Apartment complex	49,743,200	7	0.46%	-		0.00%
Bush Entertainment/Water Country USA	Water park	42,828,495	8	0.40%	45,110,845	7	0.47%
Walmart	Retail sales	39,921,615	9	0.37%	36,116,895	9	0.38%
Holiday Inn Club Vacations	Timeshare condominiums	36,180,200	10	0.33%	-		0.00%
U.S. Smokeleess Tobacco Products	Manufacturer	-		0.00%	16,899,645	10	0.18%
1991 Ashe Partnership	Apartment complex	-		0.00%	39,957,531	8	0.42%
Total		<u>\$ 1,105,208,551</u>		<u>10.20%</u>	<u>\$ 1,044,324,923</u>		<u>10.86%</u>

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

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

Source: County of York, Virginia

Annual Comprehensive Financial Report Fiscal Year 2021

# THE YORK COUNTY SCHOOL DIVISION

## Property Tax Levies and Collections of the County of York, Virginia Last Ten Fiscal Years (Unaudited)

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Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Year	Total Collections to Date	
					Amount	Percentage of Levy
2022	\$ 103,326,263	\$ 98,607,357	95.43%	\$ -	\$ 98,607,357	95.43%
2021	95,712,249	91,357,773	95.45%	3,377,862	94,735,635	98.98%
2020	92,019,828	88,843,578	96.55%	2,328,463	91,172,041	99.08%
2019	90,196,473	87,055,100	96.52%	2,588,385	89,643,485	99.39%
2018	89,691,238	87,216,407	97.24%	1,875,595	89,092,002	99.33%
2017	87,536,065	84,909,975	97.00%	2,116,629	87,026,604	99.42%
2016	84,110,482	81,503,407	96.90%	2,059,580	83,562,987	99.35%
2015	80,716,523	77,929,910	96.55%	2,535,221	80,465,131	99.69%
2014	79,831,923	77,513,973	97.10%	1,957,047	79,471,020	99.55%
2013	78,390,079	75,580,443	96.42%	2,378,282	77,958,725	99.45%

Source: County of York, Virginia  
Annual Comprehensive Financial Report Fiscal Year 2021

# THE YORK COUNTY SCHOOL DIVISION

## Ratio of Outstanding Debt By Type of the County of York, Virginia<sup>(1)</sup> Last Ten Fiscal Years (Unaudited)

Total Primary Government - County of York, Virginia									
Fiscal Year	Direct						Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Revenue Bonds	Leases	Financing/ Capital Leases	Lease Revenue Bonds	Note Payable			
2022	\$ 76,941,376	\$ 17,801,109	\$ 7,768,211	\$ 3,454,792	\$ 55,122,798	\$ -	\$ 161,088,286	N/A	\$2,276
2021	82,529,933	18,768,007	-	919,423	23,287,473	-	125,504,836	N/A	1,787
2020	77,733,259	19,604,905	-	1,515,179	25,756,218	-	124,609,561	N/A	1,785
2019	74,271,325	19,963,073	-	1,997,074	25,446,020	-	121,677,492	2.46%	1,753
2018	69,812,399	20,616,187	-	3,423,720	28,136,579	-	121,988,885	2.57%	1,775
2017	66,330,054	21,254,301	-	5,722,996	21,308,937	-	114,616,288	2.52%	1,664
2016	61,906,639	21,169,120	-	2,420,659	23,247,569	-	108,743,987	2.46%	1,586
2015	53,270,668	21,696,428	-	3,185,983	23,544,723	-	101,697,802	2.35%	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

N/A - This information is not available.

<sup>(1)</sup> Bonds are shown at net of related premiums and/or discounts and deferred amounts on refundings for 2012 - 2013. Beginning in FY2014, bonds are shown at net of related premiums and/or discounts.

<sup>(2)</sup> See Population and Personal Income on Demographic and Economic Statistics Table.

Source: County of York, Virginia  
Annual Comprehensive Financial Report Fiscal Year 2021

# THE YORK COUNTY SCHOOL DIVISION

## Ratio of General Bonded Debt Outstanding for the County of York, Virginia Last Ten Fiscal Years (Unaudited)

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
2022	\$ 76,941,376	\$ -	\$ 76,941,376	0.77%	\$ 1,175
2021	82,529,933	-	82,529,933	0.77%	1,175
2020	77,733,259	-	77,733,259	0.74%	1,114
2019	74,271,325	-	74,271,325	0.72%	1,070
2018	69,812,399	-	69,812,399	0.69%	1,016
2017	66,330,054	-	66,330,054	0.65%	963
2016	61,906,639	-	61,906,639	0.62%	903
2015	53,270,668	-	53,270,668	0.54%	767
2014	49,619,991	-	49,619,991	0.51%	736
2013	54,961,398	-	54,961,398	0.57%	821

<sup>(1)</sup> See Assessed Value table.

<sup>(2)</sup> See Population on Demographic and Economic Statistics table.

Source: County of York, Virginia  
Annual Comprehensive Financial Report Fiscal Year 2021

# THE YORK COUNTY SCHOOL DIVISION

## Demographic and Economic Statistics Last Ten Fiscal Years (Unaudited)

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income <sup>(2)</sup> (Thousands)</b>	<b>Per Capita Income <sup>(2)</sup></b>	<b>Median Age <sup>(3)</sup></b>	<b>Education Level In Years of Formal Schooling <sup>(4)</sup></b>	<b>Student Average Daily Membership <sup>(5)</sup></b>	<b>Unemployment Rate <sup>(6)</sup></b>
2022	70,319	N/A	N/A	41.30	13.20	12,609	5.30%
2021	70,230	N/A	N/A	39.20	13.20	12,244	3.40%
2020	69,792	N/A	N/A	39.20	13.20	12,914	5.60%
2019	69,407	4,938,435	61,308	39.00	13.20	12,756	2.60%
2018	68,725	4,756,232	59,345	38.80	13.20	12,610	2.80%
2017	68,890	4,541,816	56,729	38.80	13.20	12,584	3.50%
2016	68,585	4,415,578	55,344	39.30	13.20	12,522	3.80%
2015	69,466	4,326,498	54,201	39.40	13.20	12,519	4.20%
2014	67,396	4,216,899	53,697	39.40	13.20	12,333	4.90%
2013	66,955	4,014,425	51,418	39.40	13.20	12,226	5.30%

N/A - This information is not available.

Source:

<sup>(1)</sup> Weldon Cooper Center for Public Service; 2021 estimate derived from previous years' data.

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

<sup>(3)</sup> Median Age from U.S. Census Bureau.

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

<sup>(5)</sup> County School Division, VDOE Calculation Tool.

<sup>(6)</sup> Virginia Employment Commission; 2021 estimate per County Planning Division.

# THE YORK COUNTY SCHOOL DIVISION

## Principal Employers Current Year and Nine Years Prior (Unaudited)

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Naval Weapons Station / Cheatham Annex	2,699	1	17.68%	2,907	1	13.06%
York County School Division	1,890	2	8.75%	1,731	2	7.78%
U.S. Coast Guard Station	1,273	3	4.96%	1,408	3	6.33%
York County Government	814	5	3.64%	718	5	3.23%
Sentara Williamsburg Regional Medical Center	810	4	3.67%	704	6	3.16%
Walmart	769	6	3.51%	811	4	3.64%
Water Country	683	7	2.55%	719	7	3.23%
Great Wolf Lodge of Williamsburg, LLC	439	8	1.80%	515	8	2.31%
Kroger	296	9	1.28%			
YMCA	291	10	1.17%	481	9	2.16%
Wyndham Vacation Ownership				283	10	1.27%
Total	9,964		49.01%	10,277		46.17%

Source: County Office of Economic Development.

# THE YORK COUNTY SCHOOL DIVISION

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	119.00	119.00	129.00	129.00	131.00	131.00	131.00	131.00	131.00
Bus Driver Assistants	30.00	30.00	30.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Cafeteria Monitors	3.15	3.15	3.15	3.15	3.00	3.00	3.00	3.00	3.00	3.00
Clerical	76.50	77.00	73.75	72.75	69.25	69.75	69.75	69.75	69.75	70.72
Clerk of the Board	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Crossing Guards	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Custodians	94.50	94.50	94.50	94.50	94.50	94.50	94.50	94.50	94.50	94.50
Directors	14.25	10.25	9.25	9.25	8.25	7.25	7.25	7.25	8.25	7.25
Division Chiefs	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Food Service Personnel	11.00	15.00	15.00	20.00	23.00	25.00	25.00	26.66	28.66	29.66
Guidance Counselors	39.50	37.00	36.00	33.50	33.50	33.50	33.50	33.50	31.50	31.50
Instructors	10.00	10.00	10.00	10.00	9.00	9.00	9.00	11.00	10.00	10.00
Librarians	19.00	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	8.00	8.00	7.00	7.00	7.00	7.00	7.00
Nurses	18.00	18.00	18.00	18.00	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	5.00	5.00	4.50	4.50
Para-Educators	296.00	299.50	291.75	280.50	275.50	271.50	264.50	259.50	254.50	255.50
Physical Therapists	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	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	13.00	14.00	14.00	12.00	11.00	11.00	11.00	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	925.84	907.14	893.64	889.08	870.55	864.05	860.05	845.05	830.55	830.55
Technical	114.50	115.47	113.47	96.87	95.42	94.42	98.57	97.09	97.92	97.67
Trades	27.00	27.00	26.00	26.00	25.00	24.00	24.00	24.00	24.00	24.00
Total Full-Time Equivalents	<u>1,890.34</u>	<u>1,874.11</u>	<u>1,844.61</u>	<u>1,816.70</u>	<u>1,786.07</u>	<u>1,776.07</u>	<u>1,769.22</u>	<u>1,749.40</u>	<u>1,729.63</u>	<u>1,731.35</u>

Source: York County School Division

# THE YORK COUNTY SCHOOL DIVISION

## Operating Statistics Last Ten Fiscal Years (Unaudited)

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<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil/Teacher Ratio</b>	<b>Percentage Change</b>
2022	12,609	\$ 150,797,193	\$ 13,134	5.5%	925.84	13.6	0.9%
2021	12,244	152,426,999	12,449	13.6%	907.14	13.5	-6.6%
2020	12,914	141,539,075	10,960	1.0%	893.64	14.5	6.6%
2019	12,756	138,364,647	10,847	1.7%	940.58	13.6	-0.8%
2018	12,610	134,443,718	10,662	4.5%	922.05	13.7	-0.5%
2017	12,584	128,406,319	10,204	1.2%	915.55	13.7	0.1%
2016	12,522	126,231,339	10,081	-0.9%	911.55	13.7	-1.6%
2015	12,519	127,406,029	10,177	6.2%	896.55	14.0	-0.4%
2014	12,333	118,198,725	9,584	-1.6%	880.05	14.0	1.9%

Source: York County School Division



# THE YORK COUNTY SCHOOL DIVISION

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

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Instruction</b>										
Buildings:										
Elementary Schools	10	10	10	10	10	10	10	10	10	10
Middle Schools	4	4	4	4	4	4	4	4	4	4
High Schools	4	4	4	4	4	4	4	4	4	4
Charter Schools	1	1	1	1	1	1	1	1	1	1
Other:										
Athletic Fields	45	45	45	45	45	45	45	45	45	44
Playgrounds	30	30	30	30	30	30	30	30	30	30
<b>Pupil Transportation</b>										
Buses	166	161	153	169	166	162	162	160	160	159
<b>Operations and Maintenance</b>										
Vehicles	109	104	126	118	106	97	106	92	85	85

Source: York County School Division

# THE YORK COUNTY SCHOOL DIVISION

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

School	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Elementary</b>										
Bethel Manor Elementary:										
Square feet	79,685	79,685	79,685	79,685	79,685	79,685	79,685	79,685	79,685	79,685
Capacity	698	698	698	698	698	698	698	698	698	698
Enrollment	594	553	642	640	607	603	594	554	493	410
Coventry Elementary:										
Square feet	78,337	78,337	78,337	78,337	78,033	78,033	78,033	78,033	78,033	78,033
Capacity	708	708	708	708	708	708	708	708	708	708
Enrollment	682	667	737	693	586	564	577	543	548	589
Dare Elementary:										
Square feet	65,785	65,785	65,785	65,785	63,415	63,415	63,415	63,415	63,415	63,415
Capacity	867	867	867	867	867	867	867	867	867	867
Enrollment	388	347	397	413	421	422	379	354	372	409
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	635	578	649	623	640	644	616	575	601	622
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	631	537	620	613	608	626	626	562	602	600
Mt. Vernon Elementary:										
Square feet	71,989	71,989	71,989	71,989	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	520	603	592	591	560	533	485	509	548
Seaford Elementary:										
Square feet	61,731	61,731	61,731	61,731	61,731	61,731	61,731	61,731	61,731	55,553
Capacity	656	656	656	656	656	656	656	656	656	506
Enrollment	524	484	537	529	451	437	452	437	455	479
Tabb Elementary:										
Square feet	77,037	77,037	77,037	77,037	77,037	76,790	76,790	76,790	76,790	76,790
Capacity	777	777	777	777	777	777	777	777	777	777
Enrollment	642	570	696	654	620	606	627	620	608	625
Waller Mill Elementary:										
Square feet	60,151	60,151	60,151	60,151	60,151	60,151	60,151	36,665	36,665	36,665
Capacity	460	460	460	460	460	460	460	297	297	297
Enrollment	373	312	359	373	387	344	320	267	278	279
Yorktown Elementary:										
Square feet	70,307	70,307	70,307	70,307	70,307	70,307	66,402	66,402	66,402	66,402
Capacity	734	734	734	734	734	734	734	734	734	734
Enrollment	604	558	592	619	674	696	694	610	624	663

# THE YORK COUNTY SCHOOL DIVISION

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

School	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Middle</b>										
Grafton Middle:										
Square feet	150,461	57,047	57,047	57,047	57,047	57,047	57,047	57,047	57,047	57,047
Capacity	1,215	681	681	681	681	681	681	681	681	681
Enrollment	883	501	515	487	460	465	459	423	425	448
Queens Lake Middle:										
Square feet	57,047	91,771	91,771	91,771	91,771	91,771	91,771	91,771	91,771	91,771
Capacity	681	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178
Enrollment	555	849	891	865	858	850	903	853	857	828
Tabb Middle:										
Square feet	91,771	98,918	98,918	98,918	98,918	98,918	98,918	98,918	98,918	98,918
Capacity	1,178	982	982	982	982	982	982	982	982	982
Enrollment	883	643	708	730	751	791	767	720	717	742
Yorktown Middle:										
Square feet	98,918	150,461	150,461	150,461	150,461	150,461	150,461	150,461	145,229	145,229
Capacity	982	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215
Enrollment	652	853	925	935	905	882	872	808	815	850
<b>High</b>										
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	663	584	572	550	600	564	608	547	538	585
Grafton High:										
Square feet	164,961	164,961	164,961	164,961	164,961	164,961	164,961	164,961	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	1,156	1,085	1,169	1,156	1,168	1,183	1,176	1,104	1,132	1,271
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	1,062	1,029	1,115	1,098	1,126	1,162	1,161	1,075	1,021	1,100
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	1,057	1,092	1,116	1,103	1,106	1,059	1,060	1,015	993	1,054
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	64	55	69	71	64	73	72	74	66	65

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

Source: York County School Division

## ***COMPLIANCE SECTION***

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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, 2022, 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 December 12, 2022.

**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  
December 12, 2022

# THE YORK COUNTY SCHOOL DIVISION

## Schedule of Findings and Responses For the Fiscal Year Ended June 30, 2022

### 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

None



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