Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025







The York County School Division

County of York, Virginia

A Component Unit of the County of York, Virginia

York County School Division

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

Annual Comprehensive Financial Report

June 30, 2025

William Bowen
Chief Financial Officer

Margaret Riggins Kirk, CPA
Accounting and Finance Manager

York County School Division

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Introductory Section

November 21, 2025

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the York County School Division (hereafter, "the School Division"), a component unit of the County of York, Virginia, for the fiscal year ending June 30, 2025 (FY 2025). State law requires every general-purpose local government to publish a complete set of audited financial statements within six months of the fiscal year's close. This report has been prepared in accordance with financial reporting standards prescribed by the Governmental Accounting Standards Board (GASB) and the Auditor of Public Accounts of the Commonwealth of Virginia. Responsibility for the accuracy, completeness, and fairness of this presentation, including all disclosures, rests with management. All disclosures necessary to provide the reader with an understanding of the School Division's financial activities have been included.

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

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 supplementary information (RSI) other than MD&A, and the independent auditor's report.
- The statistical section includes selected financial and demographic information, presented on a multi-year basis when available.
- The compliance section includes the independent auditor's reports on compliance and internal control.

The School Division undergoes an annual Single Audit in conformity with the Federal Single Audit Act Amendments of 1996. Information related to this audit—including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and the 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.

Located in the Virginia Coastal Plain, the County sits on a peninsula formed by the James and York Rivers and the Chesapeake Bay. Positioned between Richmond and Virginia Beach, its residents are part of the Hampton Roads metropolitan area, one of the nation's largest.

The School Division is the 22nd largest of 131 divisions in the Commonwealth of Virginia. Enrollment for FY 2025 totaled 12,838, with a projected enrollment of 13,051 for FY 2026. Students are offered a full range of services, including regular, special, career and technical, and gifted education. The oldest school building dates to the early 1950s and the newest to the mid-1990s. All facilities undergo comprehensive renovation approximately every 20 years.

The elected five-member School Board appoints the Superintendent, who serves as the executive and administrative head of the division. The School Division is fiscally dependent, without independent taxing, levying, or borrowing authority, and is a component unit of York County. The Division derives most of its funding from the County and the Commonwealth. The County Board of Supervisors approves the School Division's operating budget, levies taxes necessary to support operations, and approves all borrowing and bond issuances. While the Board of Supervisors controls total appropriations by major category (as defined in the Code of Virginia), it may not exercise control over individual line-item appropriations within the School Division's budget. While the Board of Supervisors may exercise controls in total appropriations by major category (e.g., Instruction, Technology, Pupil Transportation) as defined in the Code of Virginia, it may not exercise control over individual line-item appropriations within the School Division's budget.

Under GASB requirements, the financial reporting entity includes the primary government (York County) and its component units, which are legally separate entities for which the primary government is financially accountable. The School Division is such a component unit. This report includes all funds of the School Division, which has no component units of its own.

ECONOMIC OUTLOOK AND CONDITION

The School Division is largely dependent upon the state (56.9% of total revenue), local (33.3% of total revenue) and federal (9.8% of total revenue) governments for its funding. Consequently, it is imperative to understand the impact of the economy as it relates to current and future funding.

For FY 2025, the state ended the fiscal year $2.7 billion over the official revenue forecast. Total general fund revenue grew $1.78 billion or 6.1% over the previous fiscal year. The mild recession initially predicted for FY 2025 did not materialize. In the past four years, Virginia has experience surpluses and unexpended balances of approximately $10 billion. Current revenue forecasts for FY 2026 include an increase of 2.6% from FY 2025. However, the state is currently outperforming this forecast with actual revenue increasing by 5.1% year-over-year during the first three months of the FY 2026.

On the local level, sales taxes continue to increase and remain strong. Lodging and meals tax remain strong and are above the pre-pandemic level from FY 2020. The cigarette tax was allowed for counties by the prior year's General Assembly action in FY 2022 and remains a stable revenue source. Regarding employment, the most significant gains were in Construction, Healthcare and Social Assistance followed by Scientific and Technical services.

Virginia's economy remains sensitive to changes in tariffs and federal spending due to the region's significant dependence on federal employment. As of June 2025, York County's unemployment rate was 3.7%, outperforming the national rate of 4.1% and the Virginia Beach–Norfolk–Newport News metropolitan area rate of 4.0%. Real property reassessment values reflect continued growth, and consumer-driven

revenues, such as sales and meals taxes, remain strong and are projected to increase modestly in FY 2026.

One area of concern that may impact the national and local economies is the expiration of federal stimulus funds. During the pandemic, states were provided billions of dollars in federal stimulus to help stabilize their economies. Local governments and School divisions were provided hundreds of millions of dollars for construction, technology, to address learning loss, and provide mental health supports in the communities and schools. Many of these funds expired in September 2024. With the loss of these stimulus funds, there is still the potential that the economy may contract, leading to a possible recession.

Another area of concern is the federal government shutdown. Virginia's economy is uniquely vulnerable to a prolonged federal government shutdown because of its significant concentration of federal employees and contractors. With more than 366,000 federal workers residing in the state, representing about 8% of Virginia's civilian workforce and earning an average salary of $119,000, a prolonged shutdown will likely affect household incomes, consumer spending, and local business activity.

ECONOMIC DEVELOPMENT

Department of Economic and Tourism Development (ETD): York County's decision to merge the **Department of Economic and Tourism Development (ETD):** The County's merger of Economic Development and Tourism has strengthened partnerships and expanded York County's profile as a regional destination for both business investment and tourism. ETD focuses on diversifying the economic base, expanding the tax base, supporting businesses of all sizes, and promoting tourism.

Strong Partnerships and Workforce Development: ETD collaborates with regional and state partners—including the Hampton Roads Workforce Council, Virginia Peninsula Community College, York County Chamber of Commerce, and the Small Business Development Center—to support business retention, expansion, and workforce needs.

Regional Economic Development: Active participation in the Eastern Virginia Regional Industrial Facilities Authority (EVRIFA) helped secure a Tier 4 site readiness designation for the Kings Creek Commerce Center under the Virginia Business Ready Sites Program. Dominion Energy received approval to construct a solar farm on part of the site, while the remaining acreage continues to attract high-value prospects.

Hampton Roads Alliance/VEDP: The County maintains active involvement with the Hampton Roads Alliance and Virginia Economic Development Partnership (VEDP), responding to multiple site information requests from prospects seeking to locate or expand in the region. Staff participation in trade shows and mission trips as part of a multi-locality delegation continues to increase York County's visibility and competitiveness in both regional and national markets.

Commercial Development Activity: York County issued more than 1,200 commercial permits in FY 2025 totaling over $89 million in project value. Highlights include:

- Completion of a 20,000-square-foot flex space in Busch Industrial Park with additional buildings planned.
- Business expansions and renovations such as Chilled Ponds, Jersey Mike's, Coastal Thirst, Shorty's Diner, Little York Confectionery, On the Hill Gallery, Meowchi Donuts, and Burgers on the Edge.

- Significant progress on the new Yorktown Welcome Center, a state-of-the-art, year-round facility providing visitor services and accessibility improvements.
- Opening of Harper's Station Yorktown, a premier senior living community offering Independent Living, Assisted Living, and Memory Care units.
- These developments enhance the County's economic stability while providing residents and visitors with an array of services, recreation, and dining options, underscoring the County's commitment to promote economic vitality and community quality of life.

CAPITAL IMPROVEMENT PROGRAM

The School Division anticipates a gradual upward trend in student enrollment, supported by consistent growth patterns. To accommodate this increase and address aging facilities, the Division has identified the need for both expansion and renovation. The Six-Year Capital Improvements Program (CIP) includes plans to renovate and expand three existing schools. It also provides for the construction of a new elementary school in the northern region of the county to support projected enrollment growth and strengthen the Division's overall educational infrastructure.

Virginia school divisions are legally prohibited from incurring debt independently; therefore, the School Division works closely with the county to finance the CIP. Funding is sourced primarily through the issuance of bonds, reappropriated end-of-year funds returned to the county, and transfers from the Revenue Stabilization Fund. Debt financing may include general obligation bonds, revenue bonds, or lease financing. All financing activities are managed by the county to ensure adequate resources for essential capital projects.

CHARTER SCHOOL

YCSD operates the York River Academy (YRA) charter school, serving high school students in grades 9–12, focusing on preparing students for both college and careers through an emphasis on technology and workplace readiness. With an enrollment of approximately 65 students, the school maintains a small, personalized learning environment that supports academic growth and skill development. York River Academy has achieved strong graduation rates and is ranked in the top 50% of public schools in Virginia. This supportive setting fosters academic success, helping students meet state testing proficiency standards in core subjects such as math and reading. YRA is primarily funded by state basic aid and funding from the local government.

FINANCIAL INFORMATION

The School Division's accounting records for general governmental operations are maintained on the modified accrual basis. This essentially involves the recording of revenues when they become measurable and available and the recording of expenditures when the goods and/or services are received or related fund liability is incurred. Accounting records for the School Division's enterprise and internal service funds are maintained on the accrual basis.

In developing and evaluating the School Division's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are a system of methods, practices, and procedures designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of

reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived therefrom; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

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

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 School Division by an independent certified public accountant selected by the County Board of Supervisors. This requirement has been complied with, and the report of independent auditors has been included in the financial section of this report.

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

ACCOUNTING SYSTEM

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

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

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

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

MAJOR INITIATIVES

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

Vision

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

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

Mission

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

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

Core Values

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

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

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

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

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

INSTRUCTIONAL LEADERSHIP AWARDS

In FY 2020, the York County School Division earned its designation as a School Division of Innovation for developing elementary and middle school high-tech makerspaces and a high school learning commons as well as for expanding science, technology, engineering, and mathematics (STEM) programs with a particular focus on computer science and engineering.

In FY 2026, the York County School Division was recognized as the best school division in the state. In 2025, York County and the York County School Division were recognized by NICHE as the best county to live in and the third best school division in the state. NICHE also recognized York County teachers as best in the region and number two in the state.

In FY26, U.S. News & World Report recognized YCSD for the elementary and middle schools as being in the top 12% of public schools in Virginia. The 2026 report, which relies on U.S. Department of Education statistics, notes that the top-ranked schools "are high-achieving and have succeeded at educating all their students."

While all YCSD earned best school awards, six schools achieved spots in Virginia's top 25 list for each level.

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

Within the School Division, 18 have been awarded as Purple Star Schools. This award honors schools that demonstrate a commitment to meeting military families' needs, while also providing resources and programming related to transitions and academic planning. Approximately 35% of all YCSD students have at least one parent serving in the military.

In 2024, The U.S. Department of Education recognized Bethel Manor Elementary School a National Blue-Ribbon School. This recognition honors schools for overall academic excellence or for making significant progress in closing achievement gaps.

In 2025, the Viriginia Board of Education recognized Seaford Elementary and Tabb Elementary with the 2024-2025 Exemplar Performance Award (Highest Achievement Award)

The School Division was awarded the 2023, 2024, and 2025 Best Community for Music Education by the National Association of Music Merchants (NAMM) Foundation. This recognition was given to 935 school divisions nationwide and 23 in Virginia in 2025.

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 2024. 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 2024. 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 2024 - 2025. 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.

ACKNOWLEDGEMENTS

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,

James E. Carroll

Jame E. Carroll, Ed.D.
Interim 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, 2024

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

York County School Division

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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

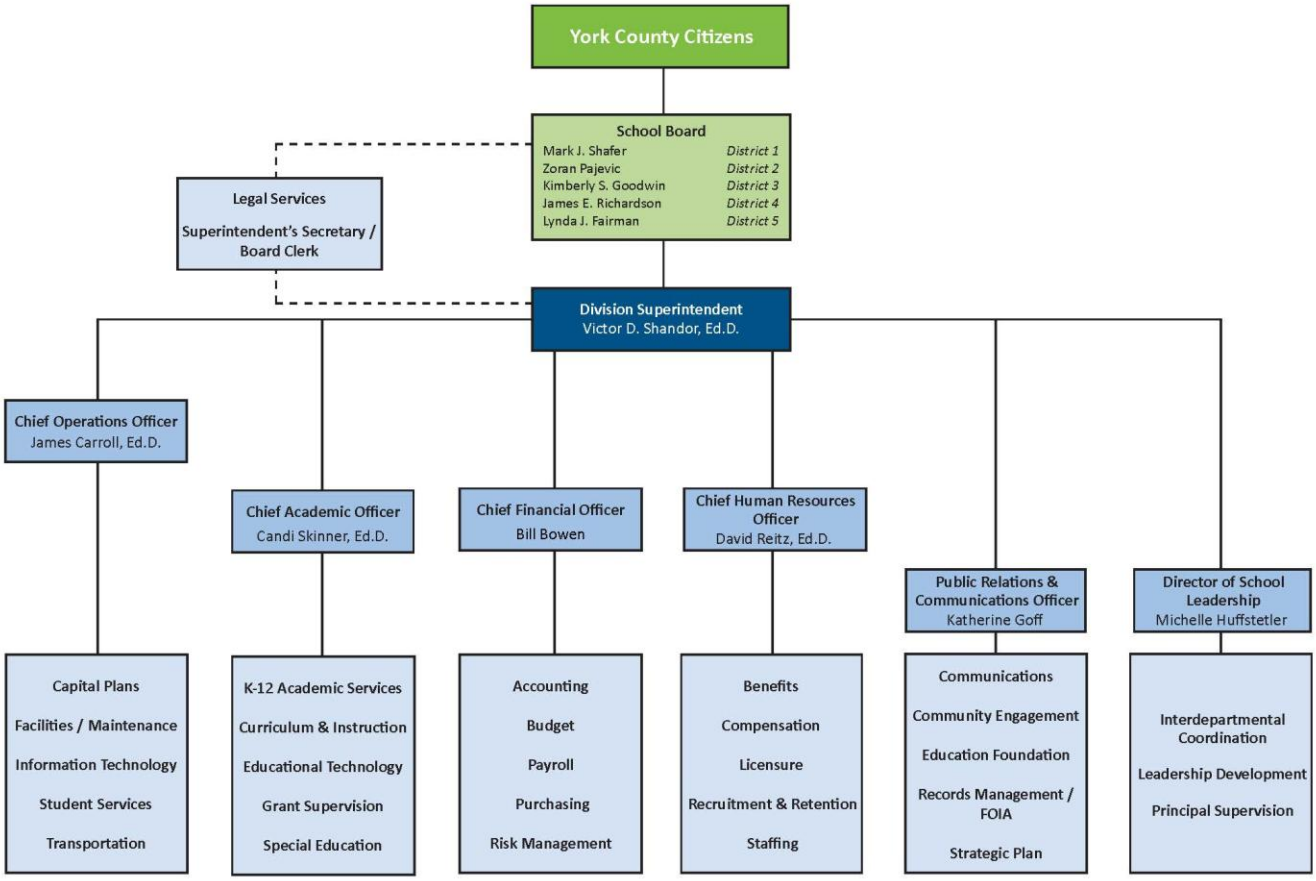
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director

YORK COUNTY SCHOOL DIVISION ORGANIZATIONAL CHART FY25

Effective July 1, 2024



York County School Division
(A Component Unit of the County of York, Virginia)

June 30, 2025

School Division Board Members

Kimberly S. Goodwin, Chair

James E. Richardson, Vice Chair

Zoran Pajevic

Lynda J. Fairman

Mark J. Shafer

School Officials

Superintendent of Schools	Dr. Victor D. Shandor
Chief Academic Officer	Dr. Candi L. Skinner
Chief Financial Officer	William Bowen
Chief Human Resources Officer	Dr. David Reitz
Chief Operations Officer	Dr. James Carroll
Director of School Leadership	Michelle Huffstetler
Director of Information Technology	Dr. Melissa Pettigrew
Director of Student Services	Dr. Aaron Butler
Director of Curriculum and Instruction	Dr. Karen Cagle
Director of Special Education	Termaine Hopkins

Financial Section

BROWNEDWARDS
certified public accountants

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the York County School Division (the "School Division"), a component unit of the County of York, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School Division's basic financial statements as listed in the table of contents.

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, 2025, 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 *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School Division and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the School Division adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Division's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025, on our consideration of the School Division's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Division's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Division's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
November 21, 2025

York County School Division
(A Component Unit of the County of York, Virginia)

Management's Discussion and Analysis (Unaudited)

June 30, 2025

The discussion and analysis of the York County School Division's (hereafter School Division) financial performance provide an overall review of the School Division's financial activities for FY2025. 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 $119.6 million. The value of net position reflects the financial health of the School Division and includes certain assets procured with debt issued by the County of York. The School Division is a component unit of, and fiscally dependent on, the County of York. As such, all debt related to School Division assets are shown on the County's Statement of Net Position.
- For the governmental funds, General Fund revenues accounted for $189.0 million or 88.6% of all revenues, and expenditures were $191.8 million or 87.1% of all expenditures, compared to $178.6 million (87.5%) in revenues and $176.5 million (86.3%) in expenditures in FY2024.
- The Nutrition Fund ended the fiscal year with a fund balance of $3.0 million, reflecting a decrease of $2.8 million from the beginning-of-year balance. School Division operations staff, in collaboration with a food service management company, closely monitor revenues and expenditures throughout the fiscal year. For FY2025, the reduction in fund balance is attributed to an aggressive spending plan mandated by the Virginia Department of Education (VDOE). School divisions with contracted food service operations are required to maintain a fund balance equivalent to three months of operating reserves, approximately $2.3 million. During the COVID-19 pandemic, the school nutrition program was fully funded by the U.S. Department of Agriculture, resulting in a significant increase in the fund balance. In response, the school division has been working with the VDOE on a multi-year spending plan to reduce the surplus. As part of this plan, major kitchen equipment has been replaced at most schools. The spending initiative is expected to continue into FY2026.

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*.

Using This Annual Comprehensive Financial Report *(Continued)*

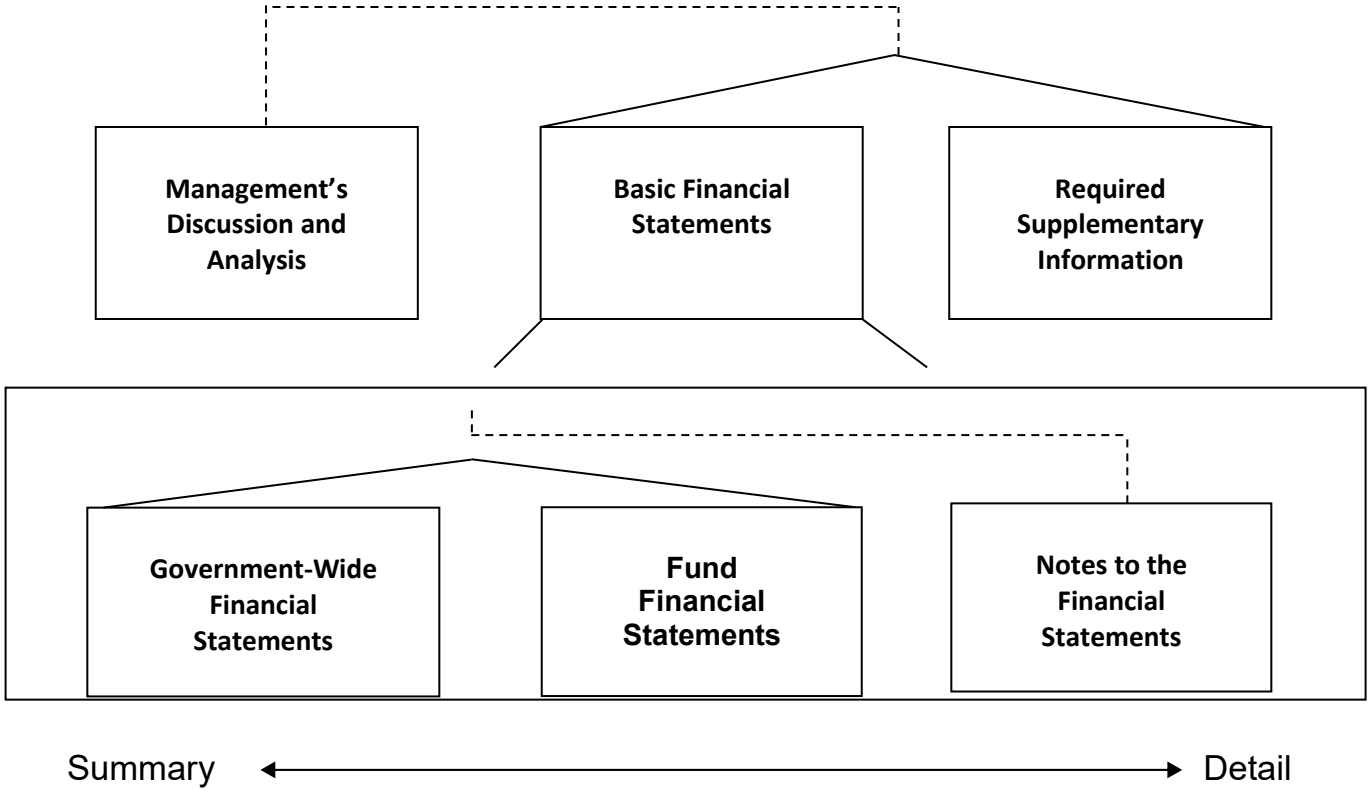
The basic financial statements include three kinds of statements that present different views of the School Division.

- The first two statements are *Government-wide financial statements* that provide both *short-term* and *long-term* information about the School Division's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School Division, reporting the School Division's operations in *more detail* than the School Division-wide statements.
- The *governmental funds statements* tell how basic services, such as regular and special education, were financed in the *short-term* as well as what remains for future spending.
- The *proprietary funds statements* offer 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

Organization of York County School Division Annual Financial Report



Using This Annual Comprehensive Financial Report *(Concluded)*

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

FIGURE A-2

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

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 FY2025?" 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, nutrition, and interest on long-term liabilities.

Fund Financial Statements

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

The School Division has three types of funds:

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

Fund Financial Statements (Continued)

- *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, 2025. The School Division's financial position remained stable during FY2025. The largest portion of the School Division net position reflects its net investment in capital assets (buildings, land, equipment, and construction-in-progress). Net investment in capital assets accounts for 168% of the total net position and has increased by $8.5 million since June 30, 2024. As a component unit (School Division) in Virginia, the School Division does not have the authority to issue debt. All debt, other than debt acquired through financed purchase arrangements or lease/subscription contracts, is issued by the County of York and, therefore, is shown as a liability on its Statement of Net Position. In years where there are substantial additions to capital assets that are funded through the issuance of County debt, the School Division will have substantial increases in net position invested in capital assets, net of related debt. A more detailed discussion on debt is contained in a later section entitled "Outstanding Long-Term Debt."

The other components of net position are restricted net position and unrestricted net position. Restricted net position represents those resources that have externally imposed constraints on their use. At the end of the fiscal year, the restricted net position amounted to $12.7 million, which represents cash restricted for nutrition, school activity funds, pension, 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 ($94.2 million), a negative decrease of $19.9 million from June 30, 2024. The deficit is a result of recognizing the School Division's proportionate share of the Virginia Retirement System's (VRS) net pension liability relatable to the teacher plan and recognizing the School Division's liabilities for other postemployment benefit liabilities.

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

Net Position (Continued)

Condensed Statement of Net Position
(in millions)

	Governmental Activities 2025	Governmental Activities 2024, as restated	Total Percentage Changes
Assets			
Current and other assets	$ 43.7	$ 49.4	-11.5%
Capital assets	202.9	194.1	4.5%
Total assets	246.6	243.5	1.3%
Deferred outflows of resources			
Pension and OPEB costs	30.6	30.4	0.7%
Liabilities			
Current liabilities	15.3	32.9	-53.5%
Long-term liabilities	123.4	105.8	16.6%
Total liabilities	138.8	138.7	0.1%
Deferred inflows of resources			
Pension, OPEB and leases	23.9	20.9	14.4%
Net position			
Net investment in capital assets	201.1	192.6	4.4%
Restricted	12.7	13.3	-4.5%
Unrestricted (deficit	(94.2)	(91.7)	2.7%
Total net position	**$ 119.6**	**$ 114.2**	4.7%

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 FY2025, as compared with FY2024.

Changes in Net Position
(in millions)

	Governmental Activities 2025	Governmental Activities 2024, as restated	Total Percentage Changes
Revenues			
Program revenues:			
Charges for services	$ 4.1	$ 6.3	-34.9%
Operating grants and contributions	114.2	111.6	2.3%
Capital grants and contributions	0.7	0.5	40.0%
General revenues:			
County	73.9	67.1	10.1%
Shared intergovernmental revenues	16.6	16.3	1.8%
Miscellaneous revenues	3.8	3.9	-2.6%
Total revenues	213.3	205.6	3.7%
Expenses			
Instruction	148.3	153.2	-3.2%
Administration/attendance and health	10.8	10.5	2.9%
Transportation	12.2	9.7	25.8%
Operations and maintenance	15.7	14.1	11.3%
Technology	11.4	10.9	4.6%
Food service	9.5	6.6	43.9%
Total expenses	207.9	205.0	143%
Change in net position	5.4	0.6	800.0%
Net position			
Beginning of year	114.2	113.6	0.5%
End of year	**$ 119.6**	**$ 114.2**	4.7%

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

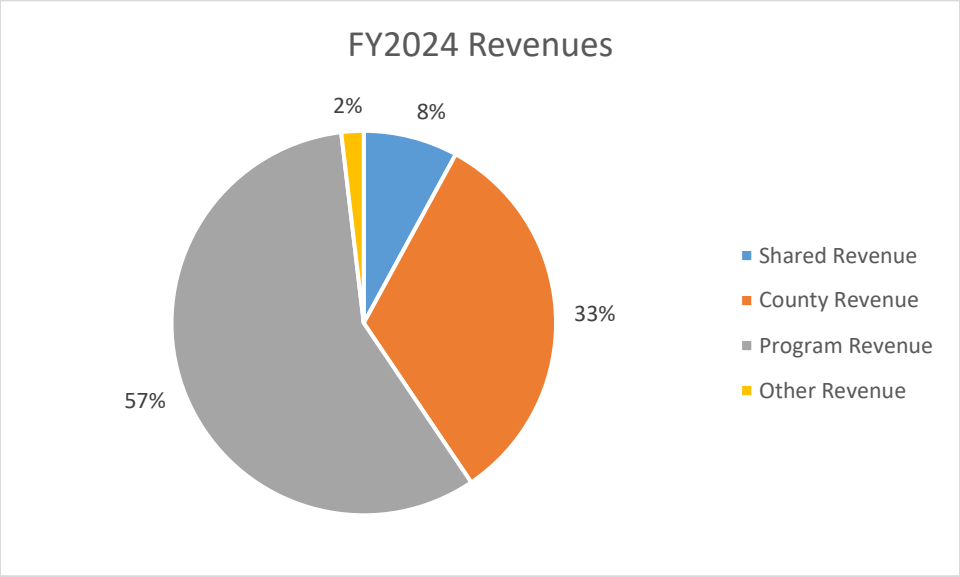
Changes in Net Position

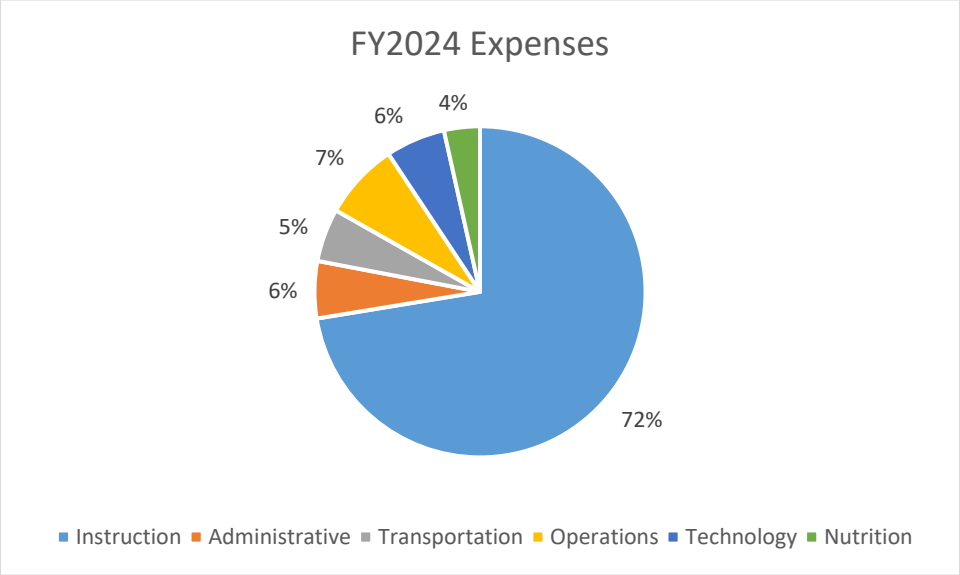
For FY2025, revenues from governmental activities totaled $213.3 million. State and federal revenue for operating grants and contributions account for 53.6% of the School Division's resources as compared to 54.3% for FY2024. This includes state funding for meeting the Standards of Quality and federal impact aid. Revenues from the County totaled $73.9 million or 34.6% of the total revenues as compared to $67.1 million or 32.6% for FY2024. The increase in County funding is a result of an increase in operations of $6.3 million (including the application of the year-end reversion entry for unappropriated funds) and an increase of $0.5 million in capital needs from the prior year.

The total cost of all programs was $207.9 million in FY2025. Instruction made up 71.3% of the total costs for the School Division in FY2025 and 72.4% in FY2024. The School Division's operations and maintenance activities accounted for 7.6% of total costs for FY2025 and 7.5% for FY2024 while administration/attendance and health amounted to 5.2% of total costs for FY2025 and 5.6% in FY2024.

For FY2025, revenues exceeded expenses by a total of $5.4 million. The increase in net position is largely attributed to the following factor:

1. An increase in state funding, specifically a $3.9 million increase in operating grants and a $4.9 million increase in county funding. This was offset by a decrease in charges for services, such as food services, pupil and technology fees, and indirect cost.





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 $16.6 million in FY2025.

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 an agreement with the local government, the School Division includes a portion of Section 7003 Impact Aid funding in its operating budget. For FY2025, this budgeted amount was $8.7 million. The School Division received $11.2 million in Section 7003 Impact Aid funding in FY2025, a decrease of approximately $1.9 million from FY2024. 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 Reserve Fund requires approval from both the County Board of Supervisors and the School Board.

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

Net Cost of Governmental Activities
(in millions)

	Total Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2025	Net Cost of Services 2024
Instruction	$ 148.3	$ 136.0	$ 36.4	$ 24.6
Administration/attendance and health	10.8	10.5	10.8	10.5
Transportation	12.2	9.7	12.1	9.6
Operations and maintenance	15.7	14.1	15.7	14.1
Technology	11.4	10.9	10.8	10.4
Food service	9.5	6.6	3.0	0.3
	$ 207.9	**$ 187.8**	**$ 88.8**	**$ 69.5**

Note: totals may not add due to rounding.

Significant Changes in Governmental Activities Include:

- The cost of all governmental activities was $207.9 million. This is an increase of $20.1 million from the previous year. The increase can be attributed to the significant increase in state and local funding to support a 5.5% compensation increase for all staff, an increase in spending on the summer academy, special education funding, at-risk students and programs, and remediation to address learning loss.
- The net cost of governmental activities was $88.8 million. This is an increase of $19.3 million from the previous year. The increase can be attributed to the increase in local funding, and the addition of several new state and federal grants.
- The federal and state governments subsidized certain programs with operating and capital grants and contributions of $114.9 million. This is an increase of $2.8 million from the previous year. The difference can be attributed to an increase in state funding for the Standards of Quality and Categorical Programs and increases in the Title and DoDEA grants.
- Most of the School Division's net cost of services of $88.8 million was funded by the County and state taxpayers.

Financial Analysis of the School Division's Funds

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

As the School Division completed the year, the General Fund reported a fund balance of $2.8 million, or a $2.3 million decrease from the fund balance reported for FY2024. The decrease in fund balance for the General Fund is a result of (1) A decrease in carryforward balances of ALL-In funding (approximately $400,000). In FY24, the state allocated $3 million in ALL-In funds, of which the School Division carried forward nearly $1.1 million into FY25. The carryforward amount from FY25 to FY26 decreased to approximately $600,000. (2) The School Division received about $1.9 million less in Impact Aid in FY25 compared to FY24. Under the Memorandum of Understanding ("MOU") between the County and the School Division, any excess Impact Aid is required to be deposited into the Revenue Stabilization Reserve Fund.

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 FY2025 was $2.4 million, a decrease of $2.4 million. The decrease is attributable to the continued refresh of student one-to-one devices across the division. The priority will be to continue to increase the balance of the Technology Reserve Fund in order to be prepared for future replacement schedules.

The Capital Projects Fund reported a fund balance at the end of FY2025 of $1.5 million or a $1.3 million increase from the fund balance reported for FY2024. The change in fund balance in FY2025 was due to the timing of reimbursements from the County's bond proceeds.

The Food Service Fund reported a fund balance of $3.0 million at the end of FY2025, representing a $2.8 million decrease from the FY2024 reported fund balance. School Division's with outsourced food service programs are required to maintain three (3) months of operational reserves, or approximately $2.3 million. However, during the pandemic, the U.S. Department of Agriculture's decision to cover the cost of all student meals in FY2021 and FY2022 led to an increase in student participation and a significantly higher fund balance. The school division is working on a Virginia Department of Education (VDOE) approved plan to spend down the fund balance to required level.

The School Division is working to reduce its fund balance by replacing outdated cafeteria equipment and furniture throughout the division under an approved spending plan with the Department of Education.

The non-major governmental fund represents the Student Activity Funds. The fund reported a balance at the end of FY2025 of $2.3 million or a $0.3 million increase from the fund balance reported for FY2024.

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 FY2025, the School Division amended its general fund budget as follows:

- State revenue was increased by $0.8 million to account for the additional revenue received when the state's amended its budget in September 2024.
- Miscellaneous local revenue had no changes.
- Federal revenue was increased by $1.7 million to reflect higher allocations for the Title grants (Title I, II, III, IV, and VI-B) and the addition of a DoDEA World Language grant awarded after the budget was adopted. At the time the FY25 budget was approved, it was anticipated that larger balances of ESSER stimulus funds would carry forward from FY24 into FY25. However, ESSER funds were spent at a faster rate during the final months of FY24, resulting in a smaller-than-expected carryforward balance.

- Most major expenditure categories were amended to accommodate for slight changes in programs and services.

The actual results for the year show a net change in fund balance of $2.3 million. General Fund revenues were $189.0 million or 5.8% higher in FY2025 as compared to FY2024. Federal revenue decreased $3.5 million or 15.9% in FY2025 as compared to the previous fiscal year. General Fund actual expenditures for FY2025 were $6.2 million less than the final budgeted amount. Significant factors contributing to the variance include:

- Outstanding encumbrances on June 30, 2025, are not reflected in the budget comparison schedule.
- Portions of state and federal grants were carried forward from FY2024.
- Personnel savings due to vacant positions, staff on leave without pay, and personnel attrition.
- Managed savings in numerous budget accounts.

Proprietary Funds

The School Division's internal service fund, a proprietary fund type, is presented on the same basis as the government-wide financial statements but is presented in more detail in the fund financial statements. FY15 was the first year of operation for the fund. As of June 30, 2025, the ending net position of the fund was $0.6 million. The actual results for the year show a net decrease in fund balance of $1.8 million. Charges for services totaled $24.0 million and payments for contractual services totaled $25.9 million.

Capital Assets

At the end of FY2025, the School Division had $202.9 million invested in furniture and equipment, land, buildings, and construction-in-progress in governmental-type activities, which represents an increase of $8.9 million or 4.6% over FY2024. The significant increase is attributed to the renovation and expansion of Seaford Elementary School, the Bruton High roof replacement project, the Tabb Middle and Mt. Vernon Elementary HVAC projects, and the addition of the Grafton High HVAC project. The following table displays FY2025 and FY2024 balances, net of accumulated depreciation. More detailed information about capital assets can be found in Note 5 to the financial statements.

Capital Assets, Net of Depreciation
(in millions)

	Governmental Activities 2025	Governmental Activities 2024, as restated	Total Percentage Changes
Land	$ 4.8	$ 4.8	0.0%
Construction in progress	39.0	35.1	11.1%
Depreciable capital assets	159.1	154.1	3.2%
Total	**$ 202.9**	**$ 194.0**	4.6%

Major Capital Asset Additions for FY2025 Included:

- York High School Roof A&E $119,763
- York High School Replace and Coat Roof $3,588,338
- Waller Mill Elementary School Valcom System $153,827
- Dare Elementary School Adaptive Playground $345,496
- York High School Locker Room Renovation $499,935
- Tabb High School Locker Room Renovation $328,727
- York Middle School Locker Room Renovation $499,995
- Tabb Middle School Locker Room Renovation $488,325
- Tabb Middle School Valcom System $176,686
- York High School Gym Renovation $263,140
- Bruton High School Valcom System $278,879

The Following Major Capital Projects are Included in the School Division's FY2026 Capital Budget:

- Dare Elementary / School Board Office bus loop, parking spaces and Gym HVAC
- Tabb High School renovations and additions
- Temporary Modular Classrooms
- Division Wide replacement of communication system 800MHz radios

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 FY2026 budget provides the following significant costs and budget reductions:

- **Staffing Additions:** For FY2026, the School Division added one English as a Second Language teacher, two speech-language pathologists, a 0.50 hearing-impaired support teacher, and four additional teacher positions to address projected enrollment increases.
- **State Funding:** The state has finally taken action to restore funding for support positions. Funding for these positions was significantly reduced during 2009–2012. While a portion of the funding had been restored in recent years, the state fully restored funding in 2026.
- **Economic Outlook:** Indications of a slowing economy in October 2023 were not sustained. As of June 2024, state revenue exceeded the official forecast, generating billions of dollars in surpluses. As of October 2025, state reserves remain at a historic high, and the current economy is outperforming the forecast by 5.1%. Based on this data, continued growth in K–12 funding is expected for FY2026 and FY2027.
- **Employee Compensation:** Employee compensation remains a top budget priority for staff and administrators. The School Division provided a 7% raise for all staff in FY2024, a 5.5% increase in FY2025, and a 3.5% increase for FY2026. If state revenues continue to exceed official forecasts, it is reasonable to expect continued support for compensation funding in FY2027.
- **Health Care Costs:** Health care costs continue to present significant budget challenges, with premiums rising 8%–15% annually. Additionally, increased out-of-pocket expenses are offsetting much of the compensation gains employees receive.
- **Capital Improvements:** The School Division relies on the local government to fund major capital projects in the Capital Improvements Program (CIP). Since late 2021, costs for labor and materials have increased 30%–40%, resulting in many project bids exceeding budget estimates. Continued cost escalation will likely lead to project delays or deferment 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 17, 2025, the Governor will release his budget amending the FY2026 budget and introducing a new biennial budget for FY2027 and FY2028. It is expected that the Governor's budget will include additional funding for K-12 as state revenues are exceeding the current forecast. As of October 2025, the state of the economy remains strong, state reserve funds are at their highest levels in history and should be able to support any new educational mandates proposed for FY2027.
- During the next Congressional session, the federal government will be considering the budget for Impact Aid for FY2026. There is concern that further reductions to the Impact Aid program will be made, which will limit the School Division's ability to support our military-connected students and families.

Contacting the York County School Division's Financial Management

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

Basic Financial Statements

Exhibit 1

York County School Division
(A Component Unit of the County of York, Virginia)

Statement of Net Position - Governmental Activities

June 30, 2025

ASSETS		
Cash and cash equivalents (Note 2)	$	16,590,595
Receivables:		
Other receivables		51,720
Due from the County of York, Virginia (Note 3)		9,892,192
Due from other governments		3,487,791
Prepaid expenses		90,709
Net pension asset (Note 10)		1,138,301
Net OPEB asset (Note 11)		6,369,980
Lease receivable (Note 8)		6,170,124
Capital assets (Note 5):		
Nondepreciable		43,790,182
Depreciable, net		159,121,447
Total assets		246,703,041
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension (Note 10)		31,634,843
Deferred outflows of resources - OPEB (Note 11)		4,066,335
Total deferred outflows of resources		35,701,178
Total assets and deferred outflows of resources	**$**	**282,404,219**
LIABILITIES		
Vouchers and accounts payable	$	4,422,761
Retainage payable		493,052
Salaries, taxes, and benefits payable		10,152,040
Unearned revenues		268,949
Accrued interest		4,046
Long-term liabilities, due within one year (Note 6)		4,728,009
Long-term liabilities, due in more than one year (Note 6)		118,805,554
Total liabilities		138,874,411
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension (Note 10)		15,080,396
Deferred inflows of resources - OPEB (Note 11)		3,093,918
Deferred inflows of resources - leases (Note 8)		5,768,772
Total deferred inflows of resources		23,943,086
NET POSITION		
Net investment in capital assets		201,103,415
Restricted:		
Nutrition		3,026,075
School activity funds		2,282,456
Pension asset		1,138,301
OPEB		6,369,980
Unrestricted (deficit)		(94,333,505)
Total net position		119,586,722
Total liabilities, deferred inflows of resources, and net position	**$**	**282,404,219**

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

York County School Division
(A Component Unit of the County of York, Virginia)

Statement of Activities – Governmental Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
PRIMARY GOVERNMENT					
Governmental activities:					
Instructional	$ 148,292,246	$ 1,077,191	$ 110,649,159	$ 181,049	$ (36,384,847)
Administrative, attendance, and health services	10,823,666	-	-	-	(10,823,666)
Transportation	12,176,715	-	110,954	-	(12,065,761)
Operations and maintenance	15,731,354	-	-	-	(15,731,354)
Technology	11,372,560	-	-	544,000	(10,828,560)
Nutrition	9,481,107	3,036,235	3,447,801	-	(2,997,071)
Total governmental activities	**$ 207,877,648**	**$ 4,113,426**	**$ 114,207,914**	**$ 725,049**	(88,831,259)
General revenues:					
Payments from the County of York, Virginia (Note 3)					73,863,046
Shared intergovernmental revenues, unrestricted					16,591,705
Investment income					497,411
Miscellaneous					3,265,072
Total general revenues					94,217,234
Change in net position					5,385,975
NET POSITION					
Beginning, as restated (Note 15)					114,200,747
Ending					**$ 119,586,722**

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

Exhibit 3

York County School Division
(A Component Unit of the County of York, Virginia)

Balance Sheet - Governmental Funds
June 30, 2025

	General	Capital Projects	Technology Reserve	School Nutrition	Non-major School Activities	Total
ASSETS						
Cash and cash equivalents	$ 2,091,484	$ 2,213,924	$ 2,624,165	$ 3,245,174	$ 2,282,456	$ 12,457,203
Other receivables	46,884	-	-	4,836	-	51,720
Due from the County of York, Virginia (Note 3)	9,892,192	-	-	-	-	9,892,192
Due from other governments	3,035,004	-	-	452,787	-	3,487,791
Lease receivable (Note 8)	6,170,124	-	-	-	-	6,170,124
Prepaid items	709	-	-	-	-	709
Total assets	**$21,236,397**	**$ 2,213,924**	**$ 2,624,165**	**$ 3,702,797**	**$ 2,282,456**	**$ 32,059,739**
LIABILITIES						
Vouchers and accounts payable	$ 2,379,404	$ 248,153	$ 223,491	$ 553,637	$ -	$ 3,404,685
Deposit payable	75	-	-	-	-	75
Retainage payable	-	493,052	-	-	-	493,052
Salaries, taxes, and benefits payable	10,121,082	21,910	1,105	1,064	-	10,145,161
Unearned revenues	146,928	-	-	122,021	-	268,949
Total liabilities	12,647,489	763,115	224,596	676,722	-	14,311,922
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - leases (Note 8)	5,768,772	-	-	-	-	5,768,772
FUND BALANCES (Note 7)						
Nonspendable, prepaids	709	-	-	-	-	709
Restricted:						
Nutrition	-	-	-	3,026,075	-	3,026,075
School activities	-	-	-	-	2,282,456	2,282,456
Committed	2,079,084	-	-	-	-	2,079,084
Assigned	740,343	1,450,809	2,399,569	-	-	4,590,721
Total fund balances	2,820,136	1,450,809	2,399,569	3,026,075	2,282,456	11,979,045
Total liabilities, deferred inflows of resources, and fund balances	**$21,236,397**	**$ 2,213,924**	**$ 2,624,165**	**$ 3,702,797**	**$ 2,282,456**	**$ 32,059,739**

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

York County School Division
(A Component Unit of the County of York, Virginia)

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

June 30, 2025

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

Total fund balances - governmental funds		$ 11,979,045
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.		202,911,629
Accrued interest is related to long-term liabilities and, therefore, is not reported in the funds.		(4,046)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Workers' compensation claims payable	$ (1,241,122)	
Compensated absences	(24,594,823)	
Lease liabilities	(1,179,942)	
SBITA liabilities	(135,220)	
Net pension liabilities	(79,451,953)	
Net OPEB liabilities	(14,323,503)	(120,926,563)
The net OPEB and pension assets are not a current financial resources and, therefore, are not reported as assets in the governmental funds.		7,508,281
Deferred outflows and inflows of resources related to pensions are not recognized in the funds.		16,554,447
Deferred outflows and inflows of resources related to OPEB are not recognized in the funds.		972,417
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.		591,512
Net position of governmental activities		**$ 119,586,722**

Exhibit 5

York County School Division
(A Component Unit of the County of York, Virginia)

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2025

	General	Capital Projects	Technology Reserve	School Nutrition Fund	Non-major Governmental Fund	Total Governmental Funds
REVENUES						
Intergovernmental:						
County of York, VA (Note 3)	$ 59,912,528	$ 13,330,009	$ -	$ -	$ -	$ 73,242,537
Commonwealth of Virginia	108,865,244	181,049	544,000	196,178	-	109,786,471
Federal government	18,375,622	-	-	3,251,623	-	21,627,245
Revenues from use of money and property	913,321	248,710	65,977	81,353	-	1,309,361
Charges for services	866,130	-	84,342	3,036,235	-	3,986,707
Miscellaneous	77,623	-	-	-	3,187,449	3,265,072
Total revenues	189,010,468	13,759,768	694,319	6,565,389	3,187,449	213,217,393
EXPENDITURES						
Current:						
Instruction	142,067,855	-	-	-	2,925,981	144,993,836
Administration, attendance, and health services	10,862,261	-	-	-	-	10,862,261
Pupil transportation	11,558,000	-	-	-	-	11,558,000
Operations and maintenance	15,651,171	-	-	-	-	15,651,171
Technology	9,938,623	-	3,445,922	-	-	13,384,545
Nutrition	-	-	-	9,335,709	-	9,335,709
Capital outlay	1,276,805	12,431,966	-	-	-	13,708,771
Debt service:						
Principal	469,053	-	369,382	-	-	838,435
Interest	4,983	-	-	-	-	4,983
Total expenditures	191,828,751	12,431,966	3,815,304	9,335,709	2,925,981	220,337,711
Excess (deficiency) of revenues over (under) expenditures	(2,818,283)	1,327,802	(3,120,985)	(2,770,320)	261,468	(7,120,318)
OTHER FINANCING SOURCES (USES)						
Lease and SBITA financing (Note 6)	1,276,805	-	-	-	-	1,276,805
Transfers in (Note 4)	15,000	-	700,001	29,559	-	744,560
Transfers out (Note 4)	(729,560)	-	-	(15,000)	-	(744,560)
Total other financing sources	562,245	-	700,001	14,559	-	1,276,805
Net change in fund balances	(2,256,038)	1,327,802	(2,420,984)	(2,755,761)	261,468	(5,843,513)
FUND BALANCE						
Beginning	5,076,174	123,007	4,820,553	5,781,836	2,020,988	17,822,558
Ending	**$ 2,820,136**	**$ 1,450,809**	**$ 2,399,569**	**$ 3,026,075**	**$ 2,282,456**	**$ 11,979,045**

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

York County School Division
(A Component Unit of the County of York, Virginia)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds		$ (5,843,513)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense.		
Capital outlay	$ 16,231,244	
Depreciation and amortization expense	(7,416,824)	8,814,420
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	(2,338,652)	
Depreciation of capital asset disposals	2,338,652	-
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, as restated	(3,695,028)	
Pension costs	6,422,257	
OPEB costs	1,722,808	
Workers' compensation claims	234,987	4,685,024
Acquisition of lease and subscription liabilities consume the current financial resources of governmental funds but does not have an effect on net position at the time of acquisition.		(1,276,805)
Principal payments on long-term lease and subscription liabilities consume the current financial resources of governmental funds but do not have an effect on net position.		838,435
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.		(1,831,586)
Change in net position of governmental activities		**$ 5,385,975**

Exhibit 7

York County School Division
(A Component Unit of the County of York, Virginia)

Statement of Net Position – Proprietary Fund

June 30, 2025

	Internal Service Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 4,133,392
Prepaid expenses	90,000
Total assets	**$ 4,223,392**
LIABILITIES	
CURRENT LIABILITIES	
Vouchers and accounts payable	$ 1,018,001
Salaries, taxes, and benefits payable	6,879
Claims payable	2,607,000
Total liabilities	**$ 3,631,880**
NET POSITION	
Unrestricted	**$ 591,512**

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

Exhibit 8

York County School Division
(A Component Unit of the County of York, Virginia)

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund

Year Ended June 30, 2025

	Internal Service Fund
OPERATING REVENUES	
Charges for services	$ 23,379,096
Intergovernmental	620,509
	23,999,605
OPERATING EXPENSES	
Insurance payments	25,877,422
Operating loss	(1,877,817)
NONOPERATING REVENUES	
Interest revenue	46,231
Change in net position	(1,831,586)
NET POSITION	
Beginning	2,423,098
Ending	**$ 591,512**

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

York County School Division
(A Component Unit of the County of York, Virginia)

Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2025

	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from users	$ 24,940,969
Payments for services	(24,921,245)
Received from others	620,509
Net cash provided by operating activities	640,233
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	46,231
Net increase in cash and cash equivalents	686,464
CASH AND CASH EQUIVALENTS	
Beginning	3,446,928
Ending	**$ 4,133,392**
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	$ (1,877,817)
Change in:	
Accounts receivable	1,561,873
Vouchers and accounts payable	248,508
Salaries, taxes, and benefits payable	(1,331)
Claims payable	709,000
Net cash provided by operating activities	**$ 640,233**

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

Exhibit 10

York County School Division
(A Component Unit of the County of York, Virginia)

Statement of Fiduciary Net Position - Fiduciary Fund

June 30, 2025

	Pension Trust Fund
ASSETS	
Restricted cash (Note 2)	$ 55,537
Restricted investments (Note 2):	
Federal agency bonds and notes	58,850
Corporate obligations	254,563
Commercial paper	960,264
Total restricted investments	1,273,677
Accrued income	3,256
Total assets	**$ 1,332,470**
NET POSITION	
Net position restricted for pensions	**$ 1,332,470**

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

Exhibit 11

York County School Division
(A Component Unit of the County of York, Virginia)

Statement of Changes in Fiduciary Net Position - Fiduciary Fund

Year Ended June 30, 2025

	Pension Trust Fund
ADDITIONS	
Contributions, employer	$ 10,000
Investment income	
Investment earnings:	
Interest, dividends, and other	34,172
Net increase in the fair value of investments	120,581
Investment income	154,753
Total additions	164,753
DEDUCTIONS	
Benefit paid to participants or beneficiaries	136,825
Administrative expenses	14,874
Other expenses	198
Total deductions	151,897
Net change in net position	12,856
NET POSITION RESTRICTED FOR PENSIONS	
Beginning	1,319,614
Ending	**$ 1,332,470**

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

Note 1 – Summary of Significant Accounting Policies

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

Financial Reporting Entity

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

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

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

Basis of Presentation

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

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

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

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

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

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

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

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

The following are the School Division's governmental funds:

1. 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.
2. Capital Projects Fund: The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or maintenance of school facilities (other than those used financed by the operating fund).

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

3. Technology Reserve Fund: The Technology Reserve Fund is used to account for financial resources to be used for the technology initiatives. These financial resources are primarily derived from transfers from the General Fund as well as grant proceeds.
4. School Nutrition Fund: The School Nutrition Fund is used to account for the school cafeteria operations. Revenues restricted for cafeteria operations include cafeteria sales and Federal grant reimbursements.
5. Non-major Governmental Fund: The Non-major Governmental Fund (School Activity Fund) is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

Accordingly, the School Activity Fund is used to account for the numerous extracurricular school activities, groups, and clubs existing in the schools for the benefit of the students. Revenues restricted school activities include funds collected from students.

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

Fiduciary Funds: Fiduciary funds are funds that are held in a trustee or custodial capacity and use the economic resources measurement focus. 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 which accounts for the revenues and expenses related to the School Division sponsored retirement plan, which is administered by a fiduciary agent of the School Division. The Pension Trust Fund - Optional Plan follows the accrual basis of accounting. The recognition of contributions, benefits, and refunds use the “flow of economic resources” measurement focus. The costs of plan administration are financed through employer and member contributions and earnings on investments. Fiduciary funds are not included in the government-wide financial statements.

Basis of Accounting

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

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

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

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

Cash and Investments

Cash and cash equivalents are pooled with the cash and investments of the County. The School Division utilizes the pooled cash investment method wherein income from the investment of pooled cash is allocated to the various funds based on the percentage of cash and cash equivalents of each fund to the total pooled cash and cash equivalents. Investments in the 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 Nutrition Fund at the estimated value at the time of receipt. Revenues are recorded when donated goods are received and expenditures are recorded as these goods are used.

Prepaid Items

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

Capital Assets

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

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

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

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

Compensated Absences

Employees earn vacation and sick pay in varying amounts as services are provided. The amount of accumulated compensated absences pay estimated to be used or taken, including associated benefits, such as the employe share of Social Security and Medicare taxes and employer fixed contribution to benefit plans is accounted for as a liability in the government-wide financial statements at current rates of pay at year-end. 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 classified to reflect the limitations and restrictions placed on the respective funds as follows:

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

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

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

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

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

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

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

Interfund Activity

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

Unearned Revenues

The School Division reports unearned revenues on its government-wide financial statements when revenues are received prior to the period in which all eligibility requirements have been met. Unearned revenue at the fund level arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Deferred Outflows/Inflows of Resources

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

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

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

VRS Pensions and Other Postemployment Benefits (OPEB)

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

Optional Retirement Plan

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

Leases

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

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

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

Subscription-Based Information Technology Arrangements (SBITAs)

The School Division occasionally enters into subscription-based information technology arrangements. The School Division recognizes a subscription liability with values of $5,000 or more.

At the commencement of a subscription, the School Division initially measures the subscription liability at the present value of future payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the subscription term.

Key estimates and judgments related to subscriptions include how the School Division determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The School Division monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Use of Estimates

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

Adoption of New Accounting Standard

Effective July 1, 2024, the School Division adopted GASB 101, *Compensated Absences*. Statement No. 101 provides guidance on the recognition and measurement of compensated absences. The implementation of this pronouncement had the effect of restating previously reported amounts. Further information on this restatement is provided in Note 15, and additional details on the School Division's compensated absences can be found in Note 6.

Note 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, 2025, cash and investments of the School Division consisted of:

Bank deposits	$ 14,103,475
Investments	204,064
Cash and investments with York County Treasurer	14,307,539
Bank Deposits - York County School Activity Funds	2,282,456
Petty cash	600
Total cash and investments	**$ 16,590,595**

Cash and investments of the School Division's Pension Trust Fund at June 30, 2025, consisted of:

Restricted cash	$ 55,537
Restricted investments	1,273,677
Total cash and investments	**$ 1,329,214**

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, 2025, all of the County's investments were held in a bank's trust department in the County's name.

Credit Risk

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

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

As of June 30, 2025, the School Division's investments held by the County Treasurer consisted of $204,064 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:

	AAA	AA	A	BBB	Not Rated
Commercial paper	$ 130,032	$ 251,464	$ 317,460	$ 152,251	$ 109,057
U.S. Government bonds	-	58,850	-	-	-
Corporate obligations	-	-	211,130	33,490	9,943
	$ 130,032	**$ 310,314**	**$ 528,590**	**$ 185,741**	**$ 119,000**

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, 2025, the School Division's portfolio held with the County Treasurer had no investments that were more than 5% of the total portfolio.

Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, the County's Policy limits the investment portfolio holding to no more than 18 months, unless approved by the Treasurer.

As of June 30, 2025, 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	**$ 204,064**

As of June 30, 2025, 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	$ 960,264	N/A
U.S. Government bonds	58,850	1.98 years
Corporate obligations	254,563	1.12 years
Total investments	**$ 1,273,677**	

Fair Value

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

Note 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, 2025:

	Due From
Due from County of York, Virginia	
School General Fund for school operations	**$ 9,892,192**

	Intergovernmental Revenues
School General Fund	$ 58,637,171
Capital Projects Fund	13,330,009
Intergovernmental Revenues from the County of York, Virginia for school operations	**$ 71,967,180**

Note 4 – Transfers Between Funds

During the year ended June 30, 2025, $700,001 was transferred from the General Fund to the Technology Fund for capital purchases, $29,559 was transferred from the General Fund to the School Nutrition for support for various purchases, and $15,000 was transferred from School Nutrition Fund to the General Fund for the School Food Service Fund's portion of workers' compensation.

Note 5 – Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not depreciated or amortized:				
Land	$ 4,824,818	$ -	$ -	$ 4,824,818
Construction in progress	35,128,586	10,798,782	6,962,004	38,965,364
Total non-depreciable capital assets	39,953,404	10,798,782	6,962,004	43,790,182
Capital assets depreciated or amortized:				
Buildings	241,580,828	6,591,438	-	248,172,266
Improvements	18,252,424	370,566	-	18,622,990
Machinery and equipment	3,849,113	2,458,573	19,201	6,288,485
Motor vehicles	16,548,376	1,697,084	58,093	18,187,367
Computer equipment, lease asset	2,196,455	1,215,528	1,874,107	1,537,876
Subscriptions	577,266	61,277	387,251	251,292
Total depreciable capital assets	283,004,462	12,394,466	2,338,652	293,060,276
Less accumulated depreciation and amortization for:				
Buildings	106,714,229	4,634,000	-	111,348,229
Improvements	6,885,735	849,743	-	7,735,478
Machinery and equipment	2,245,427	361,795	19,201	2,588,021
Motor vehicles	10,838,396	997,100	58,093	11,777,403
Computer equipment, lease asset	1,868,424	377,730	1,874,107	372,047
Subscriptions	308,446	196,456	387,251	117,651
Total accumulated depreciation	128,860,657	7,416,824	2,338,652	133,938,829
Total depreciable capital assets - net	154,143,805	4,977,642	-	159,121,447
Total Governmental activities capital assets - net	**$ 194,097,209**	**$ 15,776,424**	**$ 6,962,004**	**$ 202,911,629**

Depreciation and amortization expense was charged to functions as follows:

Governmental activities:	
Instruction	$ 5,733,645
Administration, attendance, and health services	123,598
Pupil transportation	743,736
Operations and maintenance	162,043
Technology	574,186
Nutrition	79,616
Total governmental activities depreciation and amortization expense	**$ 7,416,824**

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

Construction in progress approved is composed of the following as June 30, 2025:

Project authorization	$ 27,422,537
Less expended through June 30, 2025	(12,431,964)
Balance of authorization	**$ 14,990,573**

Note 6 – Long-Term Liabilities

The School Division adopted GASB Statement No. 101, *Compensated Absences* in fiscal year 2025 and previously reported amounts were restated. Restated balances are provided in Note 15 and below. A summary of changes in long-term obligations for governmental activities for the year ended June 30, 2025, follows:

Heading	Balance July 1, 2024**	Increases	Decreases	Balance June 30, 2025	Amounts Due Within One Year
Compensated absences*	$ 20,899,795	$ 3,695,028	$ -	$ 24,594,823	$ 1,214,529
Net OPEB liability	14,776,015	-	452,512	14,323,503	-
Net pension liability	83,129,254	-	3,677,301	79,451,953	-
Claims liability	3,374,109	2,224,740	1,750,727	3,848,122	3,145,000
Lease liability	632,153	1,215,528	667,739	1,179,942	301,523
SBITA liability	244,639	61,277	170,696	135,220	66,957
Total long-term liabilities	**$ 123,055,965**	**$ 7,196,573**	**$ 6,718,975**	**$ 123,533,563**	**$ 4,728,009**

* Under GASB Statement No. 101, *Compensated Absences*, this figure is presented net.
** Compensated absences balance has been restated. See Note 15.

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

Note 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 Fund	Capital Projects	Technology Reserve	School Food Service	Non-Major Governmental	Governmental Funds
Nonspendable:						
Prepaid items	$ 709	$ -	$ -	$ -	$ -	$ 709
Restricted:						
Food service	-	-	-	3,026,075	-	3,026,075
Student activity funds	-	-	-	-	2,282,456	2,282,456
Total restricted	-	-	-	3,026,075	2,282,456	5,308,531
Committed:						
Self-insurance	2,079,084	-	-	-	-	2,079,084
Assigned:						
Instruction	327,803	-	-	-	-	327,803
Administration	93,030	-	-	-	-	93,030
Transportation	182,920	-	-	-	-	182,920
Operations and maintenance	71,748	-	-	-	-	71,748
Technology	64,842	-	2,399,569	-	-	2,464,411
Capital projects	-	1,450,809	-	-	-	1,450,809
Total assigned	740,343	1,450,809	2,399,569	-	-	4,590,721
Total fund balances	**$ 2,820,136**	**$ 1,450,809**	**$ 2,399,569**	**$ 3,026,075**	**$ 2,282,456**	**$ 11,979,045**

Significant encumbrances of the School Division relate to contractual services for special education and building replacement and maintenance. The School Division had encumbrances of $741,051 for the General Fund, $7,541,766 for the Capital Projects Fund, $250,223 for the School Nutrition Fund, $580,481 for the Technology Reserve Fund, and no encumbrances for the Non-major Governmental Fund.

Note 8 – Leases

Lessee

As of June 30, 2025, York County School Division, Virginia, leases printers, copiers, and other technology items. The leases have payments that range from $2,677 to $294,223 and interest rates that range from 0.44% to 3.00%. As of June 30, 2025, the total combined value of the lease liability is $1,179,942, the total combined value of the short-term lease liability is $301,523. The combined value of the right-to-use asset, as of June 30, 2025, of $1,537,876 with accumulated amortization of $372,047.

A summary of future principal and interest payments under noncancelable leases as of June 30, 2025, is as follows:

Fiscal Year	Principal Payments	Interest Payments
2026	$ 301,523	$ 23,842
2027	308,119	17,246
2028	314,885	10,479
2029	255,415	3,670
	$ 1,179,942	**$ 55,237**

Lessor

The School Division is a lessor for noncancelable leases of certain land where radio towers are located with varying terms ranging from 24 to 40 years. The School Division does not own the radio towers but does own the land. The radio towers are located at various schools throughout the School Division. The School Division also leases space in certain schools for before and after-school childcare. As of June 30, 2025, the value of the lease receivable for all leases of the School Division is $6,170,124. The lessee is required to make monthly fixed payments ranging from $8,703 to $124,293. The leases have interest rates ranging from 0.89% to 2.43%. The value of the deferred inflow of resources as of June 30, 2025, was $5,768,772, and the School Division recognized lease revenue of $333,957 during the fiscal year.

A summary of future rental receipts under noncancelable leases as of June 30, 2025, is as follows:

Fiscal Year	Principal Payments	Interest Payments
2026	$ 261,887	$ 142,280
2027	180,948	137,855
2028	168,143	133,933
2029	172,915	129,919
2030	177,814	125,793
2031 – 2035	1,066,205	557,807
2036 – 2040	1,250,110	420,744
2041 – 2045	1,432,106	262,801
2046 – 2050	895,512	108,259
2051 – 2055	257,887	53,385
2056 – 2060	291,095	20,177
2061 – 2065	15,502	63
	$ 6,170,124	**$ 2,093,016**

Note 9 – Subscription-Based Information Technology Arrangements (SBITAs)

The School Division has several SBITAs for computer software. During 2025, the School Division entered into an additional subscription arrangement recognizing a related subscription liability of $61,277. As of June 30, 2025, the cumulative value of the subscription liability was $135,220. The School Division is required to make annual fixed payments ranging from $5,000 to $100,066. The SBITAs have interest rates ranging from 1.58% - 2.83%. The value of the right-of-use assets (Subscriptions) as of June 30, 2025, was $251,292 with accumulated amortization of $117,651.

A summary of future principal and interest payments under SBITAs as of June 30, 2025, is as follows:

Fiscal Year	Principal Payments	Interest Payments
2026	$ 66,957	$ 2,644
2027	68,263	1,336
	$ 135,220	**$ 3,980**

Note 10 – Defined Benefit Pension Plan

Virginia Retirement System Pension Plan

Plan Description

All full-time, salaried permanent (professional) employees of public-school divisions are automatically covered by the VRS Teacher Retirement Plan, a multi-employer cost-sharing plan, upon employment. All full-time, salaried permanent (non-professional) employees of the School Division are automatically covered by the VRS Political Subdivision Retirement Plan, a multi-employer agent plan, upon employment. These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

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

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

Employees Covered by Benefit Terms - Non-Professional

As of the June 30, 2023, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	259
Inactive members:	
Vested inactive members	39
Non-vested inactive members	186
Long-term disability	1
Inactive members active elsewhere in VRS	70
Total inactive members	296
Active members	219
Total covered employees	**774**

Contributions

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

Teacher Retirement Plan (Professional)

Each school division's contractually required contribution rate for the year ended June 30, 2025, was 14.21% of covered employee compensation. This was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. Contributions to the pension plan from the School Division were $13,813,869 and $14,281,581 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $396,926 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $376,636 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $39,692,620 for the year ended June 30, 2025.

Nonprofessional Retirement Plan (Non-Teacher)

The School Division's contractually required contribution rate for the year ended June 30, 2025, was 5.75% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

Contributions to the pension plan from the School Division were $449,125 and $353,907 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $38,773 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $33,562 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $3,877,341 for the year ended June 30, 2025.

Net Pension Liability/Asset

Teacher Retirement Plan (Professional)

At June 30, 2025, the School Division reported a net pension liability of $79,451,953 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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Division's proportion was 0.84641% as compared to 0.82091% at June 30, 2023.

Nonprofessional Retirement Plan (Non-teacher)

In addition, the School Division's Net Pension Liability for the Nonprofessional (non-teacher) Retirement Plan was measured as of June 30, 2024. The net pension liability/asset is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with U.S. GAAP, less that employer's fiduciary net position. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. At June 30, 2025, the School Division reported an asset of $1,040,644 for the Nonprofessional (non-teacher) Retirement Plan.

Actuarial Assumptions

The total pension liability for General Employees in the School Division's Retirement Plan and the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

Mortality rates: General employees - 15 to 20% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2020 Improvement Scale with various setbacks or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2023, valuation was based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public equity	32.00%	6.70%	2.14%
Fixed income	16.00%	5.40%	0.86%
Credit strategies	16.00%	8.10%	1.30%
Real assets	15.00%	7.20%	1.08%
Private equity	15.00%	8.70%	1.31%
PIP - Private investment partnership	1.00%	8.00%	0.08%
Diversifying strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00)%	3.50%	(0.11)%
	100.00%		7.07%
* Expected arithmetic nominal return			**7.07%**

* The above allocation provides a one-year return of 7.07% (including 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, 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 system member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2024, the employer contribution rate is 100% of the actuarially determined employer contribution rate form the June 30, 2023, actuarial valuations. From July 1, 2024, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset) - Non-Professional Plan

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2023	$ 31,798,138	$ 31,721,843	$ 76,295
Changes for the year:			
Service cost	607,971	-	607,971
Interest	2,133,120	-	2,133,120
Difference between expected and actual experience	(153,221)	-	(153,221)
Contributions - employer	-	353,907	(353,907)
Contributions - employee	-	326,399	(326,399)
Net investment income	-	3,047,303	(3,047,303)
Benefit payments, including refunds of employee contributions	(1,608,668)	(1,608,668)	-
Administrative expense	-	(20,907)	20,907
Other changes	-	(1,893)	1,893
Net changes	979,202	2,096,141	(1,116,939)
Balances at June 30, 2024	**$ 32,777,340**	**$ 33,817,984**	**$ (1,040,644)**

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Non-Professional net pension liability (asset)	**$ 2,735,160**	**$ (1,040,644)**	**$ (4,213,298)**
Professional net pension liability	**$ 147,606,156**	**$ 79,451,953**	**$ 26,635,830**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the School Division recognized pension expense of $172,966 for the non-professional plan and $7,829,581 for the professional plan. At June 30, 2025, the School Division reported deferred outflows of resources and deferred inflows of resources related to the non-professional pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 67,142
Net difference between projected and actual earnings on pension plan investments	-	889,586
Employer contributions subsequent to the measurement date	449,123	-
	$ 449,123	**$ 956,728**

The $449,125 reported as deferred outflows of resources related to pensions resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2026	$ (850,411)
2027	252,883
2028	(171,563)
2029	(187,637)
2030	-
Thereafter	-

At June 30, 2025, the School Division reported deferred outflows of resources and deferred inflows of resources related to the professional pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,783,794	$ 1,635,971
Changes of assumptions	1,442,159	-
Net difference between projected and actual earnings on pension plan investments	-	10,936,610
Change in proportionate share	2,125,259	1,551,087
Employer contributions subsequent to the measurement date	13,813,869	-
	$ 31,165,081	**$ 14,123,668**

The $13,813,869 reported as deferred outflows of resources related to pensions resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2026	$ (5,229,567)
2027	6,944,229
2028	2,160,986
2029	(648,104)
2030	-
Thereafter	-

Net Pension Liability – Professional Plan

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	$ 60,622,260
Plan fiduciary net position	51,235,326
Employer's net pension liability	**$ 9,386,934**
Plan fiduciary net position as a percentage of the total pension liability	84.52%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

York County Public Schools - Optional Plan

Plan Description

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

Employees Covered by the Optional Plan

As of the July 1, 2024, actuarial valuation, the following employees were covered by the Optional Plan:

	Members
Active members	3
Retirees and beneficiaries	49
Number of vested terminations	3
Total covered employees	**55**

Benefits Provided

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

Contributions - Optional Plan

2.50% of pay contribution was required as a condition of participation; however, no employee contributions were required after June 30, 1992. Employee contributions are accumulated with interest at 5%. For the year ended June 30, 2025, the average active member contributions rate was -0-% of annual payroll and the School Division's average contribution rate was -0-% of annual payroll.

Rate of Returns - Optional Plan

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 12.36%. The money-weighted return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

Investment Policy - Optional Plan

The policy in regard to the allocation of invested assets is established and may be amended by the School Division Board. It is the policy of the School Division Board to pursue an investment strategy that reduces the risk through the prudent diversification of the portfolio across a broad selection of the distinct asset classes. The Optional Plan's investment policy discourages the use of no-load mutual funds that invest in combinations of stocks and/or bonds. The target asset allocation and best estimate of real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Expected Real Rate of Return	Expected Nominal Rate of Return
Cash equivalents	4.18%	1.47%	3.80%
U.S. Government securities	4.43%	1.76%	4.10%
U.S. Government credits	19.15%	2.93%	5.30%
International Equity Investments	2.70%	3.91%	6.60%
Equity investments	69.54%	4.20%	6.60%
	100.00%	**4.04%**	**6.44%**

Changes in Net Pension Liability (Asset) - Optional Plan

Based on a measurement date of June 30, 2024, the components of the net pension liability (asset) reported as of June 30, 2025, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2023	$ 1,439,699	$ 1,357,795	$ 81,904
Changes for the year:			
Interest	88,553	-	88,553
Difference between expected and actual experience	(152,154)	-	(152,154)
Net investment income (loss)	-	105,756	(105,756)
Contributions from employer	-	25,000	(25,000)
Benefit payments	(157,146)	(157,146)	-
Administrative expense	-	(14,796)	14,796
Net changes	(220,747)	(41,186)	(179,561)
Balances at June 30, 2024	**$ 1,218,952**	**$ 1,316,609**	**$ (97,657)**

Actuarial Assumptions - Optional Plan

The total pension liability for the Optional Plan was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.30%
Investment rate of return, net of expenses, including inflation	6.50%

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

Discount Rate - Optional Plan

From July 1, 2019, forward, it is assumed the School Division will contribute 100% of the actuarially determined contribution rates. Based on those assumptions the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 6.50%.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate - Optional Plan

The following presents the net pension asset of the School Division Optional Plan using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension asset for the Optional Plan	**$ (22,732)**	**$ (97,657)**	**$ (164,553)**

Pension Expense and Deferred Outflows of Resources Related to Pension - Optional Plan

At June 30, 2025, the School Division reported deferred outflows of resources from the following sources:

Net difference between projected and actual earnings on pension plan investments	$	10,639
Contributions made in fiscal year ending 6/30/2025 after measurement date		10,000
	$	**20,639**

The $10,000 reported as deferred outflows of resources related to pension resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources related to the Optional Plan will be recognized in pension expense as follows:

Year Ending	Increase (Reduction) to Pension Expense
2026	$ (18,034)
2027	34,326
2028	(1,330)
2029	(4,323)
2030	-
Thereafter	-

For the year ended June 30, 2025, the School Division recognized a pension recovery for the Optional Plan of $132,670.

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

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

	Deferred Outflows	Deferred Inflows	Net Pension Asset	Net Pension Liability	Pension Expense (Recovery)
VRS - Professional	$ 31,165,081	$ 14,123,668	$ -	$ 79,451,953	$ 7,829,581
VRS - Non-professional	449,123	956,728	1,040,644	-	172,966
Optional Plan	20,639	-	97,657	-	(132,670)
	$ 31,634,843	**$ 15,080,396**	**$ 1,138,301**	**$ 79,451,953**	**$ 7,869,877**

Note 11 – Postemployment Benefits Other Than Pensions (OPEB)

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

Plan Description

Group Life Insurance Program

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

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

Specific information for the GLI is available at https://www.varetire.org/benefits-and-programs/benefits/life-insurance/.

Teacher Employee Health Insurance Credit Program

All full time, salaried permanent (professional) employees of public School Divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

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

Teacher Employee Virginia Local Disability Program

All full-time, salaried permanent (professional) employees of public school divisions 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 Teacher Employee Virginia Local Disability Program (VLDP).

General Employee Virginia Local Disability Program

All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of local governments 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 General Employee Virginia Local Disability Program (VLDP).

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

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

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

General Employee Health Insurance Credit Program

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

As of the June 30, 2024, actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Inactive members or their beneficiaries currently receiving benefits	62
Inactive members:	
Vested	4
Long-term disability	1
Inactive members active elsewhere in VRS	66
Total inactive members	71
Active members	219
Total covered employees	**352**

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2023. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to School Divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025, Contribution - general employees	$ 36,960
June 30, 2024, Contribution - general employees	$ 39,294
June 30, 2025, Contribution - teachers	$ 457,735
June 30, 2024, Contribution - teachers	$ 487,514

Teacher Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1401(E) and may be impacted as a result of funding provided to School Divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2025, Contribution - teachers	$ 1,172,677
June 30, 2024, Contribution - teachers	$ 1,087,686

General Employee Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.72% of covered employee compensation.
June 30, 2025, Contribution - general employees	$ 56,247
June 30, 2024, Contribution - general employees	$ 51,787

Virginia Local Disability Program

Governed by:	*Code of Virginia* 51.1-1178(C), as amended, but may be impacted as a result of funding provided to School Divisions and political subdivisions by the Virginia General Assembly.
Total rate – general employees:	0.74% of covered employee compensation
Total rate – teachers:	0.45% of covered employee compensation
June 30, 2025, Contribution - general employees	$ 29,241
June 30, 2024, Contribution - general employees	$ 28,369
June 30, 2025, Contribution - teachers	$ 178,496
June 30, 2024, Contribution - teachers	$ 155,589

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

The net OPEB liabilities were measured as of June 30, 2024, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2025 proportionate share of liability - general employees	$ 316,252
June 30, 2025 proportionate share of liability - teachers	$ 3,923,694
June 30, 2024 proportion - general employees	0.02834%
June 30, 2023 proportion - general employees	0.02942%
June 30, 2024 proportion - teachers	0.35161%
June 30, 2023 proportion - teachers	0.34555%
June 30, 2025 recovery - general employees	$ (6,421)
June 30, 2025 expense - teachers	$ 75,819

Teacher Health Insurance Credit Program

June 30, 2025 proportionate share of liability	$ 9,696,118
June 30, 2024 proportion	0.83902%
June 30, 2023 proportion	0.81182%
June 30, 2025 expense	$ 698,359

Virginia Local Disability Program

June 30, 2025 proportionate share of asset – general employees	$ (15,567)
June 30, 2025 proportionate share of asset - teachers	$ (27,483)
June 30, 2024 proportion - general employees	0.04315%
June 30, 2023 proportion - general employees	0.04734%
June 30, 2024 proportion - teachers	3.06760%
June 30, 2023 proportion - teachers	2.89424%
June 30, 2025 expense - general employees	$ 21,019
June 30, 2025 expense - teachers	$ 119,787

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amounts from changes in proportion.

General Employee Health Insurance Credit Program

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2023	$ 543,737	$ 118,533	$ 425,204
Changes for the year:			
Service cost	6,524	-	6,524
Interest	36,264	-	36,264
Difference between expected and actual experience	(16,431)	-	(16,431)
Changes of assumptions	-	51,791	(51,791)
Net investment income (loss)	-	12,514	(12,514)
Benefit payments	(26,036)	(26,036)	-
Administrative expense	-	(183)	183
Net changes	321	38,086	(37,765)
Balances at June 30, 2024	**$ 544,058**	**$ 156,619**	**$ 387,439**

In addition, for the year ended June 30, 2024, the School Division recognized OPEB expense of $111,087 related to the General Employee Health Insurance Credit Program.

At June 30, 2025, the School Division reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

General Employee Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 49,880	$ 7,725
Changes of assumptions	1,803	15,673
Net difference between projected and actual earnings on OPEB plan investments	-	26,657
Change in proportion	-	34,211
Employer contributions subsequent to the measurement date	36,960	-
	$ 88,643	**$ 84,266**

Teacher Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 618,857	$ 95,843
Changes of assumptions	22,365	194,450
Net difference between projected and actual earnings on OPEB plan investments	-	330,726
Change in proportion	66,289	118,823
Employer contributions subsequent to the measurement date	457,735	-
	$ 1,165,246	**$ 739,842**

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 459,379
Changes of assumptions	167,036	-
Net difference between projected and actual earnings on OPEB plan investments	-	34,489
Change in proportion	328,867	271,452
Employer contributions subsequent to the measurement date	1,172,677	-
	$ 1,668,580	**$ 765,320**

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,781	$ 21,763
Changes of assumptions	15,964	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,669
Employer contributions subsequent to the measurement date	56,247	-
	$ 82,992	**$ 23,432**

General Employee Virginia Local Disability Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,850	$ 3,280
Changes of assumptions	-	362
Net difference between projected and actual earnings on OPEB plan investments	-	1,408
Change in proportion	530	570
Employer contributions subsequent to the measurement date	29,241	-
	$ 31,621	**$ 5,620**

Teacher Virginia Local Disability Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 84,085	$ 7,391
Changes of assumptions	7,422	-
Net difference between projected and actual earnings on OPEB plan investments	-	4,643
Change in proportion	403	9,004
Employer contributions subsequent to the measurement date	178,496	-
	$ 270,406	**$ 21,038**

The deferred outflows of resources related to OPEB resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Year Ending June 30,	Increase (Reduction) to OPEB Expense: General Employee Group Life Insurance Program	Teacher Group Life Insurance Program	Teacher Health Insurance Credit Program	General Employee Health Insurance Credit Program	General Employee Virginia Local Disability Program	Teacher Virginia Local Disability Program
2026	$ (25,818)	$ (196,214)	$ (83,126)	$ 6,588	$ (1,560)	$ 5,364
2027	(4,258)	45,670	(48,441)	96	(130)	10,145
2028	(5,035)	(3,418)	(93,383)	(2,641)	(418)	7,122
2029	(432)	49,714	(73,327)	(730)	(717)	7,129
2030	2,960	71,916	4,684	-	(418)	8,743
Thereafter	-	-	24,176	-	3	32,368

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Inflation	2.50%
Salary increases, including inflation:	
Locality - general employees	3.50 - 5.35%
Hazardous duty employees	3.50 - 4.75%
Teachers	3.50 - 5.95%
Healthcare cost trend rates:	
Under age 65	7.25 - 4.25%
Ages 65 and older	6.50 - 4.25%
Investment rate of return, net of expenses, including inflation	6.75%

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

Net OPEB liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program	Teacher Employee HIC Plan	Teacher Virginia Local Disability Program	Non-Teacher Virginia Local Disability Program
Total OPEB liability	$ 4,196,055	$ 1,478,105	$ 12,741	$ 12,230
Plan fiduciary net position	3,080,133	322,457	13,637	15,837
Net OPEB liability (asset)	**$ 1,115,922**	**$ 1,155,648**	**$ (896)**	**$ (3,607)**
Plan fiduciary net position as a percentage of the total OPEB liability	73.41%	21.82%	107.03%	129.49%

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public equity	32.00%	6.70%	2.14%
Fixed income	16.00%	5.40%	0.86%
Credit strategies	16.00%	8.10%	1.30%
Real assets	15.00%	7.20%	1.08%
Private equity	15.00%	8.70%	1.31%
PIP - Private investment partnership	1.00%	8.00%	0.08%
Diversifying strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00)	3.50%	(0.11%)
	100.00%		
* Expected arithmetic nominal return			**7.07%**

* The above allocation provides for a one-year expected return of 7.07% (including 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including inflation of 2.50%.

Discount Rate

The discount rate used to measure the GLI, HIC, and VLDP OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2024, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.5075
General Employee GLI Net OPEB liability	$ 491,813	$ 316,252	$ 174,422
Teacher GLI Net OPEB liability	6,101,853	3,923,694	2,164,027
General Employee HIC Net OPEB liability	443,942	387,439	339,198
Teacher HIC Net OPEB liability	11,026,905	9,696,118	8,568,154
General Employee VLDP Net OPEB asset	(11,320)	(15,567)	(19,304)
Teacher VLDP Net OPEB liability (asset)	16,704	(27,483)	(66,023)

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

School Division OPEB Plan

Plan Description

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

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

Benefits Provided and employees covered by the Plan

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

Employees Covered by Benefit Terms

Participants in the School Division's OPEB plan must attain age 55 and have 5 or more years of service with the School Division to be eligible for health benefits upon retirement. Participants must also retire directly from active employment and satisfy one of the VRS retirement eligibility requirements to be eligible for health benefits. VRS retirement eligibility requirements were previously discussed in this note. At July 1, 2023, there were 1,424 active employees, 68 retirees, and 40 spouses of 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 $588,348 for the year ended June 30, 2025.

Actuarial Methods and Assumptions

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of July 1, 2023, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025:

Inflation	2.50%
Discount rate	6.5%
Payroll growth	3.00%
Asset valuation method	Market Value
Amortization method:	
Level percent or level dollar	Level Percentage of Payroll
Closed, open, or layered periods	Layered
Amortization period at June 30, 2025	Each New Base 30 Years
Amortization growth rate	3.00%
Actuarial cost method	Projected Unit Credit

Mortality rates

Pre-Retirement: Pub-2010 Amount Weighted General Employee/Teacher Rates projected generationally; 110% of rates for males (Teacher); females set forward 2 years (General). Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP- 2020 rates. 5% and 25% of deaths are assumed to be service-related for Teachers and General Employees, respectively.

Post-Retirement: Pub-2010 Amount Weighted General/Teacher Healthy Retiree Rates projected generationally; males set forward 1 year (Teacher); 110% of rates for females (General). Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP- 020 rates.

Post-Disablement: Pub-2010 Amount Weighted General/Teacher Disabled Rates projected generationally; males and females set forward 3 years (General) and 110% of rates (Teachers). Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Disability Rates

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

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by taking the annual average long-term future inflation and real return components, including the anticipated effects of return volatility and correlation among various asset classes. The data used in the assessment of reasonability were Milliman's June 30, 2025, capital market assumptions (real returns). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return	Geometric Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	20.00%	2.35%	2.20%
U.S. Large Caps	21.00%	5.39%	3.78%
U.S. Small Caps	10.00%	6.80%	4.22%
Foreign Developed Equity	13.00%	6.61%	4.79%
Emerging Markets Equity	5.00%	8.78%	5.73%
Private Real Estate Property	15.00%	5.99%	4.57%
Private Equity	10.00%	10.43%	6.22%
Hedge Funds	6.00%	2.49%	1.95%
	100.00%		
Assumed inflation - mean		2.28%	2.28%
Assumed inflation - standard deviation		1.47%	1.47%
Portfolio real mean return		5.67%	4.74%
Portfolio nominal mean return		7.95%	7.13%
Portfolio standard deviation			13.32%
Long-term expected rate of return			6.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that School Division contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Change in the Net OPEB Asset

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) – (b)
Balances at June 30, 2024	$ 6,070,825	$ 11,530,736	$ (5,459,911)
Changes for the year:			
Service cost	335,539	-	335,539
Interest	400,473	-	400,473
Contributions - employer	-	588,348	(588,348)
Net investment income (loss)	-	1,025,606	(1,025,606)
Benefit payments	(498,348)	(498,348)	-
Administrative expense	-	(10,923)	10,923
Net changes	237,664	1,104,683	(867,019)
Balances at June 30, 2025	**$ 6,308,489**	**$ 12,635,419**	**$ (6,326,930)**

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 asset would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current discount rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB asset	**$ (5,944,910)**	**$ (6,326,930)**	**$ (6,685,706)**

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

	1% Decrease (5.21% Decreasing to 2.91%)	Healthcare Cost Trend Rate (6.21% Decreasing to 3.91%)	1% Increase (7.21% Decreasing to 4.91%)
Net OPEB asset	**$ (6,959,930)**	**$ (6,326,930)**	**$ (5,600,448)**

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

For the year ended June 30, 2025, the School Division recognized OPEB recovery of $222,747. At June 30, 2025, the School Division reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 217,748	$ 660,196
Changes of assumptions	541,099	679,296
Net difference between projected and actual earnings on OPEB plan investments	-	114,908
	$ 758,847	**$ 1,454,400**

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

Year	Increase (Reduction) to OPEB Expense
2026	$ 154,407
2027	(180,122)
2028	(158,434)
2029	(160,605)
2030	(113,424)
Thereafter	(237,375)

Combining OPEB Liabilities (Assets), OPEB Expense (Recovery), Deferred Outflows of Resources, and Deferred Inflows Of Resources Related to OPEB

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Asset	Net OPEB Liability	OPEB Expense (Recovery)
VRS GLI - Professional	$ 1,165,246	$ 739,842	$ -	$ 3,923,694	$ 75,819
VRS GLI - Non-professional	88,643	84,266	-	316,252	(6,421)
VRS HIC - Professional	1,668,580	765,320	-	9,696,118	698,359
VRS HIC - Non-professional	82,992	23,432	-	387,439	111,087
VRS VLDP - Professional	270,406	21,038	27,483	-	119,787
VRS VLDP - Non-professional	31,621	5,620	15,567	-	21,019
Optional Plan	758,847	1,454,400	6,326,930	-	(222,747)
	$ 4,066,335	**$ 3,093,918**	**$ 6,369,980**	**$ 14,323,503**	**$ 796,903**

Note 12 – Deferred Compensation Plan

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

Note 13 – Contingent Liabilities

Risk Management

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

The School Division reports all its risk management activities in its General Fund, except those related to health and dental benefits. The General Fund retains the full risk for unemployment compensation, with a $400,000 deductible. All claims for retained risks are paid from the General Fund resources. Risks related to health and dental benefits for employees and retirees are reported in an Internal Service Fund. The School Division's risk for each healthcare claim is $300,000.

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

Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The School Division's healthcare liability of $2,607,000 at June 30, 2025, is reasonably estimated and has been included in claims payable in the Internal Service Fund. The School Division's workers' compensation claims liability of $1,241,122 at June 30, 2025, 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, 2024, resulted from the following:

	2025	2024
Accrued liability / committed fund balance - beginning of year	$ 3,374,109	$ 3,728,682
Claims and changes in estimates	2,224,740	1,617,112
Claim payments	(1,750,727)	(1,971,685)
Accrued liability / committed fund balance - end of year	**$ 3,848,122**	**$ 3,374,109**

Grants

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

Litigation

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

Note 14 – New Accounting Standards

In April 2024, the GASB issued **Statement No. 103**, Financial Reporting Model Improvements. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

In September 2024, the GASB issued **Statement No. 104**, *Disclosure of Certain Capital Assets*. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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

Note 15 – Restatement

During fiscal year 2025, the change in accounting principle for the implementation of GASB Statement No. 101 resulted in the restatement of fund balance as of June 30, 2024, as follows:

	Net Position
June 30, 2024, as previously reported	$ 131,480,697
Implementation of new accounting standard	(17,279,950)
June 30, 2024, as restated	**$ 114,200,747**

This implementation has been applied retrospectively, and prior year comparative numbers have been restated accordingly.

Required Supplementary Information Other than Management's Discussion and Analysis (Unaudited)

Exhibit 12

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Revenues - Budget and Actual – General Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
INTERGOVERNMENTAL				
County of York, Virginia	$ 63,177,094	$ 63,177,094	$ 59,912,528	$ (3,264,566)
Commonwealth of Virginia:				
State sales tax	16,126,129	16,549,409	16,591,705	42,296
Basic aid	58,044,047	57,838,779	57,857,314	18,535
Salary supplement	2,171,979	2,180,156	2,181,237	1,081
Supplemental support	3,717,657	3,774,967	3,735,354	(39,613)
Foster home children	7,235	15,474	16,355	881
Special education - foster children	10,853	23,210	21,975	(1,235)
Gifted and talented programs	526,526	527,034	527,298	264
Remedial summer school	421,713	330,450	330,450	-
Virtual VA	-	9,375	9,375	-
Reading intervention	227,757	194,828	194,828	-
Security equipment grant	-	80,498	-	(80,498)
BHS security grant	-	160,000	160,000	-
Special education - SOQ	5,073,040	5,077,931	5,080,470	2,539
Homebound	28,216	29,457	12,938	(16,519)
Comprehensive services act	700,000	1,000,000	1,211,382	211,382
Free textbooks	1,338,380	1,339,670	1,340,340	670
VOC ED - SOQ	585,029	585,593	585,886	293
Special education support	1,437,869	953,595	828,436	(125,159)
Employer share benefit	9,176,603	9,185,450	9,190,043	4,593
Medicaid reimbursement	200,000	200,000	313,399	113,399
Project Graduation	17,890	17,890	17,890	-
Other CAT/VOC ED	30,667	32,270	-	(32,270)
Career switchers program	-	-	7,365	7,365
At-risk	2,557,993	2,557,993	2,559,783	1,790
National board certification	52,500	46,140	46,140	-
K-3 initiative	427,824	389,785	389,785	-
SOL algebra readiness	190,639	196,452	196,452	-
Pre-school initiative	630,866	273,014	273,014	-
VPI At Risk 3-Year-Old	-	103,834	103,834	-
Math and reading instruction	58,438	58,438	58,438	-
AB/IB Cambridge	-	9,601	9,601	-
Miscellaneous grants	200,000	200,000	-	(200,000)
LEP	481,296	700,970	700,970	-
ISAEP	16,405	16,054	16,054	-
CTE equipment	-	-	26,936	26,936
CTE occupational	-	-	5,105	5,105

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Revenues - Budget and Actual – General Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Mentor teacher	4,004	5,034	5,034	-
Advanced computer science grant	-	74,599	74,599	-
K-12 innovation	47,809	-	-	-
CTE industry certification	-	-	16,194	16,194
TE workplace readiness	-	-	2,729	2,729
McKinney Vento	10,765	13,699	13,770	71
Positive behavior	-	-	57,000	57,000
Sch Security Office grant	-	-	87,920	87,920
Stronger Connections grant	328,637	-	-	-
Grocery tax hold harmless	2,568,906	2,568,906	2,568,906	-
Community school grant	-	57,500	57,500	-
Sea Perch Grant	-	5,000	5,000	-
All in Virginia	1,110,000	600,000	-	(600,000)
Seclusion / restraint grant	-	6,980	6,023	(957)
Bonus payment	-	1,367,381	1,367,381	-
VPI Provision License	-	-	3,036	3,036
Total from the Commonwealth of Virginia	108,527,672	109,357,416	108,865,244	(492,172)
Federal government:				
Title I	893,208	900,198	861,317	(38,881)
Removing barriers	-	10,625	1,224	(9,401)
Title II A	201,155	204,397	268,714	64,317
Title III A	39,752	47,232	39,779	(7,453)
Title IV A	62,191	67,347	77,619	10,272
CSLFRF security equipment grant	-	61,769	61,768	(1)
Impact aid	8,700,000	8,700,000	11,155,942	2,455,942
DOD - heavily impacted	1,200,000	1,200,000	1,266,075	66,075
DODEA Maritime	2,000,000	1,909,208	291,835	(1,617,373)
NOAA	160,061	160,061	96,280	(63,781)
Title VI B	2,793,690	3,037,085	3,174,139	137,054
Foreign language grant	1,500,000	1,653,091	272,161	(1,380,930)
DODEA world language grant	-	2,000,000	74,693	(1,925,307)
E-Rate	-	-	10,366	10,366
NJROTC	140,000	140,000	137,118	(2,882)
ARPA incentive payment	-	-	10,000	10,000
ARP - Homeless	-	10,004	10,004	-
CTE Carl Perkins	126,553	126,270	135,156	8,886

Exhibit 12

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Revenues - Budget and Actual – General Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
ESSER III - Unfinished Learning	800,000	143,250	309,929	166,679
ESSER III - Mentor Teacher	366,110	15,990	59,131	43,141
Covid 19 Public Health WF	46,548	13,901	-	(13,901)
Special Education Preschool	54,566	54,566	55,982	1,416
Stronger Connections grant	-	328,637	6,390	(322,247)
Miscellaneous grants	300,000	300,000	-	(300,000)
Total from the federal government	19,383,834	21,083,631	18,375,622	(2,708,009)
Total intergovernmental revenues	191,088,600	193,618,141	187,153,394	(6,464,747)
MISCELLANEOUS REVENUES				
Use of money and property	856,751	856,751	913,321	56,570
Charges for services	865,000	865,000	866,130	1,130
Miscellaneous	321,500	321,500	77,623	(243,877)
Total miscellaneous revenues	2,043,251	2,043,251	1,857,074	(186,177)
Total revenues	**$ 193,131,851**	**$ 195,661,392**	**$ 189,010,468**	**$ (6,650,924)**

Exhibit 13

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Expenditures - Budget and Actual – General Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EDUCATION				
Instruction:				
Classroom instruction services:				
Regular education	$ 84,979,220	$ 84,799,952	$ 85,316,738	$ (516,786)
Special education	19,573,810	19,716,073	20,861,601	(1,145,528)
Vocational education	3,691,644	3,691,645	3,875,895	(184,250)
Gifted and talented	808,606	808,606	726,087	82,519
Other programs	10,117,337	11,296,760	6,603,307	4,693,453
Instructional support - student:				
Guidance	5,025,572	5,025,573	5,097,679	(72,106)
Social work	659,435	659,435	584,445	74,990
Homebound	79,354	79,354	160,818	(81,464)
Instructional support - staff:				
Management and staff development	6,032,595	6,033,793	5,664,358	369,435
Media services	2,555,847	2,555,847	2,471,324	84,523
Instructional support - school administration:				
Principals' office	10,755,671	10,760,999	10,705,603	55,396
Total instruction	144,279,091	145,428,037	142,067,855	3,360,182
Administration, attendance, and health services:				
Board services	403,939	403,939	463,955	(60,016)
Executive services	912,278	912,278	905,786	6,492
Communication services	844,566	991,223	937,803	53,420
Human resources	1,156,885	1,207,083	1,152,972	54,111
Fiscal services	1,689,538	2,008,037	1,582,250	425,787
Health services	2,671,095	2,790,447	2,804,216	(13,769)
Psychological services	1,543,954	1,543,954	1,530,369	13,585
Speech and audiology services	1,279,677	1,371,219	1,484,910	(113,691)
Total administration, attendance, and health services	10,501,932	11,228,180	10,862,261	365,919
Pupil transportation:				
Vehicle operation services	8,423,378	9,242,711	8,632,115	610,596
Vehicle maintenance services	1,898,331	3,103,323	2,925,885	177,438
Total pupil transportation	10,321,709	12,346,034	11,558,000	788,034
Operations and maintenance:				
Management and direction	295,334	539,823	329,356	210,467
Building services	12,729,449	13,545,050	13,019,038	526,012
Grounds services	1,506,300	1,506,300	1,506,300	-
Vehicle services	414,690	435,827	317,036	118,791
Warehouse and distribution services	549,374	549,374	479,441	69,933
Total operations and maintenance	15,495,147	16,576,374	15,651,171	925,203

Exhibit 13

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Expenditures - Budget and Actual – General Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Technology:				
Classroom instruction	4,206,562	4,276,665	2,907,156	1,369,509
Instructional support	4,164,589	4,052,226	3,023,293	1,028,933
Administration	1,680,166	1,705,166	1,527,150	178,016
Operations and maintenance	2,196,102	2,339,720	2,354,755	(15,035)
Other programs - grants	126,553	126,270	126,269	1
Total technology	12,373,972	12,500,047	9,938,623	2,561,424
Total education	192,971,851	198,078,672	190,077,910	8,000,762
CAPITAL OUTLAY				
Leases	-	-	1,215,528	(1,215,528)
Subscriptions	-	-	61,277	(61,277)
Total capital outlay	-	-	1,276,805	(1,276,805)
DEBT SERVICE				
Principal	-	-	469,053	(469,053)
Interest	-	-	4,983	(4,983)
Total debt service	-	-	474,036	(474,036)
Total expenditures	**$ 192,971,851**	**$ 198,078,672**	**$ 191,828,751**	**$ 6,249,921**

Exhibit 14

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Revenues and Expenditures – Budget and Actual – Technology Reserve Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Commonwealth of Virginia	$ 3,644,000	$ 3,644,000	$ 544,000	$ (3,100,000)
Revenue from the use of money	5,000	5,000	65,977	60,977
Charges for services	271,000	271,000	84,342	(186,658)
Total revenues	**$ 3,920,000**	**$ 3,920,000**	**$ 694,319**	**$ (3,225,681)**
EXPENDITURES				
Technology - classroom instruction	$ 4,108,307	$ 4,108,307	$ 3,099,422	$ 1,008,885
Technology - operations and maintenance	-	346,500	346,500	-
Debt service	511,693	511,693	369,382	142,311
Total expenditures	**$ 4,620,000**	**$ 4,966,500**	**$ 3,815,304**	**$ 1,151,196**

Exhibit 15

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Revenues and Expenditures – Budget and Actual – School Nutrition Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Commonwealth of Virginia	$ 184,319	$ 230,169	$ 196,178	$ (33,991)
Federal government	5,033,308	4,819,841	3,251,623	(1,568,218)
Revenue from the use of money	50,000	50,000	81,353	31,353
Charges for services	2,585,000	2,587,800	3,036,235	448,435
Total revenues	**$ 7,852,627**	**$ 7,687,810**	**$ 6,565,389**	**$ (1,122,421)**
EXPENDITURES				
Nutrition:				
Contractual services and purchases for resale	$ 6,230,920	$ 9,321,900	$ 8,025,619	$ 1,296,281
Donated commodities	729,994	834,372	860,551	(26,179)
Salaries and wages	228,907	218,332	222,971	(4,639)
Fringe benefits	154,084	107,057	107,669	(612)
Equipment replacement	493,722	135,000	118,899	16,101
Total expenditures	**$ 7,837,627**	**$ 10,616,661**	**$ 9,335,709**	**$ 1,280,952**

York County School Division

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

Exhibit 16

Changes in Net Pension Liability (Asset) and Related Ratios – VRS – Nonprofessional Employees

Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	$ 607,971	$ 638,511	$ 541,141	$ 600,482	$ 612,876	$ 601,823	$ 601,022	$ 639,053	$ 645,253	$ 657,682
Interest	2,133,120	1,990,800	1,961,360	1,799,838	1,716,651	1,652,635	1,586,058	1,511,907	1,434,468	1,340,262
Benefit payments	(1,608,668)	(1,472,271)	(1,507,833)	(1,309,188)	(1,245,823)	(1,143,487)	(968,357)	(883,431)	(836,736)	(756,608)
Changes of assumptions	-	-	-	845,285	-	706,288	-	(186,884)	-	-
Difference between expected and actual experience	(153,221)	1,050,135	(673,672)	14,692	180,378	56,704	(180,060)	21,121	(113,364)	144,530
Net change in total pension liability	979,202	2,207,175	320,996	1,951,109	1,264,082	1,873,963	1,038,663	1,101,766	1,129,621	1,385,866
Total pension liability - beginning	31,798,138	29,590,963	29,269,967	27,318,858	26,054,776	24,180,813	23,142,150	22,040,384	20,910,763	19,524,897
Total pension liability - ending	**$ 32,777,340**	**$ 31,798,138**	**$ 29,590,963**	**$ 29,269,967**	**$ 27,318,858**	**$ 26,054,776**	**$ 24,180,813**	**$ 23,142,150**	**$ 22,040,384**	**$ 20,910,763**
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 353,907	$ 337,518	$ 365,068	$ 351,643	$ 322,379	$ 326,377	$ 354,063	$ 361,828	$ 487,737	$ 474,730
Contributions - employee	326,399	309,561	298,632	291,284	308,119	305,891	303,951	309,049	310,891	303,379
Net investment income (loss)	3,047,303	1,957,235	(25,148)	6,866,691	483,529	1,615,700	1,696,743	2,525,399	361,926	896,825
Benefit payments	(1,608,668)	(1,472,271)	(1,507,833)	(1,309,188)	(1,245,823)	(1,143,487)	(968,357)	(888,431)	(836,736)	(756,608)
Administrative expenses	(20,907)	(19,712)	(19,712)	(17,255)	(16,631)	(16,095)	(14,629)	(14,499)	(12,543)	(12,064)
Other changes	(1,893)	786	719	646	(571)	(1,017)	(1,513)	(2,249)	(151)	(188)
Net change in plan fiduciary net position	2,096,141	1,113,117	(888,274)	6,183,821	(148,998)	1,087,369	1,370,258	2,291,097	311,124	906,074
Plan fiduciary net position - beginning	31,721,843	30,608,726	31,497,000	25,313,179	25,462,177	24,374,808	23,004,550	20,713,453	20,402,329	19,496,255
Plan fiduciary net position - ending	33,817,984	31,721,843	30,608,726	31,497,000	25,313,179	25,462,177	24,374,808	23,004,550	20,713,453	20,402,329
Net pension liability (asset)	**$ (1,040,644)**	**$ 76,295**	**$ (1,017,763)**	**$ (2,227,033)**	**$ 2,005,679**	**$ 592,599**	**$ (193,995)**	**$ 137,600**	**$ 1,326,931**	**$ 508,434**
Plan fiduciary net position as a percentage of total pension liability	103.17%	99.76%	103.44%	107.61%	92.66%	97.73%	100.80%	99.41%	93.98%	97.57%
Covered Payroll	**$ 7,192,703**	**$ 6,796,623**	**$ 6,471,798**	**$ 6,257,392**	**$ 6,598,388**	**$ 6,466,346**	**$ 6,347,608**	**$ 6,373,699**	**$ 6,361,525**	**$ 6,167,447**
Net pension liability (asset) as a percentage of covered payroll	-14.47%	1.12%	-15.73%	-35.59%	30.40%	9.16%	-3.06%	2.16%	20.86%	8.24%

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

York County School Division

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

Exhibit 17

Changes in Net Pension Liability (Asset) and Related Ratios – Optional Plan

Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	$ -	$ 306	$ 963	$ 702	$ 646	$ 1,138	$ 1,206	$ 1,385	$ 1,834	$ 1,731
Interest	88,553	95,030	105,566	118,665	115,237	117,944	120,762	127,986	132,210	120,051
Benefit payments	(157,146)	(195,690)	(177,057)	(182,403)	(179,529)	(206,332)	(189,804)	(197,602)	(194,429)	(164,908)
Changes of assumptions	-	20,855	(66,190)	97,283	79,355	(4,898)	(11,814)	(36,292)	-	157,315
Difference between expected and actual experience	(152,154)	15,410	(205,194)	25,735	34,647	40,567	47,716	(2,386)	2,076	74,161
Net change in total pension liability	(220,747)	(64,089)	(341,912)	59,982	50,356	(51,581)	(31,934)	(106,909)	(58,309)	188,350
Total pension liability - beginning	1,439,699	1,503,788	1,845,700	1,785,718	1,735,362	1,786,943	1,818,877	1,925,786	1,984,095	1,795,745
Total pension liability - ending	**$ 1,218,952**	**$ 1,439,699**	**$ 1,503,788**	**$ 1,845,700**	**$ 1,785,718**	**$ 1,735,362**	**$ 1,786,943**	**$ 1,818,877**	**$ 1,925,786**	**$ 1,984,095**
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 25,000	$ -	$ 29,445	$ -	$ -	$ -	$ -	$ 20,000	$ 10,000	$ -
Net investment income (loss)	105,756	78,633	(78,776)	364,782	23,675	179,448	237,109	142,975	89,571	20,333
Benefit payments	(157,146)	(195,690)	(177,057)	(182,403)	(179,529)	(206,332)	(189,804)	(197,602)	(194,429)	(164,908)
Administrative expenses	(14,796)	(15,767)	(18,586)	(17,943)	(18,397)	(19,034)	(19,484)	(19,782)	(21,276)	(21,515)
Net change in plan fiduciary net position	(41,186)	(132,824)	(244,974)	164,436	(174,251)	(45,918)	27,821	(54,409)	(116,134)	(166,090)
Plan fiduciary net position - beginning	1,357,795	1,490,619	1,735,593	1,571,157	1,745,408	1,791,326	1,763,505	1,817,914	1,934,048	2,100,138
Plan fiduciary net position - ending	1,316,609	1,357,795	1,490,619	1,735,593	1,571,157	1,745,408	1,791,326	1,763,505	1,817,914	1,934,048
Net pension liability (asset)	**$ (97,657)**	**$ 81,904**	**$ 13,169**	**$ 110,107**	**$ 214,561**	**$ (10,046)**	**$ (4,383)**	**$ 55,372**	**$ 107,872**	**$ 50,047**
Plan fiduciary net position as a percentage of total pension liability	108.01%	94.31%	99.12%	94.03%	87.98%	100.58%	100.25%	96.96%	94.40%	97.48%
Covered-Employee Payroll	**$ 238,451**	**$ 265,269**	**$ 336,359**	**$ 320,207**	**$ 334,285**	**$ 315,384**	**$ 393,083**	**$ 416,038**	**$ 490,949**	**$ 540,694**
Net pension liability (asset) as a percentage of covered-employee payroll	-40.95%	30.88%	3.92%	34.39%	64.19%	-3.19%	-1.12%	13.31%	21.97%	9.26%

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

Exhibit 18

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Employer's Share of Net Pension Liability
VRS – Professional Employees

Year Ended June 30,	(a) Employer's Portion of the Net Pension Liability	(b) Employer's Proportionate Share of the Net Pension Liability	(c) Employer's Covered Payroll	(d) Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (b) / (c)	(e) Plan Fiduciary Net Position as a % of the Total Pension Liability
2024	0.84641%	$ 79,451,953	$ 89,891,368	88.39%	84.52%
2023	0.82091%	82,971,055	80,928,634	102.52%	82.45%
2022	0.81888%	77,962,278	75,656,571	103.05%	82.61%
2021	0.84025%	65,229,425	73,610,398	88.61%	85.46%
2020	0.85723%	124,749,477	74,340,993	167.81%	71.47%
2019	0.85177%	112,097,772	70,985,746	157.92%	73.51%
2018	0.84051%	98,844,000	67,691,857	146.02%	74.81%
2017	0.85148%	104,715,000	66,894,061	156.54%	72.92%
2016	0.87024%	121,956,000	66,367,678	183.76%	68.28%
2015	0.85504%	107,618,000	63,559,725	169.32%	70.68%

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

Exhibit 20

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Investments - Optional Plan

Year Ended June 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2025	12.36%
2024	8.16%
2023	5.68%
2022	(4.77%)
2021	24.69%
2020	1.44%
2019	10.67%
2018	14.26%
2017	8.28%
2016	4.88%

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Employer Contributions – Pension

Year Ended June 30,	(a) Contractually Required Contributions	(b) Contribution In Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a)-(b)	(d) Employer's Covered Payroll	(e) Contributions as a Percentage of Covered Payroll (b) / (d)
VRS – Professional Employees					
2025	$ 13,813,869	$ 13,813,869	$ -	$ 96,915,435	14.25%
2024	14,281,581	14,281,581	-	89,891,368	15.89%
2023	12,923,612	12,923,612	-	80,928,634	15.97%
2022	12,558,998	12,558,998	-	75,565,571	16.62%
2021	12,234,048	12,234,048	-	73,610,398	16.62%
2020	11,359,571	11,359,571	-	74,340,993	15.28%
2019	10,917,764	10,917,764	-	70,985,746	15.38%
2018	10,867,762	10,867,762	-	67,691,857	16.05%
2017	9,684,516	9,684,516	-	66,894,061	14.48%
2016	9,271,511	9,271,511	-	66,367,678	13.97%
VRS – Nonprofessional Employees					
2025	$ 449,123	$ 449,123	$ -	$ 7,812,032	5.75%
2024	353,907	353,907	-	7,192,703	4.92%
2023	337,518	337,518	-	6,796,623	4.97%
2022	405,782	405,782	-	6,471,798	6.27%
2021	392,338	392,338	-	6,257,392	6.27%
2020	324,157	324,157	-	6,598,388	4.91%
2019	327,734	327,734	-	6,466,346	5.07%
2018	355,364	355,364	-	6,347,608	5.60%
2017	363,194	363,194	-	6,373,699	5.70%
2016	489,081	489,081	-	6,361,525	7.69%
Optional Plan					
2025	$ -	$ 10,000	$ (10,000)	$ 218,645	4.57%
2024	7,841	25,000	(17,159)	238,451	10.48%
2023	1,923	-	1,923	265,269	0.00%
2022	8,671	29,445	(20,774)	336,359	8.75%
2021	19,821	-	19,821	320,207	0.00%
2020	-	-	-	334,285	0.00%
2019	79	-	79	315,384	0.00%
2018	7,178	-	7,178	393,083	0.00%
2017	10,884	20,000	(9,116)	416,038	4.81%
2016	5,370	10,000	(4,630)	490,949	2.04%

York County School Division
(A Component Unit of the County of York, Virginia)

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

Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Employer's proportion of the net GLI OPEB liability	0.02834%	0.02942%	0.03023%	0.03104%	0.03261%	0.03328%	0.03399%	0.03505%
Employer's proportionate share of the net GLI OPEB liability	$ 316,252	$ 352,838	$ 363,998	$ 361,390	$ 544,207	$ 541,554	$ 516,000	$ 527,000
Employer's covered payroll	$ 7,276,695	$ 6,929,380	$ 6,576,091	$ 6,407,980	$ 6,710,645	$ 6,524,499	$ 6,464,042	$ 6,465,629
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	4.35%	5.09%	5.54%	5.64%	8.11%	8.30%	7.98%	8.15%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	73.41%	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Pre-2017 data is not available. Additional years will be included as they become available.

Net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

Exhibit 22

York County School Division
(A Component Unit of the County of York, Virginia)

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

Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Employer's proportion of the net GLI OPEB liability	0.35161%	0.34555%	0.34861%	0.35728%	0.36222%	0.36358%	0.35768%	0.36412%
Employer's proportionate share of the net GLI OPEB liability	$ 3,923,694	$ 4,144,228	$ 4,197,601	$ 4,159,709	$ 6,044,858	$ 5,916,415	$ 5,432,000	$ 5,479,000
Employer's covered payroll	$ 90,280,302	$ 81,395,515	$ 75,832,600	$ 73,764,438	$ 74,545,554	$ 71,274,389	$ 68,011,166	$ 67,163,557
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	4.35%	5.09%	5.54%	5.64%	8.11%	8.30%	7.99%	8.16%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	73.41%	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Pre-2017 data is not available. Additional years will be included as they become available.

Net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

Exhibit 23

York County School Division
(A Component Unit of the County of York, Virginia)

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

Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Employer's proportion of the net HIC OPEB liability	0.83902%	0.81182%	0.81078%	0.83233%	0.84826%	0.84659%	0.83687%	0.84856%
Employer's proportionate share of the net HIC OPEB liability	$ 9,696,118	$ 9,834,529	$ 10,127,019	$ 10,683,531	$ 11,065,692	$ 11,082,687	$ 10,626,000	$ 10,765,000
Employer's covered payroll	$ 89,891,369	$ 80,947,643	$ 75,565,571	$ 73,610,398	$ 74,364,656	$ 71,009,117	$ 67,680,531	$ 66,968,466
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	10.79%	12.15%	13.40%	14.51%	14.88%	15.61%	15.70%	16.07%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	21.82%	17.90%	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%

Schedule is intended to show information for 10 years. Pre-2017 data is not available. Additional years will be included as they become available.

Net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

York County School Division
(A Component Unit of the County of York, Virginia)

Exhibit 24

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

Year Ended June 30,	2024	2023	2022	2021	2020	2019
TOTAL HIC OPEB LIABILITY						
Service cost	$ 6,524	$ 6,780	$ 8,178	$ 11,959	$ 11,482	$ 11,130
Interest	36,264	36,096	32,525	30,977	21,325	(540)
Benefit changes	-	-	-	-	7,946	-
Difference between expected and actual experience	(16,431)	(14,209)	5,927	(9,103)	124,238	321,805
Changes of assumptions	-	-	33,853	5,800	-	9,367
Benefit payments	(26,036)	(25,804)	(26,575)	(23,179)	(20,815)	(15,426)
Net change in total HIC liability	321	2,863	53,908	16,454	144,176	326,336
Total HIC liability - beginning	543,737	540,874	486,966	470,512	326,336	-
Total HIC liability - ending	**$ 544,058**	**$ 543,737**	**$ 540,874**	**$ 486,966**	**$ 470,512**	**$ 326,336**
PLAN FIDUCIARY NET POSITION						
Contributions - employer	$ 51,791	$ 48,761	$ 42,739	$ 41,300	$ 35,120	$ 34,311
Net investment income (loss)	12,514	5,874	(418)	10,673	431	1,107
Benefit payments	(26,036)	(25,804)	(26,575)	(23,179)	(20,815)	(15,426)
Administrative expenses	(183)	(133)	(142)	(185)	(64)	(28)
Other changes	-	557	10,430	-	-	(1)
Net change in plan fiduciary net position	38,086	29,255	26,034	28,609	14,672	19,963
Plan fiduciary net position - beginning	118,533	89,278	63,244	34,635	19,963	-
Plan fiduciary net position - ending	156,619	118,533	89,278	63,244	34,635	19,963
Net OPEB Liability	**$ 387,439**	**$ 425,204**	**$ 451,596**	**$ 423,722**	**$ 435,877**	**$ 306,373**
Plan fiduciary net position as a percentage of covered payroll	28.79%	21.80%	16.51%	12.99%	7.36%	6.12%
Covered Payroll	**$ 7,192,703**	**$ 6,796,623**	**$ 6,471,798**	**$ 6,257,392**	**$ 6,473,737**	**$ 6,473,737**
Net OPEB Liability as a percentage of covered payroll	5.39%	6.26%	6.98%	6.77%	6.73%	4.73%

Schedule is intended to show information for 10 years. Pre-2019 data is not available. Additional years will be included as they become available.

Net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of School Division's Share of Net OPEB Liability (Asset) – Virginia Local Disability Program – Nonprofessional Employees

Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017
NONPROFESSIONAL EMPLOYEES								
Employer's proportion of the Net VLDP OPEB liability (asset)	0.43152%	0.47343%	0.05345%	0.05374%	0.59289%	0.56622%	0.55393%	0.58111%
Employer's proportionate share of the net VLDP OPEB liability (asset)	$ (15,567)	$ (7,617)	$ (3,142)	$ (5,440)	$ 5,919	$ 11,471	$ 4,000	$ 3,000
Employer's covered payroll	$ 3,337,578	$ 2,897,818	$ 2,503,941	$ 2,158,928	$ 2,209,330	$ 1,749,657	$ 1,344,986	$ 1,067,079
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	-0.47%	-0.26%	-0.13%	-0.25%	0.27%	0.66%	0.30%	0.28%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	129.49%	116.89%	107.99%	119.64%	76.88%	49.21%	51.39%	38.40%
PROFESSIONAL EMPLOYEES								
Employer's proportion of the net VLDP OPEB liability (asset)	3.06760%	2.89424%	2.64852%	2.67037%	2.67889%	2.60420%	2.70217%	2.91011%
Employer's proportionate share of the net VLDP OPEB liability (asset)	$ (27,483)	$ 19,216	$ (2,978)	$ (18,799)	$ 21,492	$ 15,140	$ 21,000	$ 17,000
Employer's covered payroll	$ 33,104,095	$ 27,027,551	$ 21,316,819	$ 17,969,082	$ 15,845,658	$ 12,487,933	$ 10,075,546	$ 8,212,334
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	-0.08%	0.07%	-0.01%	-0.10%	0.14%	0.12%	0.21%	0.21%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	107.03%	93.77%	101.57%	114.41%	78.25%	74.07%	46.18%	31.96%

Schedule is intended to show information for 10 years. Pre-2017 data is not available. Additional years will be included as they become available.

Net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

York County School Division
(A Component Unit of the County of York, Virginia)

Exhibit 26

Schedule of Changes in Net OPEB Asset and Related Ratios – School Division Plan

Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY									
Service cost	$ 335,539	$ 330,744	$ 317,574	$ 284,337	$ 339,426	$ 324,527	$ 256,396	$ 280,180	$ 261,850
Interest	400,473	440,101	401,469	347,122	402,318	382,499	348,052	323,944	308,920
Effect of economic/demographic gains or losses	-	(774,477)	-	291,650	(61,892)	-	131,855	-	-
Effect of assumption changes or inputs	-	(132,464)	285,158	256,189	(1,094,130)	(25,368)	626,213	-	-
Benefit payments	(498,348)	(459,017)	(388,148)	(365,094)	(394,021)	(389,344)	(383,086)	(352,983)	(395,238)
Net change in total OPEB liability	237,664	(595,113)	616,053	814,204	(808,299)	292,314	979,430	251,141	175,532
Total OPEB liability - beginning	6,070,825	6,665,938	6,049,885	5,235,681	6,043,980	5,751,666	4,772,236	4,521,095	4,345,563
Total OPEB Liability - ending	**$ 6,308,489**	**$ 6,070,825**	**$ 6,665,938**	**$ 6,049,885**	**$ 5,235,681**	**$ 6,043,980**	**$ 5,751,666**	**$ 4,772,236**	**$ 4,521,095**
PLAN FIDUCIARY NET POSITION									
Contributions - employer	$ 588,348	$ 634,017	$ 388,148	$ 588,407	$ 635,431	$ 389,344	$ 593,608	$ 563,505	$ 589,228
Net investment income (loss)	1,025,606	998,838	734,895	(982,306)	2,355,368	232,409	325,272	602,829	700,174
Benefit payments	(498,348)	(459,017)	(388,148)	(365,094)	(394,021)	(389,344)	(383,086)	(352,983)	(395,238)
Administrative expenses	(10,923)	(10,645)	(10,387)	(11,534)	(9,365)	(8,907)	(8,187)	(7,558)	(5,293)
Net change in plan fiduciary net position	1,104,683	1,163,193	724,508	(770,527)	2,587,413	223,502	527,607	805,793	888,871
Plan fiduciary net position - beginning	11,530,736	10,367,543	9,643,035	10,413,562	7,826,149	7,602,647	7,075,040	6,269,247	5,380,376
Plan fiduciary net position - ending	12,635,419	11,530,736	10,367,543	9,643,035	10,413,562	7,826,149	7,602,647	7,075,040	6,269,247
Net OPEB asset	**$ (6,326,930)**	**$ (5,459,911)**	**$ (3,701,605)**	**$ (3,593,150)**	**$ (5,177,881)**	**$ (1,782,169)**	**$ (1,850,981)**	**$ (2,302,804)**	**$ (1,748,152)**
Plan fiduciary net position as a percentage of total OPEB Liability	200.29%	189.94%	155.53%	159.39%	198.90%	129.49%	132.18%	148.25%	138.67%
Covered-employee payroll	**$ 80,868,648**	**$ 80,868,648**	**$ 68,592,182**	**$ 68,592,182**	**$ 78,051,732**	**$ 72,562,703**	**$ 72,562,703**	**$ 73,417,704**	**$ 73,417,704**
Net OPEB asset as a percentage of covered employee payroll	-7.82%	-6.75%	-5.40%	-5.24%	-6.63%	-2.46%	-2.55%	-3.14%	-2.38%

Schedule is intended to show information for 10 years. Since 2025 is the ninth year for this presentation, no earlier data is available. However, additional years will be included as they become available.

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Employer Contributions – Group Life Insurance Program

Year Ended June 30,	(a) Contractually Required Contributions	(b) Contribution In Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a)-(b)	(d) Employer's Covered Payroll	(e) Contributions as a Percentage of Covered Payroll (b) / (d)
Professional Employees					
2025	$ 457,735	$ 457,735	$ -	$ 97,390,372	0.47%
2024	487,514	487,514	-	90,280,302	0.54%
2023	439,536	439,536	-	81,395,515	0.54%
2022	409,496	409,496	-	75,832,600	0.54%
2021	398,328	398,328	-	73,764,438	0.54%
2020	387,637	387,637	-	74,545,554	0.52%
2019	370,627	370,627	-	71,274,389	0.52%
2018	353,658	353,658	-	68,011,166	0.52%
2017	349,251	349,251	-	67,163,557	0.52%
2016	319,402	319,402	-	66,542,088	0.48%
Nonprofessional Employees					
2025	$ 36,960	$ 36,960	$ -	$ 7,863,917	0.47%
2024	39,294	39,294	-	7,276,695	0.54%
2023	37,419	37,419	-	6,929,380	0.54%
2022	35,511	35,511	-	6,576,091	0.54%
2021	34,603	34,603	-	6,407,980	0.54%
2020	34,895	34,895	-	6,710,645	0.52%
2019	33,927	33,927	-	6,524,499	0.52%
2018	33,613	33,613	-	6,464,042	0.52%
2017	33,621	33,621	-	6,465,629	0.52%
2016	31,104	31,104	-	6,479,929	0.48%

Exhibit 28

York County School Division
(A Component Unit of the County of York, Virginia)
Schedule of Employer Contributions – Health Insurance Credit Program

Year Ended June 30,	(a) Contractually Required Contributions	(b) Contribution In Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a)-(b)	(d) Employer's Covered Payroll	(e) Contributions as a Percentage of Covered Payroll (b) / (d)
Professional Employees					
2025	$ 1,172,677	$ 1,172,677	$ -	$ 96,915,435	1.21%
2024	1,087,686	1,087,686	-	89,891,368	1.21%
2023	979,466	979,466	-	80,947,643	1.21%
2022	914,343	914,343	-	75,565,571	1.21%
2021	890,686	890,686	-	73,610,398	1.21%
2020	892,376	892,376	-	74,364,656	1.20%
2019	852,109	852,109	-	71,009,117	1.20%
2018	832,471	832,471	-	67,680,531	1.23%
2017	743,350	743,350	-	66,968,466	1.11%
2016	703,335	703,335	-	66,352,331	1.06%
Nonprofessional Employees					
2025	$ 56,247	$ 56,247	$ -	$ 7,812,032	0.72%
2024	51,787	51,787	-	7,192,703	0.72%
2023	48,936	48,936	-	6,796,623	0.72%
2022	42,714	42,714	-	6,471,798	0.66%
2021	41,299	41,299	-	6,257,392	0.66%
2020	34,311	34,311	-	6,473,737	0.53%

Schedule is intended to show information for 10 years. Since the York County School Division nonprofessional employees began participating in the program in 2020, data prior to 2020 is not available. However, additional years will be included as they become available.

York County School Division
(A Component Unit of the County of York, Virginia)
Schedule of Employer Contributions – Virginia Local Disability Program

Year Ended June 30,	(a) Contractually Required Contributions	(b) Contribution In Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a)-(b)	(d) Employer's Covered Payroll	(e) Contributions as a Percentage of Covered Payroll (b) / (d)
Professional Employees					
2025	$ 178,496	$ 178,496	$ -	$ 39,665,714	0.45%
2024	155,589	155,589	-	33,104,095	0.47%
2023	127,029	127,029	-	27,027,551	0.47%
2022	100,189	100,189	-	21,316,819	0.47%
2021	84,455	84,455	-	17,969,082	0.47%
2020	64,967	64,967	-	15,845,658	0.41%
2019	51,201	51,201	-	12,487,933	0.41%
2018	31,234	31,234	-	10,075,546	0.31%
2017	25,458	25,458	-	8,212,334	0.31%
2016	18,227	18,227	-	6,285,203	0.29%
Nonprofessional Employees					
2025	$ 29,241	$ 29,241	$ -	$ 3,951,542	0.74%
2024	28,369	28,369	-	3,337,578	0.85%
2023	24,631	24,631	-	2,897,818	0.85%
2022	20,783	20,783	-	2,503,941	0.83%
2021	17,919	17,919	-	2,158,928	0.83%
2020	15,907	15,907	-	2,209,330	0.72%
2019	10,848	10,848	-	1,749,657	0.62%
2018	8,070	8,070	-	1,344,986	0.60%
2017	6,402	6,402	-	1,067,079	0.60%
2016	4,505	4,505	-	750,816	0.60%

Exhibit 30

York County School Division
(A Component Unit of the County of York, Virginia)
Schedule of OPEB Contributions – School Division Plan

Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 122,001	$ 107,038	$ 86,606	$ 148,716	$ 260,789	$ 241,410	$ 223,313	$ 210,522	$ 193,990
Contribution in relation to the actuarially determined contribution	588,348	634,017	388,148	588,407	635,431	389,344	593,608	563,505	589,228
Contribution excess	**$ 466,347**	**$ 526,979**	**$ 301,542**	**$ 439,691**	**$ 374,642**	**$ 147,934**	**$ 370,295**	**$ 352,983**	**$ 395,238**
Covered-employee payroll	**$ 80,868,648**	**$ 80,868,648**	**$ 68,592,182**	**$ 68,592,182**	**$ 78,051,732**	**$ 72,562,703**	**$ 72,562,703**	**$ 73,417,704**	**$ 73,417,704**
Contributions as a percentage of covered-emplyee payroll	0.73%	0.78%	0.57%	0.86%	0.81%	0.54%	0.82%	0.77%	0.80%

Schedule is intended to show information for 10 years. Since 2025 is the ninth year for this presentation, no earlier data is available. However, additional years will be included as they become available.

York County School Division
(A Component Unit of the County of York, Virginia)

Notes to Required Supplementary Information

June 30, 2025

Note 1 – Budgets and Budgetary Accounting

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

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

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

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

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

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

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

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

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

York County School Division
(A Component Unit of the County of York, Virginia)

Notes to Required Supplementary Information

June 30, 2025

Note 2 – Changes of Pension and OPEB Terms

Pension

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

Other Postemployment Benefits (OPEB)

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

Note 3 – Changes of Pension and OPEB Assumptions

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General Employees - Non-Hazardous Duty:

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

Teacher Cost-Sharing Pool

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

Other Supplementary Information

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Revenues and Expenditures – Budget and Actual – Capital Projects Fund

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
County of York, Virginia	$ 14,277,754	$ 16,977,754	$ 13,330,009	$ (3,647,745)
Commonwealth of Virginia	-	-	181,049	181,049
Revenue from the use of money and property	-	-	248,710	248,710
Total revenues	**$ 14,277,754**	**$ 16,977,754**	**$ 13,759,768**	**$ (3,217,986)**
EXPENDITURES				
Capital outlay	$ 14,277,754	$ 27,422,537	$ 12,431,966	$ 14,990,571
Total expenditures	**$ 14,277,754**	**$ 27,422,537**	**$ 12,431,966**	**$ 14,990,571**

Statistical Section (Unaudited)

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

Contents

Table

Financial Trends ..... 1 - 4

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

Revenue Capacity ..... 5 - 8

These schedules contain information to help the reader assess the School Division's most significant local revenue source, Nutrition 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 ..... 9 - 10

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 ..... 11 - 12

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 ..... 13 - 15

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

York County School Division
(A Component Unit of the County of York, Virginia)

Table 1

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

	2025	2024***	2023	2022	2021	2020**	2019	2018	2017*	2016
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$201,103,415	$192,569,500	$182,323,332	$173,153,232	$169,160,959	$170,595,181	$156,943,622	$152,110,815	$146,987,819	$141,610,738
Restricted	12,816,812	13,270,352	12,374,779	13,385,179	9,906,047	4,736,677	1,185,624	1,071,325	1,191,119	918,597
Unrestricted	(94,333,505)	(91,639,105)	(81,053,480)	(109,763,933)	(115,786,737)	(116,247,782)	(103,580,890)	(106,942,035)	(110,957,989)	(89,536,482)
Total Primary Government net position	**$119,586,722**	**$114,200,747**	**$113,644,631**	**$ 76,774,478**	**$ 63,280,269**	**$ 59,084,076**	**$ 54,548,356**	**$ 46,240,105**	**$ 37,220,949**	**$ 52,992,853**

* As restated, for GASB 75 implementation.
** As restated, for GASB 84 implementation.
*** As restated, for GASB Statement No. 101.

York County School Division
(A Component Unit of the County of York, Virginia)

Table 2

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental activities:										
Instructional	$ 148,292,246	$ 135,994,633	$ 117,906,208	$ 109,536,768	$ 123,840,382	$ 115,941,528	$ 103,903,971	$ 97,463,764	$ 98,994,229	$ 89,230,595
Administrative, attendance, and health services	10,823,666	10,482,002	8,437,113	8,424,075	7,966,469	7,628,619	7,207,151	6,646,762	6,816,306	6,778,996
Transportation	12,176,715	9,749,192	8,198,470	8,455,934	8,399,926	8,224,005	8,113,924	7,064,721	7,245,277	6,500,649
Operations and maintenance	15,731,354	14,065,720	11,873,443	12,305,570	11,822,890	11,606,603	12,376,319	12,017,480	12,953,780	13,275,449
Technology	11,372,560	10,933,335	10,591,981	9,133,130	11,682,803	10,593,856	9,937,410	11,211,833	9,033,406	8,933,514
Nutrition	9,481,107	6,578,877	6,316,272	6,579,597	4,412,977	3,383,690	3,756,602	3,992,948	3,487,629	3,329,231
Interest on long-term liabilities	-	7,939	13,592	-	-	-	-	-	-	-
Total Primary Government expenses	207,877,648	187,811,698	163,337,079	154,435,074	168,125,447	157,378,301	145,295,377	138,397,508	138,530,627	128,048,434
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
Instructional	1,077,191	3,318,375	1,430,809	785,028	779,056	875,745	848,275	760,626	762,215	733,664
Nutrition	3,036,235	2,972,935	2,487,004	234,058	47,280	1,506,968	2,115,571	2,039,125	2,049,390	1,977,639
Operating grants and contributions	114,207,914	111,558,366	96,454,284	91,287,927	87,431,532	77,016,050	74,208,314	66,824,501	65,443,883	68,291,758
Capital grants and contributions	725,049	544,000	4,698,091	490,811	20,881	-	-	523,118	544,000	-
Total Primary Government program revenues	119,046,389	118,393,676	105,070,188	92,797,824	88,278,749	79,398,763	77,172,160	70,147,370	68,799,488	71,003,061
NET EXPENSE										
Total Primary Government net expense	(88,831,259)	(69,418,022)	(58,266,891)	(61,637,250)	(79,846,698)	(77,979,538)	(68,123,217)	(68,250,138)	(69,731,139)	(57,045,373)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Payments from the County of York, Virginia	73,863,046	67,056,498	73,872,935	55,209,924	64,822,756	65,291,097	62,577,101	63,398,906	60,614,764	60,055,486
Shared intergovernmental revenues	16,591,705	16,340,827	17,536,017	17,430,188	15,266,600	14,032,251	13,467,499	13,605,183	12,863,884	12,594,334
Investment income	497,411	497,738	399,376	5,366	15,805	3,523	817	5,284	74,145	22,026
Miscellaneous	3,265,072	3,359,025	3,328,716	2,485,981	3,937,730	1,598,966	386,051	259,921	480,190	202,427
Total Primary Government	94,217,234	87,254,088	95,137,044	75,131,459	84,042,891	80,925,837	76,431,468	77,269,294	74,032,983	72,874,273
CHANGES IN NET POSITION										
Total Primary Government	**$ 5,385,975**	**$ 17,836,066**	**$ 36,870,153**	**$ 13,494,209**	**$ 4,196,193**	**$ 2,946,299**	**$ 8,308,251**	**$ 9,019,156**	**$ 4,301,844**	**$ 15,828,900**

York County School Division
(A Component Unit of the County of York, Virginia)

Table 3

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

	2025	2024	2023	2022	2021*	2020	2019	2018	2017	2016
GENERAL FUND										
Nonspendable	$ 709	$ 19,087	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Committed	2,079,084	1,973,933	1,935,682	2,797,582	2,816,141	2,798,730	2,869,564	2,969,079	3,085,163	3,895,668
Assigned	740,343	3,083,154	1,012,924	2,025,007	2,100,733	2,627,653	2,379,760	2,054,555	3,266,407	2,310,064
Total general fund	**$ 2,820,136**	**$ 5,076,174**	**$ 2,948,606**	**$ 4,822,589**	**$ 4,916,874**	**$ 5,426,383**	**$ 5,249,324**	**$ 5,023,634**	**$ 6,351,570**	**$ 6,205,732**
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	$ 5,308,531	$ 7,802,824	$ 7,649,291	$ 7,535,757	$ 4,728,166	$ 1,355,041	$ 1,185,624	$ 1,071,325	$ 1,191,119	$ 1,073,848
Assigned	3,850,378	4,943,560	7,144,775	2,397,302	6,991,504	4,789,421	4,836,473	4,329,671	3,290,302	3,487,134
Unassigned	-	-	-	(2,364,754)	-	(2,827,583)	-	-	-	-
Total all other governmental funds	**$ 9,158,909**	**$ 12,746,384**	**$ 14,794,066**	**$ 7,568,305**	**$ 11,719,670**	**$ 3,316,879**	**$ 6,022,097**	**$ 5,400,996**	**$ 4,481,421**	**$ 4,560,982**

*As restated, for GASB 84 implementation.

York County School Division
(A Component Unit of the County of York, Virginia)

Table 4

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Federal sources:										
Federal grants	$ 18,375,622	$ 24,384,146	$ 21,027,753	$ 18,064,511	$ 17,748,693	$ 15,934,429	$ 16,044,090	$ 13,004,218	$ 14,334,552	$ 18,551,861
Nutrition	3,251,623	3,165,954	3,651,867	8,592,318	6,186,737	1,932,035	1,620,688	1,723,615	1,578,226	1,456,241
Total federal sources	21,627,245	27,550,100	24,679,620	26,656,829	23,935,430	17,866,464	17,664,778	14,727,833	15,912,778	20,008,102
State sources:										
State education basic aid	57,857,314	46,249,992	43,293,156	38,989,586	38,824,864	37,700,709	37,524,771	34,705,092	34,869,350	34,165,873
State sales tax	16,591,705	16,340,827	17,536,017	17,430,188	15,266,600	14,032,251	13,467,499	13,605,183	12,863,884	12,594,334
Nutrition	196,178	165,640	223,056	244,404	36,320	69,123	69,382	66,343	63,018	51,963
State grants and other	35,141,274	38,007,577	32,956,543	25,277,420	23,759,219	20,868,704	18,321,959	17,291,940	14,603,951	13,545,506
Total state sources	109,786,471	100,764,036	94,008,772	81,941,598	77,887,003	72,670,787	69,383,611	65,668,558	62,400,203	60,357,676
Local sources:										
Payments from York County	73,242,537	67,056,498	73,872,935	54,381,071	63,713,753	65,291,097	62,577,101	63,398,906	60,614,764	60,055,486
Nutrition sales	3,036,235	2,976,801	2,487,004	234,058	47,280	1,506,968	2,115,571	2,039,125	2,055,703	2,008,323
Interest and other income	1,309,361	1,461,768	1,351,749	843,945	1,021,213	727,061	842,869	714,263	715,424	651,918
Other revenues	4,215,544	4,228,934	4,164,972	3,042,929	4,607,958	2,262,223	1,019,698	867,979	1,133,599	795,829
Total local resources	81,803,677	75,724,001	81,876,660	58,502,003	69,390,204	69,787,349	66,555,239	67,020,273	64,519,490	63,511,556
Total revenues	213,217,393	204,038,137	200,565,052	167,100,430	171,212,637	160,324,600	153,603,628	147,416,664	142,832,471	143,877,334
EXPENDITURES										
Instruction	144,993,836	136,080,986	129,408,730	117,587,881	115,556,444	105,057,545	102,230,963	97,518,132	93,725,651	92,381,922
Administration, attendance, and health services	10,862,261	10,724,739	9,489,629	8,259,153	7,800,042	7,454,224	7,014,045	6,425,158	6,584,797	6,566,995
Puplic transportation	11,558,000	9,235,274	8,907,698	8,265,182	9,099,077	7,756,141	8,124,228	7,925,403	7,785,003	6,910,247
Operations and maintenance	15,651,171	14,108,269	13,192,711	12,954,377	10,613,492	10,796,058	11,365,499	11,703,598	11,355,711	11,535,722
Technology	13,384,545	10,205,511	10,629,117	10,886,379	11,651,508	10,475,107	9,629,912	10,871,427	8,955,157	8,836,453
Nutrition	9,335,709	6,362,493	6,521,503	6,530,439	4,364,617	3,336,412	3,708,710	3,940,456	3,441,040	3,283,240
Capital outlay	13,708,771	17,121,994	16,241,714	8,736,776	4,234,175	19,566,693	10,683,480	9,440,851	10,918,835	9,578,199
Debt service	843,418	721,348	627,441	-	-	-	-	-	-	-
Total expenditures	220,337,711	204,560,614	195,018,543	173,220,187	163,319,355	164,442,180	152,756,837	147,825,025	142,766,194	139,092,778
Excess (deficiency) of revenues over (under) expenditures	(7,120,318)	(522,477)	5,546,509	(6,119,757)	7,893,282	(4,117,580)	846,791	(408,361)	66,277	4,784,556
OTHER FINANCING SOURCES (USES)										
Financing	1,276,805	512,363	280,269	1,874,107	-	-	-	-	-	-
Transfers in	744,560	642,939	1,695,000	15,000	15,000	3,215,000	15,000	15,000	804,000	4,000
Transfers out	(744,560)	(642,939)	(2,080,000)	(15,000)	(15,000)	(3,215,000)	(15,000)	(15,000)	(804,000)	(4,000)
Total other financing sources (uses), net	1,276,805	512,363	(104,731)	1,874,107	-	-	-	-	-	-
Net change in fund balances	**$ (5,843,513)**	**$ (10,114)**	**$ 5,441,778**	**$ (4,245,650)**	**$ 7,893,282**	**$ (4,117,580)**	**$ 846,791**	**$ (408,361)**	**$ 66,277**	**$ 4,784,556**

York County School Division
(A Component Unit of the County of York, Virginia)
Nutrition – 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	High	Middle/ Adult	Reduced		
2025	$ 1.85	$ 1.95	$ 2.30	$ 0.30	$ 2.95	$ 3.05	$ 3.80	$ 0.40	45.59%	30.81%
2024	1.75	1.85	2.20	0.30	2.85	2.95	3.70	0.40	40.68%	35.17%
2023	1.65	1.75	2.15	0.30	2.75	2.85	3.50	0.40	43.31%	37.08%
2022	1.65	1.75	2.15	0.30	2.75	2.85	3.50	0.40	N/A	23.28%
2021	1.65	1.75	2.15	0.30	2.75	2.85	3.50	0.40	N/A	23.71%
2020	1.60	1.70	2.10	0.30	2.70	2.80	3.45	0.40	38.65%	22.16%
2019	1.55	1.65	2.05	0.30	2.65	2.75	3.40	0.40	19.84%	21.51%
2018	1.50	1.60	2.00	0.30	2.60	2.70	3.35	0.40	33.33%	22.11%
2017	1.50	1.60	2.00	0.30	2.60	2.70	3.35	0.40	28.44%	21.28%
2016	1.40	1.50	1.90	0.30	2.50	2.60	3.25	0.40	28.19%	19.94%

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

Source: York County School Division

York County School Division
(A Component Unit of the County of York, Virginia)

Assessed Value and Estimated Actual Value of Taxable Property of the County of York, Virginia
Last Ten Fiscal Years (Unaudited)

Year	Real Estate	Personal Property	Mobile Home	Public Utility		Total Taxable Assessed Value	Total Direct Tax Rate
				Real Estate	Personal Property		
2025	$ 12,834,881,800	$ 999,987,875	$ 3,584,800	$ 507,332,226	$ 37,573	$ 14,345,824,274	$ 1.0045
2024	12,715,435,900	920,190,470	2,632,500	397,876,918	27,802	14,036,163,590	0.9406
2023	10,555,619,500	849,824,325	3,264,500	437,354,678	31,509	11,846,094,512	0.9946
2022	10,441,342,000	913,081,510	3,322,900	421,182,483	36,863	11,778,965,756	1.0296
2021	9,662,298,100	688,651,850	3,196,500	420,403,508	39,455	10,774,589,413	0.9999
2020	9,513,758,000	621,368,315	3,218,000	323,164,444	39,455	10,461,548,214	0.9854
2019	9,213,037,900	612,318,755	3,302,000	453,482,644	50,142	10,282,191,441	0.9859
2018	9,103,775,170	595,105,775	3,294,500	459,070,808	55,504	10,161,301,757	0.9827
2017	9,104,219,600	582,157,745	3,568,200	459,191,601	82,826	10,149,219,972	0.9789
2016	9,000,762,700	593,894,890	3,512,600	442,369,715	104,756	10,040,644,661	0.9437

Note: Values are net of tax-exempt property. Property in the County is reassessed every two years. Property is assessed on a calendar year basis and at actual value; therefore, the assessed values are equal to actual value. Tax rates are per $100 of assessed value. Calendar year 2017 included a change to the boat tax in that all boats are taxed at $.000000001/$100; previously boats less than 5 tons were taxed in the same class as personal property.

Source: County of York, Virginia
Annual Comprehensive Financial Report Fiscal Year 2025

Table 7

York County School Division
(A Component Unit of the County of York, Virginia)

Property Tax Rates for the County of York, Virginia
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Real Estate (1) (2) (3)	Personal Property (1) (4)	Mobile Home (1) (3)	Boats > 5 Tons (1) (5)	Total Direct Tax Rate
2025	$ 0.780	$ 4.00	$ 0.7800	$ 0.000000001	$ 1.0045
2024	0.740	3.80	0.7400	0.000000001	0.9406
2023	0.770	3.90	0.7700	0.000000001	0.9946
2022	0.780	4.00	0.7800	0.000000001	1.0296
2021	0.795	4.00	0.7950	0.000000001	0.9999
2020	0.795	4.00	0.7950	0.000000001	0.9854
2019	0.795	4.00	0.7950	0.000000001	0.9859
2018	0.795	4.00	0.7950	0.000000001	0.9827
2017	0.7515/0.795	4.00	0.7515/0.7950	1.00/0.000000001	0.9789
2016	0.7515	4.00	0.7515	1.00	0.9437

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

(2) The amount designated for school operating is $0.51 per $100 of valuation for fiscal year 2025.

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

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

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

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

Source: County of York, Virginia
Annual Comprehensive Financial Report Fiscal Year 2025

York County School Division
(A Component Unit of the County of York, Virginia)

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

Taxpayer	Description	2024 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2015 Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Virginia Power Company	Generating plant	$ 385,575,110	1	2.71%	$ 356,904,965	1	3.63%
Walmart	Retail sales	261,451,999	2	1.84%	38,297,120	7	0.39%
Lawyers Title/Fairfield Respors/Wyndam	Timeshare condominiums	213,100,700	3	1.50%	170,891,445	3	1.74%
GWR OP Lessee VA LLC (Great Wolf Lodge)	Hotel and water park	163,552,700	4	1.15%	80,493,065	5	0.82%
Kings Creek Plantation	Timeshare condominiums	100,811,210	5	0.71%	80,394,610	6	0.82%
Williamsburg Multifamily DST-The Bend Arbordale	Apartment complex	96,626,800	6	0.68%			0.00%
Bush Entertainment/Water Country USA	Water park	91,862,800	7	0.65%	34,327,035	10	0.35%
City of Newport News **	Water system	82,424,700	8	0.58%	135,272,300	4	1.38%
Moyork LLC (Commonwealth Apartments)	Apartment complex	81,519,800	9	0.57%			
Virginia Natural Gas Inc	Utility	75,857,676	10	0.53%			
BP/Plains Marketing L P (formerly Refinery)	Former refinery				236,396,720	2	2.40%
1991 Ashe Partnership	Apartment complex				37,819,090	8	0.38%
852 LLC	Apartment complex				34,978,020	9	0.36%
		$ 1,552,783,495		**10.92%**	**$ 1,205,774,370**		**12.27%**

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

** City of Newport News is the eighth 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 2025

Table 9

York County School Division
(A Component Unit of the County of York, Virginia)

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Year	Total Collections to Date	
					Amount	Percentage of Levy
2025	$ 120,894,475	$ 114,934,171	95.07%	$ -	$ 114,934,171	95.07%
2024	111,540,519	105,663,828	94.73%	-	105,663,828	94.73%
2023	107,596,392	103,129,071	95.85%	2,300,437	105,429,508	97.99%
2022	103,326,263	98,607,357	95.43%	4,109,179	102,716,536	99.41%
2021	95,712,249	91,357,773	95.45%	4,001,288	95,359,061	99.63%
2020	92,019,828	88,843,578	96.55%	2,859,686	91,703,264	99.66%
2019	90,196,473	87,055,100	96.52%	2,809,078	89,864,178	99.63%
2018	89,691,238	87,216,407	97.24%	2,039,971	89,256,378	99.52%
2017	87,536,065	84,909,975	97.00%	2,149,519	87,059,494	99.46%
2016	84,110,482	81,503,407	96.90%	2,067,107	83,570,514	99.36%

Source: County of York, Virginia
Annual Comprehensive Financial Report Fiscal Year 2025

York County School Division
(A Component Unit of the County of York, Virginia)

Table 10

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

School Division

Fiscal Year	General Obligation Bonds	Revenue Bonds	Leases [3]	Subscriptions [4]	Financed Purchase Arrangement	Lease Revenue Bonds	Total School Division	Percentage of Personal Income [2]	Per Capita [2]
2025	$ -	$ -	$ 1,179,942	$ 135,220	$ -	$ -	$ 1,315,162	N/A	18
2024	-	-	632,153	244,639	-	-	876,792	N/A	12
2023	-	-	873,135	199,229	-	-	1,072,364	N/A	15
2022	-	-	1,371,235	-	-	-	1,371,235	N/A	20
2021	-	-	-	-	-	-	-	0.00%	-
2020	-	-	-	-	-	-	-	0.00%	-
2019	-	-	-	-	-	-	-	0.00%	-
2018	-	-	-	-	-	-	-	0.00%	-
2017	-	-	-	-	-	-	-	0.00%	-
2016	-	-	-	-	-	-	-	0.00%	-

Primary Government - County of York, Virginia

Fiscal Year	General Obligation Bonds	Revenue Bonds	Leases [3]	Subscriptions [4]	Financed Purchase Arrangement	Lease Revenue Bonds	Total Primary Government	Percentage of Personal Income [2]	Per Capita [2]
2025	$ 89,590,359	$ 14,656,697	$ 6,705,557	$ 2,130,846	$ 1,271,730	$ 52,111,976	$ 166,467,165	N/A	$ 2,264
2024	84,866,624	15,698,588	7,103,022	1,435,975	1,844,914	49,702,220	160,651,343	N/A	2,218
2023	80,560,591	16,799,211	7,449,959	32,638	2,403,836	52,268,619	159,514,854	N/A	2,221
2022	76,941,376	17,801,109	7,768,211	-	3,454,792	55,122,798	161,088,286	N/A	2,253
2021	82,529,933	18,768,007	-	-	919,423	23,287,473	125,504,836	2.28%	1,785
2020	77,733,259	19,604,905	-	-	1,515,179	25,756,218	124,609,561	2.46%	1,778
2019	74,271,325	19,963,073	-	-	1,997,074	25,446,020	121,677,492	2.52%	1,752
2018	69,812,399	20,616,187	-	-	3,423,720	28,136,579	121,988,885	2.63%	1,769
2017	66,330,054	21,254,301	-	-	5,722,996	21,308,937	114,616,288	2.53%	1,672
2016	61,906,639	21,169,120	-	-	2,420,659	23,247,569	108,743,987	2.46%	1,602

N/A - This information is not available.

[1] Bonds are shown at net of related premiums and/or discounts and deferred amounts on refundings for 2013. Beginning in FY2014, bonds are shown at net of related premiums and/or discou

[2] See Population and Personal Income on Demographic and Economic Statistics Table.

[3] In FY2022, the County implemented GASB 87 - Leases.

[4] In FY2023, the County implemented GASB 96 - Subscription-Based Information Technology Arragements (SBITAs)

Source: County of York, Virginia, Annual Comprehensive Financial Report Fiscal Year 2025

York County School Division
(A Component Unit of the County of York, Virginia)

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2025	$ 89,590,359	$ -	$ 89,590,359	0.62%	$ 1,218
2024	84,866,624	-	84,866,624	0.60%	1,166
2023	80,560,591	-	80,560,591	0.68%	1,122
2022	76,941,376	-	76,941,376	0.77%	1,076
2021	82,529,933	-	82,529,933	0.77%	1,174
2020	77,733,259	-	77,733,259	0.74%	1,109
2019	74,271,325	-	74,271,325	0.72%	1,069
2018	69,812,399	-	69,812,399	0.69%	1,012
2017	66,330,054	-	66,330,054	0.65%	968
2016	61,906,639	-	61,906,639	0.62%	912

(1) See Assessed Value table.

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

Source: County of York, Virginia
Annual Comprehensive Financial Report Fiscal Year 2025

York County School Division
(A Component Unit of the County of York, Virginia)

Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population [1]	Personal Income[2] (Thousands)	Per Capita Income[2]	Median Age[3]	Education Level In Years of Formal Schooling[4]	Student Average Daily Membership[5]	Unemployment Rate[6]
2025	73,000	N/A	$ 108,326	39.80	N/A	12,978	2.30%
2024	72,000	N/A	105,154	40.00	N/A	12,879	2.50%
2023	71,491	N/A	97,500	39.80	13.20	12,855	5.30%
2022	70,319	N/A	N/A	41.30	13.20	12,609	5.30%
2021	70,230	N/A	N/A	39.20	13.20	12,244	3.40%
2020	69,792	N/A	N/A	39.20	13.20	12,914	5.60%
2019	69,407	4,938,435	61,308	39.00	13.20	12,756	2.60%
2018	68,725	4,756,232	59,345	38.80	13.20	12,610	2.80%
2017	68,890	4,541,816	56,729	38.80	13.20	12,584	3.50%
2016	68,585	4,415,578	55,344	39.30	13.20	12,522	3.80%

N/A - This information is not available.

Source:

[1] Weldon Cooper Center for Public Service

[2] Bureau of Economic Analysis combined amount for York County/Poquoson.

[3] Median Age from U.S. Census Bureau.

[4] Educational Attainment derived from data published by the U.S. Census Bureau.

[5] County School Division, VDOE Calculation Tool.

[6] County of York

Table 13

York County School Division
(A Component Unit of the County of York, Virginia)

Principal Employers
Current Year and Nine Years Prior (Unaudited)

	2025			2016		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Naval Weapons Station / Cheatham Annex	-	1	0.00%	-	1	0.00%
York County School Division	-	2	0.00%	-	2	0.00%
U.S. Coast Guard Station	-	3	0.00%	-	3	0.00%
Sentara Williamsburg Regional Medical Center	-	4	0.00%	-	6	0.00%
York County Government	-	5	0.00%	-	7	0.00%
Walmart	-	6	0.00%	-	5	0.00%
Water Country	-	7	0.00%	-	4	0.00%
Great Wolf Lodge of Williamsburg, LLC	-	8	0.00%	-	8	0.00%
YMCA				-	9	0.00%
Kroger	-	9	0.00%			
Food lion	-	10	0.00%			
Wyndham Vacation Ownership				-	10	0.00%
Total	**-**		**0.00%**	**-**		**0.00%**

Source: County Office of Economic Development.

York County School Division
(A Component Unit of the County of York, Virginia)

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	112.00	106.00	106.00	119.00	119.00	119.00	129.00	129.00	131.00	131.00
Bus Driver Assistants	30.00	30.00	30.00	30.00	30.00	30.00	25.00	25.00	25.00	25.00
Cafeteria Monitors	5.10	5.10	3.15	3.15	3.15	3.15	3.15	3.00	3.00	3.00
Clerical	74.75	76.75	77.75	76.50	77.00	73.75	72.75	69.25	69.75	69.75
Clerk of the Board	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Crossing Guards	2.00	3.34	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Custodians	73.30	86.50	94.50	94.50	94.50	94.50	94.50	94.50	94.50	94.50
Directors	14.25	14.25	14.25	14.25	10.25	9.25	9.25	8.25	7.25	7.25
Division Chiefs	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Nutrition Personnel	5.00	8.00	11.00	11.00	15.00	15.00	20.00	23.00	25.00	25.00
Guidance Counselors	44.00	44.00	39.50	39.50	37.00	36.00	33.50	33.50	33.50	33.50
Instructors	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00	9.00
Media Specialists	21.00	22.00	19.00	19.00	18.00	18.00	18.00	18.00	18.00	18.00
Mechanics	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00
Nurses	18.00	17.00	17.00	18.00	18.00	18.00	18.00	17.00	17.00	17.00
Occupational Therapists	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Para-Educators	305.50	289.10	291.30	296.00	299.50	291.75	280.50	275.50	271.50	264.50
Physical Therapists	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Principals	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Principals (Assistants)	28.00	28.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Psychologists	12.00	12.00	13.00	13.00	14.00	14.00	12.00	11.00	11.00	11.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Teachers	926.75	917.54	922.84	925.84	907.14	893.64	889.08	870.55	864.05	860.05
Technical	130.97	120.00	119.10	114.50	115.47	113.47	96.87	95.42	94.42	98.57
Trades	27.00	27.00	27.00	27.00	27.00	26.00	26.00	25.00	24.00	24.00
Security Officers	13.00	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total full-time equivalents	**1,902.22**	**1,877.18**	**1,874.49**	**1,890.34**	**1,874.11**	**1,844.61**	**1,816.70**	**1,786.07**	**1,776.07**	**1,769.22**

Source: York County School Division

Table 15

York County School Division
(A Component Unit of the County of York, Virginia)

Operating Statistics
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Percentage Change
2025	12,978	$ 195,986,681	$ 15,101	5.7%	926.75	14.0	-0.2%
2024	12,879	183,938,543	14,282	6.1%	922.84	14.0	-0.4%
2023	12,855	172,959,452	13,455	12.5%	917.54	14.0	2.9%
2022	12,609	150,797,193	11,959	-3.9%	925.84	13.6	0.9%
2021	12,244	152,426,999	12,449	13.6%	907.14	13.5	-6.6%
2020	12,914	141,539,075	10,960	1.0%	893.64	14.5	6.6%
2019	12,756	138,364,647	10,847	1.7%	940.58	13.6	-0.8%
2018	12,610	134,443,718	10,662	4.5%	922.05	13.7	-0.5%
2017	12,584	128,406,319	10,204	1.2%	915.55	13.7	0.1%
2016	12,522	126,231,339	10,081	-0.9%	911.55	13.7	-1.9%

Source: York County School Division

Table 16

York County School Division
(A Component Unit of the County of York, Virginia)

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
INSTRUCTION										
Buildings:										
Elementary Schools	10	10	10	10	10	10	10	10	10	10
Middle Schools	4	4	4	4	4	4	4	4	4	4
High Schools	4	4	4	4	4	4	4	4	4	4
Charter Schools	1	1	1	1	1	1	1	1	1	1
Other:										
Athletic Fields	45	45	45	45	45	45	45	45	45	45
Playgrounds	30	30	30	30	30	30	30	30	30	30
PUPIL TRANSPORTATION										
Buses	160	159	161	166	161	153	169	166	162	162
OPERATIONS AND MAINTENANCE										
Vehicles	131	114	107	109	104	126	118	106	97	106

Source: York County School Division

York County School Division
(A Component Unit of the County of York, Virginia)

Table 17

School Building Information
Last Ten Fiscal Years (Unaudited)

School	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ELEMENTARY										
Bethel Manor Elementary:										
Square feet	79,685	79,685	79,685	79,685	79,685	79,685	79,685	79,685	79,685	79,685
Capacity	698	698	698	698	698	698	698	698	698	698
Enrollment	614	616	594	594	553	642	640	607	603	594
Coventry Elementary:										
Square feet	78,337	78,337	78,337	78,337	78,337	78,337	78,337	78,033	78,033	78,033
Capacity	708	708	708	708	708	708	708	708	708	708
Enrollment	614	659	644	682	667	737	693	586	564	577
Dare Elementary:										
Square feet	65,785	65,785	65,785	65,785	65,785	65,785	65,785	63,415	63,415	63,415
Capacity	867	867	867	867	867	867	867	867	867	867
Enrollment	387	408	415	388	347	397	413	421	422	379
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	626	639	623	635	578	649	623	640	644	616
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	599	706	700	631	537	620	613	608	626	626
Mt. Vernon Elementary:										
Square feet	71,989	71,989	71,989	71,989	71,989	71,989	71,989	69,689	69,689	69,689
Capacity	782	782	782	782	782	782	782	782	782	782
Enrollment	561	568	565	603	520	603	592	591	560	533
Seaford Elementary:										
Square feet	84,159	84,159	84,159	61,731	61,731	61,731	61,731	61,731	61,731	61,731
Capacity	656	656	656	656	656	656	656	656	656	656
Enrollment	539	490	492	524	484	537	529	451	437	452
Tabb Elementary:										
Square feet	77,037	77,037	77,037	77,037	77,037	77,037	77,037	77,037	76,790	76,790
Capacity	777	777	777	777	777	777	777	777	777	777
Enrollment	711	682	684	642	570	696	654	620	606	627
Waller Mill Elementary:										
Square feet	60,151	60,151	60,151	60,151	60,151	60,151	60,151	60,151	60,151	60,151
Capacity	460	460	460	460	460	460	460	460	460	460
Enrollment	448	374	382	373	312	359	373	387	344	320
Yorktown Elementary:										
Square feet	70,307	70,307	70,307	70,307	70,307	70,307	70,307	70,307	70,307	66,402
Capacity	734	734	734	734	734	734	734	734	734	734
Enrollment	607	632	619	604	558	592	619	674	696	694

York County School Division
(A Component Unit of the County of York, Virginia)

Table 17

School Building Information
Last Ten Fiscal Years (Unaudited)

School	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
MIDDLE										
Grafton Middle:										
Square feet	150,461	150,461	150,461	150,461	57,047	57,047	57,047	57,047	57,047	57,047
Capacity	1,215	1,215	1,215	1,215	681	681	681	681	681	681
Enrollment	879	906	899	883	501	515	487	460	465	459
Queens Lake Middle:										
Square feet	57,047	57,047	57,047	57,047	91,771	91,771	91,771	91,771	91,771	91,771
Capacity	681	681	681	681	1,178	1,178	1,178	1,178	1,178	1,178
Enrollment	518	576	576	555	849	891	865	858	850	903
Tabb Middle:										
Square feet	91,771	91,771	91,771	91,771	98,918	98,918	98,918	98,918	98,918	98,918
Capacity	1,178	1,178	1,178	1,178	982	982	982	982	982	982
Enrollment	925	965	963	883	643	708	730	751	791	767
Yorktown Middle:										
Square feet	98,918	98,918	98,918	98,918	150,461	150,461	150,461	150,461	150,461	150,461
Capacity	982	982	982	982	1,215	1,215	1,215	1,215	1,215	1,215
Enrollment	668	650	653	652	853	925	935	905	882	872
HIGH										
Bruton High:										
Square feet	155,040	155,040	155,040	155,040	155,040	155,040	155,040	155,040	155,040	155,040
Capacity	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039
Enrollment	659	730	735	663	584	572	550	600	564	608
Grafton High:										
Square feet	164,961	164,961	164,961	164,961	164,961	164,961	164,961	164,961	164,961	164,961
Capacity	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397	1,397
Enrollment	1,115	1,216	1,217	1,156	1,085	1,169	1,156	1,168	1,183	1,176
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	1,072	1,109	1,142	1,062	1,029	1,115	1,098	1,126	1,162	1,161
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	867	949	975	1,057	1,092	1,116	1,103	1,106	1,059	1,060
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	65	71	73	64	55	69	71	64	73	72

* 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

BROWNEDWARDS
certified public accountants

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the York County School Division (the "School Division"), a component unit of the County of York, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School Division's basic financial statements, and have issued our report thereon dated November 21, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
November 21, 2025

York County School Division
(A Component Unit of the County of York, Virginia)

Summary of Compliance Matters

June 30, 2025

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

State Compliance Matters

Code of Virginia

- Budget and Appropriation Laws
- Cash and Investment Laws
- Conflicts of Interest Act
- Local Retirement Systems
- Procurement Laws

State Agency Requirements

- Education

York County School Division
(A Component Unit of the County of York, Virginia)

Schedule of Findings and Responses

June 30, 2025

A – Summary of Auditor's Results

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