

**YORK ACADEMY REGIONAL
CHARTER SCHOOL**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022 and 2021

YORK ACADEMY REGIONAL CHARTER SCHOOL

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
York Academy Regional Charter School
York, Pennsylvania

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the York Academy Regional Charter School as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School'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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the York Academy Regional Charter School as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 York Academy Regional Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the York Academy Regional Charter School'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 judgement 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 including 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 York Academy Regional Charter School'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 York Academy Regional Charter School's ability to continue as a going concern for a reasonable period of time.

To the Board of Directors
York Academy Regional Charter School
York, Pennsylvania

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 budgetary comparison information on pages 1-10 and page 20 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 York Academy Regional Charter School's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are 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 January 5, 2023, on our consideration of the York Academy Regional Charter School's internal control over financial reporting and 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 York Academy Regional Charter School'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 York Academy Regional Charter School's internal control over financial reporting and compliance.

Kochonour, Earnest, Smyser & Burg

Certified Public Accountants

York, Pennsylvania
January 5, 2023

YORK ACADEMY REGIONAL CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

Our discussion and analysis of York Academy Regional Charter School's (the Charter School) financial performance provides an overview of the Charter School's financial activities as of and for the year ended June 30, 2022. Please read this information in conjunction with the Charter School's Financial Statements and Notes to the Financial Statements, which are presented on Pages 6 through 26.

The Charter School

The Charter School is a three-district charter school, which offers an International Baccalaureate curriculum, a school venture unique in Pennsylvania. After 2 1/2 years of study involving twenty-five to thirty community volunteers, including the school superintendents from the City of York and the four first-ring suburbs, the organizing committee presented the charter application to three York County School Districts on November 13, 2009: The School District of the City of York, The York Suburban School District and The Central York School District. The three school districts have recently renewed the Charter of the York Academy Regional Charter School. The term of this Charter shall be for a period of five years commencing on July 1, 2021 and ending on June 30, 2026.

Since February 2010, the Charter School has been in the development stages. The Charter School opened in the historic, pre-Civil War Smyser-Royer building on August 22, 2011. Currently, students in kindergarten through sixth grade attend this building (Lower School). In August 2018, the York Academy opened a progressive Upper School, located at 2 Hamilton Avenue, which houses students in grades 7 - 11. In August 2021, we will reach full implementation as a K-12 public charter school and will graduate our first class of seniors.

Using This Annual Report

The Charter School reports its financial activities in accordance with the Government Accounting Standards Board Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*" (GASB No.34). This standard requires reporting under both Government-Wide and Governmental Fund financial reporting. The Government-Wide Financial Statements are presented on the full accrual basis of accounting. The Governmental Fund Financial Statements are presented on the modified accrual basis of accounting. Because the Government-Wide Financial Statements are on a different basis than the Governmental Fund Financial Statements, reconciliations between these different presentations appear on Page 10 - Reconciliation of Balance Sheet - Governmental Fund To Statement of Financial Position - Government-Wide and Page 11 - Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Fund to Statement of Activities - Government-Wide.

The annual report consists of a series of financial statements.

Government-Wide Financial Statements (Pages 6 and 7) provide information about the activities of the Charter School taken as a whole and present an all inclusive view of the Charter School's financial balances and activities.

Governmental Fund Financial Statements (Pages 8 and 9) provide information about the governmental activities, the financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Governmental Fund Financial Statements report the Charter School's operations in a different format than the Government-Wide Financial Statements by providing information about the Charter School's general operating fund.

YORK ACADEMY REGIONAL CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

Overview of the Financial Statements

This annual report consists of four parts - Independent Auditors' Report, Management's Discussion and Analysis (this section), the basic financial statements and Notes to Financial Statements. The basic financial statements include two kinds of financial statements that present different views of the Charter School:

- * The first two statements are Government-Wide Financial Statements that provide both long-term and short-term information about the Charter School's overall financial status.
- * The Governmental Fund Financial Statements focus on the individual parts of the Charter School, reporting the Charter School's General Fund operations on the modified cash basis. The Governmental Fund Financial Statements tell how general school services were financed in the short-term, as well as what remains for future spending.
- * The notes to financial statements explain the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The Government-wide Financial Statements report information about the Charter School as a whole using accounting methods similar to those used by the private sector. The Statement of Financial Position includes all of the Charter School's assets and liabilities. All of the current year's revenue and expenses are accounted for on the Statement of Activities, regardless of when cash is received and paid.

The government-Wide Financial Statements report the Charter School's unrestricted net assets and how they have changed. Unrestricted net assets, the difference between the Charter School's assets and liabilities, are one way to measure the Charter School's financial position. Over time, any increase or decrease in the Charter School's unrestricted net assets is an indicator of whether its financial position is improving or deteriorating. To assess the overall financial position of the Charter School, one needs to consider additional non-financial factors such as the early stages under which this Charter School is operating.

Financial Highlights - Government-Wide

- * The Charter School's Statement of Net Position - Government-Wide at June 30, 2022, shows a negative equity position of \$ (3,082,099).
- * The Charter School's Statements of Activities - Government-Wide for the year ended June 30, 2022 shows the changes in net position of \$ 2,277,492.

Governmental Fund Financial Statements

The Governmental Fund Financial Statements report information about the activity of the Charter School's general fund on a current financial basis, not on a long-term basis. A fund is a self-balancing set of accounts, which the Charter School uses to keep track of sources of funding and spending.

The Charter School's basic services are included in the Governmental Fund, which focuses on (1) how cash and other financial assets, which can readily be converted to cash flow in and out and (2) the balances left at year-end, which are available for spending.

YORK ACADEMY REGIONAL CHARTER SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

Overview of the Financial Statements (Continued)

Financial Highlights - Governmental Fund

- * The Charter School's Balance Sheet - Governmental Fund at June 30, 2022, shows an equity position of a positive amount of \$3,688,933.

Reconciliation between the equity positions of these two financial statements appears on Page 10 and 11.

- * The Charter School's Statement of Revenue, Expenditures and Changes in Fund Balance for the fiscal year ended June 30, 2022, shows a change in fund balance of \$ 964,540.

Capital Assets

To begin operations, the Charter School has invested and continues to invest in capital assets. The Charter School's location is being provided by the property owner and is leased to the Charter School under a fifteen-year lease. However, necessary equipment has been purchased for the Charter School.

Capital assets consist of the following at June 30, 2022

Computer Equipment and Software	\$ 425,341
Furniture and Equipment	84,015
Building	40,634
Playground	20,337
Total Capital Assets	<u>\$ 570,327</u>

Contacting the Charter School's Financial Management

The financial report is designed to provide interested parties with a general overview of the Charter School's finances and to demonstrate the accountability for the money the Charter School received. Should additional information be required, please contact the Charter School's administrative offices at 32 West North Street, York, Pennsylvania 17401 or by telephone at (717)-801-3900.

YORK ACADEMY REGIONAL CHARTER SCHOOL

STATEMENT OF FINANCIAL POSITION - GOVERNMENT-WIDE June 30, 2022

ASSETS	Governmental Activities	Business-type Activities Food Service	Total
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 3,782,255	\$ 285,762	\$ 4,068,017
Interfund Receivable	0	0	0
State Subsidy Receivable	0	0	0
Federal Subsidy Receivable	129,085	0	129,085
York Academy Foundation Receivable	269,839	0	269,839
Tuition / Accounts Receivable	379,818	0	379,818
Inventories	0	8,009	8,009
Lincoln Benefit Trust Prepaid Balance	317,190	0	317,190
Prepaid Expenses	408,433	0	408,433
TOTAL CURRENT ASSETS	5,286,620	293,771	5,580,391
CAPITAL ASSETS - (Net of Accumulated Depreciation)	570,327	10,860	581,187
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts related to Other Postemployment Benefits	\$ 46,000	\$ 0	46,000
Deferred amounts related to pensions	1,093,848	0	1,093,848
TOTAL ASSETS	\$ 6,996,795	\$ 304,631	\$ 7,301,426
 LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 239,459	\$ 0	\$ 239,459
Interfund Payable	0	0	0
Deferred Revenue - Federal Programs	205,195	7,748	212,943
Accrued Salaries and Benefits	814,874	5,007	819,881
Payroll Deductions and Withholdings	232,242	0	232,242
TOTAL CURRENT LIABILITIES	1,491,770	12,755	1,504,525
NONCURRENT LIABILITIES			
Net Pension Liability	6,528,000	0	6,528,000
Net Other Post Employment Benefits	375,000	0	375,000
Note Payable	0	0	0
TOTAL NONCURRENT LIABILITIES	6,903,000	0	6,903,000
DEFERRED INFLOWS OF RESOURCES:			
Deferred amounts related to Other Post Employment Benefits	\$ 61,000	\$ 0	61,000
Deferred amounts related to pensions	1,915,000	0	1,915,000
TOTAL LIABILITIES	10,370,770	12,755	10,383,525
NET POSITION			
Invested in Capital Assets - Net of Related Debt	570,327	0	570,327
Unrestricted	(3,944,302)	291,876	(3,652,426)
TOTAL NET POSITION - SEE NOTE 7	(3,373,975)	291,876	(3,082,099)
TOTAL LIABILITIES AND NET POSITION	\$ 6,996,795	\$ 304,631	\$ 7,301,426

YORK ACADEMY REGIONAL CHARTER SCHOOL

**STATEMENT OF ACTIVITIES - GOVERNMENT-WIDE
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenditures	Program Revenue			Net (Expense) Revenue and Changes in Net Position	Business-type Activities	Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Governmental Activities							
Regular and Special Instruction	\$ 6,978,018	\$ 13,545,052	\$ 1,816,471	\$ 0	\$ 8,383,505	0	8,383,505
Instructional and Student Support	741,624	0	16,653	0	(724,971)	0	(724,971)
Operation & Maintenance	3,901,252	0	191,768	0	(3,709,484)	0	(3,709,484)
Administration Support Services	1,600,998	0	0	0	(1,600,998)	0	(1,600,998)
Business Services	405,574	0	0	0	(405,574)	0	(405,574)
Student Activities	7,075	0	0	0	(7,075)	0	(7,075)
Interest on Debt	0	0	0	0	0	0	0
Total Governmental Activities	<u>\$ 13,634,541</u>	<u>\$ 13,545,052</u>	<u>\$ 2,024,892</u>	<u>\$ 0</u>	1,935,403	0	1,935,403
Business-type activities:							
Food Service	649,181	17,376	846,246	0	0	214,441	214,441
Total primary government	<u>\$ 14,283,722</u>	<u>\$ 13,562,428</u>	<u>\$ 2,871,138</u>	<u>\$ 0</u>	1,935,403	214,441	2,149,844
General Revenue							
Interest Income					4,968	0	4,968
Contributions					29,323	0	29,323
Transfers In (Out)					0	18,000	18,000
Miscellaneous Revenue					75,357	0	75,357
Total General Revenue					<u>109,648</u>	<u>18,000</u>	<u>127,648</u>
Changes in Net Position					2,045,051	232,441	2,277,492
Net Position - Beginning					<u>(5,419,026)</u>	<u>59,435</u>	<u>(5,359,591)</u>
Net Position - Ending					<u>\$ (3,373,975)</u>	<u>\$ 291,876</u>	<u>\$ (3,082,099)</u>

YORK ACADEMY REGIONAL CHARTER SCHOOL

BALANCE SHEET - GOVERNMENTAL FUND JUNE 30, 2022 AND 2021

	6/30/2022	6/30/2021
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 3,782,255	\$ 2,766,345
Interfund Receivable	0	70,318
State Subsidy Receivable	0	0
Federal Subsidy Receivable	129,085	96,126
York Academy Foundation Receivable	269,839	269,839
Tuition / Accounts Receivable	379,818	238,935
Lincoln Benefit Trust Prepaid Balance	211,273	0
Prepaid Expenses	408,433	518,518
TOTAL ASSETS	\$ 5,180,703	\$ 3,960,081
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 239,459	\$ 65,520
Interfund Payable	0	6,439
Accrued Salaries and Benefits	814,874	774,516
Payroll Deductions and Withholdings	232,242	389,213
Deferred Revenue - Federal Programs	205,195	0
TOTAL LIABILITIES	1,491,770	1,235,688
FUND BALANCES		
Unassigned Fund Balance	3,688,933	2,724,393
TOTAL LIABILITIES AND FUND BALANCE	\$ 5,180,703	\$ 3,960,081

YORK ACADEMY REGIONAL CHARTER SCHOOL

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND YEAR ENDED JUNE 30, 2022 AND 2021

	6/30/2022	6/30/2021
REVENUES		
Tuition Revenue	\$ 13,545,052	\$ 12,905,625
Contributions	29,323	9,450
Miscellaneous Revenue	67,855	125,002
State Revenue	227,381	46,476
Federal Revenue	1,797,512	1,133,460
TOTAL REVENUE	15,667,123	14,220,013
 EXPENDITURES		
Regular Instruction	6,937,689	6,504,926
Special Instruction	1,063,340	976,898
Instructional and Student Support	741,624	936,691
Operation & Maintenance	3,958,751	3,212,157
Administration Support Services	1,361,668	1,330,700
Business Services	405,574	376,469
Student Activities	7,075	459
Other support services	239,330	166,306
Debt Service	0	0
TOTAL EXPENDITURES	14,715,051	13,504,606
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	952,072	715,407
 OTHER FINANCING SOURCES (USES)		
Interest Income	4,968	9,084
Transfer to Food Service	0	(35,000)
Transfer from Foundation	7,500	0
TOTAL OTHER FINANCING SOURCES	12,468	(25,916)
 CHANGES IN FUND BALANCE BEFORE SCHOOL CONTRIBUTION	964,540	689,491
School Contribution for Foundation Refinancing Revenue Note	0	(810,000)
 CHANGES IN FUND BALANCE AFTER SCHOOL CONTRIBUTION	964,540	(120,509)
 FUND BALANCE - BEGINNING	2,724,393	2,844,902
 FUND BALANCE - ENDING	\$ 3,688,933	\$ 2,724,393

YORK ACADEMY REGIONAL CHARTER SCHOOL
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUND TO
STATEMENT OF FINANCIAL POSITION - GOVERNMENT-WIDE
YEAR ENDED JUNE 30, 2022

Total Fund Balance - Governmental Fund	\$ 3,688,933
<p>Amounts Reported on the Balance Sheet - Governmental Fund to the Statement of Financial Position - Government-Wide are different because:</p>	
<p>Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$1,836,940 and the accumulated depreciation is \$1,266,613.</p>	570,327
<p>Lincoln Benefit Trust amount recorded as an asset on the Government-Wide Financial statement but not recorded in the Funds</p>	105,917
<p>Net Pension Obligation is not recorded as a liability in the governmental funds but is recorded as a liability on the Government-Wide Financial Statements</p>	(6,528,000)
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore are not reported in the funds.</p>	
<p>Deferred outflows of resources related to pensions</p>	1,093,848
<p>Deferred inflows of resources related to pensions</p>	(1,915,000)
<p>Net Other Post Employment Benefits obligation is not recorded as a liability in the governmental funds but is recorded as a liability on the Government-Wide Financial Statements</p>	(375,000)
<p>Deferred outflows of resources related to other post employment benefits</p>	46,000
<p>Deferred inflows of resources related to other post employment benefits</p>	(61,000)
<p>Total Net Position - Government-Wide</p>	<hr style="border-top: 1px solid black;"/> <u>\$ (3,373,975)</u>

YORK ACADEMY REGIONAL CHARTER SCHOOL
RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO
STATEMENT OF ACTIVITIES - GOVERNMENT-WIDE
YEAR ENDED JUNE 30, 2022

Changes in Fund Balance - Governmental Fund \$ 964,540

Amounts Reported on the Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Fund to the Statements of Activities - Government-Wide are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period. Depreciation expense \$(131,996)

Capital Outlays	348,567	216,571
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Lincoln Benefit Trust amount recorded as an asset on the Government-Wide Financial statement but not recorded in the Funds adjustment	105,917
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Pension Expense recorded on the Statement of Activities but not recorded on the Governmental funds Statement of Revenues and Expenditures	750,023
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OPEB Expense recorded on the Statement of Activities but not recorded on the Governmental funds Statement of Revenues and Expenditures	8,000
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Changes in Net Position Government-Wide	\$ 2,045,051
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**YORK ACADEMY REGIONAL CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION - PROPRIETARY FUND
JUNE 30, 2022 AND 2021**

	<u>Food Service</u>	
	<u>6/30/2022</u>	<u>6/30/2021</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 285,762	\$ 93,947
State Subsidy Receivable	0	0
Federal Subsidy Receivable	0	20,467
Interfund Receivable	0	6,439
Inventories	8,009	6,370
Total Current Assets	<u>293,771</u>	<u>127,223</u>
Noncurrent Assets:		
Machinery & Equipment (Net of Accum. Depreciation)	10,860	16,322
Total Noncurrent Assets	<u>10,860</u>	<u>16,322</u>
TOTAL ASSETS	<u><u>\$ 304,631</u></u>	<u><u>\$ 143,545</u></u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 0	\$ 0
Accrued Salaries and Benefits	5,007	4,270
Deferred Revenue	7,748	9,522
Interfund Payable	0	70,318
Total Current Liabilities	<u>12,755</u>	<u>84,110</u>
TOTAL LIABILITIES	<u>\$ 12,755</u>	<u>\$ 84,110</u>
NET POSITION		
Unrestricted	\$ 291,876	\$ 59,435
TOTAL NET POSITION	<u>291,876</u>	<u>59,435</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 304,631</u></u>	<u><u>\$ 143,545</u></u>

YORK ACADEMY REGIONAL CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022 AND 2021

	<u>Food Service</u>	
	<u>6/30/2022</u>	<u>6/30/2021</u>
OPERATING REVENUES:		
Food Service Revenue	\$ 17,376	\$ 4,130
Other Operating Revenue	0	0
TOTAL OPERATING REVENUES	<u>17,376</u>	<u>4,130</u>
OPERATING EXPENSES:		
Salaries	190,965	164,424
Employee Benefits	115,435	96,983
Purchased Professional and Technical Service	2,187	1,868
Purchased Property Service	5,854	4,198
Other Purchased Service	1,092	0
Supplies	269,306	105,734
Supplies - Government Donated Commodities	58,470	28,447
Depreciation	5,462	5,462
Other Operating Expenditures	410	815
TOTAL OPERATING EXPENSES	<u>649,181</u>	<u>407,931</u>
OPERATING INCOME(LOSS)	<u>(631,805)</u>	<u>(403,801)</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings on Investments	0	0
Transfer from General Fund	0	35,000
Transfer from Foundation	18,000	0
State Sources	22,631	3,628
Federal Sources - Government Donated Commodities	58,470	28,447
Federal Sources	765,145	289,722
TOTAL NONOPERATING REV(EXP)	<u>864,246</u>	<u>356,797</u>
CHANGE IN NET POSITION	<u>232,441</u>	<u>(47,004)</u>
TOTAL NET POSITION - JULY 1, 2021	<u>59,435</u>	<u>106,439</u>
TOTAL NET POSITION - JUNE 30, 2022	<u>\$ 291,876</u>	<u>\$ 59,435</u>

YORK ACADEMY REGIONAL CHARTER SCHOOL
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022 AND 2021

	Food Service	
	6/30/2022	6/30/2021
Cash Flows From Operating Activities		
Cash Received from Users	\$ 15,602	\$ 6,197
Cash Received from Other Operating Revenues	0	0
Cash Payments to Employees for Services	(305,663)	(262,296)
Cash Payments to Suppliers for Goods and Services	(402,837)	(60,231)
Cash Payments for Other Operating Expenses	0	0
	(692,898)	(316,330)
Cash Flows From Non-Capital Financing Activities		
Transfer from General Fund	18,000	35,000
State Sources	22,631	3,888
Federal Sources	844,082	303,881
	884,713	342,769
Cash Flows From Capital and Related Financing Activities		
Facilities Acquisition/Construction/Improvements	0	0
	0	0
Cash Flows From Investing Activities		
Earnings on Investments	0	0
	0	0
Net Inc (Dec) in Cash and Cash Equivalents	191,815	26,439
Cash and Cash Equivalents Beginning of Year	93,947	67,508
Cash and Cash Equivalents at Year End	\$ 285,762	\$ 93,947
Operating Income (Loss)	\$ (631,805)	\$ (403,801)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	5,462	5,462
(Increase) Decrease in Other Receivables	0	0
(Increase) Decrease in Inventories	(1,639)	(2,228)
Increase (Decrease) in Accounts Payable	0	0
Increase (Decrease) in Accrued Salaries	737	(889)
Increase (Decrease) in Payroll Liabilities	0	0
(Increase) Decrease in Advances to Other Funds	6,439	56,695
Increase (Decrease) in Advances from Other Funds	(70,318)	26,364
Increase (Decrease) in Deferred Revenue	(1,774)	2,067
Increase (Decrease) in Compensated Absences	0	0
	(61,093)	87,471
Net Cash Provided by (Used for) Activities	\$ (692,898)	\$ (316,330)

YORK ACADEMY REGIONAL CHARTER SCHOOL
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022 AND 2021

ASSETS	<u>6/30/2022</u>	<u>6/30/2021</u>
Cash and Cash Equivalents	\$ 17,680	\$ 8,419
Investments	0	0
TOTAL ASSETS	<u>17,680</u>	<u>8,419</u>
LIABILITIES		
Accounts Payable	17,680	8,419
TOTAL LIABILITIES	<u>17,680</u>	<u>8,419</u>
NET POSITION		
Unrestricted	0	0
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 17,680</u></u>	<u><u>\$ 8,419</u></u>

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operation

York Academy Regional Charter School (the Charter School), a nonprofit organization, was chartered during February 2010 by three York County School Districts: The School District of the City of York, The York Suburban School District and The Central York School District, under Act 22 of 1997, the Charter School Law. The charter is for a five-year period, at which time the districts will evaluate the Charter School's operations and determine whether or not to renew the charter. The three school districts have recently renewed the Charter of the York Academy Regional Charter School. The term of this Charter shall be for a period of five years commencing on July 1, 2021 and ending on June 30, 2026.

The governing body of the Charter School is a board of directors, which consists of eleven members.

Since February 2010, the Charter School has been in the development stages. The Charter School opened in the historic, pre-Civil War Smyser-Royer building on August 22, 2011. Currently, students in kindergarten through sixth grade attend this building (Lower School). In August 2018, the York Academy opened a progressive Upper School, located at 2 Hamilton Avenue, which houses students in grades 7 - 11. In August 2021, we will reach full implementation as a K-12 public charter school and will graduate their first class of seniors.

Presentation of Financial Statements

The Charter School presents its financial statements in accordance with Governmental Accounting Standards Board (GASB). The financial statements include the Management's Discussion and Analysis, which provides an analysis of the Charter School's overall financial performance in accordance with accounting principles generally accepted in the United States of America.

Measurement Focus, Basis of Accounting and Presentation

The financial information of the Charter School is presented in accordance with GASB No. 34, which presents financial information on a Government-Wide basis on the Statement of Financial Position and Statement of Activities in accordance with the accrual basis of accounting and on a Governmental Fund basis on the Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance in accordance with the modified accrual basis of accounting for the Governmental Fund (General Fund).

The *Government-Wide Financial Statements* (i.e. Statement of Financial Position and Statement of Activities) reports financial information using the economic resources measurement focus on a full accrual basis of accounting. Revenue is recorded when earned and expenditures are recorded when a liability is incurred, regardless of the timing of cash flows. The Statement of Activities of the Government-Wide activities report expenditures identifiable with a specific function or segment. Program revenue, including charges for services and grants, which specifically apply to each segment, appears as an offset to these expenditures. Other revenue, which is not directly related to the expense segments, appears as miscellaneous program revenue and is used to offset any deficit or to increase the unrestricted net assets of the Charter School.

The *Governmental Fund Financial Statements* (i.e. the Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance) report the financial position of the governmental fund (the General Fund), in this case, the only fund of the Charter School. The financial activity on the governmental basis uses the current financial resources measurement focus and on the modified accrual basis of accounting. Revenue is recognized as soon as it is either measurable or available.

When such funds are received, they may be recorded as deferred revenue until earned. Generally, expenditures are recorded when a liability is incurred, as under the accrual basis of accounting. Proceeds

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

from the acquisition of long-term debt are reported as other financial sources when the cash is received and debt service expenditures, including principal and interest, are recorded when the debt is paid. Expenditures related to capital assets are recorded as expenditures when paid, therefore, no assets are capitalized and no depreciation is recorded under this basis.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits in one financial institution. At June 30, 2022, the bank balance was \$4,293,037 and the book balance was \$4,085,697.

Receivables and Payables

Accounts receivable represent amounts which are available to pay liabilities in the current period. The amounts reported as accounts payable represent expenditures incurred in the current year, but not paid prior to year-end. In the case of the Charter School at June 30, 2022, amounts recorded as accounts payable are the same under both the accrual basis (Governmental-Wide) and the modified accrual basis (Government Fund) of accounting.

Prepaid Expenses

In both the Government-Wide and Governmental Fund Financial Statement, prepaid expenses are recorded as assets from which future benefits will be derived in the short-term.

Capital Assets

Capital assets, which include property and equipment, are reported in the Government-wide Financial Statements. Capital assets are defined as assets with initial costs of more than \$5,000 and estimated useful lives in excess of one year. All capital assets are capitalized at cost or estimated historical cost and updated for additions and retirements during the year. The costs of normal maintenance and repairs which do not add to the value of the assets or materially extend the assets estimated useful lives, are not capitalized.

Revolving Line of Credit

The revolving line of credit is reported as a current liability in the Government-Wide Financial Statements and is reduced as principal payments are paid and interest payments are expensed. Debt service payments, including principal and interest, are expensed when paid in the Governmental Fund Financial Statements and there is no long-term debt liability recorded in accordance with the modified accrual basis of accounting.

Net Assets and Fund Balance

Net assets (Government-Wide) and Fund Balance (Governmental Fund) represent the difference between assets and liabilities. In the Government-Wide Financial Statements, net assets are reported as unrestricted net assets and net assets invested in capital assets, net of related debt and consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisition, construction or improvement of those assets.

Subsequent Events

Management of the Charter School has evaluated subsequent events through January 5, 2023, which is the date the financial statements were available to be issued. There were no subsequent events during this period.

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

2. CONCENTRATION OF CREDIT RISK

Custodial Credit Risk - Deposits

Cash deposits of the Charter School are held in one financial institution and are insured by the Federal Deposit Insurance Corporation, up to \$250,000. Custodial credit risk is the risk that in the event of failure of the financial institution, the Charter School would not be able to recover deposits in excess of the insured amount. The uninsured portion of these deposits is exposed to custodial credit risk because the collateral for the deposits is held by the financial institution, its trust department or agent, but is not specifically held in the name of the Charter School. The School's deposits are collateralized in accordance with Act 72.

3. LINE OF CREDIT

On February 3, 2015, the Charter School entered into a revolving line of credit agreement with a local lending institution, up to the maximum amount of \$600,000. Interest only for 6 months shall be payable monthly through the date of maturity. Interest on the outstanding principal balance is variable, based on the National Prime Rate published in the Wall Street Journal, with a floor of 5.00 percent.

4. CONTINGENCIES

The Charter School is, from time-to-time, subject to routine litigation incidental to the Charter School's activities. The School has some items of litigation pending but the results of such litigation cannot be reasonably estimated at this time.

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

5. PENSION PLAN

1. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms investments are reported at fair value.

General Information about the Pension Plan

Plan Description

PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System included all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues publicly available financial report that can be obtained at www.psers.state.pa.us.

Benefits provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (C) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the members' final average salary (as defined in the code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the members' final average salary (as defined in the code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

5. PENSION PLAN (CONTINUED)

members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

Member Contributions:

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T - C) or at 6.5% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System on or after July 22, 1983, and who are active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.5% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.50% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the members qualifying compensation. All new hires after June 30, 2011, who elect Class T - F membership, contribute at 10.3% (base rate) of the members qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

Members who joined the System on or after July 1, 2019, contribute according to Membership Class T-G - 5.50% base rate with shared risk provision and 2.75% direct contribution rate, T-H - 4.50% base rate with shared risk provision and 3.00% direct contribution rate. Code DC has only a direct contribution rate of 7.50%.

Employer Contributions:

The schools' contractually required contribution rate for fiscal year ended June 30, 2022 was 33.99% of covered payroll, actuarially determined as an amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School were \$751,951 for the year ended June 30, 2022.

2. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2022 the School reported a liability of \$6,528,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2020 to June 30, 2021. The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it related to the total one-year reported covered payroll. At June 30, 2022, the School's proportion was .0159 percent, which was an decrease of .0008 from its proportion of .0167 percent measured as of June 30, 2021.

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

5. PENSION PLAN (CONTINUED)

For the year ended June 30, 2022, the school recognized pension expense of \$-15,000. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	0	1,039,000
Changes in proportions	24,000	790,000
Differences between expected and actual experience	5,000	86,000
Changes in assumptions	317,000	
Difference between employer contributions and proportionate share of total contributions	(4,103)	0
Contributions subsequent to the measurement date	751,951	0
	1,093,848	1,915,000

\$751,951 reported as deferred outflows of resources related to pensions resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 ended June 30:

2023	(538,000)
2024	(474,000)
2025	(223,000)
2026	(336,000)
Thereafter	0

Actuarial assumptions

The total pension liability as of June 30, 2021 was determined by rolling forward the System's total pension liability as of June 30, 2020 actuarial valuation to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Changes in assumptions used in measurement of the Total Pension Liability beginning June 30, 2021.

The Investment Rate of Return was 7.00%, includes inflation of 2.5%.

Salary growth changed from an effective average of 4.50%, which comprised of inflation of 2.50%, and 2.00% for real wage growth and for merit or seniority increases.

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

5. PENSION PLAN (CONTINUED)

Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:

- Salary growth rate - decreased from 5.00% to 4.50%.
- Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
- Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scales.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study that was performed for the five year period the period ending June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	27.0%	5.2%
Fixed Income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute return	8.0%	3.1%
Infrastructure/MLPs	8.0%	5.1%
Real estate	10.0%	4.7%
Cash	3.0%	0.1%
Private equity	12.0%	7.3%
Financing Leverage	-13.0%	0.1%
	100%	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

Sensitivity of the School's Proportionate share of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate

The discount rate used to measure total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

5. PENSION PLAN (CONTINUED)

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School's proportionate share of the net pension liability	8,568,000	6,528,000	4,807,000

Pension plan fiduciary net position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.state.pa.us.

6. CAPITAL ASSETS

Capital assets consist of the following at June 30, 2022:

	Beginning Balance	Increases	Decreases	Ending Balances
Buildings & Improvements	\$ 101,635	\$ 0	\$ 0	\$ 101,635
Equipment	1,386,737	348,567	0	1,735,304
Total Capital Assets	\$ 1,488,372	\$ 348,567	\$ 0	\$ 1,836,939

Accumulated Depreciation activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Buildings & Improvements	\$ 32,192	\$ 8,468	\$ 0	\$ 40,660
Equipment	1,102,424	123,528	0	1,225,952
	\$ 1,134,616	\$ 131,996	\$ 0	\$ 1,266,612
Capital Assets, Net	\$ 353,756	\$ 216,571	\$ 0	\$ 570,327

7. NET POSITION - ADJUSTED FOR GASB # 68 PENSION AMOUNTS AND GASB # 75 OTHER POSTEMPLOYMENT BENEFITS (OPEB):

The Net Position from Page 6 would appear as follows if the Pension and OPEB components of Deferred Outflows, Deferred Inflows and Net Liability were excluded:

Net Position before adjustment for GASB # 68 pension effects	(3,373,975)
Net Pension Liability	6,528,000
Deferred Outflows - Pensions	(1,093,848)
Deferred Inflows - Pensions	1,915,000
Net OPEB Liability	375,000
Deferred Outflows - OPEB	(46,000)
Deferred Inflows - OPEB	61,000
Net Position after adjustment for GASB # 68 pension effects	4,365,177

After adjustment, Net Position would be a positive amount of \$4,365,177, instead of a negative amount of \$(3,373,975).

The total pension liability of \$6,528,000 will most likely not reflect a true liability in the future due to York Academy switching to a 403B pension plan in 2016. All employees hired after July 1, 2016 are automatically enrolled in the 403B pension plan. As staff transition, replacement staff are enrolled in the 403B plan reducing the participants in the PSERS pension plan. The OPEB Liability will most likely also not reflect a true liability in the future for the same reason as stated for the Pension Plan.

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Government Accounting Standards Board (GASB) issued Statement Number 75 which requires more reporting for Other Post Employment Benefits. This standard is effective for the year ended June 30, 2022.

PSERS Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2022 there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance Program if they satisfy the following criteria:

Have 24 1/2 or more years of service or

Are a disability retiree, or

Have 15 or more years of service and retired after reaching superannuation age, and

Participate in the HOP or employer-sponsored health insurance program.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2022 there were no assumed future benefit increases to participating eligible retirees.

The School's contractually required contribution rate for the fiscal year ended June 30, 2022 was .80% of covered payroll which is actuarially determined.

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) CONTINUED

For the year ended June 30, 2022, the School recognized OPEB expense of \$10,000. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	3,000	
Net difference between projected and actual investment earnings	1,000	
Changes in proportions	2,000	56,000
Changes in assumptions	40,000	5,000
	46,000	61,000

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

Year ended June 30:

2023	(7,000)
2024	(7,000)
2025	0
2026	(1,000)
2027	(3,000)
Thereafter	3,000

Sensitivity of the District's Proportionate share of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability, calculated using the discount rate of 2.18%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.18%) or 1-percentage-point higher (3.18%) than the current rate:

	1% Decrease 1.18%	Current Discount Rate 2.18%	1% Increase 3.18%
School's proportionate share of the net OPEB liability	431,000	375,000	330,000

OPEB plan fiduciary net position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.state.pa.us. This report will also give information on actuarial assumptions and the discount rate information for the school's share of the OPEB Health Insurance Premium Assistance Program.

9. SECTION 4.2 OF LOAN AND TRUST AGREEMENT

The tuition payments to the School from the York City School District are deposited into the Revenue Fund Account which is held by Zions Bank. This account appears on the accounting records of the Foundation. Funds classified as excess rent/revenues are released to the School from this account per the agreement.

YORK ACADEMY REGIONAL CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

10. SCHOOL LEASE AGREEMENTS

The York Academy Regional Charter School leases their buildings from the York Academy Foundation. The lease payments over the next five years are as follows:

Period	Annual Amount
7/1/22 - 6/30/23	2,891,320
7/1/23 - 6/30/24	2,902,369
7/1/24 - 6/30/25	2,896,135
7/1/25 - 6/30/26	2,898,101
7/1/26 - 6/30/27	2,892,667

The York Academy Foundation is a related party to the School and is engaged in the support of educational activities of the School. The School also leases their educational space from the Foundation as stated above.

11. SERIES A OF 2018 GENERAL AUTHORITY OF SOUTHCENTRAL PENNSYLVANIA, REVENUE BONDS:

On April 19, 2018 the York Academy Regional Charter School Project Series A of 2018 Revenue Bonds were issued for the amount of \$35,500,000. The Revenue Bonds mature as follows:

Year Ended 6/30/	Amount	Year Ended 6/30/	Amount	Year Ended 6/30/	Amount
2023	370,000	2033	915,000	2043	1,660,000
2024	540,000	2034	970,000	2044	1,765,000
2025	575,000	2035	1,025,000	2045	1,880,000
2026	605,000	2036	1,085,000	2046	2,000,000
2027	645,000	2037	1,150,000	2047	2,130,000
2028	680,000	2038	1,220,000	2048	2,270,000
2029	725,000	2039	1,295,000	2049	5,175,000
2030	765,000	2040	1,370,000		
2031	810,000	2041	1,460,000		35,500,000
2032	860,000	2042	1,555,000		

12. CITY OF YORK GENERAL AUTHORITY REVENUE NOTE - YORK ACADEMY REGIONAL CHARTER SCHOOL PROJECT - SERIES OF 2021

On April 29, 2021 the York Academy Regional Charter School Project Series of 2021 Revenue Bonds were issued for the amount of \$3,000,000. The Revenue Bonds mature as follows:

Year Ended 6/30/	Amount	Year Ended 6/30/	Amount	Year Ended 6/30/	Amount
2023	85,000	2031	110,000	2039	150,000
2024	85,000	2032	115,000	2040	155,000
2025	95,000	2033	120,000	2041	160,000
2026	95,000	2034	120,000	2042	170,000
2027	95,000	2035	130,000	2043	175,000
2028	95,000	2036	135,000	2044	180,000
2029	100,000	2037	140,000	2045	185,000
2030	105,000	2038	145,000		
					2,945,000

YORK ACADEMY REGIONAL CHARTER SCHOOL
SUPPLEMENTAL
INFORMATION

KOCHENOUR, EARNEST, SMYSER & BURG

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
York Academy Regional Charter School
York, Pennsylvania

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 27 through 43 is presented for purposes of additional analysis and is not a required part of the basic general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kochenour, Earnest, Smyser, & Burg

Certified Public Accountants

York, Pennsylvania
January 5, 2023

YORK ACADEMY REGIONAL CHARTER SCHOOL
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Local Sources:				
Tuition Revenue	\$ 13,871,535	\$ 13,871,535	\$ 13,545,052	\$ (326,483)
Contributions	0	0	29,323	29,323
Miscellaneous Revenue	79,900	79,900	67,855	(12,045)
State Sources	30,960	30,960	227,381	196,421
Federal Sources	2,028,835	2,028,835	1,797,512	(231,323)
Total Revenues	16,011,230	16,011,230	15,667,123	(344,107)
EXPENDITURES				
Regular Instruction	6,974,813	6,974,813	6,937,689	37,124
Special Instruction	1,097,903	1,097,903	1,063,340	34,563
Instructional and Student Support	917,610	917,610	741,624	175,986
Operation & Maintenance	3,563,114	3,563,114	3,958,751	(395,637)
Administration Support Services	1,438,420	1,438,420	1,361,668	76,752
Business Services	451,751	451,751	405,574	46,177
Student Activities	66,681	66,681	7,075	59,606
Other support services	767,012	767,012	239,330	527,682
Debt Service	0	0	0	-
Total Expenditures	15,277,304	15,277,304	14,715,051	562,253
Excess (Deficiency) of Revenues Over Expenditures	733,926	733,926	952,072	218,146
OTHER FINANCING SOURCES (USES)				
Interest Income	5,000	5,000	4,968	(32)
Transfer to Food Service	0	0	7,500	7,500
Budgetary Reserve	(275,000)	(275,000)	0	275,000
Total Other Financing Uses	(270,000)	(270,000)	12,468	282,468
CHANGES IN FUND BALANCE BEFORE SCHOOL CONTRIBUTION			964,540	
School Contribution for Foundation Refinancing Revenue Note			0	0
CHANGES IN FUND BALANCE AFTER SCHOOL CONTRIBUTION	463,926	463,926	964,540	500,614
FUND BALANCE - BEGINNING			2,724,393	
FUND BALANCE - ENDING			\$ 3,688,933	

The accompanying notes are an integral part of these financial statements.

YORK ACADEMY REGIONAL CHARTER SCHOOL
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
OPERATING REVENUES:				
Food Service Revenue	\$ 5,000	\$ 5,000	\$ 17,376	\$ 12,376
Other Operating Revenue	0	0	0	0
TOTAL OPERATING REVENUES	5,000	5,000	17,376	12,376
OPERATING EXPENSES:				
Salaries	198,938	198,938	190,965	7,973
Employee Benefits	114,617	114,617	115,435	(818)
Purchased Professional and Technical Service	5,375	5,375	2,187	3,188
Purchased Property Service	11,000	11,000	5,854	5,146
Other Purchased Service	0	0	1,092	(1,092)
Supplies	243,110	243,110	269,306	(26,196)
Property	4,300	4,300	0	4,300
Depreciation	0	0	5,462	(5,462)
Dues and Fees	750	750	410	340
TOTAL OPERATING EXPENSES	578,090	578,090	590,711	(12,621)
OPERATING INCOME (LOSS)	(573,090)	(573,090)	(573,335)	(245)
NONOPERATING REVENUES (EXPENSES):				
Earnings on Investments	0	0	0	0
Transfer from Foundation	0	0	18,000	18,000
State Sources	26,578	26,578	22,631	(3,947)
Federal Sources	658,635	658,635	765,145	106,510
TOTAL NONOPERATING REV(EXP)	685,213	685,213	805,776	120,563
CHANGE IN NET POSITION	112,123	112,123	232,441	120,318
TOTAL NET POSITION - JULY 1, 2021			59,435	
TOTAL NET POSITION - JUNE 30, 2022			\$ 291,876	

YORK ACADEMY REGIONAL CHARTER SCHOOL
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2022

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
School's proportion of the net pension liability (asset)	0.0159%	0.0167%	0.0188%	0.0186%	0.0186%	0.0200%
School proportionate share of the net pension liability (asset)	6,528,000	8,223,000	8,795,000	8,929,000	9,186,000	9,911,000
School's covered-employee payroll	2,245,633	2,366,642	2,593,045	2,507,919	2,476,354	2,596,520
School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	290.70%	347.45%	339.18%	356.03%	370.95%	381.70%

Amounts were determined as of the cost-sharing plan's June 30, 2022 fiscal year.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

YORK ACADEMY REGIONAL CHARTER SCHOOL
SCHEDULE OF SCHOOL CONTRIBUTIONS PENSION PLAN
YEAR ENDED JUNE 30, 2022

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Contractually required contribution	756,054	780,172	841,908	789,259	812,181	734,936
Contributions in relation to the contractually required contribution	<u>756,054</u>	<u>780,172</u>	<u>841,908</u>	<u>789,259</u>	<u>812,181</u>	<u>734,936</u>
Contribution deficiency (excess)	-	(0)	0	-	-	-
District's covered-employee payroll	2,245,633	2,336,642	2,593,045	2,476,354	2,476,354	2,596,520
Contributions as a percentage of covered-employee payroll	33.67	33.39	32.47	31.87	32.80	28.30

Amounts were determined as of the cost-sharing plan's June 30, 2022 fiscal year.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

YORK ACADEMY REGIONAL CHARTER SCHOOL
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF THE NET
OPEB LIABILITY - PSERS COST SHARING PLAN
YEAR ENDED JUNE 30, 2022

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
School's proportion of the net OPEB liability	0.0158%	0.0167%	0.0188%	0.0186%
School's proportionate share of the net OPEB liability	<u>\$ 375,000</u>	<u>\$ 359,000</u>	<u>\$ 400,000</u>	<u>\$ 388,000</u>
School's covered-employee payroll	<u>\$ 2,245,633</u>	<u>\$ 2,336,642</u>	<u>\$ 2,593,045</u>	<u>\$ 2,507,919</u>
School's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	16.70%	15.36%	15.43%	15.47%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

YORK ACADEMY REGIONAL CHARTER SCHOOL
SCHEDULE OF SCHOOL'S OPEB CONTRIBUTIONS -
PSERS COST SHARING PLAN
YEAR ENDED JUNE 30, 2022

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Contractually required contribution	\$ 18,000	\$ 20,000	\$ 22,000	\$ 21,000
Contributions in relation to the contractually required co	<u>(18,000)</u>	<u>(20,000)</u>	<u>(22,000)</u>	<u>(21,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	<u>\$ 2,245,633</u>	<u>\$ 2,336,642</u>	<u>\$ 2,593,045</u>	<u>\$ 2,507,919</u>
Contributions as a percentage of covered-employee pa	0.80%	0.86%	0.85%	0.84%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
York Academy Regional Charter School
York, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of York Academy Regional Charter School, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated November 22, 2022.

Report on Internal Control over Financial Reporting

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

To the Board of Directors
York Academy Regional Charter School
York, Pennsylvania

Report on Compliance and Other Matters

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

Purpose of this Report

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

Kochenour, Earnest, Smyser & Burg

Certified Public Accountants

York, Pennsylvania
January 5, 2023

**YORK ACADEMY REGIONAL CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

GRANTOR PROGRAM TITLE	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period		Program Amount	Total Received for Year	Accrued or (Deferred) Revenue at July 1, 2021	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue at June 30, 2022
				Beginning Date	Ending Date						
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH PA. DEPT. OF EDUCATION											
Title I Grants to Local Educational Agencies	I	84.010	013-211097	7/1/2020	9/30/2021	488,354	203,531	31,947	171,584	171,584	-
Title I Grants to Local Educational Agencies	I	84.010	013-221097	7/1/2021	9/30/2022	534,793	322,114	-	270,492	270,492	(51,622)
							525,645	31,947	442,076	442,076	(51,622)
Title II Supporting Effective Instruction	I	84.367	020-201097	7/1/2019	9/30/2020	47,525	6,722	6,722	-	-	-
Title II Supporting Effective Instruction	I	84.367	020-211097	7/1/2020	9/30/2021	53,144	14,612	17,751	15,126	15,126	18,265
Title II Supporting Effective Instruction	I	84.367	020-221097	7/1/2021	9/30/2022	53,656	21,214	-	26,188	26,188	4,974
							42,548	24,473	41,314	41,314	23,239
Title IV Student Support and Academic Enrich.	I	84.424	144-201097	7/1/2019	9/30/2020	34,173	2,278	2,278	-	-	-
Title IV Student Support and Academic Enrich.	I	84.424	144-211097	7/1/2020	9/30/2021	34,065	18,168	18,168	-	-	-
Title IV Student Support and Academic Enrich.	I	84.424	144-211097	7/1/2020	9/30/2021	36,724	9,788	-	3,386	3,386	(6,402)
							30,234	20,446	3,386	3,386	(6,402)
CARES Act - ESSER I Fund	I	84.425D	200-201097	3/13/2020	9/30/2021	368,935	174,759	-	174,759	174,759	-
CARES ACT-ESSER II Fund Local 10-8743	I	84.425D	200-211097	3/13/2020	9/30/2023	1,803,340	503,258	-	557,046	557,046	53,788
ARP ESSER III Fund Local	I	84.425U	223-211097	3/13/2020	9/30/2023	3,647,635	198,962	-	69,463	69,463	(129,499)
ARP ESSER 7%	I	84.425U	225-211097	3/13/2020	9/30/2024		14,727	-	-	-	(14,727)
ARP ESSER 7%	I	84.425U	225-211097	3/13/2020	9/30/2024		2,946	-	31,853	31,853	28,907
ARP ESSER 7%	I	84.425U	225-211097	3/13/2020	9/30/2024		2,945	-	-	-	(2,945)
ARP ESSER Homeless Children	I	84.425U	181-212497	3/13/2020	9/30/2024		1,158	-	2,934	2,934	1,776
							898,755	-	836,055	836,055	(62,700)
TOTAL PASSED THROUGH THE PA DEPARTMENT OF EDUCATION							1,497,182	76,866	1,322,831	1,322,831	(97,485)
U.S. DEPARTMENT OF EDUCATION CHARTER SCHOOLS											
		84.282		7/1/2021	9/30/2023		300,855	19,260	302,970	302,970	21,375
							300,855	19,260	302,970	302,970	21,375
TOTAL PASSED THROUGH THE US DEPARTMENT OF EDUCATION							1,798,037	96,126	1,625,801	1,625,801	(76,110)
LINCOLN INTERMEDIATE UNIT:											
IDEA - Dyslexia - Special Education Grants States	I	84.32M		7/1/2021	6/30/2022	10,000	10,000	0	10,000	10,000	0
IDEA - Part B - Special Education Grants States	I	84.027A		7/1/2021	6/30/2022	150,159	150,159	0	150,159	150,159	-
IDEA - Section 619 - Special Education Grants States	I	84.173		7/1/2021	6/30/2022	924	924	0	924	924	-
							161,083	0	161,083	161,083	0
U.S. Department of Agriculture Passed through Pa. Dept. of Agriculture											
National Sch Lunch - Donated Commodities	I-F	10-555	N/A	7/1/2021	6/30/2022	N/A	58,470	0	58,470	58,470	0
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH PA DEPT. OF ED.											
National School Lunch Program	I-F	10-555	N/A	7/1/2021	6/30/2022	N/A	564,930	-	564,930	564,930	-
Summer Food Program	I-F	10-559	N/A	7/1/2021	6/30/2022	N/A	21,108	20,467	641	641	-
Supply Chain Assistance	I-F	10-555	N/A	7/1/2021	6/30/2022	N/A	22,569	-	22,569	22,569	-
SNP Emergency Operating Costs	I-F	10-555	N/A	7/1/2021	6/30/2022	N/A	32,028	-	32,028	32,028	-
Reg/Needed/Breakfast Program	I-F	10-553	N/A	7/1/2021	6/30/2022	N/A	144,363	-	144,363	144,363	-
							784,998	20,467	764,531	764,531	-
TOTAL DEPARTMENT OF AGRICULTURE-CLUSTER TOTAL							843,468	20,467	823,001	823,001	0
EBT Administrative Costs	I-F	10-649	N/A	7/1/2021	6/30/2022	N/A	614	-	614	614	-
TOTAL FEDERAL AWARDS'							2,803,202	116,593	2,610,499	2,610,499	(76,110)

YORK ACADEMY REGIONAL CHARTER SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of York Academy Regional Charter School (the School) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

Note 2 - Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue is recognized when earned, and expenses are recognized when incurred. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity numbers are presented when available.

Note 3 - Indirect Cost Rate

The School has elected not to use the ten-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Non-Monetary Assistance

NSLP - Value of USDA Donated Commodities (CFDA #10.555) - The School received commodities from the Pennsylvania Department of Agriculture valued at fair market value.

NOTE 5 - Federal Awards

Total Expenditures	\$ 2,610,499
Less: State Expenditures	<u>0</u>
Total Federal Expenditures	2,610,499

York Academy Regional Charter School falls under the 40% rule for testing federal programs.

Federal Program Tested

Cares Act - ESSERS	731,805	
Charter School Grant	302,970	
National Sch Lunch - Donated Commodities	58,470	
National School Lunch Program	564,930	
Summer Food Program	641	
Supply Chain Assistance	22,569	
SNP Emergency Operating Costs	32,028	
Reg/Needy/Breakfast Program	144,363	
	-	
	<u>\$ 1,857,776</u>	71%

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
York Academy Regional Charter School
York, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited York Academy Regional Charter School's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of York Academy Regional Charter School's major federal programs for the year ended June 30, 2022. York Academy Regional Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, York Academy Regional Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of York Academy Regional Charter School and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of York Academy Regional Charter School's compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to York Academy Regional Charter School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on York Academy Regional Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered

To the Board of Directors
York Academy Regional Charter School
York, Pennsylvania

material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about York Academy Regional Charter School's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 York Academy Regional Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of York Academy Regional Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of York Academy Regional Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weakness in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kochenour, Earnest, Smyser & Burg
Certified Public Accountants

York, Pennsylvania
January 5, 2023

YORK ACADEMY REGIONAL CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

A. Summary of the Auditor's Results:

- 1 . The auditors' report expresses an unmodified opinion on the financial statements of York Academy Regional Charter School.
- 2 . No material weaknesses or significant deficiencies relating to the financial statements are reported in the Independent Auditors' 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 of York Academy Regional Charter School were disclosed during the audit.
- 4 . No material weaknesses or significant deficiencies relating to the audit of the major federal programs are reported in the Independent Auditors' Report on Compliance for each Major Program and on Internal Control over Compliance as Required by the Uniform Guidance.
- 5 . The auditors' report on compliance for the major federal award program for York Academy Regional Charter School expresses an unmodified opinion.
- 6 . There were no audit findings for the fiscal year ended June 30, 2022.
- 7 . The federal programs tested as a major programs were the following:

84.425D	Cares Act - ESSERS
84.282	Charter School Grant
10.555	National Sch Lunch - Donated Commodities
10.555	National School Lunch Program
10.559	Summer Food Program
10.555	Supply Chain Assistance
10.555	SNP Emergency Operating Costs
10.553	Reg/Needy/Breakfast Program
- 8 . The threshold for distinguishing type A and B programs was \$750,000.
- 9 . York Academy Regional Charter School was determined to be a high risk auditee for Single Audit purposes only, not for the audit as a whole.

B. Findings relating to the financial statements which are required to be reported under generally accepted government auditing standards issued by the Comptroller General of The United States.

There were no findings in this area for the fiscal year ending June 30, 2022.

C. Findings and Questioned Costs for Federal Awards

There were no findings or questioned costs for Federal Awards in fiscal year ending June 30, 2022.

YORK ACADEMY REGIONAL CHARTER SCHOOL
STATUS OF PRIOR YEAR'S FINDINGS
JUNE 30, 2022

There were no findings or questioned costs for federal awards in fiscal year ending June 30, 2021.

KOCHENOUR, EARNEST, SMYSER & BURG

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

January 5, 2023

To the Board of Trustees
York Academy Regional Charter School
York, Pennsylvania

We have audited the financial statements of York Academy Regional Charter School for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated May 2, 2022. Professional standards also require that we communicate to you the following information related to our audit.

In planning and performing our audit of the financial statements of York Academy Regional Charter School as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered York Academy Regional Charter School's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be significant deficiencies or material weaknesses, as defined above.

To the Board of Trustees
York Academy Regional Charter School
York, Pennsylvania

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have given management journal entries to post to their financial records which they have completed.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 5, 2023.

This communication is intended solely for the information and use of management, York Academy Regional Charter School, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Kochenour, Earnest, Smyser & Burg

Certified Public Accountants