

# Comprehensive Annual Financial Report

*of the*

**Board of Education**

*and the*

**Public Schools of  
Anne Arundel County**

*A Component Unit of the*

*Anne Arundel County Government*

*For the Fiscal Year Ended*

**June 30, 2014**



George Arlotto, Ed.D., *Superintendent of Schools*

Anne Arundel County Public Schools, 2644 Riva Road, Annapolis, MD 21401

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**June 30, 2014**

*Prepared By:*

Division of Budget and Finance

Susan A. Bowen, *Director of Budget and Finance*

Krishna Bappanad, *Supervisor of Finance*



George Arlotto, Ed.D., *Superintendent of Schools*

Anne Arundel County Public Schools, 2644 Riva Road, Annapolis, MD 21401

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

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September 30, 2014

To the Members of the Board of Education:

In compliance with the Public School Laws of the State of Maryland, the Division of Budget and Finance publishes the Comprehensive Annual Financial Report of the Board of Education of Anne Arundel County which governs Anne Arundel County Public Schools (AACPS). Management is responsible for the financial information and representations contained in the financial statements and other sections of the annual report. In preparing the financial statements, the staff of the Division of Budget and Finance make estimates and judgments based on the best currently available information related to the effects of certain events and transactions.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the government's organizational chart, and a list of principal officials. The report of our independent public accountants, CliftonLarsonAllen LLP, appears at the beginning of the financial section of the report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United States of America. It included a review of the school system's budgetary and accounting controls.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Anne Arundel County Public Schools' MD&A can be found immediately following the report of the independent auditors.

All funds of the Board of Education (the Board) are included in this Comprehensive Annual Financial Report. For financial reporting purposes, the Board has been defined as a component unit of the Anne Arundel County Government (the County). Therefore, the Board of Education is included in the Comprehensive Annual Financial Report of Anne Arundel County.

Information on enrollments, cost per pupil, insurance in force, and other supplemental information is included in the statistical section of the report. This information is presented for purposes of supplemental analysis, and management believes the information is accurate and complete.

The Single Audit Act and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," govern the auditing of federal awards made to non-federal entities. Information related to this single audit, including the supplemental schedule of federal grant awards, and independent auditors' reports on compliance and internal controls related to federal programs will be issued in a separate report on or before December 31, 2014.

This report is distributed in a manner which makes the financial information available to all interested parties. Copies are furnished to members of the Board, the Superintendent and staff, appropriate officials of the Federal Government, State of Maryland, Anne Arundel County, and the county libraries. Copies are also furnished upon request to other school districts, individuals, and organizations. The report may be found on the school system's web site: [www.aacps.org](http://www.aacps.org).

All matters relating to education and operations in Anne Arundel County Public Schools are governed and controlled by the Board, as provided by the Public School Laws of Maryland. The Board has the authority to establish schools and to determine the geographical attendance areas for all schools.

## **STAFF AND STUDENT ACHIEVEMENTS**

Anne Arundel County Public Schools continues to be one of the best school systems in Maryland, a state considered among the leaders in the nation in education. Our schools, students, and employees continue to be recognized on state, local, and national levels. Here are just a few of their accomplishments in the 2013-2014 school year:

### **Student Achievements:**

- **Angel Inniss**, *Arundel High School*, was selected to perform at the 2014 Fred and Adele Astaire Awards program in New York. The annual awards ceremony is dedicated to recognizing Broadway's best dancers. Inniss took to the stage with a jazz solo and walked away with a scholarship award valued at \$10,000.
- *Chesapeake High School* junior **Kara Ritterpusch** was elected president of the Maryland Association of Student Councils (MASC). She is one of the state's most active student representatives after serving as president of the Chesapeake Regional Association of Student Councils (CRASC) and being a member of several other county and state committees.
- *North County High School* junior **Jack Andraka** was awarded the Gloria Barron Prize for Young Heroes. He was one of 25 winners from across the nation to receive a \$5,000 cash award to support service work or higher education. Andraka invented an inexpensive dipstick-like sensor for the early detection of pancreatic and other cancers.
- **Jack Andraka**, *North County High School*, was honored at the Vatican with the International Giuseppe Sciacca Award for his work on cancer research and early-detection methods. While in Vatican City, Andraka had an informal meeting with Pope Francis.
- *Old Mill High School* senior **Kirellos Abou Elsaad** has been named a winner of the prestigious Gates Millennium Scholarship that will pay the bulk of his expenses for undergraduate, graduate school, and post-graduate education. He is the fifth county student in the last three years to claim one of the 1,000 scholarships awarded across the nation annually by the Bill & Melinda Gates Foundation.
- **Allison Marie Raines** and **Sally Albright** of *South River High School* recently won the "First Award" for Environmental Management during the INTEL International Science and Engineering Fair. Almost 1,800 students from close to 70 countries competed in this round of competition. The students' prizes included a \$3,000 cash award as well as a \$1,000 grant for the school.

- The *Southern High School* Future Farmers of America (FFA) Chapter represented Maryland at the National FFA Convention in the Horse Evaluation Career Development event and finished second out of 44 top teams. Team members included **Brooke Catterton**, **Sierra Criste**, **Kelly Pope**, and **Michaela Pyles**.
- Five AACPS music students were named to the All-National Honor Mixed Choir ensemble and performed in Nashville. Congratulations to *Arundel High School* students **Sarah Sinnott** and **Carianne Powers**, *Chesapeake High School* student **Connor Wilson**, and *Southern High School* students **Allison Martin** and **Meagan Griffith**.
- Four AACPS seniors were among 53 students from the state of Maryland awarded National Merit Scholarships to pursue post-secondary studies. The selected students were **Allison Waters** of *Broadneck High School*, **Kristine Mar** of *South River High School*, **Jessica Zhao** of *Meade High School*, and **Keith Boone** of *Severna Park High School*.

#### Staff Achievements:

- *Annapolis High School* dance teacher **Jillian Barber** was named the Dance Teacher of the Year by the Maryland Association of Health, Physical Education, Recreation, and Dance (MAHPERD). The award is given annually to a teacher who is a positive role model, has outstanding teaching skills, and exhibits the qualities of personal health and fitness in their daily life.
- Art teacher **Allison Butler**, *Glen Burnie High School*, was selected as the national winner of the ING Unsung Heroes Award from among more than 1,300 entries. Her innovative idea, "Art at the Speed of Light," brought together art and honors physics curricula, and earned her the \$25,000 award.
- *South River High School* Spanish teacher **Jodie Hogan** was named one of seven finalists for the 2013 Maryland Teacher of the Year by the Maryland State Department of Education. Hogan was named AACPS' 2012-2013 Anne Arundel County Public Schools Teacher of the Year in April and is the second AACPS teacher to be a finalist for the state award in the last three years.
- **Kris Hanks**, *Woodside Elementary School* STEM teacher, was among 102 educators from across the nation to be named a recipient of the Presidential Award for Excellence in Mathematics and Science Teaching. In addition to being honored personally by President Obama, she will receive a \$10,000 award to use at her discretion.
- *Mills-Parole Elementary School* principal **Sue Myers** has been named Maryland's 2014 National Distinguished Principal by the Maryland Association of Elementary School Principals for setting high standards for instruction, student achievement, character, and climate for students, families, and staff members.
- The National Art Education Association has named AACPS' Coordinator of Visual Arts **Eleni Dykstra** the 2014 winner of the Marion Quin Dix Leadership Award, one of the highest honors given to an arts educator in the nation. She supports 190 art teachers serving more than 78,000 students, and is a Nationally Board Certified teacher.



**School Awards and Accomplishments:**

- *Linthicum Elementary School* became the county's 16th Maryland Blue Ribbon School of Excellence and the first to receive the award in the North County cluster. The program honors schools that excel or significantly improve in state reading and math exams.
- *Seven Oaks Elementary School* was one of 20 elementary and middle schools across the nation to be selected by Crayola and the National Association of Elementary School Principals to receive a "Champion Creatively Alive Children" grant. The school received \$2,500 and \$1,000 worth of Crayola products for nurturing creativity in children.
- Three county elementary schools – *Central, Davidsonville, and Folger McKinsey* – have been recognized as being among the elite in the state when it comes to educating gifted and talented students. The schools make up one-third of those being recognized this year by MSDE, which runs the Excellence in Gifted and Talented Education (EGATE) School Awards Program.
- *Bates Middle School* has been named as an Arts Award winner by the Arts Schools Network. The award is for a school that demonstrates outstanding leadership for incorporating arts integration strategies into its curriculum.
- *Severna Park High School* heads a list of four Anne Arundel County high schools on the list of the top 30 Maryland high schools according to U.S. News and World Report. The other schools listed were *Broadneck, South River, and Chesapeake* high schools. Rankings were based in part on AP test scores and math and reading state exit exams.
- Five county schools earned "School of the Year" designations by the Maryland Center for Character Education (MCCE). The program recognizes schools that demonstrate outstanding school climate as well as academic performance. The winning schools were *Jones, Nantucket, and Oakwood* elementary schools; *George Fox Middle School, and Mary Moss Academy*.

**Other Accomplishments:**

- AACPS has been awarded more than \$2.5 million in grants in support of its Programs of Choice. The Department of Defense Educational Assistance awarded approximately \$2.22 million in support of STEM programs for 5,341 students at eight county schools. The Streams Restoration Project that involves Broadneck and Southern cluster schools received \$296,454 in program support.
- In 2014 AACPS entered into a new contract with CareFirst which brought the CVS Caremark program under a bundled contract arrangement effective 1/1/14 achieving savings for the medical and prescription contracts over the new contract period. In addition, Administrative fee stabilization for plan years 2014 and 2015 are expected to bring additional savings for the future years. Claims management and enhanced disease management programs behind the scenes have also helped to control costs over the last fiscal period. While enrollment continues to increase each year, plan controls and improved pricing helped to control costs.

- The AACPS Purchasing Office received the 2014 Achievement of Excellence in Procurement Award from the National Procurement Institute. AACPS won for the third consecutive and fifth time overall, and is one of just 23 districts across the United States to earn the award.

## **FINANCIAL INFORMATION**

The Board believes that all students have the right to educational opportunities that will permit them to realize their full potential as informed and productive citizens in a democratic society. Anne Arundel County Public Schools wants to provide the highest quality education in the State. Toward this end, we have committed to ambitious goals that will serve all students' individualized needs. Attaining these goals and objectives – accelerating student achievement, a safe and orderly environment, communication and community collaboration – will ensure that students graduate from our schools endowed with basic and advanced skills that will allow them to enter higher education or the workforce.

All children should have the opportunity for a quality education conducted in a caring and disciplined environment, and accomplished at a cost in keeping with the best principles of financial management and responsibility to taxpayers. The cost of public education in Maryland is financed primarily by the county and State of Maryland. Local Boards of Education in Maryland have no tax levying or borrowing authority and are required to maintain accounting records in a uniform format.

Management maintains a system of budgetary and accounting controls designed to ensure the reporting of reliable financial information. The system is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded and executed with Management authorization. Internal control systems are subject to inherent limitations because of the need to balance costs against the benefits produced. Management believes that the existing system of budgetary and accounting controls provides reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period.

The Board utilizes a detailed line item budget which is prepared according to the guidelines and requirements set forth in the Public School Laws of Maryland, the Bylaws of the State Board of Education, and the State Financial Reporting Manual. The operating and capital budgets are deliberated by the Board through a series of public hearings and forwarded to the County Executive and County Council for their consideration as the funding authority. Under state law, the County government sets the appropriation levels by major categories and projects for the Board. The Board may transfer funds among major categories or projects with approval of the County government. The Board has the authority to transfer funds within the major categories.

The Board is provided a monthly financial update for the General Fund, and annual budget information and financial statements are available to officials, staff, and the public on the website. Interim financial statements are prepared for the Capital Projects Fund and are distributed to the Board, County officials, and school system administrators. The statements for the Capital Projects Fund include the appropriation balances remaining to be spent by project, category, and/or object of expenditure. Financial reports and/or statements prepared as often as required for the Food Service Fund, grant programs, and other funds are distributed to management and the various funding agencies.

Administrators and school principals have daily information available showing the status of the expenditure accounts for which they are responsible. This information includes a detail of transactions and a summary of the balances to be spent from the appropriations allocated for goods

and services among the programs so managed. The General Fund and Capital Projects Fund also have a test for the availability of a funding source in the accounting system which precludes any requisition for services, equipment, or supplies and materials from becoming an encumbrance if the account or group of accounts would be over-obligated.

### **MISSION, VISION AND GOALS**

It is the mission of our school system to educate all of our students to be well-prepared for college and the workforce and to empower them to create a better quality of life for themselves, their communities, and the next generation. Our ultimate goal is to ensure that every student meets or exceeds standards as achievement gaps are eliminated. While our students are enrolled in our schools, we believe it is our responsibility to also instill in them the values of leadership, innovation, compassion, social responsibility, and environmental stewardship.

In order for us to achieve our goal, we believe strongly that we must establish and maintain caring and supportive educational environments that allow every student to reach his or her full potential. We take seriously our obligation to Anne Arundel County taxpayers to expend the resources they provide us in a cost-efficient and fiscally prudent manner. This effort requires the work not only of AACPS employees, parents, and students, but of every resident of our county.

### **LOCAL ECONOMY, FINANCIAL CONDITIONS, AND PLANNING**

The Board's major funding sources, Anne Arundel County and the State of Maryland, have started recovery from the last few years of the economic downturn. However, this has not translated into an increase in funding from these entities. Due to the prevailing low interest environment, investment earnings have provided a relatively negligible source of revenue. The Board also faced reductions due to federal sequestration as federal law makers were unable to work together on a compromise. Sufficient resources from all funding sources were identified and reallocated so no school-based programs or services were impacted.

Due to these economic factors and the County's funding at just MOE level since FY2010, it has been necessary to redirect some resources and reduce existing programs. Board employees continued to work four extended days for five weeks this summer so that buildings could be closed on Fridays to save energy and transportation costs. The Board continues to examine ways to reduce costs and still maintain a higher level of service to our students and citizens. In fiscal year 2014, increased State funding and County funding, as well as redirecting resources, provided for an additional 64 positions, all of which were classroom teaching positions.

The County continues to anticipate future growth in enrollment as new residents move into the area as a result of the Base Realignment and Closure (BRAC) plans and an increase in the influx of immigrant population which is putting an additional burden on the school system. This growth should boost some revenue sources but, coupled with the economic constraints noted above, will challenge the Board and management to examine ways to reduce costs, while still providing for growth and maintaining a higher level of service to our students and citizens.

**GFOA AND ASBO CERTIFICATES**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Anne Arundel County Board of Education for the fiscal year ended June 30, 2013. The award is shown on page 11 of this report. For thirty-two (32) consecutive years, Anne Arundel County Board of Education has received the GFOA Certificate of Achievement for Excellence in Financial Reporting.

The Anne Arundel County Public Schools also received the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting for the Fiscal Year Ended June 30, 2013. The award is shown on page 12 of this report. For thirty-three (33) consecutive years, Anne Arundel County Board of Education has received the ASBO Certificate of Excellence in Financial Reporting. We believe our current report continues to conform to the requirements of these programs, and we are submitting it to GFOA and ASBO to determine its continuing eligibility for the certificates.

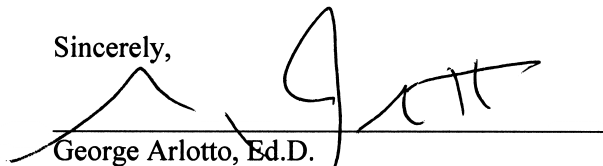
**ACKNOWLEDGMENTS**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Division of Budget and Finance, the Internal Auditing Office, and others. We would like to express appreciation to all those who assisted in the closing of the school system's financial records and the preparation of this report. Also, we would like to express our appreciation to other departments and individuals who assisted in the preparation of this report.

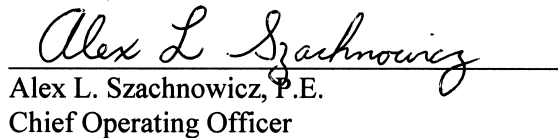
**CONCLUSION**

Should you have any questions about the financial details, needs, or plans for Anne Arundel County Public Schools, please do not hesitate to call or write the Division of Budget and Finance.

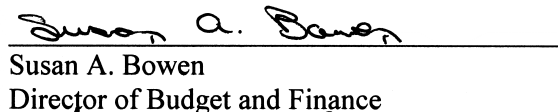
Sincerely,



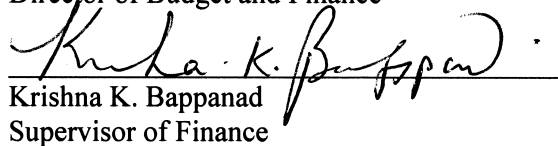
George Arlotto, Ed.D.  
Superintendent of Schools  
Secretary-Treasurer of the Board of Education



Alex L. Szachnowicz, P.E.  
Chief Operating Officer



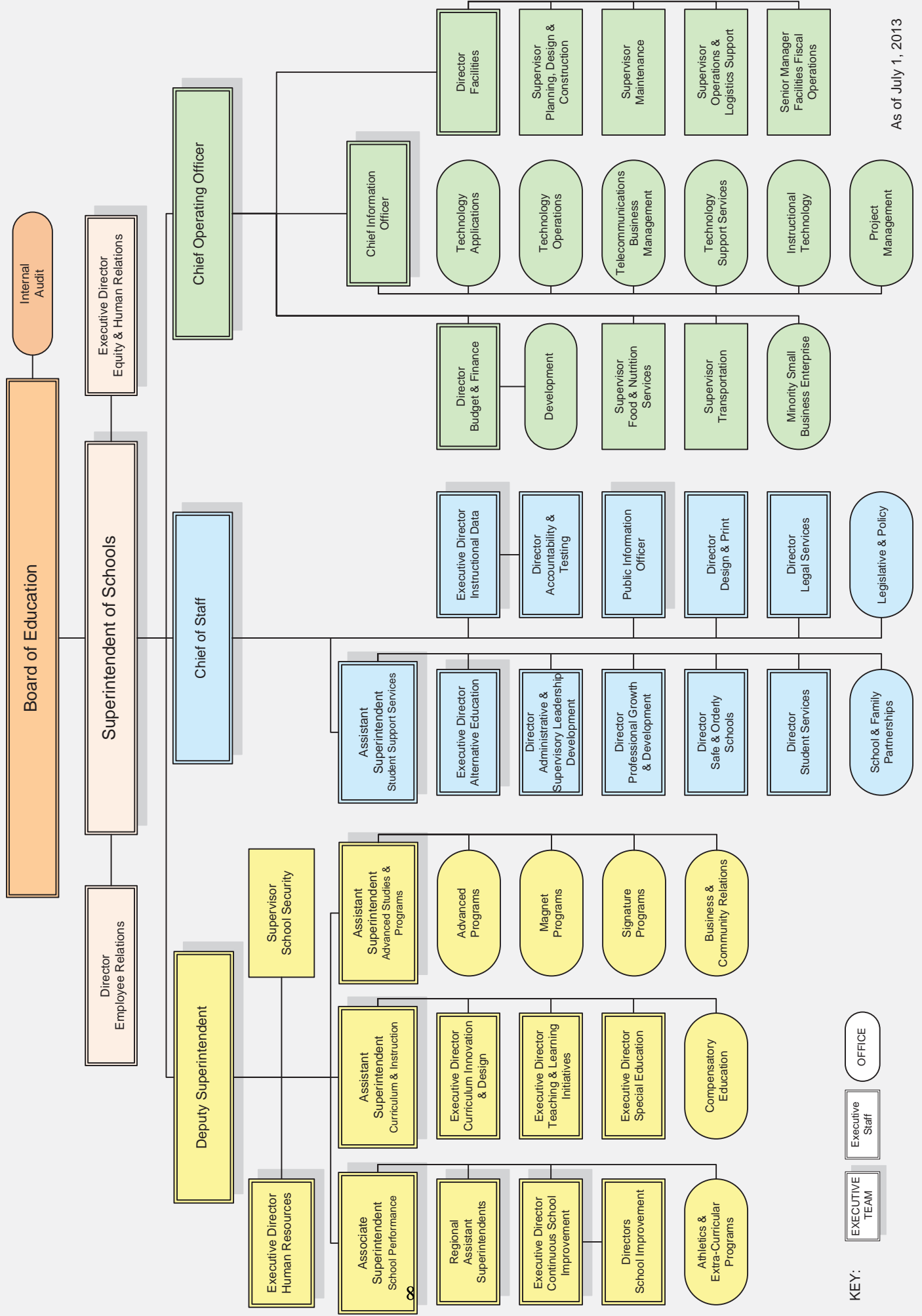
Susan A. Bowen  
Director of Budget and Finance



Krishna K. Bappanad  
Supervisor of Finance

# Anne Arundel County Public Schools

## Overview



**BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY  
PRINCIPAL OFFICIALS**

**BOARD MEMBERS**

<u>NAME</u>	<u>TERM EXPIRES</u>
Teresa Milio Birge, President	2018
Deborah T. Ritchie, Vice President	2015
Amalie Brandenburg	2016
Else Drooff (Student)	2014
Kevin L. Jackson	2014
Stacy Korbelak	2017
Patricia R. Nalley	2017
Andrew C. Pruski	2018
Solon K. Webb	2015

**SUPERINTENDENT'S EXECUTIVE TEAM**

Mamie J. Perkins  
Interim Superintendent of Schools

- Arlen Liverman Deputy Superintendent
- George Arlotto, Ed.D. Chief of Staff
- Alex L. Szachnowicz, P.E. Chief Operating Officer
- Andrea Kane Associate Superintendent for School Performance
- Maureen McMahan, Ph.D. Assistant Superintendent for Advanced Studies and Programs
- Greg Pilewski Assistant Superintendent for Curriculum and Instruction
- Sarah Pelham Assistant Superintendent for Student Support Services
- Ray Bibeault Regional Assistant Superintendent (Meade & Southern)
- Donna C. Cianfrani, Ed.D. Regional Assistant Superintendent (Arundel & South River)
- Catherine Gilbert Regional Assistant Superintendent (Chesapeake & North County)
- Catherine L. Herbert Regional Assistant Superintendent (Glen Burnie & Severna Park)
- Dawn Lucarelli Regional Assistant Superintendent (Northeast & Old Mill)
- Christopher Truffer Regional Assistant Superintendent (Annapolis & Broadneck)
- Gregory Barlow Chief Information Officer
- Kathryn L. Kubic, Ph.D. Executive Director of the Instructional Data Division (IDD)
- Kathleen D. Lane Executive Director of Alternative Education
- Martha Pogonowski Executive Director of Continuous School Improvement
- Carlesa Finney Executive Director of Equity and Human Relations
- Florie Bozzella Executive Director of Human Resources
- Bob Mosier Public Information Officer

**NOTICE**

**Certain pages of this report have been left blank intentionally. These pages are identified by asterisks as shown on this page.**

\*\*\*\*\*



Government Finance Officers Association

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

Presented to

**Board of Education & the Public Schools  
of Anne Arundel County, Maryland**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# Association of School Business Officials International



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

## **Anne Arundel County Public Schools**

*For Its Comprehensive Annual Financial Report (CAFR)*

*For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



Handwritten signature of Terrie S. Simmons.

Terrie S. Simmons, RSBA, CSBO  
President

Handwritten signature of John D. Musso.

John D. Musso, CAE, RSBA  
Executive Director

## Independent Auditors' Report

Members of the Board of Education of  
Anne Arundel County  
Annapolis, Maryland

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the general fund budgetary comparison, and the aggregate remaining fund information of the Board of Education of Anne Arundel County, a component unit of Anne Arundel County, Maryland, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the general fund budgetary comparison, and the aggregate remaining fund information of the Board of Education of Anne Arundel County as of June 30, 2014, 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.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 17 through 27 and schedule of funding progress on page 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of Anne Arundel County's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2014, on our consideration of the Board of Education of Anne Arundel County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 Board of Education of Anne Arundel County's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

Baltimore, Maryland  
September 30, 2014

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## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

### Management's Discussion and Analysis

This section of the Board of Education of Anne Arundel County's (the Board) annual financial report presents management's discussion and analysis of the Board's financial activities during the fiscal year ended June 30, 2014.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the Board exceeded its liabilities at the close of the fiscal year ended June 30, 2014, by \$613,212,533, a decrease of \$269,603. This is a result of the increases in Other Post Employment Benefits (OPEB) liability offset by increases in Capital Assets and conservative management of the Board's spendable resources. OPEB liabilities climb each year as projected retiree health care costs escalate and there is no annual contribution toward an OPEB plan. Capital assets increased due to major construction projects such as Annapolis, Crofton, Lothian, and Mills-Parole elementary schools as well as Northeast High School, maintenance and renovation projects, and the capital improvements necessary to facilitate an all day kindergarten and pre-kindergarten program.
- At the close of the current fiscal year, the Board's General Fund reported a total fund balance of \$49,482,099. Of this amount, \$20,000,000 has been appropriated in fiscal year 2015, \$16,448,611 is restricted for specific uses by outside parties, and \$8,940,743 is encumbered for specific purchases.
- The unassigned fund balance in the General Fund of \$2,172,501 may be used to meet the Board's ongoing obligation to the citizens and children of Anne Arundel County.
- At the end of the current fiscal year, the Special Revenue (Food Services) Fund had a fund balance of \$4,941,660, which will only be used to support the Board's food service program.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements consist of: (1) Government-Wide financial statements, (2) fund financial statements, (3) budgetary comparison statement - General Fund and (4) Notes to the Basic Financial Statements.

#### **Government-Wide Financial Statements**

The Government-Wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the Board's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The Statement of Activities presents information showing how the Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

All of the Board's basic services are included in the Government-Wide statements. These statements reflect, in total, the results of the governmental funds (i.e. General Fund, Capital Projects Fund, Food Services Fund and Other Governmental Funds) and the Internal Service Fund (i.e., Self- Insurance Fund). Expenses are shown by function (State Budget Category). Revenues are shown as charges for

## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

### Management's Discussion and Analysis

services, operating grants and contributions, capital grants and contributions, or general revenue. This breakdown shows the amount of general county revenue and unrestricted federal and state revenue that supports the Board's mission. The Government-Wide financial statements can be found on pages 29 and 30 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other governmental units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions as those reported in the Government-Wide financial statements. However, unlike the Government-Wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Board's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-Wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in the Government-Wide financial statements. By doing so, readers may better understand the long-term impact of the Board's near-term decisions. The Governmental Funds Balance Sheets and the Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and Government-Wide financial statements.

The Board maintains seven individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheets and in the Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Projects Fund and Special Revenue (Food Services) Fund. The basic governmental fund financial statements can be found on pages 32 - 34 of this report.

**Proprietary Funds** - Proprietary Funds provide the same type of information as the Government-Wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Board's various functions. The Board uses an internal service fund to account for the cost of medical, dental, vision, disability and life insurance benefits provided to employees and retirees. The basic proprietary fund financial statements can be found on pages 36 – 38 of this report.

**Fiduciary Funds** - Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not included in the Government-Wide financial statements because the resources of those funds are not available to support the Board's own programs. The basic Fiduciary Funds financial statements can be found on pages 39 and 40 of this report.

### **Budgetary Comparison Statement**

The budgetary comparison statement as presented on page 35 shows the original appropriated budget, the final adopted budget including transfers and supplemental appropriations as approved by the County. The statement also shows the actual revenues, expenditures including encumbrances, and fund balance on the legally prescribed budgetary basis of accounting. Differences between the legally

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

prescribed reporting requirements and generally accepted accounting principles (GAAP) in the United States of America are set forth in Note 2 of the Notes to the Basic Financial Statements on pages 47 and 48.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and fund financial statements. The Notes to the Basic Financial Statements can be found on pages 41 - 61 of this report.

**Required Supplemental Information**

The financial statements also contain required supplementary information in addition to the basic financial statements themselves, containing a schedule of funding progress for pension and other post-employment benefit plans. The Schedule of Funding Progress can be found on page 62 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

The schedule below presents a comparison of Net Position for the Board's governmental activities:

**Comparative Schedule of Net Position**

	<u>2014</u>	<u>2013, as restated</u>
Cash and Cash Equivalents	\$ 175,882,799	\$ 166,605,620
Due from Other Governments	46,748,577	41,922,445
Other Assets	11,856,187	7,635,753
Capital Assets Not Being Depreciated	259,114,437	212,816,715
Capital Assets Being Depreciated, Net of Accumulated Depreciation	695,646,348	681,300,151
<b>Total Assets</b>	<u>1,189,248,348</u>	<u>1,110,280,684</u>
Total Assets		
Accrued Salaries and Payroll Taxes	70,635,712	66,710,049
Accounts Payable and Unpaid Claims	47,916,436	42,372,741
Retainage Payable	12,404,691	11,640,519
Long-Term Liabilities	435,022,992	368,536,257
Other Liabilities	10,055,984	7,538,982
<b>Total Liabilities</b>	<u>576,035,815</u>	<u>496,798,548</u>
Total Liabilities		
Net Investment in Capital Assets	954,760,785	894,116,866
Restricted for Food Services	408,239	364,152
Restricted for Equipment Leases	5,882,771	7,026,141
Restricted for Special Education	10,565,840	9,827,565
Unrestricted Deficit	(358,405,102)	(297,852,588)
<b>Total Net Position</b>	<u>\$ 613,212,533</u>	<u>\$ 613,482,136</u>



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

As noted earlier, net position may serve over time as a useful indicator of the Board's financial position. Assets exceeded liabilities by \$613,212,533 at the close of fiscal year ended June 30, 2014. By far the largest portion of the Board's net position reflects its investment in capital assets (e.g., land, buildings, software, furniture and equipment), less accumulated depreciation and any related outstanding capital leases used to acquire those assets. The Board uses these assets to provide educational and other related services; consequently, these assets are not available for future spending. The long-term liabilities represent the estimated amount due for compensated absences (annual and sick leave), health care OPEB liability, and capital leases in periods beyond fiscal year 2014. Additional details can be found in Notes 9 - 11 on pages 53 – 55 of this report.

**Statement of Activities**

The following schedule compares the changes in governmental activities net position from fiscal year 2014 to 2013.

	<b>2014</b>	<b>2013, as restated</b>
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 13,171,577	\$ 13,452,666
Operating Grants and Contributions	166,694,281	158,875,844
Capital Grants and Contributions	119,411,932	104,576,518
General Revenues:		
Federal Unrestricted	2,512,461	2,568,267
State Unrestricted	275,853,922	265,583,322
County Unrestricted	613,763,634	601,312,917
Capital Contributions	-	234,300
Investment Income	66,173	150,117
Miscellaneous	1,300,129	1,449,170
Total Revenues	1,192,774,109	1,148,203,121
<b>Expenses:</b>		
Administration	36,965,145	34,120,482
Mid-Level Administration	97,135,498	95,330,319
Instruction	621,688,514	614,546,244
Special Education	172,274,207	166,127,623
Pupil Services	9,598,340	9,135,733
Student Health	8,443,567	8,146,330
Transportation	54,722,641	53,698,120
Maintenance and Operations	163,866,113	156,468,210
Food Services	26,675,250	26,933,745
Other	1,674,437	1,411,192
Total Expenses	1,193,043,712	1,165,917,998
Change in Net Position	(269,603)	(17,714,877)
Net Position - July 1	613,482,136	631,197,013
Net Position - June 30	\$ 613,212,533	\$ 613,482,136

County and State funding continue to provide a substantial portion of the revenues. In fiscal year ended 2014, the County funding totaled \$613,763,634 of unrestricted revenues and \$72,571,269 of construction funds. This was 57.5% and 59.6% of total revenues in fiscal year 2014 and 2013,

## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

### Management's Discussion and Analysis

respectively. In fiscal year 2014 the State provided \$275,853,922 for unrestricted operating funds and \$157,793,945 of grants for restricted programs and construction. State sources comprised 36.3% and 33.9% of total revenues in fiscal years 2014 and 2013, respectively.

Operating grants for instructional and special needs of students continue to be available as a result of the aggressive grant application strategy undertaken by the Board. In addition to the food services grants (\$15.0 million), \$21.7 million transportation funding and \$23.0 million in Special Education funding, the Board managed over 100 restricted grants totaling approximately \$41,301,800 during the fiscal year ended June 30, 2014. This compared to \$44,756,000 the previous year, a 7.7% decrease.

### **FINANCIAL ANALYSIS OF FUND FINANCIAL STATEMENTS**

As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and fund balances. Such information is useful in assessing the Board's resources available for spending at the end of the fiscal year. The governmental funds include the General Fund, the Food Services Fund, the Capital Projects Fund, and several smaller special revenue funds. The Self Insurance Fund is an internal service fund utilizing Board, employee, and retiree health insurance contributions to pay for health care costs.

#### **General Fund**

Anne Arundel County increased their funding of the Board's operating budget from fiscal year 2013 to 2014 by \$12,450,717. The increase is exclusively due to an increase in student enrollment as *Maintenance of Effort* was met in 2014. The State of Maryland funding increased \$19,034,574 due to the increase in total students as well as an increase in eligible students under compensatory education and limited English proficiency programs. Federal funding decrease of \$3,766,466 reflects the impacts of sequestration and elimination of stimulus programs. Management planned for sequestration within the FY2014 budget so no programs were impacted.

When comparing expenditures in fiscal year 2014 to 2013, three substantial fluctuations are noted. There were increases in Fixed Charges of \$11.2 million, in Instructional Salaries and Wages of \$11.1 million and Special Educational Costs of \$5.5 million. The increase in Fixed Charges reflects the inclusion of shift of employer's share of State of Maryland Retirement & Pension costs. Instructional Salaries and Wages increased due to the mid-year COLA increase. Special Education increase also reflects the mid-year COLA increase and an increase in non-public tuition costs. During fiscal year 2014, there were limited step increases and no pay-for-performance increases for all employee groups.

#### **Special Revenue (Food Services) Fund**

The table that follows provides a summary of the revenues and expenditures for this fund for fiscal year 2014 and 2013. The total revenues for the fiscal year ended June 30, 2014 were \$26,732,521. Related expenditures were \$25,954,457, resulting in a net increase in fund balance of \$778,064. This resulted in a fund balance of \$4,941,660 for the fiscal year ended June 30, 2014. Federal regulations provide for the maintaining of a fund balance equal to an amount not to exceed three months expenditures so that funds are available to pay bills promptly and to handle emergency situations. The Food Services Fund balance complies with this limit.

During fiscal 2014 there was no change to the regular price of student breakfast and lunch; however, the revenue from the sale of food declined slightly by \$263,314 from the prior year. Both

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management’s Discussion and Analysis

regular and Free & Reduced price breakfasts served increased substantially by 24% while both the number of paid lunches and Free & Reduced lunches increased slightly by 2%. Additional Federal revenue of \$1,708,122 is the result of the increased number of Free & Reduced priced meals served to eligible students. The increase in the cost of food is due to rising food prices. The decrease in equipment costs is due last years’ one-time increase of replacement of old walk-in refrigerators, freezers, steamers, and other kitchen equipment. Percent increase (decrease) in revenues and expenditures over the previous year is shown in the following tabulations:

<b>Revenues:</b>	<u>2014</u>	<u>2013</u>	<b>% Increase (Decrease) from Previous Year</b>
Sale of Food:			
Lunches	\$ 5,652,284	\$ 5,684,345	(0.6%)
A la Carte	4,742,609	4,931,184	(3.8%)
Breakfast & Summer Programs	<u>228,871</u>	<u>271,549</u>	(15.7%)
Total Food Sales	10,623,764	10,887,078	(2.4%)
State of Maryland Subsidies	932,549	611,328	52.5%
United States Government Subsidies	15,049,474	13,341,352	12.8%
Investment Interest Earned	2,945	6,397	(54.0%)
Other Revenues	<u>123,789</u>	<u>135,180</u>	(8.4%)
Total Revenues	<u>\$ 26,732,521</u>	<u>\$ 24,981,335</u>	7.0%
<b>Expenditures:</b>			
Cost of Food Sold	\$ 11,196,119	\$ 10,476,938	6.9%
Salaries and Wages	7,684,140	7,357,369	4.4%
Contracted Services	709,308	744,802	(4.8%)
Supplies and Materials	581,875	705,006	(17.5%)
Other Charges	5,392,638	5,479,473	(1.6%)
Equipment	<u>390,377</u>	<u>1,302,774</u>	(70.0%)
Total Expenditures	<u>\$ 25,954,457</u>	<u>\$ 26,066,362</u>	(0.4%)

**Capital Projects Fund**

Spending for new construction and renovation of facilities through the Capital Budget increased by \$14,303,210. This change was primarily due to the increase in spending for Annapolis, Crofton, Lothian, and Mills-Parole elementary schools as well as Northeast High School construction which increased \$29.9, while the construction for several other schools declined by \$15.6 million, as many of these projects were completed and opened for students.

**Self-Insurance Fund**

The Board maintains this internal service fund to account for employee’s medical, dental, vision, disability, and life insurance. The Board had a self-insured prescription drug program with Caremark until December 31, 2013. Effective January 1, 2014, the prescription drug program was combined with the self-insured medical, dental, and vision program with CareFirst Blue Cross/Blue Shield. The Federal Government, through the Medicare Program, provided the Board with subsidies to cover a portion of the cost of prescription drugs for eligible retirees and provided rebates for the costs of health care for early retirees. These federal sources totaled \$2,755,772 in 2014. Nationally, health care costs continue to rise at rates in excess of general inflationary trends.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

The Board's health care self-insured and insurance premium costs total costs in fiscal year 2014 were \$147,151,388, a decrease of \$4,877,757 over fiscal year 2013. The Education Jobs Act directly covered costs of \$4,746,368 in 2013, \$25,000 in 2012, and \$6,840,000 in 2011. There was no Educational Jobs Act grant in 2014. Board contributions to the Self Insurance Fund increased by \$3,798,645 in fiscal year 2014 compared to 2013. Due to a shift in enrollment in health care plans, escalating health care costs for total claims decreased by 3.2%.

The table below provides a comparative presentation of this fund's revenues and expenses for fiscal year 2014 and 2013. The 2013 Insurance Claims and Expenses have been restated by a decrease of \$1,805,617 to reflect full accounting of claims costs. Monthly a health claim deposit is made against claims with a true-up of actual claims expenses occurring two months later. Previously this true-up amount for May and June was not included in the previous years' financial statements. The actual claims for May and June in 2013 were less than the monthly deposit, resulting in the true-up decrease in claims in 2013.

	<u>2014</u>	<u>2013, as restated</u>	<u>% Increase (Decrease) from Prior Year</u>
<b>Revenues:</b>			
Board Contributions	\$ 131,107,033	\$ 127,308,388	3.0%
Participants Contributions	26,603,795	25,537,015	4.2%
Federal Medicare Subsidy	<u>2,755,772</u>	<u>2,591,316</u>	6.3%
Total Operating Revenue	<u>160,466,600</u>	<u>155,436,719</u>	3.2%
<b>Operating Expenses:</b>			
Insurance Claims and Expenses	147,151,388	147,282,777	-0.1%
Other	<u>714,707</u>	<u>598,184</u>	19.5%
Total Operating Expenses	<u>147,866,095</u>	<u>147,880,961</u>	0.0%
Operating Income	12,600,505	7,555,758	66.8%
Interest Income	<u>35,298</u>	<u>28,618</u>	23.3%
Changes in Net Position	<u>\$ 12,635,803</u>	<u>\$ 7,584,376</u>	66.6%

**ANALYSIS OF BUDGETARY BASIS STATEMENTS**

**General Fund (Operating Budget)**

The total revenues for the fiscal year ended June 30, 2014, for the General Fund, on a non-GAAP, Budgetary basis, were \$964,667,518. Related expenditures were \$973,895,121. The Board realized a favorable liquidation of prior year encumbrances of \$1,551,275. This activity combined with a fund balance from the prior year of \$29,759,530 resulted in a budgetary fund balance of \$22,083,202 for the fiscal year ended June 30, 2014.

The increase in the General Fund operating budget from the original approved budget was \$39,173,600, of which \$29,419,800 is related to the State Board opinion No 14-16 requiring full budgeting of all self-insured revenues and expenditures; however, the Internal Service Fund is not a component of the General Fund, these revenues will never be recognized in the General Fund statements. The major reasons for increases to the budget are unbudgeted unrestricted revenue for E-rate and Eneroc rebates of

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

\$1,363,000 and Quality Teacher Incentive Act of \$1,200,100. Restricted revenues and expenditures were greater than projected due to the Race to the Top funding of approximately \$1,567,000, as well as the special educations grants of \$1,396,000, the STEM DoDEA grant of \$716,600, and Title grants of \$635,900.

Expenditures realized were under the final approved budget by \$43,588,479, of which \$29,419,800 is related to the State Board opinion No 14-16 requiring full budgeting of all self-insured revenues and expenditures; however, the Internal Service Fund is not a component of the General Fund, these expenditures will never be recognized in the General Fund statements. About \$3,082,500 is due to restricted grants not be fully utilized and being carried over to 2015. The remaining approximately \$11,100,000 is a result of funding not being used across all categories representing just over 1% of approved final budget. It should be noted that the Operation category exceeded budget by about \$954,500 due unusually higher utility costs during the winter that depleted reserves and required additional contracts in the spring at higher rates.

The following table provides the budgetary results for fiscal year 2014.

	<b>Budget</b>		<b>Actual</b>
	<b>Original</b>	<b>Final</b>	
<b>Revenues:</b>			
Anne Arundel County	\$ 596,454,600	\$ 596,454,600	\$ 596,454,600
State of Maryland	322,343,600	324,746,500	324,248,429
United States Government	38,303,100	46,424,527	40,904,835
Investment Interest Earned	150,000	117,100	61,003
Other	2,865,000	31,547,173	2,998,651
Total Revenues	\$ 960,116,300	\$ 999,289,900	\$ 964,667,518
<b>Expenditures:</b>			
Administration	\$ 27,565,300	\$ 29,407,979	\$ 28,294,073
Mid-Level Administration	64,047,800	64,139,381	63,276,398
Instructional Salaries & Wages	367,940,900	368,907,430	365,972,531
Textbooks & Instructional Supplies	29,910,100	33,980,938	30,763,320
Other Instructional Costs	15,369,000	18,647,423	17,904,180
Special Education	119,065,400	122,365,639	121,049,124
Pupil Services	6,708,200	6,808,400	6,703,529
Pupil Transportation	53,425,000	51,225,400	49,855,910
Operation of Plant	64,147,300	63,297,700	64,252,162
Maintenance of Plant	16,136,400	17,370,000	17,112,744
Fixed Charges	210,068,700	237,371,210	205,062,150
Community Service	375,000	518,300	416,202
Capital Outlay	3,550,900	3,443,800	3,232,798
Total Expenditures	\$ 978,310,000	\$ 1,017,483,600	\$ 973,895,121

**CAPITAL ASSETS AND CAPITAL PROJECTS FUND**

The Board's investment in capital assets net of accumulated depreciation as of June 30, 2014 was \$954,760,785. This investment in capital assets includes land, buildings, software, furniture and equipment as well as construction in progress. Several schools improvement projects were undertaken and several projects were completed were completed and put into service in 2014 causing increase in both

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

construction in progress and the buildings and additions category. Additional information on the Board's capital assets can be found in Note 7 on pages 51 - 52 of this report.

	<u>2014</u>	<u>2013</u>
Land and Site Improvements	\$ 64,169,792	\$ 61,076,034
Buildings and Additions	673,866,477	660,613,598
Furniture and Equipment	18,591,918	17,065,135
Computer Software	3,187,953	3,621,418
Construction in Progress	192,296,271	151,344,142
Computer Software in Progress	2,648,374	396,539
Total	<u>\$ 954,760,785</u>	<u>\$ 894,116,866</u>

Revenues of the Capital Projects Fund and expenditures related to major and all other projects are shown in the following table:

<b>Revenues:</b>	<u>2014</u>	<u>Percent of Total</u>	<u>2013</u>	<u>Percent of Total</u>
Anne Arundel County	\$ 72,571,269	60.8%	\$ 82,730,872	79.1%
State of Maryland	46,683,421	39.1%	21,756,730	20.8%
Investment Interest Earned	2,225	0.0%	4,503	0.0%
Other Income	157,242	0.1%	88,916	0.1%
Total Revenue	<u>\$ 119,414,157</u>	<u>100.0%</u>	<u>\$ 104,581,021</u>	<u>100.0%</u>
 <b>Expenditures:</b>				
Annapolis Elementary	\$ 13,212,073	11.1%	\$ 8,811,883	8.4%
Northeast Senior	13,134,844	11.1%	18,331,584	17.4%
Crofton Elementary	12,098,641	10.1%	2,023,787	1.9%
Mills-Parole Elementary	11,175,566	9.4%	2,258,981	2.2%
Renovation of Building Systems	9,450,405	7.9%	10,386,824	9.9%
Additional Annapolis High	7,814,719	6.5%	2,506,995	2.4%
Lothian Elementary	7,544,241	6.3%	1,193,604	1.1%
Open Space Classrooms Enclosure	6,999,436	5.9%	6,522,282	6.2%
All Day K and Pre K	5,933,960	5.0%	6,811,743	6.5%
Security Upgrades	4,836,250	4.1%	944,177	0.9%
Phoenix Annapolis	3,969,396	3.3%	12,096,979	11.5%
Maintenance Backlog	3,515,749	2.9%	5,134,081	4.9%
Stadium Improvements	2,511,508	2.1%	1,851,343	1.8%
Severna Park High	1,956,065	1.6%	3,116,345	3.0%
Point Pleasant Elementary	1,837,995	1.5%	7,662,423	7.3%
Major Roof Replacement	1,356,193	1.1%	1,771,730	1.7%
Science Lab Modifications	591,341	0.5%	3,970,015	3.8%
Belle Grove Elementary	57,324	0.0%	608,989	0.6%
Other Expenditures	11,341,775	9.6%	9,030,506	8.5%
	<u>\$ 119,337,481</u>	<u>100.0%</u>	<u>\$ 105,034,271</u>	<u>100.0%</u>

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Management's Discussion and Analysis

**NONCURRENT LIABILITIES**

The following table presents the balances in noncurrent liabilities:

	<u>At year ended June 30,</u>	
	<u>2014</u>	<u>2013</u>
Capital Leases	\$ 14,625,727	\$ 14,621,554
Compensated Absences	38,219,265	36,721,703
Net OPEB Obligation	382,178,000	317,193,000
Total NonCurrent Liabilities	<u>\$ 435,022,992</u>	<u>\$ 368,536,257</u>

The Board leases equipment under several agreements each fiscal year. The most significant capital leases relate to the computer equipment refresh program. Each year the Board uses the proceeds of the new lease to refresh older computers and other equipment. The balance of the capital lease obligation has increased by \$4,173.

The obligation for compensated absences increased \$1,497,562 compared to fiscal year 2013. There was an increase in the maximum days paid for annual leave payoff for some employee groups. The net obligation for employees' post retirement health care continues to grow as the escalation of health care costs causes projected claims to increase despite the Board's continued efforts to evaluate health care costs and implement cost saving changes accordingly. Additional information on the Board's noncurrent liabilities can be found in Notes 9 – 12 on pages 53 - 58 of this report.

**COUNTY FINANCIAL OUTLOOK**

Anne Arundel County is fortunate to have a balanced economy enabling the county to remain steady during national economic fluctuations. The County's diverse economic base ranges from a strong government sector supported by the presence of Fort George G. Meade and the National Security Agency, a stable tourism sector, and home to one of the State's most important economic engines, Baltimore/Washington International Thurgood Marshall Airport.

One key driver of the County's sustained economic performance is federal procurement spending. Anne Arundel County ranks number one in Maryland for defense procurement contracts. Defense procurement spending continues at a high pace due to the expansion at Fort George G. Meade as a result of the Base Realignment and Closure process (BRAC). The National Security Agency (NSA) is also continuing its expansion by hiring additional personnel over the next several years. Additional growth of personnel is projected as contractors cluster around Fort Meade to support government agencies located on the base.

Although the factors noted above have lessened the effect of the difficult economic times for Anne Arundel County, resources at the State and County level are just beginning to show signs that the decline in resources available over the past several years which has tightened the available revenue for the Board may be coming toward an end. Unfortunately, the current political indicators predict that the Board will continue to receive, at most, minimum increases required by law, which may not fully cover anticipated growth in operating expenses despite ongoing cost containment measures.

## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

### Management's Discussion and Analysis

The Board dealt with federal sequestration for fiscal year 2014. The impact in fiscal year 2014 on federal grants was a reduction of approximately \$1.5 million of direct services to students in schools primarily in the areas of special education and Title I eligible support. The Board reviewed existing resources and identified areas of reduction so that no overall reduction in services would occur.

For 2015 and the future, the greatest influencer will be the level of County funding. Since 2010, the per pupil amount has been unchanged as the County has only provided funding as required by *Maintenance of Effort*. Without an increase in the per pupil amount, the Board will need to continue to address obligation and program increases through the re-allocation of existing resources – an increasing difficult alternative.

### **Requests for Information**

This financial report is designed to provide a general overview of the Board's finances for all those with an interest in the system's finances. Questions concerning any of the information provided in this report, or requests for additional finance information, should be addressed to the Division of Budget and Finance, 2644 Riva Road, Annapolis, Maryland 21401.



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

The Government-Wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Statement of Net Position

June 30, 2014

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 175,882,799
Due from Other Governments	46,748,577
Accounts Receivable	9,527,704
Inventory	2,328,483
Capital Assets Not Being Depreciated	259,114,437
Capital Assets Being Depreciated, Net of Accumulated Depreciation	695,646,348
<b>Total Assets</b>	<u><u>\$ 1,189,248,348</u></u>
<b>Liabilities:</b>	
Accrued Salaries and Payroll Taxes	\$ 70,635,712
Accounts Payable and Unpaid Claims	47,916,436
Due to Other Governments	988,452
Unearned Revenue	9,067,532
Retainage Payable	12,404,691
Non-Current Liabilities:	
Due Within One Year	22,153,519
Due in More Than One Year	412,869,473
<b>Total Liabilities</b>	<u><u>\$ 576,035,815</u></u>
<b>Net Position:</b>	
Net Investment in Capital Assets	\$ 954,760,785
Restricted for Food Services	408,239
Restricted for Equipment Leases	5,882,771
Restricted for Special Education	10,565,840
Unrestricted Deficit	(358,405,102)
<b>Total Net Position</b>	<u><u>\$ 613,212,533</u></u>

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

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Statement of Activities

For the Fiscal Year Ended June 30, 2014

Functions:	Expenses	Program Revenue			Net (Expenses) Revenues and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Administration	\$ 36,965,145	\$ 5,789	\$ 1,374,757	\$ -	\$ (35,584,599)
Mid-Level Administration	97,135,498	3,877	8,561,178	-	(88,570,443)
Instructional Salaries and Wages	572,179,415	743,092	60,849,691	-	(510,586,632)
Textbooks and Instructional Supplies	28,941,520	307,197	2,493,902	-	(26,140,421)
Other Instructional Costs	20,567,579	679,207	1,920,956	9,651,868	(8,315,548)
Special Education	172,274,207	-	52,991,558	-	(119,282,649)
Pupil Services	9,598,340	-	178,602	-	(9,419,738)
Student Health Services	8,443,567	-	-	-	(8,443,567)
Pupil Transportation	54,722,641	188,822	21,934,459	382,865	(32,216,495)
Operation of Plant	81,791,279	604,208	67,510	-	(81,119,561)
Maintenance of Plant	82,074,834	-	13,404	109,377,199	27,315,769
Community Services	1,042,352	15,621	326,241	-	(700,490)
Food Services	26,675,250	10,623,764	15,982,023	-	(69,463)
Interest on Capital Leases	632,085	-	-	-	(632,085)
<b>Total</b>	<u>\$ 1,193,043,712</u>	<u>\$ 13,171,577</u>	<u>\$ 166,694,281</u>	<u>\$ 119,411,932</u>	<u>\$ (893,765,922)</u>
General Revenues:					
					275,853,922
					613,763,634
					2,512,461
					66,173
					1,300,129
					<u>893,496,319</u>
					(269,603)
					613,482,136
					<u>\$ 613,212,533</u>

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

## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

### FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other governmental units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Board funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### **Governmental Funds**

Governmental funds are used to account for essentially the same functions as those reported in the Government-Wide financial statements. However, unlike the Government-Wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school system's near-term financing requirements.

#### **Proprietary Funds**

Proprietary Funds provide the same type of information as the Government-Wide financial statements. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the school system's various functions. The Board uses an Internal Service Fund to account for the cost of health, dental, vision, disability and life insurance benefits provided to employees and retirees.

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the Government-Wide financial statements because the resources of those funds are not available to support the Board's own programs.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Balance Sheet  
Governmental Funds  
June 30, 2014

	General Fund	Food Services Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 121,306,851	\$ 3,926,473	\$ 1,527,174	\$ 1,721,916	\$ 128,482,414
Due from Other Governments:					
Anne Arundel County	61,419	-	18,043,447	-	18,104,866
State of Maryland	8,250,890	2,877,642	16,187,783	-	27,316,315
United States Government	533,666	-	-	-	533,666
Due from Other Funds:					
Food Services Fund	1,149,006	-	-	-	1,149,006
Nonmajor Governmental Funds	32,049	-	-	-	32,049
Accounts Receivable	1,147,655	-	-	98,407	1,246,062
Inventory	1,920,244	408,239	-	-	2,328,483
<b>Total Assets</b>	<b>\$ 134,401,780</b>	<b>\$ 7,212,354</b>	<b>\$ 35,758,404</b>	<b>\$ 1,820,323</b>	<b>\$ 179,192,861</b>
<b>Liabilities:</b>					
Accrued Salaries and Payroll Taxes	\$ 70,635,712	\$ -	\$ -	\$ -	\$ 70,635,712
Accounts Payable	14,070,164	514,685	16,386,741	26,513	30,998,103
Due to Other Governments:					
State of Maryland	30,481	-	53,481	-	83,962
Anne Arundel County	11,596	-	-	-	11,596
Due to Other Funds:					
General Fund	-	1,149,006	-	32,049	1,181,055
Internal Service Fund	-	103,509	-	-	103,509
Retainage Payable	75,727	-	12,328,964	-	12,404,691
Unearned Revenue	96,001	503,494	6,755,840	267,260	7,622,595
<b>Total Liabilities</b>	<b>84,919,681</b>	<b>2,270,694</b>	<b>35,525,026</b>	<b>325,822</b>	<b>123,041,223</b>
<b>Fund Balance:</b>					
Nonspendable	1,920,244	408,239	-	-	2,328,483
Spendable:					
Restricted	16,448,611	-	-	-	16,448,611
Committed	-	4,533,421	233,378	825,272	5,592,071
Assigned	28,940,743	-	-	669,229	29,609,972
Unassigned	2,172,501	-	-	-	2,172,501
<b>Total Fund Balance</b>	<b>49,482,099</b>	<b>4,941,660</b>	<b>233,378</b>	<b>1,494,501</b>	<b>56,151,638</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 134,401,780</b>	<b>\$ 7,212,354</b>	<b>\$ 35,758,404</b>	<b>\$ 1,820,323</b>	

**Amounts reported in the Statement of Net Position are different because:**

Capital Assets used in governmental activities are not financial resources and are not reported in the funds.	954,760,785
Portion of primary government's deficit in County	
Self Insurance Fund is not a financial obligation and is not reported in the funds.	(892,894)
Non-Current liabilities are not reported in the funds.	(435,022,992)
Internal service funds are used by management to charge the costs of certain activities, such as health and life insurance, to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.	38,215,996

**Net Position of Governmental Activities**

**\$ 613,212,533**

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

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2014

	General Fund	Food Services Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Anne Arundel County	\$ 613,763,634	\$ -	\$ 72,571,269	\$ -	\$ 686,334,903
State of Maryland	385,913,589	932,549	46,683,421	118,308	433,647,867
United States Government	40,863,713	15,049,474	-	86,064	55,999,251
Sale of Food	-	10,623,764	-	-	10,623,764
Investment Interest Earned	61,003	2,945	2,225	-	66,173
Gate Receipts	-	-	-	456,436	456,436
Rebates and Commissions	1,218,247	-	-	-	1,218,247
Student Payments	449,318	-	-	1,031,752	1,481,070
Other	2,647,773	123,789	157,242	17,594	2,946,398
<b>Total Revenues</b>	<u>1,044,917,277</u>	<u>26,732,521</u>	<u>119,414,157</u>	<u>1,710,154</u>	<u>1,192,774,109</u>
<b>Expenditures:</b>					
Current:					
Administration	\$ 27,700,522	\$ -	\$ -	\$ 5,268	\$ 27,705,790
Mid-Level Administration	63,317,796	-	-	3,528	63,321,324
Instructional Salaries and Wages	365,972,531	-	-	676,258	366,648,789
Textbooks and Instructional Supplies	28,661,953	-	-	279,567	28,941,520
Other Instructional Costs	19,762,651	-	-	106,331	19,868,982
Special Education	120,417,864	-	-	-	120,417,864
Pupil Services	6,720,810	-	-	-	6,720,810
Student Health Services	8,443,567	-	-	-	8,443,567
Pupil Transportation	51,177,062	-	-	171,839	51,348,901
Operation of Plant	67,755,374	-	-	28,034	67,783,408
Maintenance of Plant	16,665,998	-	41,454,505	-	58,120,503
Fixed Charges	271,503,126	-	-	69,298	271,572,424
Community Services	774,128	-	-	14,216	788,344
Food Services	-	25,954,457	-	-	25,954,457
Capital Outlay	3,745,905	-	77,882,976	-	81,628,881
Debt Service					
Principal	8,072,890	-	-	-	8,072,890
Interest	632,085	-	-	-	632,085
<b>Total Expenditures</b>	<u>1,061,324,262</u>	<u>25,954,457</u>	<u>119,337,481</u>	<u>1,354,339</u>	<u>1,207,970,539</u>
Excess (Deficiency) of Revenues over Expenditures	(16,406,985)	778,064	76,676	355,815	(15,196,430)
<b>Other Financing Sources:</b>					
Proceeds from Capital Leases	8,077,063	-	-	-	8,077,063
Net Change in Fund Balance	(8,329,922)	778,064	76,676	355,815	(7,119,367)
Fund Balance - July 1,	57,812,021	4,163,596	156,702	1,138,686	63,271,005
<b>Fund Balance - June 30</b>	<u>\$ 49,482,099</u>	<u>\$ 4,941,660</u>	<u>\$ 233,378</u>	<u>\$ 1,494,501</u>	<u>\$ 56,151,638</u>

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

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balance of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2014

**Net Change in Fund Balance - Total Governmental Funds** \$ (7,119,367)

**Amounts reported in the Statement of Activities are different because:**

Governmental Funds report capital outlays as expenditures. However, for the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Asset Additions 104,636,149

Governmental funds do not recognize loss on disposal of fixed assets. However, in the (178,020)

Statement of Activities the difference between cost and accumulated depreciation of fixed assets is recorded as a loss on disposal of fixed assets. This amount is the amount in which the cost of disposal assets of \$2,571,142 exceeded accumulated depreciation of \$2,393,122

Depreciation Expense (43,814,210)

Current year portion of primary government's deficit in County's Self Insurance Fund are not considered current financial obligations and therefore are not reported as revenue in governmental funds.

56,777

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences (1,497,562)

Net OPEB Obligation (64,985,000)

The amount financed by the leases is reported in the governmental funds as a source of financing.

On the other hand, capital leases are not revenues in the statement of activities, but rather constitute long term liabilities in the statement of net position. Also expenditures for principal repayment of capital leases are measured by the amount of financial resources used by governmental funds and have no effect on net position.

(4,173)

Internal service funds are used by management to charge the costs of certain activities, such as health and life insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

12,635,803

**Change in Net Position of Governmental Activities** \$ (269,603)

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

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balance (Non GAAP - Budget and Actual)

General Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance Positive/ (Negative)
	Original	Final		
<b>Revenues:</b>				
Anne Arundel County	\$ 596,454,600	\$ 596,454,600	\$ 596,454,600	\$ -
State of Maryland	322,343,600	324,746,500	324,248,429	(498,071)
United States Government	38,303,100	46,424,527	40,904,835	(5,519,692)
Other Sources:				
Investment Interest Earned	150,000	117,100	61,003	(56,097)
Other	2,865,000	31,547,173	2,998,651	(28,548,522)
<b>Total Revenues</b>	<u>960,116,300</u>	<u>999,289,900</u>	<u>964,667,518</u>	<u>(34,622,382)</u>
<b>Expenditures and Encumbrances:</b>				
Current:				
Administration	27,565,300	29,407,979	28,294,073	1,113,906
Mid-Level Administration	64,047,800	64,139,381	63,276,398	862,983
Instructional Salaries and Wages	367,940,900	368,907,430	365,972,531	2,934,899
Textbooks and Instructional Supplies	29,910,100	33,980,938	30,763,320	3,217,618
Other Instructional Costs	15,369,000	18,647,423	17,904,180	743,243
Special Education	119,065,400	122,365,639	121,049,124	1,316,515
Pupil Services	6,708,200	6,808,400	6,703,529	104,871
Pupil Transportation	53,425,000	51,225,400	49,855,910	1,369,490
Operation of Plant	64,147,300	63,297,700	64,252,162	(954,462)
Maintenance of Plant	16,136,400	17,370,000	17,112,744	257,256
Fixed Charges	210,068,700	237,371,210	205,062,150	32,309,060
Community Services	375,000	518,300	416,202	102,098
Capital Outlay	3,550,900	3,443,800	3,232,798	211,002
<b>Total Expenditures and Encumbrances</b>	<u>978,310,000</u>	<u>1,017,483,600</u>	<u>973,895,121</u>	<u>43,588,479</u>
Excess (Deficiency) of Revenues over Expenditures and Encumbrances	(18,193,700)	(18,193,700)	(9,227,603)	8,966,097
<b>Other Financing Sources:</b>				
Use of Prior Year's Fund Balance	18,193,700	18,193,700	-	(18,193,700)
Liquidation of Prior Year Encumbrances	-	-	1,551,275	1,551,275
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(7,676,328)	(7,676,328)
Fund Balance July 1			29,759,530	29,759,530
<b>Fund Balance - June 30</b>			<u>\$ 22,083,202</u>	<u>\$ 22,083,202</u>

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



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Statement of Proprietary Fund Net Position  
Internal Service Fund  
June 30, 2014

	Self-Insurance Fund
<b>Assets:</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 47,400,385
Due from Federal Government	793,730
Due from Food Services Fund	103,509
<b>Total Current Assets</b>	<b>48,297,624</b>
<b>Non-Current Assets:</b>	
Accounts Receivable	8,281,642
<b>Total Assets</b>	<b>\$ 56,579,266</b>
<b>Current Liabilities:</b>	
Accounts Payable	\$ 8,508,333
Unearned Revenue	1,444,937
Unpaid Claims	8,410,000
<b>Total Liabilities</b>	<b>18,363,270</b>
<b>Net Position:</b>	
Unrestricted	38,215,996
<b>Total Net Position</b>	<b>38,215,996</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 56,579,266</b>

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

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Statement of Revenues, Expenses, and Changes in Net Position  
Internal Service Fund  
For the Year Ended June 30, 2014

	<u>Self-Insurance Fund</u>
<b>Operating Revenues:</b>	
Board Contributions	\$ 131,107,033
Employee Contributions	13,892,831
Retiree Contributions	12,710,964
Federal Medicare Reimbursements	<u>2,755,772</u>
<b>Total Operating Revenues</b>	<u>160,466,600</u>
<b>Operating Expenses:</b>	
Personal Services	290,073
Contractual Services	424,634
Insurance Claims and Expenses	<u>147,151,388</u>
<b>Total Operating Expenses</b>	<u>147,866,095</u>
Operating Income	12,600,505
<b>Non-Operating Revenue:</b>	
Interest Income	<u>35,298</u>
Change in Net Position	12,635,803
Net Position - July 1, as restated	<u>25,580,193</u>
<b>Net Position - June 30</b>	<u><u>\$ 38,215,996</u></u>

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

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Statement of Proprietary Fund Cash Flows  
Internal Service Fund  
For the Year Ended June 30, 2014

	Self-Insurance Fund
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Governmental Funds	\$ 131,003,524
Cash Received from Employee Contributions	13,892,831
Cash Received from Retiree Contributions	12,710,964
Cash Received from Federal Government	3,322,847
Cash Payments for Claims and Insurance Premiums	(139,004,225)
Cash Payments of Hospital Deposit	(4,470,785)
Cash Payments to Suppliers for Goods and Services	(424,634)
Cash Payments to Employees for Services	(290,073)
Net Cash Provided by Operating Activities	16,740,449
 <b>Cash Flows from Investing Activities:</b>	
Cash Received from Interest Earnings	35,298
Net Change in Cash and Cash Equivalents	16,775,747
Cash and Cash Equivalents - July 1	30,624,638
<b>Cash and Cash Equivalents - June 30</b>	<b>\$ 47,400,385</b>
 <b>Reconciliation of Operating Income to</b>	
<b>Net Cash provided by Operating Activities:</b>	
Operating Income	\$ 12,600,505
Effect of Changes in Operating Assets and Liabilities:	
Due from Federal Government	567,075
Due from Other Governmental Fund	(103,509)
Accounts Receivable	(4,470,785)
Accounts Payable	8,407,957
Unearned Revenue	(794)
Unpaid Claims	(260,000)
Net Cash Provided by Operating Activities	\$ 16,740,449

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

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Statement of Net Position

Fiduciary Funds

June 30, 2014

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 377,317	\$ 8,993,779
Accounts Receivable	-	195,733
Inventory	-	349,433
<b>Total Assets</b>	<u><u>\$ 377,317</u></u>	<u><u>\$ 9,538,945</u></u>
<b>Liabilities:</b>		
Accounts Payable	\$ -	\$ 3,808,381
Due to Student Groups	-	5,730,564
<b>Total Liabilities</b>	<u><u>\$ -</u></u>	<u><u>\$ 9,538,945</u></u>
<b>Net Positon Held for Private Purpose Activities</b>	<u><u>\$ 377,317</u></u>	

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

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Statement of Changes in Net Position

Fiduciary Funds

For the Year Ended June 30, 2014

	<u>Private Purpose Trust Funds</u>
<b>Additions:</b>	
Investment Interest Earned	\$ 349
Other - Donations	14,065
<b>Total Additions</b>	<u>14,414</u>
<b>Deductions:</b>	
Scholarships and Claims	<u>101,965</u>
Change in Net Position	(87,551)
Net Position - July 1	<u>464,868</u>
<b>Net Position - June 30</b>	<u><u>\$ 377,317</u></u>

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

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2014

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Board of Education of Anne Arundel County (the Board) conform to generally accepted accounting principles (GAAP) in the United States of America for governmental entities.

**Reporting Entity**

For financial reporting purposes, the Board of Education of Anne Arundel County has been defined as a component unit of the Anne Arundel County Government. Therefore, the financial information of the Board is included in the financial statements of the Anne Arundel County Government. The following circumstances set forth Anne Arundel County's financial accountability for the Board: (1) The County Council is responsible for approving the Board's budget and establishing spending limitations; (2) The County Council is responsible for levying taxes and collecting and distributing the funds to the Board; (3) The Board cannot issue bonded debt, but the County can and does issue bonds to finance the Board's capital improvements. As a financial reporting entity, the Board includes in its financial statements the various operating departments of the Board and the public schools within Anne Arundel County. No other entities have been included in the Board's financial statements.

Government-Wide and Fund Financial Statements - The Government-Wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Board. The effect of interfund activity has been removed from these statements. Interfund activity between the governmental funds and the fiduciary funds are not eliminated as these fund types are not combined in the financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or category. *Program revenues* include 1) charges to students, parents, or others who purchase, use, or directly benefit from a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenue not properly included among program revenues are reported instead as *general revenues*. As a general rule, restricted funds are spent before unrestricted funds.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Government-Wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Government-Wide - The Government-Wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Internal Service Fund and Private-Purpose Trust Funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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Fund Financial Statements - Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as the monies are both measurable and available. Revenues are considered to be *available* when collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. The Board considers revenue collected within 60 days of the end of the year as available. Under the modified accrual method, revenues from Federal and State expenditure-driven grant programs are deemed available and subject to accrual to the extent that eligible expenditures have been incurred and Federal or State funds are requested to pay invoices.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded when paid.

Food Services Fund revenue includes the value of commodities donated by the United States Department of Agriculture which were received during the fiscal year. Expenditures include the value of commodities consumed during the fiscal year.

The Internal Service Fund and Private-Purpose Trust Funds reported using *the economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**Fund Types**

The Board has the following funds:

General Fund - The General Fund is a governmental fund used to account for all financial resources of the Board used to provide the basic educational program and any financial resources that are not required to be accounted for in another fund.

Food Services Fund - The Food Services Fund is a governmental fund used to account for the financial resources of the school food services programs. A substantial portion of its revenues are derived from other governments and it is not intended to be self-sustaining from food sales. The Board exercises the appropriate budgetary and accounting control through use of an annual budget prepared by the Division of Food and Nutrition Services, which is reviewed and monitored by management during the fiscal year. There is no legal requirement for an approved budget.

Capital Projects Fund - The Capital Projects Fund is a governmental fund used to account for all financial resources relating to the construction of additional schools, as well as alterations and additions to existing schools. The budget for this fund is controlled by appropriation authority issued for each project for the life of that project. Appropriation authority does not lapse until the purpose for which the appropriation was made has been accomplished or abandoned by the Board.

Non-Major Governmental Funds - The Other Governmental (Special Revenue) Funds are governmental funds used to account for, and report the proceeds of, specific revenue sources that are restricted, committed, or assigned for specified purposes.

Internal Service (Self-Insurance) Fund - The Self-Insurance Fund is used to account for the financial resources relating to health, dental, vision, disability and life insurance benefits provided to

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements

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Board employees. The Statement of Revenues, Expenses, and Changes in Fund Net Position for the Internal Service Fund has categorized revenue sources into operating and non-operating revenues. Operating revenues include Board contributions, contributions by employees and system retirees, and other contributions. Interest earnings are categorized as non-operating revenues.

Fiduciary Funds - Fiduciary funds are used to report assets held in a trustee or agency capacity for others and; therefore, cannot be used to support the Board's own programs. These funds consist of Private Purpose Trust Funds for scholarships and agency funds held for School Activity Funds, Class Reunion Funds, and certain grant funding passed through the Board to other local Boards of Education. Agency funds have no measurement focus.

**Fund Equity**

The Government-Wide financial statements utilize a net position presentation. The proprietary funds use a balance sheet approach, but utilize the same net position categorization as the Government-Wide statements. Net position is categorized as net investment in capital assets (net of related debt), restricted, and unrestricted.

Net Investment in capital assets - This category groups all capital assets including infrastructure into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. The Board did not have any outstanding debt related to capital assets at June 30, 2014.

Restricted net position - This category presents net position with external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

Unrestricted net position - This category presents the net position of the Board not restricted for any purpose.

In the fund financial statements, governmental funds report classifications of fund balance in a hierarchy based primarily on the extent of constraints on the related funding sources. As of June 30, 2014, fund balances of the governmental funds are classified as follows:

Nonspendable - Nonspendable fund balance represents amounts that cannot be spent either because the related assets are in nonspendable form or are legally or contractually required to be maintained intact. Examples of such assets are inventory, prepaid expenses and long term receivables.

Restricted - Restricted fund balance can only be spent for specific purposes established by constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - Committed fund balance can be used only for specific purposes determined by a formal action of the Board, the highest level of decision-making authority. Commitments may be established, modified, or rescinded only through Board action - via voting approval at a regularly scheduled Board meeting.

Assigned - Assigned fund balance does not meet the criteria to be classified as restricted or committed but is intended to be used for specific purposes. Assignments may be established, modified, or rescinded only by the Board or its designee. At June 30, 2014, the Board had not designated its



# BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

## Notes to the Basic Financial Statements

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authority to assign fund balance.

*Unassigned* – Unassigned fund balance represents all other spendable amounts not included in the other categories.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the Board considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Board considers amounts to have been spent first from committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

### **Budgetary Requirements**

*Operating Budget (General Fund)* - The Board operates within the following budget requirements for local educational agencies as specified by State law.

- The Board must submit an annual school budget in writing to the County Executive by March 1<sup>st</sup> of each year.
- The County Executive must submit a recommended budget for the Board to the County Council by May 1<sup>st</sup> of each year.
- The County Council must approve the Budget Appropriation Ordinance by June 15<sup>th</sup> of each year.
- The budget is prepared and approved by major expenditure/encumbrance categories as specified in the State law and as set forth in Note 3 of this report. The Board may not exceed the appropriation authority granted for each major category without County Government approval. During the fiscal year ended June 30, 2014, the Board requested and the County Government approved supplemental appropriations of \$39,173,600, of which \$29,419,800 is related to State Board opinion No. 14-16 requiring full budgeting of all self-insured revenues and expenditures; however, the Internal Service Fund is not a component of the General Fund, these revenues and expenditures will never be recognized in the General Fund statements.
- The Board may not transfer funds between major categories without approval by the County Government. The Board has the authority to transfer funds between objects (i.e., salaries and wages, contracted services, supplies and materials, other charges and equipment) within the major categories but must notify the County of such action.
- Unencumbered appropriations lapse at the end of each fiscal year.

The General Fund is the only fund that has a legally adopted annual budget. The Capital Projects Fund has a legally adopted projects budget which is for the life of the project and not by fiscal year.

### **Specific Financial Statement Elements**

*Cash and Cash Equivalents* - Cash and Cash Equivalents are short-term investments with a maturity of three months or less when purchased. The Board's investments in money market pools, as discussed in Note 4, are considered cash equivalents and are presented as such on the Statement of Net Position and on the Balance Sheets.

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Inventories - Inventories are recorded at the lower of cost or market on a first-in, first-out (FIFO) valuation method and are considered expended when consumed. The value of inventory at fiscal year end is included in the nonspendable fund balance category.

Capital Assets - Capital assets, which include property, buildings, computer software, and furniture/equipment, are reported in the Government-Wide financial statements. Furniture and equipment is defined by the Board as assets with an initial, individual cost of at least \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs to buildings that do not add to the value of the asset or materially extend assets lives are not capitalized. The Board defines normal maintenance and repairs as any expense of \$250,000 or less. Major outlays for capital assets and improvements are capitalized as projects are constructed. Land and Construction in progress are not depreciated. The cost of purchasing and developing major software systems/upgrades are capitalized if internal and external development costs reach \$250,000. Buildings, software, furniture, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings and Additions	2 - 40	Automobiles and Light Trucks	10
School Buses	12	Software	5 - 10
Heavy Trucks	15	Furniture and Other Equipment	3 - 30

Deferred Outflows of Resources - A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until the future period. At June 30, 2014, the Board had no items that should be recognized as deferred outflows of resources.

Due To Student Groups - The balance due to student groups represents financial resources held on behalf of a particular class, group, or club. If the student group were to be dissolved, all financial resources held on their behalf would become available to the general student population of the particular school. If the school were to close, the financial resources would become available to the Board for general educational use.

Unearned Revenue - The balance in unearned revenue is comprised of cash or receivables recorded for which the related revenue is not yet earned. At June 30, 2014, \$6,755,840 is capital contributions not yet expended, \$1,444,937 represents employee health premiums collected but not earned, \$503,494 is unexpended student account balances in the Food Services Fund, and the remaining relates to grant deferrals and deposits received in fiscal year 2014 for July 2014 summer camps.

Annual and Sick Leave - Board employees are granted annual and sick leave at varying rates according to type of employee and years of service. Employees may accumulate annual leave up to a maximum which varies according to type of employee and years of service. Upon termination of employment, an employee is paid a per diem for accumulated annual leave and those with more than 15 years of service are paid a specified daily rate for sick leave which varies according to bargaining unit.

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Upon retirement, an employee is paid a per diem for accumulated annual leave and a specified daily rate for sick leave which varies according to bargaining unit. The current year's payments of annual and sick leave is included in the appropriate Governmental Fund expenditures. The future year anticipated cost is shown as liabilities in the Government-wide Statements.

School Construction Debt - The Board is not obligated to repay principal or interest on any debt incurred for school construction. Such bonds and loans are obligations of the County or State government. Accordingly, the Board does not record school construction debt service revenues, expenditures, or outstanding school construction debt in statements prepared in accordance with GAAP.

Deferred Inflows of Resources - A deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until the future period. For government-mandated and voluntary non-exchange transactions, a deferred inflow is reported when resources are received before time requirements are met. At June 30, 2014, the Board had no items that should be recognized as deferred inflows of resources.

Encumbrances - Outstanding purchase order commitments (encumbrances) are reported as assignments of fund balances, since encumbrances do not constitute expenditures or liabilities on a GAAP basis.

Restricted Net Position - There are three restrictions on net position at June 30, 2014, including inventory restricted for use for the Food Services Fund in the amount of \$408,239, the balance held in escrow for lease of computer equipment of \$5,882,771, and \$10,565,840 of fees collected by the Board for the performance of Medicaid eligible services which must be used for Special Education initiatives.

Use of Estimates - The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restatement of Prior Year Net Position - Beginning net position on the Government-Wide statements and Internal Service Fund statements have been restated by \$1,805,617 to reflect the recognition of full accounting of insurance claims costs. Monthly a health claim deposit is made against claims, with a true-up of actual claims expenses occurring two months later. Previously this true-up amount for May and June was not included in the previous years' financial statements. The actual claims for May and June in 2013 were less than the monthly deposit, resulting in the true-up decrease in claims in 2013.

**Governmental Accounting Standards Board (GASB) Pronouncements**

In March 2012, the GASB issued Statement *No. 65; Items Previously Reported as Assets and Liabilities*, this Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources. The Board implemented the effects of this Statement for the reporting period ending June 30, 2014. This Statement did not have an effect on the Board's financial statements.

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Pending Pronouncements - GASB has issued the following Statements which will become effective in future years as shown below.

- *Statement No. 68; Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* – The objective of this Statement is to improve accounting and financial reporting by state and local government employers for the pensions in which they are involved. This Statement will become effective for the June 30, 2015, year-end. The Board continues to evaluate the effect of implementation of this Statement as more information on the unfunded liability from the State of Maryland Retirement & Pension System becomes available.
- *Statement No. 69; Government Combinations and Disposals of Government Operations* – This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement will become effective for the June 30, 2015, year-end. This statement is not expected to have an impact on the Board.
- *Statement No. 71; Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* - This Statement addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions* and will become effective for the June 30, 2015, year-end. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The Board will continue to evaluate the effect of implementation of this Statement as more information on the unfunded liability from the State of Maryland Retirement & Pension System becomes available.

**NOTE 2 BUDGETARY BASIS OF ACCOUNTING**

The accompanying Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance - Budget and Actual - General Fund has been prepared on a budgetary basis of accounting which differs from GAAP. The purpose of the budgetary basis of accounting is to demonstrate compliance with the legal requirements of Anne Arundel County, the State of Maryland and special Federal and State grant programs. The differences between the two methods are set forth below.

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	<u>Revenue</u>	<u>Expenditures</u>	<u>Fund Balance</u>
Reported on the GAAP Basis of Accounting	\$ 1,052,994,340	\$ 1,061,324,262	\$ 49,482,099
Effect of Grant Revenue:			
Prior Year	(273,871)	-	-
Current Year	308,688	-	308,688
Effect of Encumbrances	-	1,260,323	(8,939,988)
Effect of Inventory	-	161,953	(1,920,244)
Capital Leases	(8,077,063)	(8,077,063)	-
Retirement costs paid on Board's behalf			
by State of Maryland	(61,514,758)	(61,514,758)	-
Health Services & other costs paid on Board's behalf by Anne Arundel County	(17,309,034)	(17,309,034)	-
Smaller funds not included in General Fund	(1,460,784)	(807,192)	(10,964,582)
Lease proceeds held in escrow	-	(1,143,370)	(5,882,771)
	<u>\$ 964,667,518</u>	<u>\$ 973,895,121</u>	<u>\$ 22,083,202</u>

**NOTE 3 GENERAL FUND APPROPRIATION TRANSFERS**

For the fiscal year ended June 30, 2014, the Anne Arundel County Council approved the following supplemental appropriations and appropriation transfers among categories. However, while the General Fund as a whole did not exceed appropriations, the Operation of Plant category actual expenses exceeded appropriations by \$954,462 at year-end and a budget transfer appropriation was not requested.

	<u>Supplemental Revenue Sources</u>		<u>Appropriations Transferred</u>	
	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>
<b>Revenue Sources:</b>				
United States Government	\$ -	\$ 8,121,427	\$ -	\$ -
State of Maryland	-	2,402,900	-	-
Other Sources	-	28,649,273	-	-
<b>Expenditures Categories:</b>				
Administration	315,510	-	1,527,169	-
Mid-Level Administration	465,545	-	-	373,964
Instructional Salaries & Wages	1,103,995	-	-	137,465
Textbooks & Classroom Supplies	2,990,330	-	1,080,508	-
Other Instructional Costs	1,866,140	-	1,412,283	-
Special Education	2,141,000	-	1,159,239	-
Pupil Services	5,840	-	94,360	-
Pupil Transportation	199,180	-	-	2,398,780
Operation of Plant	2,270	-	-	851,870
Maintenance of Plant	-	-	1,233,600	-
Fixed Charges	29,926,510	-	-	2,624,000
Community Services	143,280	-	20	-
Capital Outlay	14,000	-	-	121,100
	<u>\$ 39,173,600</u>	<u>\$ 39,173,600</u>	<u>\$ 6,507,179</u>	<u>\$ 6,507,179</u>

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**NOTE 4 CASH AND CASH EQUIVALENTS**

The Board of Education maintains pooled and various separate cash accounts for its funds. The cash balances of the School Activity Funds on the Statement of Fiduciary Net Asset consist of individual demand accounts maintained by the schools. The Board considers any instrument with a maturity of three months or less when purchased as cash equivalents.

**Deposits**

At June 30, 2014, the carrying value of the Board's cash on hand and combined deposits, including amounts invested in repurchase agreements, was \$185,253,895. Of this amount, \$137,820,226 was invested in the Maryland Local Government Investment Pool (MLGIP) and \$5,882,771 was held in a money market account in escrow.

The related bank balance was \$187,920,420 and cash on hand was \$2,425. Of the bank balance, \$143,702,997 was in investment pool and money markets. Of the remainder, \$1,237,856 was covered by federal depository insurance, and \$42,979,567 was covered by collateral held by the Federal Reserve Bank of Richmond in the Board's name. Statutes authorize secured time deposits in Maryland banks. Statutes require uninsured deposits to be fully collateralized. Therefore, under the reporting requirements of Governmental Accounting Standards Board (GASB) Statement No. 40, the Board's deposits are not subject to custodial or credit risk at year end. Because of the short-term maturity and type of the investments, there is limited interest rate risk.

**Investments**

Statutes authorize the Board to invest in obligations of the U.S. Government, federal government agency obligations, and repurchase agreements secured by direct government or agency obligations.

The Board is a participant of the Maryland Local Government Investment Pool (MLGIP), which provides all local government units of the State a relatively safe investment vehicle for the short-term investment of funds. The State Legislature created MLGIP with the passage of Article 95 22G, of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by a single Baltimore - based financial institution, PNC. The pool has an AAAM rating from Standard and Poor's and maintains a \$1.00 per share value. An MLGIP Advisory Committee of current participants was formed to review the activities of the Fund on a quarterly basis and to provide suggestions to enhance the pool. The fair value of the pool is the same as the value of the pool shares.

The Board and HP Financial have entered into a capital lease financing arrangement whereby the proceeds are held in escrow and restricted for purchases of computer and related equipment. The escrowed funds are held in an account with Deutsche Bank in the US Treasury Cash Reserve Fund, which is rated AAAM by Standard & Poor's. At June 30, 2014, the balance in that account was \$5,882,771. The fair value of the fund is the same as the value of the shares.

Additionally, in accordance with reporting requirements of GASB Statement No. 40, the Board does not have any interest rate risk associated with these investments. Investments in the MLGIP and Deutsche Bank US Treasury Cash Reserve Fund (both are 2a7-like pools) are priced on a daily basis, with funds available daily. It should also be noted that the Board does not have foreign currency risk

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associated with its investments.

**NOTE 5 DUE FROM (TO) OTHER GOVERNMENTS**

**Amounts due from other Governments:**

	<u>Federal</u>	<u>State of Maryland</u>	<u>Anne Arundel</u>	<u>Total</u>
General Fund	\$ 533,666	\$ 8,250,890	\$ 61,419	\$ 8,845,975
Food Service Fund	-	2,877,642	-	2,877,642
Capital Projects Fund	-	16,187,783	18,043,447	34,231,230
Balance Sheet Total	533,666	27,316,315	18,104,866	45,954,847
Governmental Activities	793,730	-	-	793,730
Statement of Net Position Total	<u>\$ 1,327,396</u>	<u>\$ 27,316,315</u>	<u>\$ 18,104,866</u>	<u>\$ 46,748,577</u>

**Amounts due to other Governments:**

General Fund	\$ -	\$ 30,481	\$ 11,596	\$ 42,077
Capital Projects Fund	-	53,481	-	53,481
Balance Sheet Total	-	83,962	11,596	95,558
Governmental Activities	892,894	-	-	892,894
Statement of Net Position Total	<u>\$ 892,894</u>	<u>\$ 83,962</u>	<u>\$ 11,596</u>	<u>\$ 988,452</u>

**NOTE 6 INTERFUND BALANCES**

All payroll and benefit costs generated in the Human Resources/Payroll system are recorded through the General Fund resulting in an interfund receivable. Certain other transactions that result in costs to various funds are paid from one fund resulting in an interfund receivable. All of these transactions are settled on a regular basis. Individual interfund receivables and payables as of June 30, 2014, are as follows:

	<u>General Fund</u>	<u>Food Services Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
<b>Due From:</b>					
Food Services Fund	\$ 1,149,006	\$ -	\$ -	\$ 103,059	\$ 1,252,065
Nonmajor Governmental Funds	32,049	-	-	-	32,049
Total	<u>\$ 1,181,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,059</u>	<u>\$ 1,284,114</u>
<b>Due To:</b>					
General Fund	\$ -	\$ 1,149,006	\$ 32,049	\$ -	\$ 1,181,055
Internal Service Fund	-	103,059	-	-	103,059
Total	<u>\$ -</u>	<u>\$ 1,252,065</u>	<u>\$ 32,049</u>	<u>\$ -</u>	<u>\$ 1,284,114</u>

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Notes to the Basic Financial Statements  
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**NOTE 7 CHANGES IN CAPITAL ASSETS**

Changes in the various classes of capital assets during the year are as follows:

	<b>Balance</b> <b>June 30, 2013</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b> <b>June 30, 2014</b>
<b>Capital Assets, Not Being Depreciated:</b>				
Land and Site Improvements	\$ 61,076,034	\$ 3,093,758	\$ -	\$ 64,169,792
Computer Software In Progress	396,539	2,251,835	-	2,648,374
Construction In Progress	151,344,142	94,462,120	53,509,991	192,296,271
Total Capital Assets, Not Being Depreciated	<u>212,816,715</u>	<u>99,807,713</u>	<u>53,509,991</u>	<u>259,114,437</u>
<b>Capital Assets, Being Depreciated:</b>				
Buildings and Additions	1,273,956,801	53,494,045	-	1,327,450,846
Computer Software	4,334,660	-	-	4,334,660
Furniture and Equipment	49,014,156	4,844,382	2,571,142	51,287,396
Total Capital Assets, Being Depreciated	<u>1,327,305,617</u>	<u>58,338,427</u>	<u>2,571,142</u>	<u>1,383,072,902</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings & Additions	(613,343,203)	(40,241,166)	-	(653,584,369)
Computer Software	(713,242)	(433,465)	-	(1,146,707)
Furniture & Equipment	(31,949,021)	(3,139,579)	2,393,122	(32,695,478)
Total Accumulated Depreciation	<u>(646,005,466)</u>	<u>(43,814,210)</u>	<u>2,393,122</u>	<u>(687,426,554)</u>
Total Capital Assets, Being Depreciated, Net	<u>681,300,151</u>	<u>14,524,217</u>	<u>178,020</u>	<u>695,646,348</u>
Total Capital Assets, Less Accumulated Depreciation	<u>\$ 894,116,866</u>	<u>\$ 114,331,930</u>	<u>\$ 53,688,011</u>	<u>\$ 954,760,785</u>

**Depreciation expense was charged to functions/categories as follows:**

Administration	\$ 15,487	Operation of Plant	121,772
Mid-Level Administration	444,111	Maintenance of Plant	42,614,453
Other Instructional Costs	491,782	Food Services	33,503
Special Education	22,355	Total Depreciation	<u>\$ 43,814,210</u>
Pupil Transportation	70,747		



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The following table provides the active projects that comprise total Construction in Progress at June 30, 2014.

**Active School Construction Projects as of June 30, 2014**

<b>Project</b>	<b>Spent to Date</b>	<b>Remaining Commitment</b>
Additions Annapolis High	\$ 10,539,110	\$ 7,717,440
All Day Kindergarten	6,102,614	3,653,201
Annapolis Elementary	23,154,710	1,831,536
Athletic Stadiums	3,910,608	979,696
Benfield Elementary	2,022,406	1,806,003
Crofton Elementary	13,979,575	8,594,295
Lothian Elementary	9,376,938	13,403,358
Mills-Parole Elementary	13,932,273	10,349,108
Open Space Enclosures	79,272,307	5,438,601
Northeast High Senior	5,326,937	1,807,870
Rolling Knolls Elementary	2,163,064	991,307
Severna Park Senior	6,882,102	11,221,124
West Annapolis Elementary	1,262,387	613,430
Systemic	13,844,368	10,372,622
	191,769,399	78,779,591
Other Projects	526,872	4,996,634
	\$ 192,296,271	\$ 83,776,225

**NOTE 8 INTERNAL SERVICE FUND**

The Board established an Internal Service Fund effective July 1, 2002, to account for employee's medical, dental, vision, disability and life insurance. The Board had a self-insured prescription drug program with Caremark until December 31, 2013. Effective January 1, 2014, the prescription drug program was combined with the self-insured medical, dental, and vision program with CareFirst Blue Cross/Blue Shield. All other exposures were fully covered by insurance during the fiscal year.

The cost of these programs is funded by employee premium payments and a Board contribution. The unpaid claims amount represents incurred but not reported (IBNR) claims. The Board's objective is to retain approximately two months of claims expenses in net position. Changes in the balances of claims liability during the past two years are shown below.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2014

	<b>Year Ended</b>	
	<b>June 30, 2014</b>	<b>June 30, 2013 as restated</b>
Unpaid Claims, Beginning of Year	\$ 8,670,000	\$ 8,660,000
Incurred Claims (including IBNRs)	146,891,388	147,292,777
Claim Payments	(147,151,388)	(147,282,777)
Unpaid Claims, End of Year	<u>\$ 8,410,000</u>	<u>\$ 8,670,000</u>

**NOTE 9 NONCURRENT LIABILITIES**

The following is a summary of the changes in noncurrent liabilities during the fiscal year:

	<b>Balance July 1, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2014</b>	<b>Due Within One Year</b>
Capital Leases	\$ 14,621,554	\$ 8,077,063	\$ 8,072,890	\$ 14,625,727	\$ 6,516,734
Compensated Absences	36,721,703	21,355,738	19,858,176	38,219,265	15,636,785
Net OPEB Obligation	<u>317,193,000</u>	<u>109,072,286</u>	<u>44,087,286</u>	<u>382,178,000</u>	<u>-</u>
Total NonCurrent Liabilities	<u>\$ 368,536,257</u>	<u>\$ 138,505,087</u>	<u>\$ 72,018,352</u>	<u>\$ 435,022,992</u>	<u>\$ 22,153,519</u>

Capital leases and compensated absences are funded with annual appropriations in the General Fund. Payments for health care (OPEB obligation) are paid through the Self-Insurance Fund, except when paid directly by grants.

**NOTE 10 CAPITAL AND OPERATING LEASES**

Capital Leases - The Board leases equipment under agreements recorded as capital leases. The value of these capital lease assets is below the Board's capitalization threshold. The annual lease payments are recorded as expenditures in the General Fund and the interest portion is recorded as an expense in Government-Wide Statement of Activities. The costs of assets purchased through these leases are lower than the capitalization threshold. As of June 30, 2014, obligations under capital lease agreements are recorded at the present value of future minimum lease payments. The capital lease terms extend through the year ending June 30, 2018. Future minimum payments on obligations under capital lease agreements are as follows:

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2014

<u>Year ended June 30,</u>	<u>Lease Payments</u>
2015	\$ 7,118,236
2016	5,656,528
2017	2,607,064
2018	<u>299,573</u>
Total Future Minimum Payments	15,681,401
Less: Interest Component of Future Minimum Payments	<u>(1,055,674)</u>
Net Capital Lease Obligations	<u>\$ 14,625,727</u>

*Operating Leases* - The Board leases facilities and equipment under agreements reported as operating leases. The annual lease payments are recorded as expenses in the Government-wide Statement of Activities and as expenditures in the General Fund. Operating lease terms extend through the year ending June 30, 2017. Future minimum payments on operating leases with an initial or remaining noncancellable term in excess of one year are \$1,591,210; \$855,901; and \$233,567 in 2015; 2016; and 2017, respectively. Operating lease costs for the year ended June 30, 2014, were approximately \$1,861,026.

**NOTE 11 POST EMPLOYMENT HEALTHCARE PLAN**

The Board first adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (OPEB), for the fiscal year ended June 30, 2008. On an accrual basis of accounting, the cost of post employment healthcare benefits is recorded as an expense and liability in the year when the employee services are received. Recognition of the transition liability accumulated from prior years will be phased in over 30 years, commencing in fiscal year 2008.

**Plan Description**

An employee of the Board who is eligible to receive retirement annuity benefits from the State Retirement Agency and a member of the Board's group medical insurance plan may elect to continue membership in the Board's group medical, dental, and vision plans after retirement. The portion of the premium not funded by the Board must be deducted from the annuity which the member receives from the retirement agency. If the annuity is not sufficient to pay the premium, the retiree will be ineligible for the Board's benefits.

The Board provides medical, prescription drug, vision, and dental insurance benefits to retirees and their dependents with a Single-Employer Defined Benefit OPEB Plan. The Board pays a portion of the cost of medical, prescription drug, and dental benefits (for eligible retirees) for retirees, disabled retirees, and their spouses and dependents. Retirees pay the full cost for vision benefits and retirees hired after September 15, 2002, also pay the full cost for dental benefits. The Board maintains separate healthcare plans for active employees and retirees. The retiree plan is rated separately based on claims experience of the retiree group.

As of July 1, 2012, the effective date of the biennial OPEB evaluation, there were 13,054

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements

June 30, 2014

eligible participants, including 8,569 Active Employees and 4,485 Retirees. There have been no significant changes in the number covered or the type of coverage since that date.

**Funding Policy**

The Board currently pays for post employment health care benefits on a pay-as-you-go basis. The Board in conjunction with County government has studied various funding options, including establishment of an OPEB trust fund; however, these financial statements assume that pay-as-you funding will continue. The Board anticipates utilizing a trust fund in the future to manage the retiree health care unfunded actuarial accrued liability. A schedule of funding progress for the past four years is included as Required Supplementary Information, immediately following these Notes to the Basic Financial Statements.

**Annual OPEB Cost and Net OPEB Obligation**

The Board's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined using the projected unit credit cost method in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over an open period of thirty years. The net OPEB obligation of \$382,178,000 has been shown as a non-current liability in the Government-Wide financial statements. The following table shows the components of the Board's annual OPEB cost for the year and the amount actually contributed to the plan.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2014

	<b>Fiscal Year Ended June 30, (Rounded to thousands)</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Actuarial Accrued Liability (AAL)	\$ 1,496,742	\$ 1,423,684	\$ 1,304,189	\$ 1,241,299	\$ 1,096,678
Less: Value of Assets	-	-	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,496,742</u>	<u>\$ 1,423,684</u>	<u>\$ 1,304,189</u>	<u>\$ 1,241,299</u>	<u>\$ 1,096,678</u>
Amortization of UAAL	\$ 53,456	\$ 50,847	\$ 46,579	\$ 44,333	\$ 39,357
Normal Cost	50,114	47,733	44,501	42,382	34,505
Annual Required Contribution (ARC)	103,570	98,580	91,080	86,715	73,862
Interest on Net OPEB Obligation	4,143	3,943	3,643	3,469	3,244
Adjustment to ARC	<u>1,359</u>	<u>1,059</u>	<u>795</u>	<u>533</u>	<u>(2,911)</u>
Total Annual OPEB Cost	109,072	103,582	95,518	90,717	74,195
Less: Pay-As-You-Go Contribution	<u>(44,087)</u>	<u>(33,532)</u>	<u>(33,893)</u>	<u>(29,558)</u>	<u>(30,940)</u>
Increase in Net OPEB Obligation	64,985	70,050	61,625	61,159	43,255
Net OPEB Obligation, Beginning of Year	<u>317,193</u>	<u>247,143</u>	<u>185,518</u>	<u>124,359</u>	<u>81,104</u>
Net OPEB Obligation, End of Year	<u>\$ 382,178</u>	<u>\$ 317,193</u>	<u>\$ 247,143</u>	<u>\$ 185,518</u>	<u>\$ 124,359</u>
Percent of Annual OPEB Cost Contributed	<u>40.4%</u>	<u>32.4%</u>	<u>35.5%</u>	<u>32.6%</u>	<u>41.7%</u>
Annual Covered Payroll	<u>\$ 590,414</u>	<u>\$ 578,137</u>	<u>\$ 572,923</u>	<u>\$ 578,559</u>	<u>\$ 578,530</u>
UAAL as a % of Covered Payroll	<u>253.5%</u>	<u>246.3%</u>	<u>227.6%</u>	<u>214.6%</u>	<u>189.6%</u>

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the types of benefits provided at the time of the valuation and the sharing of benefit costs between the employer and plan members at that time. The unfunded actuarial accrued liability is being amortized over 30 years (open period) on a level percentage of payroll using a 3.5% payroll growth rate. A 4% discount rate was used based on the Board's pay-as-you-go funding method. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. The actuarial calculations of the OPEB plan reflect a long term perspective. The following tables present additional trends and assumptions used in the actuarial calculation.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2014

**Medical and Prescription Drug Trends  
(Pre and Post - Medicare Eligibility)**

Fiscal Year Beginning July 1,	July 1, 2012 Valuation		July 1, 2010 Valuation	
	Pre-65	Post-65	Pre-65	Post-65
	%	%	%	%
2012	8.5	7.5	8.5	6.5
2013	8.1	7.3	8.0	6.0
2014	7.8	7.0	7.5	5.5
2015	7.4	6.8	7.0	5.0
2016	7.0	6.5	6.5	5.0
2017	6.6	6.3	6.0	5.0
2018	6.3	6.0	5.5	5.0
2019	5.9	5.8	5.0	5.0
2020	5.5	5.5	5.0	5.0
2021	5.1	5.3	5.0	5.0
2022 and Later	5.0	5.0	5.0	5.0

**(Pre and Post Medicare Eligibility)  
Annual Rate of Increase**

Fiscal Year Beginning July 1,	July 1, 2012 Valuation	July 1, 2010 Valuation
	%	%
2012	5.0	4.5
2013	4.8	4.5
2014 and Later	4.5	4.5

**Mortality:**

**Males: RP-2000 Combined Mortality Table,  
projected to 2010**

**Females: RP-2000 Combined Mortality Table,  
projected to 2010**

Turnover				Disability			Retirement Age		
Sample Ages	Service (in years)	% Rate		Age	Rate		Age	Rate	
		Male	Female		Male	Female		Male	Female
All	0	15%	14%	18-31	3%	3%	55-59	10%	10%
	2	13%	12%	40	10%	13%	60-61	17%	13%
	4	9%	8%	45	20%	22%	62	25%	24%
	6	6%	6%	50	31%	32%	63-64	14%	17%
	8	5%	5%	55	41%	55%	65	22%	20%
	>=10	4%	5%	60	51%	55%	66	16%	20%
30		4%	5%				67-74	16%	15%
40		2%	3%						
50		1%	1%						
60		1%	1%						

**Age Difference:**

Males are assumed to be 3 years older than females.

**Family Assumptions:**

70% married at retirement.

Parents assumed to be 30 years older than children.

3% retire with dependent children.

For current retirees, actual family status and ages were used.

**Coverage:**

We have assumed that 90% of current active employees would elect coverage by retirement age under the medical/drug and dental plans and their retirement annuity is larger than their premium for coverage. For current retirees, we valued only those who have current coverage elections, with the assumption that retirees without coverage cannot elect coverage in the future.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements

June 30, 2014

**NOTE 12 RETIREMENT AND PENSION PLAN**

The Board's employees are covered by the Teachers Retirement System of the State of Maryland, the Teachers Pension System of the State of Maryland, the Employees Retirement System of the State of Maryland, or the Employees Pension System of the State of Maryland. These systems are part of the Maryland State Retirement and Pension System (the State System), and are cost-sharing, multiple-employer public employee retirement systems. The State System provides pension, death and disability benefits to plan members and beneficiaries. The State of Maryland pays a substantial portion of employer contributions on behalf of the Board.

The plan is administered by the State Retirement Agency (the Agency). Responsibility for the administration and operation of the State System is vested in a 12-member Board of Trustees. The State System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland. The Agency issued a publicly available financial report that includes basic financial statements and required supplementary information for the State System. The report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, MD 21202, or by calling 410-625-5555.

The State Personnel and Pensions Article requires active members to contribute to the State System at the rate of 5% or 7% of their covered salary depending upon the retirement system and plan in which the employee is enrolled. The Board is required to contribute at an actuarially determined rate. The State's contributions on behalf of the Board for the years ended June 30, 2014, 2013, and 2012 were \$61,514,758; \$54,632,314; and \$70,640,804 respectively, which were equal to the required contributions for each year. The Board's contribution for the years ended June 30, 2014, 2013, and 2012 were \$23,233,483; \$19,141,696; and \$9,462,169 respectively, which were equal to the required contributions for each year.

Beginning year ended June 30, 2013, Local Education Agencies (LEAs) were required to share in the cost of the Teachers Retirement and Teachers Pension systems costs. A schedule of funding progress for the past six years is included as Required Supplementary Information, immediately following these Notes to the Basic Financial Statements.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2014

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

In the normal course of operations, the Board is subject to lawsuits and claims. In the opinion of management, the disposition of such lawsuits and claims will not have a material effect on the Board's financial position or changes in financial position.

*Capital Project and Food Services Encumbrances* - The Capital Projects Fund had outstanding commitments (encumbrances) in the amount of \$83,776,225 as of June 30, 2014. However, revenues provided by the State and County needed to liquidate encumbrances outstanding are not received until invoices for goods and services are rendered. The Food Services Fund had outstanding commitments (encumbrances) of \$684,510 at June 30, 2014.

*Grant Expenditures* - Most grants specify the types of expenditures, for which the grant funds may be used, and the reporting and record keeping with which the Board must comply. The expenditures made by the Board under some of these grants are subject to audits by Federal or State agencies. In the opinion of management, adjustments for unallowable costs, if any, resulting from future audits will not have a material effect on the accompanying financial statements.

*Medicaid Services Audit* - A Federal audit of the Maryland Medicaid School-Based Services Program for the fiscal year ending June 30, 2000, resulted in a finding which requested repayment by the State of approximately \$19 million. The State appealed the request but was unsuccessful and repaid the \$19 million of disallowed claims. The State recovered these funds from the Board by deducting amounts, otherwise due the Board, from Medicaid funding through the Maryland Department of Health and Mental Hygiene.

The Board and five other LEAs disputed the claims for recoupment on various grounds and appealed to the State's Office of Administrative Hearings. As a result of this appeal, the State's hearing examiner issued an order in September 2009 which required the State to recompute the amount due from the LEAs and to resubmit the recalculated amount to the Board in order to affect a settlement. The State has recomputed the original assessment which resulted in notification that about \$1 million would be remitted to the Board. In January 2014, Anne Arundel received \$933,522 from the State as final settlement of this claim.



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2014

**NOTE 14 FUND BALANCES**

Fund balances presented on the Governmental Fund's Balance Sheet are comprised of the following:

	<u>General Fund</u>	<u>Food Services Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances</b>					
<b>Nonspendable for:</b>					
Inventory	\$ 1,920,244	\$ 408,239	\$ -	\$ -	\$ 2,328,483
<b>Restricted For:</b>					
Capital Lease Equipment	5,882,771	-	-	-	5,882,771
Special Education	10,565,840	-	-	-	10,565,840
Total Restricted	<u>16,448,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,448,611</u>
<b>Committed for:</b>					
Capital projects	-	-	233,378	-	233,378
Food Services	-	4,533,421	-	-	4,533,421
Athletics Programs	-	-	-	825,272	825,272
Total Committed	<u>-</u>	<u>4,533,421</u>	<u>233,378</u>	<u>825,272</u>	<u>5,592,071</u>
<b>Assigned To:</b>					
Subsequent Year's Budget	20,000,000	-	-	-	20,000,000
Environmental Education	-	-	-	523,123	523,123
Summer Camps	-	-	-	146,106	146,106
<b>Encumbrances:</b>					
Administration	1,189,933	-	-	-	1,189,933
Mid-Level Administration	392,487	-	-	-	392,487
Textbooks and Instructional Supplies	2,224,212	-	-	-	2,224,212
Other Instructional Costs	2,029,918	-	-	-	2,029,918
Special Education	606,022	-	-	-	606,022
Pupil Services	322	-	-	-	322
Pupil Transportation	219,194	-	-	-	219,194
Operation of Plant	221,248	-	-	-	221,248
Maintenance of Plant	1,952,560	-	-	-	1,952,560
Fixed Charges	35,650	-	-	-	35,650
Community Services	8,154	-	-	-	8,154
Capital Outlay	61,043	-	-	-	61,043
Total Encumbrances	<u>8,940,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,940,743</u>
Total Assigned	28,940,743	-	-	669,229	29,609,972
<b>Unassigned:</b>	<u>2,172,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,172,501</u>
Total Fund Balance	<u>\$ 49,482,099</u>	<u>\$ 4,941,660</u>	<u>\$ 233,378</u>	<u>\$ 1,494,501</u>	<u>\$ 56,151,638</u>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2014

**NOTE 15 SPECIAL GRANT PROGRAM REVENUE**

Certain programs serving specific needs and purposes of the school system and the welfare of the students are funded by restricted Federal and State grants. Monies and subsidies received, amounting to approximately \$41,301,800 during the fiscal year ended June 30, 2014, was expended for the designated programs and did not supplant funding for the unrestricted programs. The grants were accounted for in the Governmental Funds.

**NOTE 16 RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the County Government's Self-Insurance Fund. Commercial insurance policies are purchased by the County Government to provide coverage for property, boiler, private bus contractors and miscellaneous type coverage such as bonds and accident insurance.

The Board's actuarially determined contribution to the County's Self-Insurance fund is charged annually to the Fixed Charges category of the General Fund. The Primary Government maintains the Self-Insurance Fund and is responsible for the adjustment, defense, and payment of all claims and the provision for any incurred but not reported (IBNR) claims.

<b>Coverage</b>	<b>Board's Share of Cost</b>	<b>General Fund Category</b>
<b>County Self Insurance:</b>		
General Liability, Workers		
Compensation and Vehicle Liability	\$ 5,327,201	Fixed Charges
<b>Board Purchased Policies:</b>		
Real Property	751,503	Operation of Plant
Boiler & Miscellaneous	70,451	Fixed Charges
Private Bus Contractors	768,834	Transportation
Total	\$ 6,917,989	

There have been no significant reductions in insurance coverage or any settled claims that have exceeded the amount of coverage in any of the past three years. The Board's share of County's Self-Insurance fund deficit at June 30, 2014, is \$892,894.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Required Supplementary Information

Schedule of Funding Progress

Pension and Other Post-Employment Benefit Plans

June 30, 2014

<u>Year Ended June 30,</u>	<u>Value of Assets</u>	<u>Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>	<u>Annual Required Contributions (ARC)</u>	<u>Actual Employer Contributions</u>	<u>Contributions as a % of ARC</u>
<b>Other Post-Employment Benefit Plan (OPEB) (dollar amounts in thousands):</b>									
2009	-	1,054,803	1,054,803	0.0%	577,427	182.7%	70,716	29,698	42.00%
2010	-	1,096,678	1,096,678	0.0%	578,530	189.6%	73,862	30,940	41.89%
2011	-	1,241,299	1,241,299	0.0%	578,559	214.6%	86,715	29,558	34.09%
2012	-	1,304,189	1,304,189	0.0%	572,923	227.6%	91,080	33,893	37.21%
2013	-	1,423,684	1,423,684	0.0%	578,137	246.3%	98,580	33,532	34.02%
2014	-	1,496,742	1,496,742	0.0%	590,414	253.5%	103,570	44,087	42.57%
<b>State Retirement and Pension System of Maryland (dollar amounts in thousands):</b>									
2008	39,504,284	50,244,047	10,739,763	78.6%	10,542,806	101.9%	6,315	6,315	100.00%
2009	34,284,569	52,729,171	18,444,603	65.0%	10,714,241	172.2%	7,155	7,155	100.00%
2010	34,688,346	54,085,081	19,936,735	64.1%	10,657,944	187.1%	8,676	8,676	100.00%
2011	36,177,656	55,917,543	19,739,887	64.7%	10,478,800	188.4%	9,462	9,462	100.00%
2012	37,248,401	57,869,145	20,620,744	64.4%	10,336,537	199.5%	19,142	19,142	100.00%
2013	39,350,969	60,060,091	20,709,122	65.5%	10,477,544	197.7%	23,233	23,233	100.00%

Note: GASB Statement No. 45 was not applicable to the Board prior to fiscal year 2008. Accordingly no prior valuations were performed.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY  
SUPPLEMENTAL INFORMATION  
COMBINING FUND STATEMENTS AND SCHEDULES

The purpose of Combining Fund Statements is to provide a "link" between the fund financial statements and the non-major funds. Description of the nature and purpose of each non-major special revenue fund is show below:

**Special Revenue Funds** - These funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

*Athletic Gate Receipts* – This fund is used to account for the expenditure of the Board’s share of gate receipts from High School athletic events.

*Center of Applied Technology-North (CAT-North) Student Baking* – This fund is used to account for the purchase of baked goods by Maryland Live Casino to support the development of student lab competencies in the Baking and Pastry Program at CAT North.

*External Diploma Program* – This fund is used to account for the expenditure of tuition and fees from the state-wide program to provide adults an opportunity to obtain a high school diploma.

*Summer Camps and Environmental Education* – This fund is used to account for the amounts and activities related to various self supporting summer camps as well as Arlington Echo’s Environmental Education programs.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Combining Balance Sheet

Non-Major Governmental Funds - Special Revenue Funds

June 30, 2014

	<u>Athletic Gate Receipts</u>	<u>CAT North Students Baking</u>	<u>External Diploma</u>	<u>Camps &amp; Environmental Education</u>	<u>Total Special Revenue Funds</u>
<b>Assets:</b>					
Cash and Investment	\$ 827,551	\$ 4,319	\$ 13,483	\$ 876,563	\$ 1,721,916
Accounts Receivable	79,500	-	18,907	-	98,407
<b>Total Assets</b>	<u>\$ 907,051</u>	<u>\$ 4,319</u>	<u>\$ 32,390</u>	<u>\$ 876,563</u>	<u>\$ 1,820,323</u>
<b>Liabilities:</b>					
Accounts Payable	2,279	-	341	23,893	26,513
Due to General Fund	-	-	32,049	-	32,049
Unearned Revenue	79,500	-	-	187,760	267,260
<b>Total Liabilities</b>	<u>\$ 81,779</u>	<u>\$ -</u>	<u>\$ 32,390</u>	<u>\$ 211,653</u>	<u>\$ 325,822</u>
<b>Fund Balance:</b>					
Committed	825,272	-	-	-	825,272
Assigned	-	4,319	-	664,910	669,229
<b>Total Fund Balance</b>	<u>825,272</u>	<u>4,319</u>	<u>-</u>	<u>664,910</u>	<u>1,494,501</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 907,051</u>	<u>\$ 4,319</u>	<u>\$ 32,390</u>	<u>\$ 876,563</u>	<u>\$ 1,820,323</u>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Non-Major Governmental Funds - Special Revenue Funds  
 For the Fiscal Year Ended June 30, 2014

	Athletic Gate Receipts	CAT North Students Baking	External Diploma	Camps & Environmental Education	Total Special Revenue Funds
<b>Revenues:</b>					
State of Maryland	\$ -	\$ -	\$ 118,308	\$ -	\$ 118,308
United States Government	-	-	86,064	-	86,064
Gate Receipts	456,436	-	-	-	456,436
Student Payments	-	-	-	1,031,752	1,031,752
Miscellaneous	-	4,319	13,275	-	17,594
<b>Total Revenues</b>	<u>\$ 456,436</u>	<u>\$ 4,319</u>	<u>\$ 217,647</u>	<u>\$ 1,031,752</u>	<u>\$ 1,710,154</u>
<b>Expenditures:</b>					
Administration	-	-	4,830	438	\$ 5,268
Mid-Level Administration	-	-	-	3,528	3,528
Instructional Salaries and Wages	120,013	-	171,674	384,571	676,258
Textbooks and Instructional Supplies	63,749	-	3,718	212,100	279,567
Other Instructional Costs	74,304	-	2,381	29,646	106,331
Pupil Transportation	-	-	-	171,839	171,839
Operation of Plant	-	-	-	28,034	28,034
Fixed Charges	9,500	-	35,044	24,754	69,298
Community Services	-	-	-	14,216	14,216
<b>Total Expenditures</b>	<u>\$ 267,566</u>	<u>\$ -</u>	<u>\$ 217,647</u>	<u>\$ 869,126</u>	<u>\$ 1,354,339</u>
Excess (deficiency) of revenues over (under) expenditures	188,870	4,319	-	162,626	355,815
Fund Balance - July 1	636,402	-	-	502,284	1,138,686
Fund Balance - June 30	<u>\$ 825,272</u>	<u>\$ 4,319</u>	<u>\$ -</u>	<u>\$ 664,910</u>	<u>\$ 1,494,501</u>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Combining Statement of Fiduciary Net Position

Agency Funds

June 30, 2014

	<u>Class Reunion</u>	<u>School Activity</u>	<u>Total Agency Funds</u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 331,660	\$ 8,662,119	\$ 8,993,779
Accounts Receivable	-	195,733	195,733
Inventory	-	349,433	349,433
<b>Total Assets</b>	<u>\$ 331,660</u>	<u>\$ 9,207,285</u>	<u>\$ 9,538,945</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 331,660	\$ 3,476,721	\$ 3,808,381
Due to Student Groups	-	5,730,564	5,730,564
<b>Total Liabilities</b>	<u>\$ 331,660</u>	<u>\$ 9,207,285</u>	<u>\$ 9,538,945</u>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Combining Statement of Changes in Assets and Liabilities - Agency Funds  
For the Fiscal Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>Class Reunion</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 324,752	\$ 72,057	\$ 65,149	\$ 331,660
<b>Liabilities:</b>				
Accounts Payable	\$ 324,752	\$ 72,057	\$ 65,149	\$ 331,660
<b><u>School Activity Funds</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 8,224,916	\$ 14,200,470	\$ 13,763,267	\$ 8,662,119
Accounts Receivable	170,332	195,733	170,332	195,733
Inventory	363,849	349,433	363,849	349,433
<b>Total Assets</b>	<b>\$ 8,759,097</b>	<b>\$ 14,745,636</b>	<b>\$ 14,297,448</b>	<b>\$ 9,207,285</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 3,484,666	\$ 1,962,837	\$ 1,970,782	\$ 3,476,721
Due to Student Groups	5,274,431	12,782,799	12,326,666	5,730,564
<b>Total Liabilities</b>	<b>\$ 8,759,097</b>	<b>\$ 14,745,636</b>	<b>\$ 14,297,448</b>	<b>\$ 9,207,285</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 8,549,668	\$ 14,272,527	\$ 13,828,416	\$ 8,993,779
Accounts Receivable	170,332	195,733	170,332	195,733
Inventory	363,849	349,433	363,849	349,433
<b>Total Assets</b>	<b>\$ 9,083,849</b>	<b>\$ 14,817,693</b>	<b>\$ 14,362,597</b>	<b>\$ 9,538,945</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 3,809,418	\$ 2,034,894	\$ 2,035,931	\$ 3,808,381
Due to Student Groups	5,274,431	12,782,799	12,326,666	5,730,564
<b>Total Liabilities</b>	<b>\$ 9,083,849</b>	<b>\$ 14,817,693</b>	<b>\$ 14,362,597</b>	<b>\$ 9,538,945</b>



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Combining Statement of Fiduciary Net Position  
Private Purpose Trust Funds  
For the Fiscal Year Ended June 30, 2014

	<u>Alice Farrell Memorial</u>	<u>Estates</u>	<u>Laramore Scholarship</u>	<u>Henry Rosso Memorial</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 13,590	\$ 238,336	\$ 3,613	\$ 4,168
<b>Net Position:</b>				
Held for Private Purpose	\$ 13,590	\$ 238,336	\$ 3,613	\$ 4,168

Combining Statement of Changes in Fiduciary Net Position  
Private Purpose Trust Funds  
For the Fiscal Year Ended June 30, 2014

	<u>Alice Farrell Memorial</u>	<u>Estates</u>	<u>Laramore Scholarship</u>	<u>Henry Rosso Memorial</u>
<b>Additions:</b>				
Investment Interest Earned	\$ 34	\$ -	\$ 9	\$ 14
Other Donations	-	14,065	-	-
Total Additions	\$ 34	\$ 14,065	\$ 9	\$ 14
<b>Deductions:</b>				
Scholarships and Claims	\$ -	\$ 99,638	\$ 200	\$ 2,127
Change in Net Position	\$ 34	\$ (85,573)	\$ (191)	\$ (2,113)
Net Position - July 1	13,556	323,909	3,804	6,281
Net Position - June 30	\$ 13,590	\$ 238,336	\$ 3,613	\$ 4,168

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<u>Pam Grant Memorial</u>	<u>Nochera Scholarship</u>	<u>Gearup Scholarship</u>	<u>Holt Scholarship</u>	<u>Free School</u>	<u>Total Private Purpose</u>
<u>\$ 8,047</u>	<u>\$ 2,481</u>	<u>\$ 2,506</u>	<u>\$ 3,382</u>	<u>\$ 101,194</u>	<u>\$ 377,317</u>
<u>\$ 8,047</u>	<u>\$ 2,481</u>	<u>\$ 2,506</u>	<u>\$ 3,382</u>	<u>\$ 101,194</u>	<u>\$ 377,317</u>

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<u>Pam Grant Memorial</u>	<u>Nochera Scholarship</u>	<u>Gearup Scholarship</u>	<u>Holt Scholarship</u>	<u>Free School</u>	<u>Total Private Purpose</u>
\$ 20	\$ 6	\$ 6	\$ 8	\$ 252	\$ 349
-		-	-	-	14,065
<u>\$ 20</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 8</u>	<u>\$ 252</u>	<u>\$ 14,414</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,965</u>
\$ 20	\$ 6	\$ 6	\$ 8	\$ 252	\$ (87,551)
8,027	2,475	2,500	3,374	100,942	464,868
<u>\$ 8,047</u>	<u>\$ 2,481</u>	<u>\$ 2,506</u>	<u>\$ 3,382</u>	<u>\$ 101,194</u>	<u>\$ 377,317</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance (Non GAAP - Budget and Actual)

General Fund and Charter Schools  
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		General Fund Actual	Chesapeake Science Point Actual
	Original	Final		
<b>Revenues:</b>				
Anne Arundel County	\$ 596,454,600	\$ 596,454,600	\$ 596,454,600	\$ -
State of Maryland	322,343,600	324,746,500	324,248,429	-
United States Government	38,303,100	46,424,527	40,904,835	-
Other Sources:				
Investment Interest Earned	150,000	117,100	61,003	-
Other	2,865,000	31,547,173	2,998,651	-
<b>Total Revenues</b>	<b>\$ 960,116,300</b>	<b>\$ 999,289,900</b>	<b>\$ 964,667,518</b>	<b>\$ -</b>
<b>Expenditures and Encumbrances:</b>				
Current:				
Administration	\$ 27,565,300	\$ 29,407,979	\$ 26,729,309	\$ 583,216
Mid-Level Administration	64,047,800	64,139,381	62,448,524	283,594
Instructional Salaries and Wages	367,940,900	368,907,430	362,097,912	1,567,057
Textbooks and Instructional Supplies	29,910,100	33,980,938	30,197,710	326,737
Other Instructional Costs	15,369,000	18,647,423	17,361,971	84,019
Special Education	119,065,400	122,365,639	120,419,602	225,038
Pupil Services	6,708,200	6,808,400	6,703,529	-
Pupil Transportation	53,425,000	51,225,400	48,374,082	657,510
Operation of Plant	64,147,300	63,297,700	62,179,048	995,127
Maintenance of Plant	16,136,400	17,370,000	16,554,916	84,112
Fixed Charges	210,068,700	237,371,210	203,645,664	590,767
Community Services	375,000	518,300	416,202	-
Capital Outlay	3,550,900	3,443,800	3,048,367	184,431
<b>Total Expenditures and Encumbrances</b>	<b>\$ 978,310,000</b>	<b>\$ 1,017,483,600</b>	<b>\$ 960,176,836</b>	<b>\$ 5,581,608</b>
Excess (Deficiency) of Revenues over Expenditures and Encumbrances	\$ (18,193,700)	\$ (18,193,700)	\$ 4,490,682	\$ (5,581,608)
Transfers to Charter Schools	-	-	(13,718,285)	5,581,608
<b>Other Financing Sources:</b>				
Use of Prior Year's Fund Balance	18,193,700	18,193,700	-	-
Liquidation of Prior Year Encumbrances	-	-	1,551,275	-
Net Change in Fund Balance	<b>\$ -</b>	<b>\$ -</b>	<b>(7,676,328)</b>	<b>-</b>
Fund Balance - July 1			29,759,530	-
<b>Fund Balance - June 30</b>			<b>\$ 22,083,202</b>	<b>\$ -</b>

Continued on next page.

Monarch Academy Actual	Combined	Variance Positive/ (Negative)
\$ -	\$ 596,454,600	\$ -
-	324,248,429	(498,071)
-	40,904,835	(5,519,692)
-	61,003	(56,097)
-	2,998,651	(28,548,522)
<u>\$ -</u>	<u>\$ 964,667,518</u>	<u>\$ (34,622,382)</u>
\$ 981,548	\$ 28,294,073	\$ 1,113,906
544,280	63,276,398	862,983
2,307,562	365,972,531	2,934,899
238,873	30,763,320	3,217,618
458,190	17,904,180	743,243
404,484	121,049,124	1,316,515
-	6,703,529	104,871
824,318	49,855,910	1,369,490
1,077,987	64,252,162	(954,462)
473,716	17,112,744	257,256
825,719	205,062,150	32,309,060
-	416,202	102,098
-	3,232,798	211,002
<u>\$ 8,136,677</u>	<u>\$ 973,895,121</u>	<u>\$ 43,588,479</u>
\$ (8,136,677)	\$ (9,227,603)	\$ 8,966,097
8,136,677	-	-
-	-	(18,193,700)
-	1,551,275	1,551,275
<u>-</u>	<u>(7,676,328)</u>	<u>(7,676,328)</u>
-	29,759,530	29,759,530
<u>\$ -</u>	<u>\$ 22,083,202</u>	<u>\$ 22,083,202</u>

Concluded.

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

SELECTED STATISTICAL INFORMATION  
(UNAUDITED)

**Overview**

This section of the Comprehensive Annual Financial Report (CAFR) presents detailed data as a context for understanding what the information in the financial statements, note disclosures and required supplementary information say about the Board's overall financial health. The Statistical Section is supplementary information that is not subject to audit. Unless otherwise noted, the financial information in this section is derived from the School System's annual financial reports for the relevant years.

**Content**

Data contained in the Statistical Section of a CAFR typically covers five areas: financial trends, revenue capacity, debt capacity, demographic information, and operating information. However, since the Board does not have any material "own-source revenue," no revenue capacity schedules are presented in this Statistical Section.

*Financial Trends* - These schedules contain trend information to help the reader understand how the Board's financial performance and well-being has changed over time. Some of these schedules are presented for seven years only, extending back to when GASB 34 was implemented.

*Debt Capacity* - These schedules present information to help the reader assess the affordability of the Anne Arundel County Government's outstanding debt and ability to absorb additional debt in the future.

*Demographic Information* - These schedules offer demographic and economic indicators to help readers understand the environment of Anne Arundel County, in which the Board's financial activities take place.

*Operating Data* - These schedules offer operating data to help understand how the information in the Board's financial report relates to the services it provides and the activities it performs.

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Net Position by Component  
Fiscal Years 2005-2014

<u>Fiscal Year</u>	<u>Net Investments in Capital Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total Net Position</u>
2005	\$ 570,092,766	\$ 4,138,866	\$ (8,478,614)	565,753,018
2006	572,434,343	4,996,339	(6,843,353)	570,587,329
2007	608,168,963	4,928,253	(367,585)	612,729,631
2008	662,749,200	4,284,011	(41,443,434)	625,589,777
2009	709,448,484	3,113,499	(89,167,961)	623,394,022
2010	743,865,358	14,085,694	(122,380,908)	635,570,144
2011	800,786,216	13,862,185	(168,014,338)	646,634,063
2012	845,364,016	14,270,319	(228,437,322)	631,197,013
2013	894,116,866	17,217,858	(299,658,205)	611,676,519
2014	954,760,785	16,856,850	(358,405,102)	613,212,533



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Changes in Net Position - Governmental Activities (1)  
Fiscal Years 2005-2014

	2005	2006	2007	2008
<b>Expenses:</b>				
Administration	\$ 25,471,475	\$ 29,951,415	\$ 30,089,328	\$ 34,832,476
Mid-Level Administration	64,659,830	69,767,676	75,207,595	83,933,689
Instructional Salaries and Wages	361,024,873	392,471,293	431,220,579	492,478,903
Textbooks and Instructional Supplies	18,306,081	13,693,641	14,584,616	14,605,726
Other Instructional Costs	13,132,103	14,176,343	13,980,651	8,531,737
Special Education	104,129,282	110,874,982	123,385,977	140,199,426
Pupil Services	3,482,683	3,647,471	4,617,487	6,048,840
Student Health Services	-	-	7,966,284	11,063,795
Pupil Transportation	34,445,958	36,497,269	38,501,556	41,033,660
Operation of Plant	50,164,523	55,422,098	65,974,370	71,972,014
Maintenance of Plant	56,305,739	75,658,355	78,443,012	90,920,570
Community Services	138,229	727,698	767,626	809,502
Food Services	16,983,972	17,985,131	20,089,707	21,538,782
Student Activities	878,425	3,356	571,399	543,486
Interest on Capital Leases	-	-	343,759	394,931
<b>Total Expenses</b>	<b>\$ 749,123,173</b>	<b>\$820,876,728</b>	<b>\$ 905,743,946</b>	<b>\$ 1,018,907,537</b>
<b>Program Revenues:</b>				
Charges for Services				
Sale of Food	\$ 11,082,419	\$ 11,549,403	\$ 11,941,586	\$ 11,710,729
Other Charges for Services	4,683,160	6,292,398	4,742,091	782,417
Operating Grants and Contributions	113,804,079	114,615,706	121,525,629	138,078,340
Capital Grants and Contributions	70,603,823	79,120,257	91,553,846	105,313,349
<b>Total Program Revenues</b>	<b>\$ 200,173,481</b>	<b>\$211,577,764</b>	<b>\$ 229,763,152</b>	<b>\$ 255,884,835</b>
<b>Total Net Expenses</b>	<b>\$ 548,949,692</b>	<b>\$609,298,964</b>	<b>\$ 675,980,794</b>	<b>\$ 763,022,702</b>
<b>General Revenues:</b>				
State Unrestricted	\$ 157,224,508	\$168,762,219	\$ 194,526,595	\$ 217,993,386
County Unrestricted	414,355,197	448,170,623	505,023,163	528,647,128
Federal Unrestricted	4,060,598	2,851,279	1,782,030	2,789,831
Capital Contributions	-	-	-	-
Investment Income	1,543,953	2,988,917	4,419,869	3,804,981
Miscellaneous	1,547,013	11,640,475	11,503,778	10,716,046
<b>Change in Net Position</b>	<b>\$ 29,781,577</b>	<b>\$ 25,114,549</b>	<b>\$ 41,274,641</b>	<b>\$ 928,670</b>

(1) Accrual Basis of Accounting

Continued on next page.

2009	2010	2011	2012	2013	2014
\$ 35,133,413	\$ 34,058,636	\$ 31,235,320	\$ 32,306,026	\$ 34,180,970	\$ 36,965,145
90,539,789	91,824,534	93,313,646	94,470,227	95,510,158	97,135,498
519,506,113	527,864,499	547,126,085	552,528,165	562,294,048	572,179,415
12,525,162	14,595,287	28,593,268	25,603,979	32,165,736	28,941,520
8,408,103	10,045,597	16,151,937	18,332,421	21,204,137	20,567,579
150,887,563	162,221,616	167,943,458	166,839,985	166,405,869	172,274,207
7,510,877	7,627,164	7,790,678	8,701,903	9,154,873	9,598,340
12,120,383	12,702,130	11,360,537	8,515,981	8,146,330	8,443,567
41,997,345	44,003,536	48,737,507	52,022,576	53,717,801	54,722,641
74,891,321	75,307,845	77,494,775	75,728,743	79,070,745	81,791,279
107,916,198	92,851,533	79,791,924	86,211,531	77,517,177	82,074,834
608,818	552,525	767,951	546,288	1,021,253	1,042,352
22,647,591	21,914,253	22,839,072	24,346,535	26,933,745	26,675,250
623,657	1,038,603	-	-	-	-
441,404	542,369	514,421	463,968	400,773	632,085
<u>\$1,085,757,737</u>	<u>\$1,097,150,127</u>	<u>\$ 1,133,660,579</u>	<u>\$ 1,146,618,328</u>	<u>\$ 1,167,723,615</u>	<u>\$ 1,193,043,712</u>
\$ 11,584,067	\$ 10,507,253	\$ 11,721,839	\$ 11,823,135	\$ 10,887,078	\$ 10,623,764
1,254,677	1,873,837	2,374,770	2,926,672	2,565,588	2,547,813
141,448,338	170,200,428	192,521,389	172,478,101	158,875,844	166,694,281
120,384,184	102,298,970	121,810,192	109,163,032	104,576,518	119,411,932
<u>\$ 274,671,266</u>	<u>\$ 284,880,488</u>	<u>\$ 328,428,190</u>	<u>\$ 296,390,940</u>	<u>\$ 276,905,028</u>	<u>\$ 299,277,790</u>
<u>\$ 811,086,471</u>	<u>\$ 812,269,639</u>	<u>\$ 805,232,389</u>	<u>\$ 850,227,388</u>	<u>\$ 890,818,587</u>	<u>\$ 893,765,922</u>
\$ 230,811,143	\$ 229,975,099	\$ 229,277,566	\$ 255,454,406	\$ 265,583,322	\$ 275,853,922
567,289,144	570,668,133	578,834,562	573,370,305	601,312,917	613,763,634
2,849,289	2,258,809	2,047,153	2,503,811	2,568,267	2,512,461
-	-	-	2,295,984	234,300	-
1,389,337	287,311	156,771	83,514	150,117	66,173
6,551,803	9,778,206	5,980,256	1,082,318	1,449,170	1,300,129
<u>\$ (2,195,755)</u>	<u>\$ 697,919</u>	<u>\$ 11,063,919</u>	<u>\$ (15,437,050)</u>	<u>\$ (19,520,494)</u>	<u>\$ (269,603)</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Fund Balances - Governmental Funds (1)  
Fiscal Years 2005-2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Fund:</b>				
Reserved	\$ 8,144,594	\$ 6,456,518	\$ 9,141,173	\$ 6,617,142
Unreserved	5,013,634	6,810,126	7,553,166	11,028,279
Nonspendable	-	-	-	-
Spendable:				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total General Fund</b>	<u>\$ 13,158,228</u>	<u>\$ 13,266,644</u>	<u>\$ 16,694,339</u>	<u>\$ 17,645,421</u>
<b>All Other Governmental Funds:</b>				
Reserved	\$ 262,005	\$ 534,685	\$ 241,694	\$ 269,554
Unreserved, reported in:				
Food Services Fund	3,892,535	4,483,127	4,694,931	4,087,190
Capital Projects Fund	662,635	231,693	1,260,206	614,310
Special Revenue Funds	652,448	647,578	535,556	669,630
Nonspendable	-	-	-	-
Spendable:				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total All Other</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Governmental Funds</b>	<u>\$ 5,469,623</u>	<u>\$ 5,897,083</u>	<u>\$ 6,732,387</u>	<u>\$ 5,640,684</u>

(1) Modified Accrual Basis of Accounting

(2) GASB 54, implemented as of 2011, resulted in changes to fund balance categories.

Continued on next page.

<b>2009</b>	<b>2010</b>	<b>2011 (2)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 8,349,655	\$ 11,711,161	\$ -	\$ -	\$ -	\$ -
15,516,636	20,567,213	-	-	-	-
-	-	1,407,575	1,454,473	1,758,291	1,920,244
-	11,478,203	13,461,841	13,851,071	16,853,706	16,448,611
-	-	-	-	-	-
-	-	22,745,297	30,227,216	27,410,698	28,940,743
-	-	15,005,680	7,253,953	11,789,326	2,172,501
<u>\$ 23,866,291</u>	<u>\$ 43,756,577</u>	<u>\$ 52,620,393</u>	<u>\$ 52,786,713</u>	<u>\$ 57,812,021</u>	<u>\$ 49,482,099</u>
\$ 401,562	\$ 251,485	\$ -	\$ -	\$ -	\$ -
2,723,687	2,367,130	-	-	-	-
442,370	691,067	-	-	-	-
709,121	1,159,843	-	-	-	-
-	-	400,344	419,248	364,152	408,239
-	-	428	2,275	-	-
-	-	5,156,508	5,950,625	4,592,548	5,592,071
-	-	514,657	466,065	502,284	669,229
-	-	-	-	-	-
<u>\$ 4,276,740</u>	<u>\$ 4,469,525</u>	<u>\$ 6,071,937</u>	<u>\$ 6,838,213</u>	<u>\$ 5,458,984</u>	<u>\$ 6,669,539</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Change in Fund Balances - Governmental Funds (1)  
Fiscal Years 2005-2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Revenues:</b>				
Anne Arundel County	\$ 472,934,229	\$ 516,728,235	\$ 579,882,754	\$ 620,787,897
State of Maryland	244,155,189	253,430,422	291,688,721	328,369,816
United States Government	42,869,890	43,251,583	42,676,687	43,489,411
Sale of Food	11,082,419	11,549,403	11,941,586	11,716,935
Investment Interest Earned	1,543,953	2,988,917	4,419,869	3,804,981
Gate Receipts	215,284	188,422	220,556	330,706
Rebates and Commissions	-	-	-	-
Student Payments	318,607	348,987	202,612	364,720
Other	2,293,549	7,838,141	7,006,027	5,596,357
<b>Total Revenues</b>	<u>\$ 775,413,120</u>	<u>\$ 836,324,110</u>	<u>\$ 938,038,812</u>	<u>\$ 1,014,460,823</u>
<b>Expenditures:</b>				
Current:				
Administration	\$ 20,629,170	\$ 24,085,622	\$ 23,764,994	\$ 27,428,029
Mid-Level Administration	47,742,047	50,823,320	55,206,041	59,207,659
Instructional Salaries and Wages	259,935,446	279,627,499	308,609,910	339,180,033
Textbooks and Instructional Supplies	18,306,081	13,693,641	14,741,248	14,647,404
Other Instructional Costs	18,301,444	16,168,130	15,997,198	13,618,475
Special Education	81,363,520	86,390,041	96,186,819	104,629,130
Pupil Services	2,686,120	2,746,709	3,508,208	4,462,473
Student Health Services	-	-	7,966,284	11,063,795
Pupil Transportation	32,655,939	34,606,397	36,661,609	38,936,318
Operation of Plant	42,325,401	46,793,623	57,097,734	61,264,313
Maintenance of Plant	21,839,404	42,652,287	39,349,391	44,779,626
Fixed Charges	158,147,292	171,845,350	187,467,236	197,382,334
Community Services	138,229	727,698	796,775	841,447
Food Services	16,889,848	17,919,649	20,006,393	20,954,594
Capital Outlay	60,756,229	47,845,615	67,471,526	76,443,668
Debt Service				
Principal	1,653,471	2,598,761	3,907,422	5,230,169
Interest	12,163	219,293	343,759	394,931
<b>Total Expenditures</b>	<u>\$ 783,381,804</u>	<u>\$ 838,743,635</u>	<u>\$ 939,082,547</u>	<u>\$ 1,020,464,398</u>
Other Financing Sources				
Capital Leases	5,857,519	4,508,515	5,306,734	5,862,954
Net Change in Fund Balance	<u>\$ (2,111,765)</u>	<u>\$ 2,088,990</u>	<u>\$ 4,262,999</u>	<u>\$ (140,621)</u>
Debt Service as a Percentage of				
Noncapital Expenditures	<u>0.23%</u>	<u>0.36%</u>	<u>0.49%</u>	<u>0.60%</u>

(1) Modified Accrual basis of Accounting

Continued on next page.

	2009	2010	2011	2012	2013	2014
\$	654,630,123	\$ 631,997,050	\$ 681,964,591	\$ 648,746,161	\$ 684,043,789	\$ 686,334,903
	362,861,352	377,657,984	363,390,141	406,463,584	389,360,719	433,647,867
	45,102,263	65,532,137	79,329,949	55,913,243	58,061,877	55,999,251
	11,584,067	10,507,253	11,721,839	11,823,135	10,887,078	10,623,764
	1,389,702	287,357	156,771	83,514	150,117	66,173
	357,353	376,160	399,634	428,698	450,838	456,436
	-	-	-	1,496,464	447,748	1,218,247
	348,984	959,904	800,125	1,336,052	1,381,140	1,481,070
	5,142,040	5,871,434	6,961,448	2,594,443	3,185,515	2,946,398
	<u>\$ 1,081,415,884</u>	<u>\$ 1,093,189,279</u>	<u>\$ 1,144,724,498</u>	<u>\$ 1,128,885,294</u>	<u>\$ 1,147,968,821</u>	<u>\$ 1,192,774,109</u>
\$	24,626,474	\$ 22,905,533	\$ 23,538,732	\$ 23,940,265	\$ 25,066,069	\$ 27,705,790
	63,269,363	62,035,433	62,125,691	61,715,350	61,872,208	63,321,324
	356,420,504	351,396,908	354,453,605	350,659,712	355,458,172	366,648,789
	12,710,393	14,976,251	24,232,535	25,603,979	32,165,736	28,941,520
	12,016,152	14,464,419	15,970,253	17,422,919	20,223,150	19,868,982
	111,547,525	118,133,374	119,137,754	115,816,874	114,881,774	120,417,864
	5,572,534	5,514,152	5,593,175	6,123,113	6,263,954	6,720,810
	8,364,954	8,609,124	8,264,451	8,515,981	8,146,330	8,443,567
	39,929,110	41,863,330	45,448,851	49,550,226	50,211,127	51,348,901
	63,867,463	63,942,566	64,686,720	62,837,267	64,265,175	67,783,408
	61,354,005	43,318,211	46,487,944	46,718,312	64,740,990	58,120,503
	216,308,917	239,518,786	248,608,953	254,486,295	260,334,515	271,572,424
	628,713	495,749	575,695	538,671	746,087	788,344
	22,019,946	21,319,667	22,114,187	23,548,839	26,066,362	25,954,457
	73,859,955	74,320,693	91,966,511	79,323,764	58,731,386	81,628,881
	5,767,644	5,886,613	6,741,229	6,353,060	7,890,926	8,072,890
	441,404	542,369	514,421	463,968	400,773	632,085
	<u>\$ 1,078,705,056</u>	<u>\$ 1,089,243,178</u>	<u>\$ 1,140,460,707</u>	<u>\$ 1,133,618,595</u>	<u>\$ 1,157,464,734</u>	<u>\$ 1,207,970,539</u>
	<u>2,146,098</u>	<u>4,658,767</u>	<u>6,202,437</u>	<u>5,665,897</u>	<u>13,141,992</u>	<u>8,077,063</u>
	<u>\$ 4,856,926</u>	<u>\$ 8,604,868</u>	<u>\$ 10,466,228</u>	<u>\$ 932,596</u>	<u>\$ 3,646,079</u>	<u>\$ (7,119,367)</u>
	<u>0.62%</u>	<u>0.64%</u>	<u>0.70%</u>	<u>0.65%</u>	<u>0.76%</u>	<u>0.78%</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

General Fund  
Revenues  
(Non-GAAP Budgetary Basis)  
Fiscal Years 2005-2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Anne Arundel County	\$ 440,466,165	\$ 477,449,405	\$ 516,916,922	\$ 546,699,984
State of Maryland	198,033,425	209,543,463	238,305,308	268,763,414
United States Government	36,068,166	36,162,628	35,330,370	35,307,651
Other	3,987,377	7,586,295	7,150,016	5,784,275
<b>Total Revenues</b>	<b>\$ 678,555,133</b>	<b>\$ 730,741,791</b>	<b>\$ 797,702,616</b>	<b>\$ 856,555,324</b>

General Fund  
Expenditures and Encumbrances  
(Non-GAAP Budgetary Basis)  
Fiscal Years 2005-2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Administration	\$ 19,386,691	\$ 20,789,879	\$ 24,499,293	\$ 23,007,651
Mid-Level Administration	46,755,652	50,864,644	55,054,790	58,157,132
Instructional Salaries and Wages	258,709,440	278,766,206	308,227,605	338,262,110
Textbooks and Instructional Supplies	17,880,800	13,696,685	15,289,736	14,407,605
Other Instructional Costs	12,230,515	13,371,245	14,439,228	14,503,167
Special Education	81,665,216	86,076,709	93,303,203	104,760,279
Pupil Service	2,630,077	2,720,016	3,486,308	4,453,995
Pupil Transportation	32,745,871	34,772,156	35,280,000	37,544,644
Operation of Plant	41,970,361	47,138,031	55,585,281	59,603,974
Maintenance of Plant	11,520,538	11,418,161	12,985,478	12,330,637
Fixed Charges	125,662,038	139,254,706	147,508,510	151,910,227
Community Services	147,203	170,765	195,619	253,186
Capital Outlay	1,612,856	2,512,482	3,104,063	2,813,503
Debt Service	26,205,665	28,235,405	28,662,572	32,352,584
<b>Total Expenditures and Encumbrances</b>	<b>\$ 679,122,923</b>	<b>\$ 729,787,090</b>	<b>\$ 797,621,686</b>	<b>\$ 854,360,694</b>

Continued on next page.

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 584,285,503	\$ 591,453,897	\$ 562,360,000	\$ 556,105,600	\$ 584,579,700	\$ 596,454,600
277,686,352	273,251,934	272,047,890	301,238,045	311,901,317	324,248,429
36,093,492	56,623,113	66,128,265	43,633,954	44,654,342	40,904,835
4,304,746	4,916,001	5,966,736	3,160,798	2,621,470	3,059,654
<b>\$ 902,370,093</b>	<b>\$ 926,244,945</b>	<b>\$ 906,502,891</b>	<b>\$ 904,138,397</b>	<b>\$ 943,756,829</b>	<b>\$ 964,667,518</b>

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 23,193,299	\$ 23,097,186	\$ 23,260,691	\$ 24,159,232	\$ 25,376,222	\$ 28,294,073
63,142,025	62,678,489	62,206,970	60,802,302	61,540,244	63,276,398
355,555,982	350,799,120	353,910,730	349,998,536	354,904,810	365,972,531
13,033,443	14,505,708	24,626,491	27,379,863	31,699,670	30,763,320
16,089,146	15,850,425	16,278,352	16,602,758	17,273,977	17,904,180
112,156,683	118,721,077	119,213,808	116,129,937	115,279,622	121,049,124
5,573,568	5,513,343	5,597,064	6,126,620	6,278,166	6,703,529
38,803,065	40,323,632	43,970,942	48,257,439	48,942,772	49,855,910
61,854,175	63,339,494	62,511,600	61,519,115	61,690,458	64,252,162
12,442,833	12,729,282	12,395,642	14,286,662	14,369,919	17,112,744
161,495,303	172,654,744	172,396,984	178,876,105	201,026,219	205,062,150
101,579	91,202	99,777	96,037	313,237	416,202
2,493,300	3,961,672	3,270,852	3,897,287	3,905,764	3,232,798
32,944,703	37,430,397	-	-	-	-
<b>\$ 898,879,104</b>	<b>\$ 921,695,771</b>	<b>\$ 899,739,903</b>	<b>\$ 908,131,893</b>	<b>\$ 942,601,080</b>	<b>\$ 973,895,121</b>

Concluded.



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Food Services Fund  
Revenues  
Fiscal Years 2005-2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
State of Maryland	\$ 306,724	\$ 331,934	\$ 387,296	\$ 429,768
United States Government	6,365,812	6,658,427	7,268,239	7,892,694
Sale of Food	11,082,419	11,549,403	11,941,586	11,716,935
Other	101,617	237,358	341,186	270,955
Total Revenues	<u>\$ 17,856,572</u>	<u>\$ 18,777,122</u>	<u>\$ 19,938,307</u>	<u>\$ 20,310,352</u>

Food Services Fund  
Expenditures  
Fiscal Years 2005-2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Salaries and Wages	\$ 5,773,319	\$ 6,243,625	\$ 6,616,737	\$ 6,938,876
Contracted Services	777,652	846,604	1,212,917	1,267,425
Supplies and Materials	6,616,532	6,678,707	7,023,115	7,822,727
Other Charges	3,281,044	3,694,624	4,498,988	4,812,026
Equipment	441,301	456,089	654,636	113,540
Total Expenditures	<u>\$ 16,889,848</u>	<u>\$ 17,919,649</u>	<u>\$ 20,006,393</u>	<u>\$ 20,954,594</u>

Continued on next page.

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 447,249	\$ 450,422	\$ 454,450	\$ 470,713	\$ 611,328	\$ 932,549
8,716,472	9,337,125	11,092,819	11,977,535	13,341,352	15,049,474
11,584,067	10,507,253	11,721,839	11,823,135	10,887,078	10,623,764
101,646	518,859	502,892	260,775	141,577	126,734
<b>\$ 20,849,434</b>	<b>\$ 20,813,659</b>	<b>\$ 23,772,000</b>	<b>\$ 24,532,158</b>	<b>\$ 24,981,335</b>	<b>\$ 26,732,521</b>

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 7,405,597	\$ 6,996,309	\$ 6,936,193	\$ 7,014,481	\$ 7,357,369	\$ 7,684,140
1,212,288	1,495,385	1,163,556	1,375,329	744,802	709,308
8,286,141	7,562,110	8,483,557	8,983,676	11,181,944	11,777,994
5,105,530	5,197,410	5,425,042	5,571,845	5,479,473	5,392,638
10,390	68,453	105,839	603,508	1,302,774	390,377
<b>\$ 22,019,946</b>	<b>\$ 21,319,667</b>	<b>\$ 22,114,187</b>	<b>\$ 23,548,839</b>	<b>\$ 26,066,362</b>	<b>\$ 25,954,457</b>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Capital Project Fund  
Revenues  
Fiscal Years 2005-2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Anne Arundel County	\$ 58,166,157	\$ 66,941,164	\$ 73,984,347	\$ 91,246,139	\$ 87,028,367
State of Maryland	12,024,791	10,562,645	16,694,255	13,172,580	33,043,205
Other	411,718	1,185,506	896,626	248,734	140,672
	<u>\$ 70,602,666</u>	<u>\$ 78,689,315</u>	<u>\$ 91,575,228</u>	<u>\$ 104,667,453</u>	<u>\$ 120,212,244</u>

Capital Project Fund  
Expenditures  
Fiscal Years 2005-2014

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Site Improvement	\$ 2,993,097	\$ 811,850	\$ 4,301,682	\$ 1,987,436	\$ 1,088,213
Building	33,373,013	27,186,504	38,002,903	69,725,518	76,212,189
Remodeling	27,715,147	35,502,568	33,234,674	19,448,480	28,350,065
Equipment	6,522,566	15,619,335	16,014,587	14,151,915	14,733,717
	<u>\$ 70,603,823</u>	<u>\$ 79,120,257</u>	<u>\$ 91,553,846</u>	<u>\$ 105,313,349</u>	<u>\$ 120,384,184</u>

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<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 61,526,168	\$ 102,621,317	\$ 75,375,856	\$ 82,730,872	\$ 72,571,269
40,970,053	18,873,982	33,745,034	21,756,730	46,683,421
51,446	319,772	45,529	93,419	159,467
<u>\$ 102,547,667</u>	<u>\$ 121,815,071</u>	<u>\$ 109,166,419</u>	<u>\$104,581,021</u>	<u>\$ 119,414,157</u>

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 2,654,106	\$ 3,105,223	\$ 1,613,783	\$ 1,712,031	\$ 1,120,541
52,228,781	60,633,086	67,107,763	54,221,180	74,759,736
37,175,459	46,499,911	31,983,659	43,891,565	37,102,997
10,240,624	11,545,147	8,574,033	5,209,495	6,354,207
<u>\$ 102,298,970</u>	<u>\$ 121,783,367</u>	<u>\$ 109,279,238</u>	<u>\$ 105,034,271</u>	<u>\$ 119,337,481</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

General Fund  
Approved Operating Budgets  
Fiscal Years 2006-2015

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Administration	\$ 20,989,800	\$ 23,813,000	\$ 23,598,557	\$ 23,973,820
Mid-Level Administration	50,865,000	54,966,800	58,892,608	63,942,480
Instructional Salaries and Wages	281,190,000	314,006,900	339,744,023	360,745,910
Textbooks and Instructional Supplies	14,367,500	16,336,500	15,043,595	13,220,230
Other Instructional Costs	14,417,400	16,064,100	16,313,052	16,637,870
Special Education	88,215,100	95,743,550	106,142,346	115,205,960
Pupil Service	2,733,800	3,560,350	4,543,876	5,692,070
Pupil Transportation	34,867,700	35,999,900	38,233,825	39,871,300
Operation of Plant	47,486,800	54,404,200	60,428,401	63,460,100
Maintenance of Plant	11,452,600	13,039,400	12,357,664	12,505,800
Fixed Charges	139,451,600	147,523,635	153,775,966	161,791,860
Community Services	261,300	276,500	311,840	131,100
Capital Outlay	2,522,200	3,113,900	2,827,347	3,272,000
Debt Service	28,267,300	28,923,500	32,627,500	33,436,300
	<u>\$ 737,088,100</u>	<u>\$ 807,772,235</u>	<u>\$864,840,600</u>	<u>\$ 913,886,800</u>

(1) Beginning with the FY2011 budget, debt service is no longer shown as an appropriation in the Board of Education's budget.

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	<b>2010</b>	<b>2011 (1)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$	24,017,200	\$ 23,668,450	\$ 24,076,300	\$ 25,612,600	\$ 27,565,300	\$ 29,407,979
	63,045,800	63,553,948	62,958,400	61,841,100	64,047,800	64,139,381
	354,048,400	359,993,541	354,101,200	361,779,200	367,940,900	368,907,430
	15,568,200	25,750,815	23,901,700	30,150,003	29,910,100	33,980,938
	17,308,500	17,301,855	14,021,400	14,757,100	15,369,000	18,647,423
	122,811,000	122,450,564	116,321,500	116,133,900	119,065,400	122,365,639
	5,618,200	5,696,179	5,635,700	6,448,700	6,708,200	6,808,400
	40,720,500	44,446,710	41,417,200	52,556,700	53,425,000	51,225,400
	65,309,100	63,451,273	65,119,900	64,844,200	64,147,300	63,297,700
	12,952,700	12,539,360	13,282,800	13,740,700	16,136,400	17,370,000
	174,973,000	178,396,029	186,992,300	205,852,997	210,068,700	237,371,210
	129,700	113,210	99,400	101,000	375,000	518,300
	3,990,600	3,349,470	3,300,100	3,224,600	3,550,900	3,443,800
	38,853,000	-	-	-	-	-
\$	<u>939,345,900</u>	<u>\$ 920,711,404</u>	<u>\$911,227,900</u>	<u>\$ 957,042,800</u>	<u>\$ 978,310,000</u>	<u>\$ 1,017,483,600</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY  
 Anne Arundel County, Maryland  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
*(in thousands of dollars)*

Governmental Activities						
Fiscal Year Ended June 30,	General Obligation Bonds	Bond Anticipation Notes	Tax Increment Bonds	State and Federal Loans	Capital Leases	Installment Purchase Agreements
2005	\$ 534,773	\$ 34,500	\$ 55,520	\$ 2,383	\$ 112	\$ 8,679
2006	553,117	38,000	54,795	3,177	57	9,031
2007	597,181	39,000	53,960	3,803	-	9,939
2008	599,704	49,800	53,085	3,782	82	11,398
2009	660,269	36,100	52,170	3,722	64	12,218
2010	742,132	-	51,020	4,439	60	12,198
2011	805,528	-	95,330	4,804	34	13,665
2012	830,134	-	93,155	4,215	8	13,645
2013	875,051	-	90,815	3,888	4	13,625
2014	917,671	-	86,440	3,561	49	13,605

*(a) See the Demographic and Economic Statistics schedule for personal income and population data.  
 These ratios are calculated using personal income for the prior calendar year.*

*This information presents obligations of Anne Arundel County or other governmental agencies, and not the Board.*

Continued on next page.

Total Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Water, Wastewater, and Solid Waste Bonds	Bond Anticipation Notes			
\$ 635,967	\$ 285,688	\$ 7,000	\$ 928,655	3.77%	\$ 1,799
658,177	285,960	21,000	965,137	3.68%	1,864
703,883	317,271	19,000	1,040,154	3.77%	1,998
717,851	329,448	17,000	1,064,299	3.69%	2,026
764,543	338,727	35,300	1,138,570	4.02%	2,139
809,849	365,382	-	1,175,231	4.03%	2,179
919,361	401,373	2,200	1,322,934	4.32%	2,430
941,157	411,011	-	1,352,168	4.20%	2,456
983,383	444,452	-	1,427,835	4.30%	2,573
1,021,326	505,623	-	1,526,949	4.40%	2,716

Concluded.



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Schedule of Capital and Operating Leases  
For the Fiscal Year Ending June 30, 2014

	<u>Minimum Annual Capital Lease Payments</u>					<u>Total Future Payments</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	
Computer Refresh Program	\$ 8,704,975	\$ 7,118,236	\$ 5,656,528	\$ 2,607,065	\$ 299,573	\$ 15,681,401
Less: Interest	632,085	601,502	333,000	109,802	11,371	1,055,674
Capital Lease Amount	<u>\$ 8,072,890</u>	<u>\$ 6,516,734</u>	<u>\$ 5,323,528</u>	<u>\$ 2,497,262</u>	<u>\$ 288,202</u>	<u>\$ 14,625,727</u>

	<u>Minimum Annual Operating Lease Payments</u>					<u>Total Future Payments</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	
Printing & Postage Equipment	\$ 173,571	\$ 123,475	\$ 123,475	\$ 92,606	\$ -	\$ 339,557
Copier Program	1,629,855	1,410,135	732,426	140,960	-	2,283,521
Bus Parking & Staging	57,600	57,600	-	-	-	57,600
	<u>\$ 1,861,026</u>	<u>\$ 1,591,210</u>	<u>\$ 855,901</u>	<u>\$ 233,567</u>	<u>-</u>	<u>\$ 2,680,678</u>

Capital Lease Obligation Outstanding  
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Total Outstanding Debt</u>	<u>Debt per Capital</u>
2005	\$ 4,469,504	\$ 8.66
2006	6,379,258	12.32
2007	7,778,569	14.94
2008	8,341,206	15.88
2009	10,682,190	20.06
2010	10,596,443	19.65
2011	10,057,651	18.47
2012	9,370,488	17.03
2013	14,609,701	26.29
2014	14,625,727	26.01

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY  
 Anne Arundel County, Maryland  
 Taxable Assessed Value and Estimated Actual Value of Property  
 Last Ten Fiscal Years  
*(in thousands of dollars)*

Fiscal Year Ended June 30,	Real Property					Total Real Property
	Residential Property	Commercial Property	Agricultural Property	Use Value Property		
2005	\$35,055,021	\$8,418,040	\$ 321,853	\$ 7,808		\$ 43,802,722
2006	40,599,140	9,279,649	348,915	25,746		50,253,450
2007	47,987,113	10,434,965	418,476	29,211		58,869,765
2008	57,402,598	11,510,687	503,200	29,126		69,445,611
2009	65,722,744	13,280,564	586,061	32,016		79,621,385
2010	69,478,501	14,351,158	555,503	32,005		84,417,167
2011	66,700,824	14,955,283	563,241	18,783		82,238,131
2012	61,234,395	15,476,007	558,082	20,950		77,289,434
2013	58,675,052	15,099,168	473,874	17,862		74,265,956
2014	57,703,275	16,114,711	467,950	16,216		74,302,152

Continued on next page.

<u>Personal Property</u>			<u>Total Taxable Assessed Value</u>	<u>Weighted Average Tax Rate (a)</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
<u>Railroad/Utility Property</u>	<u>Other Business Property</u>	<u>Total Personal Property</u>				
\$ 1,318,689	\$ 1,088,197	\$ 2,406,886	\$ 46,209,608	1.00	\$46,209,608	100.00%
1,323,793	1,155,926	2,479,719	52,733,169	0.98	52,733,169	100.00%
1,380,834	1,208,714	2,589,548	61,459,313	0.97	61,459,313	100.00%
863,370	1,654,809	2,518,179	71,963,790	0.94	71,963,790	100.00%
856,853	1,896,751	2,753,604	82,374,989	0.91	82,374,989	100.00%
847,143	1,889,767	2,736,910	87,154,077	0.90	87,154,077	100.00%
849,560	1,793,642	2,643,202	84,881,333	0.89	84,881,333	100.00%
847,270	1,707,349	2,554,619	79,844,053	0.92	79,844,053	100.00%
914,522	1,667,496	2,582,018	76,847,974	0.96	76,847,974	100.00%
739,450	1,451,770	2,191,220	76,493,372	0.96	76,493,372	100.00%

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Anne Arundel County, Maryland  
Principal Property Tax Payers  
Current Year and Nine Years Ago

2014		
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Baltimore Gas and Electric Company	\$ 657,345,780	0.86%
Annapolis Mall LTD Partnership (Annapolis Mall)	423,726,100	0.55%
Arundel Mills Limited Partnership (Arundel Mills Mall)	367,172,570	0.48%
PPE Casino Resourts Maryland LLC	270,349,840	0.35%
Verizon	187,235,060	0.24%
Raven FS Property Holdings LLC	175,040,000	0.23%
Annapolis Towne Center at Parole LLC	166,961,276	0.22%
Wal-mart Stores, Inc.	116,557,570	0.15%
Northrop Grumman Corp.	111,453,800	0.15%
Dorsey Ridge Associated LLC	94,055,100	0.12%
	<u>\$ 2,569,897,096</u>	<u>3.36%</u>

2005		
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Baltimore Gas and Electric Company	\$ 1,029,894,893	2.23%
Verizon	236,273,730	0.51%
Arundel Mills Limited Partnership (Arundel Mills Mall)	234,027,830	0.51%
Annapolis Mall LTD Partnership (Annapolis Mall)	199,356,590	0.43%
TKL East (Marley Station Mall)	96,857,600	0.21%
Wal-mart Stores, Inc.	82,618,996	0.18%
Northrop Grumman Corp.	77,044,050	0.17%
Parole Town Center Associates LTD Partnership	57,604,080	0.12%
CNL BWI Hotel	49,390,100	0.11%
Baywoods Cooperative Apartments LLC	49,300,000	0.11%
	<u>\$ 2,112,367,869</u>	<u>4.57%</u>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Anne Arundel County, Maryland  
Principal Employers  
Current Year and Nine Years Ago

2014

<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Ft. George G. Meade (1)	49,132	13.08%
Anne Arundel Co. Public Schools	14,000	3.73%
BWI Thurgood Marshall Airport	9,717	2.59%
State of Maryland	9,578	2.55%
Northrop Grumman Corp.	6,500	1.73%
Anne Arundel County Government	5,190	1.38%
Anne Arundel Health System	4,000	1.06%
Southwest Airlines	3,200	0.85%
Maryland Live! Casino	3,000	0.80%
Baltimore Washington Medical Center	2,800	0.75%
	<u>107,117</u>	<u>28.51%</u>

2005

<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
National Security Agency (1)	16,000	4.90%
Anne Arundel County Public Schools	14,310	4.38%
Ft. George G. Meade*	14,150	4.33%
State of Maryland	9,524	2.92%
Northrop Grumman Corp.	8,250	2.53%
Anne Arundel County Government	4,111	1.26%
North Arundel Health System	2,432	0.74%
Southwest Airlines	2,425	0.74%
U.S. Naval Academy	2,052	0.63%
Anne Arundel Health System	2,025	0.62%
	<u>75,279</u>	<u>23.06%</u>

(1) Prior to fiscal year 2007, Ft. George G. Meade and the National Security Agency were listed separately in source documents, but have since been combined.

Sources: Anne Arundel Economic Development Corporation and the Maryland State Data Center.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Anne Arundel County, Maryland  
Demographic Statistics

<u>Fiscal Year</u>	<u>Estimated April 1 Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Income (3)</u>	<u>Unemployment Rate (4)</u>	<u>Cost Per Pupil (5)</u>
2005	516,171	\$ 24,648,977	\$ 47,754	3.5%	\$ 10,122
2006	517,698	26,261,768	50,728	3.3%	11,148
2007	520,503	27,574,822	52,977	3.1%	12,389
2008	525,304	28,804,951	54,835	4.4%	13,881
2009	532,395	28,303,880	53,163	6.5%	14,741
2010	539,191	29,129,254	54,024	6.8%	14,671
2011	544,624	30,633,776	56,248	6.4%	15,019
2012	550,175	32,870,133	59,745	6.8%	15,027
2013	555,743	33,477,149	60,239	6.9%	15,015
2014	562,226	34,709,761	61,736	5.7%	15,198

**Sources:**

- (1) Mid-year (July 1) estimates obtained from the Population Division, U.S. Census Bureau, release date March 27, 2014; 2010 Population data as of April 1, 2010. These data supersede population estimates published in previous years. Year 2014 mid-year estimated Maryland Association of Counties-Budget, Tax Rates, and Selected Statistics - FY2014.
- (2) U.S. Bureau of Economic Analysis, release date November 26, 2012 - revised estimated for 2008-2011. These data supersede population estimates published in previous years. Year 2013 and 2014 estimated by Anne Arundel County Planning & Zoning using linear regression ( $R^2 = .9725$ ). Additionally, population was revised back to the year 2011 to reflect population estimates for 2013 and 2014.
- (3) Per capita personal income is total personal income divided by total U.S. Census Bureau mid-year population.
- (4) Maryland Department of Labor, Licensing and Regulation monthly reports. Year 2014 average for 7 months (January-July).
- (5) Anne Arundel County Board of Education, Educational Facilities Master Plan July 2014; 2002-2013 actual enrollment. \*2014 Projected by AACPS Planning Department release date July 2014.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Statistical Analysis

	School Year									
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
<b>Pupil Transportation:</b>										
Average # of pupils transported daily	54,122	55,349	55,109	55,847	55,868	56,635	55,840	57,000	58,000	57,791
Average - # buses in daily operation:										
County owned										
(for transportation of handicapped)	58	57	59	59	57	54	54	55	54	55
Privately owned	434	450	446	445	456	451	455	465	472	465
<b>Number of Schools:</b>										
Elementary	77	77	78	78	79	79	79	79	79	79
Middle	19	19	20	20	20	20	20	20	20	20
Senior High	12	12	12	12	12	12	12	12	12	12
Special Education Schools and Centers	10	12	11	11	11	11	11	11	11	11
Vocational Education Centers	2	2	2	2	2	2	2	2	2	2
Total	120	122	123	123	124	124	124	124	124	124
<b>Budgeted Positions:</b>										
Instructional Services:										
Central Office Administrators	41.0	44.0	41.0	44.5	42.0	42.5	41.5	43.5	49.5	49.5
Principals and Assistant Principals	260.0	260.0	264.0	270.0	272.5	270.5	271.5	273.5	277.5	280.5
Administrative Interns										
Teaching Staff	5,069.7	5,281.0	5,602.2	5,617.0	5,610.3	5,381.0	5,377.1	5,400.0	5,593.4	5,616.5
Instructional Assistants	635.9	718.6	781.3	786.3	796.5	669.8	653.8	670.2	666.5	673.5
Guidance Counselors	196.0	200.5	205.6	206.1	205.6	203.1	203.1	204.1	207.4	209.4
Permanent Substitutes	50.0	48.0	48.0	53.0	54.0	53.0	53.0	55.0	55.0	55.0
Support Services										
Central Office Administrators	13.0	13.0	15.0	16.0	16.0	15.0	16.0	16.0	16.0	17.0
Pupil Transportation	159.0	159.0	158.0	157.0	138.0	138.0	138.0	138.0	138.0	138.0
Pupil Personnel Workers, Asst. in Pupil Services, Psychologists, & Social Workers	80.7	86.2	110.3	106.3	114.5	104.2	104.2	101.2	106.2	109.2
Operation and Maintenance of Plant	921.6	910.6	922.1	925.1	924.5	921.5	925.5	925.5	925.5	930.5
Other Professional Staff	163.5	183.8	272.8	287.0	298.2	299.9	301.7	319.4	313.1	327.3
Other Non-Professional Staff	695.6	730.5	797.1	793.1	772.4	721.8	734.8	693.8	682.1	679.6
Total	8,286.0	8,635.2	9,217.4	9,261.4	9,244.5	8,820.2	8,820.2	8,840.2	9,030.2	9,086.0
<b>High School Graduates:</b>										
Day School	4,721	4,633	4,971	5,128	4,808	5,038	4,904	5,051	5,129	5,039
Evening School	119	122	106	116	100	79	89	64	82	67
Total	4,840	4,755	5,077	5,244	4,908	5,117	4,993	5,115	5,211	5,106

Source: Anne Arundel County Public Schools data.



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Summary of Actual and Projected Pupil Enrollment  
For Fiscal Years 2009 - 2018

	<b>Actual Enrollment at September 30</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Kindergarten	5,667	5,717	5,909	6,320	6,359
Grades 1 - 5	27,728	28,497	28,813	29,552	30,237
Total K - 5	<u>33,395</u>	<u>34,214</u>	<u>34,722</u>	<u>35,872</u>	<u>36,596</u>
Ungraded ECI	212	187	265	265	195
Ungraded in PreKindergarten	1,304	1,338	1,474	1,763	1,818
Ungraded in Special Ctr. Elem	282	236	298	309	295
Total Special (K - 5)	<u>1,798</u>	<u>1,761</u>	<u>2,037</u>	<u>2,337</u>	<u>2,308</u>
Total Elementary	<u>35,193</u>	<u>35,975</u>	<u>36,759</u>	<u>38,209</u>	<u>38,904</u>
Grades 6 - 8	16,502	16,696	16,688	16,778	16,908
Grades 9 - 12	22,604	22,306	22,301	22,212	22,046
Total Grades 6 - 12	<u>39,106</u>	<u>39,002</u>	<u>38,989</u>	<u>38,990</u>	<u>38,954</u>
J. Albert Adams Academy	29	35	41	41	56
Evening High	201	196	144	125	166
Special Centers Secondary	253	273	370	405	420
Total Secondary Ungraded	<u>483</u>	<u>504</u>	<u>555</u>	<u>571</u>	<u>642</u>
Total Secondary	<u>39,589</u>	<u>39,506</u>	<u>39,544</u>	<u>39,561</u>	<u>39,596</u>
Total Enrollment	<u>74,782</u>	<u>75,481</u>	<u>76,303</u>	<u>77,770</u>	<u>78,500</u>

(1) Does not include students placed in non-public Special Education Facilities.

Source: Anne Arundel County Public Schools data.

Continued on next page.

**Projected Enrollment at September 30**

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
5,961	6,203	6,133	6,042	5,978
<u>31,071</u>	<u>31,631</u>	<u>32,107</u>	<u>32,270</u>	<u>31,892</u>
<u>37,032</u>	<u>37,834</u>	<u>38,240</u>	<u>38,312</u>	<u>37,870</u>
195	195	195	195	195
1,823	1,823	1,823	1,823	1,823
<u>259</u>	<u>259</u>	<u>259</u>	<u>259</u>	<u>259</u>
<u>2,277</u>	<u>2,277</u>	<u>2,277</u>	<u>2,277</u>	<u>2,277</u>
<u>39,309</u>	<u>40,111</u>	<u>40,517</u>	<u>40,589</u>	<u>40,147</u>
17,029	17,983	18,047	18,375	18,992
<u>22,304</u>	<u>22,435</u>	<u>22,783</u>	<u>23,062</u>	<u>23,692</u>
<u>39,333</u>	<u>40,418</u>	<u>40,830</u>	<u>41,437</u>	<u>42,684</u>
56	56	56	56	56
166	166	166	166	166
<u>373</u>	<u>373</u>	<u>373</u>	<u>373</u>	<u>373</u>
<u>595</u>	<u>595</u>	<u>595</u>	<u>595</u>	<u>595</u>
<u>39,928</u>	<u>41,013</u>	<u>41,425</u>	<u>42,032</u>	<u>43,279</u>
<u>79,237</u>	<u>81,124</u>	<u>81,942</u>	<u>82,621</u>	<u>83,426</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Cost Per Pupil - General Fund  
School Years 2010 Through 2014

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<b>Expenditures &amp; Encumbrances:</b>				
Administration	\$ 23,260,691	\$ 24,159,232	\$ 25,376,222	\$ 28,294,073
Mid-Level Administration	62,206,970	60,802,302	61,540,244	63,276,398
Instructional Salaries & Wages	353,910,730	349,998,536	354,904,810	365,972,531
Textbooks & Instructional Supplies	24,626,491	27,379,863	31,699,670	30,763,320
Other Instructional Costs	16,278,352	16,602,758	17,273,977	17,904,180
Special Education	119,213,808	116,129,937	115,279,622	121,049,124
Pupil Services	5,597,064	6,126,620	6,278,166	6,703,529
Pupil Transportation	43,970,942	48,257,439	48,942,772	49,855,910
Operation of Plant	62,511,600	61,519,115	61,690,458	64,252,162
Maintenance of Plant	12,395,642	14,286,662	14,369,919	17,112,744
Fixed Charges	172,396,984	178,876,105	201,026,219	205,062,150
Community Services	99,777	96,037	313,237	416,202
Capital Outlay	3,270,852	3,897,287	3,905,764	3,232,798
Debt Service	-	-	-	-
Total Expenditures & Encumbrances	<u>899,739,903</u>	<u>908,131,893</u>	<u>942,601,080</u>	<u>973,895,121</u>
<b>Less:</b>				
Summer School	(861,713)	(786,255)	(786,255)	(753,996)
Adult Education	(1,564,376)	(1,318,146)	(1,318,146)	(1,988,715)
Home & Hospital Salaries	(1,520,055)	(1,570,746)	(1,570,746)	(1,814,144)
Additional Equipment	(3,255,063)	(3,940,237)	(3,940,237)	(1,835,836)
Community Services	(99,777)	(96,037)	(313,237)	(416,202)
Debt Service	-	-	-	-
<b>Net Total - Expenditures &amp; Encumbrances</b>	<u>\$ 892,438,919</u>	<u>\$ 900,420,472</u>	<u>\$ 934,672,459</u>	<u>\$ 967,086,228</u>
<b>Per Pupil - Expenditures &amp; Encumbrances (1)</b>	<u>\$ 12,296</u>	<u>\$ 12,218</u>	<u>\$ 12,547</u>	<u>\$ 12,989</u>
 Pupils - Average Daily Membership	 <u>72,580</u>	 <u>73,695</u>	 <u>74,492</u>	 <u>74,453</u>

(1) The above calculations for cost per pupil follow the guidelines recommended by the Maryland State Department of Education. Not included are the expenditures made directly by the State of Maryland and allocated to the local school system, such as pension contributions to the Teachers' Retirement Systems of Maryland.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Breakfast and School Lunch Programs

	<b>School Year</b>				
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b><u>School Breakfast Program:</u></b>					
<b>Charge per breakfast to students:</b>					
Regular	\$ 1.25	\$ 1.25	\$ 1.35	\$ 1.35	\$ 1.35
Reduced	0.30	0.30	0.30	0.30	0.30
Charge per breakfast to adults	1.75	1.75	1.75	1.75	1.75
Number of days breakfast served	176	181	181	179	178
Number of free breakfasts served	856,289	1,073,149	1,271,437	1,442,959	1,666,339
Average number of free breakfasts served to pupils daily	4,865	5,929	7,025	8,061	9,361
<b>Number of paid breakfasts served:</b>					
At reduced price	147,271	162,318	185,641	206,576	236,244
At regular price	424,603	462,196	518,678	635,581	936,838
<b>Average number of paid breakfasts served to pupils daily:</b>					
At reduced price	837	897	1,026	1,154	1,327
At regular price	2,413	2,554	2,866	3,551	5,263
<b>Total number of school year breakfasts served to pupils</b>	<b>1,414,648</b>	<b>1,676,777</b>	<b>1,950,445</b>	<b>2,266,057</b>	<b>2,839,421</b>
Average number of breakfasts served to pupils daily	8,038	9,264	10,776	12,660	15,952
Number of breakfast schools	120	120	120	120	118
Total of free summer breakfasts served	-	-	-	-	30,466
<b>Total breakfasts served</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,869,887</b>

<b><u>School Lunch Program:</u></b>					
<b>Charge per lunch to students:</b>					
Regular - Elementary	\$ 2.25	\$ 2.50	\$ 2.60	\$ 2.60	\$ 2.60
Regular - Secondary	2.50	2.75	2.85	2.85	2.85
Reduced	0.40	0.40	0.40	0.40	0.40
Charge per lunch to adults	3.50	3.50	3.50	3.50	3.50
Number of days lunches served	181	181	181	179	178
Number of free lunches served	1,795,902	2,142,536	2,358,627	2,428,379	2,554,431
Average number of free lunches served to pupils daily	9,922	11,837	13,031	13,566	14,351
<b>Number of paid lunches served:</b>					
At reduced price	451,873	473,736	480,566	466,620	440,146
At regular price	2,126,372	2,150,178	2,142,320	2,004,023	1,993,365
<b>Average number of paid lunches served to pupils daily:</b>					
At reduced price	2,497	2,617	2,655	2,607	2,473
At regular price	11,748	11,879	11,836	11,196	11,199
<b>Total number of school year lunches served to pupils</b>	<b>4,359,036</b>	<b>4,737,732</b>	<b>4,941,054</b>	<b>4,862,857</b>	<b>4,987,942</b>
Average number of lunches served to pupils daily	24,767	26,175	27,299	27,167	28,022
Total of free summer lunches served	-	-	-	-	49,495
<b>Total lunches served</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,037,437</b>

Source: Anne Arundel County Public Schools data.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Teacher Salary and Education  
July 2013 to June 2014

<u>Education</u>	<u>Salary Range</u>	<u>Number of Teachers</u>	<u>Average Salary</u>
Bachelor's Degree with Standard Professional Certification	\$ 44,991 - 61,643	1,237	\$ 47,676
Master's Degree with Standard Professional Certification	47,725 - 83,261	1,405	66,332
Master's Degree with Advance Professional Certification	48,672 - 84,920	2,364	63,987
Master's Degree plus 30 credits with Professional Certification	50,626 - 88,337	693	72,656
Master's Degree plus 60 credits with Professional Certification	52,659 - 91,893	209	80,454
Doctorate Degree with Professional Certification	53,706 - 93,725	60	79,816
Provisional Bachelor's Degree	41,588 - 43,255	56	39,330
Provisional Master's Degree	45,884 - 47,725	18	42,226

Source: Anne Arundel County Public Schools data.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

Fiscal Year Ended June 30,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Elementary Schools:</b>										
<i>Annapolis (1896)</i>										
Square Feet	37,475	37,475	37,475	37,475	37,475	37,475	37,475	37,475	37,475	37,475
Capacity	319	271	271	271	271	271	271	271	271	271
Enrollment	227	209	187	194	189	170	203	211	237	237
<i>Arnold (1967)</i>										
Square Feet	56,255	56,255	56,255	56,255	56,255	56,255	56,255	56,255	56,255	56,255
Capacity	441	389	433	433	433	456	456	456	456	456
Enrollment	404	407	430	450	460	462	464	451	458	424
<i>Belle Grove (1952)</i>										
Square Feet	31,850	31,850	31,850	31,850	31,850	31,850	31,850	59,928	59,928	59,928
Capacity	222	206	206	206	206	206	206	304	304	304
Enrollment	163	161	166	198	189	189	199	212	223	234
<i>Belvedere (1954)</i>										
Square Feet	68,476	68,476	68,476	68,476	68,476	68,476	68,476	68,476	68,476	68,476
Capacity	606	511	531	531	531	531	526	526	526	526
Enrollment	519	491	497	516	497	505	514	509	474	447
<i>Benfield (1962)</i>										
Square Feet	42,234	42,234	42,234	42,234	42,234	42,234	42,234	42,234	42,234	42,234
Capacity	379	353	353	353	353	353	353	353	353	353
Enrollment	420	453	473	473	454	470	503	456	467	485
<i>Bodkin (1970)</i>										
Square Feet	72,267	72,267	72,267	72,267	72,267	72,267	72,267	72,267	78,469	78,469
Capacity	604	593	593	593	593	593	548	548	663	663
Enrollment	606	594	598	575	563	589	581	589	576	591
<i>Broadneck (1975)</i>										
Square Feet	74,540	74,540	74,540	74,540	74,540	74,540	84,111	84,111	84,111	84,111
Capacity	651	596	557	557	557	557	694	694	694	717
Enrollment	637	636	614	647	657	636	700	707	719	753
<i>Brock Bridge (1970)</i>										
Square Feet	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113
Capacity	564	537	537	537	537	537	537	537	609	609
Enrollment	538	571	637	582	630	626	644	659	705	734
<i>Brooklyn Park (1972)</i>										
Square Feet	74,540	74,540	74,540	74,540	74,540	74,540	74,540	74,540	74,540	74,540
Capacity	664	411	411	411	411	411	419	419	419	569
Enrollment	357	355	339	375	369	403	415	398	372	385
<i>Cape St. Claire (1968)</i>										
Square Feet	72,500	72,500	72,500	72,500	72,500	72,500	72,500	84,647	84,647	84,647
Capacity	744	650	658	658	658	658	658	658	800	800
Enrollment	659	645	658	672	684	736	717	705	662	665
<i>Central (1972)</i>										
Square Feet	73,113	73,113	73,113	73,113	73,113	73,113	83,381	83,381	83,381	83,381
Capacity	544	547	635	635	635	635	665	665	665	678
Enrollment	583	588	617	669	680	730	785	796	687	659
<i>Crofton (1969)</i>										
Square Feet	66,321	66,321	66,321	66,321	66,321	66,321	66,321	66,321	66,321	66,321
Capacity	614	503	503	535	512	512	512	512	512	512
Enrollment	731	730	724	733	536	529	555	549	538	563
<i>Crofton Meadows (1989)</i>										
Square Feet	68,338	68,338	68,338	68,338	68,338	68,338	68,338	68,338	68,338	68,338
Capacity	514	481	481	481	481	481	481	481	481	481
Enrollment	472	460	443	426	386	367	369	369	437	441
<i>Crofton Woods (1971)</i>										
Square Feet	73,113	73,113	73,113	73,113	73,113	73,113	81,879	81,879	81,879	81,879
Capacity	636	527	527	527	527	527	570	570	639	639
Enrollment	564	544	546	561	558	558	590	604	606	624
<i>Davidsonville (2002)</i>										
Square Feet	69,111	69,111	69,111	69,111	69,111	69,111	69,111	78,725	78,725	78,725
Capacity	614	595	595	595	595	595	595	595	695	695
Enrollment	626	613	640	622	620	632	609	589	683	707
<i>Deale (1995)</i>										
Square Feet	53,444	53,444	53,444	53,444	53,444	53,444	53,444	53,444	53,444	53,444
Capacity	337	330	330	330	330	330	330	330	330	342
Enrollment	310	278	290	294	292	297	282	293	285	285

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Eastport (1963)</b>										
Square Feet	34,658	34,658	34,658	34,658	34,658	34,658	34,658	34,658	34,658	34,658
Capacity	294	270	270	270	270	270	270	270	270	281
Enrollment	205	204	193	204	218	224	237	231	234	256
<b>Edgewater (1953)</b>										
Square Feet	52,326	52,326	52,326	52,326	52,326	52,326	52,326	52,326	52,326	52,326
Capacity	476	435	411	411	411	411	411	411	411	455
Enrollment	390	391	419	428	443	453	465	479	510	512
<b>Ferndale Early Childhood (2007)</b>										
Square Feet	18,287	18,287	24,076	24,076	24,076	24,076	24,076	24,076	24,076	24,076
Capacity	64	86	174	174	174	174	136	158	158	158
Enrollment	85	66	75	104	137	122	126	151	129	144
<b>Folger McKinsey (1958)</b>										
Square Feet	52,849	52,849	52,849	52,849	52,849	52,849	52,849	83,175	83,175	83,175
Capacity	554	458	458	458	458	458	458	458	640	640
Enrollment	587	587	609	596	603	598	552	531	541	578
<b>Fort Smallwood (1977)</b>										
Square Feet	64,907	64,907	64,907	64,907	64,907	64,907	64,907	64,907	64,907	64,907
Capacity	611	489	489	489	489	489	489	489	489	533
Enrollment	404	408	420	423	427	413	398	431	411	410
<b>Four Seasons (1974)</b>										
Square Feet	75,254	75,254	75,254	75,254	75,254	75,254	75,254	75,254	75,254	75,254
Capacity	651	638	638	638	638	638	522	516	680	680
Enrollment	662	734	681	696	524	553	538	545	532	518
<b>Frank Hebron-Harman (2007)</b>										
Square Feet	52,695	52,695	79,875	79,875	79,875	79,875	79,875	79,875	79,875	79,875
Capacity	548	493	686	686	686	686	686	686	686	704
Enrollment	418	438	459	555	615	662	673	683	716	759
<b>Freetown (2009)</b>										
Square Feet	49,457	49,457	49,457	49,457	49,457	82,460	82,460	82,460	82,460	82,460
Capacity	464	457	457	457	457	572	562	539	539	539
Enrollment	365	383	386	409	422	438	475	497	510	501
<b>George Cromwell (1964)</b>										
Square Feet	42,110	42,110	42,110	42,110	42,110	42,110	42,110	42,110	42,110	42,110
Capacity	395	322	322	322	322	322	322	322	322	322
Enrollment	277	284	263	257	260	246	242	262	295	320
<b>Georgetown East (1972)</b>										
Square Feet	68,216	68,216	68,216	68,216	68,216	68,216	68,216	68,216	68,216	68,216
Capacity	529	460	460	460	460	460	460	460	460	537
Enrollment	348	318	315	341	326	334	336	361	392	387
<b>Germantown (2011)</b>										
Square Feet	54,748	54,748	54,748	54,748	54,748	54,748	89,995	89,998	89,998	89,998
Capacity	523	388	388	388	388	388	388	685	685	718
Enrollment	418	435	398	405	462	472	471	601	678	731
<b>Glen Burnie Park (1962)</b>										
Square Feet	43,641	43,641	44,275	44,275	44,275	44,275	44,275	44,275	44,275	44,275
Capacity	389	389	389	389	389	389	389	389	384	384
Enrollment	385	368	325	317	351	336	378	389	409	466
<b>Glendale (2001)</b>										
Square Feet	75,065	75,065	75,065	75,065	75,065	75,065	80,249	80,249	80,249	80,249
Capacity	519	492	492	569	569	569	569	569	569	569
Enrollment	494	476	479	484	478	438	422	391	421	387
<b>High Point (1975)</b>										
Square Feet	75,764	75,764	75,764	75,764	75,764	75,764	75,764	75,764	75,764	75,764
Capacity	591	541	541	541	541	541	541	541	577	574
Enrollment	576	566	600	604	637	635	639	666	681	661
<b>Hillsmere (1967)</b>										
Square Feet	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130
Capacity	449	476	476	476	476	476	476	476	476	509
Enrollment	379	366	385	417	407	414	454	476	519	529

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Hilltop (1970)</b>										
Square Feet	74,290	74,290	74,290	74,290	74,290	74,290	82,903	82,903	82,903	82,903
Capacity	639	564	564	564	564	564	631	631	631	676
Enrollment	567	576	553	509	536	527	530	546	592	652
<b>Jacobsville (1998)</b>										
Square Feet	66,756	66,756	66,756	66,756	66,756	66,756	66,756	66,756	66,756	66,756
Capacity	611	604	604	604	604	604	604	604	604	604
Enrollment	552	528	517	528	524	533	540	535	598	566
<b>Jessup (1955)</b>										
Square Feet	83,868	83,868	83,868	83,868	83,868	83,868	83,868	83,868	83,868	83,868
Capacity	649	477	477	477	477	477	526	435	435	435
Enrollment	586	522	497	432	432	452	463	483	453	483
<b>Jones (1957)</b>										
Square Feet	45,393	45,393	45,393	45,393	45,393	45,393	45,393	45,393	45,393	45,393
Capacity	307	308	308	352	352	352	319	319	319	363
Enrollment	297	313	299	296	324	332	345	341	344	313
<b>Lake Shore (1953)</b>										
Square Feet	36,134	36,134	36,134	36,134	36,134	63,422	63,422	63,422	63,422	63,422
Capacity	342	272	272	272	272	342	342	342	342	342
Enrollment	299	319	309	306	309	313	321	318	320	304
<b>Linthicum (1971)</b>										
Square Feet	71,682	71,682	71,682	71,682	71,682	71,682	71,682	71,682	71,682	71,682
Capacity	614	455	455	455	455	455	455	441	489	489
Enrollment	419	389	385	382	391	408	407	409	437	457
<b>Lothian (1956)</b>										
Square Feet	66,281	66,281	66,281	66,281	66,281	66,281	66,281	66,281	66,281	66,281
Capacity	609	499	499	499	499	499	463	473	473	473
Enrollment	489	490	507	525	511	474	477	449	446	417
<b>Manor View (1971)</b>										
Square Feet	72,267	72,267	72,267	72,267	72,267	72,267	72,267	72,267	72,267	72,267
Capacity	636	549	549	549	549	549	549	549	549	549
Enrollment	598	543	488	543	637	614	608	298	316	315
<b>Marley (2005)</b>										
Square Feet	67,111	67,111	67,111	67,111	67,111	67,111	67,111	67,111	67,111	67,111
Capacity	364	555	555	555	555	555	555	555	555	555
Enrollment	518	502	519	486	476	503	514	548	562	643
<b>Maryland City (1965)</b>										
Square Feet	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130
Capacity	476	392	392	392	392	392	392	392	392	392
Enrollment	344	296	309	367	415	396	402	420	412	411
<b>Mayo (2005)</b>										
Square Feet	60,648	60,648	60,648	60,648	60,648	60,648	60,648	60,648	60,648	60,648
Capacity	267	352	352	352	352	352	352	352	352	388
Enrollment	261	316	317	315	330	324	326	292	335	339
<b>Meade Heights (1997)</b>										
Square Feet	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000
Capacity	559	514	514	514	514	514	514	389	389	517
Enrollment	620	700	702	305	307	305	295	310	293	322
<b>Millersville (1965)</b>										
Square Feet	45,994	45,994	45,994	45,994	45,994	45,994	45,994	45,994	45,994	45,994
Capacity	444	409	409	409	409	409	409	409	430	430
Enrollment	376	370	389	392	359	381	362	365	365	400
<b>Mills-Parole (1952)</b>										
Square Feet	54,280	54,280	54,280	54,280	54,280	54,280	54,280	54,280	54,280	54,280
Capacity	431	401	401	401	401	401	401	401	401	401
Enrollment	434	402	409	466	456	502	507	527	574	600
<b>Nantucket (2008)</b>										
Square Feet	-	-	-	-	79,875	79,875	79,875	79,875	79,875	79,875
Capacity	-	-	-	-	712	712	684	684	684	684
Enrollment	-	-	-	-	696	721	769	810	813	819
<b>North Glen (1959)</b>										
Square Feet	39,905	39,905	43,565	43,565	43,565	43,565	43,565	43,565	43,565	43,565
Capacity	287	271	271	271	271	271	326	280	280	280
Enrollment	241	231	213	262	254	237	257	267	234	221

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Oak Hill (1971)</b>										
Square Feet	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113	80,482	80,482
Capacity	619	550	550	550	550	550	531	531	692	692
Enrollment	465	443	442	459	519	525	563	581	595	611
<b>Oakwood (1957)</b>										
Square Feet	42,132	42,132	42,132	42,132	42,132	42,132	48,750	48,750	48,750	48,750
Capacity	337	283	283	283	283	283	283	346	395	395
Enrollment	266	227	215	235	275	292	304	346	299	276
<b>Odenton (1961)</b>										
Square Feet	71,302	71,302	71,302	71,302	71,302	71,302	71,302	71,302	71,302	71,302
Capacity	419	429	429	429	429	429	382	382	444	444
Enrollment	441	417	386	362	351	326	321	312	332	358
<b>Overlook (1955)</b>										
Square Feet	41,154	41,154	41,154	41,154	41,154	41,154	62,129	62,129	62,129	62,129
Capacity	369	294	294	294	294	294	294	274	319	319
Enrollment	249	245	229	222	215	212	226	249	258	283
<b>Park (1996)</b>										
Square Feet	68,779	68,779	68,779	68,779	68,779	68,779	68,779	68,779	68,779	68,779
Capacity	459	493	493	493	493	493	493	493	493	493
Enrollment	412	417	394	394	370	382	399	399	443	470
<b>Pasadena (2008)</b>										
Square Feet	46,259	46,259	46,259	68,023	68,023	68,023	68,023	68,023	68,023	68,023
Capacity	414	308	308	383	383	383	383	383	383	408
Enrollment	336	326	322	322	348	353	359	349	341	355
<b>Pershing Hill (2011)</b>										
Square Feet	39,200	39,200	39,200	39,200	39,200	39,200	87,160	87,160	87,160	87,160
Capacity	394	297	297	297	297	297	297	769	769	710
Enrollment	289	282	196	201	167	168	197	608	617	637
<b>Piney Orchard (2000)</b>										
Square Feet	66,790	66,790	66,790	66,790	66,790	66,790	66,790	76,448	76,448	76,448
Capacity	611	559	559	559	559	559	559	592	684	684
Enrollment	593	648	661	699	533	550	601	633	640	683
<b>Point Pleasant (1958) (1967)</b>										
Square Feet	102,121	102,121	102,121	102,121	102,121	102,121	102,121	102,121	102,121	95,925
Capacity	634	566	584	584	584	584	584	584	584	666
Enrollment	539	534	528	522	533	507	498	494	511	533
<b>Quarterfield (1969)</b>										
Square Feet	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130
Capacity	504	468	468	468	468	468	471	441	441	441
Enrollment	417	412	404	422	444	436	421	418	397	388
<b>Richard Henry Lee (1972)</b>										
Square Feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Capacity	524	522	522	547	547	547	547	547	547	479
Enrollment	458	471	479	494	491	482	464	498	506	502
<b>Ridgeway (1999)</b>										
Square Feet	69,152	69,152	69,152	69,152	69,152	69,152	77,659	77,659	77,659	77,659
Capacity	554	524	541	541	541	541	541	541	636	636
Enrollment	587	555	553	540	585	561	576	569	569	582
<b>Rippling Woods (1974)</b>										
Square Feet	76,500	76,500	76,500	76,500	76,500	76,500	76,500	76,500	76,500	76,500
Capacity	624	609	609	609	609	609	609	609	622	622
Enrollment	687	679	675	680	685	665	685	634	615	618
<b>Riviera Beach (1955)</b>										
Square Feet	50,916	50,916	50,916	50,916	50,916	50,916	50,916	50,916	50,916	50,916
Capacity	379	321	321	321	321	321	321	321	321	329
Enrollment	285	273	262	246	244	265	287	293	305	303
<b>Rolling Knolls (1963)</b>										
Square Feet	38,951	38,951	38,951	38,951	38,951	38,951	38,951	38,951	38,951	38,951
Capacity	364	316	316	362	362	362	362	362	362	598
Enrollment	321	361	351	365	416	451	442	473	465	419
<b>Seven Oaks (2005)</b>										
Square Feet	-	-	-	81,209	81,209	81,209	81,209	81,209	81,209	81,209
Capacity	-	-	-	633	633	633	633	655	655	655
Enrollment	-	-	-	581	578	597	609	638	651	676

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Severn (1963)</b>										
Square Feet	55,975	55,975	55,975	55,975	55,975	55,975	62,964	62,964	62,964	62,964
Capacity	429	434	434	434	499	499	499	499	499	499
Enrollment	389	403	424	443	456	439	476	451	421	435
<b>Severna Park (1964)</b>										
Square Feet	48,662	48,662	48,662	48,662	48,662	48,662	48,662	48,662	56,345	56,345
Capacity	292	344	344	344	344	344	344	344	434	434
Enrollment	292	291	300	311	324	330	356	355	363	380
<b>Shady Side (1971)</b>										
Square Feet	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113
Capacity	561	458	502	502	502	502	502	502	476	476
Enrollment	458	461	429	410	457	458	443	456	464	479
<b>Shipley's Choice (1988)</b>										
Square Feet	68,119	68,119	68,119	68,119	68,119	68,119	68,119	68,119	68,119	68,119
Capacity	459	432	432	432	432	432	421	421	421	421
Enrollment	433	457	452	461	448	434	413	401	406	385
<b>Solley (1995)</b>										
Square Feet	74,082	74,082	74,082	74,082	74,082	74,082	74,082	83,336	83,336	83,336
Capacity	559	587	587	587	587	587	587	587	635	635
Enrollment	558	548	581	580	575	645	662	655	665	717
<b>South Shore (1997)</b>										
Square Feet	49,508	49,508	49,508	49,508	49,508	49,508	49,508	49,508	52,503	52,503
Capacity	312	216	216	216	216	216	343	343	365	365
Enrollment	255	241	236	250	237	255	263	278	283	297
<b>Southgate (1969)</b>										
Square Feet	45,994	45,994	45,994	45,994	45,994	45,994	87,103	87,165	87,165	87,165
Capacity	514	479	479	479	479	479	479	616	659	659
Enrollment	511	522	477	476	472	478	478	572	636	657
<b>Sunset (1971)</b>										
Square Feet	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113
Capacity	591	468	468	468	468	468	509	519	519	519
Enrollment	460	464	469	481	469	508	487	491	474	468
<b>Tracey's (2008)</b>										
Square Feet	37,549	37,549	37,549	56,640	56,640	56,640	56,640	56,640	56,640	56,640
Capacity	322	261	409	397	397	397	397	397	397	397
Enrollment	329	294	257	261	267	372	358	343	355	361
<b>Tyler Heights (1962)</b>										
Square Feet	47,544	47,544	47,544	47,544	47,544	47,544	47,544	47,544	47,544	47,544
Capacity	418	382	382	382	382	382	382	382	382	442
Enrollment	285	307	294	344	345	390	432	467	498	529
<b>Van Bokkelen (1973)</b>										
Square Feet	70,525	70,525	70,525	70,525	70,525	70,525	70,525	70,525	70,525	70,525
Capacity	574	644	644	644	644	644	644	644	644	585
Enrollment	424	374	375	385	361	375	392	457	476	469
<b>Waugh Chapel (1967)</b>										
Square Feet	49,130	49,130	49,130	49,130	49,130	49,130	58,897	58,897	58,897	58,897
Capacity	499	442	442	442	442	442	442	499	568	568
Enrollment	401	387	407	410	447	452	453	487	519	561
<b>West Annapolis (1956)</b>										
Square Feet	31,669	31,669	31,669	31,669	31,669	31,669	31,669	31,669	31,669	31,669
Capacity	254	262	262	262	262	262	274	274	274	274
Enrollment	225	229	210	244	243	274	279	275	273	235
<b>West Meade (1964)</b>										
Square Feet	38,093	38,093	38,093	38,093	38,093	38,093	38,093	38,093	38,093	38,093
Capacity	334	177	177	177	177	177	177	292	292	292
Enrollment	211	302	316	372	361	396	428	290	298	255
<b>Windsor Farm (1989)</b>										
Square Feet	68,310	68,310	68,310	68,310	68,310	68,310	77,432	77,432	77,432	77,432
Capacity	544	527	527	527	527	527	589	589	639	639
Enrollment	539	519	510	533	538	550	578	598	612	614
<b>Woodside (1965)</b>										
Square Feet	51,946	51,946	51,946	51,946	51,946	51,946	51,946	51,946	51,946	51,946
Capacity	372	336	336	336	336	336	336	336	336	336
Enrollment	307	289	288	279	304	312	332	323	295	308

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

Fiscal Year Ended June 30,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Middle Schools:</b>										
<i>Annapolis (1964)</i>										
Square Feet	216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000
Capacity	1,634	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Enrollment	519	495	433	501	509	561	599	610	625	667
<i>Arundel (1961)</i>										
Square Feet	140,032	140,032	140,032	140,032	140,032	140,032	140,032	140,032	140,032	140,032
Capacity	1,039	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071
Enrollment	1,032	1,062	1,028	1,048	919	899	903	894	860	859
<i>Bates (1980)</i>										
Square Feet	145,520	145,520	145,520	145,520	145,520	145,520	145,520	145,520	145,520	145,520
Capacity	1,005	833	833	815	815	815	815	815	815	1,030
Enrollment	584	596	542	530	531	565	644	715	749	800
<i>Brooklyn Park (1954)</i>										
Square Feet	248,809	248,809	248,809	248,809	248,809	248,809	248,809	248,809	248,809	248,809
Capacity	835	880	880	880	880	880	880	880	880	1,020
Enrollment	590	574	563	554	474	436	429	509	598	739
<i>Central (1977)</i>										
Square Feet	158,125	158,125	158,125	158,125	158,125	158,125	158,125	158,125	158,125	158,125
Capacity	1,178	1,187	1,187	1,178	1,178	1,178	1,178	1,178	1,178	1,283
Enrollment	940	923	1,001	1,045	1,100	1,067	1,089	1,097	1,062	1,019
<i>Chesapeake Bay (1976)</i>										
Square Feet	343,446	343,446	343,446	343,446	343,446	343,446	343,446	343,446	343,446	343,446
Capacity	1,829	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239
Enrollment	1,682	1,541	1,384	1,394	1,391	1,257	1,159	1,098	1,080	1,062
<i>Corkran (1962)</i>										
Square Feet	151,790	151,790	151,790	151,790	151,790	151,790	151,790	151,790	151,790	151,790
Capacity	1,155	985	985	985	985	985	985	985	985	1,030
Enrollment	758	753	721	695	673	626	631	616	568	547
<i>Crofton (1982)</i>										
Square Feet	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	113,000	131,577
Capacity	998	1,019	1,019	1,019	1,019	1,019	1,019	1,019	1,019	1,274
Enrollment	948	928	910	904	1,131	1,164	1,168	1,128	1,145	1,123
<i>George Fox (1956)</i>										
Square Feet	164,393	164,393	164,393	164,393	164,393	164,393	164,393	164,393	164,393	164,393
Capacity	996	974	974	974	974	974	974	974	974	1,051
Enrollment	774	720	803	828	795	882	891	909	918	929
<i>Lindale (1961)</i>										
Square Feet	191,583	191,583	191,583	191,583	191,583	191,583	191,583	191,583	191,583	191,583
Capacity	1,483	1,370	1,370	1,334	1,334	1,334	1,334	1,334	1,334	1,228
Enrollment	1,030	952	861	837	806	830	822	765	773	792
<i>MacArthur (1967)</i>										
Square Feet	211,620	211,620	211,620	211,620	211,620	211,620	211,620	211,620	211,620	211,620
Capacity	1,726	1,424	1,424	1,388	1,388	1,388	1,388	1,388	1,388	1,388
Enrollment	1,109	1,116	1,012	1,105	1,053	1,133	1,194	1,166	1,049	1,012
<i>Magothy River (1974)</i>										
Square Feet	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Capacity	1,114	1,092	1,092	1,083	1,083	1,083	1,083	1,083	1,083	1,083
Enrollment	767	755	777	738	765	788	789	771	748	707
<i>Marley (1958)</i>										
Square Feet	123,834	154,293	154,293	154,293	154,293	154,293	154,293	154,293	154,293	154,293
Capacity	943	942	1,034	998	998	998	998	998	998	1,253
Enrollment	815	836	830	826	795	786	766	750	765	767
<i>Meade (1998)</i>										
Square Feet	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capacity	1,144	996	996	996	996	996	996	996	996	1,009
Enrollment	865	817	809	731	719	710	689	677	663	689
<i>Old Mill North (1975)</i>										
Square Feet	159,635	159,635	159,635	159,635	159,635	159,635	159,635	159,635	159,635	159,635
Capacity	1,071	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Enrollment	940	926	864	855	856	869	894	910	948	948
<i>Old Mill South (1975)</i>										
Square Feet	159,365	159,365	159,635	159,635	159,635	159,635	159,635	159,635	159,635	159,635
Capacity	1,100	1,089	1,089	1,071	1,071	1,071	1,071	1,071	1,072	1,072
Enrollment	852	794	756	722	706	671	702	683	648	723

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Severn River (1974)</b>										
Square Feet	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Capacity	1,080	988	988	988	988	988	988	988	988	988
Enrollment	873	802	812	833	833	804	794	765	774	779
<b>Severna Park (1967)</b>										
Square Feet	162,274	162,274	162,274	162,274	162,274	162,274	205,905	205,905	205,905	205,905
Capacity	1,359	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,478	1,478
Enrollment	1,354	1,382	1,398	1,425	1,466	1,489	1,410	1,430	1,443	1,435
<b>Southern (1950)</b>										
Square Feet	200,102	200,102	200,102	200,102	200,102	200,102	200,102	200,102	200,102	200,102
Capacity	1,219	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091
Enrollment	860	837	823	794	751	770	765	786	793	803
<b>High Schools:</b>										
<b>Annapolis (1979)</b>										
Square Feet	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000	260,000
Capacity	1,789	1,739	1,739	1,739	1,739	1,739	1,739	1,739	1,739	1,739
Enrollment	1,655	1,712	1,571	1,614	1,593	1,633	1,544	1,507	1,608	1,703
<b>Arundel (1966)</b>										
Square Feet	253,700	253,700	254,804	254,804	292,177	292,177	292,177	292,177	292,177	292,177
Capacity	1,804	1,770	1,770	1,770	2,025	2,025	2,025	2,025	2,025	2,039
Enrollment	1,973	2,060	2,054	1,993	1,942	1,910	1,887	1,972	1,949	1,963
<b>Broadneck (1982)</b>										
Square Feet	288,000	288,000	288,000	288,000	288,000	288,000	297,740	297,740	297,740	297,740
Capacity	2,048	2,039	2,039	2,039	2,039	2,039	2,209	2,209	2,209	2,209
Enrollment	2,243	2,247	2,162	2,226	2,163	2,183	2,151	2,158	2,182	2,126
<b>Chesapeake (1976)</b>										
Square Feet	322,400	322,400	322,400	322,400	322,400	322,400	322,400	322,400	322,400	322,400
Capacity	2,149	2,398	2,398	2,398	2,398	2,398	2,398	2,398	2,398	2,398
Enrollment	1,894	1,903	1,832	1,900	1,842	1,797	1,774	1,624	1,594	1,510
<b>Glen Burnie (1975)</b>										
Square Feet	373,327	373,327	334,001	401,580	401,580	401,580	401,580	401,580	401,580	401,580
Capacity	2,171	2,335	2,335	2,308	2,308	2,308	2,308	2,308	2,308	2,269
Enrollment	2,116	2,144	2,030	2,053	1,949	1,972	1,890	1,958	1,963	1,910
<b>Meade (1977)</b>										
Square Feet	330,900	330,900	330,900	330,900	330,900	330,900	330,900	330,900	330,900	330,900
Capacity	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,208
Enrollment	1,772	1,741	1,689	1,940	2,135	2,243	2,285	2,270	2,189	2,159
<b>North County (1961)</b>										
Square Feet	303,422	303,422	303,422	331,764	331,764	331,764	331,764	331,764	331,764	331,764
Capacity	2,110	2,181	2,181	2,246	2,245	2,245	2,245	2,245	2,245	2,314
Enrollment	2,160	2,089	1,879	1,894	1,918	1,980	1,940	1,934	1,883	1,879
<b>Northeast (1964)</b>										
Square Feet	207,737	207,737	207,737	207,737	207,737	207,737	207,737	207,737	210,948	210,948
Capacity	1,428	1,621	1,621	1,621	1,621	1,621	1,621	1,621	1,621	1,621
Enrollment	1,526	1,488	1,407	1,400	1,319	1,388	1,353	1,335	1,347	1,339
<b>Old Mill (1975)</b>										
Square Feet	283,194	283,194	283,194	283,194	283,194	283,194	283,194	283,194	283,194	283,194
Capacity	2,363	2,376	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440
Enrollment	2,606	2,645	2,563	2,661	2,493	2,391	2,266	2,235	2,154	2,131
<b>Severna Park (1959)</b>										
Square Feet	296,191	296,191	296,191	296,191	296,191	296,191	296,191	296,191	296,191	296,191
Capacity	1,859	1,805	1,805	1,805	1,805	1,805	1,805	1,805	1,805	1,805
Enrollment	1,795	1,839	1,865	1,855	1,843	1,923	1,921	1,884	1,936	1,857
<b>South River (1978)</b>										
Square Feet	295,900	295,900	295,900	295,900	295,900	295,900	295,900	295,900	295,900	295,900
Capacity	2,154	2,133	2,133	2,133	2,133	2,133	2,133	2,133	2,133	2,230
Enrollment	2,048	2,045	1,998	1,981	1,943	2,043	2,104	2,191	2,228	2,224
<b>Southern (1968)</b>										
Square Feet	226,206	226,206	226,206	226,206	226,206	226,206	226,206	226,206	226,206	226,206
Capacity	1,420	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,441
Enrollment	1,232	1,238	1,170	1,192	1,157	1,141	1,134	1,098	1,059	1,066

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

	<b>Fiscal Year Ended June 30,</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Other:</b>										
<i>Central Special (1976)</i>										
Square Feet	53,333	53,333	53,333	53,333	53,333	53,333	53,333	53,333	53,333	53,333
Capacity	130	140	140	140	170	170	170	170	170	170
Enrollment	168	164	173	160	153	145	123	132	146	143
<i>Marley Glen (1971)</i>										
Square Feet	50,318	50,318	50,318	50,318	50,318	50,318	50,318	50,318	50,318	50,318
Capacity	120	130	130	130	130	130	130	130	130	130
Enrollment	120	127	137	106	127	129	122	116	102	91
<i>Phoenix Annapolis (1940)</i>										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity	120	120	120	120	120	120	120	120	120	120
Enrollment	120	107	84	60	64	61	69	244	72	303
<i>Ruth Parker Eason (1985)</i>										
Square Feet	54,526	54,526	54,526	54,526	54,526	54,526	54,526	54,526	54,526	54,526
Capacity	170	200	200	200	200	200	200	200	200	200
Enrollment	184	164	173	155	143	146	129	130	125	116
<i>J. Albert Adams Academy (1958)</i>										
Square Feet	39,257	39,257	39,257	39,257	39,257	39,257	39,257	39,257	39,257	39,257
Capacity	120	150	150	150	150	150	150	150	150	150
Enrollment	31	32	101	53	39	29	35	41	146	53
<i>Mary Moss Academy (1997)</i>										
Square Feet	13,359	13,359	13,359	13,359	13,359	13,359	13,359	13,359	13,359	13,359
Capacity	100	100	100	100	100	100	100	100	100	100
Enrollment	55	34	59	40	62	54	66	46	67	62
<i>CAT-North (1974)</i>										
Square Feet	148,634	148,634	148,634	148,634	148,634	148,634	148,634	148,634	148,634	148,634
<i>CAT-South (1977)</i>										
Square Feet	91,507	91,507	91,507	91,507	91,507	91,507	91,507	91,507	91,507	91,507
<i>Arlington Echo (1971)</i>										
Square Feet	10,509	10,509	10,509	10,509	10,509	10,509	10,509	10,509	10,509	10,509

- (1) CAT - Center for Applied Technology.
- (2) CAT-N, CAT-S, and Arlington Echo are used by students enrolled in other school facilities.
- (3) The date shown is for the original building.

Source: Anne Arundel County Public Schools data.

Concluded.