

# 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, 2018**

Division of Financial Operations

Matthew Stanski, *Director of Financial Operations*

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 28, 2018

To the Members of the Board of Education and Citizens of Anne Arundel County:

In compliance with the Public School Laws of the State of Maryland, the Division of Financial Operations 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 Financial Operations makes 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.

The Single Audit Act and Office of Management and Budget OMB 2.C.F.R. Uniform Guidance, "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, 2018.

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 website: [www.aacps.org/CAFR](http://www.aacps.org/CAFR).

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.

AACPS is the fourth largest school system in Maryland with an enrollment of approximately 83,000 students. It operates 77 Elementary, 19 Middle and 12 High schools. In addition, it has responsibility for 20 *Alternative Educational Centers* that include Charter Schools and Evening High School Programs. Projections show that the student population will continue to grow and is expected to exceed 88,000 in 2021. Detailed information on enrollments, school buildings, 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.

### **STAFF AND STUDENT ACHIEVEMENTS**

Anne Arundel County Public Schools is one of the best school systems in Maryland, a state considered among the leaders in the nation in education.

Ten of the county's high schools showed graduation rates above 90 percent for the Class of 2017 and Anne Arundel County Public Schools continued to be higher than the state average in terms of the number of students who graduate in four years. Since 2011, the graduation rate for African-American students has grown by 9.8 percentage points and the gap between those students and white students has shrunk from 8.3 percentage points to 3.3 percentage points. Data since 2011 also shows significant gains for students receiving special education services (12.7 percentage points) and students receiving free and reduced-price meals (11.0 percentage points).

For the 2017-2018 school year, the percentage of Anne Arundel County Public Schools students who reached the level designated as College and Career Ready (CCR) on their respective PARCC Algebra I assessments jumped drastically, according to data released by the Maryland State Department of Education (MSDE). Nearly 84 percent of middle school students taking the Algebra I assessment either met or exceeded CCR expectations (score of 4 or 5), a 4.4 percentage point jump from the year before. High school students meeting or exceeding expectations showed an even bigger increase: 5.3 percentage points to 23.3 percent.

Overall, the percentage of AACPS students meeting or exceeding expectations grew at every level on the math assessment. At the elementary level, 41.8 percent of students met or exceeded expectations, a 0.5 percentage point increase. At the middle school level, 33.7 percent of students taking the general math assessment met or exceeded expectations, a 2.0 percentage point increase. In seventh grade math, the percentage of students meeting or exceeding expectations soared by 8.2 percentage points to 42.5 percent.

Here are just a few of their accomplishments in the 2017-2018 school year:

- Thirteen county high school dancers earned All-State honors and four others earned honorable mention at the 29<sup>th</sup> annual Maryland Public High School Dance Showcase.
- Twenty-six Career and Technology Education students finished in the Top 3 at the Regional SkillsUSA Competition. Ten Anne Arundel County Public Schools Career and Technology Education students won their respective categories, 10 more finished second, and six others placed third at the SkillsUSA Region 3 championships, earning the right to compete in the state competition.
- Members of the Class of 2017 who took the new Scholastic Aptitude Test (SAT) last year scored better than their counterparts in Maryland and across the nation. The composite score for county students was 1,071 points, 25 points better than the state composite and 11 points better than the national composite.

- Anne Arundel County Public Schools seniors in the Class of 2018 earned a record \$200.7 million in scholarship offers, \$44 million more than the preceding class. The offers mark the first time any single graduating class has topped \$200 million. Five of the county's high schools pulled in more than \$20 million in offers, and 10 topped the \$10 million mark. Data also indicates 83 percent of graduating seniors plan to attend a two- or four-year college, 27 percent plan to work fulltime, 8 percent plan to enlist in the military, and 3 percent plan to attend a private career school.
- The 527 graduating seniors in Anne Arundel County Public Schools' AVID program were offered a combined \$40 million in scholarships and grants for college.
- **Madison Strempek**, of Crofton, was named one of America's top 10 youth volunteers of 2018 by The Prudential Spirit of Community Awards during the program's 23rd annual national award ceremony at the Andrew W. Mellon Auditorium. Madison earned the title of National Honoree, along with a personal award of \$5,000, an engraved gold medallion, a crystal trophy for her school, and a \$5,000 grant from The Prudential Foundation for a nonprofit charitable organization of her choice.
- **Zachary Brown**, of Edgewater, and **Madison Strempek** were named Maryland's top youth volunteers in February and were officially recognized at the Smithsonian's National Museum of Natural History. Each of the 102 State Honorees for 2018 received \$1,000 awards as well as personal congratulations from Olympic gold medalist and World Cup champion Lindsey Vonn.
- Four county high school seniors were honored for their achievements by earning recognition as Dell Scholars by the Michael and Susan Dell Foundation. Students honored: **Mary Anastasi** of *Southern High School*, **Katherine Truelove** of *Chesapeake High School*, and **Baylie Webb** and **Jasmine Gray** of *Old Mill High School*. The scholars each received a \$20,000 scholarship in addition to a laptop computer and printer.

#### **Staff Accomplishments:**

- **Josh Carroll**, *South River High School* Teacher, was named Maryland Teacher of the Year by the Maryland State Department of Education. Josh was named Anne Arundel County Public Schools Teacher of the Year in April 2017. He has spent 18 years in Anne Arundel County Public Schools, all at the high school level.
- Teacher **Allison Felton**, *Annapolis High School*, earned the prestigious \$25,000 Milken Educator Award. The Milken Family Foundation National Educator Awards program provides public recognition and financial rewards to elementary and secondary school teachers, principals, and other education professionals who are furthering excellence in education.
- Anne Arundel County Public Schools is widely regarded as having one of the best Health, Physical Education, and Dance programs in the state. **Bryan Godfrey**, *Magothy River Middle School*, was named the 2017 Middle School Physical Education Teacher of the Year and **Kimberly Collins**, *Chesapeake High School*, earned the high school award from the Maryland Association of Health, Physical Education, Recreation and Dance (MAHPERD.) Others honored: Maureen Grizio, David Kellett, Eric West, and Chad Roberts.

- *Bates Middle School* teacher **Kassandra Serafini** was named the Maryland Dance Education Association's K-12 Dance Educator of the Year. Kassandra has taught at Bates for four years and leads two programs at the school: a comprehensive liberal arts program for dance and a performing and visual arts magnet program for dance.
- *Glen Burnie High School* media specialist **Andrea Sporre** was named as a finalist for the Librarian of the Year award bestowed by the Maryland Association of School Librarians.
- **Michelle Weisgerber**, the Signature Program Facilitator for *Broadneck High School's* Environmental Literacy Signature Program, was named the winner of the 2017 Jan Hollmann Environmental Education Award. Weisgerber was a leading force in helping Broadneck receive a Green Ribbon School designation from the U.S. Department of Education.

#### **School Awards and Accomplishments:**

- *Shipley's Choice Elementary School* earned the nation's top educational honor by being named a National Blue Ribbon School of Excellence by U.S. Secretary of Education Betsy DeVos. Anne Arundel County Public Schools has now had 18 schools earn National Blue Ribbon honors. Shipley's was among six public schools in Maryland and 342 across the nation to receive the award. All six Maryland schools were named state Blue Ribbon Schools of Excellence in December.
- *Corkran Middle School* remained among the nation's elite Advancement Via Individual Determination (AVID) schools this year when it was revalidated as a National Demonstration School by the organization that oversees the program across the nation. The AVID program, which targets students in the academic middle and helps propel them to successful college careers, exists in about 6,000 schools in 46 states, the District of Columbia, and 16 countries and territories. Corkran is the only middle school in Maryland to earn that distinction. Corkran received its first designation as a National Demonstration School in April 2015. Schools are re-evaluated every two years through a process that includes an evaluation of curriculum, screening, and site visit.
- The Maryland Association for Environmental and Outdoor Education (MAEOE) announced that 13 county public schools have earned either their first or second recertifications as Maryland Green Schools. In addition, *Arlington Echo* received sustainable Maryland Green Center status.

#### **Other Accomplishments:**

- For the sixth consecutive year and eighth time overall, the National Procurement Institute has recognized Anne Arundel County Public Schools' Purchasing Office as one of the best in the United States.
- Anne Arundel County Public Schools unveiled a large-scale solar panel farm that will save \$1.8 million in electricity costs over the next 20 years. The product, installed on property at Anne Arundel County Public Schools' Facilities Division complex on Fort Smallwood Road in Pasadena, contains nearly 4,000 solar panels that will produce almost 2,000 megawatt hours of energy annually.



- Anne Arundel County Public Schools' efforts to bridge the divide for students who can't attend class due to illness or injury and often lose the feel of the classroom and contact with their classmates got another boost with the sponsorship of a robot by BGE that allows students to attend class virtually while they recover. This brings to 13 the total number of robots available to students across the school system. Four of those have been purchased through donations like the one made by BGE.
- In November, Board Members and Superintendent George Arlotto were joined by county and state elected officials in a ceremonial groundbreaking for the new Crofton Area High School. The school will be Anne Arundel County Public Schools' first new high school in nearly 40 years when it opens to students in September 2020. It will bring the number of comprehensive high schools in the county to 13. Construction on the 276,000 square-foot facility began in December and is located off Davidsonville Road in the current Crofton Park.
- The Anne Arundel County Public Schools community raised more than \$45,000 in cash and supplies for the hurricane-ravaged Houston Independent School District.
- Anne Arundel County Public Schools was recognized with a national award for its intentional focus to increase the ninth-grade promotion rate for high school students. The school system is one of five across the nation with student populations of 20,000 or more to earn a first place Magna Award from the National School Boards Association and its flagship magazine, *American School Board Journal*.
- AACPS was one of three school systems in the state to earn honors for summer meals programs. Anne Arundel County Public Schools (AACPS) has been recognized as among the best school systems in the nation for its efforts to serve nutritious and appealing meals to children through the summer months when school is not in session. The school system earned the United States Department of Agriculture (USDA) Turnip the Beet 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 are committed to serving all students' individualized needs. Working with our many stakeholders to attain the singular goal in our Strategic Plan – to Elevate All Students and Eliminate All Gaps – will ensure that every one of our 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's 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 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 are Anne Arundel County and the State of Maryland. Funding requests have to balance the needs of the school system with the fiscal demands placed by other constituents on the State of Maryland and Anne Arundel County. Increases in federal, state and local revenues resulted in the approval of a \$1.15 billion operating budget for fiscal year 2018. State aid formulas were fully funded, and County funds exceeded the maintenance of effort amounts and totaled \$678.64 million, an increase of \$35.4 million (a 5.5% increase). Included in this total was one-time non-recurring funding of \$21.3 million to shore-up the self-insurance fund which has been plagued by increasing medical costs. The investment earnings showed improvement over the year as interest rates increased.

The Board continues to examine ways to reduce costs and still maintain a higher level of service to our students and citizens. For example, the Board employees continued to work four extended days for six weeks this summer so that buildings could be closed on Fridays to save energy and transportation costs.

The County continues to anticipate future growth in enrollment as new residents move into the area because of new home construction and an increase in the immigrant population. 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 a higher level of service to our students and citizens.

There are some issues on the horizon that may affect AACPS funding in the future; however, it is difficult to project their impact at this point.

First, the newly passed tax bill is bound to have some impact on the tax revenues of the state, which may affect the funding provided to schools. In the short run, the Comptroller of Maryland estimates that Maryland's general fund would increase by \$28.7 million and \$392.5 million in fiscal years 2018 and 2019, respectively. The Education Trust Fund would realize an additional \$867,000 and \$5.1 million, respectively. However, the limits on federal deductions may induce some of the high tax payers to seek residency in more "tax friendly" states, thus reducing the state tax revenue.

Second is the anticipated report by the "Commission on Innovation and Excellence in Education," chaired by former University of Maryland System Chancellor William E. "Brit" Kirwan. The commission is charged with changing how Maryland funds public schools for the next decade. The final report, and the extent to which the Maryland General Assembly adopts the recommendations of the Commission, may affect the way schools are funded and managed.

Third is the *Commitment to Education Act of 2018* that would steer the state's casino gambling revenue towards public schools. If passed, the bill would place revenue generated from gambling at the state's six casinos into a lockbox that could only be directed toward K-12 education. Currently casino revenue that is placed in the Education Trust Fund is used to support the state's education funding formulas. This bill would require the funding to be used to supplement the education funding formulas. If ratified by the voters in November, analysts project an additional \$4.4 billion in funding for state schools over the next 10 years, and \$100 million in fiscal year 2019 alone for new school construction projects. Casinos generated \$451 million for the state's Education Trust Fund in the fiscal year that ended last June 30, according to a recent report.

**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 the Anne Arundel County Board of Education for the fiscal year ended June 30, 2017. The award is shown on page 12 of this report. For thirty-six (36) consecutive years, the 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, 2017. The award is shown on page 13 of this report. For thirty-seven (37) consecutive years, the 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.

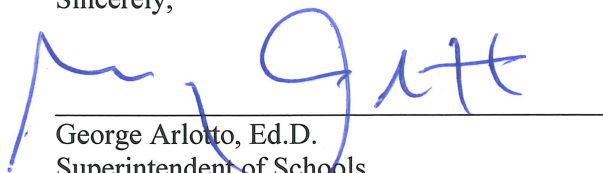
**ACKNOWLEDGMENTS**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Division of Financial Operations, 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.

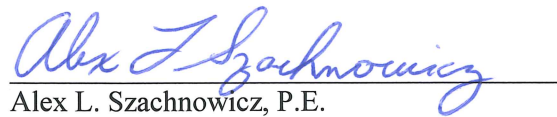
**CONCLUSION**

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 Financial Operations.

Sincerely,



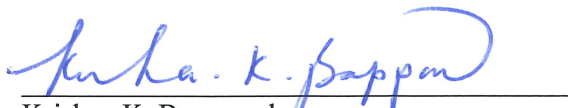
George Arlotto, Ed.D.  
Superintendent of Schools  
Secretary-Treasurer of the Board of Education



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

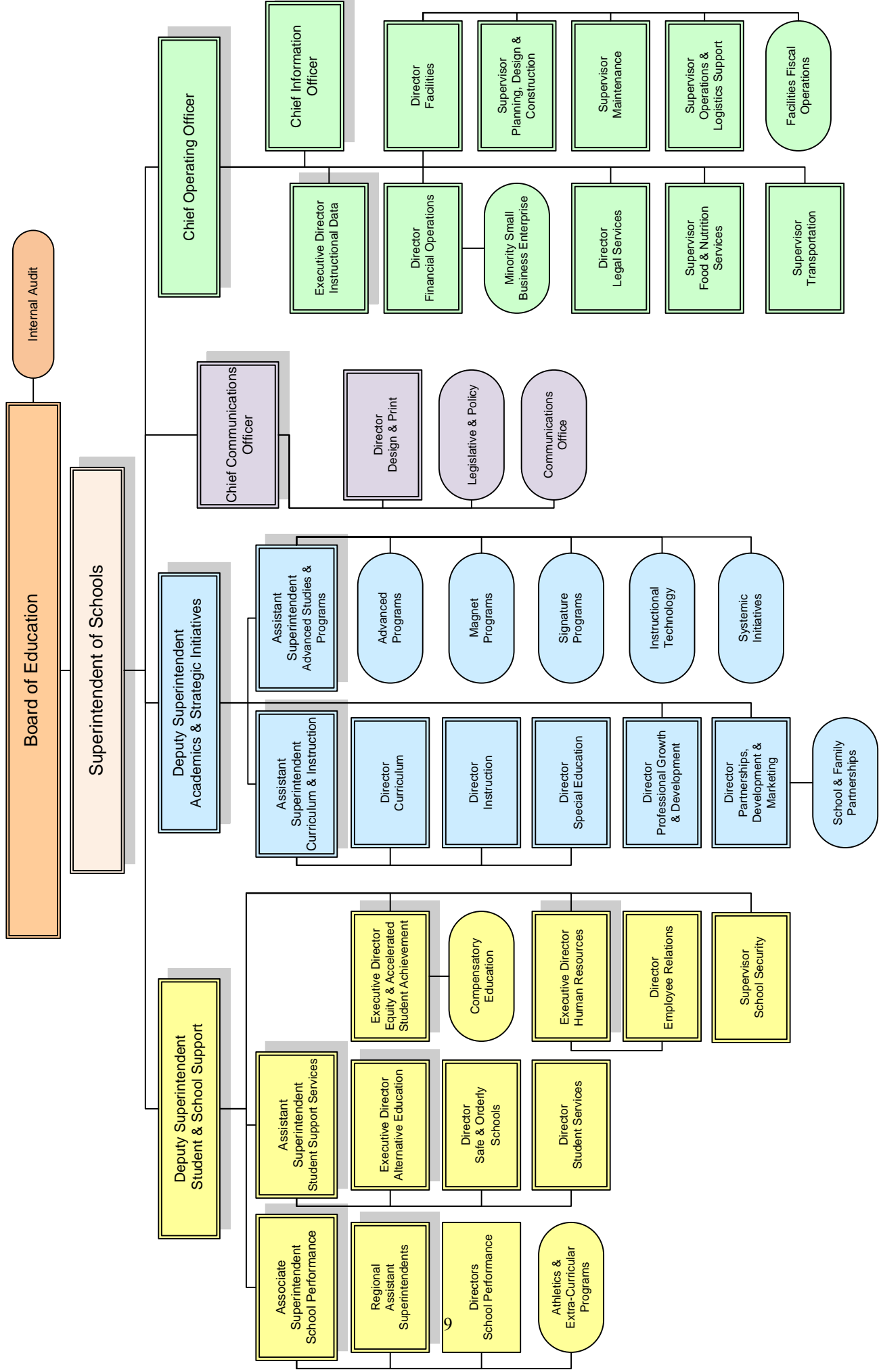


Matthew Stanski  
Director of Financial Operations



Krishna K. Bappanad  
Supervisor

# Anne Arundel County Public Schools



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

**BOARD MEMBERS**

<u><b>NAME</b></u>	<u><b>TERM EXPIRES</b></u>
Julie Hummer, President	2020
Terry Gilleland, Vice President	2020
Sidney Butcher	2018
Eric Grannon	2020
Stacy Korbela	2018
Patricia R. Nalley	2018
Colin Reinhard	2018
Josie Urrea, Student	2019
Vacant	

**SUPERINTENDENT’S EXECUTIVE TEAM**

George Arlotto, Ed.D.  
Superintendent of Schools

- Monique Jackson, NBCT Deputy Superintendent, Student & School Support
- Maureen McMahon, Ph.D. Deputy Superintendent, Academics & Strategic Initiatives
- Alex L. Szachnowicz, P.E. Chief Operating Officer
- Bob Mosier Chief Communications Officer
- Greg Barlow Chief Information Officer
- Dawn Lucarelli, Ph.D. Associate Superintendent for School Performance
- Mary Tillar Assistant Superintendent for Advanced Studies & Programs
- Michele Batten Assistant Superintendent for Curriculum & Instruction
- Sally Egan Assistant Superintendent for Student Support Services
- Monique Davis, Ed.D. Regional Assistant Superintendent (Meade & Southern)
- Chris Truffer Regional Assistant Superintendent (Arundel & South River)
- Anthony Alston, Ed.D. Regional Assistant Superintendent (Chesapeake & North County)
- Janine Robinson Regional Assistant Superintendent (Glen Burnie & Severna Park)
- Lisa Leitholf Regional Assistant Superintendent (Northeast & Old Mill)
- Jolyn Davis Regional Assistant Superintendent (Annapolis & Broadneck)
- Kathleen Lane Executive Director of Alternative Education
- Maisha Gillins, Ph.D. Executive Director of Equity and Accelerated Student Achievement
- Jessica Cuches, Esq. Executive Director of Human Resources
- Jason Dykstra Executive Director of the Instructional Data Division (IDD)
- Helen Mateosky Executive Director of Professional Growth & Development

**NOTICE**

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

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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, 2017**

*Christopher P. Morill*

Executive Director/CEO





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

## **Anne Arundel County Public Schools**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'.

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**Anthony N. Dragona, Ed.D., RSBA**  
President

A handwritten signature in black ink, appearing to read 'John D. Musso'.

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**John D. Musso, CAE**  
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 and the aggregate remaining fund information of the Board of Education of Anne Arundel County (the Board), a component unit of Anne Arundel County, Maryland, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board'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 Board'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 Board'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 as of June 30, 2018, 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.

### **Emphasis of Matter**

#### *Change in Accounting Principle*

During the fiscal year ended June 30, 2018, the Board adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of this standard, the Board reported a restatement for the changes in accounting principle (see Note 12). Our auditor's opinion was not modified with respect to this restatement.

### **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 - 30, the schedule of changes in board's total OPEB liability and related ratios on page 71, the schedule of the board's proportionate share of the net pension liability on page 72, the schedule of board contributions on page 73 and the notes to the required supplementary information on page 74 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's basic financial statements. The combining fund statements and schedules and schedules of revenues, expenditures and changes in fund balance as listed in the accompanying table of contents, collectively referred to as supplementary information are presented for purposes of additional analysis and are 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.

Members of the Board  
of Education of Anne Arundel County

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 28, 2018, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
September 28, 2018

## 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, 2018.

#### **FINANCIAL HIGHLIGHTS**

- The liabilities and deferred inflows of financial resources and assets exceeded assets and deferred outflows of resources at the close of the fiscal year ended June 30, 2018, resulting in a negative net position of \$1,282,368,965. The primary reason for this drastic change in net position from fiscal year 2017 is due to the implementation of the GASB No. 75, which required actuarial revaluation of fiscal year 2017 Other Post-Employment Benefits (OPEB) liability to \$2,445,260,000. As a result, the fiscal year 2017 financial results had to be restated to consider the revaluation of OPEB liabilities. Details of the adjustment are contained in Note 12 on page 62 of the CAFR.
- Capital assets increased due to spending on several major construction projects, such as the new Crofton Area High School, High Point Elementary, Arnold Elementary, Manor View Elementary, Jessup Elementary, Severna Park High School, maintenance and renovation projects, and other capital improvements, all in excess of \$10 million each.
- There was a decrease in the OPEB liability of \$237,201,000 from the restated OPEB liability of \$2,445,260,000 in fiscal year 2017 to \$2,208,059,000 in fiscal year 2018 and due to reduction in the retired participants and beneficiaries, as well as active participants. The Maryland Pension Obligation decreased by \$9,315,536 from \$67,552,295 in fiscal year 2017 to \$58,236,759 in fiscal year 2018 due to better investment performance.
- At the close of the current fiscal year, the Board's General Fund reported a total fund balance of \$68,733,245. Of this amount, \$13,000,000 has been appropriated in fiscal year 2019, \$20,659,542 is restricted for specific uses by outside parties, the Superintendent has assigned \$4,000,000 to meet the school security needs for fiscal year 2019, and \$26,297,506 is encumbered for specific purchases.
- The unassigned fund balance in the General Fund stood at \$2,627,609. This amount 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 \$7,268,194 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, deferred outflows of financial resources, liabilities, and deferred inflows of financial resources, with the difference between them 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.

## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

### Management's Discussion and Analysis

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 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 32-33 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, Special Revenue (Food Services) Fund, and non-major Governmental Funds. The basic Governmental Fund financial statements can be found on pages 35-37 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 39-41 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

## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

### Management's Discussion and Analysis

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 42-43 of this report.

### **Budgetary Comparison Statement**

The budgetary comparison statement as presented on page 38 shows the original appropriated budget, the final adopted budget including transfers, and supplemental appropriations as approved by the County. Differences between the legally 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 page 51.

### **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 44-70 of this report.

### **Required Supplemental Information**

The financial statements also contain required supplemental information in addition to the basic financial statements themselves, containing a schedule of Changes in Board's Total OPEB Liability and Related Ratios can be found on page 71 of this report. In addition, tables related to the Board's proportionate share of pension liability and schedule of Board contributions are shown in pages 72-73 of this report.

### **Notes to the Required Supplemental Information**

The Notes to the Required Supplemental Information show the actuarial assumptions related to Maryland State Retirement Plan are shown on page 74 of this report.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

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

**Table 1: Comparative Statement of Net Position**

	<b>2018</b>	<b>*2017</b>
Cash and Cash Equivalents	\$ 207,887,955	\$ 152,045,054
Due from Other Governments	47,565,657	34,160,382
Prepaid Expenses	-	13,453,107
Other Assets	21,152,916	19,492,505
Capital Assets Not Being Depreciated	205,465,532	114,301,401
Capital Assets Being Depreciated Net of Accumulated Depreciation	1,018,773,126	1,016,476,214
<b>Total Assets</b>	<b>\$ 1,500,845,186</b>	<b>\$ 1,349,928,663</b>
Deferred Outflows of Financial Resources Related to Pensions and OPEB	\$ 43,572,871	\$ 22,435,180
Accrual Salaries and Payroll Taxes	\$ 97,621,266	\$ 77,550,096
Accounts Payable and Unpaid Claims	60,253,276	38,491,571
Retainage Payable	10,362,804	9,450,863
Long-Term Liabilities	2,321,067,963	726,886,422
Other Liabilities	10,432,904	16,444,463
<b>Total Liabilities</b>	<b>\$ 2,499,738,213</b>	<b>\$ 868,823,415</b>
Deferred inflows of Financial Resources Related to Pensions and OPEB	\$ 334,660,000	\$ 3,799,934
Net Investment in Capital Assets	\$ 1,213,875,854	\$ 1,121,326,752
Restricted for Food Services	553,948	536,233
Restricted for Equipment Leases	5,595,439	4,820,316
Restricted for Special Education	15,064,103	13,245,371
Unrestricted Deficit	(2,517,458,309)	(640,188,178)
<b>Total Net Position</b>	<b>\$ (1,282,368,965)</b>	<b>\$ 499,740,494</b>

*\*The Board implemented GASB Statement No. 75 effective July 1, 2017. The 2017 amounts presented have not been restated to reflect the implementation of GASB 75. Please refer to Note 12 on page 62.*

As noted earlier, net position may serve as an useful indicator of the Board's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of financial resources by resulting in negative net position of \$1,282,368,965. By far, the largest portion of the Board's negative net



## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

### Management's Discussion and Analysis

position is the result of the OPEB liability of the Board. The majority of the assets reflects its investment in capital assets (e.g., land, buildings, software, furniture, and equipment), less accumulated depreciation and retainage payable related to capital assets 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 to OPEB liability (GASB 75), pension liability (GASB 68), compensated absences (annual and sick leave), and capital leases in periods beyond fiscal year 2018.

As indicated earlier, effective for fiscal year 2018, the Board adopted GASB 75. The remaining new GASB pronouncements effective for the fiscal year 2018 had no impact on the Financial Statements of the Board.

### **Statement of Activities**

The following schedule compares the changes in governmental activities net position from fiscal year 2017 to 2018.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

**Table 2: Changes in Net Position**

	<u>2018</u>	<u>*2017</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 13,914,402	\$ 13,935,815
Operating Grants and Contributions	198,565,438	184,558,460
Capital Grants and Contributions	173,289,547	119,048,516
General Revenues:		
Federal Unrestricted	2,714,964	2,127,392
State Unrestricted	302,658,953	304,800,765
County Unrestricted	677,552,110	656,738,107
Investment Income	1,857,351	701,990
Miscellaneous	2,887,024	3,009,840
Total Revenues	<u>\$ 1,373,439,789</u>	<u>\$ 1,284,920,885</u>
Expenses:		
Administration	\$ 42,863,284	\$ 42,840,173
Mid-Level Administration	108,393,226	107,302,390
Instruction	702,805,568	699,847,681
Special Education	196,484,867	193,307,127
Pupil Services	12,380,135	11,975,514
Student Health	9,122,224	8,970,196
Transportation	62,822,685	62,072,329
Maintenance and Operations	196,461,434	210,458,887
Food Services	32,002,678	33,054,364
Other	1,962,147	1,736,847
Total Expenses	<u>\$ 1,365,298,248</u>	<u>\$ 1,371,565,508</u>
Change in Net Position	<u>8,141,541</u>	<u>(86,644,623)</u>
Net Position - July 1, as restated	<u>(1,290,510,506)</u>	<u>586,385,117</u>
Net Position - June 30	<u>\$ (1,282,368,965)</u>	<u>\$ 499,740,494</u>

*\*The Board implemented GASB Statement No. 75 effective July 1, 2017. The 2017 amounts presented have not been restated to reflect the implementation of GASB 75. Please refer to Note 12 on page 62.*

County and State funding continue to provide a substantial portion of the revenues. In fiscal year 2018, the County funding totaled \$677,552,110 of unrestricted revenues and \$143,601,383 of construction funds. Total County funding was 61.4% and 56.9% of total revenues in fiscal year 2018 and 2017, respectively. In fiscal year 2018, the State provided \$302,658,953 for unrestricted operating funds and \$144,802,010 for construction and grants for restricted programs. State sources comprised 32.6% and 36.8% of total revenues in fiscal years 2018 and 2017, respectively.

## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

### Management's Discussion and Analysis

Operating grants for instructional and special needs of students continue to be available because of the aggressive grant application strategy undertaken by the Board. The total fiscal year 2018 expenditures and encumbrances (budget basis) for grants was \$61,681,510, an increase of \$12,166,418 from fiscal year 2017.

### **FINANCIAL ANALYSIS OF FUND FINANCIAL STATEMENTS (GOVERNMENTAL FUNDS)**

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 2017 to 2018 by \$33,314,003. The increase is due to funding that exceeded maintenance of effort and a one-time contribution of twenty two million and five hundred thousand to the Self-Insurance Fund. The State of Maryland funding marginally decreased by \$1,020,139. Federal funding increased by \$23,696, which reflects an increase in grant revenue. Investment income went up by \$1,125,809 due to the improving interest rate environment.

The total expenditures for fiscal year 2018 increased by \$36,895,695 compared to fiscal year 2017. When comparing expenditures in fiscal year 2018 to 2017, some substantial fluctuations are noted. Fixed charges increased by \$23,228,498 due to costs related to employers' share of health care contributions. Instructional salaries and wages went up by \$7,198,953 due to salary enhancements. Operation of the plant went up by \$6,429,071 due to the purchase of new equipment. Textbooks and instructional supplies costs went up by \$3,581,319 due to new chrome book adoptions. Special education expenditures went up by \$3,090,163 due to temporary assistance expenditures.

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

The table that follows provides a summary of the revenues and expenditures for the Special Revenue (Food Service) Fund for fiscal year 2018 and 2017. The total revenues for the fiscal year ended June 30, 2018, were \$31,654,785. Related expenditures were \$30,873,499, resulting in a net increase in fund balance of \$781,286. This resulted in a fund balance of \$7,268,194 at June 30, 2018. Federal regulations provide for the maintaining of a fund balance equal to an amount not to exceed three months of expenditures on a budget basis 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 year 2018, there was no increase in the price of student breakfast and lunch. The number of lunches and breakfasts served, and the revenue remained relatively flat. There was an improvement in the collection from delinquent student accounts through improved procedures for monitoring and collection. Additional Federal revenue of \$480,217 is the result of the increased number of free and reduced priced meals served to eligible students. Percent increase (decrease) in revenues and expenditures over the previous year is shown in the following tabulations:

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

**Table 3 -Food Services**

<u>Revenue</u>	<u>2018</u>	<u>2017</u>	<b>Percent Increase (Decrease) from Previous Year</b>
Sale of Food:			
Lunches	\$ 7,653,418	\$ 7,411,134	3.3%
A la Carte	3,239,675	3,380,457	-4.2%
Breakfast & Summer Programs	337,507	340,106	-0.8%
Total Food Sales	<u>11,230,600</u>	<u>11,131,697</u>	0.9%
State of Maryland Subsidies	1,249,554	1,242,246	0.6%
United States Government Subsidies	18,978,899	18,498,682	2.6%
Investment Interest Earned	55,181	25,626	115.3%
Other Revenues	140,551	110,825	26.8%
Total Revenues	<u>\$ 31,654,785</u>	<u>\$ 31,009,076</u>	2.1%
 <u>Expenditure</u>			
Cost of Food Sold	\$ 13,492,529	\$ 12,946,585	4.2%
Salaries and Wages	8,645,273	8,463,420	2.1%
Contracted Services	949,417	884,451	7.3%
Supplies and Materials	765,414	909,192	-15.8%
Other Charges	6,212,348	6,152,873	1.0%
Equipment	808,518	2,276,027	-64.5%
Total Expenditures	<u>\$ 30,873,499</u>	<u>\$ 31,632,548</u>	-2.4%

**Capital Projects Fund**

Spending for new construction and renovation of facilities through the Capital Budget increased by \$54,701,895, from \$119,038,568 in fiscal year 2017 to \$173,740,463 in fiscal year 2018. The Board undertook nine large-scale school construction/modification projects that individually exceeded the \$10 million threshold.

**Self-Insurance Fund**

The Board maintains this Internal Service Fund to account for employee medical, dental, vision, disability, and life insurance. The Board has a self-insured medical, prescription drug, dental, and vision program with CareFirst. 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 \$1,062,902 in fiscal year 2018. Board contributions to the Self-Insurance Fund increased by \$22,396,195 (15.9%) for fiscal year 2018 resulting in an operating income of \$12,498,276.

The Board's health care insurance claims and expenses were \$177,755,613, an increase of \$3,610,019 when compared to fiscal 2017. The premium costs increase showed a more moderate trend in 2018, with a 2.7% increase in fiscal year 2017 followed by 2.1% in fiscal year 2018. Although the premium

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

costs went up, they were offset by increased Board contributions to the Self-Insurance Fund of \$22,396,195 in fiscal year 2018, resulting in an increase in the net position of the fund.

The table below provides a comparative presentation of this fund's revenues and expenses for fiscal years 2017 and 2018.

**Table 4: Health Insurance Fund**

<u>Revenue Source</u>	<u>2018</u>	<u>2017</u>	<b>Percent Increase (Decrease) from Previous Year</b>
Board Contributions	\$ 163,174,567	\$ 140,778,372	15.9%
Participants Contributions	26,561,908	29,571,798	-10.2%
Federal Medicare Subsidy	1,062,902	1,297,497	-18.1%
Total Operating Revenue	<u>\$ 190,799,377</u>	<u>\$ 171,647,667</u>	11.2%
 <b><u>Operating Expenses</u></b>			
Insurance Claims and Expenses	177,755,613	174,145,594	2.1%
Other	545,488	1,114,310	-51.0%
Total Operating Expenses	<u>\$ 178,301,101</u>	<u>\$ 175,259,904</u>	1.7%
Operating Income	12,498,276	(3,612,237)	446.0%
Interest Income	9,588	1,058	806.2%
Changes in Net Position	<u>\$ 12,507,864</u>	<u>\$ (3,611,179)</u>	446.4%

**ANALYSIS OF BUDGETARY BASIS STATEMENTS**

**General Fund (Operating Budget)**

The total revenues for the fiscal year ended June 30, 2018, for the General Fund, on a non-GAAP, Budgetary basis, were \$1,084,031,400. Related expenditures were \$1,094,231,782. The Board realized a favorable liquidation of prior year encumbrances of \$1,745,988. This activity, combined with a fund balance from the prior year of \$27,744,466, resulted in a budgetary fund balance of \$19,290,072.

The increase in the General Fund operating budget from the original approved budget to the final budget was \$23,536,100. Of this, Federal and State grant revenues increased by \$1,306,000, \$3,085,000 was from County contribution and \$8,096,228 was from local revenues. \$12,000,000 was transferred from prior year unrestricted fund balance and there was a decrease in restricted revenue of \$951,128.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

Expenditures realized were under the final approved budget by \$46,433,018, of which \$28,497,672 is in the Fixed Charges category. Most of this balance is related to the State Board Opinion No. 14-16 requiring full budgeting of all self-insured revenues and expenditures; however, since the Internal Service Fund is not a component of the General Fund, these expenditures will never be recognized in the General Fund statements. Savings in Instructional Salaries and Wages of \$4,271,248 is due to salary turnover where retirees were replaced with less experienced teachers. Approximately \$3,837,960 in savings was realized in the Special Education category due to lower than anticipated costs in the Non-Public placement program. Savings of \$2,636,750 was due to a lower than anticipated adoption rate of text books and better negotiated price. Operation of the plant had a \$2,398,290 surplus due to energy conservation and salary turnover. The remaining \$4,791,098 is a result of funding not being used across all categories, representing just less than 0.4 % of the approved final budget.

The following table provides the budgetary results for fiscal year 2018.

**Table 5-Budgetary Results**

	Budgeted Amounts		
	Original	Final	Actual
<b>Revenues:</b>			
Anne Arundel County	\$ 678,639,500	\$ 681,724,500	\$ 681,724,499
State of Maryland	354,925,700	354,811,900	354,698,788
United States Government	42,667,300	44,087,100	39,789,224
Other Sources:			
Investment Interest Earned	150,000	1,491,546	1,800,943
Other	26,795,072	33,549,754	6,017,946
<b>Total Revenues</b>	<b>1,103,177,572</b>	<b>1,115,664,800</b>	<b>1,084,031,400</b>
<b>Expenditures and Encumbrances:</b>			
Current:			
Administration	32,692,500	32,173,700	31,274,987
Mid-Level Administration	68,826,200	68,008,400	67,343,379
Instructional Salaries and Wages	402,070,100	398,948,100	394,676,852
Textbooks and Instructional Supplies	29,456,900	40,961,300	38,324,550
Other Instructional Costs	18,211,900	25,169,300	23,892,430
Special Education	134,730,900	135,913,800	132,075,840
Pupil Services	8,226,200	8,500,300	8,167,865
Pupil Transportation	56,320,100	58,051,500	56,763,361
Operation of Plant	72,539,100	72,059,300	69,661,010
Maintenance of Plant	18,469,100	20,482,300	20,326,190
Fixed Charges	271,466,500	275,462,700	246,965,028
Community Services	444,600	574,100	491,153
Capital Outlay	3,674,600	4,360,000	4,269,137
<b>Total Expenditures and Encumbrances</b>	<b>1,117,128,700</b>	<b>1,140,664,800</b>	<b>1,094,231,782</b>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

**CAPITAL ASSETS AND CAPITAL PROJECTS**

The Board's investment in capital assets net of accumulated depreciation and retainage as of June 30, 2018, was \$1,224,238,657. This investment in capital assets includes land and site improvements, buildings and additions, computer hardware and software, furniture and equipment, as well as construction in progress and intangibles in progress. Several school improvement projects for a total of \$43,216,247 were completed and put into service in 2018 causing an increase in the buildings and additions category. Construction in progress in fiscal year 2018 increased to \$135,322,051 when compared to \$44,823,500 in fiscal year 2017 due to robust construction activity. Additional information on the Board's capital assets can be found in Note 7 on pages 56-57 of this report.

**Table 6: Capital Assets (Net of Depreciation)**

	<u>2018</u>	<u>2017</u>
Land Site Improvements	\$ 68,346,260	\$ 68,313,591
Buildings and Additions	992,840,385	992,151,689
Furniture and Equipment	20,586,789	18,400,504
Computer Software	5,345,952	5,924,021
Construction in Progress	135,322,051	44,823,500
Computer Software in Progress	1,797,220	1,164,310
Total	<u>\$ 1,224,238,657</u>	<u>\$ 1,130,777,615</u>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

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

**Table 7: Capital Projects Revenues and Expenditures**

<u>Revenue Source</u>	<u>2018</u>	<u>Percent of Total</u>	<u>2017</u>	<u>Percent of Total</u>
Anne Arundel County	\$ 143,601,383	82.8%	\$ 64,948,989	54.6%
State of Maryland	29,605,945	17.2%	54,089,579	45.4%
Investment Interest Earned	1,226	0.0%	1,230	0.0%
Other Income	82,219	0.0%	9,948	0.0%
<b>Total Revenue</b>	<b>\$ 173,290,773</b>	<b>100.0%</b>	<b>\$ 119,049,746</b>	<b>100.0%</b>
 <b><u>Expenditures</u></b>				
Crofton Area High School	\$ 20,532,176	11.8%	\$ 4,305,900	3.6%
High Point Elementary	17,564,196	10.1%	2,167,296	1.8%
Renovation of Building Systems	17,376,553	10.0%	28,320,380	23.8%
Arnold Elementary	17,341,586	10.0%	1,642,878	1.4%
Manor View Elementary	17,074,108	9.8%	1,057,283	0.9%
Severna Park High	13,578,588	7.5%	28,337,665	23.8%
Jessup Elementary	13,354,362	7.7%	1,429,629	1.2%
All Day K and Pre K	10,940,574	6.3%	11,740,565	9.9%
George Cromwell Elementary	10,592,439	6.1%	1,502,135	1.3%
Open Space Classrooms Enclosure	9,316,714	5.4%	4,320,137	3.6%
Athletic Stadiums	3,552,767	2.0%	2,842,265	2.4%
Maintenance Backlog	3,167,043	1.8%	4,344,062	3.6%
Additions	4,258,719	2.5%	6,346,654	5.3%
Tyler Heights Elementary	1,651,798	1.0%	564,987	0.5%
Edgewater Elementary	1,497,459	0.9%	433,588	0.4%
Security Related Upgrades	1,490,011	0.9%	244,526	0.2%
Richard Henry Lee Elementary	1,477,809	0.9%	629,419	0.6%
Major Roof Replacement	1,341,616	0.8%	2,043,315	1.7%
Relocatable Classrooms	1,143,872	0.7%	1,123,573	0.9%
Benfield Elementary	325,732	0.2%	5,551,736	4.7%
Rolling Knolls Elementary	144,727	0.1%	2,550,132	2.1%
West Annapolis Elementary	133,516	0.1%	1,010,283	0.8%
Other Expenditures	5,884,098	3.4%	6,530,260	5.5%
<b>Total Expenditures</b>	<b>\$ 173,740,463</b>	<b>100.0%</b>	<b>\$ 119,038,668</b>	<b>100.0%</b>



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Management's Discussion and Analysis

**NONCURRENT LIABILITIES**

The following table presents the balances in noncurrent liabilities.

**Table 8: Noncurrent Liabilities**

	For year ended June 30	
	<u>2018</u>	<u>2017</u>
Capital Leases	\$ 15,339,627	\$ 15,195,266
Compensated Absences	39,432,577	39,405,861
Net Pension Liability	58,236,759	67,552,295
Net OPEB Liability	2,208,059,000	2,445,260,000 *
Total Noncurrent Liabilities	<u>\$ 2,321,067,963</u>	<u>\$ 2,567,413,422</u>

\* Amount was restated for implementation of GASB 75

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 approximately \$144,361 for fiscal year 2018.

The obligation for compensated absences is relatively consistent with the fiscal year 2018 obligation at \$39,432,577 compared to \$39,405,861 in 2017. Total liability for accumulated sick leave stood at \$17,692,322, while the annual leave payout and personnel business day payout were \$1,273,141 and \$12,812, respectively. The Pension liability decreased by \$9,315,536 and stood at \$58,236,759.

For fiscal year 2018, the Board adopted GASB statement No.75, *Accounting and Financial Reporting for post-employment benefits other than Pension*, which improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. As per GASB 75, the OPEB liability for 2017 had to be restated to \$2,445,260,000. For fiscal year 2018, net OPEB liability decreased by \$237,201,000 per the latest actuarial report and stood at \$2,208,059,000. Additional information on the Board's noncurrent liabilities can be found in Notes 9–12 on pages 58-63 of this report.

**COUNTY FINANCIAL OUTLOOK**

Anne Arundel County is fortunate to have a balanced economy enabling the county to remain relatively 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.

## BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

### Management's Discussion and Analysis

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. 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.

The Board's major funding sources are Anne Arundel County and the State of Maryland. Increases in federal, state and local revenues resulted in the approval of a \$1.174 billion operating budget for fiscal year 2018. State aid formulas were fully funded, and County funds exceeded the maintenance of effort amounts and totaled \$681.72 million, an increase of \$33.52 million ( 5.17% ). Included in this total was one-time non-recurring funding of \$22.5 million to shore-up the self-insurance fund which has been plagued by increasing medical costs. The investment earnings showed improvement over the year as interest rates increased.

There are some issues on the horizon that may affect AACPS funding in the future, however, it is difficult to project their impact at this point.

First, the newly passed federal tax bill is bound to have some impact on the tax revenues of the state, which may affect the funding provided to schools. In the short run, the Comptroller of Maryland estimates that Maryland's general fund would increase by \$28.7 million and \$392.5 million in fiscal years 2018 and 2019, respectively. The Education Trust Fund would realize an additional \$867,000 and \$5.1 million, respectively. However, the limits on federal deductions may induce some of the high tax payers to seek residency in more tax friendly states, thus reducing the state tax revenue.

Second is the anticipated report by the "Commission on Innovation and Excellence in Education", chaired by former University of Maryland System Chancellor William E. "Brit" Kirwan. The commission is charged with changing how Maryland funds public schools for next decade. Depending on the outcome of the final report, and the extent to which the Maryland General Assembly adopts the recommendations of the Commission, it may affect the way schools are funded and managed.

Third is the Commitment to Education Act of 2018 that would steer the state's casino gambling revenue towards public schools. If passed, the bill would place revenue generated from gambling at the state's six casinos into a lockbox that could only be directed toward K-12 education. Currently casino revenue that is placed in the Education Trust Fund is used to support the state's education funding formulas. This bill would require the funding to be used to supplement the education funding formulas. If ratified by the voters in November, analysts project an additional \$4.4 billion in funding for state schools over the next 10 years, and \$100 million in fiscal year 2019 alone for new school construction projects. Casinos generated \$451 million for the state's Education Trust Fund in the fiscal year that ended last June 30, according to a recent report.

### **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 Financial Operations, 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, 2018

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 207,887,955
Due from Other Governments	47,565,657
Accounts Receivable	18,450,380
Prepaid Expenses	-
Inventory	2,702,536
Capital Assets Not Being Depreciated	205,465,532
Capital Assets Being Depreciated, Net of Accumulated Depreciation	1,018,773,126
<b>Total Assets</b>	<u><u>\$ 1,500,845,186</u></u>
<b>Deferred Outflows of Financial Resources</b>	
Deferred Outflows of Financial Resources Related to Pension	\$ 16,605,636
Deferred Outflows of Financial Resources Related to OPEB	43,572,871
<b>Deferred Outflows of Financial Resources</b>	<u><u>\$ 60,178,507</u></u>
<b>Liabilities:</b>	
Accrued Salaries and Payroll Taxes	\$ 97,621,266
Accounts Payable and Unpaid Claims	60,253,276
Due to Other Governments	429,001
Unearned Revenue	10,003,903
Retainage Payable	10,362,804
Non-Current Liabilities:	
Due Within One Year	23,671,862
Due in More Than One Year	2,297,396,101
<b>Total Liabilities</b>	<u><u>\$ 2,499,738,213</u></u>
<b>Deferred Inflows of Financial Resources</b>	
Deferred Inflows of Financial Resources Related to Pension	\$ 8,994,445
Deferred Inflows of Financial Resources Related to OPEB	334,660,000
<b>Deferred Inflows of Financial Resources</b>	<u><u>\$ 343,654,445</u></u>
<b>Net Position:</b>	
Net Investment in Capital Assets	\$ 1,213,875,854
Restricted for Food Services	553,948
Restricted for Equipment Leases	5,595,439
Restricted for Special Education	15,064,103
Unrestricted Deficit	(2,517,458,309)
<b>Total Net Position</b>	<u><u>\$ (1,282,368,965)</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, 2018

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	\$ 42,863,284	\$ 60,015	\$ 1,058,405	\$ -	\$ (41,744,864)
Mid-Level Administration	108,393,226	705	11,628,608	-	(96,763,913)
Instructional Salaries and Wages	651,148,918	503,668	77,125,776	-	(573,519,474)
Textbooks and Instructional Supplies	31,117,806	501,729	1,232,666	-	(29,383,411)
Other Instructional Costs	20,538,844	684,564	2,385,433	10,928,395	(6,540,452)
Special Education	196,484,867	-	60,053,861	-	(136,431,006)
Pupil Services	12,380,135	-	239,593	-	(12,140,542)
Student Health Services	9,122,224	-	-	-	(9,122,224)
Pupil Transportation	62,822,685	192,534	24,060,447	569,944	(37,999,760)
Operation of Plant	90,558,927	717,059	129,295	-	(89,712,573)
Maintenance of Plant	105,902,507	-	31,733	161,791,208	55,920,434
Community Services	1,231,630	23,528	391,168	-	(816,934)
Food Services	32,002,678	11,230,600	20,228,453	-	(543,625)
Interest on Capital Leases	730,517	-	-	-	(730,517)
<b>Total</b>	<u>\$ 1,365,298,248</u>	<u>\$ 13,914,402</u>	<u>\$ 198,565,438</u>	<u>\$ 173,289,547</u>	<u>\$ (979,528,861)</u>
General Revenues:					
					302,658,953
					677,552,110
					2,714,964
					1,857,351
					2,887,024
					<u>987,670,402</u>
					8,141,541
					<u>(1,290,510,506)</u>
					<u>\$ (1,282,368,965)</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 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, 2018

	General Fund	Food Services Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 177,822,792	\$ 8,405,322	\$ 4,609,431	\$ 1,356,006	\$ 192,193,551
Due from Other Governments:					
Anne Arundel County	-	-	36,432,472	-	36,432,472
State of Maryland	5,791,213	1,097,791	4,110,607	-	10,999,611
United States Government	133,574	-	-	-	133,574
Due from Other Funds:					
Food Services Fund	1,411,194	-	-	-	1,411,194
Nonmajor Governmental Funds	47,305	-	-	-	47,305
Accounts Receivable	2,626,645	1,255	-	55,489	2,683,389
Inventory	2,148,588	553,948	-	-	2,702,536
<b>Total Assets</b>	<b>\$ 189,981,311</b>	<b>\$ 10,058,316</b>	<b>\$ 45,152,510</b>	<b>\$ 1,411,495</b>	<b>\$ 246,603,632</b>
<b>Liabilities:</b>					
Accrued Salaries and Payroll Taxes	\$ 97,621,266	\$ -	\$ -	\$ -	\$ 97,621,266
Accounts Payable	23,331,916	632,363	27,920,188	18,094	51,902,561
Due to Other Governments:					
State of Maryland	245	-	10,862	-	11,107
Anne Arundel County	31,027	-	-	-	31,027
Due to Other Funds:					
General Fund	-	1,411,194	-	47,305	1,458,499
Retainage Payable	12,405	-	10,350,399	-	10,362,804
Unearned Revenue	251,207	746,565	6,817,594	339,068	8,154,434
<b>Total Liabilities</b>	<b>\$ 121,248,066</b>	<b>\$ 2,790,122</b>	<b>\$ 45,099,043</b>	<b>\$ 404,467</b>	<b>\$ 169,541,698</b>
<b>Fund Balance:</b>					
Nonspendable	\$ 2,148,588	553,948	-	-	2,702,536
Spendable:					
Restricted	20,659,542	-	-	-	20,659,542
Committed	-	6,714,246	53,467	411,419	7,179,132
Assigned	43,297,506	-	-	595,609	43,893,115
Unassigned	2,627,609	-	-	-	2,627,609
<b>Total Fund Balance</b>	<b>68,733,245</b>	<b>7,268,194</b>	<b>53,467</b>	<b>1,007,028</b>	<b>77,061,934</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 189,981,311</b>	<b>\$ 10,058,316</b>	<b>\$ 45,152,510</b>	<b>\$ 1,411,495</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.	1,224,238,658
Portion of primary government's deficit in County	
Self Insurance Fund is not a financial obligation and is not reported in the funds.	(386,867)
Non-Current liabilities are not reported in the funds.	(2,321,067,963)
Deferred outflows of resources are related to pensions	16,605,636
Deferred inflows of resources related to pensions	(8,994,445)
Deferred outflows of resources are related to OPEB	43,572,871
Deferred inflows of resources related to OPEB	(334,660,000)

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. 21,261,211

**Net Position of Governmental Activities** **\$ (1,282,368,965)**

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, 2018

	General Fund	Food Services Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Anne Arundel County	\$ 700,052,110	\$ -	\$ 143,601,383	\$ -	\$ 843,653,493
State of Maryland	416,589,013	1,249,554	29,605,945	16,452	447,460,964
United States Government	39,818,751	18,978,899	-	169,761	58,967,411
Sale of Food	-	11,230,600	-	-	11,230,600
Investment Interest Earned	1,800,943	55,181	1,226	-	1,857,350
Gate Receipts	-	-	-	564,198	564,198
Rebates and Commissions	2,741,932	-	-	-	2,741,932
Student Payments	447,400	-	-	864,104	1,311,504
Other	5,391,772	140,551	82,219	37,795	5,652,337
<b>Total Revenues</b>	<u>1,166,841,921</u>	<u>31,654,785</u>	<u>173,290,773</u>	<u>1,652,310</u>	<u>1,373,439,789</u>
<b>Expenditures:</b>					
Current:					
Administration	\$ 30,353,137	\$ -	\$ -	\$ 82,178	\$ 30,435,315
Mid-Level Administration	66,922,926	-	-	950	66,923,876
Instructional Salaries and Wages	394,684,202	-	-	678,465	395,362,667
Textbooks and Instructional Supplies	30,441,953	-	-	675,853	31,117,806
Other Instructional Costs	18,864,591	-	-	71,043	18,935,634
Special Education	131,555,204	-	-	-	131,555,204
Pupil Services	8,185,339	-	-	-	8,185,339
Student Health Services	9,122,224	-	-	-	9,122,224
Pupil Transportation	58,213,461	-	-	259,353	58,472,814
Operation of Plant	72,676,136	-	-	30,453	72,706,589
Maintenance of Plant	19,636,781	-	15,251,429	-	34,888,210
Fixed Charges	314,086,597	-	-	95,621	314,182,218
Community Services	857,464	-	-	31,693	889,157
Food Services	-	30,873,499	-	-	30,873,499
Capital Outlay	3,315,146	-	158,489,034	-	161,804,180
Debt Service					
Principal	8,299,553	-	-	-	8,299,553
Interest	730,517	-	-	-	730,517
<b>Total Expenditures</b>	<u>1,167,945,231</u>	<u>30,873,499</u>	<u>173,740,463</u>	<u>1,925,609</u>	<u>1,374,484,802</u>
Excess (Deficiency) of Revenues over Expenditures	(1,103,310)	781,286	(449,690)	(273,299)	(1,045,013)
<b>Other Financing Sources:</b>					
Issuance of debt for Capital Leases	8,443,914	-	-	-	8,443,914
Net Change in Fund Balance	7,340,604	781,286	(449,690)	(273,299)	7,398,901
Fund Balance - July 1,	61,392,641	6,486,908	503,157	1,280,327	69,663,033
<b>Fund Balance - June 30</b>	<u>\$ 68,733,245</u>	<u>\$ 7,268,194</u>	<u>\$ 53,467</u>	<u>\$ 1,007,028</u>	<u>\$ 77,061,934</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, 2018

<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>7,398,901</b>
 <b>Amounts reported in the Statement of Activities are different because:</b>	
 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	140,762,500
Governmental funds do not recognize loss on disposal of capital assets. However, in the 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 \$2,999,495 exceeded accumulated depreciation of \$2,907,346	(92,149)
Depreciation Expense	(47,209,308)
 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.	
	815,458
 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	(26,716)
Changes in OPEB and related deferral	(104,162,129)
 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.	
	(144,361)
 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.	
	12,507,864
 Governmental funds report Board's pension contribution as expenditure. However, in the statement of Activities, the cost of pension benefits earned net of employee contributions is reported as expense.	
	<u>(1,708,519)</u>
<b>Change in Net Position of Governmental Activities</b>	 <b><u>\$ 8,141,541</u></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, Expenditures, Encumbrances and Changes in Fund Balance (Non GAAP - Budget and Actual)

General Fund

For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Anne Arundel County	\$ 678,639,500	\$ 681,724,500	\$ 681,724,499	\$ (1)
State of Maryland	354,925,700	354,811,900	354,698,788	(113,112)
United States Government	42,667,300	44,087,100	39,789,224	(4,297,876)
Other Sources:				
Investment Interest Earned	150,000	1,491,546	1,800,943	309,397
Other	26,795,072	33,549,754	6,017,946	(27,531,808)
<b>Total Revenues</b>	<u>1,103,177,572</u>	<u>1,115,664,800</u>	<u>1,084,031,400</u>	<u>(31,633,400)</u>
<b>Expenditures and Encumbrances:</b>				
Current:				
Administration	32,692,500	32,173,700	31,274,987	898,713
Mid-Level Administration	68,826,200	68,008,400	67,343,379	665,021
Instructional Salaries and Wages	402,070,100	398,948,100	394,676,852	4,271,248
Textbooks and Instructional Supplies	29,456,900	40,961,300	38,324,550	2,636,750
Other Instructional Costs	18,211,900	25,169,300	23,892,430	1,276,870
Special Education	134,730,900	135,913,800	132,075,840	3,837,960
Pupil Services	8,226,200	8,500,300	8,167,865	332,435
Pupil Transportation	56,320,100	58,051,500	56,763,361	1,288,139
Operation of Plant	72,539,100	72,059,300	69,661,010	2,398,290
Maintenance of Plant	18,469,100	20,482,300	20,326,190	156,110
Fixed Charges	271,466,500	275,462,700	246,965,028	28,497,672
Community Services	444,600	574,100	491,153	82,947
Capital Outlay	3,674,600	4,360,000	4,269,137	90,863
<b>Total Expenditures and Encumbrances</b>	<u>1,117,128,700</u>	<u>1,140,664,800</u>	<u>1,094,231,782</u>	<u>46,433,018</u>
Excess (Deficiency) of Revenues over Expenditures and Encumbrances	(13,951,128)	(25,000,000)	(10,200,382)	14,799,618
<b>Other Financing Sources:</b>				
Restricted Revenue from Other Sources	951,128	-	-	-
Use of Prior Year's Fund Balance	13,000,000	25,000,000	-	(25,000,000)
Liquidation of Prior Year Encumbrances	-	-	1,745,988	1,745,988
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(8,454,394)	(8,454,394)
Fund Balance July 1			<u>27,744,466</u>	<u>27,744,466</u>
<b>Fund Balance - June 30</b>			<u>\$ 19,290,072</u>	<u>\$ 19,290,072</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, 2018

	Self-Insurance Fund
<b>Assets:</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 15,694,404
Accounts Receivable	12,878,191
<b>Total Current Assets</b>	<b>28,572,595</b>
<b>Non-Current Assets:</b>	
Accounts Receivable	2,888,800
<b>Total Assets</b>	<b>\$ 31,461,395</b>
 <b>Current Liabilities:</b>	
Accounts Payable	\$ 30,715
Unearned Revenue	1,849,469
Unpaid Claims	8,320,000
<b>Total Liabilities</b>	<b>10,200,184</b>
<b>Net Position:</b>	
Unrestricted	21,261,211
<b>Total Net Position</b>	<b>21,261,211</b>
 <b>Total Liabilities and Net Position</b>	<b>\$ 31,461,395</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, 2018

	<u>Self-Insurance Fund</u>
<b>Operating Revenues:</b>	
Board Contributions	\$ 163,174,567
Employee Contributions	11,259,459
Retiree Contributions	15,302,449
Federal Medicare Reimbursements	<u>1,062,902</u>
<b>Total Operating Revenues</b>	<u>190,799,377</u>
 <b>Operating Expenses:</b>	
Contractual Services	545,488
Insurance Claims and Expenses	<u>177,755,613</u>
<b>Total Operating Expenses</b>	<u>178,301,101</u>
Operating Income	12,498,276
 <b>Non-Operating Revenue:</b>	
Interest Income	<u>9,588</u>
 Change in Net Position	12,507,864
 Net Position - July 1	<u>8,753,347</u>
<b>Net Position - June 30</b>	<u><u>\$ 21,261,211</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, 2018

	<u>Self-Insurance Fund</u>
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Governmental Funds	\$ 163,186,406
Cash Received from Employee Contributions	11,259,459
Cash Received from Retiree Contributions	15,302,449
Cash Received from Federal Government	1,062,902
Cash Payments of Hospital Deposit	250,800
Cash Payments for Claims and Insurance Premiums	(178,439,936)
Cash Payments to Suppliers for Goods and Services	(545,488)
Net Cash Used for Operating Activities	<u>12,076,592</u>
<b>Cash Flows from Investing Activities:</b>	
Cash Received from Interest Earnings	<u>9,588</u>
Net Change in Cash and Cash Equivalents	12,086,180
Cash and Cash Equivalents - July 1	<u>3,608,224</u>
<b>Cash and Cash Equivalents - June 30</b>	<u><u>\$ 15,694,404</u></u>
 <b>Reconciliation of Operating Income to</b>	
<b>Net Cash Used for Operating Activities:</b>	
Operating Income	\$ 12,498,276
Effect of Changes in Operating Assets and Liabilities:	
Due from Other Governmental Fund	11,839
Unpaid Claims	40,000
Accounts Receivable	(431,345)
Prepaid Expenses	13,453,107
Accounts Payable	(107,812)
Due From General Fund	(13,453,107)
Unearned Revenue	65,634
Net Cash Used by Operating Activities	<u><u>\$ 12,076,592</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 Net Position

Fiduciary Funds

June 30, 2018

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 457,418	\$ 10,140,336
Accounts Receivable	-	160,528
Inventory	-	287,151
<b>Total Assets</b>	<u>\$ 457,418</u>	<u>\$ 10,588,015</u>
<b>Liabilities:</b>		
Accounts Payable	\$ -	\$ 3,858,010
Due to Student Groups	-	6,730,005
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 10,588,015</u>
 <b>Net Positon Held for Private Purpose Activities</b>	 <u>\$ 457,418</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, 2018

	<u>Private Purpose Trust Funds</u>
<b>Additions:</b>	
Investment Interest Earned	\$ 352
Other - Donations	<u>112,344</u>
<b>Total Additions</b>	<u>112,696</u>
<b>Deductions:</b>	
Scholarships and Claims	<u>38,534</u>
Change in Net Position	74,162
Net Position - July 1	<u>383,256</u>
<b>Net Position - June 30</b>	<u><u>\$ 457,418</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, 2018

**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. Revenues not properly included among program revenues are reported instead as *general revenues*.

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.

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



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

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 are 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 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 federal medical reimbursement. Interest earnings are categorized as non-operating revenues.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

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. Fiduciary funds use the economic resources measurement focus and accrual basis of accounting. 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' assets are offset by liabilities in equal amount; no fund balance exists.

**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, except for retainage payable of \$10,362,804 at June 30, 2018.

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. In fiscal year 2018, the Board adopted the modified *Classification of Fund Balances policy* that provides authority, guidance and limitations for determining classification and limitations on the use of Board's fund balances. As of June 30, 2018, 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 not in spendable 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, 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 resolution – 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 the Superintendent of Schools.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

*Unassigned* – Unassigned fund balance represents all other spendable amounts not included in the other categories. A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

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. The Board may not exceed the appropriation authority granted for each major category without County Government approval.
- 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.

Under the law, the County Government sets the appropriation levels by major categories. The Board may transfer funds among the major categories only with the approval of the County Government. 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.

*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.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

Capital Assets - Capital assets, which include land and site improvements, intangibles work in progress, construction in progress, buildings and additions, computer hardware and software, and furniture and 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 acquisition 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. Intangibles in progress are also not depreciated. Only major software systems/upgrades of completed projects are capitalized if internal and external development costs exceed \$250,000. Buildings and additions, computer hardware and software and furniture and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Additions	2 - 40
Computer Software	5 - 10
Furniture and Equipment	1 - 15

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. The Board recognized \$16,605,636 and \$43,572,871 as deferred outflows of financial resources related to Pension and OPEB respectively.

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 of \$10,003,903 is comprised of cash or receivables recorded for which the related revenue is not yet earned. At June 30, 2018, \$6,817,594 is deferred capital contributions not yet expended, \$1,849,469 represents employee health premiums collected, but not earned, \$746,565 is unexpended student account balances in the Food Services Fund, and the remaining relates to grant deferrals and deposits received in fiscal year 2018.

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. 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.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements

June 30, 2018

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.

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

OPEB - The Board implement GASB 75 for fiscal year 2018. For purposes of measuring the net OPEB liability, measurements were done by the actuary based on various plan assets and liabilities. Funded status is determined using plan assets measured at market value.

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. The Board reported deferred inflows of financial resources of \$8,994,445 related to pension and \$384,936,000 related to OPEB for the fiscal year 2018.

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

Restricted Net Position - There are three restrictions on net position of \$21,213,490 at June 30, 2018, including inventory restricted for use of Food Services Fund in the amount of \$553,948, the balance held in escrow for lease of computer equipment of \$5,595,439, and \$15,064,103 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.

Assignment of Fund Balances - Per Board Policy DBK-RA, the Superintendent is authorized to assign certain portion of the fund balance for specific purposes. Accordingly, the Superintendent has designated \$4,000,000 to be assigned to school security. Also \$13,000,000 is assigned to be included in next year's budget.

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

GASB Pronouncements - GASB has issued the following Statements which became effective in fiscal year 2018.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

- Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and Required Supplementary Information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. The Board adopted this GASB statement for the fiscal year 2018.
- Statement No. 85. Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). Effective for reporting periods after June 15, 2017. This pronouncement has no material impact on the Board financial statements.
- Statement No. 86. Certain Debt Extinguishment Issues. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. Effective for reporting periods after June 15, 2017. This pronouncement has no material impact on the Board financial statements.

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

- Statement No. 82. Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No 73. The objective of this Statement is to address certain issues that have been raised with respect to Statements 67, 68, and 73. The requirements of this Statement are effective for reporting periods after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2018 (fiscal year 2019). The Board continues to evaluate the impact of this statement of the Board Financial statements.
- Statement No 83. Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. Effective for reporting periods after June 15, 2018 (fiscal year 2019). The Board continues to evaluate the impact of this statement of the Board Financial statements.

- Statement No. 84. *Fiduciary Activities*. The objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Effective for reporting periods after June 15, 2018 (fiscal year 2019) . The Board continues to evaluate the impact of this statement of the Board Financial statements.
- Statement No. 87. *Leases*. The standard will increase transparency and comparability among organizations that lease buildings, equipment, and other assets by recognizing the assets and liabilities that arise from lease transactions. Effective for reporting periods beginning after June 15, 2019 (fiscal year 2020) . The Board continues to evaluate the impact of this statement of the Board Financial statements.
- Statement No. 88. *Certain disclosures related to debt, including direct borrowings and direct placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Effective for reporting periods beginning after June 15, 2018 (fiscal year 2019) . The Board continues to evaluate the impact of this statement of the Board Financial statements.
- Statement No. 89. *Accounting for costs incurred before the end of a construction period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (fiscal year 2020). The Board continues to evaluate the impact of this statement of the Board Financial statements.

**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.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

	<b>Revenue and Other Financing Sources</b>	<b>Expenditures</b>	<b>Fund Balance</b>
Reported on the GAAP Basis of Accounting	\$ 1,175,285,835	\$ 1,167,945,231	\$ 68,733,245
Effect of Grant Revenue:			
Prior Year	(93,960)	-	-
Current Year	82,708	-	82,708
Effect of Encumbrances	-	12,872,272	(26,297,507)
Effect of Encumbrances Correction		-	756
Effect of Inventory	-	463,330	(2,148,588)
Capital Leases	(8,443,914)	(8,443,914)	-
Retirement costs paid on Board's behalf by State of Maryland	(61,908,500)	(61,908,500)	-
Health Services & other costs paid on Board's behalf by Anne Arundel County	(18,327,611)	(18,327,611)	-
Smaller funds not included in General Fund	(2,563,158)	(890,137)	(15,485,103)
Gain in the liquidation of prior year Encumbrances	1,745,988	1,745,988	
Lease proceeds held in escrow	-	775,123	(5,595,439)
<b>Total</b>	<u>\$ 1,085,777,388</u>	<u>\$ 1,094,231,782</u>	<u>\$ 19,290,072</u>



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

**NOTE 3 GENERAL FUND SUPPLEMENTAL APPROPRIATION AND TRANSFERS**

For the fiscal year ended June 30, 2018, the Anne Arundel County Council approved supplemental revenues and appropriations totaling \$23,536,100 through first (\$3,085,000), second (\$9,167,000), and fourth (\$11,284,100) quarter amendments.

<b>Revenue Source</b>	<b><u>Supplemental Revenue Sources</u></b>	
	From	To
United States Government	\$ 1,419,800	\$ -
State of Maryland	-	113,800
Local Resources	8,096,228	-
Restricted Revenue from Prior Years	-	951,128
Fund Balance Surplus (Deficit) from Prior Years	12,000,000	
County Funds	3,085,000	-
	\$ 24,601,028	\$ 1,064,928

<b>Expenditure Category - Supplemental Appropriations and Transfers</b>		
Administration	\$ 518,800	\$ -
Mid Level Administration	817,800	-
Instructional Salaries	3,122,000	-
Instructional Supplies	-	11,504,400
Instructional - Other	-	6,957,400
Special Education	-	1,182,900
Pupil Services	-	274,100
Transportation	-	1,731,400
Operation of the Plant	479,800	-
Maintenance of the Plant	-	2,013,200
Fixed Charges	-	3,996,200
Community Services	-	129,500
Capital Outlay	-	685,400
	\$ 4,938,400	\$ 28,474,500

**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 Position 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, 2018, the carrying value of the Board's cash on hand and combined deposits including amounts held in Agency and Trust Funds was \$218,485,709. Of this amount, \$148,165,839 was invested in the Maryland Local Government Investment Pool (MLGIP) and \$5,595,439 was held in a money market account in escrow.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

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The related bank balance was \$221,284,606 and cash on hand was \$2,425. Of the bank balance, \$148,165,839 was in investment pool and money markets. \$1,512,329 was covered by federal depository insurance and \$66,008,573 was covered by average collateral of \$66,564,027 held by the Mellon Bank of Boston, MA. 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 is a 2a7 like pool, which is not registered with the Security and Exchange Commission(SEC) but generally operates in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 (Rule 2a7). The Pool, which maintains a \$1 per share value, is designed to give local government units of the state an investment vehicle for Short-term Investment of funds.

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, 2018, the balance in that account was \$5,595,439. The fair value of the fund is the same as the value of the shares.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
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**NOTE 5 DUE FROM (TO) OTHER GOVERNMENTS**

	<u>Federal</u>	<u>State of Maryland</u>	<u>Anne Arundel County</u>	<u>Total</u>
<b>Amounts Due from Other Governments</b>				
General Fund	\$ 133,574	\$ 5,791,213	\$ -	\$ 5,924,787
Food Services Fund	-	1,097,791	-	1,097,791
Capital Projects Fund	-	4,110,607	36,432,472	40,543,079
Balance Sheet Total	<u>133,574</u>	<u>10,999,611</u>	<u>36,432,472</u>	<u>47,565,657</u>
Governmental Activities Fund	-	-	-	-
<b>Statement of Net Position Total</b>	<u>\$ 133,574</u>	<u>\$ 10,999,611</u>	<u>\$ 36,432,472</u>	<u>\$ 47,565,657</u>
<b>Amounts Due to Other Governments</b>				
General Fund	\$ -	\$ 245	\$ 31,027	\$ 31,272
Capital Projects Fund	-	10,862	-	10,862
Balance Sheet Total	<u>-</u>	<u>11,107</u>	<u>31,027</u>	<u>42,134</u>
Governmental Activities Fund	-	-	386,867	386,867
<b>Statement of Net Position Total</b>	<u>\$ -</u>	<u>\$ 11,107</u>	<u>\$ 417,894</u>	<u>\$ 429,001</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, 2018, are as follows:

	<u>General Fund</u>	<u>Food Services Fund</u>	<u>Non Major Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
<b>Due from</b>					
Food Service Fund	\$ 1,411,194	\$ -	\$ -	\$ -	\$ 1,411,194
Non Major Governmental Funds	47,305	-	-	-	47,305
	<u>\$ 1,458,499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,458,499</u>
<b>Due to</b>					
General Fund	\$ -	\$ 1,411,194	\$ 47,305	\$ -	\$ 1,458,499
	<u>\$ -</u>	<u>\$ 1,411,194</u>	<u>\$ 47,305</u>	<u>\$ -</u>	<u>\$ 1,458,499</u>

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**NOTE 7 CHANGES IN CAPITAL ASSETS**

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

**Table 7**  
**Anne Arundel County Public Schools**  
**Changes in Capital Assets FY2018**

Changes In Capital Assets	Balance June 30,2017	Additions	Deletions	Balance June 30,2018
<b>Capital Assets, Not Being Depreciated</b>				
Land & Site Improvements	\$ 68,313,591	\$ 32,669	\$ -	\$ 68,346,260
Intangibles Work In Progress	1,164,310	1,027,630	(394,720)	1,797,220
Construction In Progress	44,823,500	133,189,901	(42,691,350)	135,322,051
Total Capital Assets, Not Being Depreciated	114,301,401	134,250,200	(43,086,070)	205,465,531
<b>Capital Assets, Being Depreciated</b>				
Buildings & Additions	1,774,762,384	43,216,247	(1,534,942)	1,816,443,689
Intangibles	9,333,165	394,720	-	9,727,885
Furniture & Equipment	50,161,763	5,987,402	(1,464,553)	54,684,612
Total Capital Assets, Being Depreciated	1,834,257,312	49,598,369	(2,999,495)	1,880,856,186
<b>Less Accumulated Depreciation for:</b>				
Buildings & Additions	(782,610,695)	(42,527,551)	1,534,942	(823,603,304)
Intangibles	(3,409,144)	(972,789)	-	(4,381,933)
Furniture & Equipment	(31,761,259)	(3,708,968)	1,372,404	(34,097,823)
Total Accumulated Depreciation	(817,781,098)	(47,209,308)	2,907,346	(862,083,060)
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>1,016,476,214</b>	<b>2,389,061</b>	<b>(92,149)</b>	<b>1,018,773,126</b>
Total Capital Assets, Less Accumulated Depreciation	\$ 1,130,777,615	\$ 136,639,261	\$ (43,178,219)	\$ 1,224,238,657

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**Depreciation expense charge to functions/categories as follows:**

Administration	521,583
Mid-Level Administration	471,128
Other Instructional Costs	790,416
Special Education	25,786
Pupil Transportation	31,093
Operation of Plant	205,685
Maintenance of Plant	45,142,528
Food Services	21,089
Total Depreciation Expense	<u>47,209,308</u>

The following table provides the active projects that comprise total Construction in Progress at June 30, 2018.

**As of June 30, 2018**

<b>School</b>	<b>Spent to Date 6/30/2018</b>	<b>Remaining Commitment</b>
Arnold Elementary	\$ 20,407,028	\$ 11,605,746
Edgewater Elementary	1,931,047	1,351,946
George Cromwell Elementary	12,240,066	4,266,622
High Point Elementary	21,349,408	14,066,879
Jessup Elementary	15,634,359	19,525,205
Manor View Elementary	18,729,035	10,362,276
Richard Henry Lee Elementary	2,107,228	681,074
Tyler Heights Elementary	2,216,785	1,193,227
Crofton Area High School	24,838,076	39,940,625
Additions	2,103,522	1,531,322
All Day Kindergarten	3,859,465	1,933,087
Open Space Enclosures	7,086,117	2,590,686
Systemic	1,962,029	13,130,684
	<u>134,464,165</u>	<u>122,179,379</u>
Other Projects	857,886	6,503,123
<b>Total</b>	<u>\$ 135,322,051</u>	<u>\$ 128,682,502</u>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

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**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 cost of these programs is funded by employee and retiree 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.

	<b>Year Ended</b>	
	<b>June 30, 2018</b>	<b>June 30, 2017</b>
Unpaid Claims, Beginning of Year	\$ 8,280,000	\$ 10,550,000
Incurred Claims(Including IBNR)	177,795,613	155,315,594
Claim Payments	(177,755,613)	(174,145,594)
Unpaid Claims, End of Year	<u>\$ 8,320,000</u>	<u>\$ 8,280,000</u>

**NOTE 9 NONCURRENT LIABILITIES**

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

**Non Current Liabilities**

	<b>Balance at 6/30/2107</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at 6/30/2018</b>	<b>Due within one year</b>
Capital Leases	\$ 15,195,266	\$ 8,443,914	\$ (8,299,553)	\$ 15,339,627	\$ 6,662,078
Compensated Absences	39,405,861	22,005,227	(21,978,511)	39,432,577	17,009,784
Net OPEB Liability**	2,445,260,000	-	(237,201,000) *	2,208,059,000	-
Net Pension Liability	67,552,295	-	(9,315,536) *	58,236,759	-
Total NonCurrent Liabilities	<u>\$ 2,567,413,422</u>	<u>\$ 30,449,141</u>	<u>\$ (276,794,600)</u>	<u>\$ 2,321,067,963</u>	<u>\$ 23,671,862</u>

\* Net Amount

\*\* Balance of net OPEB liability at 6/30/2017 was restated due to the implementation of GASB 75

Capital leases and compensated absences are funded with annual appropriations in the General Fund. Payments for health care (OPEB liability) are paid through the Self-Insurance Fund, except when paid directly by grants. Net pension liability indicates the Board portion of the Maryland State Pension Obligation.

**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 the Government-Wide Statement of Activities. As of June 30, 2018, 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, 2022. Future minimum payments on obligations under capital lease agreements are as follows:

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

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**Capital Lease Agreements**

<u>Year ending June 30, 2018</u>	<u>Lease Payments</u>
2019	\$ 7,340,291
2020	5,815,623
2021	2,938,352
2022	480,802
Total Future Minimum Payments	<u>16,575,068</u>
Less: Interest Component of Future Minimum Payments	<u>1,235,441</u>
Net Capital Lease Obligations	<u>\$ 15,339,627</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, 2022. Future minimum payments on operating leases with an initial or remaining noncancellable term in excess of one year are \$1,570,682; \$968,372; \$584,764 and \$131,012 in 2019; 2020, 2021; and 2022, respectively. Operating lease costs for the year ended June 30, 2018, were approximately \$1,843,876.

**NOTE 11 POST EMPLOYMENT HEALTHCARE PLAN**

**General Information about the OPEB Plan**

**Plan description.**

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 Plan). The plan is administered by the Board and the Board has the authority to change the terms of the plan in negotiations with the unions. 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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 since it only relates to plans that are administered through a separate Trust or equivalent arrangement.

**Benefits provided**

The Board pays a portion of the cost of medical, prescription drug, and dental benefits for eligible retirees, disabled retirees, and their spouses and dependents depending on the hire date and the length of service. Board pays 75% of the cost for employees hired prior to 9/15/2002, and for those hired after this date pays varying amounts depending on length of service. 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.

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**Employees covered by benefit terms.**

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5,162
Inactive employees entitled to but not yet received benefit payments	-
Active employees	<u>10,381</u>
	<u>15,543</u>

**Total OPEB Liability**

The Board's total OPEB liability of \$2,208,059,000 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

**Actuarial assumptions and other inputs.**

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.58% percent
Healthcare cost trend rates	7.75 percent composite rate for pre 65 and 8.83 percent composite rate for post 65, decreasing to an ultimate rate of 4.5 percent and 4.43 percent for 2026 and later years
Retirees' share of benefit-related costs	25 percent of projected health insurance premiums for retirees

The discount rate was based on Bonds Byer GO 20-Bond Municipal Bond Index.

Mortality rates were based on the RP-2014 White Collar Mortality Table for Males or Females, projected using Scale MP-2014.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013–June 30, 2016.



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**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at 6/30/2017</b>	<u>\$2,445,260,000</u>
<b>Changes for the year:</b>	
Service cost	112,410,000
Interest	72,182,000
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	(371,517,000)
Benefit payments	<u>(50,276,000)</u>
<b>Net changes</b>	<u>(237,201,000)</u>
<b>Balance at 6/30/2018</b>	<u>\$2,208,059,000</u>

Changes of assumptions reflect a change in the discount rate from 2.85 percent in 2017 to 3.58 percent in 2018.

**Sensitivity of the total OPEB liability to changes in the discount rate.**

The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current discount rate:

	1% Decrease <u>(2.58%)</u>	Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
Total OPEB liability	\$2,738,224,000	\$2,208,059,000	\$1,808,637,000

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.**

The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (varied decreasing to 3.5 percent) or 1-percentage-point higher (varied decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (varied <u>decreasing to 3.5%</u> )	Healthcare Cost Trend Rates (varied <u>decreasing to 4.5%</u> )	1% Increase (varied <u>decreasing to 5.5%</u> )
Total OPEB liability	\$1,764,117,000	\$2,208,059,000	\$2,816,453,000

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

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

For the year ended June 30, 2018, the Board recognized OPEB expense of \$147,735,000. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between Actual and Expected Experience	\$ -	\$ -
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	-	334,660,000
Contributions made in Fiscal Year ending 2018 after Measurement Date	43,572,871	
<b>Total</b>	<b>\$ 43,572,871</b>	<b>\$ 334,660,000</b>

The amount of \$43,512,871 reported as deferred outflows of resources related to OPEB liability from Board contributions subsequent to the measurement date will be recognized as a reduction in Net OPEB liability in the year ending June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	
2019	\$ (36,857,000)
2020	(36,857,000)
2021	(36,857,000)
2022	(36,857,000)
2023	(36,857,000)
Thereafter	(150,375,000)

**Note 12 RESTATEMENT OF PRIOR PERIOD**

The beginning net positions in the Government-Wide statement had to be restated due to the new accounting pronouncement.

The Board adopted GASB statement No. 75, *Accounting and Financial Reporting for post-employment benefits other than Pension*, which improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all post-employment benefits (pensions and OPEB) regarding providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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The Board is now required to record liability for future OPEB benefits more than the accumulated plan contributions. This pronouncement requires the restatement of June 30, 2017, net position of governmental activities to include net liability amount of \$1,840,527,000, which is the difference between the OPEB liability prior to and after the implementation of GASB 75.

**Government-Wide Restatement**

Net Position July 1, 2017, as stated	\$ 499,740,494
Cumulative effect of Application of GASB 75 Net OPEB liability	(1,840,527,000)
Cumulative effect of application of GASB 75, Deferred Outflow of Resources	<u>50,276,000</u>
Net Position July 1, 2017, as restated	<u>\$(1,290,501,506)</u>

**NOTE 13 PENSION PLANS**

**General Information about the Plan**

*Plan description.* The employees of the Board are covered by the Maryland State Retirement and Pension System (the System), which is a cost sharing employer defined benefit public employee retirement system. While there are five retirement and pension systems under the System, employees of the Board are a member of either the Teachers' Retirement and Pension Systems or the Employees' Retirement and Pension Systems. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. The Plans are administered by the State Retirement Agency. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees. The System issues a publicly available financial report that can be obtained at <http://www.sra.state.md.us>. The System provides retirement allowances and other benefits to State teachers and employees of participating governmental units, among others. For individuals who become members of the Teachers' Retirement and Pension Systems and the Employees' Retirement and Pension Systems on or before June 30, 2011, retirement/pension allowances are computed using both the highest three years Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For individuals who become members of the Teachers' Pension System and Employees' Pension System on or after July 1, 2011, pension allowances are computed using both the highest five years AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retiree's benefits allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

A member of either the Teachers' or Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

A member of either the Teachers' or Employees' Pension System on or before June 30, 2011 is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the member's combined age and eligibility service equals at least 90 years or if the member is at least age 65

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and has accrued at least 10 years of eligibility services. For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the members AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.4% of the members AFC, multiplied by the number of years of credible service accumulated after June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' or Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998 plus 1.8% of the member's AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. Beginning in July 1, 2011, any new member of the Teachers' or Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' or Employees' Pension System.

**Contributions**

The Board and covered members are required by State statute to contribute to the System. Members of the Teachers' Pension System and Employees' Pension System are required to contribute 7% annually. Members of the Teachers' Retirement System and Employees' Retirement System are required to contribute 5-7 % annually, depending on the retirement option selected. The contribution requirements of the System members, as well as the State and participating governmental employers are established and may be amended by the Board of Trustees for the System.

Beginning in FY2017, the Board pays the normal cost for their teachers in the Teachers Retirement and Pension System while the State contributes on behalf of the Board, the unfunded liability portion of the Board's annual required contribution to the Teachers' Retirement and Pension System, which for the year ended June 30, 2018 was \$23,665,760. The State's contributions on behalf of the Board for the year ended June 30, 2018 was \$61,908,500. The fiscal 2018 contributions made by the State on behalf of the Board have been included as both revenues and expenditures in the general fund in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances and are also included as revenues and expenses in the Statement of Activities.

The Board's contractually required contribution rate for the Employees' Retirement and Pension Systems for the year ended June 30, 2018, was 6.74% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Board made its share of the required contributions during the year ended June 30, 2018 of \$5,937,118.

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

**Employees Retirement and Pension Systems**

At June 30, 2018, the Board reported a liability of \$58,236,759 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2017. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2018, the Board's proportionate share was 0.2693191%, which is a decrease of .01699919% from its proportion measured as of June 30, 2017.

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For the year ended June 30, 2018, the Board recognized pension expense of \$7,645,637. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	-	\$4,158,762
Changes in assumptions	2,286,340	-
Change in proportion	3,403,581	4,835,683
Net difference between projected and actual earnings on pension plan investments	4,179,321	-
Change in proportionate share of contributions	799,276	-
Board contributions subsequent to the measurement date	5,937,118	-
Total	<b>\$16,605,636</b>	<b>\$8,994,445</b>

The amount of \$5,937,118 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2019	\$1,627,863
2020	2,407,168
2021	821,504
2022	(2,247,028)
2023	(935,434)
Thereafter	-

**Teachers Retirement and Pension Systems**

At June 30, 2018, the Board did not report a liability related to the Teachers' Retirement and Pension Systems due to a special funding situation. The State of Maryland pays the unfunded liability for the Board and the Board pays the normal cost related to the Boards members in the Teachers' Retirement and Pension Systems; therefore, the Board is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by the Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Board were as follows:

State's proportionate share of the net pension liability	\$ 691,787,947
Board's proportionate share of the net pension liability	-
Total	<b>\$ 691,787,947</b>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

For the year ended June 30, 2018, the Board recognized pension expense of \$85,574,260 and revenue of \$61,908,500 for support provided by the State. Due to the special funding situation noted above related to the Teachers' Retirement and Pension Systems, the Board did not report deferred outflows of resources and deferred inflows of resources related to the Teachers' Retirement and Pension Systems.

**Actuarial assumptions**

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.65% general, 3.15% wage
Salary increases	3.15% to 9.15%, including inflation
Investment rate of return	7.50%

Mortality rates were based on RP-2014 Mortality Tables with projected generational mortality improvements based on the MP-2014 2-dimensional mortality improvement scale.

The economic and demographic actuarial assumptions used in the June 30, 2017 valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2010-2014, after completion of the June 30, 2014 valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates, and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2015. As a result, an investment return assumption of 7.50% and an inflation assumption of 2.65% were used in the June 30, 2017 valuation.

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the System's investment consultant(s) and actuary(s). For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Public Equity	36%	5.30%
Private Equity	11%	7.00%
Rate Sensitive	21%	1.20%
Credit Opportunity	9%	3.60%
Real Assets	15%	5.70%
Absolute Return	8%	3.10%
Total	<u>100%</u>	

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2017.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 10.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Discount rate.**

The single discount rate used to measure the total pension liability was 7.50%. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability**

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Board's net pension liability, calculated using a single discount rate of 7.50%, as well as what the Board's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the Employees Retirement and Pension Systems:

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
Board's proportionate share of the net pension liability	\$82,533,019	\$58,236,759	\$38,077,732

Due to the special funding situation noted above related to the Teachers' Retirement and Pension Systems, the Board did not record a net pension liability related to the Teachers' Retirement and Pension Systems.

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued System's financial report.

**NOTE 14 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 \$128,682,502 as of June 30, 2018. 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 \$41,305 at June 30, 2018.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

*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.



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

**NOTE 15 FUND BALANCES**

The fund balances presented on the Governmental Funds Balance Sheet are comprised of the following:

	<u>General Fund</u>	<u>Food Services Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances</b>					
<b>Nonspendable for:</b>					
Inventory	\$ 2,148,588	\$ 553,948	\$ -	\$ -	\$ 2,702,536
<b>Restricted for:</b>					
Capital Lease Equipment	5,595,439	-	-	-	5,595,439
Special Education	15,064,103	-	-	-	15,064,103
Total Restricted	<u>\$ 20,659,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,659,542</u>
<b>Committed for:</b>					
Capital projects	\$ -	\$ -	\$ 53,467	\$ -	\$ 53,467
Athletics Programs	-	-	-	411,419	411,419
Food Services	-	6,714,246	-	-	6,714,246
Total Committed	<u>\$ -</u>	<u>\$ 6,714,246</u>	<u>\$ 53,467</u>	<u>\$ 411,419</u>	<u>\$ 7,179,132</u>
<b>Assigned to:</b>					
Subsequent Year's Budget	\$ 13,000,000	\$ -	\$ -	\$ -	\$ 13,000,000
School Security	4,000,000	-	-	-	4,000,000
Environmental Education and Summer Camps	-	-	-	595,609	595,609
Encumbrances:					
Administration	1,298,639	-	-	-	1,298,639
Mid-Level Administration	740,048	-	-	-	740,048
Textbooks and Instructional Supplies	11,954,634	-	-	-	11,954,634
Other Instructional Costs	6,492,141	-	-	-	6,492,141
Special Education	435,208	-	-	-	435,208
Pupil Services	22,526	-	-	-	22,526
Pupil Transportation	327,592	-	-	-	327,592
Operation of Plant	716,856	-	-	-	716,856
Maintenance of Plant	3,238,355	-	-	-	3,238,355
Fixed Charges	64,140	-	-	-	64,140
Community Services	21,549	-	-	-	21,549
Capital Outlay	985,817	-	-	-	985,817
Total Encumbrances	<u>26,297,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,297,506</u>
Total Assigned	<u>\$ 43,297,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 595,609</u>	<u>\$ 43,893,115</u>
<b>Unassigned:</b>	2,627,609	-	-	-	2,627,609
Total Fund Balance	<u>\$ 68,733,245</u>	<u>\$ 7,268,194</u>	<u>\$ 53,467</u>	<u>\$ 1,007,028</u>	<u>\$ 77,061,934</u>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Notes to the Basic Financial Statements  
June 30, 2018

**NOTE 16 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. The total fiscal year 2018 expenditures and encumbrances (budget basis) for grants was \$61,681,510. The increase of \$12,166,418 from the prior fiscal year was primarily due to a onetime twenty million and five hundred thousand dollars appropriation to the Self-Insurance fund.

**NOTE 17 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. To protect against these risks, the Board has executed an agreement with Anne Arundel County to participate in the Anne Arundel County Self-Insurance Fund and in a Consolidated Commercial Insurance Program.

Vehicle, professional and general liability, and workers' compensation coverage is provided through the County's self-insurance fund. The Board's contribution to this fund is actuarially determined based on the Board's claims experience and is charged annually to the Fixed Charges category of the General Fund. Anne Arundel County maintains the self-insurance fund and is responsible for the adjustment, defense, and payment of all claims along with a provision calculating our incurred but not reported (IBNR) claims.

Commercial insurance is provided through the County's Consolidated Commercial Insurance Program. Insurance is purchased to provide coverage to the Board for property, equipment breakdown, employee dishonesty, contract school bus liability, public official bonds, and accident insurance. The Board is charged for its share of the insurance premiums, either through a one-time charge or bi-monthly installments, to the Operation of Plant, Transportation and Fixed Charges categories.

<u>Coverage</u>	<u>Boards' Share of the Cost</u>	<u>General Fund Category</u>
<b>County self Insurance</b>		
General Liability	\$ 72,349	Fixed Charges
Workers' Compensation and Liability	5,345,800	Fixed Charges
<b>Board Purchased Policies</b>		
Real Property	924,650	Operation of Plant
Boiler and Miscellaneous	38,563	Fixed Charges
Private Bus Contractors	836,676	Transportation
Total	<u>\$ 7,218,039</u>	

There has been no significant reduction in insurance coverage or any settled claims that have exceeded the amount of coverage in any past three years. The Board's share of County's Self-Insurance Fund deficit at June 30, 2018, is \$386,867.

**BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY**  
**Required Supplementary Information**  
**Schedule of Changes in Board's Total OPEB Liability and Related Ratios**  
**June 30, 2018**

Total OPEB	2018
Service cost	\$ 112,410,000
Interest liability	72,182,000
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	(371,517,000)
Benefit payments	(50,276,000)
Net changes in total OPEB liability	(237,201,000)
Total OPEB liability – beginning	2,445,260,000
Total OPEB liability – ending	\$2,208,059,000
Covered employee payroll	N/A
Total OPEB liability as a percentage of covered- employee payroll	N/A

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.*

**SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MARYLAND STATE RETIREMENT AND PENSION SYSTEM  
Last Ten Fiscal Years**

**Employees' Retirement and Pension System:**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board's proportion of the net pension liability	0.2693191%	0.2863110%	0.2986402%	0.2579608%
Board's proportionate share of the net pension liability	\$ 58,236,760	\$ 67,552,295	\$ 62,062,555	\$ 45,779,604
Board's covered payroll	78,010,768	76,401,809	73,385,781	71,944,717
Board's proportionate share of the net pension liability as a percentage of its covered payroll	74.65%	88.42%	84.57%	63.63%
Plan fiduciary net position as a percentage of the total pension liability	66.71%	62.97%	66.26%	69.53%

**Teacher's Retirement and Pension System:**

Board's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%
Board's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability of the Board	<u>691,787,947</u>	<u>759,433,052</u>	<u>783,631,237</u>	<u>599,615,798</u>
Total	<u>\$ 691,787,947</u>	<u>\$ 759,433,052</u>	<u>\$ 783,631,237</u>	<u>\$ 599,615,798</u>
Board's covered payroll	518,142,026	508,393,899	502,898,224	487,075,668
Board's proportionate share of the net pension liability as a percentage of its covered payroll	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	71.41%	67.95%	70.76%	69.53%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.*

**SCHEDULE OF BOARD CONTRIBUTIONS**  
**MARYLAND STATE RETIREMENT AND PENSION SYSTEM**  
 Last Ten Fiscal Years

**Employees' Retirement and Pension System**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 5,937,118	\$ 5,484,667	\$ 5,577,576	\$ 6,294,530	\$ 6,011,417	\$ 5,283,132	\$ 6,284,320	\$ 6,159,791	\$ 7,154,856	\$ 6,314,840
Contributions in relation to the contractually required contribution	(5,937,118)	(5,484,667)	(5,577,576)	(6,294,530)	(6,011,417)	(5,283,132)	(6,284,320)	(6,159,791)	(7,154,856)	(6,314,840)
Contribution deficiency (excess)	\$ -	\$ 452,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 79,887,644	\$ 78,010,768	\$ 76,401,809	\$ 73,385,781	\$ 71,944,717	\$ 68,129,580	\$ 68,091,003	\$ 67,135,482	\$ 67,205,401	\$ 68,727,932
Contributions as a percentage of covered payroll	7.43%	7.03%	7.30%	8.58%	8.36%	7.75%	9.23%	9.18%	10.65%	9.19%

**Teachers Retirement and Pension System**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 23,665,762	\$ 22,079,472	\$ 21,428,296	\$ 18,637,716	\$ 14,568,567	\$ 11,493,684	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	(23,665,762)	(22,079,472)	(21,428,296)	(18,637,716)	(14,568,567)	(11,493,684)	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 525,531,358	\$ 518,142,026	\$ 508,393,899	\$ 502,898,224	\$ 487,075,668	\$ 471,550,374	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	4.50%	4.26%	4.21%	3.71%	2.99%	2.44%	0.00%	0.00%	0.00%	0.00%
* Prior to fiscal year 2013, school systems were not contractually required to contribute to the Teachers Retirement and Pension System plan.										
Non Teacher Payroll				64,507,996	60,353,957	58,533,226	57,011,781			55,517,409
Total Covered payroll	605,419,002	596,152,794	584,795,708	576,284,004	559,020,384	539,679,954	529,463,715	534,666,920	530,420,645	538,976,380

Board of Education of Anne Arundel County  
Notes to Required Supplementary Information

**Post-Employment Health Care Plan**

Note 1- Changes in Benefit Terms

There were no changes in benefit terms

Note 2- Changes in Assumptions

Adjustment to the roll forward liabilities were made to reflect the following assumption changes in the 2017 valuation.

- Discount rate changed from 2.85% in the year 2016 to 3.58% in the year 2017.

**State of Maryland Retirement and Pension System**

Note 1- Changes in Benefit Terms

There were no changes in benefit terms

Note 2- Changes in Assumptions

Adjustment to the roll forward liabilities were made to reflect the following assumption changes in the 2017 valuation.

- Investment rate return rate changed from 7.55% in the year 2016 to 7.50% in the year 2017
- Inflation assumption changed from 2.70% in the year 2016 to 2.65% in the year 2017

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 shown below:

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

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.

Maryland Hall Café – This fund is used to account for the revenues and expenditures related to the Maryland Hall Café. The Café is being used to support the development of student business skills for CAT South.

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 an 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 and 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, 2018

	<u>Athletic Gate Receipts</u>	<u>CAT North Students Baking</u>	<u>The Café Maryland Hall</u>	<u>External Diploma</u>	<u>Camps &amp; Environmental Education</u>	<u>Total Special Revenue Funds</u>
<b>Assets:</b>						
Cash and Investment	\$ 417,418	\$ 7,682	\$ 2,750	\$ 996	\$ 927,160	\$ 1,356,006
Accounts Receivable	-	-	-	47,737	7,752	55,489
<b>Total Assets</b>	<u>\$ 417,418</u>	<u>\$ 7,682</u>	<u>\$ 2,750</u>	<u>\$ 48,733</u>	<u>\$ 934,912</u>	<u>\$ 1,411,495</u>
<b>Liabilities:</b>						
Accounts Payable	\$ 5,999	\$ -	\$ 231	\$ 1,428	\$ 10,436	\$ 18,094
Due to General Fund	-	-	-	47,305	-	47,305
Due to Internal Service Fund	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	339,068	339,068
<b>Total Liabilities</b>	<u>\$ 5,999</u>	<u>\$ -</u>	<u>\$ 231</u>	<u>\$ 48,733</u>	<u>\$ 349,504</u>	<u>\$ 404,467</u>
<b>Fund Balance:</b>						
Committed	\$ 411,419	\$ -	\$ -	\$ -	\$ -	\$ 411,419
Restricted	-	7,682	2,519	-	585,408	595,609
<b>Total Fund Balance</b>	<u>411,419</u>	<u>7,682</u>	<u>2,519</u>	<u>-</u>	<u>585,408</u>	<u>1,007,028</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 417,418</u>	<u>\$ 7,682</u>	<u>\$ 2,750</u>	<u>\$ 48,733</u>	<u>\$ 934,912</u>	<u>\$ 1,411,495</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, 2018

	Athletic Gate Receipts	CAT North Students Baking	The Café Maryland Hall	External Diploma	Camps & Environmental Education	Total Special Revenue Funds
<b>Revenues:</b>						
State of Maryland	\$ -	\$ -	\$ -	\$ 16,452	\$ -	\$ 16,452
United States Government	-	-	-	169,761	-	169,761
Gate Receipts	564,198	-	-	-	-	564,198
Student Payments	-	-	-	-	864,104	864,104
Miscellaneous	-	-	3,854	33,941	-	37,795
<b>Total Revenues</b>	<u>\$ 564,198</u>	<u>\$ -</u>	<u>\$ 3,854</u>	<u>\$ 220,154</u>	<u>\$ 864,104</u>	<u>\$ 1,652,310</u>
<b>Expenditures:</b>						
Administration	\$ -	\$ -	\$ 1,335	\$ 75,350	\$ 5,493	\$ 82,178
Mid-Level Administration	-	-	-	-	950	950
Instructional Salaries and Wages	169,095	-	-	113,023	396,347	678,465
Textbooks and Instructional Supplies	415,138	-	-	7,878	252,837	675,853
Other Instructional Costs	1,038	283	-	-	69,722	71,043
Pupil Transportation	-	-	-	-	259,353	259,353
Operation of Plant	-	-	-	-	30,453	30,453
Fixed Charges	14,830	-	-	23,903	56,888	95,621
Community Services	-	-	-	-	31,693	31,693
<b>Total Expenditures</b>	<u>\$ 600,101</u>	<u>\$ 283</u>	<u>\$ 1,335</u>	<u>\$ 220,154</u>	<u>\$ 1,103,736</u>	<u>\$ 1,925,609</u>
Excess (deficiency) of revenues over (under) expenditures	(35,903)	(283)	2,519	-	(239,632)	(273,299)
Fund Balance - July 1	447,322	7,965	-	-	825,040	1,280,327
Fund Balance - June 30	<u>\$ 411,419</u>	<u>\$ 7,682</u>	<u>\$ 2,519</u>	<u>\$ -</u>	<u>\$ 585,408</u>	<u>\$ 1,007,028</u>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Combining Statement of Fiduciary Net Position

Agency Funds

June 30, 2018

	<u>Class Reunion</u>	<u>School Activity</u>	<u>Total Agency Funds</u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 336,199	\$ 9,804,137	\$ 10,140,336
Accounts Receivable	-	160,528	160,528
Inventory	-	287,151	287,151
<b>Total Assets</b>	<u>\$ 336,199</u>	<u>\$ 10,251,816</u>	<u>\$ 10,588,015</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 336,199	\$ 3,521,811	\$ 3,858,010
Due to Student Groups	-	6,730,005	6,730,005
<b>Total Liabilities</b>	<u>\$ 336,199</u>	<u>\$ 10,251,816</u>	<u>\$ 10,588,015</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, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b><u>Class Reunion</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 333,174	\$ 42,708	\$ 39,683	\$ 336,199
<b>Liabilities:</b>				
Accounts Payable	\$ 333,174	\$ 42,708	\$ 39,683	\$ 336,199
<b><u>School Activity Funds</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 9,422,831	\$ 14,276,411	\$ 13,895,105	\$ 9,804,137
Accounts Receivable	157,488	160,528	\$ 157,488	160,528
Inventory	210,608	287,151	\$ 210,608	287,151
<b>Total Assets</b>	<b>\$ 9,790,927</b>	<b>\$ 14,724,090</b>	<b>\$ 14,263,201</b>	<b>\$ 10,251,816</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 3,518,187	\$ 989,972	\$ 986,348	\$ 3,521,811
Due to Student Groups	6,272,740	13,734,118	13,276,853	6,730,005
<b>Total Liabilities</b>	<b>\$ 9,790,927</b>	<b>\$ 14,724,090</b>	<b>\$ 14,263,201</b>	<b>\$ 10,251,816</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 9,756,005	\$ 14,319,119	\$ 13,934,788	\$ 10,140,336
Accounts Receivable	157,488	160,528	157,488	160,528
Inventory	210,608	287,151	210,608	287,151
<b>Total Assets</b>	<b>\$ 10,124,101</b>	<b>\$ 14,766,798</b>	<b>\$ 14,302,884</b>	<b>\$ 10,588,015</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 3,851,361	\$ 1,032,680	\$ 1,026,031	\$ 3,858,010
Due to Student Groups	6,272,740	13,734,118	13,276,853	6,730,005
<b>Total Liabilities</b>	<b>\$ 10,124,101</b>	<b>\$ 14,766,798</b>	<b>\$ 14,302,884</b>	<b>\$ 10,588,015</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, 2018

	<u>Alice Farrell Memorial</u>	<u>Estates</u>	<u>Laramore Scholarship</u>	<u>Henry Rosso Memorial</u>
<b>Assets:</b>				
Cash and Cash Equivalents	<u>\$ 13,726</u>	<u>\$ 319,707</u>	<u>\$ 3,045</u>	<u>\$ 2,137</u>
<b>Net Position:</b>				
Held for Private Purpose	<u>\$ 13,726</u>	<u>\$ 319,707</u>	<u>\$ 3,045</u>	<u>\$ 2,137</u>

Combining Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For the Fiscal Year Ended June 30, 2018

	<u>Alice Farrell Memorial</u>	<u>Estates</u>	<u>Laramore Scholarship</u>	<u>Henry Rosso Memorial</u>
<b>Additions:</b>				
Investment Interest Earned	\$ 34	\$ -	\$ 8	\$ 5
Other Donations	-	112,344	-	-
Total Additions	<u>\$ 34</u>	<u>\$ 112,344</u>	<u>\$ 8</u>	<u>\$ 5</u>
<b>Deductions:</b>				
Scholarships and Claims	<u>\$ -</u>	<u>\$ 38,534</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position	\$ 34	\$ 73,810	\$ 8	\$ 5
Net Position - July 1	<u>13,692</u>	<u>245,897</u>	<u>3,037</u>	<u>2,132</u>
Net Position - June 30	<u>\$ 13,726</u>	<u>\$ 319,707</u>	<u>\$ 3,045</u>	<u>\$ 2,137</u>

Continued on next page.

<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>\$ 8,128</u>	<u>\$ 2,506</u>	<u>\$ 2,532</u>	<u>\$ 3,416</u>	<u>\$ 102,221</u>	<u>\$ 457,418</u>
<u>\$ 8,128</u>	<u>\$ 2,506</u>	<u>\$ 2,532</u>	<u>\$ 3,416</u>	<u>\$ 102,221</u>	<u>\$ 457,418</u>

<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	\$ 7	\$ 8	\$ 264	\$ 352
-	-	-	-	-	112,344
<u>\$ 20</u>	<u>\$ 6</u>	<u>\$ 7</u>	<u>\$ 8</u>	<u>\$ 264</u>	<u>\$ 112,696</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,534</u>
\$ 20	\$ 6	\$ 7	\$ 8	\$ 264	\$ 74,162
8,108	2,500	2,525	3,408	101,957	383,256
<u>\$ 8,128</u>	<u>\$ 2,506</u>	<u>\$ 2,532</u>	<u>\$ 3,416</u>	<u>\$ 102,221</u>	<u>\$ 457,418</u>

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

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

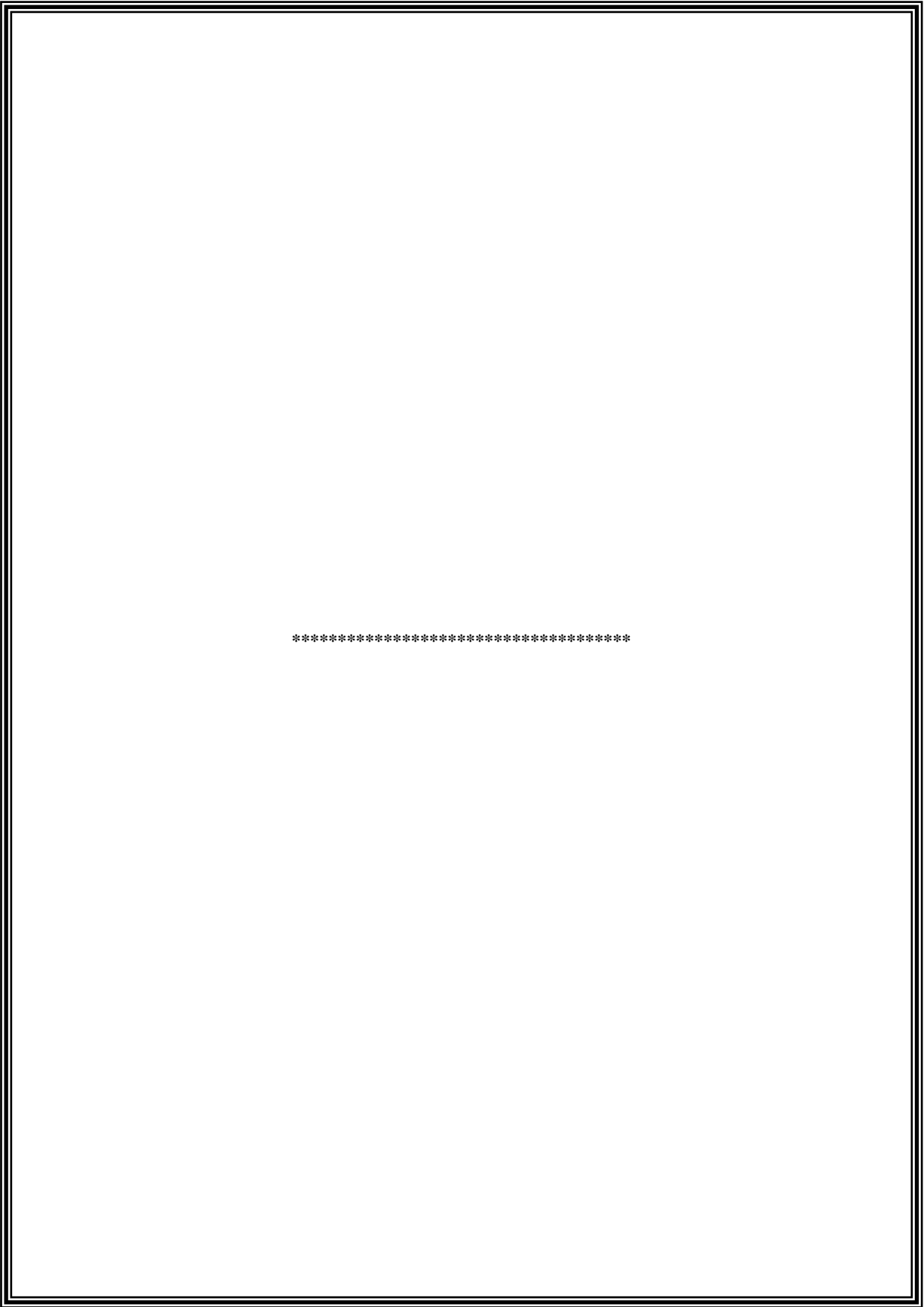
General Fund and Charter Schools  
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		General Fund Actual	Chesapeake Science Point Actual
	Original	Final		
<b>Revenues:</b>				
Anne Arundel County	\$ 678,639,500	\$ 681,724,500	\$ 681,724,499	\$ -
State of Maryland	354,925,700	354,811,900	354,698,788	-
United States Government	42,667,300	44,087,100	39,789,224	-
Other Sources:				
Investment Interest Earned	60,000	428,028	1,800,943	-
Other	26,885,072	34,613,272	6,017,946	-
<b>Total Revenues</b>	<b>\$ 1,103,177,572</b>	<b>\$ 1,115,664,800</b>	<b>\$ 1,084,031,400</b>	<b>\$ -</b>
<b>Expenditures and Encumbrances:</b>				
Current:				
Administration	\$ 32,692,500	\$ 32,173,700	\$ 27,535,832	\$ 892,303
Mid-Level Administration	68,826,200	68,008,400	65,421,464	520,358
Instructional Salaries and Wages	402,070,100	398,948,100	383,327,393	2,676,572
Textbooks and Instructional Supplies	29,456,900	40,961,300	37,399,083	182,192
Other Instructional Costs	18,211,900	25,169,300	22,698,666	611,052
Special Education	134,730,900	135,913,800	130,067,480	871,057
Pupil Services	8,226,200	8,500,300	8,119,340	44,595
Pupil Transportation	56,320,100	58,051,500	54,590,058	722,463
Operation of Plant	72,539,100	72,059,300	63,165,006	1,009,924
Maintenance of Plant	18,469,100	20,482,300	20,288,499	5,902
Fixed Charges	271,466,500	275,462,700	242,308,835	1,178,213
Community Services	444,600	574,100	491,153	-
Capital Outlay	3,674,600	4,360,000	4,269,137	-
<b>Total Expenditures and Encumbrances</b>	<b>\$ 1,117,128,700</b>	<b>\$ 1,140,664,800</b>	<b>\$ 1,059,681,946</b>	<b>\$ 8,714,631</b>
Excess (Deficiency) of Revenues over Expenditures and Encumbrances	\$ (13,951,128)	\$ (25,000,000)	\$ 24,349,454	\$ (8,714,631)
Transfers to Charter Schools	-	-	(34,549,836)	8,714,631
<b>Other Financing Sources:</b>				
Restricted Revenue from Other Sources	951,128	-	-	-
Use of Prior Year's Fund Balance	13,000,000	25,000,000	-	-
Liquidation of Prior Year Encumbrances	-	-	1,745,988	-
Net Change in Fund Balance	<b>\$ -</b>	<b>\$ -</b>	<b>(8,454,394)</b>	<b>-</b>
Fund Balance - July 1			27,744,466	-
<b>Fund Balance - June 30</b>			<b>\$ 19,290,072</b>	<b>\$ -</b>

Continued on next page.

Monarch Academy Actual	Monarch Global Actual	Monarch Academy Annapolis Actual	Combined	Variance Positive/ (Negative)
\$ -	\$ -	\$ -	\$ 681,724,499	\$ (1)
-	-	-	354,698,788	(113,112)
-	-	-	39,789,224	(4,297,876)
-	-	-	1,800,943	309,397
-	-	-	6,017,946	(27,531,808)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,084,031,400</u>	<u>\$ (31,633,400)</u>
\$ 675,704	\$ 1,279,182	\$ 891,966	\$ 31,274,987	\$ 898,713
459,724	567,346	374,487	67,343,379	665,021
2,091,960	3,385,446	3,195,481	394,676,852	4,271,248
156,966	300,804	285,505	38,324,550	2,636,750
111,549	316,969	154,194	23,892,430	1,276,870
196,867	509,815	430,621	132,075,840	3,837,960
-	2,474	1,456	8,167,865	332,435
238,214	630,333	582,293	56,763,361	1,288,139
1,028,333	2,151,339	2,306,408	69,661,010	2,398,290
24,895	3,580	3,314	20,326,190	156,110
885,168	1,371,515	1,221,297	246,965,028	28,497,672
-	-	-	491,153	82,947
-	-	-	4,269,137	90,863
<u>\$ 5,869,380</u>	<u>\$ 10,518,803</u>	<u>\$ 9,447,022</u>	<u>\$ 1,094,231,782</u>	<u>\$ 46,433,018</u>
\$ (5,869,380)	\$ (10,518,803)	\$ (9,447,022)	\$ (10,200,382)	\$ 14,799,618
5,869,380	10,518,803	9,447,022	-	-
-	-	-	-	-
-	-	-	-	(25,000,000)
-	-	-	1,745,988	1,745,988
-	-	-	(8,454,394)	(8,454,394)
-	-	-	27,744,466	27,744,466
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,290,072</u>	<u>\$ 19,290,072</u>

Concluded.





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**

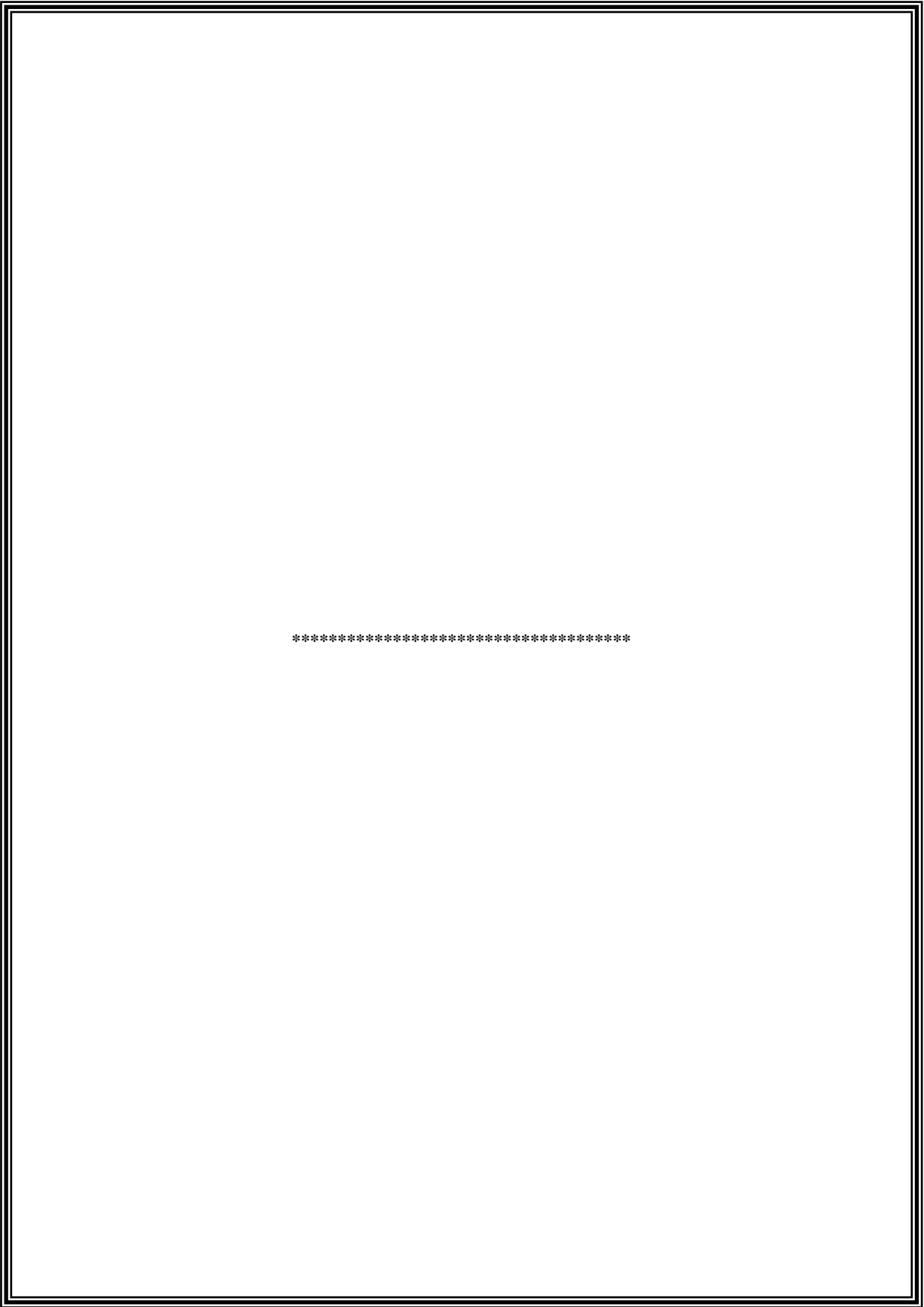
Data contained in the Statistical Section of a CAFR typically covers five areas: financial trends, revenue capacity, debt capacity, demographic information, and operating information. However, since the Board does not have any material “own-source revenue,” no revenue capacity schedules are presented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



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Table I  
Net Position by Component  
Fiscal Years 2009-2018

<u>Fiscal Year</u>	<u>Net Investments in Capital Assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total Net Position</u>
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
2015	1,019,953,023	16,565,646	(454,001,507)	582,517,162
2016	1,100,322,734	16,968,270	(530,899,381)	586,385,117
2017	1,121,326,752	18,601,920	(640,188,178)	499,740,494
*2018	1,213,875,854	21,213,490	(2,517,458,309)	(1,282,368,965)

The Board adopted GASB 75 for the fiscal year 2018

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Table II  
Changes in Net Position - Governmental Activities (1)  
Fiscal Years 2009-2018

	2009	2010	2011	2012
<b>Expenses:</b>				
Administration	\$ 35,133,413	\$ 34,058,636	\$ 31,235,320	\$ 32,306,026
Mid-Level Administration	90,539,789	91,824,534	93,313,646	94,470,227
Instructional Salaries and Wages	519,506,113	527,864,499	547,126,085	552,528,165
Textbooks and Instructional Supplies	12,525,162	14,595,287	28,593,268	25,603,979
Other Instructional Costs	8,408,103	10,045,597	16,151,937	18,332,421
Special Education	150,887,563	162,221,616	167,943,458	166,839,985
Pupil Services	7,510,877	7,627,164	7,790,678	8,701,903
Student Health Services	12,120,383	12,702,130	11,360,537	8,515,981
Pupil Transportation	41,997,345	44,003,536	48,737,507	52,022,576
Operation of Plant	74,891,321	75,307,845	77,494,775	75,728,743
Maintenance of Plant	107,916,198	92,851,533	79,791,924	86,211,531
Community Services	608,818	552,525	767,951	546,288
Food Services	22,647,591	21,914,253	22,839,072	24,346,535
Student Activities	623,657	1,038,603	-	-
Interest on Capital Leases	441,404	542,369	514,421	463,968
<b>Total Expenses</b>	<u>\$ 1,085,757,737</u>	<u>\$ 1,097,150,127</u>	<u>\$ 1,133,660,579</u>	<u>\$ 1,146,618,328</u>
<b>Program Revenues:</b>				
Charges for Services				
Sale of Food	\$ 11,584,067	\$ 10,507,253	\$ 11,721,839	\$ 11,823,135
Other Charges for Services	1,254,677	1,873,837	2,374,770	2,926,672
Operating Grants and Contributions	141,448,338	170,200,428	192,521,389	172,478,101
Capital Grants and Contributions	120,384,184	102,298,970	121,810,192	109,163,032
<b>Total Program Revenues</b>	<u>\$ 274,671,266</u>	<u>\$ 284,880,488</u>	<u>\$ 328,428,190</u>	<u>\$ 296,390,940</u>
<b>Total Net Expenses</b>	<u>\$ 811,086,471</u>	<u>\$ 812,269,639</u>	<u>\$ 805,232,389</u>	<u>\$ 850,227,388</u>
<b>General Revenues:</b>				
State Unrestricted	\$ 230,811,143	\$ 229,975,099	\$ 229,277,566	\$ 255,454,406
County Unrestricted	567,289,144	570,668,133	578,834,562	573,370,305
Federal Unrestricted	2,849,289	2,258,809	2,047,153	2,503,811
Capital Contributions	-	-	-	2,295,984
Investment Income	1,389,337	287,311	156,771	83,514
Miscellaneous	6,551,803	9,778,206	5,980,256	1,082,318
<b>Change in Net Position</b>	<u>\$ (2,195,755)</u>	<u>\$ 697,919</u>	<u>\$ 11,063,919</u>	<u>\$ (15,437,050)</u>

(1) Accrual Basis of Accounting

Continued on next page.

	2013	2014	2015	2016	2017	2018
\$	34,180,970	\$ 36,965,145	\$ 37,359,484	\$ 38,907,456	\$ 42,840,173	\$ 42,863,284
	95,510,158	97,135,498	97,630,508	101,498,540	107,302,390	108,393,226
	562,294,048	572,179,415	590,509,064	603,719,391	643,361,850	651,148,918
	32,165,736	28,941,520	30,427,010	32,512,017	27,761,533	31,117,806
	21,204,137	20,567,579	18,087,902	19,531,013	28,724,298	20,538,844
	166,405,869	172,274,207	178,901,147	184,756,754	193,307,127	196,484,867
	9,154,873	9,598,340	9,914,099	10,754,526	11,975,514	12,380,135
	8,146,330	8,443,567	8,772,063	8,838,310	8,970,196	9,122,224
	53,717,801	54,722,641	55,722,666	58,487,196	62,072,329	62,822,685
	79,070,745	81,791,279	81,263,576	78,780,173	84,409,798	90,558,927
	77,517,177	82,074,834	88,623,202	90,730,120	126,049,089	105,902,507
	1,021,253	1,042,352	1,066,001	1,156,864	1,240,471	1,231,630
	26,933,745	26,675,250	29,208,018	29,608,787	33,054,364	32,002,678
	-	-	-	-	-	-
	400,773	632,085	646,874	538,029	496,376	730,517
\$	<u>1,167,723,615</u>	<u>\$ 1,193,043,712</u>	<u>\$ 1,228,131,614</u>	<u>\$ 1,259,819,176</u>	<u>\$ 1,371,565,508</u>	<u>\$ 1,365,298,248</u>
\$	10,887,078	\$ 10,623,764	\$ 10,576,843	\$ 10,753,513	\$ 11,131,697	\$ 11,230,600
	2,565,588	2,547,813	2,387,006	2,379,186	2,804,118	2,683,802
	158,875,844	166,694,281	173,914,891	171,432,556	184,558,460	198,565,438
	104,576,518	119,411,932	143,607,163	145,734,692	119,048,516	173,289,547
\$	<u>276,905,028</u>	<u>\$ 299,277,790</u>	<u>\$ 330,485,903</u>	<u>\$ 330,299,947</u>	<u>\$ 317,542,791</u>	<u>\$ 385,769,387</u>
\$	<u>890,818,587</u>	<u>\$ 893,765,922</u>	<u>\$ 897,645,711</u>	<u>\$ 929,519,229</u>	<u>\$ 1,054,022,717</u>	<u>\$ 979,528,861</u>
\$	265,583,322	\$ 275,853,922	\$ 282,280,594	\$ 288,887,807	\$ 304,800,765	\$ 302,658,953
	601,312,917	613,763,634	621,775,976	638,992,990	656,738,107	677,552,110
	2,568,267	2,512,461	2,237,578	2,084,934	2,127,392	2,714,964
	234,300	-	-	-	-	-
	150,117	66,173	61,813	203,814	701,990	1,857,351
	1,449,170	1,300,129	1,558,257	1,632,978	3,009,840	2,887,024
\$	<u>(19,520,494)</u>	<u>\$ (269,603)</u>	<u>\$ 10,268,507</u>	<u>\$ 2,283,294</u>	<u>\$ (86,644,623)</u>	<u>\$ 987,670,402</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Table III  
Fund Balances - Governmental Funds  
Fiscal Years 2009-2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Fund:</b>				
Reserved	\$ 8,349,655	\$ 11,711,161	\$ -	\$ -
Unreserved	15,516,636	20,567,213	-	-
Nonspendable	-	-	1,407,575	1,454,473
Spendable:				
Restricted	-	-	13,461,841	13,851,071
Committed	-	-	-	-
Assigned	-	-	22,745,297	30,227,216
Unassigned	-	-	15,005,680	7,253,953
<b>Total General Fund</b>	<u>\$ 23,866,291</u>	<u>\$ 32,278,374</u>	<u>\$ 52,620,393</u>	<u>\$ 52,786,713</u>
<b>All Other Governmental Funds:</b>				
Reserved	\$ 401,562	\$ 251,485	\$ -	\$ -
Unreserved, reported in:				
Food Services Fund	2,723,687	2,367,130	-	-
Capital Projects Fund	442,370	691,067	-	-
Special Revenue Funds	709,121	1,159,843	-	-
Nonspendable	-	-	400,344	419,248
Spendable:				
Restricted	-	-	428	2,275
Committed	-	-	5,156,508	5,950,625
Assigned	-	-	514,657	466,065
Unassigned	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>\$ 4,276,740</u>	<u>\$ 4,469,525</u>	<u>\$ 6,071,937</u>	<u>\$ 6,838,213</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>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,758,291	1,920,244	1,565,489	1,493,619	1,685,258	2,148,588
16,853,706	16,448,611	16,112,722	16,438,233	18,065,687	20,659,542
-	-	-	-	13,425,233	-
27,410,698	28,940,743	22,622,021	25,556,391	25,000,000	43,297,506
11,789,326	2,172,501	3,616,065	2,963,342	3,216,463	2,627,609
<u>\$ 57,812,021</u>	<u>\$ 49,482,099</u>	<u>\$ 43,916,297</u>	<u>\$ 46,451,585</u>	<u>\$ 61,392,641</u>	<u>\$ 68,733,245</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
364,152	408,239	452,924	530,037	536,233	553,948
-	-	-	-	-	-
4,592,548	5,592,071	5,958,395	7,749,736	6,901,154	7,179,132
502,284	669,229	990,484	887,006	833,005	595,609
-	-	-	-	-	-
<u>\$ 5,458,984</u>	<u>\$ 6,669,539</u>	<u>\$ 7,401,803</u>	<u>\$ 9,166,779</u>	<u>\$ 8,270,392</u>	<u>\$ 8,328,689</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Table IV  
Change in Fund Balances - Governmental Funds  
Fiscal Years 2009-2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Revenues:</b>				
Anne Arundel County	\$ 654,630,123	\$ 631,997,050	\$ 681,964,591	\$ 648,746,161
State of Maryland	362,861,352	377,657,984	363,390,141	406,463,584
United States Government	45,102,263	65,532,137	79,329,949	55,913,243
Sale of Food	11,584,067	10,507,253	11,721,839	11,823,135
Investment Interest Earned	1,389,702	287,357	156,771	83,514
Gate Receipts	357,353	376,160	399,634	428,698
Rebates and Commissions	-	-	-	1,496,464
Student Payments	348,984	959,904	800,125	1,336,052
Other	5,142,040	5,871,434	6,961,448	2,594,443
<b>Total Revenues</b>	<u>\$ 1,081,415,884</u>	<u>\$ 1,093,189,279</u>	<u>\$ 1,144,724,498</u>	<u>\$ 1,128,885,294</u>
<b>Expenditures:</b>				
Current:				
Administration	\$ 24,626,474	\$ 22,905,533	\$ 23,538,732	\$ 23,940,265
Mid-Level Administration	63,269,363	62,035,433	62,125,691	61,715,350
Instructional Salaries and Wages	356,420,504	351,396,908	354,453,605	350,659,712
Textbooks and Instructional Supplies	12,710,393	14,976,251	24,232,535	25,603,979
Other Instructional Costs	12,016,152	14,464,419	15,970,253	17,422,919
Special Education	111,547,525	118,133,374	119,137,754	115,816,874
Pupil Services	5,572,534	5,514,152	5,593,175	6,123,113
Student Health Services	8,364,954	8,609,124	8,264,451	8,515,981
Pupil Transportation	39,929,110	41,863,330	45,448,851	49,550,226
Operation of Plant	63,867,463	63,942,566	64,686,720	62,837,267
Maintenance of Plant	61,354,005	43,318,211	46,487,944	46,718,312
Fixed Charges	216,308,917	239,518,786	248,608,953	254,486,295
Community Services	628,713	495,749	575,695	538,671
Food Services	22,019,946	21,319,667	22,114,187	23,548,839
Capital Outlay	73,859,955	74,320,693	91,966,511	79,323,764
Debt Service				
Principal	5,767,644	5,886,613	6,741,229	6,353,060
Interest	441,404	542,369	514,421	463,968
<b>Total Expenditures</b>	<u>\$ 1,078,705,056</u>	<u>\$ 1,089,243,178</u>	<u>\$ 1,140,460,707</u>	<u>\$ 1,133,618,595</u>
Other Financing Sources				
Capital Leases	2,146,098	4,658,767	6,202,437	5,665,897
Net Change in Fund Balance	<u>\$ 4,856,926</u>	<u>\$ 8,604,868</u>	<u>\$ 10,466,228</u>	<u>\$ 932,596</u>
Debt Service as a Percentage of				
Noncapital Expenditures	<u>0.62%</u>	<u>0.64%</u>	<u>0.70%</u>	<u>0.65%</u>

(1) Modified Accrual basis of Accounting

Continued on next page.



	2013	2014	2015	2016	2017	2018
\$	684,043,789	\$ 686,334,903	\$ 741,789,237	\$ 747,107,793	\$ 731,687,096	\$ 843,653,493
	389,360,719	433,647,867	420,892,522	441,683,531	473,058,442	447,460,964
	58,061,877	55,999,251	59,172,779	56,249,719	58,337,597	58,967,411
	10,887,078	10,623,764	10,576,843	10,753,513	11,131,697	11,230,600
	150,117	66,173	61,812	203,814	701,990	1,857,350
	450,838	456,436	448,049	430,357	514,010	564,198
	447,748	1,218,247	1,237,591	1,517,008	2,049,921	2,741,932
	1,381,140	1,418,070	1,281,350	1,215,058	1,529,518	1,311,504
	3,185,515	2,946,398	2,939,938	2,941,677	5,910,614	5,652,337
	<u>\$ 1,147,968,821</u>	<u>\$ 1,192,711,109</u>	<u>\$ 1,238,400,121</u>	<u>\$ 1,262,102,470</u>	<u>\$ 1,284,920,885</u>	<u>\$ 1,373,439,789</u>
\$	25,066,069	\$ 27,705,790	\$ 28,293,679	\$ 28,226,378	\$ 30,336,861	\$ 30,435,315
	61,872,208	63,321,324	64,148,983	64,962,632	65,846,143	66,923,876
	355,458,172	366,648,789	381,342,915	380,073,397	388,151,126	395,362,667
	32,165,736	28,941,520	30,427,010	32,512,017	27,761,533	31,117,806
	20,223,150	19,868,982	16,934,148	18,736,431	27,950,431	18,935,634
	114,881,774	120,417,864	126,173,792	127,660,031	128,465,041	131,555,204
	6,263,954	6,720,810	6,980,602	7,397,376	7,836,691	8,185,339
	8,146,330	8,443,567	8,772,063	8,838,310	8,970,196	9,122,224
	50,211,127	51,348,901	52,555,254	55,005,871	58,053,568	58,472,814
	64,265,175	67,783,408	67,295,302	63,351,810	66,456,729	72,706,589
	64,740,990	58,120,503	52,670,457	59,263,481	36,896,316	34,888,210
	260,334,515	271,572,424	264,608,352	272,959,696	290,965,410	314,182,218
	746,087	788,344	808,301	846,464	872,013	889,157
	26,066,362	25,954,457	28,374,607	28,567,796	31,632,548	30,873,499
	58,731,386	81,628,881	111,369,521	106,931,269	104,517,789	161,804,180
					-	-
	7,890,926	8,072,890	8,071,518	8,360,443	8,641,969	8,299,553
	400,773	632,085	646,874	538,029	496,376	730,517
	<u>\$ 1,157,464,734</u>	<u>\$ 1,207,970,539</u>	<u>\$ 1,249,473,378</u>	<u>\$ 1,264,231,431</u>	<u>\$ 1,283,850,740</u>	<u>\$ 1,374,484,802</u>
	13,141,992	8,077,063	6,239,719	6,429,225	12,974,524	8,443,914
	<u>\$ 3,646,079</u>	<u>\$ (7,182,367)</u>	<u>\$ (4,833,538)</u>	<u>\$ 4,300,264</u>	<u>\$ 14,044,669</u>	<u>\$ 7,398,901</u>
	<u>0.76%</u>	<u>0.78%</u>	<u>0.77%</u>	<u>0.77%</u>	<u>0.78%</u>	<u>0.85%</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Table V  
General Fund Revenues  
(Non-GAAP Budgetary Basis)  
Fiscal Years 2009-2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Anne Arundel County	\$ 584,285,503	\$ 591,453,897	\$ 562,360,000	\$ 556,105,600
State of Maryland	277,686,352	273,251,934	272,047,890	301,238,045
United States Government	36,093,492	56,623,113	66,128,265	43,633,954
Other	4,304,746	4,916,001	5,966,736	3,160,798
<b>Total Revenues</b>	<u>\$ 902,370,093</u>	<u>\$ 926,244,945</u>	<u>\$ 906,502,891</u>	<u>\$ 904,138,397</u>

General Fund  
Expenditures and Encumbrances  
(Non-GAAP Budgetary Basis)  
Fiscal Years 2009-2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Administration	\$ 23,193,299	\$ 23,097,186	\$ 23,260,691	\$ 24,159,232
Mid-Level Administration	63,142,025	62,678,489	62,206,970	60,802,302
Instructional Salaries and Wages	355,555,982	350,799,120	353,910,730	349,998,536
Textbooks and Instructional Supplies	13,033,443	14,505,708	24,626,491	27,379,863
Other Instructional Costs	16,089,146	15,850,425	16,278,352	16,602,758
Special Education	112,156,683	118,721,077	119,213,808	116,129,937
Pupil Service	5,573,568	5,513,343	5,597,064	6,126,620
Pupil Transportation	38,803,065	40,323,632	43,970,942	48,257,439
Operation of Plant	61,854,175	63,339,494	62,511,600	61,519,115
Maintenance of Plant	12,442,833	12,729,282	12,395,642	14,286,662
Fixed Charges	161,495,303	172,654,744	172,396,984	178,876,105
Community Services	101,579	91,202	99,777	96,037
Capital Outlay	2,493,300	3,961,672	3,270,852	3,897,287
Debt Service	32,944,703	37,430,397	-	-
<b>Total Expenditures and Encumbrances</b>	<u>\$ 898,879,104</u>	<u>\$ 921,695,771</u>	<u>\$ 899,739,903</u>	<u>\$ 908,131,893</u>

Continued on next page.

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 584,579,700	\$ 596,454,600	\$ 603,483,250	\$ 620,581,418	\$ 648,224,500	\$ 681,724,499
311,901,317	324,248,429	333,962,400	339,980,087	352,471,167	354,698,788
44,654,342	40,904,835	41,883,783	38,145,460	39,714,820	39,789,224
2,621,470	3,059,654	3,380,837	3,768,502	6,101,907	7,818,889
<u>\$ 943,756,829</u>	<u>\$ 964,667,518</u>	<u>\$ 982,710,270</u>	<u>\$ 1,002,475,467</u>	<u>\$ 1,046,512,394</u>	<u>\$ 1,084,031,400</u>

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 25,376,222	\$ 28,294,073	\$ 28,139,685	\$ 29,097,945	\$ 31,211,541	\$ 31,274,987
61,540,244	63,276,398	63,931,578	64,978,718	66,159,285	67,343,379
354,904,810	365,972,531	380,888,332	379,463,261	387,465,251	394,676,852
31,699,670	30,763,320	31,066,671	31,397,334	31,835,246	38,324,550
17,273,977	17,904,180	17,989,188	18,195,898	20,477,612	23,892,430
115,279,622	121,049,124	126,462,836	128,052,799	129,036,560	132,075,840
6,278,166	6,703,529	6,989,840	7,400,010	7,902,760	8,167,865
48,942,772	49,855,910	51,642,564	53,486,644	55,904,690	56,763,361
61,690,458	64,252,162	65,292,875	63,507,872	66,529,303	69,661,010
14,369,919	17,112,744	16,933,850	17,832,418	19,410,917	20,326,190
201,026,219	205,062,150	197,325,558	205,061,822	220,685,489	246,965,028
313,237	416,202	402,133	416,675	447,951	491,153
3,905,764	3,232,798	3,225,480	3,306,720	3,413,051	4,269,137
-	-	-	-	-	-
<u>\$ 942,601,080</u>	<u>\$ 973,895,121</u>	<u>\$ 990,290,590</u>	<u>\$ 1,002,198,116</u>	<u>\$ 1,040,479,656</u>	<u>\$ 1,094,231,782</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Table VI  
Food Services Fund Revenues  
Fiscal Years 2009-2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
State of Maryland	\$ 447,249	\$ 450,422	\$ 454,450	\$ 470,713
United States Government	8,716,472	9,337,125	11,092,819	11,977,535
Sale of Food	11,584,067	10,507,253	11,721,839	11,823,135
Other	101,646	518,859	502,892	260,775
Total Revenues	<u>\$ 20,849,434</u>	<u>\$ 20,813,659</u>	<u>\$ 23,772,000</u> <b>0</b>	<u>\$ 24,532,158</u>

Food Service Fund Expenditures  
Fiscal Years 2009-2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Salaries and Wages	\$ 7,405,597	\$ 6,996,309	\$ 6,936,193	\$ 7,014,481
Contracted Services	1,212,288	1,495,385	1,163,556	1,375,329
Supplies and Materials	8,286,141	7,562,110	8,483,557	8,983,676
Other Charges	5,105,530	5,197,410	5,425,042	5,571,845
Equipment	10,390	68,453	105,839	603,508
Total Expenditures	<u>\$ 22,019,946</u>	<u>\$ 21,319,667</u>	<u>\$ 22,114,187</u> <b>0</b>	<u>\$ 23,548,839</u>

Continued on next page.

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 611,328	\$ 932,549	\$ 1,199,752	\$ 1,214,492	\$ 1,242,246	\$ 1,249,554
13,341,352	15,049,474	16,965,379	18,198,406	18,498,682	18,978,899
10,887,078	10,623,764	10,576,843	10,753,513	11,131,697	11,230,600
141,577	126,734	111,794	90,944	136,451	195,732
<b>\$ 24,981,335</b>	<b>\$ 26,732,521</b>	<b>\$ 28,853,768</b>	<b>\$ 30,257,355</b>	<b>\$ 31,009,076</b>	<b>\$ 31,654,785</b>

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 7,357,369	\$ 7,684,140	\$ 8,070,835	\$ 8,299,661	\$ 8,463,420	\$ 8,645,273
744,802	709,308	869,636	794,468	884,451	949,417
11,181,944	11,777,994	13,412,276	13,510,879	13,855,777	14,257,943
5,479,473	5,392,638	5,389,115	5,483,370	6,152,873	6,212,348
1,302,774	390,377	632,745	479,418	2,276,027	808,518
<b>\$ 26,066,362</b>	<b>\$ 25,954,457</b>	<b>\$ 28,374,607</b>	<b>\$ 28,567,796</b>	<b>\$ 31,632,548</b>	<b>\$ 30,873,499</b>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Table VII  
Capital Project Fund Revenues  
Fiscal Years 2009-2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Anne Arundel County	\$ 87,028,367	\$ 61,526,168	\$ 102,621,317	\$ 75,375,856
State of Maryland	33,043,205	40,970,053	18,873,982	33,745,034
Other	140,672	51,446	319,772	45,529
	<u>\$120,212,244</u>	<u>\$ 102,547,667</u>	<u>\$ 121,815,071</u>	<u>\$ 109,166,419</u>

Capital Project Fund Expenditures  
Fiscal Years 2009-2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Site Improvement	\$ 1,088,213	\$ 2,654,106	\$ 3,105,223	\$ 1,613,783
Building	76,212,189	52,228,781	60,633,086	67,107,763
Remodeling	28,350,065	37,175,459	46,499,911	31,983,659
Equipment	14,733,717	10,240,624	11,545,147	8,574,033
	<u>\$120,384,184</u>	<u>\$ 102,298,970</u>	<u>\$ 121,783,367</u>	<u>\$ 109,279,238</u>

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<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 82,730,872	\$ 72,571,269	\$ 120,013,261	\$ 108,114,803	\$ 64,948,989	\$ 143,601,383
21,756,730	46,683,421	23,432,927	37,537,113	54,089,579	29,605,945
93,419	159,467	162,054	83,414	11,178	83,445
<u>\$ 104,581,021</u>	<u>\$ 119,414,157</u>	<u>\$ 143,608,242</u>	<u>\$ 145,735,330</u>	<u>\$ 119,049,746</u>	<u>\$ 173,290,773</u>

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 1,712,031	\$ 1,120,541	\$ 304,390	\$ 582,821	\$ 1,302,743	\$ 32,670
54,221,180	74,759,736	108,604,608	90,701,583	84,708,242	84,891,688
43,891,565	37,102,997	29,422,023	46,970,664	27,711,543	84,624,556
5,209,495	6,354,207	5,143,238	7,355,644	5,316,040	4,191,549
<u>\$ 105,034,271</u>	<u>\$ 119,337,481</u>	<u>\$ 143,474,259</u>	<u>\$ 145,610,712</u>	<u>\$ 119,038,568</u>	<u>\$ 173,740,463</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Table VIII  
General Fund Approved Original Operating Budgets  
Fiscal Years 2010-2019

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Administration	\$ 25,367,900	\$ 24,080,800	\$ 24,076,300	\$ 25,612,600
Mid-Level Administration	62,939,300	64,446,500	62,958,400	61,841,100
Instructional Salaries and Wages	361,392,900	358,095,000	354,101,200	361,779,200
Textbooks and Instructional Supplies	12,607,350	19,719,600	23,901,700	30,150,003
Other Instructional Costs	14,636,450	14,550,500	14,021,400	14,757,100
Special Education	112,912,400	121,772,500	116,321,500	116,133,900
Pupil Service	5,418,900	5,705,100	5,635,700	6,448,700
Pupil Transportation	41,808,000	41,272,700	41,417,200	52,556,700
Operation of Plant	63,497,400	65,528,800	65,119,900	64,844,200
Maintenance of Plant	12,563,900	12,788,500	13,282,800	13,740,700
Fixed Charges	156,226,900	174,332,300	186,992,300	205,852,997
Community Services	238,300	97,400	99,400	101,000
Capital Outlay	3,324,800	3,344,000	3,300,100	3,224,600
Debt Service	38,853,000	-	-	-
	<u>\$ 911,787,500</u>	<u>\$ 905,733,700</u>	<u>\$ 911,227,900</u>	<u>\$ 957,042,800</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>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 27,565,300	\$ 28,868,500	\$ 29,429,800	\$ 30,957,200	\$ 32,692,500	\$ 33,464,100
64,047,800	66,186,600	66,306,300	68,164,600	68,826,200	71,513,300
367,940,900	382,779,096	389,799,300	397,376,400	402,070,100	415,830,600
29,910,100	31,097,000	29,355,300	29,358,100	29,456,900	27,985,400
15,369,000	15,842,500	16,628,100	17,278,800	18,211,900	18,250,400
119,065,400	124,729,300	127,206,500	132,919,200	134,730,900	138,905,600
6,708,200	6,973,300	7,097,700	7,743,700	8,226,200	8,943,100
53,425,000	53,377,100	53,793,500	55,147,200	56,320,100	58,644,400
64,147,300	64,450,800	68,024,800	69,411,900	72,539,100	73,304,600
16,136,400	17,348,600	18,043,200	17,842,500	18,469,100	18,543,900
210,068,700	196,155,004	246,350,900	260,199,400	271,466,500	259,027,300
375,000	373,100	360,300	503,000	444,600	441,900
3,550,900	3,636,800	3,552,000	3,673,500	3,674,600	3,702,300
-	-	-	-	-	-
<b>\$ 978,310,000</b>	<b>\$ 991,817,700</b>	<b>\$1,055,947,700</b>	<b>\$ 1,090,575,500</b>	<b>\$ 1,117,128,700</b>	<b>\$ 1,128,556,900</b>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY  
 Table IX  
 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
2009	683,275	36,100	52,170	3,722	64	12,218
2010	774,098	-	51,020	4,439	60	12,198
2011	842,456	-	95,330	4,804	34	13,665
2012	892,512	-	93,155	4,215	8	13,645
2013	946,045	-	90,815	3,888	4	13,625
2014	1,004,487	-	86,440	3,730	49	13,605
2015	1,136,729	-	84,860	3,398	37	13,585
2016	1,159,243	-	83,125	3,101	65	13,565
2017	1,175,582	-	81,130	2,736	79	13,545
2018	1,292,667	-	73,700	2,527	24	13,525

(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.

(b) Bonds have been adjusted for the unamortized premium.

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			
787,549	342,665	35,300	1,165,514	4.19%	2,189
841,815	371,399	-	1,213,214	4.24%	2,250
956,289	409,566	2,200	1,368,055	4.51%	2,510
1,003,535	424,450	-	1,427,985	4.54%	2,593
1,054,377	458,645	-	1,513,022	4.77%	2,721
1,108,311	527,263	-	1,635,574	4.97%	2,919
1,238,609	615,297	-	1,853,906	5.42%	3,286
1,258,954	638,133	-	1,987,087	5.26%	3,327
1,273,072	682,152	-	1,955,224	5.46%	3,397
1,382,443	729,593	-	2,112,036	5.61%	3,657

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Table X

Schedule of Capital and Operating Leases for the Fiscal Year Ending June 30, 2018

	<u>Minimum Annual Capital Lease Payments</u>					<u>Total Future Payments</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Computer Refresh Program	\$ 9,030,070	\$ 7,340,291	\$ 5,815,623	\$ 2,938,352	\$ 480,802	\$ 16,575,068
Less: Interest	730,517	678,213	389,579	146,653	20,996	1,235,441
Capital Lease Amount	<u>\$ 8,299,553</u>	<u>\$ 6,662,078</u>	<u>\$ 5,426,044</u>	<u>\$ 2,791,699</u>	<u>\$ 459,806</u>	<u>\$ 15,339,627</u>

	<u>Minimum Annual Operating Lease Payments</u>					<u>Total Future Payments</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Printing & Postage Equipment	\$ 8,644	\$ 14,819	\$ 14,819	\$ 6,175	\$ -	\$ 35,812
Copier Program	1,726,523	1,446,044	840,782	462,747	11,976	2,761,548
Food Service Space	70,980	73,819	76,772	79,843	83,037	313,471
Bus Parking & Staging	37,729	36,000	36,000	36,000	36,000	144,000
	<u>\$ 1,843,876</u>	<u>\$ 1,570,682</u>	<u>\$ 968,372</u>	<u>\$ 584,764</u>	<u>131,012</u>	<u>\$ 3,254,830</u>

<u>Capital Lease Obligation Outstanding</u>		
<u>Last Ten Fiscal Years</u>		
<u>Fiscal Year Ended June 30,</u>	<u>Total Outstanding Debt</u>	<u>Debt per Capita</u>
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
2015	12,793,928	22.72
2016	10,862,711	18.87
2017	15,195,266	26.40
2018	15,339,627	26.65

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			Personal Property			Total Taxable Assessed Value	Weighted Average Tax Rate (a)	Estimated Actual Value	Assessed Value as a Percentage of Actual Value	
	Residential Property	Commercial Property	Agricultural Property	Use Value Property	Total Real Property	Personal Property					
						Railroad/Utility Property					Other Business Property
2009	65,722,744	13,280,564	586,061	32,016	79,621,385	856,853	1,896,751	2,753,604	82,374,989	100.00%	
2010	69,478,501	14,351,158	555,503	32,005	84,417,167	847,143	1,889,767	2,736,910	87,154,077	100.00%	
2011	66,700,824	14,955,283	563,241	18,783	82,238,131	849,560	1,793,642	2,643,202	84,881,333	100.00%	
2012	61,234,395	15,476,007	558,082	20,950	77,289,434	847,270	1,707,349	2,554,619	79,844,053	100.00%	
2013	58,675,052	15,099,168	473,874	17,862	74,265,956	914,522	1,667,496	2,582,018	76,847,974	100.00%	
2014	57,703,275	16,114,711	467,950	16,216	74,302,152	739,450	1,451,770	2,191,220	76,493,372	100.00%	
2015	58,283,455	16,973,623	473,558	16,350	75,746,986	756,172	1,428,405	2,184,577	77,931,563	100.00%	
2016	59,792,897	17,851,464	488,233	21,624	78,154,218	941,588	1,336,541	2,278,129	80,432,347	100.00%	
2017	62,092,763	18,589,077	503,603	20,966	81,206,409	994,833	1,602,185	2,597,018	83,803,427	100.00%	
2018	64,466,727	19,754,772	519,391	20,913	84,761,803	1,027,433	1,649,168	2,676,601	87,418,404	100.00%	

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

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

2018

Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Baltimore Gas & Electric Company	\$ 835,505,315	0.96%
Annapolis Mall LTD Partnership (Annapolis Mall)	505,720,533	0.58%
Arundel Mills Limited Partnership (Arundel Mills Mall)	440,069,493	0.50%
Verizon	162,870,630	0.19%
PPE Casino Resorts Maryland LLC	307,369,520	0.35%
Annapolis Towne Center at Parole LLC	205,559,200	0.24%
Raven FS Property Holdings LLC	190,083,800	0.22%
Walmart Stores, Inc.	115,175,459	0.13%
WCS Properties Business Trust	121,722,819	0.14%
Comcast of Maryland, LLC	46,165,080	0.05%
	\$ 2,930,241,849	3.35%

2009

Taxpayer	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Constellation Power Source Gen. Inc.	\$ 781,115,746	0.95%
Baltimore Gas and Electric Company	571,063,184	0.69%
Annapolis Mall LTD Partnership (Annapolis Mall)	346,579,286	0.42%
Arundel Mills Limited Partnership (Arundel Mills Mall)	306,660,876	0.37%
Verizon	257,648,940	0.31%
TKL East (Marley Station Mall)	107,674,116	0.13%
Northrop Grumman Corp.	100,707,853	0.12%
Wal-mart Stores, Inc.	100,198,251	0.12%
Annapolis Harbour Center Assoc. LLLP	78,238,600	0.09%
MIE Cromwell Joint Venture LLP	78,020,203	0.09%
	\$ 2,727,907,055	3.31%

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

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

2018		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Ft. George G. Meade	53,733	13.30%
Anne Arundel County Public Schools	15,367	3.80%
State of Maryland	12,132	3.00%
BWI Thurgood Marshall Airport	9,717	2.40%
Northrop Grumman Corp.	7,725	1.91%
Anne Arundel County Government	5,190	1.28%
Anne Arundel Health System	4,000	0.99%
Southwest Airlines	3,500	0.87%
Maryland Live! Casino	3,000	0.74%
Univ. of MD Baltimore Washington Medical Center	2,901	0.72%
	<u>115,898</u>	<u>29.02%</u>

2009		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Ft. George G. Meade	36,209	9.99%
Anne Arundel Co. Public Schools	14,000	3.86%
BWI Thurgood Marshall Airport	9,859	2.72%
State of Maryland	9,082	2.50%
Northrop Grumman Corp.	8,000	2.21%
Anne Arundel County Government	4,163	1.15%
Southwest Airlines	3,200	0.88%
Anne Arundel Health System	2,800	0.77%
Baltimore Washington Medical Center	2,650	0.73%
U.S. Naval Academy	2,340	0.65%
	<u>92,303</u>	<u>25.45%</u>

*Sources: Anne Arundel Economic Development Corporation, the Maryland State Data Center, and the U.S. Department of Commerce - Bureau of Economic Analysis.*

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>
2009	532,395	27,804,975	52,226	6.4%	14,741
2010	539,310	28,592,771	53,017	6.9%	14,671
2011	545,017	30,349,938	55,686	6.4%	15,019
2012	550,641	31,434,076	57,086	6.1%	15,027
2013	555,897	31,689,181	57,005	5.8%	15,015
2014	559,966	32,906,217	58,765	5.1%	15,198
2015	563,837	34,205,956	60,666	4.4%	15,445
2016	568,346	34,842,864	61,306	3.7%	15,672
2017	575,525	35,777,372	62,165	3.6%	16,574
2018	577,554	37,625,454	65,146	3.7%	18,203

Sources:

- (1) Mid-year (July 1) estimates obtained from the Maryland Department of Planning, U.S. Census Bureau, release date March 2017. These data supersede population estimates published in previous years. Year 2017 mid-year estimated by Anne Arundel County Office of Planning & Zoning, Research/GIS Division.
- (2) U.S. Bureau of Economic Analysis (BEA), release date November 2016 - revised estimated for 2011-2015. These data supersede population estimates published in previous years. Year 2016 and 2017 estimated by Anne Arundel County Planning & Zoning using linear regression ( $R^2 = .9787$ ).
- (3) U.S. Bureau of Economic Analysis, release date November 2016. 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 Average per Calendar Year; Year 2017 average for 6 months (January-June). Release date 8/04/2017. Previous data for 2015 and 2016 superceded by August 2017 report.
- (5) Anne Arundel County Board of Education, Educational Facilities Master Plan July 2018, 2009-2017 actual enrollment. Enrollment for 2018 projected by AACPS Planning Department, July 2018.



BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Statistical Analysis

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b><u>Pupil Transportation:</u></b>										
Average # of pupils transported daily	55,868	56,635	55,840	57,000	58,000	57,791	58,565	59,261	59,991	61,088
Average - # buses in daily operation:										
County owned	57	54	54	55	54	55	55	55	55	55
(for transportation of handicapped)	456	451	455	465	472	465	521	536	547	560
Privately owned										
<b><u>Number of Schools:</u></b>										
Elementary	79	79	79	79	79	79	79	79	79	80
Middle	20	20	20	20	20	20	20	20	20	19
Senior High	12	12	12	12	12	12	12	12	12	12
Special Education Schools and Centers	11	11	11	11	11	11	11	10	10	10
Vocational Education Centers	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>123</b>	<b>123</b>	<b>123</b>
<b><u>Budgeted Positions:</u></b>										
Instructional Services:										
Central Office Administrators	42.00	45.00	44.00	45.00	51.00	51.00	52.00	52.50	53.00	52.00
Principals and Assistant Principals	272.50	272.00	272.00	275.00	279.00	282.00	281.00	281.00	283.00	283.00
Administrative Interns										
Teaching Staff	5,610.30	5,592.04	5,603.45	5,608.20	5,813.11	5,839.21	5,842.03	5,906.30	6,003.63	6,009.23
Instructional Assistants	796.50	804.10	803.25	801.37	801.50	812.50	809.50	817.80	798.37	788.87
Guidance	205.60	204.60	204.10	205.40	208.40	210.40	212.20	212.20	212.70	212.20
Permanent Substitutes	54.00	54.00	53.00	55.00	55.00	55.00	55.00	57.00	57.00	55.00
Support Services										
Central Office Administrators	16.00	15.00	15.00	16.00	16.00	17.00	17.00	16.00	17.00	17.00
Pupil Transportation	138.00	138.00	138.00	138.00	138.00	138.00	138.00	138.00	139.00	139.00
Pupil Personnel Workers,	114.50	112.90	112.70	110.80	114.20	117.30	118.70	119.70	122.10	122.20
Asst. in Pupil Services,										
Psychologists, & Social Workers										
Operation and Maintenance of Plant	924.50	921.50	925.50	925.50	925.50	930.50	930.50	930.50	935.50	935.50
Other Professional Staff	303.20	306.95	320.35	322.83	328.21	336.71	356.68	364.20	371.30	385.25
Other Non-Professional Staff	767.46	754.59	774.86	728.66	709.79	713.80	717.47	718.47	726.17	727.79
<b>Total</b>	<b>9,244.5</b>	<b>8,820.2</b>	<b>8,820.2</b>	<b>8,840.2</b>	<b>9,030.2</b>	<b>9,086.0</b>	<b>9,121.7</b>	<b>9,192.2</b>	<b>9,718.8</b>	<b>9,727.0</b>
<b><u>High School Graduates:</u></b>										
Day School	4,808	5,038	4,904	5,051	5,129	5,039	5,117	5,168	5,080	5,189
Evening School	100	79	89	64	82	67	83	73	54	96
<b>Total</b>	<b>4,908</b>	<b>5,117</b>	<b>4,993</b>	<b>5,115</b>	<b>5,211</b>	<b>5,106</b>	<b>5,200</b>	<b>5,241</b>	<b>5,134</b>	<b>5,285</b>

Source: Anne Arundel County Public Schools data.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Summary of Actual and Projected Pupil Enrollment  
For Fiscal Years 2013 - 2022

	<b>Actual Enrollment at September 30</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Kindergarten	6,359	6,288	6,318	6,244	6,230
Grades 1 - 5	30,237	30,897	31,300	31,970	32,593
Total K - 5	<u>36,596</u>	<u>37,185</u>	<u>37,618</u>	<u>38,214</u>	<u>38,823</u>
Ungraded ECI	195	180	203	242	236
Ungraded in PreKindergarten	1,818	1,777	1,809	1,867	1,919
Ungraded in Special Ctr. Elem	295	284	317	327	345
Total Special (K - 5)	<u>2,308</u>	<u>2,241</u>	<u>2,329</u>	<u>2,436</u>	<u>2,500</u>
Total Elementary	<u>38,904</u>	<u>39,426</u>	<u>39,947</u>	<u>40,650</u>	<u>41,323</u>
Grades 6 - 8	16,908	17,217	17,620	17,747	18,089
Grades 9 - 12	22,046	22,177	22,153	22,370	22,715
Total Grades 6 - 12	<u>38,954</u>	<u>39,394</u>	<u>39,773</u>	<u>40,117</u>	<u>40,804</u>
Evening High	166	192	201	213	249
Special Centers Secondary	420	506	466	418	401
Total Secondary Ungraded	<u>586</u>	<u>698</u>	<u>667</u>	<u>631</u>	<u>650</u>
Total Secondary	<u>39,540</u>	<u>40,092</u>	<u>40,440</u>	<u>40,748</u>	<u>41,454</u>
Total Enrollment	<u>78,444</u>	<u>79,518</u>	<u>80,387</u>	<u>81,398</u>	<u>82,777</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>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
6,358	6,441	6,606	6,671	6,743
32,966	33,151	33,416	33,630	33,976
<u>39,324</u>	<u>39,592</u>	<u>40,022</u>	<u>40,301</u>	<u>40,449</u>
254	254	254	254	254
1,937	1,937	1,937	1,937	1,937
339	339	339	339	339
<u>2,530</u>	<u>2,530</u>	<u>2,530</u>	<u>2,530</u>	<u>2,530</u>
<u>41,854</u>	<u>42,122</u>	<u>42,552</u>	<u>42,831</u>	<u>42,979</u>
18,941	19,672	20,323	20,718	21,125
23,109	23,473	23,941	24,762	25,626
<u>42,050</u>	<u>43,145</u>	<u>44,264</u>	<u>45,480</u>	<u>46,751</u>
249	249	249	249	249
394	394	394	394	394
<u>643</u>	<u>643</u>	<u>643</u>	<u>643</u>	<u>643</u>
<u>42,693</u>	<u>43,788</u>	<u>44,907</u>	<u>46,123</u>	<u>47,394</u>
<u>84,547</u>	<u>85,910</u>	<u>87,459</u>	<u>88,954</u>	<u>90,373</u>

Concluded.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Cost Per Pupil - General Fund  
School Year 2017-2018

	<u>2016-17</u>	<u>2017-18</u>
<b>Expenditures &amp; Encumbrances:</b>		
Administration	\$ 31,211,541	\$ 31,274,987
Mid-Level Administration	66,159,285	67,343,379
Instructional Salaries & Wages	387,465,251	394,676,852
Textbooks & Instructional Supplies	31,835,246	38,324,550
Other Instructional Costs	20,477,612	23,892,430
Special Education	129,036,560	132,075,840
Student Personnel Services	7,902,760	8,167,865
Student Transportation Services	55,904,690	56,763,361
Operation of Plant	66,529,303	69,661,010
Maintenance of Plant	19,410,917	20,326,190
Fixed Charges	220,685,489	246,965,028
Community Services	447,951	491,153
Capital Outlay	3,413,051	4,269,137
Debt Service	-	-
<b>Total Expenditures &amp; Encumbrances</b>	<b>1,040,479,656</b>	<b>1,094,231,782</b>
<b>Less:</b>		
Outgoing Transfers(non Public/Other Tution)	(23,052,794)	(24,600,445)
Additional Equipment	(7,974,536)	(8,071,679)
Community Use	(447,950)	(491,153)
<b>Net Total - Expenditures &amp; Encumbrances</b>	<b><u>\$ 1,009,004,376</u></b>	<b><u>\$ 1,061,068,505</u></b>
<b>Per Pupil - Expenditures &amp; Encumbrances (1)</b>	<b><u>\$ 13,166</u></b>	<b><u>\$ 13,705</u></b>
 Pupils - Average Daily Membership	 <u>76,636</u>	 <u>77,421</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.

TABLE XIX  
BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Breakfast and School Lunch Programs  
School Years 2014 Through 2018

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>School Breakfast Program:</u></b>					
<b>Charge per breakfast to students:</b>					
Regular	\$ 1.35	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
Reduced	0.30	0.30	0.30	0.30	0.30
Charge per breakfast to adults	1.75	1.90	1.90	1.90	1.90
Number of days breakfast served	178	181	181	181	181
Number of free breakfasts served	1,666,339	1,944,938	2,069,396	2,070,509	2,007,167
Average number of free breakfasts served to pupils daily	9,361	10,746	11,433	11,439	11,089
<b>Number of paid breakfasts served:</b>					
At reduced price	236,244	308,099	350,545	299,712	291,741
At regular price	936,838	1,236,974	1,392,678	1,403,614	1,390,046
<b>Average number of paid breakfasts served to pupils daily:</b>					
At reduced price	1,327	1,702	1,937	1,656	1,612
At regular price	5,263	6,834	7,694	7,755	7,680
<b>Total number of school year breakfasts served to pupils</b>	<b>2,839,421</b>	<b>3,490,011</b>	<b>3,812,619</b>	<b>3,773,835</b>	<b>3,668,954</b>
Average number of breakfasts served to pupils daily	15,952	19,282	21,064	20,850	20,381
Number of breakfast schools	118	119	118	118	119
Total of free summer breakfasts served	30,466	31,312	29,356	22,132	28,808
<b>Total breakfasts served</b>	<b>2,869,887</b>	<b>3,521,323</b>	<b>3,841,975</b>	<b>3,795,967</b>	<b>3,717,762</b>
<b><u>School Lunch Program:</u></b>					
<b>Charge per lunch to students:</b>					
Regular - Elementary	\$ 2.60	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75
Regular - Secondary	2.85	3.00	3.00	3.00	3.00
Reduced	0.40	0.40	0.40	0.40	0.40
Charge per lunch to adults	3.50	3.65	3.65	3.65	3.65
Number of days lunches served	178.00	181	181	181	181
Number of free lunches served	2,554,431	2,726,561	2,724,516	2,706,223	2,754,094
Average number of free lunches served to pupils daily	14,351	15,064	15,053	14,952	15,216
<b>Number of paid lunches served:</b>					
At reduced price	440,146	476,460	495,077	441,681	435,973
At regular price	1,993,365	2,230,744	2,325,965	2,493,026	2,578,218
<b>Average number of paid lunches served to pupils daily:</b>					
At reduced price	2,473	2,632	2,735	2,440	2,409
At regular price	11,199	12,325	12,851	13,774	14,244
<b>Total number of school year lunches served to pupils</b>	<b>4,987,942</b>	<b>5,433,765</b>	<b>5,545,558</b>	<b>5,640,930</b>	<b>5,768,285</b>
Average number of lunches served to pupils daily	28,022	30,021	30,638	31,165	31,869
Total of free summer lunches served	49,495	54,362	57,272	59,360	68,994
<b>Total lunches served</b>	<b>5,037,437</b>	<b>5,488,127</b>	<b>5,602,830</b>	<b>5,700,290</b>	<b>5,837,279</b>

Source: Anne Arundel County Public Schools data.

BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

Teacher Salary and Education  
July 2017 to June 2018

<u>Education</u>	<u>Salary Range</u>	<u>Number of Teachers</u>	<u>Average Salary</u>
Bachelor's Degree with Standard Professional Certification	\$ 45,891 - 64,128	1,306	51,208
Master's Degree with Standard Professional Certification	48,680 - 87,119	1,092	68,166
Master's Degree with Advance Professional Certification	49,645 - 88,847	2,658	66,015
Master's Degree plus 30 credits with Professional Certification	51,639 - 92,415	769	75,529
Master's Degree plus 60 credits with Professional Certification	53,712 - 96,125	253	83,086
Doctorate Degree with Professional Certification	54,780 - 98,036	64	81,691
Provisional Bachelor's Degree	42,420 - 44,540	95	42,912
Provisional Master's Degree	46,802 - 49,142	39	47,670

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Elementary Schools:</b>										
<i>Annapolis (1896)</i>										
Square Feet	37,475	37,475	37,475	37,475	37,475	37,475	69,546	69,546	69,546	70,180
Capacity	271	271	271	271	271	271	314	314	314	314
Enrollment	189	170	203	211	237	237	259	255	280	242
<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	433	456	456	456	456	456	456	456	456	456
Enrollment	460	462	464	451	458	424	408	388	388	427
<i>Belle Grove (1952)</i>										
Square Feet	31,850	31,850	31,850	59,928	59,928	59,928	59,928	59,928	59,928	59,928
Capacity	206	206	206	304	304	304	304	304	304	304
Enrollment	189	189	199	212	223	234	261	257	263	287
<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	531	531	526	526	526	526	526	526	526	526
Enrollment	497	505	514	509	474	447	463	519	548	540
<i>Benfield (1962)</i>										
Square Feet	42,234	42,234	42,234	42,234	42,234	42,234	42,234	42,234	82,775	82,775
Capacity	353	353	353	353	353	353	353	353	581	581
Enrollment	454	470	503	456	467	485	460	458	439	431
<i>Bodkin (1970)</i>										
Square Feet	72,267	72,267	72,267	72,267	78,469	78,469	78,469	78,469	78,469	78,469
Capacity	593	593	548	548	663	663	663	663	663	663
Enrollment	563	589	581	589	576	591	588	580	590	580
<i>Broadneck (1975)</i>										
Square Feet	74,540	74,540	84,111	84,111	84,111	84,111	84,111	84,111	84,111	84,111
Capacity	557	557	694	694	694	717	717	717	717	717
Enrollment	657	636	700	707	719	753	772	809	826	791
<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	537	537	537	537	609	609	609	609	609	609
Enrollment	630	626	644	659	705	734	427	438	521	578
<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	411	411	419	419	419	569	569	546	546	546
Enrollment	369	403	415	398	372	385	382	388	410	416
<i>Cape St. Claire (1968)</i>										
Square Feet	72,500	72,500	72,500	84,647	84,647	84,647	84,647	84,647	84,647	84,647
Capacity	658	658	658	658	800	800	800	800	800	800
Enrollment	684	736	717	705	662	665	646	610	593	635
<i>Central (1972)</i>										
Square Feet	73,113	73,113	83,381	83,381	83,381	83,381	83,381	83,381	83,381	11,100
Capacity	635	635	665	665	665	678	678	678	678	80
Enrollment	680	730	785	796	687	659	656	615	609	n/a
<i>Crofton (1969)</i>										
Square Feet	66,321	66,321	66,321	66,321	66,321	66,321	66,321	86,640	86,640	83,381
Capacity	512	512	512	512	512	512	512	659	659	678
Enrollment	536	529	555	549	538	563	569	656	687	620
<i>Crofton Meadows (1989)</i>										
Square Feet	68,338	68,338	68,338	68,338	68,338	68,338	68,338	78,618	78,618	86,640
Capacity	481	481	481	481	481	481	481	616	592	659
Enrollment	386	367	369	369	437	441	589	576	529	682
<i>Crofton Woods (1971)</i>										
Square Feet	73,113	73,113	81,879	81,879	81,879	81,879	81,879	81,879	81,879	78,618
Capacity	527	527	570	570	639	639	639	639	639	592
Enrollment	558	558	590	604	606	624	655	673	694	555
<i>Davidsonville (2002)</i>										
Square Feet	69,111	69,111	69,111	78,725	78,725	78,725	78,725	78,725	78,725	81,879
Capacity	595	595	595	595	695	695	695	695	695	639
Enrollment	620	632	609	589	683	707	680	683	663	744
<i>Deale (1995)</i>										
Square Feet	53,444	53,444	53,444	53,444	53,444	53,444	53,444	53,444	53,444	78,725
Capacity	330	330	330	330	330	342	342	342	342	695
Enrollment	292	297	282	293	285	285	283	244	249	684

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Eastport (1963)</b>										
Square Feet	34,658	34,658	34,658	34,658	34,658	34,658	34,658	34,658	42,430	53,444
Capacity	270	270	270	270	270	281	281	281	339	342
Enrollment	218	224	237	231	234	256	273	260	272	243
<b>Edgewater (1953)</b>										
Square Feet	52,326	52,326	52,326	52,326	52,326	52,326	52,326	52,326	52,326	42,430
Capacity	411	411	411	411	411	455	455	455	455	336
Enrollment	443	453	465	479	510	512	525	547	589	249
<b>Ferndale Early Childhood (2007)</b>										
Square Feet	24,076	24,076	24,076	24,076	24,076	24,076	24,076	24,076	24,076	52,326
Capacity	174	174	136	158	158	158	158	158	158	455
Enrollment	137	122	126	151	129	144	137	135	118	593
<b>Folger McKinsey (1958)</b>										
Square Feet	52,849	52,849	52,849	83,175	83,175	83,175	83,175	83,175	83,175	24,076
Capacity	458	458	458	458	640	640	640	640	640	158
Enrollment	603	598	552	531	541	578	603	618	600	128
<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	83,175
Capacity	489	489	489	489	489	533	533	533	533	640
Enrollment	427	413	398	431	411	410	407	408	411	625
<b>Four Seasons (1974)</b>										
Square Feet	75,254	75,254	75,254	75,254	75,254	75,254	83,703	83,703	83,703	64,907
Capacity	638	638	522	516	680	680	680	680	680	533
Enrollment	524	553	538	545	532	518	565	569	628	401
<b>Frank Hebron-Harman (2007)</b>										
Square Feet	79,875	79,875	79,875	79,875	79,875	79,875	79,875	84,835	84,835	83,703
Capacity	686	686	686	686	686	704	704	773	773	680
Enrollment	615	662	673	683	716	759	760	776	765	651
<b>Freetown (2009)</b>										
Square Feet	49,457	82,460	82,460	82,460	82,460	82,460	82,460	82,460	82,460	84,835
Capacity	457	572	562	539	539	539	539	539	539	773
Enrollment	422	438	475	497	510	501	456	484	467	769
<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	82,460
Capacity	322	322	322	322	322	322	322	322	322	539
Enrollment	260	246	242	262	295	320	309	319	308	507
<b>Georgetown East (1972)</b>										
Square Feet	68,216	68,216	68,216	68,216	68,216	68,216	68,216	68,216	80,399	42,110
Capacity	460	460	460	460	460	537	537	537	669	322
Enrollment	326	334	336	361	392	387	365	375	375	311
<b>Germantown (2011)</b>										
Square Feet	54,748	54,748	89,995	89,998	89,998	89,998	89,998	89,998	89,998	80,399
Capacity	388	388	388	685	685	718	718	718	718	597
Enrollment	462	472	471	601	678	731	749	741	703	277
<b>Glen Burnie Park (1962)</b>										
Square Feet	44,275	44,275	44,275	44,275	44,275	44,275	44,275	53,270	53,270	89,998
Capacity	389	389	389	389	384	384	384	499	499	718
Enrollment	351	336	378	389	409	466	503	511	518	549
<b>Glendale (2001)</b>										
Square Feet	75,065	75,065	80,249	80,249	80,249	80,249	75,065	75,065	75,065	53,270
Capacity	569	569	569	569	569	569	569	569	569	499
Enrollment	478	438	422	391	421	387	388	405	401	536
<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	75,065
Capacity	541	541	541	541	577	574	574	574	574	569
Enrollment	637	635	639	666	681	661	652	670	680	394
<b>Hillsmere (1967)</b>										
Square Feet	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130	98,681
Capacity	476	476	476	476	476	509	509	509	509	747
Enrollment	407	414	454	476	519	529	541	517	528	660

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	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Hilltop (1970)</b>										
Square Feet	74,290	74,290	82,903	82,903	82,903	82,903	82,903	82,903	82,903	49,130
Capacity	564	564	631	631	631	676	676	676	676	509
Enrollment	536	527	530	546	592	652	699	676	695	397
<b>Jacobsville (1998)</b>										
Square Feet	66,756	66,756	66,756	66,756	66,756	66,756	66,756	73,193	73,193	82,903
Capacity	604	604	604	604	604	604	604	633	633	676
Enrollment	524	533	540	535	598	566	536	551	560	708
<b>Jessup (1955)</b>										
Square Feet	83,868	83,868	83,868	83,868	83,868	83,868	83,868	83,868	83,868	73,193
Capacity	477	477	526	435	435	435	435	435	435	633
Enrollment	432	452	463	483	453	483	451	482	492	544
<b>Jones (1957)</b>										
Square Feet	45,393	45,393	45,393	45,393	45,393	45,393	45,393	48,772	48,772	83,868
Capacity	352	352	319	319	319	363	363	342	342	435
Enrollment	324	332	345	341	344	313	276	277	297	487
<b>Lake Shore (1953)</b>										
Square Feet	36,134	63,422	63,422	63,422	63,422	63,422	63,422	63,422	63,422	48,772
Capacity	272	342	342	342	342	342	342	388	388	342
Enrollment	309	313	321	318	320	304	308	300	294	330
<b>Linthicum (1971)</b>										
Square Feet	71,682	71,682	71,682	71,682	71,682	71,682	71,682	71,682	71,682	63,422
Capacity	455	455	455	441	489	489	489	489	489	388
Enrollment	391	408	407	409	437	457	468	445	458	324
<b>Lothian (1956)</b>										
Square Feet	66,281	66,281	66,281	66,281	66,281	66,281	84,248	84,588	84,588	71,682
Capacity	499	499	463	473	473	473	552	555	555	489
Enrollment	511	474	477	449	446	417	412	446	461	491
<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	84,588
Capacity	549	549	549	549	549	549	549	549	549	555
Enrollment	637	614	608	298	316	315	304	309	313	502
<b>Marley (2005)</b>										
Square Feet	67,111	67,111	67,111	67,111	67,111	67,111	76,967	76,967	76,967	72,267
Capacity	555	555	555	555	555	555	687	724	724	549
Enrollment	476	503	514	548	562	643	694	696	742	320
<b>Maryland City (1965)</b>										
Square Feet	49,130	49,130	49,130	49,130	49,130	49,130	56,258	54,519	54,519	81,934
Capacity	392	392	392	392	392	392	392	392	392	816
Enrollment	415	396	402	420	412	411	356	330	360	826
<b>Mayo (2005)</b>										
Square Feet	60,648	60,648	60,648	60,648	60,648	60,648	60,648	60,648	60,648	54,519
Capacity	352	352	352	352	352	388	388	388	388	392
Enrollment	330	324	326	292	335	339	317	326	316	419
<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	60,648
Capacity	514	514	514	389		517	517	517	517	388
Enrollment	307	305	295	310	293	322	324	340	373	338
<b>Millersville (1965)</b>										
Square Feet	45,994	45,994	45,994	45,994	45,994	45,994	45,994	45,994	45,994	74,000
Capacity	409	409	409	409	430	430	430	430	430	517
Enrollment	359	381	362	365	365	400	374	349	351	367
<b>Mills-Parole (1952)</b>										
Square Feet	54,280	54,280	54,280	54,280	54,280	54,280	54,280	89,767	89,767	52,571
Capacity	401	401	401	401	401	401	401	696	696	430
Enrollment	456	502	507	527	574	600	618	632	654	331
<b>Nantucket (2008)</b>										
Square Feet	79,875	79,875	79,875	79,875	79,875	79,875	79,875	86,273	86,273	89,767
Capacity	712	712	684	684	684	684	684	799	799	696
Enrollment	696	721	769	810	813	819	746	738	774	627
<b>North Glen (1959)</b>										
Square Feet	43,565	43,565	43,565	43,565	43,565	43,565	43,565	49,749	49,749	86,273
Capacity	271	271	326	280	280	280	280	368	368	799
Enrollment	254	237	257	267	234	221	247	249	271	791

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	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Oak Hill (1971)</b>										
Square Feet	73,113	73,113	73,113	73,113	80,482	80,482	80,482	80,482	80,482	57,087
Capacity	550	550	531	531	692	692	692	692	692	349
Enrollment	519	525	563	581	595	611	631	654	665	252
<b>Oakwood (1957)</b>										
Square Feet	42,132	42,132	48,750	48,750	48,750	48,750	48,750	55,674	55,674	80,482
Capacity	283	283	283	346	395	395	395	395	395	692
Enrollment	275	292	304	346	299	276	287	271	272	668
<b>Odenton (1961)</b>										
Square Feet	71,302	71,302	71,302	71,302	71,302	71,302	71,302	71,302	71,302	55,674
Capacity	429	429	382	382	444	444	444	444	444	395
Enrollment	351	326	321	312	332	358	411	442	455	286
<b>Overlook (1955)</b>										
Square Feet	41,154	41,154	62,129	62,129	62,129	62,129	62,129	62,129	62,129	89,287
Capacity	294	294	294	274	319	319	319	362	362	608
Enrollment	215	212	226	249	258	283	280	340	359	469
<b>Park (1996)</b>										
Square Feet	68,779	68,779	68,779	68,779	68,779	68,779	68,779	68,779	68,779	62,129
Capacity	493	493	493	493	493	493	493	493	493	362
Enrollment	370	382	399	399	443	470	468	470	464	357
<b>Pasadena (2008)</b>										
Square Feet	68,023	68,023	68,023	68,023	68,023	68,023	68,023	68,023	68,023	77,436
Capacity	383	383	383	383	383	408	408	408	408	625
Enrollment	348	353	359	349	341	355	342	337	340	479
<b>Pershing Hill (2011)</b>										
Square Feet	39,200	39,200	87,160	87,160	87,160	87,160	87,160	87,160	87,160	68,023
Capacity	297	297	297	769	769	710	710	710	710	408
Enrollment	167	168	197	608	617	637	616	649	637	382
<b>Piney Orchard (2000)</b>										
Square Feet	66,790	66,790	66,790	76,448	76,448	76,448	76,448	76,448	76,448	87,160
Capacity	559	559	559	592	684	684	684	684	684	710
Enrollment	533	550	601	633	640	683	675	675	651	591
<b>Point Pleasant (1958) (1967)</b>										
Square Feet	102,121	102,121	102,121	102,121	102,121	95,925	95,925	95,925	95,925	76,448
Capacity	584	584	584	584	584	666	666	666	666	684
Enrollment	533	507	498	494	511	533	527	530	555	638
<b>Quarterfield (1969)</b>										
Square Feet	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130	49,130	95,925
Capacity	468	468	471	441	441	441	441	441	441	666
Enrollment	444	436	421	418	397	388	396	389	425	553
<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	49,130
Capacity	547	547	547	547	547	479	479	479	479	463
Enrollment	491	482	464	498	506	502	533	519	538	416
<b>Ridgeway (1999)</b>										
Square Feet	69,152	69,152	77,659	77,659	77,659	77,659	77,659	77,659	77,659	61,000
Capacity	541	541	541	541	636	636	636	636	636	479
Enrollment	585	561	576	569	569	582	601	599	620	518
<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	77,659
Capacity	609	609	609	609	622	622	622	613	613	636
Enrollment	685	665	685	634	615	618	649	653	674	640
<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	76,500
Capacity	321	321	321	321	321	329	329	349	349	613
Enrollment	244	265	287	293	305	303	293	319	314	638
<b>Rolling Knolls (1963)</b>										
Square Feet	38,951	38,951	38,951	38,951	38,951	38,951	38,951	38,951	84,588	50,916
Capacity	362	362	362	362	362	598	598	598	613	349
Enrollment	416	451	442	473	465	419	424	395	404	319
<b>Seven Oaks (2005)</b>										
Square Feet	81,209	81,209	81,209	81,209	81,209	81,209	81,209	81,209	81,209	84,588
Capacity	633	633	633	655	655	655	655	655	655	607
Enrollment	578	597	609	638	651	676	704	685	668	397

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Severn (1963)</b>										
Square Feet	55,975	55,975	62,964	62,964	62,964	62,964	62,964	62,964	62,964	81,209
Capacity	499	499	499	499	499	499	499	486	486	655
Enrollment	456	439	476	451	421	435	410	446	487	670
<b>Severna Park (1964)</b>										
Square Feet	48,662	48,662	48,662	48,662	56,345	56,345	56,345	56,345	56,345	62,964
Capacity	344	344	344	344	434	434	434	434	434	486
Enrollment	324	330	356	355	363	380	387	400	370	492
<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	56,345
Capacity	502	502	502	502	476	476	476	476	476	434
Enrollment	457	458	443	456	464	479	463	482	483	417
<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	79,968
Capacity	432	432	421	421	421	421	421	421	421	564
Enrollment	448	434	413	401	406	385	354	371	374	480
<b>Solley (1995)</b>										
Square Feet	74,082	74,082	74,082	83,336	83,336	83,336	83,336	83,336	83,336	68,119
Capacity	587	587	587	587	635	635	635	635	635	421
Enrollment	575	645	662	655	665	717	720	734	757	390
<b>South Shore (1997)</b>										
Square Feet	49,508	49,508	49,508	49,508	52,503	52,503	52,503	52,503	52,503	83,336
Capacity	216	216	343	343	365	365	365	365	365	635
Enrollment	237	255	263	278	283	297	316	331	320	816
<b>Southgate (1969)</b>										
Square Feet	45,994	45,994	87,103	87,165	87,165	87,165	87,165	87,165	87,165	52,503
Capacity	479	479	479	616	659	659	659	659	659	365
Enrollment	472	478	478	572	636	657	696	724	739	341
<b>Sunset (1971)</b>										
Square Feet	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113	73,113	87,165
Capacity	468	468	509	519	519	519	519	519	519	659
Enrollment	469	508	487	491	474	468	485	465	488	751
<b>Tracey's (2008)</b>										
Square Feet	56,640	56,640	56,640	56,640	56,640	56,640	56,640	56,640	56,640	73,113
Capacity	397	397	397	397	397	397	397	411	411	519
Enrollment	267	372	358	343	355	361	382	375	409	491
<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	56,640
Capacity	382	382	382	382	382	442	442	442	442	411
Enrollment	345	390	432	467	498	529	602	593	588	404
<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	47,544
Capacity	644	644	644	644	644	585	585	585	585	442
Enrollment	361	375	392	457	476	469	468	473	491	458
<b>Waugh Chapel (1967)</b>										
Square Feet	49,130	49,130	58,897	58,897	58,897	58,897	66,025	61,695	62,101	70,525
Capacity	442	442	442	499	568	568	565	565	565	585
Enrollment	447	452	453	487	519	561	570	575	591	491
<b>West Annapolis (1956)</b>										
Square Feet	31,669	31,669	31,669	31,669	31,669	31,669	31,669	31,669	53,885	62,101
Capacity	262	262	274	274	274	274	274	274	340	565
Enrollment	243	274	279	275	273	235	181	165	198	596
<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	53,885
Capacity	177	177	177	292	292	292	292	292	336	340
Enrollment	361	396	428	290	298	255	263	274	240	227
<b>Windsor Farm (1989)</b>										
Square Feet	68,310	68,310	77,432	77,432	77,432	77,432	77,432	77,432	77,432	45,680
Capacity	527	527	589	589	639	639	639	639	639	356
Enrollment	538	550	578	598	612	614	608	578	567	244
<b>Woodside (1965)</b>										
Square Feet	51,946	51,946	51,946	51,946	51,946	51,946	51,946	51,946	51,946	77,432
Capacity	336	336	336	336	336	336	336	424	424	639
Enrollment	304	312	332	323	295	308	325	335	352	550

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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	64,963
Capacity	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	461
Enrollment	509	561	599	610	625	667	706	774	751	358
<i>Arundel (1961)</i>										
Square Feet	140,032	140,032	140,032	140,032	140,032	140,032	140,032	140,032	140,032	216,000
Capacity	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,071	1,495
Enrollment	919	899	903	894	860	859	941	980	1,014	987
<i>Bates (1980)</i>										
Square Feet	145,520	145,520	145,520	145,520	145,520	145,520	145,520	145,520	145,520	140,032
Capacity	815	815	815	815	815	1,030	1,030	1,030	1,030	1,071
Enrollment	531	565	644	715	749	800	850	878	852	1,032
<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	145,520
Capacity	880	880	880	880	880	1,020	1,020	1,020	1,020	1,030
Enrollment	474	436	429	509	598	739	742	733	701	656
<i>Central (1977)</i>										
Square Feet	158,125	158,125	158,125	158,125	158,125	158,125	158,125	158,125	158,125	248,809
Capacity	1,178	1,178	1,178	1,178	1,178	1,283	1,295	1,295	1,295	1,020
Enrollment	1,100	1,067	1,089	1,097	1,062	1,019	1,056	1,122	1,215	714
<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	158,125
Capacity	2,239	2,239	2,239	2,239	2,239	2,239	2,058	2,058	2,058	1,295
Enrollment	1,391	1,257	1,159	1,098	1,080	1,062	1,048	1,040	1,046	1,202
<i>Corkran (1962)</i>										
Square Feet	151,790	151,790	151,790	151,790	151,790	151,790	151,790	151,790	151,790	343,446
Capacity	985	985	985	985	985	1,030	1,030	1,030	1,030	2,058
Enrollment	673	626	631	616	568	547	588	550	530	1,021
<i>Crofton (1982)</i>										
Square Feet	113,000	113,000	113,000	113,000	113,000	131,577	131,577	131,577	131,577	151,790
Capacity	1,019	1,019	1,019	1,019	1,019	1,274	1,274	1,275	1,275	1,030
Enrollment	1,131	1,164	1,168	1,128	1,145	1,123	1,104	1,097	1,143	585
<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	131,577
Capacity	974	974	974	974	974	1,051	1,051	1,051	1,051	1,275
Enrollment	795	882	891	909	918	929	930	949	875	1,181
<i>Lindale (1961)</i>										
Square Feet	191,583	191,583	191,583	191,583	191,583	191,583	191,583	191,583	191,583	164,393
Capacity	1,334	1,334	1,334	1,334	1,334	1,228	1,228	1,228	1,228	1,051
Enrollment	806	830	822	765	773	792	896	962	1,050	823
<i>MacArthur (1967)</i>										
Square Feet	211,620	211,620	211,620	211,620	211,620	211,620	211,620	211,620	211,620	191,583
Capacity	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,228
Enrollment	1,053	1,133	1,194	1,166	1,049	1,012	1,025	1,046	964	1,091
<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	211,620
Capacity	1,083	1,083	1,083	1,083	1,083	1,083	1,050	1,050	1,050	1,388
Enrollment	765	788	789	771	748	707	731	751	750	1,037
<i>Marley (1958)</i>										
Square Feet	154,293	154,293	154,293	154,293	154,293	154,293	154,293	154,293	154,293	170,000
Capacity	998	998	998	998	998	1,253	1,253	1,253	1,253	1,050
Enrollment	795	786	766	750	765	767	758	823	827	738
<i>Meade (1998)</i>										
Square Feet	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	154,293
Capacity	996	996	996	996	996	1,009	1,009	1,009	1,009	1,253
Enrollment	719	710	689	677	663	689	678	588	557	841
<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	150,000
Capacity	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,009
Enrollment	856	869	894	910	948	948	921	952	976	620
<i>Old Mill South (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	1,071	1,071	1,071	1,072	1,072	1,072	1,072	1,072	1,060
Enrollment	706	671	702	683	648	723	762	842	841	1,024

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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	159,635
Capacity	988	988	988	988	988	988	1,041	1,041	1,041	1,072
Enrollment	833	804	794	765	774	779	778	759	749	870
<b>Severna Park (1967)</b>										
Square Feet	162,274	162,274	205,905	205,905	205,905	205,905	205,905	205,905	205,905	170,000
Capacity	1,391	1,391	1,391	1,391	1,478	1,478	1,478	1,478	1,478	1,041
Enrollment	1,466	1,489	1,410	1,430	1,443	1,435	1,442	1,431	1,505	748
<b>Southern (1950)</b>										
Square Feet	200,102	200,102	200,102	200,102	200,102	200,102	200,102	200,102	200,102	205,905
Capacity	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,091	1,476
Enrollment	751	770	765	786	793	803	764	763	734	1,454
<b>High Schools:</b>										
<b>Annapolis (1979)</b>										
Square Feet	260,000	260,000	260,000	260,000	260,000	260,000	281,500	281,500	281,500	200,102
Capacity	1,739	1,739	1,739	1,739	1,739	1,739	1,888	1,888	2,086	1,091
Enrollment	1,593	1,633	1,544	1,507	1,608	1,703	1,813	1,911	1,981	744
<b>Arundel (1966)</b>										
Square Feet	292,177	292,177	292,177	292,177	292,177	292,177	292,177	292,177	292,177	281,500
Capacity	2,025	2,025	2,025	2,025	2,025	2,039	2,039	2,039	2,039	2,086
Enrollment	1,942	1,910	1,887	1,972	1,949	1,963	2,021	2,043	2,089	1,980
<b>Broadneck (1982)</b>										
Square Feet	288,000	288,000	297,740	297,740	297,740	297,740	297,740	297,740	297,740	292,177
Capacity	2,039	2,039	2,209	2,209	2,209	2,209	2,209	2,209	2,209	2,039
Enrollment	2,163	2,183	2,151	2,158	2,182	2,126	2,104	2,061	2,048	2,118
<b>Chesapeake (1976)</b>										
Square Feet	322,400	322,400	322,400	322,400	322,400	322,400	322,400	322,400	322,400	297,740
Capacity	2,398	2,398	2,398	2,398	2,398	2,398	2,088	2,088	2,088	2,209
Enrollment	1,842	1,797	1,774	1,624	1,594	1,510	1,434	1,404	1,385	2,048
<b>Glen Burnie (1975)</b>										
Square Feet	401,580	401,580	401,580	401,580	401,580	401,580	401,580	401,580	401,580	322,400
Capacity	2,308	2,308	2,308	2,308	2,308	2,269	2,269	2,269	2,269	2,088
Enrollment	1,949	1,972	1,890	1,958	1,963	1,910	1,931	1,892	1,939	1,400
<b>Meade (1977)</b>										
Square Feet	330,900	330,900	330,900	330,900	330,900	330,900	330,900	393,338	393,338	401,580
Capacity	2,208	2,208	2,208	2,208	2,208	2,208	2,208	2,463	2,463	2,269
Enrollment	2,135	2,243	2,285	2,270	2,189	2,159	2,070	2,051	2,004	2,020
<b>North County (1961)</b>										
Square Feet	331,764	331,764	331,764	331,764	331,764	331,764	331,764	331,764	331,764	393,338
Capacity	2,245	2,245	2,245	2,245	2,245	2,314	2,314	2,314	2,314	2,527
Enrollment	1,918	1,980	1,940	1,934	1,883	1,879	2,013	2,057	2,130	1,978
<b>Northeast (1964)</b>										
Square Feet	207,737	207,737	207,737	207,737	210,948	210,948	308,211	308,211	308,211	331,764
Capacity	1,621	1,621	1,621	1,621	1,621	1,621	1,621	1,679	1,679	2,314
Enrollment	1,319	1,388	1,353	1,335	1,347	1,339	1,335	1,353	1,362	2,214
<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	308,211
Capacity	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	2,440	1,679
Enrollment	2,493	2,391	2,266	2,235	2,154	2,131	2,105	2,125	2,207	1,422
<b>Severna Park (1959)</b>										
Square Feet	296,191	296,191	296,191	296,191	296,191	296,191	296,191	296,191	354,162	283,194
Capacity	1,805	1,805	1,805	1,805	1,805	1,805	1,805	1,805	2,237	2,440
Enrollment	1,843	1,923	1,921	1,884	1,936	1,857	1,872	1,799	1,757	2,230
<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	354,162
Capacity	2,133	2,133	2,133	2,133	2,133	2,230	2,230	2,230	2,230	2,225
Enrollment	1,943	2,043	2,104	2,191	2,228	2,224	2,210	2,191	2,166	1,876
<b>Southern (1968)</b>										
Square Feet	226,206	226,206	226,206	226,206	226,206	226,206	226,206	226,206	226,206	295,900
Capacity	1,355	1,355	1,355	1,355	1,355	1,441	1,441	1,441	1,441	2,230
Enrollment	1,157	1,141	1,134	1,098	1,059	1,066	1,071	1,047	1,063	2,150

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BOARD OF EDUCATION OF ANNE ARUNDEL COUNTY

School Building Information  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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	226,206
Capacity	170	170	170	170	170	170	170	170	170	1,441
Enrollment	153	145	123	132	146	143	130	135	123	1,010
<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	53,333
Capacity	130	130	130	130	130	130	130	130	130	170
Enrollment	127	129	122	116	102	91	77	104	112	131
<i>Phoenix Annapolis (1940)</i>										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	71,000	71,110	71,110	50,318
Capacity	120	120	120	120	120	120	279	279	279	130
Enrollment	64	61	69	244	72	303	357	331	325	114
<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	71,110
Capacity	200	200	200	200	200	200	200	200	200	315,279
Enrollment	143	146	129	130	125	116	106	113	122	315
<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	54,526
Capacity	150	150	150	150	150	150	150	204	204	200
Enrollment	39	29	35	41	146	53	63	85	63	134
<i>Mary Moss Academy (1997)</i>										
Square Feet	13,359	13,359	13,359	13,359	13,359	13,359	13,359	Combined	Combined	39,257
Capacity	100	100	100	100	100	100	100	with J. Albert	with J. Albert	204
Enrollment	62	54	66	46	67	62	57	Academy	Academy	52
<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.

Concluded.

Source: Anne Arundel County Public Schools data.