BOARD OF EDUCATION OF ALLEGANY COUNTY

FINANCIAL STATEMENTS

For the year ended June 30, 2025

BOARD OF EDUCATION OF ALLEGANY COUNTY

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INDEPENDENT AUDITORS' REPORT

Board of Education of Allegany County
Cumberland, Maryland

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Allegany County, Maryland, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2025, the Board adopted new accounting guidance, GASB Statement No. 101, Compensated Absences.

Prior Period Adjustments

As discussed in Note 17 to the financial statements, the 2024 financial statements have been restated to correct a misstatement.

Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditors Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of reconciliation of budgetary basis to GAAP, the schedule of contributions – other post-employment benefits (OPEB), schedule of changes in the Board's net OPEB liability and related ratios, schedule of investment returns - OPEB, schedule of the Board's proportionate share of the net pension liability – Maryland State Retirement and Pension System, schedule of the Board's contributions - Maryland State Retirement and Pension System as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2026, on our consideration of the Board of Education of Allegany County, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the Board's internal control over financial reporting and compliance.

UHY LLP

Columbia, Maryland
March 17, 2026

Our discussion and analysis of the Board of Education of Allegany County's financial performance provides an overview of the Board's financial activities for the fiscal years ended June 30, 2025 and 2024, respectively. Please read this in conjunction with the basic financial statements, notes to the basic financial statements, and the required supplemental information for a complete and detailed understanding.

The goal of Management's Discussion and Analysis (MD&A) is for the Board's financial managers to provide the reader an easy-to-understand overview and analysis of the school Board's financial position and results of operations for the year based on currently known facts, decisions, and conditions.

Financial Highlights

On a system-wide basis the net position of the Board increased by $561,552 (0.37%) during the fiscal year ended June 30, 2025 when compared to fiscal 2024's net position of $151,912,340. Unrestricted Cash increased by $10,027,070 (27.23%) to $46,846,989 from the prior year of $36,819,919. Accounts Payable decreased from $7,336,050 to $3,120,079.

Total Governmental Funds revenues for the fiscal year ended June 30, 2025, were $186,839,367. This represents an increase of $11,606,132 (6.62%) over the prior fiscal year's total of $175,233,235. State direct revenues within the unrestricted fund increased by $11,342,222 to $102,557,921. The Board saw an overall decrease of $1,897,734 in restricted revenues. State direct revenues within the Restricted fund increased by $3,214,609 to $9,530,361 which relates to the Blueprint for Maryland's Future funding for 2025. Federal – received through state Food Services revenue increased by $995,325 to $4,782,810. In 2025, the Board adopted a CEP model based upon Board poverty which provided all Board students a free breakfast and lunch. Prior to fiscal 2025, the Board had a partial CEP model with five schools qualifying for the federal free breakfast and lunch program. Payments from Allegany County government including Direct and "On Behalf" payments increased by $331,504 or 0.93%.

Total Governmental Funds expenses for the fiscal year ended June 30, 2025 were $187,368,340. This represents an increase of $13,122,011 (7.53%) from the prior fiscal year's total of $174,246,329. The Board had an increase in salaries and wages as employees received negotiated salary increases as well as a step increase, if appropriate. Spending decreased within the restricted fund by $1,896,734 to $28,267,724 or 6.29% compared to the prior year. Expiring CARES funds for capital projects from last year drove the net decrease even with the increases in restricted Blueprint allocations for the Board. School Construction projects decreased by $555,515 or 14.68% as the Board had fewer large projects in fiscal 2025. The Washington Early Childhood Center project neared the end of its design phase in 2025. Construction will begin next year. Food services costs decreased by $9,214 as the Board adopted a Board-wide CEP program. As a result, more meals were served to students and the costs of food and supplies increased as a result. Inflationary factors relative to food costs also had an impact. Lastly, the cost of salaries and wages increased based upon the negotiated bargaining agreements. The inflationary factors impacting food and food related supplies also contributed to the variance compared to prior year. Fixed charges excluding on behalf within the Current Expense funds (unrestricted and restricted) increased by $4,349,142 to $34,720,648 or 14.32% as a result of increasing healthcare and retirement costs compared to the prior year.

The Current Expense Fund total fund balance as of June 30, 2025, was $29,647,716. This represents a decrease of $5,784 when compared to the fund balance of $29,653,500 from June 30, 2024, as restated. See note 17 for additional details on the prior period adjustment.

The Current Expense Fund unassigned fund balance as of June 30, 2025, was $7,717,221. This represents an increase of $380,651 (5.19%) from the unassigned fund balance of $7,336,570 at June 30, 2024, as restated. The Board has made assignments for future capital needs of $14,125,000, unemployment benefits of $50,000, fiscal 2026 operating budget of $1,557,072 and healthcare expenses of $6,000,000.

Current Expense Fund revenues of $138,067,331, excluding on behalf, were below the final budget by $61,416 or (0.04%). The Board also budgeted $167,717 in unrestricted revenue for the Blueprint for Maryland's Future CCR grant. This grant was ultimately accounted for in the Restricted fund. Revenue related private placements of Special Education students was lower than budget by $46,253. The Board did have a positive budget variance relative to earned interest on investments of $40,238.

Current Expense Fund expenses and other financing sources (uses) were under budget by $55,632 (0.04%). Fixed charges also had a positive variance for the year Payroll taxes were lower than plan as a result of the positive variance in salaries and wages. Cost of instruction had a net positive budget variance of $229,356. This was driven primarily based upon savings within supplies of $325,298. Maintenance had a negative variance based upon the initial costs of responding to flood damages at Westernport. Operations also had a negative balance as a result of significantly increasing utility costs, cost of a security camera project, as well as additional custodial personnel.

The unrestricted final General Fund budget for revenues increased by $9,403,552 (7.31%) to $138,128,747 compared to the $128,725,195 budget for the period ended June 30, 2024. The Board received flat funding from county government of $33,868,357. State revenue increased when compared to prior year by $10,309,895 (11.15%). The state's funding represented an overall funding increase to $102,771,890. Blueprint funding was prioritized by the state and is based upon the recommendations of the Commission on Innovation and Excellence in Education.

BASIC FINANCIAL STATEMENTS

Management Discussion & Analysis

Board-wide Financial Statements ↔ Fund Financial Statements
Notes to the Financial Statements

The illustration above represents the minimum requirements for the general-purpose external financial statements.

Board-wide Financial Statements

In addition to the MD&A, the System-wide Financial Statements are the other primary addition to financial reporting under GASB Statement No. 34. The System-wide perspective is designed to provide readers with a complete financial view of the entity known as The Board of Education of Allegany County. The financial presentation of this perspective is similar to a private sector business. An analysis of the Board as a whole and as to whether it is better off as a result of the year's activities is reflected in the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the assets and liabilities of the Board with the difference between the two reported as net position. Over time, increases or decreases in the System's net position are one indicator as to whether the System's financial health is improving or deteriorating. Keep in mind to consider other non-financial factors to assess the overall health of the System. Deferred Outflows and Deferred Inflows are reported on the Statement of Net Position. The Statement of Activities presents information showing how the Board's net position changed during the most recent fiscal year.

These statements measure the change in total economic resources during the period utilizing the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is actually received or paid. This means that any change in net position is 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 (like earned, but unused employee leave), or for which cash has already been expended (depreciation of buildings and equipment already purchased).

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Board of Education of Allegany County uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The Board's funds are comprised of three categories: government funds, proprietary funds and fiduciary funds. Government funds include the unrestricted General Fund, restricted General Fund, Food Service, School Activities and School Construction Funds. Proprietary funds include the Information Technology Fund. Fiduciary funds include the Retiree Insurance Benefit Trust, Retiree Insurance Benefit Plan and Retiree Health Plan Trust Funds.

The measurement focus of these statements is current financial resources; therefore, the emphasis is placed on the cash flows of the organization within the reporting period or in the near future. Accordingly, the modified accrual basis of accounting that measures these cash flows is used. In the case of The Board of Education of Allegany County, open encumbrances are excluded from expenditures in all funds, except for the restricted General Fund.

Budgetary presentation of individual fund financial information, utilizing the current financial resources, measurement focus and the budgetary basis of accounting, is presented as part of the Fund Financial Statements as well. In these statements, available cash flows of the Board are measured, as well as the commitment to acquire goods or services with such cash flows.

This is the legal basis upon which the budget is adopted so budget comparisons are provided.

The table below presents the differences in the presentation of the basic financial statements.

	Board-wide Statements	**Fund Statements**	**Budgetary Fund Statements**
Measurement Focus	Economic Resources	Current Financial Resources	Current Financial Resources
Basis of Accounting	Accrual	Modified Accrual	Cash and Commitments
Budget	No	No	Yes

Fiduciary Responsibility - Retiree Insurance Benefit Plan Fund, Retiree Insurance Benefit Trust, and Retiree Health Plan Trust Funds

The Board is the trustee for three fiduciary funds: Retiree Insurance Benefit Plan Fund, the Retiree Insurance Benefit Trust, and Retiree Health Plan Trust Fund. These funds are reported as separate Agency Funds. The trust funds are included in the Government Wide Statement of Net Position as a result of GASB 75. We are responsible for ensuring that the assets reported in the Retiree Insurance Benefit Plan Fund, Retiree Insurance Benefit Trust, and Retiree Health Plan Trust Fund are used for their intended purpose.

The unrestricted portion of net position at June 30, 2025, of $13,852,142 is the result of combining the unreserved fund balances of the Governmental Funds with the unreserved fund balances of the Business-type Activities. This represents a decrease of $102,233 from the prior year where the unrestricted net position showed $13,954,375.

We are committed by employee agreements to pay most employees at retirement their earned, unused sick leave up to 140 days at $30 per day. The long-term portion of compensated absences is $3,728,522 and is the amount we expect to pay beyond June 30, 2026. This liability is funded on a "pay as you go" basis from current financial resources. The below represents total cost of services by function and the related net (expenses) revenue.

	Total Cost of Services			Net (Expense) Revenue		
	June 30, 2025	June 30, 2024	% Change	June 30, 2025	June 30, 2024	% Change
Administration	$ 3,776,389	$ 3,836,098	-1.56%	(3,593,895)	(3,681,484)	-2.38%
Mid-Level Administration	11,452,234	9,325,385	22.81%	(7,190,040)	(7,721,742)	-6.89%
Instruction (Regular and Special Education)	93,474,219	87,933,744	6.30%	(30,785,505)	(70,743,560)	-56.48%
Student Personnel and Health Services	2,087,513	1,855,095	12.53%	(2,532,234)	(1,647,255)	53.72%
Student Transportation	7,701,707	7,214,228	6.76%	(1,423,808)	(6,882,145)	-79.31%
Operation & Maintenance of Plant & Equipment	14,575,875	13,487,061	8.07%	(11,681,382)	(5,897,994)	98.06%
Fixed Charges	44,330,219	39,423,492	12.45%	(34,720,648)	(27,183,354)	27.73%
Community Services	546,790	526,791	3.80%	113,859	-	100.00%
Food Services	5,864,303	5,449,376	7.61%	(187,638)	(197,811)	-5.14%
School Activity Expenditures	2,375,317	2,395,588	-0.85%	94,963	(2,395,588)	-103.96%
Total	$ 186,184,566	$ 171,446,858	8.60%	$ (91,906,328)	$ (126,350,933)	-27.26%

Results of operations for the Board as a whole are presented in the Statement of Activities. The cost of all governmental activities is $186,243,361 (including interest expenses) of which $503,627 was financed by users of the Board's programs. Grants and contributions from certain programs were $94,401,008. Net services costs were $91,338,726.

The Board is fiscally dependent on local and state aid to fund its daily operations. Approximately, 49% of the Board's Governmental Activities comes from these sources. State aid is largely formula-driven based on student population and wealth. Local revenue, provided by the Allegany County Government, is dependent upon the economic condition of the County. Most of the operating and capital grant funding is from the State and County governments and Federal grants passing through the State. These operating and capital grants represent approximately 46% of the Board's funding.

BOARD OF EDUCATION OF ALLEGANY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2025

Condensed Statement of Net Position

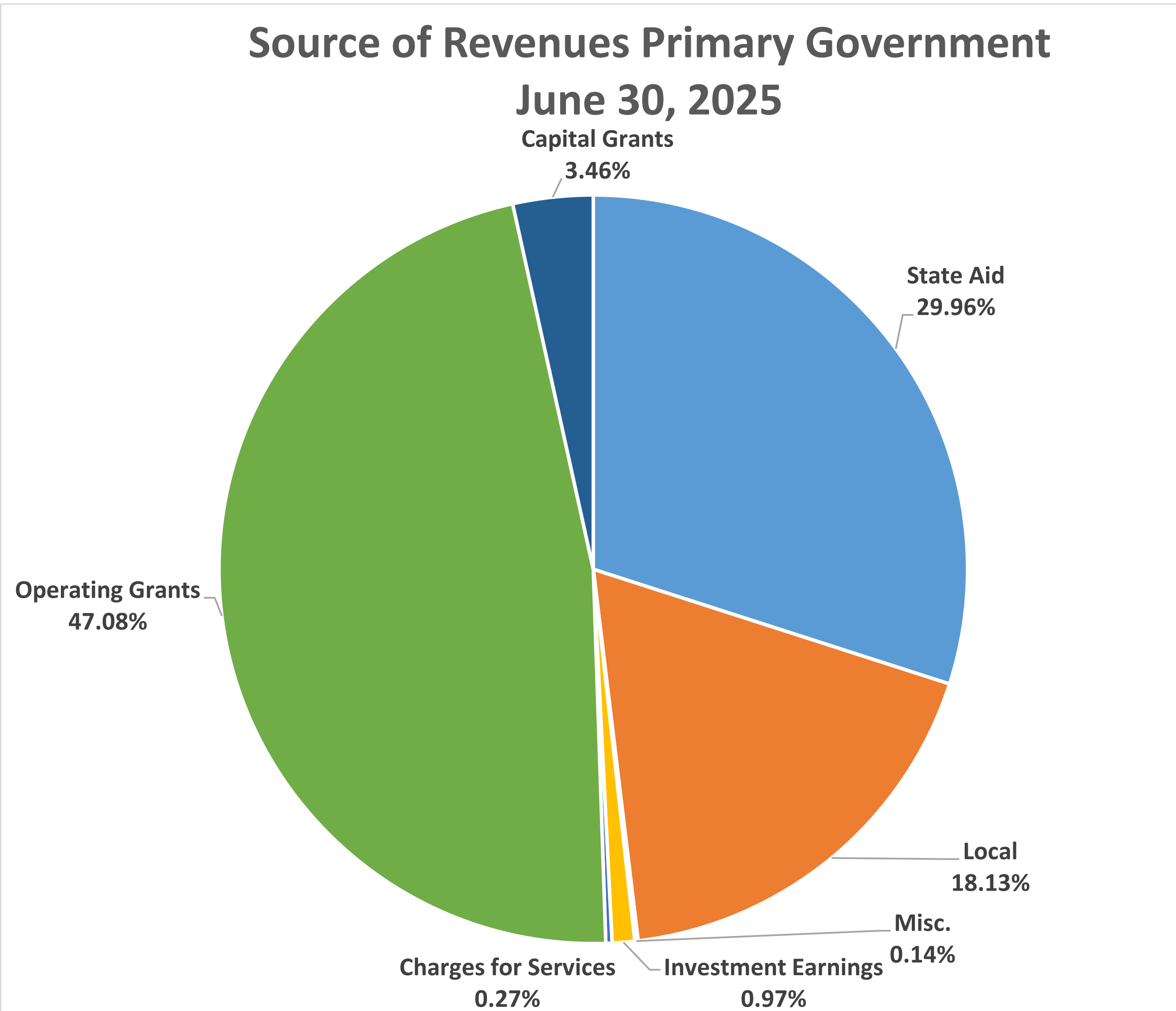
	Governmental Activities				Business-type Activities				Total School System			
	June 30, 2025	As restated June 30, 2024	$ Change	% Change	June 30, 2025	June 30, 2024	$ Change	% Change	June 30, 2025	As restated June 30, 2024	$ Change	% Change
Current and Other Assets	$ 55,987,123	$ 60,958,149	$ (4,971,026)	-8.15%	$ (64,736)	$ (30,710)	$ (34,026)	110.80%	$ 55,922,387	$ 60,927,439	$ (5,005,052)	-8.21%
Capital Assets	136,533,375	135,617,722	915,653	0.68%	-	-	-	0.00%	136,533,375	135,617,722	915,653	0.68%
Total Assets	**$ 192,520,498**	**$ 196,575,871**	**$ (4,055,373)**	**-7.48%**	**$ (64,736)**	**$ (30,710)**	**$ (34,026)**	**110.80%**	**$ 192,455,762**	**$ 196,545,161**	**$ (4,089,399)**	**-7.54%**
Deferred Outflow of Resources	5,188,056	4,936,628	251,428	5.09%	-	-		0.00%	5,188,056	4,936,628	251,428	5.09%
Current and Other Liabilities	$ 18,844,197	$ 25,278,897	$ (6,434,700)	-25.45%	$ 57,062	$ 83,137	$ (26,075)	-31.36%	$ 18,901,259	$ 25,362,034	$ (6,460,775)	-25.47%
Long-term Net OPEB Liability	10,819,002	12,264,028	(1,445,026)	-11.78%	$ -		-	0.00%	10,819,002	12,264,028	(1,445,026)	-11.78%
Long-term Liabilities	13,433,407	10,237,299	3,196,108	31.22%	-		-	0.00%	13,433,407	10,237,299	3,196,108	31.22%
Total Liabilities	**$ 43,096,606**	**$ 47,780,224**	**$ (4,683,618)**	**-6.02%**	**$ 57,062**	**$ 83,137**	**$ (26,075)**	**-31.36%**	**$ 43,153,668**	**$ 47,863,361**	**$ (4,709,693)**	**-6.04%**
Deferred Inflow of Resources	2,016,258	1,819,030	197,228	10.84%	-	-	-	0.00%	2,016,258	1,819,030	197,228	10.84%
Net Assets:												
Invested in Capital Assets, Net of Related Debt	$ 135,680,183	$ 134,656,349	$ 1,023,834	0.76%	$ -	$ -	$ -	0.00%	$ 135,680,183	$ 134,656,349	$ 1,023,834	0.76%
Restricted	2,941,567	3,188,674	(247,107)	-7.75%	-		-	0.00%	2,941,567	3,188,674	(247,107)	-7.75%
Unrestricted	13,973,940	14,181,164	(207,224)	-1.46%	(121,798)	(113,847)	(7,951)	6.98%	13,852,142	14,067,317	(215,175)	-1.53%
Total Net Position	**$ 152,595,690**	**$ 152,026,187**	**$ 569,503**	**-8.45%**	**$ (121,798)**	**$ (113,847)**	**$ (7,951)**	**6.98%**	**$ 152,473,892**	**$ 151,912,340**	**$ 561,552**	**-8.52%**

Changes in Net Position from Operating Results

	Governmental Activities				Business-type Activities				Total School System			
	June 30, 2025	June 30, 2024	$ Change	% Change	June 30, 2025	June 30, 2024	$ Change	% Change	June 30, 2025	June 30, 2024	$ Change	% Change
Program Revenues:												
Charges for Services	$ 503,627	$ 864,375	$ (360,748)	-41.74%	$ 18,552	$ 17,938	$ 614	3.42%	$ 522,179	$ 882,313	$ (360,134)	-40.82%
Operating Grants and Contributions	87,942,669	42,529,524	45,413,145	106.78%	-	-	-	0.00%	87,942,669	42,529,524	45,413,145	106.78%
Capital Grants and Contributions	6,458,339	1,623,593	4,834,746	297.78%	-	-	-	0.00%	6,458,339	1,623,593	4,834,746	297.78%
General Revenues:												
County Government	33,868,357	34,204,700	(336,343)	-0.98%	-	-	-	0.00%	33,868,357	34,204,700	(336,343)	-0.98%
Grants and Contributions(unrestricted)	55,964,411	91,215,699	(35,251,288)	-38.65%	-	-	-	0.00%	55,964,411	91,215,699	(35,251,288)	-38.65%
School Activities	-	2,432,537	(2,432,537)	-100.00%	-	-	-	0.00%	-	2,432,537	(2,432,537)	-100.00%
Investment Earnings	1,807,184	2,159,487	(352,303)	-16.31%	-	-	-	0.00%	1,807,184	2,159,487	(352,303)	-16.31%
Other	268,277	177,694	90,583	50.98%	26,503	25,626	877	3.42%	294,780	203,320	91,460	44.98%
Total Revenues	**$ 186,812,864**	**$ 175,207,609**	**$ 11,605,255**	**6.62%**	**$ 45,055**	**$ 43,564**	**$ 1,491**	**3.42%**	**$ 186,857,919**	**$ 175,251,173**	**$ 11,606,746**	**6.62%**
Administration	$ 3,776,389	$ 3,836,098	$ (59,709)	-1.56%	-	-	$ -	0.00%	$ 3,776,389	$ 3,836,098	$ (59,709)	-1.56%
Mid-level Administration	11,452,234	9,325,385	2,126,849	22.81%	-	-	-	0.00%	11,452,234	9,325,385	2,126,849	22.81%
Instruction -Regular Education	70,275,968	65,557,577 *	4,718,391	7.20%	-	-	-	0.00%	70,275,968	65,557,577	4,718,391	7.20%
Instruction -Special Education	23,198,251	22,376,167	822,084	3.67%	-	-	-	0.00%	23,198,251	22,376,167	822,084	3.67%
Student Personnel and Health Services	2,087,513	1,855,095	232,418	12.53%	-	-	-	0.00%	2,087,513	1,855,095	232,418	12.53%
Student Transportation	7,701,707	7,214,228	487,479	6.76%	-	-	-	0.00%	7,701,707	7,214,228	487,479	6.76%
Operation & Maintenance of Plant & Equipment	14,575,875	13,487,061	1,088,814	8.07%	-	-	-	0.00%	14,575,875	13,487,061	1,088,814	8.07%
Fixed Charges	44,330,219	39,423,492	4,906,727	12.45%	-	-	-	0.00%	44,330,219	39,423,492	4,906,727	12.45%
Community Services	546,790	526,791	19,999	3.80%	-	-	-	0.00%	546,790	526,791	19,999	3.80%
Food Service	5,864,303	5,449,376	414,927	7.61%	-	-	-	0.00%	5,864,303	5,449,376	414,927	7.61%
School Activities	2,375,317	2,395,588	(20,271)	-0.85%	-	-	-	0.00%	2,375,317	2,395,588	(20,271)	-0.85%
Other	58,795	-	58,795	100.00%	53,006	51,252	1,754	3.42%	111,801	51,252	60,549	118.14%
Total Expenses	**$ 186,243,361**	**$ 171,446,858**	**$ 14,796,503**	**8.63%**	**$ 53,006**	**$ 51,252**	**$ 1,754**	**3.42%**	**$ 186,296,367**	**$ 171,498,110**	**$ 14,798,257**	**8.63%**
Increase(Decrease) in Net Position	**$ 569,503**	**$ 3,760,751**	**$ (3,191,248)**	**-2.01%**	**$ (7,951)**	**$ (7,688)**	**$ (263)**	**0.00%**	**$ 561,552**	**$ 3,753,063**	**$ (3,191,511)**	**-2.01%**

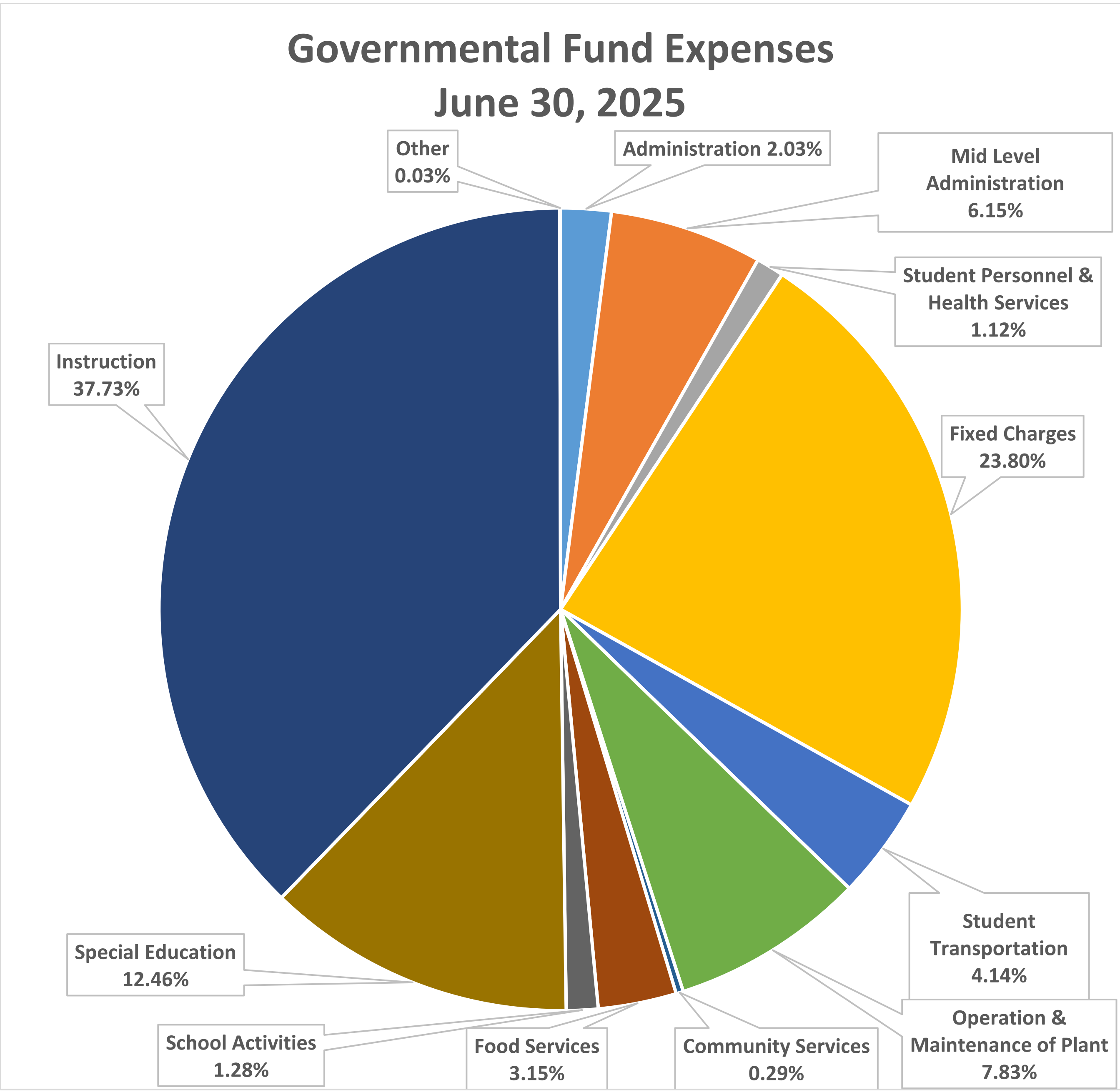
GENERAL FUND (CURRENT EXPENSE) BUDGETARY HIGHLIGHTS

The Current Expense Fund operates under a legally adopted annual budget. The budget is subdivided into State mandated categories of expenditures. These categories are Administration, Mid-level Administration, Instructional Salaries, Textbooks and Instructional Supplies, Other Instructional Costs, Special Education, Student Personnel Services, Student Health Services, Student Transportation, Operation of Plant, Maintenance of Plant, Fixed Charges, Community Services, Food Services, and Capital Outlay. The legal level of budgetary control is at the category level. The following two pie charts are reflective of actual revenues and expenses.



Fund Performance

Funds are self-balancing sets of accounts used by the Board to control and manage money for particular purposes.



General Fund – Unrestricted

A schedule of changes between the original and final budgets for the year ended June 30, 2025, is presented below.

	Original Budget	Final Budget	Total Change
County Appropriation	$ 33,868,357	$ 33,868,357	$ -
State	102,771,890	102,771,890	-
Federal	-	125,000	125,000
Other Sources	1,138,500	1,363,500	225,000
Total Revenues	$ 137,778,747	$ 138,128,747	$ 350,000
Administration	$ 2,914,107	$ 3,079,107	$ 165,000
Mid-Level Administration	8,207,144	7,957,144	(250,000)
Instructional Salaries	49,387,597	47,392,597	(1,995,000)
Textbooks	2,891,561	2,366,561	(525,000)
Other Instructional Costs	3,183,222	3,708,222	525,000
Special Education	18,494,931	18,994,931	500,000
Student Personnel Services	794,680	794,680	-
Student Health Services	1,136,335	1,016,335	(120,000)
Student Transportation	7,114,440	7,114,440	-
Operation of Plant	10,355,455	11,655,455	1,300,000
Maintenance of Plant	2,152,350	2,152,350	-
Fixed Charges	29,880,425	31,000,425	1,120,000
Food Services	476,500	106,500	(370,000)
Capital Outlay	790,000	790,000	-
Total Expenditures	$ 137,778,747	$ 138,128,747	$ 350,000

County, state, and other sources of revenues account for over 99% of the total General Fund unrestricted revenue. Both are stable and highly predictable.

Budget Variances

Below is a table listing positive and negative budget variances for the year ended June 30, 2025 as a supplement to the narrative discussion below the chart.

Unrestricted General Fund Budget to Actual Variances

Budget Variance Descriptions		Positive (Negative)
Revenues:		
Federal Revenues		(43,256)
Special Education Private Placements		(46,252)
Unused Prior Year Fund Balance		(167,717)
Interest Earned		40,238
Other Revenue Variances		155,571
Total Revenue Variances	$	(61,416)
Expenditures and Other Financing Sources (Uses):		
Instructional Labor Savings & Efficiencies	$	229,357
Operation of Plant and Equipment		(408,759)
Maintenance Variances		(552,353)
Transportation Variances		(137,294)
Fixed Charge Variances		420,134
Other Expenditure Variances		504,547
Total Expenditures and Other Financing Sources (Uses)	$	55,632
Total Variance – Unrestricted General Fund	$	(5,784)

Revenues:

For the year ended June 30, 2025, total unrestricted General Fund revenues resulted in a shortfall when compared to budget of $61,416.

Revenues of $167,717 for the Blueprint for Maryland's Future College and Career Readiness (CCR) grant were included in fiscal 2025 budget as unrestricted, but the grant was ultimately accounted for as being restricted. However, there was a negative variance within state revenues that related to non-public placements. Public schools are required to provide a free and appropriate education to all students in a public Board. When students have intensive educational needs that cannot be met by the local Board, the Board is mandated to provide an education in a facility that can meet those needs. The cost is shared between the local Board and state government based upon a formula. The number of students receiving services and severity of the services needed also plays a role in the overall costs.

Federal revenues showed a negative variance of $43,256. Within that category, other revenues for the afterschool program meals were $81,744 while Medicare Part D revenues were $0. The system is self-insured for health insurance purposes. The Board was anticipating that it would still qualify for Medicare Part D this fiscal year, which was the reason for the budget amendment. However, the system no longer qualifies for the Medicare Part D program which previously reimbursed the system for a portion of prescription drug benefits provided to Medicare eligible retirees. The Government Accounting Standards Board (GASB) has issued a technical bulletin requiring recipients of Medicare Part D funds to show these proceeds as revenue.

Special Education private placement revenue had a slightly negative budget variance of $46,252. The budget for Special Education private placement is an estimate based on the anticipated state formula and number of students served.

Interest revenues were slightly higher than the amended budget. The increase was higher than the amended plan by $40,238. Fed policy changes will likely continue to impact interest rates in the future.

Other revenues were over budget, creating a net favorable variance in the amount of $155,571.

Expenditures and Inter-fund transfers:

For the year ended June 30, 2025, total unrestricted General Fund expenditures and other financing sources (uses) resulted in a positive variance of $55,632.

Instructional categories show a net positive variance of $229,356. These savings were driven primarily by savings from supplies and materials. Purchases for texts were lower than anticipated. For example, foreign language texts were piloted instead of rolled out across the Board.

The operations department was over budget by $408,759. Overall, custodial salaries were higher than anticipated within the budget. There were significant increases in utility costs, which contributed to a negative variance within other charges category.

The maintenance department was over budget by $552,353. The majority of the overage related to the cost associated with the initial mitigation of the flooding at Westernport elementary school on May 13, 2025.

Transportation was over budget by $137,294 for the year. It was driven primarily by the cost of the summer school program being $61,984 more than anticipated. The Board also purchased an SUV to utilize in rural areas where it is difficult to drive a bus. The vehicle category variance was $58,809. The cost of travel from the comprehensive high schools to the career center was $46,829 higher than planned.

The Board is self-insured for healthcare costs. The Board allocated additional resources to the Board's rising healthcare costs during fiscal 2025. Overall, fixed charge expenditures were below plan by $420,134 for fiscal 2025.

A portion of the remaining other expenditure variance is attributable to instructional expenditures being less than planned as a result of the CCR grant being reported as restricted versus unrestricted. The Board also showed a positive variance within capital outlay of $185,363 as the Board focused its attention on mitigating the flooding damage at Westernport versus other spring projects.

The organization participates in a cooperative arrangement with Allegany County Government. While the Information Technology fund no longer has employees, support services are provided by outside vendors on information technology equipment that functions for both the Board and county government. Operating revenues for the fund were $18,552 while non-operating revenues totaled $26,503 for fiscal year 2025. Total operating expenses were $53,006 in fiscal year 2025 while last year's operating expenses were $51,252. The fund had a negative change in net position of $7,951 as a result of the county funding its participation in the agreement at 35% this fiscal year. Both parties agreed to take the shortfall from fund balance. The financial results of this proprietary fund can be found on pages 26 and 27 of this report.

Restricted Fund

Restricted revenues and expenses for the year were $28,267,724 which is down about 6.3% or $1,897,734 from the prior year's revenues and expenses of $30,165,458. Restricted revenues are tied to the availability of grants and funding. Overall, CARES and ARP spending was $8,639,341 this year compared to CARES spending of $14,778,718 last year. The CARES and ARP spending variance was $6,139,377 or 41.5%. Restricted Blueprint spending this year was $8,587,848 compared to $5,245,583 last year or a variance of $3,342,265. Spending is prescribed within the grants themselves, but ranged from the purchase of technology such as devices and access points, infrastructure for distance learning, hotspots for students and staff without connectivity, contractual resources for distance learning, summer school programs, capital expenditures and tutoring to mitigate learning loss, protective personnel equipment, additional custodial staffing to support cleaning at schools.

Food Services Fund

In 2025, the Board adopted the community eligibility provision (CEP) for schools across the entire Board. Previously, CEP was offered to the five most impoverished schools in the Board. CEP is a federal program that allows Boards meeting certain economic factors to provide all students a free breakfast and a free lunch. Overall, revenue decreased by $62,684 to $5,508,261 from last year's revenue total of $5,677,445.

Expenses within the fund increased to $5,783,368 compared to fiscal year 2024's expenses of $5,792,582. The decrease in expenses is attributable to the increase in salaries and wages as a result of the negotiated agreements as well as additional staffing to meet the increase in demand relative to the Board becoming entirely CEP. Another corresponding increase related to supplies as inflationary forces on food and paper goods impacted the Board's food and nutrition operations.

School Construction Fund

The majority of the activity within the School Construction fund was spread across the electrical upgrade projects at Braddock and Washington middle schools, the Washington middle chilled water piping replacement, and the completion of the unit ventilator projects at Braddock and Washington middle schools. The School Construction Fund covered the remaining amount of these two projects as CARES funding concluded during the fiscal year. The Washington Early Childhood Center project neared the end of its design costs by June 2025. Current year expenses paid by the County were $131,979 compared to $178,685 in fiscal year 2024. State direct revenues increased from $1,444,908 in fiscal year 2024 to $2,082,482 in fiscal year 2025. The state and county amounts remained consistent with fiscal year 2024 as the electrical upgrade projects, chilled water piping replacement project, and early childhood center project are all state assisted with the county also assisting on both electrical projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the Board had $289,460,459 invested in a broad range of capital assets including land, buildings and improvements, furniture, vehicles, and other equipment including right-to-use amortizable assets. Capital assets increased $915,653 from the same time last year, net of disposals and transfers. The increase relates primarily to the work in progress relative to the Washington and Braddock middle unit ventilator and electrical upgrade projects as well as the Washington chilled water project. The total net cost of capital assets after depreciation and amortization was $136,533,375. Total amortization and depreciation expense for the year ended June 30, 2025 was $8,089,131.

The main capital focus this year was the Washington and Braddock middle unit ventilator and electrical upgrade projects as well as the Washington chilled water project. The design component for the Washington early childhood center was also prioritized. That project has a proposed opening in August 2027.

Debt

Boards in Maryland are in the uncommon position of owning assets, but not the debt associated with those assets, as we have no borrowing power. We are fully fiscally dependent on the state and county governments to incur debt to fund capital projects. Accordingly, the Board carries no bond rating but the system does have a debt policy to cover leasing and alternative financing arrangements permitted under state law.

FACTORS IMPACTING THE BOARD

The Every Student Succeeds Act of 2015 (ESSA) was signed into law by President Barrack Obama. This reauthorization of the ESSA, formerly known as the No Child Left Behind Act, provides a long term, stable federal policy that gives states additional flexibility and encourages states, local Boards, and schools to innovate while at the same time holding all accountable for results. ESSA moves to establish State standards, sets academic goals, and assesses progress towards those goals for all students and schools. It also measures and reports performance of all students, schools, and local Boards and identifies schools in need of improvement and provides support to those schools. It also serves to provide and support staff development and growth for educators and supports students to ensure a well-rounded education. All of these requirements have cost impacts.

A majority of the funding for the Board comes from the Maryland General Assembly. State aid education formulas are based largely on student population and wealth. Wealth in the state aid education formulas is measured by income taxes, real estate assessments, and personal property assessments. Less funding can result when a Board's student population declines or wealth increases more than state averages or decreases less than state averages. Student population is also a factor in the required minimum of funding from county government called maintenance of effort. The Board's enrollment has continued on a downward trend.

The Blueprint for Maryland's Future was passed by the Maryland General Assembly and allowed to go into law on May 15, 2019 by Governor Hogan. The goal of The Blueprint for Maryland's Future is to transform the state's early childhood, primary, and secondary education systems to the levels of high performing systems around the world. Implementation of the recommendations of the Commission on Innovation and Excellence in Education (commonly known as the Kirwan Commission) began in fiscal 2020. This funding has continued in fiscal 2026. This funding included such items as pre-kindergarten expansion, concentration of poverty funding, teacher salary incentives, additional special education funding and targeted intervention services. The Blueprint for Maryland's Future continues to be implemented in fiscal 2026 and has extensive reporting requirements that LEAs must adhere to remain compliant. The state is also facing a structural deficit in the upcoming years which may also impact the implementation of the Blueprint legislation.

For state participating construction projects, Allegany County now qualifies to have state government pay for 89% of the eligible construction costs. Costs not eligible for state funding must be funded locally.

The Board is self-insured for health, dental, and prescription drug costs. Provisions of the federal Affordable Care Act have caused additional costs in order to comply with the regulations. Additional medical costs to the Board's health plan for employees and retirees may increase the budget for health costs even though a reserve now exists relative to the costs of health care for the Board.

Boards are being encouraged to adopt the community eligibility provision (CEP), which provides free meals to all students regardless of household income. In fiscal 2019, the Board began participation in the CEP program for the Board's four elementary schools with the highest percentage of Free and Reduced Meal students. The participating schools are George's Creek, John Humbird, South Penn and Westernport. For the 2022-2023 school year, Cash Valley was added as a CEP school which gives the Board a total of five elementary schools. Costs not covered by the food service fund will be covered by the unrestricted fund. Since the start of the pandemic, students have received free lunch and free breakfast. However, that provision of the law expired for the 2022-2023 school year. For the 2024-2025 school year, the Board adopted a Board wide CEP program where all students in the Board are provided a free breakfast and a free lunch. The Board qualified based upon the level of poverty throughout the Board. This provision has been approved to remain in effect for four years. Inflationary pressures are impacting the operating costs of employee compensation, benefits, utilities, transportation, supplies, fuel, etc. Continued increases to costs that outpace increases in revenues would have to be covered by reductions to other critical expenditures.

CONTACT THE BOARD OF EDUCATION OF ALLEGANY COUNTY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, and students with a general overview of the Board's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Lawrence S. McKenzie, CPA, Chief Financial Officer, (301) 759-2024, boardfinance@acpsmd.org, at The Board of Education of Allegany County, 108 Washington Street, Cumberland, Maryland 21502.

BOARD OF EDUCATION OF ALLEGANY COUNTY
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 46,846,989	$ -	$ 46,846,989
Restricted cash	7,074	-	7,074
Investments, at market	30,475	-	30,475
Restricted investments, at market	391,351	-	391,351
Accounts receivable, net	8,827,831	4,248	8,832,079
Prepaid expenses	303,031	-	303,031
Inventory	366,876	-	366,876
Internal balances	(786,504)	(68,984)	(855,488)
Total Current Assets	55,987,123	(64,736)	55,922,387
Noncurrent Assets:			
Non-depreciable capital assets	11,608,042	-	11,608,042
Depreciable capital assets, net of depreciation	124,925,333	-	124,925,333
Total Noncurrent Assets	136,533,375	-	136,533,375
TOTAL ASSETS	$ 192,520,498	$ (64,736)	$ 192,455,762
Deferred Outflow Of Resources:			
Deferred outflows of resources related to OPEB	1,222,231	-	1,222,231
Deferred outflows of resources related to pension	3,965,825	-	3,965,825
Total Deferred outflows of resources	5,188,056	-	5,188,056
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 3,063,017	$ 57,062	$ 3,120,079
Salaries and benefits payable	1,419,765	-	1,419,765
Grant advances and deferred revenue	9,569,961	-	9,569,961
Accrued hospital insurance	3,561,163	-	3,561,163
Lease liability	97,871	-	97,871
Subscription liability	148,563	-	148,563
Compensated absences	262,771	-	262,771
Other current liabilities	721,086	-	721,086
Total Current Liabilities	18,844,197	57,062	18,901,259
Noncurrent Liabilities:			
Lease liability	271,858	-	271,858
Subscription liability	334,900	-	334,900
Compensated Absences	3,728,522	-	3,728,522
Net OPEB liability	10,819,002	-	10,819,002
Net pension liability	9,098,127	-	9,098,127
Total Noncurrent Liabilities	24,252,409	-	24,252,409
TOTAL LIABILITIES	43,096,606	57,062	43,153,668
Deferred Inflow Of Resources:			
Deferred inflows of resources related to OPEB	1,816,360	-	1,816,360
Deferred inflows of resources related to pension	199,898	-	199,898
Total Deferred inflows of resources	2,016,258	-	2,016,258
NET POSITION			
Invested in capital assets, net of related debt	135,680,183	-	135,680,183
Restricted for:			
Scholarship Funds	398,425	-	398,425
Capital projects	2,543,142	-	2,543,142
Unrestricted	13,973,940	(121,798)	13,852,142
TOTAL NET POSITION	$ 152,595,690	$ (121,798)	$ 152,473,892

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
STATEMENT OF ACTVITIES
For the year ended June 30, 2025

					Net (Expense) Revenue and Changes in Net Position		
		Program Revenues			Primary Government		
FUNCTIONS / PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular education	$ 70,275,968	$ 168,609	$ 41,753,021	$ 4,243,878	$ (24,110,460)	$ -	$ (24,110,460)
Special education	23,198,251	-	16,523,206	-	(6,675,045)	-	(6,675,045)
Total instruction	93,474,219	168,609	58,276,227	4,243,878	(30,785,505)	-	(30,785,505)
Support services:							
Administration	3,776,389	-	182,494	-	(3,593,895)	-	(3,593,895)
Mid-level administration	11,452,234	-	4,262,194	-	(7,190,040)	-	(7,190,040)
Student personnel services	797,411	-	-	-	(797,411)	-	(797,411)
Health services	1,290,102	-	181,676	-	(1,108,426)	-	(1,108,426)
Student transportation	7,701,707	-	6,277,899	-	(1,423,808)	-	(1,423,808)
Operation of plant and equipment	11,562,453	-	535,924	2,214,461	(8,812,068)	-	(8,812,068)
Maintenance of plant	3,013,422	-	144,108	-	(2,869,314)	-	(2,869,314)
Fixed charges	34,720,648	-	-	-	(34,720,648)	-	(34,720,648)
- on behalf, retirement	7,640,539	-	7,640,539	-	-	-	-
- on behalf, nurses, security & mental health	1,969,032	-	1,969,032	-	-	-	-
Community Services	546,790	-	660,649	-	113,859	-	113,859
Food Service	5,864,303	335,018	5,341,647	-	(187,638)	-	(187,638)
School Activities	2,375,317	-	2,470,280	-	94,963	-	94,963
Leases and SBITAs interest	58,795	-	-	-	(58,795)		(58,795)
Total support services	92,769,142	335,018	29,666,442	2,214,461	(60,553,221)	-	(60,553,221)
Total governmental activities	186,243,361	503,627	87,942,669	6,458,339	(91,338,726)	-	(91,338,726)
Business-type activities:							
Information Technology	53,006	18,552				(34,454)	(34,454)
Total Business-type Activities	53,006	18,552	-	-	-	(34,454)	(34,454)
Total Primary Government	$ 186,296,367	$ 522,179	$ 87,942,669	$ 6,458,339	$ (91,338,726)	$ (34,454)	$ (91,373,180)
General revenues - unrestricted:							
County appropriation					33,868,357	-	33,868,357
State aid					55,964,411	-	55,964,411
Investment earnings/loss					1,807,184	-	1,807,184
Miscellaneous income					294,780	-	294,780
Transfers					(26,503)	26,503	-
Total General Revenues					91,908,229	26,503	91,934,732
Change in Net Position					569,503	(7,951)	561,552
Net Position - June 30, 2024, as previously reported					151,913,245	(113,847)	151,799,398
Error correction (See note 17)					112,942	-	112,942
Net Position - June 30, 2024, as restated					152,026,187	(113,847)	151,912,340
Net Position - June 30, 2025					$ 152,595,690	$ (121,798)	$ 152,473,892

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Special Revenue Funds				
	(Current Expense) Unrestricted	(Current Expense) Restricted	Food Service	Student Activities	School Construction	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 28,206,766	$ -	$ 250,810	$ 2,299,777	$ 16,089,636	$ 46,846,989
Restricted cash	-	-	-	7,074	-	7,074
Investments	-	-	-	30,475	-	30,475
Restricted investments	-	-	-	391,351	-	391,351
Accounts receivable, net	3,449,473	4,352,843	219,128	1,248	805,139	8,827,831
Inventory - food	-	-	366,876	-	-	366,876
Internal receivables	81,633,245	5,584,473	1,016,999	-	-	88,234,717
Prepaid expenses	198,423	104,608	-	-	-	303,031
TOTAL ASSETS	113,487,907	10,041,924	1,853,813	2,729,925	16,894,775	145,008,344
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	2,014,951	309,053	13,057	5,752	720,204	3,063,017
Salaries and benefits payable	1,341,094	-	78,671	-	-	1,419,765
Internal payables	76,446,820	-	-	-	12,574,401	89,021,221
Grant advances	-	9,534,146	-	-	-	9,534,146
Accrued hospital insurance	3,561,163	-	-	-	-	3,561,163
Deferred revenue	-	-	35,815	-	-	35,815
Other current liabilities	476,163	198,725	46,198	-	-	721,086
TOTAL LIABILITIES	83,840,191	10,041,924	173,741	5,752	13,294,605	107,356,213
FUND BALANCES						
Nonspendable:						
Inventory - food	-	-	366,876	-	-	366,876
Prepaid expenses - other	198,423	104,608	-	-	-	303,031
Restricted - Capital Projects	-	-	-	-	2,543,142	2,543,142
Restricted - Scholarship Funds	-	-	-	398,425	-	398,425
Assigned to:						
Unemployment Benefits	50,000	-	-	-	-	50,000
Capital Projects	14,125,000	-	-	-	1,057,028	15,182,028
Healthcare expenses	6,000,000	-	-	-	-	6,000,000
Assigned for FY26 Operating Budget	1,557,072	-	-	-	-	1,557,072
Food Service	-	-	1,313,196	-	-	1,313,196
Student Activities	-	-	-	2,325,748	-	2,325,748
Unassigned	7,717,221	(104,608)	-	-	-	7,612,613
TOTAL FUND BALANCES	29,647,716	-	1,680,072	2,724,173	3,600,170	37,652,131
TOTAL LIABILITIES AND FUND BALANCES	$ 113,487,907	$ 10,041,924	$ 1,853,813	$ 2,729,925	$ 16,894,775	$ 145,008,344

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total Fund Balances - Governmental Funds		$ 37,652,131
Amounts reported for governmental activities in the statement of net position are different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		136,533,375
The net pension liability associated with the school system's proportionate share of the Maryland State Retirement and Pension System is not payable with current financial resources and is not reported in the governmental funds. The activity associated with the school system's share of the net pension liability consist of:		
Net pension liability	(9,098,127)	
Deferred outflows of resources - pension	3,965,825	
Deferred inflows of resources - pension	(199,898)	(5,332,200)
The net other post-employment benefits liability for the school system is not payable with current financial resources and is not reported in the governmental funds. The activity associated with the school system's net other post-employment benefits liability consistS of:		
Net other post-employment benefits liability	(10,819,002)	
Deferred outflows of resources - other post-employment benefits	1,222,231	
Deferred inflows of resources - other post-employment benefits	(1,816,360)	(11,413,131)
Long-term liabilities for compensated absences are not due and payable in the current period, and therefore are not reported as liabilities in the governmental funds.		(3,991,293)
The short and long-term liabilities related to copiers under lease and subscriptions are not reported in the governmental funds.		(853,192)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ 152,595,690

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2025

	General Fund	Special Revenue Funds				
	(Current Expense) Unrestricted	(Current Expense) Restricted	Food Service	Student Activities	School Construction	Total Governmental Funds
REVENUES						
County - regular appropriation	$ 33,868,357	$ -	$ -	$ -	$ 131,979	$ 34,000,336
- On behalf, nurses, security & mental health	1,969,032	-	-	-	-	1,969,032
State - direct	102,557,921	9,530,361	84,908	-	2,082,482	114,255,672
- On behalf, retirement	7,640,539	-	-	-	-	7,640,539
Federal - direct	-	-	387,269	-	-	387,269
- Received through State	-	-	4,782,810	-	-	4,782,810
- received through Pass-Thru Agency	81,744	18,455,151	-	-	-	18,536,895
School Activity Revenues	-	-	-	2,460,755	-	2,460,755
Other revenues	1,559,309	282,212	253,274	-	711,264	2,806,059
TOTAL REVENUES	147,676,902	28,267,724	5,508,261	2,460,755	2,925,725	186,839,367
EXPENDITURES						
Current:						
Administration	2,904,022	151,042	-	-	-	3,055,064
Mid-level administration	7,924,602	3,527,632	-	-	-	11,452,234
Instruction - salaries	47,667,259	6,693,766	-	-	-	54,361,025
Instruction - textbooks & instructional supplies	1,710,069	1,557,571	-	-	-	3,267,640
Instruction - other	3,529,502	2,153,735	-	-	-	5,683,237
Student personnel services	789,527	7,884	-	-	-	797,411
Health services	1,139,737	150,365	-	-	-	1,290,102
Student transportation	7,251,734	180,714	-	-	-	7,432,448
Operation of plant and equipment	12,064,214	443,561	-	-	-	12,507,775
Maintenance of plant	2,704,703	119,272	-	-	-	2,823,975
Fixed charges	30,580,291	4,140,357	-	-	-	34,720,648
- On behalf, retirement	7,640,539	-	-	-	-	7,640,539
- On behalf, nurses, security & mental health	1,969,032	-	-	-	-	1,969,032
Community Services	-	546,790	-	-	-	546,790
Special education	18,902,839	4,279,432	-	-	-	23,182,271
Food Service	-	71,725	5,783,368	-	-	5,855,093
School Activities	-	-	-	2,375,317	-	2,375,317
Debt service:						
Leases and SBITAs principal	272,399	-	-	-	-	272,399
Leases and SBITAs interest	58,795	-	-	-	-	58,795
Capital outlay	604,637	4,243,878	-	-	3,228,030	8,076,545
TOTAL EXPENDITURES	147,713,901	28,267,724	5,783,368	2,375,317	3,228,030	187,368,340
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36,999)	-	(275,107)	85,438	(302,305)	(528,973)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	106,500	-	-	106,500
Transfers out	(133,003)	-	-	-	-	(133,003)
Leases	164,218	-	-	-	-	164,218
TOTAL OTHER FINANCING SOURCES (USES)	31,215	-	106,500	-	-	137,715
NET CHANGE IN FUND BALANCES	(5,784)	-	(168,607)	85,438	(302,305)	(391,258)
FUND BALANCE - JUNE 30, 2024, as previously presented	27,665,015	-	1,848,679	2,638,735	3,789,533	35,941,962
Error corrections (See note 17)	1,988,485	-	-	-	112,942	2,101,427
FUND BALANCE - JUNE 30, 2024, as restated	29,653,500	-	1,848,679	2,638,735	3,902,475	38,043,389
FUND BALANCE - JUNE 30, 2025	$ 29,647,716	$ -	$ 1,680,072	$ 2,724,173	$ 3,600,170	$ 37,652,131

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2025

Total Net Change in Fund Balance - Governmental Funds		$ (391,258)
Amounts reported for governmental activities in the statement of activities are different because:		
Long-term accrued compensated absences are not reported in governmental funds as a liability. However, in the statement of activities, the long-term compensate absences are reported as current expense.		(39,139)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.		
Depreciation expense	(8,089,131)	
Capital Outlays	9,065,097	
Disposal of capital assets net of depreciation	(60,313)	915,653
Lease and subscription-based payable proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities.		(164,218)
A portion of pension expense reported in the statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.		(504,648)
The net expense related to other post-employment benefits is not reflected as a source of current financial uses and therefore, is not reported in the governmental funds.		471,833
Repayment of lease and subscription-based principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net position.		272,399
Interest on subscription-based arrangements is recorded as an expense in the governmental funds when paid. The change accrued interest attributable to the fiscal year is included an expense on the statement of Activities.		8,881
TOTAL CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 569,503

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

		Information Technology Fund
ASSETS		
Current Assets:		
Prepaid expenses	$	4,248
Total Current Assets		4,248
TOTAL ASSETS	$	4,248
LIABILITIES		
Current Liabilities:		
Accounts payable		57,062
Internal payable		68,984
Total Current Liabilities		126,046
TOTAL LIABILITIES		126,046
NET POSITION		
Unrestricted		(121,798)
TOTAL NET POSITION		(121,798)
TOTAL LIABILITIES AND NET POSITION	$	4,248

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended June 30, 2025

	Information Technology Fund
OPERATING REVENUES	
County - regular appropriation	$ 18,552
Total Operating Revenues	18,552
OPERATING EXPENSES	
Contracted services	53,006
Total Operating Expenses	53,006
Operating Income (Loss)	(34,454)
NON-OPERATING REVENUE	
Interfund Transfers	26,503
Total Non-operating Revenues	26,503
Change in Net Position	(7,951)
TOTAL NET POSITION - JULY 1, 2024	(113,847)
TOTAL NET POSITION - JUNE 30, 2025	$ (121,798)

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the year ended June 30, 2025

	Information Technology Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 18,552
Cash paid to suppliers	(79,125)
Net Cash (Used) by Operating Activities	(60,573)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Change in due to/from other funds	34,070
Interfund transfer	26,503
Net Cash Provided by Noncapital Financing Activities	60,573
Net change in Cash	-
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	$ -

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income (Loss)	$ (34,454)
Adjustments to reconcile operating income (loss) to net cash provided by operations:	
Change in assets and liabilities	
(Increase) decrease in prepaid expenses	(44)
Increase (decrease) in accounts payable	(26,075)
Total Adjustments	(26,119)
Net Cash (Used) by Operating Activities	$ (60,573)

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	Retiree Insurance Benefit Plan	Retiree Insurance Benefit Trust	Retiree Health Plan Trust	Total Fiduciary Funds
ASSETS				
Investments	$ -	$ 15,599,425	$ 2,720,093	$ 18,319,518
Internal receivables	855,488	-	-	855,488
TOTAL ASSETS	855,488	15,599,425	2,720,093	19,175,006
LIABILITIES				
Accounts payable	3,731	-	-	3,731
TOTAL LIABILITIES	3,731	-	-	3,731
NET POSITION				
Future obligation of retiree benefits to be funded (deficit)	851,757	-	-	851,757
Held in trust for retiree health plan benefits	-	15,599,425	2,720,093	18,319,518
TOTAL NET POSITION	851,757	15,599,425	2,720,093	19,171,275
TOTAL LIABILITIES AND NET POSITION	$ 855,488	$ 15,599,425	$ 2,720,093	$ 19,175,006

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the year ended June 30, 2025

	Retiree Insurance Benefit Plan	Retiree Insurance Benefit Trust	Retiree Health Plan Trust	Total Fiduciary Funds
ADDITIONS				
Employer contributions	$ 1,450,000	$ 1,720,542	$ -	$ 3,170,542
Earnings/(loss) on investment,net	-	1,144,299	193,821	1,338,120
DEDUCTIONS				
Retiree benefits	1,584,357	1,720,542	-	3,304,899
CHANGE IN NET POSITION	(134,357)	1,144,299	193,821	1,203,763
NET POSITION - JULY 1, 2024	986,114	14,455,126	2,526,272	17,967,512
NET POSITION - JUNE 30, 2025	$ 851,757	$ 15,599,425	$ 2,720,093	$ 19,171,275

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

NOTE 1 - REPORTING ENTITY

The Board of Education of Allegany County, Maryland ("Board") is an elected group constituting an on-going entity which has governance responsibilities over all activities related to public elementary and secondary school education within its jurisdiction, Allegany County, Maryland ("County"). The Board receives funding from local, state, and federal government sources and must comply with the concomitant requirements of these funding source entities. The Board is included as a component unit of Allegany County, Maryland as defined in Generally Accepted Accounting Principles (GAAP) since the Board is fiscally dependent on Allegany County, Maryland. In evaluating how to define the Board, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Board is able to exercise oversight responsibilities. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organizations. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. The Board has not included any component units in these financial statements.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board have been prepared in conformity with GAAP as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Basis of Presentation

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Board that are governmental (primarily supported by County appropriations and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges).

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program, or function of the Board's governmental activities and for the single business-type activity of the Board.

Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements - During the year, the Board segregates transactions related to certain Board functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Board at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each enterprise and governmental fund is a major fund and is presented in a separate column. Fiduciary funds are reported by type.

Fund Accounting

The accounts of the Board are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues, and expenses or expenditures. The following funds and account groups are used by the Board:

Governmental Fund Types

Current Expense Fund – Unrestricted

The Current Expense Fund - Unrestricted is the general operating fund of the Board. All financial resources, except those required to be accounted for in another fund, are accounted for in this fund.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Governmental Fund Types (Continued)

Current Expense Fund - Restricted and Food Service Fund

The Current Expense Fund - Restricted and Food Service Fund are special revenue funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. In the event an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, restricted resources are generally used first. In the event an expenditure is incurred for purposes for which both assigned and unassigned net position is available, assigned resources are used first.

School Construction Fund

The School Construction Fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by proprietary funds.

School Activities Fund

The School Activities Fund is used to account for revenues and expenditures at the schools for, among other things, student awards and trips, athletics, clubs, and other student activities, and principal's miscellaneous expenditures.

Proprietary Fund Types

Information Technology Fund

The Information Technology Fund is an enterprise fund used to account for financing of services provided by the Information Technology Fund to other departments of the Board and to other governments within Allegany County.

Fiduciary Fund Type

Retiree Insurance Benefit Plan Fund

The Retiree Insurance Benefit Plan Fund is an expendable trust fund used to account for assets held by the Board in a trustee capacity for future retirees' medical expenses.

Retiree Insurance Benefit Trust Fund

The Retiree Insurance Benefit Trust Fund is an expendable trust fund used to account for assets held in trust for future retirees' medical expenses.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Fiduciary Fund Type (Continued)

Retiree Health Plan Trust Fund

The Retiree Health Plan Trust Fund is an expendable trust fund used to account for assets held in trust for future retirees' medical expenses.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Board are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the Government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its enterprise fund.

The private purpose fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A six-month availability period is used for revenue recognition for all governmental and fiduciary fund revenues. Expenditures are recorded when the related fund liability is incurred.

The proprietary fund is accounted for on a flow of economic resources measurement focus. The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All GASB pronouncements are followed in the proprietary fund. FASB, APB Opinions and ARB's issued before November 30, 1989 are followed to the extent they do not contradict GASB. FASB pronouncements issued after November 30, 1989 that are developed for business entities are followed to the extent that they do not contradict GASB.

The Board reports deferred inflows of resources on its statement of net position. Deferred inflows represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources, or a revenue, until that time. The Board reports deferred outflows of resources on its statement of net position. Deferred outflows represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources, or an expense, until that time. The Board reports deferred outflows of resources and deferred inflows of resources related to its pension plan. See Note 6. The Board also reports deferred inflows of resources related to its Other Post-Employment Benefits or OPEB. See Note 11.

Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control for all funds except, School Activities Fund, School Construction Fund, Retiree Insurance Benefit Plan, Retiree Insurance Benefit Trust, and Retiree Health Plan Trust. Annual operating budgets are adopted by the Board each fiscal year through passage of an annual budget and amended as required for all funds. Budget amendments requiring a change between categories requires approval by the Board and by the County. The budget is prepared using the same basis of accounting as is used to record actual revenues and expenditures/expenses with a few exceptions.

At the request of the Maryland State Department of Education, on-behalf retirement payments made by the State of Maryland are not included in the final budgeted amounts of revenue and expenditures. On-behalf payments for nurses, security, and mental health are not included in the budget. The other exception is in the Proprietary Fund Type – Information Technology Fund. Budgetary control is exercised at the department level. Budgets presented in the financial statements reflect all amendments.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the restricted governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

As of June 30, 2025, $3,600,170 of School Construction fund balance has been reserved to cover expected appropriations for specific construction projects. Expenditures in excess of total appropriations for a project are closed out against the unreserved portion of fund balance at the end of the project.

Post-Retirement Health Care Benefits

Prior to 1992, the Board was reimbursed 100% by all retired employees that elected to continue coverage under their health care plan. In accordance with the Board of Education Policy Manual and the Health Care Insurance Contract, all employees covered at the time they retired could elect to continue their coverage at their own expense. The reimbursements the Board received were netted with the premiums for the retirees. In 1992 and 2000, new policies were implemented to subsidize a portion of the retirees' health care costs. These policies are further described in Note 11.

Compensated Absences

Twelve-month employees earn annual leave at varying rates depending upon position and length of service. Employees earn sick leave at varying rates of 15 to 18 days per year depending upon position. There is no limit to the accumulation of sick leave. At termination, employees are not paid for accumulated sick leave; however, at retirement up to 140 days of sick leave are paid at $30 per sick leave day to the employee, and the balance may be used as additional credited service under the retirement plan. The Board only pays benefits to employees upon reaching the required retirement age or death. Benefits are not paid to employees who terminate prior to reaching their defined retirement age.

The Board recognizes a liability for compensated absences that meet the criteria outlined in GASB Statement No. 101. A liability is recognized when leave is attributable to services already rendered, accumulates and carries forward, and it is more likely than not that the leave will be used or paid in the future. The measurement of the liability is based on the employees’ pay rates at the end of the reporting period for vacation and $30 for sick leave.

The total compensated absence liability was $3,991,293 as of June 30, 2025, classified as a long-term liability in the government-wide statements. Key factors influencing the assessment of the “more likely than not’ criteria include the government’s established leave policies and historical data regarding employee usage and forfeiture of leave. Expenditures in the Statement of Revenues and Expenditures for such items are the amounts accrued during the year that normally would be liquidated with expendable available financial resources.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Interfund Balances

On fund financial statements, receivables and payables resulting from interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Interfund balances have no set repayment schedule and are generally not expected to be repaid within one year.

The Composition of interfund balances as of June 30, 2025, is as follows:

	Primary Government	
	Receivables	Payables
Major Funds - Governmental		
General Fund - Unrestricted	$ 81,633,245	$ 76,446,820
General Fund - Restricted	5,584,473	-
Food Service	1,016,999	-
School Construction	-	12,574,401
Enterprise Fund	-	68,984
Fiduciary Fund	855,488	-
	$ 89,090,205	**$ 89,090,205**

Inventories

Materials, supplies, and textbooks purchased from Unrestricted and Restricted Current Expense Funds are not inventoried. Food Service Fund inventories consist of food and supplies located in the individual schools and in the central warehouse. Purchased food and supplies are valued at current cost, which is different from lower of cost or market.The difference is immaterial. The value of donated food is determined from U.S. Department of Agriculture price lists. Inventory on hand at the end of the period is recorded as an asset and a corresponding assignment of the fund balance is made. The amount on hand as of June 30, 2025 is $366,876.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and right-to-use assets are reported in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of more than $5,000 for Buildings and Improvements and $3,000 for Equipment and Right-to-Use Assets and an expected useful life of greater than one year. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Board does not possess any infrastructure. Donated capital assets are reported at acquisition value on the date donated. Lease and subscription-based capital assets are recorded as the right-to-use assets at the net present value of the future payments. The costs of normal maintenance and repairs that do not add to the value of the asset or do not materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the fund.

Property, plant, equipment, and the right-to-use assets (lease and subscription-based agreements) are depreciated using the straight-line method over the following estimated useful lives:

Assets	*Years*
Buildings and Improvements	7-50
Furniture, Equipment, and Vehicles	5-20
Right-to-use leased equipment	5-7 (shorter of term or useful life)
Right-to-use subscription assets	2-5 (shorter of term or useful life)

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are for services provided by the Information Technology Fund to other entities within Allegany County. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

Statement of Cash Flows

For purposes of the statement of cash flows, the Information Technology Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Credit Risk

As of June 30, 2025, the Board has recorded receivables from various governmental units. As these receivables are believed to be completely collectable, allowances for doubtful accounts are not recorded, nor are the receivables collateralized.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Debt

The Board does not have the authority to issue bonds under Maryland state law or the ability to access revolving loan funds or pools. The Board cannot enter into revenue debt, conduit debt, or any other type of hybrid debt. The Board is permitted to enter into alternative financing types of debt as approved by the Board of Education and County Commissioners. The finance department reviews all lease agreements to ensure consistency with the Board's policy and Maryland law. Leases paid for by central office funds are approved as part of the annual budget process. No lease financing in excess of $100,000 will be entered into without approval of the Board of Education. The Board's debt consists of compensated absences payable, and obligations related to right-to use leased assets and subscription-based assets.

Fund Balance

<u>Fund Balance Classification:</u> The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- <u>Nonspendable:</u> This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Board has classified Inventories and Prepaid Items as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- <u>Restricted:</u> This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- <u>Committed:</u> This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Committed (Continued)

- committed for use in satisfying those contractual requirements. The Board did not have any committed resources as of June 30, 2025.

- Assigned: This classification includes amounts that are constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by management of the Board. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

- Unassigned: This classification includes the residual fund balance for the General.

The elected Board of Education is the highest level of decision-making authority in the organization. The elected Board of Education can commit fund balance. To remove or change the constraints placed on resources requires action by the elected Board of Education. The elected Board of Education has delegated authority to assign fund balance to the Superintendent or designee. In the event an expenditure is made from multiple balance classifications, the order of spending will be committed, assigned, and unassigned.

Net Pension Liability

The Board participates in the Maryland State Retirement and Pension System, a cost-sharing multiple-employer defined benefit pension plan administered by the State of Maryland. Pension benefits are provided in accordance with state law. The Board recognizes its proportionate share of the net pension liability in accordance with GASB Statement No. 68. See Note 6 for detailed disclosures.

Cash and Cash Equivalents

Cash includes currency on hand as well as demand deposits with banks or financial institutions. It also includes other kinds of accounts that have the general characteristics of demand deposits in that the Board may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty. Cash equivalents, excluding items classified as marketable securities, include short-term, highly liquid investments that are both readily convertible to known amounts of cash, and so near their maturity that they present minimal risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify under that definition.

Investments

The Board's investment practices are governed by the Annotated Code of the State of Maryland. Investments may include certificates of deposit, money market funds, instruments of the U.S. Treasury, repurchase agreements secured by the U.S. Treasury, and other federal securities with maturities of three months or longer that qualify.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Activities

GASB Statement No. 84, Fiduciary Activities establishes criteria for identifying and reporting fiduciary activities. The Board's funds that qualify as fiduciary funds are the Retiree Insurance Benefit Plan, Retiree Insurance Benefit Trust, and Retiree Health Plan Trust.

Recent Accounting Pronouncements

The Board Adopted Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences and Statement No. 102, Certain Risk Disclosures at July 1, 2024. The objective of GASB Statement No. 101 is to better meet the informational needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model. The adoption of this standard did not require a change in the Board's compensated absence recognition and measurement policy. The objective of GASB Statement No. 102 is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Board has not identified any events associated with a concentration or constraint that would require disclosure.

BOARD OF EDUCATION OF ALLEGANY COUNTY
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2025

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance 6/30/24	Additions	Disposals	Transfers	Balance 6/30/25
Governmental Activities					
Non-depreciable capital assets:					
Land	$ 7,643,505	$ -	$ -	$ -	$ 7,643,505
Construction-in-progress	5,886,845	7,657,558		(9,579,866)	3,964,537
Total Non-depreciable capital assets	13,530,350	7,657,558	-	(9,579,866)	11,608,042
Depreciable capital assets:					
Land Improvements	17,897,378	202,125	-	182,858	18,282,361
Buildings and Improvements	219,776,985	69,147	-	9,334,803	229,180,935
Furniture, Equipment and Vehicles	26,349,428	972,049	(585,604)	62,205	26,798,078
Total Depreciable Capital Assets	264,023,791	1,243,321	(585,604)	9,579,866	274,261,374
Right-to-use leased equipment	1,106,340	164,218	(124,401)	-	1,146,157
Right-to-use subscription assets	3,621,790	-	(1,598,993)	-	2,022,797
Total Amortizable Capital Assets	4,728,130	164,218	(1,723,394)	-	3,168,954
Less accumulated depreciation and amortization					
Land Improvements	(7,297,537)	(938,664)	-	-	(8,236,201)
Buildings and Improvements	(117,306,936)	(4,507,874)	-	-	(121,814,810)
Furniture, Equipment and Vehicles	(19,297,608)	(1,455,150)	525,291	-	(20,227,467)
Right-to-use leased equipment	(781,585)	(116,346)	124,401	-	(773,530)
Right-to-use subscription assets	(1,980,883)	(1,071,097)	1,598,993	-	(1,452,987)
Total Accumulated Depreciation and Amortization	(146,664,549)	(8,089,131)	2,248,685	-	(152,504,995)
Total Capital Assets Being Depreciated and Amortized	122,087,372	(6,681,592)	(60,313)	9,579,866	124,925,333
Governmental Activities Capital Assets, Net	$ 135,617,722	$ 975,966	$ (60,313)	$ -	$ 136,533,375
Business-Type Activities					
Depreciable assets:					
Furniture, Equipment, and Vehicles	$ 422,089	$ -	$ -	$ -	$ 422,089
Less: Accumulated Depreciation	(422,089)	-	-	-	(422,089)
Total Depreciable Assets	-	-	-	-	-
Business-Type Activities Capital Assets, Net	$ -	$ -	$ -	$ -	$ -

Depreciation and Amortization was charged to governmental functions as follows:

	Depreciation and Amortization
Administration	$ 721,325
Transportation	269,259
Operation of plant and equipment	43,230
Maintenance of plant	198,328
Food Service	9,210
Special Education	15,980
Instructional	6,831,799
Total Depreciation and Amortization Expense	$ 8,089,131

NOTE 4 - GRANT PROGRAM REVENUE

The Board participates in various federal and state grant programs that are subject to financial and compliance audits by the grantors or their representatives. Such audits could result in requests for reimbursement of disallowed costs or adjustments to recorded revenues. Management believes that any potential adjustments from current or prior-year grants would not have a material adverse effect on the financial position or results of operations of the Board. No accruals for such contingencies have been recorded as of June 30, 2025, as any potential loss is not considered probable or reasonably estimable at this time.

NOTE 5 - FOOD SERVICE EXPENDITURES

Included in revenue and expenditures of the Food Service Fund is the value of USDA donated commodities used during the year of $297,387. This amount includes the value of the donated commodities plus costs to process the commodities into useable form.

NOTE 6 - PENSION PLAN

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

General Information about the Pension Plan

The Board of Education of Allegany County participates in the Maryland State Retirement and Pension System, a cost sharing multiple-employer public employee retirement system. Substantially all employees of the Board are eligible to participate in the System, which provides retirement, disability and death benefits in accordance with State statues. The system is administered in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland and managed by a board of trustees. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the Teachers and Employees Retirement and Pension Systems. The annual report for the year ended June 30, 2024 (most recent available data) may be obtained by writing to the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, MD 21202, by calling 1-800-492-5909 or at www.sra.state.md.us.

The Maryland State Retirement and Pension System has various plans for Board employees. The Teachers' and Employees' Retirement System closed to new members hired on or after January 1, 1980. Members on December 31, 1979 continue to be members unless they elected to transfer into the pension system prior to January 1, 2005.The Teachers' and Employees' Pension System was established for members hired on or after January 1, 1980.The plan design and benefit levels are different for the retirement system as compared to the pension system. They will be disclosed separately.

NOTE 6 - PENSION PLAN (Continued)

Teachers' and Employees' Retirement System

Retirement system member contributions are based upon a specified percentage of annual earnable compensation. Generally, members who elected in 1984 to receive unlimited future cost-of-living adjustments (COLA) contribute 7%. Members who elected in 1984 to receive a limited future COLA contribute 5%.

Retirement system members are eligible for full service retirement allowance upon attaining age 60 or upon accumulating 30 years of service regardless of age. Full-service retirement allowance equals 1/55 (1.818%) of the highest three years' average final compensation (AFC) multiplied by the number of years and months of creditable service.

Retirement system members are eligible for early service retirement upon accumulating at least 25 years of eligibility service prior to attaining age 60. The benefit will be reduced by 0.5% per month by which the retirement date precedes the earlier of the date on which the member reaches age 60 or the date on which the member would have completed 30 years of service. The maximum reduction is 30% for the pension in the retirement system and 42% on the benefit of the pension system if applicable.

Ordinary disability retirement is possible for members upon completing five years of eligibility service and receiving certification from the Medical Board that the member is permanently incapable of performing their necessary job functions. The ordinary disability retirement allowance generally equals 1/55 (1.818%) of the highest three years' AFC multiplied by the number of years of accumulated creditable service. However, the ordinary disability benefit can be no greater than 1.818% of the AFC for each year of creditable service the member would have received had they continued to work until age 60.

There is also an accidental disability retirement benefit if the Medical Board certifies that, in the course of job performance, and as the direct result of an accidental injury, the member became totally and permanently disabled. The accidental disability allowance equals the sum of an annuity determined as the actuarial value of the members' accumulated contributions plus 2/3 (66.7%) of AFC. Allowance may not exceed the members' AFC.

To be eligible for death benefits, retirement system members must have accumulated at least one year of eligibility service prior to the date of death or died in the line of duty. Death benefits are equal to a members' annual earnable compensation at the time of death plus accumulated contributions.

Retirement system members are vested provided they have at least five years of eligibility prior to separation. Vested allowances are equal to the normal service retirement allowances computed on the basis of the members' accumulated creditable service and AFC at the point of separation. If members do not withdraw their contributions and die before attaining age 60, their accumulated contributions are returned to the designated beneficiary.

NOTE 6 - PENSION PLAN (Continued)

Teachers' and Employees' Retirement System (Continued)

The Teachers' and Employees' Pension System was established on January 1, 1980. All members of the pension system on or before June 30, 2011, generally participate in the Alternative Contributory Pension Selection (ACPS). All members who enroll in the pension system on or after July 1, 2011, participate in the Reformed Contributory Pension Benefit (RCPB).

Members of the ACPS and RCPB contribute 7% of earnable compensation. Members of the ACPS are eligible for retirement upon accumulating 30 years of service. Absent 30 years of eligibility, options exist for retirement based upon age and years of eligibility if a member's age is 62 or older. Generally, the full-service pension allowance equals 1.2% of the AFC for the three highest consecutive years for the ACPS. RCPB members are eligible for full-service pension when their combined age and eligibility service equals 90 years or they attain age 65 after 10 years of eligibility. The RCPB full-service pension allowance is equal to 1.5% of the AFC for the five highest years as an employee. Members of the ACPS and RCPB are eligible for cost-of-living adjustments. ACPS members have the adjustment capped at 3% and is applied to all benefits attributable to service earned before June 30, 2011 which would have been in payment for one year. ACPS and RCPB members have the cost-of-living allowance capped at 2.5% for service earned on and after July 1, 2011 or the increase in the consumer price index if the most recent calendar quarter was greater than or equal to the assumed rate. In years in which cost-of-living adjustments would be less than zero due to a decline in the consumer price index, retirement allowances will not be adjusted. Cost-of-living adjustments in succeeding years are adjusted until the difference between the negative cost-of-living adjustment that would have been applied and the zero cost-of-living adjustment is fully recovered.

Pension system members are eligible for early service retirement benefits. The ACPS allows an early service payment upon attaining age 55 with at least 15 years of eligibility service. The benefit payable will be the ACPS full-service pension which will be reduced by 0.5% for each month by which the retirement precedes age 62.

The maximum reduction is 42%. The RCPB members are eligible for early service pension payments attaining age 60 and 15 years of eligible service. The benefit payable will be the RCPB full-service pension which will be reduced by 0.5% for each month by which the retirement precedes age 65. The maximum reduction is 30%.

Ordinary disability retirement is possible for ACPS and RCPB members upon completing five years of eligibility service and receiving certification from the Medical Board that the member is permanently incapable of performing their necessary job functions. The ordinary disability pension allowances generally equal the full-service pension allowance if the members are at least age 62 on the date of retirement.

NOTE 6 - PENSION PLAN (Continued)

Teachers' and Employees' Retirement System (Continued)

There is also an accidental disability pension benefit if the Medical Board certifies that, in the course of job performance, and as the direct result of an accidental injury, the member became totally and permanently disabled. The accidental disability allowance equals the sum of an annuity determined as the actuarial value of the members' accumulated contributions plus 2/3 (66.7%) of AFC. Allowance may not exceed the members' AFC.

To be eligible for death benefits, pension system members must have accumulated at least one year of eligibility service prior to the date of death or died in the line of duty. Generally, the benefit is equal to the members' annual earnable compensation on the date of death plus accumulated contributions.

Pension system members are vested depending upon their plan. ACPS members are vested with five years of service. RCPB members are vested with 10 years of service.

For all individuals who are members of the pension systems of the State Retirement and Pension System on or before June 30, 2011, pension allowances are computed using both the highest three consecutive years' Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For any individual who becomes a member of one of the pension systems on or after July 1, 2011, pension allowances are computed using both the highest five consecutive 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 benefit 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 (ERS) 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 AFC multiplied by the number of years of accumulated creditable service.

An individual who is 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 and has accrued at least 10 years of eligibility service.

NOTE 6 - PENSION PLAN (Continued)

Teachers' and Employees' Retirement System (Continued)

Any individual who is a member of the State Retirement and Pension System on or before June 30, 2011 and who terminates employment before attaining retirement age but after accumulating 5 years of eligibility service is eligible for a vested retirement allowance. Any individual who joins the State Retirement and Pension System on or after July 1, 2011 and who terminates employment before attaining retirement age but after accumulating 10 years of eligibility service is eligible for a vested retirement allowance.

The State of Maryland, which is a non-employer contributor to the Teachers' Retirement System (TRS) and Teachers' Pension System (TPS), makes non-employee contributions in amounts required by State statues at a set cost-sharing amount through 2017. The Board pays all employer contributions for employees who participate in the Employees' Pension System (EPS). Employees participating in the EPS include employees classified as custodial and cafeteria personnel. Employer contribution rates for custodial and cafeteria personnel are established by annual actuarial valuations, subject to the approval of the systems' Board of Trustees in accordance with the Annotated Code of Maryland.

Employees covered under the TRS, TPS and the EPS are required by State statute to contribute 7.0% of earned compensation.

For the year ended June 30, 2019 and thereafter, the Board is responsible for paying 100% of the normal cost for the TPS and TRS plans. The State of Maryland is responsible for paying 100% of the Board's past costs related to TPS and TRS plans. This meets the criteria of a special funding situation in accordance with Governmental Accounting Standards. The State's contributions on behalf of the Board for the year ended June 30, 2025 were $7,640,539, which were equal to the State's required contributions for that year. The contributions are recognized as revenues and expenditures in the Unrestricted Current Expense Fund. The Board's contributions for the year ended June 30, 2025 were $3,438,598 to the TRS and TPS, and $997,616 for the EPS, which were equal to the Board's required contributions for that year.

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

Before discussion of the process used to calculate and allocate the net pension liability, it is important to understand Maryland's particular situation concerning the payment of employer pension costs for Maryland's teacher population under the 24 Boards of Education (BOE).

At the time that the GASB's pension changes were under consideration, an initiative for pension cost sharing was before the 2012 session of the General Assembly. This legislation, which became law, required each BOE to begin paying the "normal cost" for their teachers starting in FY 2013 and full normal cost to be paid in FY 2017 and each year thereafter.

NOTE 6 - PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Because the State of Maryland pays the unfunded liability and the local BOEs pay the normal cost for the teachers' pension, the local Boards of Education are not required under GASB 68 to record their share of the unfunded pension liability for the TRS but instead, that liability is recorded by the State of Maryland. The portion of the net pension liability recorded by the State of Maryland related to the Board's teachers' pensions was $76,759,280 as of June 30, 2024. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 that was roll-forwarded to June 30, 2024, using the entry age normal actuarial cost method. The Board's portion of the net pension liability recorded by the State was calculated based on pension contributions made for Board teacher pensions relative to total employer contributions for the Teachers' Retirement System and Teachers' Pension System for the year ended June 30, 2024, actuarially determined. As of June 30, 2024, the Board's proportion was 0.29 percent.

Certain non-teacher Board personnel including custodial and cafeteria personnel participate in the ERS. The Board has responsibility for the funding of these employee contributions and therefore, is required under GASB 68 to record their proportional share of the net pension liability of the Employee' Retirement and Pension System. The proportional share is based on the employer contributions for only those employees participating in the ERS and does not include contributions made for employees participating in the TRS.

As of June 30, 2025, the Board reported a liability of $9,098,127 for its proportionate share of the ERS and EPS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on the Board's contributions to the ERS relative to total contributions made by all participants to the Maryland State Retirement and Pension System for the year ended June 30, 2024, actuarially determined. As of June 30, 2024, the Board's proportion was 0.03459 % compared to 0.03285% at June 30, 2023, an increase of 0.00174.

NOTE 6 - PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Pension expense for the ERS plan for the year ended June 30, 2025 was $1,118,880.

As of June 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	$ 568,909	$ 2,033
Change in proportionate share	823,990	-
Net difference between projected and actual earning	646,483	-
Difference between actual and expected experience	928,827	197,865
Board contributions to the employees' Pension System subsequent to the measurement date	997,616	-
Total	$ 3,965,825	$ 199,898

$997,616 reported as deferred outflows of resources related to pensions resulting from Board contributions to the ERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2026	$ 580,615
2027	1,130,346
2028	570,239
2029	351,710
2030	135,401
Total	$ 2,768,311

NOTE 6 - PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The total pension liability was determined by and actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024, using the entry age normal actuarial cost method. The actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Valuation method:	Individual Entry Age Normal Cost Method
Salary increases	0% to 19.50% per year (excluded wage inflation), varies by plan
Inflation	2.50% price, 3.00% wage
Discount rate	6.80%
Investment rate of return	6.80%
Post-retirement benefit	2.13% - 3.00% for service prior to July 1, 2011 1.40% - 3.00% for service after July 1, 2011 (depending on system and provisions)
Mortality	Pub-2010 Healthy Retiree Mortality Tables with Generational Projection Using scale MP-2018

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 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 reduce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the System 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34.00%	6.00%
Credit/Debt Related Strategies	16.00%	8.50%
Rate Sensitive	20.00%	2.40%
Absolute Return	9.00%	5.40%
Private Equity	15.00%	5.50%
Real Assets	6.00%	3.90%
Total	100.00%	

NOTE 6 - PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The discount rate used to measure the total pension liability was 6.80 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from school Boards will be made at contractually required rates (actuarially determined), and contributions from the State will be made at current statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to determine the total pension liability.

The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.80 percent, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Board's proportionate share of the net pension liability	$13,222,715	$9,098,127	$5,659,990

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

NOTE 7 - RELATED PARTIES

The Board is closely related to Allegany County and the State of Maryland and is dependent on these two sources for the major portion of its current expense funding. The amounts received and receivable during the year are disclosed within the financial statements.

NOTE 8 - CASH AND INVESTMENTS

Deposits

As of June 30, 2025, the carrying amount of the Board's reconciled bank deposits was $46,854,063 and the various bank balances were $47,547,040. Certificates of Deposit measured at fair value were $421,826. Of the bank and CD balances, $4,750,000 was covered by federal depository insurance. Deposits not covered by federal depository insurance or collateral were $42,426,252.

During fiscal 2023, the Board implemented sweep accounts for its main checking and operating accounts to take advantage of favorable interest rates. The sweep accounts are invested in a Government Money Market Fund as defined in Rule 2a-7 under the Investment Company Act of 1940, as amended. This means that the fund invests at least 99.5% of its total assets in (1) U.S. government securities, (2) repurchase agreements that are collateralized fully by U.S. government securities or cash, (3) cash, and/or (4) other money market mutual funds that operate as Government Money Market Funds. As a result, the cash on hand at June 30, 2025 includes $42,419,801 in Government Money Market Funds, net of outstanding checks, that while not risk free have low risk and are highly liquid. Total funds at June 30, 2025 that were not covered federal depository insurance, collateral, or invested in sweep accounts was $6,451.

Investments

The Board's investment practices are governed by the Annotated Code of the State of Maryland. The Annotated Code limits the Board’s investment activity to certificates of deposit, money market funds, instruments of the U.S. Treasury, and repurchase agreements secured by U.S. Treasury and other federal securities.

All investment revenue is recorded in the fund that held the investments at year end.

As of June 30, 2025, the Board’s local investments in certificates of deposit and maturities are outlined as follows:

	Fair Value	Less Than 1	1-6	6-12	More Than 12
Certificates of Deposit	$ 421,826	$ -	$ -	$ 421,826	$ -

Investments of $18,319,518 related to other post-employment benefits are discussed at Note 11 – Other Post-Employment Benefits Other Than Pension Benefits.

NOTE 8 - CASH AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk - In accordance with its investment policy, the Board manages its exposure to declines in fair values arising from interest rates by limiting the maturity date of securities to no more than 2 years from the date of purchase, unless it is matched to a specific cash flow requirement.

Credit Risk – The Board's investment policy for investments outside the MABE pooled investment trust limits the investments of the portfolio to 5% of Bankers Acceptances, 5% to money market mutual funds, and 5% to commercial paper. The Board's investment policy complies with Maryland state law limits.

Custodial Credit Risk – Deposits and investments are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-board's name.

NOTE 9 - ON-BEHALF PAYMENTS

The State of Maryland paid $7,640,539 into the State Retirement and Pension System of Maryland on behalf of the Board.

In addition, the Board receives support in the form of "on-behalf spending" from the Allegany County Government. School nurses are provided to the Board through the Allegany County Health Department at a total cost of $3,239,628 of which $1,270,595 is paid by the Board and the remainder of $1,969,032 is funded by County, State, and Federal funds.

NOTE 10 - COMMITMENTS, CONTINGENCIES, RISKS, AND SUBSEQUENT EVENTS

The Board is exposed to risks of loss from lawsuits, medical and dental insurance claims, workers' compensation claims, and property damage claims. The Board manages its risks for these claims in various ways. Risks of loss arising from property damage and errors and omissions have been transferred to the Board's insurance carrier through the purchase of set premium insurance. The Board retains the risk of loss for medical and dental claims and has included $3,561,163 in accrued expenses on the balance sheet to cover incurred but not reported claims. This amount decreased by $683,642 from the prior year amount of $4,244,805, and was based on total claims paid of $26,361,945 and $24,713,716 for 2025 and 2024, respectively. The Board does not include any other incremental costs in its basis. The Board's insurance consultant had advised that the recorded liability is sufficient. The Board purchased stop-loss insurance, however, so that if an individual claim exceeds $350,000, the insurance company will reimburse the Board for the excess.

NOTE 10 - COMMITMENTS, CONTINGENCIES, RISKS, AND SUBSEQUENT EVENTS (Continued)

Hospital Insurance Liability at Beginning of Year	$ 4,244,805
Claims and changes in estimates during the year	25,678,303
Claims paid	(26,361,945)
Hospital Insurance Liability at End of the Year	**$ 3,561,163**

The Board participates in the Maryland Association of Boards of Education's risk pool to manage the risks for workers' compensation claims. The Board pays an annual premium into the pool and may participate in refunds or be assessed additional premiums based on the experience of the pool and the Board's individual experience. No additional amounts have been recorded in the financial statements for any additional assessments since it is unlikely that a material amount, if any, will be assessed.

The Board also joined the Maryland Association of Boards of Education risk pool, organized as a trust, for the purpose of providing property, liability, and automobile coverage to members of the pool for an annual premium. Such premiums are actuarially calculated for the pool as a whole based upon loss data and are allocated to members based on student enrollment, number, and type of vehicles as well as experience modification factors. The Pool is reinsured on a claims-made basis for liabilities, covering claims aggregating $3 million per system per year.

The Board is exposed to a variety of threatened and pending litigation at June 30, 2025. No liability has been recorded for contingencies in the financial statements as the Board does not believe it is likely that a material liability will result from these claims that will not be covered by insurance, and no amount is determinable.

The Board evaluated subsequent events through March 17, 2026, for possible inclusion in the financial statements for potential required disclosures.

Long-range facilities plan

A long-range facilities plan for the future operation of County schools has been approved by vote by the School Board. Formal action is required for school consolidations and new school constructions. Funding for any action would come from State, County, and the Board funds.

The board designated funds of $2,543,142 as restricted for use in stadium renovations, aging school projects, and technology infrastructure.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In fiscal year 2018, GASB issued a new accounting standard for the employer of OPEB plans (Statement No. 75 Accounting and Reporting for Postemployment Benefits Other than Pensions). The Board adopted and implemented this standard.

Since 1992, a new policy was implemented to subsidize a portion of the retiree's health care premiums. For 2023, a maximum subsidy for all retirees of $185,000 was Board approved. The total annual amount of the subsidy for the 2025 fiscal year is as follows for 70 retirees:

	Total Premium Subsidy Paid	
Years of Service at Retirement	Under Age 65	Over Age 65
25 - 29 years	$ -	$ 52,375
30 or more years	$ -	$ 83,810

Plan Description

In 2000, the “Retiree Insurance Benefit Plan” was established to subsidize a portion of future retirees' health care costs. Eligible employees retiring after June 30, 2002 will be covered under this plan. Eligible employees who retired prior to July 1, 2002 will continue to receive supplements under the plan described in the previous paragraph. The Board contributed $1,450,000 toward the fund during the fiscal year ended June 30, 2025.

The Retiree Insurance Benefit Plan, a single-employer plan, is an independent fund jointly established by the Board of Education of Allegany County and four bargaining units to reimburse eligible retirees a portion of their post-retirement health insurance costs. Annual benefits to be paid from the fund are to be determined by a Plan Oversight Committee, consisting of five employee union representatives and four representatives appointed by the Board. The plan is presented within the financial statements as a Fiduciary Fund

In March 2009, the Board entered into an agreement with the Maryland Association of Boards of Education (MABE), together with certain member Boards of Education of Maryland to establish the MABE Pooled OPEB Investment Trust (MABE Pool) in order to pool assets of the member Boards of Education for investment purposes and to arrange for the establishment of a reserve to pay health and welfare benefits for future retirees.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Plan Membership and Benefits Provided

In addition to subsidizing a portion of retiree health care benefits, the Board provides other post-employment benefits under a single employer plan. The Board provides medical benefits including prescription drug to eligible employees who retire from the Allegany County Public Board. The employer's contributions are financed on a pay-as-you-go basis through negotiated agreements with employee bargaining groups, and the future payment for these benefits is contingent upon annual approval of the operating budget. As of the June 30, 2025 actuarial valuation date, plan membership included 1,108 active employees that may receive this benefit in the future and 954 retirees and beneficiaries that are currently eligible for this benefit. Details of the post-retirement benefits are as follows:

Medical Benefits

Retirees are eligible for continued membership of the Board's group medical plans provided they have at least 15 years of service with the Allegany County Public Schools. Employees must actually retire from the Board and begin receiving retirement benefits from the State of Maryland without any time break between the last day of employment and their retirement date. Employees must retire July 1, 2002, or thereafter.

The retiree pays the premiums for these benefits but is eligible for a reduction of the premium based upon years of service and age. Retirees with 30 years of service are eligible for the maximum benefit. Retirees with more than 25 years, but less than 30 years of services are eligible for 85% of the maximum benefit. Retirees with over 20 years of service, but less than 25 years of service are eligible for 70% of the maximum benefit. Retirees with over 15 years of service but less than 20 years of service are eligible for 55% of the maximum benefit. The fund will reimburse for health, dental, vision, and prescription premiums paid toward the Board insurance, other employer provided insurance, private policies, and/or Medicare B. Retirees can be covered by any health insurance plan they choose. They can be covered by any combination of the Board's health insurance, their spouse's insurance and/or a supplemental health insurance policy. If the employee dies in service July 1, 2002, or thereafter, their spouse may be eligible for benefits as explained in the negotiated contract.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Actuarial Methods and Assumptions.

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	June 30, 2025
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Inflation	2.5 percent
Salary Increases	4.0 percent
Discount Rate	7.0 percent
Investment Rate of Return	7.0 percent
Mortality:	Pub-2010 Teacher Headcount-weighted with fully generational scale MP-2021. The table represents the most recent table released by the Society of Actuaries specifically for governmental employees.

Projections of benefits for financial purposes are based on substantive plan (the plan as understood by the employer and the plan members) and includes the type of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

The last complete actuarial valuation was performed as of June 30, 2025. The June 30, 2025 valuation was based on (a) the plan provisions as in effect on that date, (b) employee data as of May 31, 2025, as provided by the plan sponsor, and (c) asset information as of June 30, 2025. The measurement included a 7.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5% for 2025, decreasing by 0.25% per year until it reaches 4.5%. The actuarial value of assets was determined using market value.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Investments

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The expected inflation rate is 2.36%.

Asset Class	Target Allocation	Long-term Expected Rate of Return
US Large Cap Equity	16.50%	8.26%
US Mid Cap Equity	6.00%	8.93%
US Small Cap Equity	7.50%	9.63%
Non-US Developed Large Cap Equity	15.00%	8.73%
Emerging Markets Equity	8.00%	10.25%
US Real Estate - REITS	4.00%	8.90%
US Aggregate Fixed Income	35.00%	4.67%
US High Yield Fixed Income	5.00%	6.32%
US Cash	3.00%	3.35%
Total	100.00%	7.16%

The level of plan assets are sufficient to cover projected future obligated payments.

Rate of Return on Investments

For the year ended June 30, 2025, the annual money-weighted rate of return on investments net of investment expense was 7.67 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Actual future returns may vary due to the timing of capital contributions and redemptions.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Change in NET OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2024	$ 29,245,425	$ 16,981,397	$ 12,264,028
changes for the year:			
Service cost	412,632	-	412,632
Interest	1,987,979	-	1,987,979
Difference between expected and actual experience	(870,868)	-	(870,868)
Assumption changes	83,894	-	83,894
Contributions - employer	-	1,720,542	(1,720,542)
Contributions - employee	-	-	-
Net investment income	-	1,354,221	(1,354,221)
Benefit payments	(1,720,542)	(1,720,542)	-
Administrative expense	-	(16,100)	16,100
Other changes	-	-	-
Net Changes	(106,905)	1,338,121	(1,445,026)
Balance at June 30, 2025	$ 29,138,520	$ 18,319,518	$ 10,819,002

For the year ended June 30, 2025, the Board recognized OPEB expense of $1,248,709.

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Board, as well as what the Board's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current discount rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net OPEB Liability	$ 13,478,391	$ 10,819,002	$ 8,501,232

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Board, as well as what the Board's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare rates:

	1% Decrease (6.5% to 3.5%)	Healthcare Cost Trend Rate (7.5% to 4.5%)	1% Increase (8.5% to 5.5%)
Net OPEB Liability	$ 8,174,619	$ 10,819,002	$ 13,945,280

Deferred Outflows and Deferred Inflows of Resources Related to Other Post-Employment Benefits

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ 809,044	$ 29,968
Difference between expected and actual experience	-	1,786,392
Net difference between projected and actual earnings on OPEB plan investments	413,187	-
	$ 1,222,231	$ 1,816,360

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Deferred Outflows and Deferred Inflows of Resources Related to Other Post-Employment Benefits (Continued)

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

Year ended June 30	
2026	$ 485,686
2027	(462,741)
2028	(251,423)
2029	(159,512)
2030	(101,659)
Thereafter	(104,480)
Total	$ (594,129)

NOTE 12 - LEASE AND SUBSCRIPTION-BASED OBLIGATIONS

LEASE OBLIGATIONS

The Board leases photocopy and printing equipment as right-to-use assets with interest rates of 8.0% and maturity dates up to 2030. The lease liability under lease arrangements as of June 30, 2025 were $369,729 with $97,871 representing the current portion and $271,858 representing the long-term portion. The net increase in long-term liabilities was $60,600. The obligations are secured by the equipment under lease.

Following is a schedule of principal and interest payments under leases as of June 30, 2025:

Year Ended June 30:	Principal	Interest	Total
2026	$ 97,871	$ 25,960	$ 123,831
2027	96,180	18,163	114,343
2028	86,786	10,859	97,645
2029	67,973	4,348	72,321
2030	20,399	681	21,080
Thereafter	520	3	523
Total	$ 369,729	$ 60,014	$ 429,743

NOTE 12 - LEASE AND SUBSCRIPTION-BASED OBLIGATIONS (Continued)

LEASE OBLIGATIONS (Continued)

The following is right-to-use assets under lease arrangements, which are included in capital assets as governmental activities on the statement of net position at June 30, 2025:

Cost	$	1,146,157
Less: Amortization		(773,530)
	$	324,755

SUBSCRIPTION-BASED OBLIGATIONS

The Board has adopted the provisions of Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements for the year ended June 30, 2023. SBITAs have become increasingly prevalent as governments and vendors are moving away from traditional information technology (IT) arrangements based on a purchasing/perpetual licensing model and move to a subscription model. Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset–an intangible asset–and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

The Board has entered into several subscription-based information technology agreements (SBITAs) as a subscriber to finance the right-to-use assets software subscriptions. These include online-teaching software designed for instructors to increase efficiency, student engagement & simplify workflows; an integrated Enterprise Resource Planning (ERP) platform for financials, procurement, HR, payroll and revenues; and a cloud-based student information and learning tool. When the interest rate implicit in the lease agreement is not readily determinable, the Board utilizes the Prime rate at the time of purchase to discount the lease payments.

Changes in Subscription-Based Obligations for the year ended June 30, 2025 were as follows:

	Long-Term	Current (due within one year)	Total
Balance - June 30, 2024	$ 483,463	$ 168,781	$ 652,244
Additions	-	-	-
Reductions	(148,563)	(20,218)	(168,781)
Balance - June 30, 2025	$ 334,900	$ 148,563	$ 483,463

NOTE 12 - LEASE AND SUBSCRIPTION-BASED OBLIGATIONS (Continued)

SUBSCRIPTION-BASED OBLIGATIONS (Continued)

The net SBITA right-to-use intangible asset was $569,810 at June 30, 2025. The intangible asset is amortized on a monthly straight-line basis.

The right-to-use assets under subscription-based arrangements were as follows:

Right-to-Use Subscription-Based Assets:	Governmental Activities
Total Amortizable Capital Assets	$ 2,022,797
Less: Amortization	(1,452,987)
Total	$ 569,810

The following are the future minimum principal and interest SBITA payments as of June 30, 2025:

Fiscal Year Ending June 30,	Principal	Interest
2026	$ 148,563	$ 20,344
2027	160,904	13,070
2028	173,996	5,197
Total	$ 483,463	$ 38,611

NOTE 13 - FUND BALANCE

A surplus fund balance of $29,647,716 existed in the Current Expense Fund Type, Unrestricted Fund, as of June 30, 2025, of which $7,717,221 was unassigned.

NOTE 14 - ACCOUNTS RECEIVABLE

Total accounts receivable of Governmental Funds in the financial statements as of June 30, 2025 is $8,827,831. This total consists of the following components:

County Government	$	-
State Government		4,486,142
Federal Government		3,889,723
Other Local Education Agencies		13,335
Other		438,631
Total	$	8,827,831

NOTE 15 - STADIUM FUNDS

Greenway Avenue Stadium

On August 13, 1996, the Board approved a $1 surcharge on adult ticket sales for varsity football, varsity soccer, and varsity track sporting events held at Greenway Avenue Stadium. The $1 surcharge is also assessed on student ticket sales for the varsity football homecoming game. The funds are to be used to maintain, renovate, and upgrade Greenway Avenue Stadium. These funds are collected by Fort Hill and Allegany High Schools and remitted to the central office. Once received by the central office, these funds become part of the School Construction Fund and are included in the restricted funds of the balance sheet.

The activity for the year ended June 30, 2025 is as follows:

Balance, beginning of year	$	378,960
Add: Ticket surcharge collections		13,622
Tower rent		19,891
Balance, end of year	$	412,473

NOTE 15 - STADIUM FUNDS (Continued)

Mountain Ridge Stadium

On March 13, 2007, the Board approved a $1 surcharge on adult ticket sales for varsity football, varsity soccer, and varsity track sporting events held at Mountain Ridge Stadium. The funds are to be used to maintain, renovate, and upgrade Mountain Ridge Stadium. These funds are collected by Mountain Ridge High School and remitted to the central office. Once received by the central office, these funds become part of the School Construction Fund are included in the restricted funds of the balance sheet.

The activity for the year ended June 30, 2025 is as follows:

Balance, beginning of year	$	99,208
Add: Ticket surcharge collections		5,805
Balance, end of year	$	105,013

NOTE 16 - LONG-TERM INVESTMENTS

The Retiree Benefit Trust Fund (OPEB)'s investments are invested in the Maryland Association of Board of Educations Pooled OPEB Trust (MABE Trust). The MABE Trust is administered by the Maryland Association of Board of Education and is a wholly owned instrumentality of its members. The nine members who are the sole contributors to the MABE Trust are the boards of education of the following counties in Maryland: Allegany, Caroline, Cecil, Charles, Harford, Kent, Prince George's, St. Mary's, and Washington.

The investments of the MABE Trust are stated at fair value and are managed by Wells Fargo Advisors and consist of money market funds, U.S. government and agency fixed income and asset backed securities, equity securities, mutual funds and exchange traded funds, and corporate bonds and corporate asset backed securities. The Board’s investment in the MABE Trust is valued at Net Asset Value, which is calculated as the Board’s proportionate share of the MABE Trust. As of June 30, 2025, the pooled net position of the MABE Trust was $772,157,082 in total, of which the Board's allocated investment balance was $18,319,518. The Board places no limits on the amount they may be invested with any one issuer. The Board may terminate its membership in the MABE Trust and withdrawal its allocated investment balance by providing written notice six months prior to the intended date of withdrawal.

The MABE OPEB Trust is audited annually by an independent CPA firm. Cohen & Company, LTD performed this service. The audit report is usually issued by September 1st each year, a copy of which can be obtained by sending a request to the following address: Administrator of the MABE Pooled Investment Trust, 621 Ridgely Road, Suite 300, Annapolis, MD 21401-1112. The State of Maryland Treasurer’s Office provides regulatory oversight of the investment pool, and the fair value of the Board’s position in the pool is the same as the fair value of pool shares.

NOTE 17 - ERROR CORRECTIONS

School Construction Fund:

During fiscal year 2025, the Board identified an error in the recognition of grant revenue related to a state reimbursement grant in the amount of $112,942. The revenue met all eligibility requirements in fiscal year 2024 but was not recorded in the financial statements for that year. As a result, grant revenue and receivables and fund balance were understated in the governmental activities and the school construction fund.

General Fund Unrestricted:

During fiscal year 2025, the Board identified an error in the reporting of compensated absences in the General Fund. The full long-term liability for compensated absences for vacation and the current portion of sick leave had been recorded in the governmental fund financial statements in prior years. Under the modified accrual basis of accounting, governmental funds should report only liabilities that are due and payable at year-end. As a result, liabilities were overstated and fund balance was understated in the General Fund.

The detail of the impact of the above changes on fund balance and net position is presented in the table below:

	Reporting Units Affected by Adjustments of Beginning Balances		
	Governmental Activities	General Fund Unrestricted	School Construction Fund
June 30, 2024, as Previously presented	$ 151,913,245	$ 27,665,015	$ 3,789,533
Error Corrections	112,942	1,988,485	112,942
June 30, 2024, as Restated	$ 152,026,187	$ 29,653,500	$ 3,902,475

BOARD OF EDUCATION OF ALLEGANY COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND UNRESTRICTED
For the year ended June 30, 2025

	Unrestricted			
	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
County - regular appropriation	$ 33,868,357	$ 33,868,357	$ 33,868,357	$ -
State - direct	102,771,890	102,771,890	102,557,921	(213,969)
Federal - direct	-	125,000	81,744	(43,256)
Other revenue	1,138,500	1,363,500	1,559,309	195,809
TOTAL REVENUES	137,778,747	138,128,747	138,067,331	(61,416)
EXPENDITURES				
Administration	2,914,107	3,079,107	2,904,022	175,085
Mid-level administration	8,207,144	7,957,144	7,924,602	32,542
Instruction - salaries	49,387,597	47,392,597	47,667,259	(274,662)
Instruction - textbooks & instructional supplies	2,891,561	2,366,561	2,041,263	325,298
Instruction - other	3,183,222	3,708,222	3,529,502	178,720
Student personnel services	794,680	794,680	789,527	5,153
Health services	1,136,335	1,016,335	1,139,737	(123,402)
Student transportation	7,114,440	7,114,440	7,251,734	(137,294)
Operation of plant and equipment	10,355,455	11,655,455	12,064,214	(408,759)
Maintenance of plant	2,152,350	2,152,350	2,704,703	(552,353)
Fixed charges	29,880,425	31,000,425	30,580,291	420,134
Food Services	476,500	106,500	-	106,500
Capital outlay	790,000	790,000	604,637	185,363
Special education	18,494,931	18,994,931	18,902,839	92,092
TOTAL EXPENDITURES	137,778,747	138,128,747	138,104,330	24,417
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(36,999)	(36,999)
OTHER FINANCING SOURCES (USES)				
Interfund transfers	-	-	(133,003)	(133,003)
OTHER FINANCING SOURCES (USES)	-	-	164,218	164,218
TOTAL OTHER FINANCING SOURCES (USES)	-	-	31,215	31,215
Excess of revenues and other sources over expenditures and other uses	-	-	(5,784)	(5,784)

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUNDS - RESTRICTED (CURRENT EXPENSE) AND FOOD SERVICE
For the year ended June 30, 2025

	Restricted				Food Service			
	Budgeted Amounts		Actual Budgetary	Variance With Final Budget	Budgeted Amounts		Actual Budgetary	Variance With Final Budget
	Original	Final	Basis	Positive (Negative)	Original	Final	Basis	Positive (Negative)
REVENUES								
State - direct	$ 9,219,839	$ 9,219,839	$ 9,530,361	$ 310,522	$ 140,000	$ 140,000	$ 84,908	$ (55,092)
Federal - direct			-	-	440,000	440,000	387,269	(52,731)
- received through State & Pass-Thru Agencies	19,926,621	19,926,621	18,455,151	(1,471,470)	3,900,000	3,900,000	4,782,810	882,810
Other revenue	164,600	164,600	282,212	117,612	1,075,000	1,075,000	253,274	(821,726)
TOTAL REVENUES	29,311,060	29,311,060	28,267,724	(1,043,336)	5,555,000	5,555,000	5,508,261	(46,739)
EXPENDITURES								
Administration	152,082	152,082	151,042	1,040				
Mid-level administration	323,913	323,913	3,527,632	(3,203,719)				
Instruction - salaries	8,994,206	8,994,206	6,693,766	2,300,440				
Instruction - textbooks & instructional supplies	2,299,561	2,299,561	1,557,571	741,990				
Instruction - other	2,490,192	2,490,192	2,153,735	336,457				
Student personnel services	-	-	7,884	(7,884)				
Health services	327,000	327,000	150,365	176,635				
Student transportation	28,285	28,285	180,714	(152,429)				
Operation of plant and equipment	-	-	443,561	(443,561)				
Maintenance of plant	400,000	400,000	119,272	280,728				
Fixed charges	3,535,341	3,535,341	4,140,357	(605,016)				
Community services	540,312	540,312	546,790	(6,478)				
Capital outlay	6,900,000	6,900,000	4,243,878	2,656,122				
Special education	3,320,168	3,320,168	4,279,432	(959,264)				
Food Service	-	-	71,725	(71,725)	5,661,500	5,661,500	5,783,368	(121,868)
TOTAL EXPENDITURES	29,311,060	29,311,060	28,267,724	1,043,336	5,661,500	5,661,500	5,783,368	(121,868)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	(106,500)	(106,500)	(275,107)	(168,607)
OTHER FINANCING SOURCES (USES)								
Interfund transfers	-	-	-	-	106,500	106,500	106,500	-
Excess of revenues and other sources over expenditures and other uses	-	-	-	-	-	-	(168,607)	(168,607)

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

BOARD OF EDUCATION OF ALLEGANY COUNTY
RECONCILIATION OF BUDGETARY BASIS TO GAAP – GENERAL FUND UNRESTRICTED
For the year ended June 30, 2025

	Revenues	Expenditures	Current Year Effect on Fund Balance
Unrestricted Current Expense Fund Budgetary Basis	$ 138,067,331	$ 138,104,330	$ (36,999)
Retirement contribution made by the State on behalf of the Board	7,640,539	7,640,539	-
Board, and local contributions for nurses, security and mental health professionals	1,969,032	1,969,032	-
Statement of Revenues, Expenditures, and Change in Fund Balances Actuals	$ 147,676,902	$ 147,713,901	$ (36,999)

NOTE 1 - BUDGET TO ACTUAL VARIANCES

General Fund

For the year ended June 30, 2025, General Fund revenues fell short of budget expectations while expenditures came in under budget.

Revenues of $167,717 for the Blueprint for Maryland's Future College and Career Readiness grant was originally included in fiscal 2025 budget as unrestricted. State revenues relating to non-public special education placements were $46,253 less than budget. Public schools are required to provide a free and appropriate education to all students in a public Board. When students have intensive educational needs that cannot be met by the local Board, the Board is mandated to provide an education in a facility that can meet those needs. The cost is shared between the local Board and state government based upon a formula. The number of students receiving services and severity of the services needed also plays a role in the overall costs.

Federal revenues showed a negative variance of $43,256. Within that category, other revenues relating for the afterschool program meals were $81,744 while Medicare Part D revenues were $0. The system is self-insured for health insurance purposes. The Board was anticipating that it would still qualify for Medicare Part D this fiscal year, which was why we made a corresponding budget amendment. However, the system no longer qualifies for the Medicare Part D program that reimburses the system for a portion of prescription drug benefits provided to Medicare eligible retirees. The Government Accounting Standards Board (GASB) has issued a technical bulletin requiring recipients of Medicare Part D funds to show these proceeds as revenue.

An unfavorable variance of $274,662 existed for Instructional salaries at the end of fiscal 2025.The majority of the variance was a result of the overallocation of a budget amendment of a previously positive budget variance.

Other instructional expenditures came in under budget by $178,720.Contracted services were over budget by approximately $185,152, however, other charges, and equipment were all under budget in fiscal 2025. Savings from equipment of $314,475 made up the majority of the variance. Several items were able to be purchased through grants versus unrestricted funds.

NOTE 1 - BUDGET TO ACTUAL VARIANCES (Continued)

General Fund (Continued)

Mid-level Administration was less than budget as a result of salaries being less than planned by approximately $23,377. Contracted services were higher than originally budgeted by $2,397.

Special Education was under the amended budget by $92,092. The number of special needs students rose by 11.1% this fiscal year from 1,316 to 1,462. There was an unfavorable salary variance at the Board level as additional support was required to meet need. There was a positive variance for non-public placement transfers within fiscal 2025. While the Board had a negative state revenue variance related to non-public placements, there was also a corresponding cost decrease of $230,083 in the support of students requiring these additional services. There was also an increase in the number of students requiring occupational and physical therapy services across the Board.

Health Services came in over budget by $123,402. The contracted services with the Health Department were more than anticipated. Part of the variance relates to mandated coverage for after school programs at nine locations. Also, there were additional costs as a result of overnight coverage at outdoor school for the Board's 5^{th} grade.

The operations department was over budget by $408,759. Overall, this variance was driven by significant increases in the utility costs. Lastly, custodial salaries were higher than anticipated within the budget.

The Board is self-insured for healthcare cost. The Board allocated additional resources to the Board's rising healthcare costs during fiscal 2025.Overall, fixed charge expenditures were below plan by $420,134 for fiscal 2025. The Board was under budget in Capital Outlay by $185,363 as the Board focused its attention on the initial mitigation of the flooding at Westernport elementary versus the normal projects that would typically occur each Spring.

NOTE 1 - BUDGET TO ACTUAL VARIANCES (Continued)

Special Revenue Fund – Restricted

Restricted revenues and expenses for the year were $28,267,724 compared to a budget of $29,311,060. This is a decrease of 3.6% or $1,043,336 from the budget. Restricted revenues are tied to the availability of grants and funding. The Board is still utilizing federal funding attributable to coronavirus relief or CARES. Overall, CARES and ARP spending was $8,639,341 this year compared to budgeted CARES and ARP spending of $11,575,468. This variance is primarily timing related within CARES III projects and MD Leads projects. Restricted Blueprint spending this year was $8,587,848 compared to the budget of $8,251,978. Spending is prescribed within the grants themselves but ranged from the purchase of technology such as devices and access points, infrastructure to support school computer usage, hotspots for students and staff without connectivity, contractual resources for distance learning, summer school programs and tutoring to mitigate learning loss, building infrastructure, protective personnel equipment, additional custodial staffing to support cleaning at schools and safely reopening schools.

Special Revenue Fund – Food Service

In fiscal 2025, the Board adopted the community eligibility provision (CEP) for schools across the entire Board. CEP is a federal program that allows Boards that meet certain economic factors to provide all students a free breakfast and a free lunch. This change results in changes to typical revenue streams utilized as CEP is a federal program. Overall, compared to budget, total revenues plus interfund transfers decreased by $46,739. The majority of the variance was a result of the change to CEP.

Expenses within the fund increased to $5,783,368 compared to a budget of $5,661,500. A portion of the variance relates to the cost of salaries increasing. As a result of an increase in the number of meals served as a result of the Board being CEP, there was a corresponding increase in the cost of food and food related supplies. There were also additional inflationary factors that also influenced costs of the program.

NOTE 2 - RECONCILIATION OF BUDGETARY BASIS TO GAAP

Actual results of operations are presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual on the budgetary basis of accounting in order to provide a meaningful comparison of actual results with budget estimates. Under the budgetary basis, lease and subscription-based obligation principal payments are recognized as a current expense. In addition, retirement contributions made by the State on behalf of the Board, and local contributions for nurses, security, and mental health professionals are not recognized as revenue and current expense on the budget basis.

BOARD OF EDUCATION OF ALLEGANY COUNTY
SCHEDULE OF CONTRIBUTIONS – OTHER POST-EMPLOYMENT BENEFITS (OPEB)
For the year ended June 30, 2025
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 1,720,542	$ 1,660,378	$ 1,633,528	$ 1,618,030	$ 1,572,880	$ 1,600,868	$ 1,619,502	$ 1,607,290
Contributions in relation to the actuarially determined contribution	(1,720,542)	(1,660,378)	(1,633,528)	(1,618,030)	(1,572,880)	(1,600,868)	(1,619,502)	(1,607,290)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll	86,046,702	80,303,250	77,718,640	72,618,514	68,527,140	66,916,160	67,194,377	63,892,883
Contribution as a percentage of covered employee payroll	2.00%	2.07%	2.10%	2.23%	2.30%	2.39%	2.41%	2.52%

Notes:

This schedule is presented to illustrate the requirement to show the information for 10 years. However, until a full 10-year trend is completed the Board will present information for those years for which the information is available.

Changes since prior valuation:
NONE.

BOARD OF EDUCATION OF ALLEGANY COUNTY
SCHEDULE OF CHANGES IN THE BOARD'S NET OPEB LIABILITY AND RELATED RATIOS
For the year ended June 30, 2025
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018
TOTAL OPEB LIABILITY								
Service cost	$ 412,632	$ 408,547	$ 398,680	$ 398,283	$ 443,747	$ 371,344	$ 347,050	$ 324,346
Interest	1,987,979	1,935,184	1,903,455	1,856,130	1,972,504	1,750,690	1,718,804	1,690,682
Difference between expected & actual experience	(870,868)	-	(521,221)	-	(2,387,106)	-	-	-
Change of assumptions	83,894	100,443	319,071	47,319	(96,563)	2,633,852	-	-
Benefit payments	(1,720,542)	(1,660,378)	(1,633,528)	(1,618,030)	(1,572,880)	(1,600,868)	(1,619,502)	(1,607,290)
Net change in total OPEB liability	(106,905)	783,796	466,457	683,702	(1,640,298)	3,155,018	446,352	407,738
Total OPEB liability - beginning	29,245,425	28,461,629	27,995,172	27,311,470	28,951,768	25,796,750	25,350,398	24,942,660
Total OPEB liability - end	$ 29,138,520	$ 29,245,425	$ 28,461,629	$ 27,995,172	$ 27,311,470	$ 28,951,768	$ 25,796,750	$ 25,350,398
PLAN FIDUCIARY NET POSITION								
Contributions-employer	$ 1,720,542	$ 1,660,378	$ 1,633,528	$ 1,618,030	$ 1,572,880	$ 1,600,868	$ 1,619,502	$ 1,607,290
Net investment income	1,354,221	1,163,638	1,280,278	(2,242,443)	3,276,688	419,617	867,405	838,773
Administrative expenses	(16,100)	(15,764)	(15,442)	(14,829)	(14,593)	(47,444)	-	-
Benefit payments	(1,720,542)	(1,660,378)	(1,633,528)	(1,618,030)	(1,572,880)	(1,600,868)	(1,619,502)	(1,607,290)
Net change in plan fiduciary position	1,338,121	1,147,874	1,264,836	(2,257,272)	3,262,095	372,173	867,405	838,773
Plan fiduciary net position - beginning	16,981,397	15,833,523	14,568,687	16,825,959	13,563,864	13,191,691	12,324,286	11,485,513
Plan fiduciary net position - end	$ 18,319,518	$ 16,981,397	$ 15,833,523	$ 14,568,687	$ 16,825,959	$ 13,563,864	$ 13,191,691	$ 12,324,286
Board's net OPEB liability- end	$ 10,819,002	$ 12,264,028	$ 12,628,106	$ 13,426,485	$ 10,485,511	$ 15,387,904	$ 12,605,059	$ 13,026,112
Plan fiduciary net position as a percentage of the total OPEB liability	62.87%	58.07%	55.63%	52.04%	61.61%	46.85%	51.14%	48.62%
Covered employee payroll	86,046,702	80,303,250	77,718,640	72,618,514	68,527,140	66,916,160	67,194,377	63,892,883
Net OPEB liability as a percentage of covered-employee payroll	12.57%	15.27%	16.25%	18.49%	15.30%	23.00%	18.76%	20.39%

Notes:
This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10 year trend is completed, the Board will present the information for the years that are available.

Key Assumptions:

Actuarial Valuation Date:	June 30, 2025
Measurement Date:	June 30, 2025
Amortization Method:	Entry Age Normal
Salary Increases:	4.0%
Discount Rate:	7.0%
Investment Rate of Return:	7.0%
Mortality:	Pub-2010 Teachers Headcount-weighted with fully generational scale MP-2021. The table represents the most recent table released by the Society of Actuaries specifically for governmental employees.

BOARD OF EDUCATION OF ALLEGANY COUNTY
SCHEDULE OF INVESTMENT RETURNS - OPEB
For the year ended June 30, 2025
LAST 10 FISCAL YEARS

	2025	2024	2023	2022
Annual money-weighted rate of returns, net of investment fees	7.92%	7.29%	8.72%	-13.39%

This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10 year trend is completed, the Board will present the information for the years that are available.

BOARD OF EDUCATION OF ALLEGANY COUNTY
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - MARYLAND STATE RETIREMENT AND PENSION SYSTEM
For the year ended June 30, 2025
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Board's proportion of the net pension liability (asset)	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Board's proportionate share of net pension liability	$ 9,098,127	$ 7,566,086	$ 6,200,969	$ 4,476,487	$ 6,142,206	$ 5,730,106	$ 5,846,752	$ 5,657,005	$ 6,932,618	$6,917,608
Board's covered employee payroll	8,000,160	7,330,749	6,691,795	6,420,914	6,211,901	6,338,813	6,491,484	6,517,359	6,710,481	$7,210,687
Board's proportionate share of the net pension liability as a percentage of its covered employee payroll	113.72%	103.21%	92.67%	69.72%	98.88%	90.04%	90.07%	86.80%	103.31%	95.94%
Plan fiduciary net position as a percentage of the total pension liability	72.08%	73.81%	76.27%	81.84%	70.72%	72.34%	71.18%	69.38%	65.79%	68.78%

Notes:

The amounts presented for each fiscal year were determiend as of the measurement period year-end. The measurement period year-end was one year prior to each fiscal year-end.

BOARD OF EDUCATION OF ALLEGANY COUNTY
SCHEDULE OF THE BOARD'S CONTRIBUTIONS - MARYLAND STATE RETIREMENT AND PENSION SYSTEM
For the year ended June 30, 2025
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 997,616	$ 905,618	$ 801,250	$ 707,322	$ 657,501	$ 582,676	$ 570,493	$ 555,671	$ 532,468	$ 572,404
Contributions in relation to the contractually required contribution	$ (997,616)	$ (905,618)	$ (801,250)	$ (707,322)	$ (657,501)	$ (582,676)	$ (570,493)	$ (555,671)	$ (532,468)	$ (572,404)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board's covered-employee payroll	$ 8,000,160	$ 8,000,160	$ 7,330,749	$ 6,691,795	$ 6,420,914	$ 6,211,901	$ 6,338,813	$ 6,491,484	$ 6,517,359	$6,710,481
Contributions as a percentage of covered-employee payroll	12.47%	11.32%	10.93%	10.57%	10.24%	9.38%	9.00%	8.56%	8.17%	8.53%

Notes:

The amounts presented for each fiscal year were determined as of the measurement period year-end. The measurement period year-end was one year prior to each fiscal year-end.

100% of the net pension liability associated with the system is the responsibility of the State of Maryland Consequently, 10 year information is not provided for the Teachers' Retirement System.

There were no changes in benefit terms during the year.

Changes in Actuarial Assumptions

None

BOARD OF EDUCATION OF ALLEGANY COUNTY
STUDENT ACTIVITIES – INCREASES, DECREASES AND BALANCES BY SCHOOL
For the year ended June 30, 2025

	Balances June 30, 2024	Increases	Decreases	Balances June 30, 2025
HIGH SCHOOLS				
Allegany	$ 297,647	$ 368,784	$ 354,336	$ 312,095
Center for Career and Technical Education	85,677	70,164	66,480	89,361
Fort Hill	380,982	691,642	601,024	471,600
Mountain Ridge	333,168	485,620	515,504	303,284
Total High Schools	1,097,474	1,616,210	1,537,344	1,176,340
MIDDLE SCHOOLS				
Braddock	84,174	102,296	104,761	81,709
Mount Savage	82,141	163,285	179,329	66,097
Washington	125,710	62,328	46,658	141,380
Westmar	76,948	42,474	31,900	87,522
Total Middle Schools	368,973	370,383	362,648	376,708
ELEMENTARY SCHOOLS				
Beall	35,409	51,596	53,747	33,258
Bel Air	24,290	24,456	20,582	28,164
Cash Valley	41,747	26,619	30,154	38,212
Cresaptown	88,288	35,105	44,475	78,918
Flintstone-school	171,215	36,806	32,144	175,877
Flintstone-McLuckie	382,996	14,357	3,000	394,353
Frost	109,557	30,199	23,424	116,332
Georges Creek	64,951	53,905	60,059	58,797
John Humbird	45,408	20,107	25,809	39,706
Northeast	64,778	28,088	33,382	59,484
Parkside	15,563	27,380	33,631	9,312
South Penn	73,513	58,490	42,003	90,000
West Side	26,858	29,681	34,632	21,907
Westernport	27,715	37,373	38,283	26,805
Total Elementary Schools	1,172,288	474,162	475,325	1,171,125
TOTAL SCHOOLS	$ 2,638,735	$ 2,460,755	$ 2,375,317	$ 2,724,173