

Baltimore County Public Schools

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2021



Raising the bar, Closing gaps,
Preparing for our future



Board of Education of Baltimore County
A Component Unit of Baltimore County, Maryland
6901 Charles Street Towson, Maryland 21204



www.bcps.org

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Board of Education of Baltimore County
A Component Unit of Baltimore County, Maryland
6901 North Charles Street, Towson, Maryland 21204

FISCAL YEAR ENDED JUNE 30, 2021

Makeda Scott, *Chair*
Julie C. Henn, *Vice Chair*
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Darryl L. Williams, *Superintendent and Secretary-Treasurer*
Brian Scriven, *Chief Administrative and Operations Officer*
Mildred Charley-Greene, *Acting Chief of Staff*

Prepared by the Division of Business Services

Acknowledgements

Student Artwork

The student artwork displayed in this report are the work of Baltimore County Public School students. We appreciate their contribution and acknowledge the hard work of the students and their teachers.

The Elementary School students who provided the artwork are as follows:

Gracelyn Ubani	Grade Kindergarten	Hebbsville
Corena Burkindine-Castro	Grade 4	Cedarmere
Sabrina Wojenski	Grade 3	Chatsworth
Giada Mentzer	Grade 3	Fifth District
Dontae Queen	Grade 5	Deep Creek
Elijah Legins	Grade 1	Grange

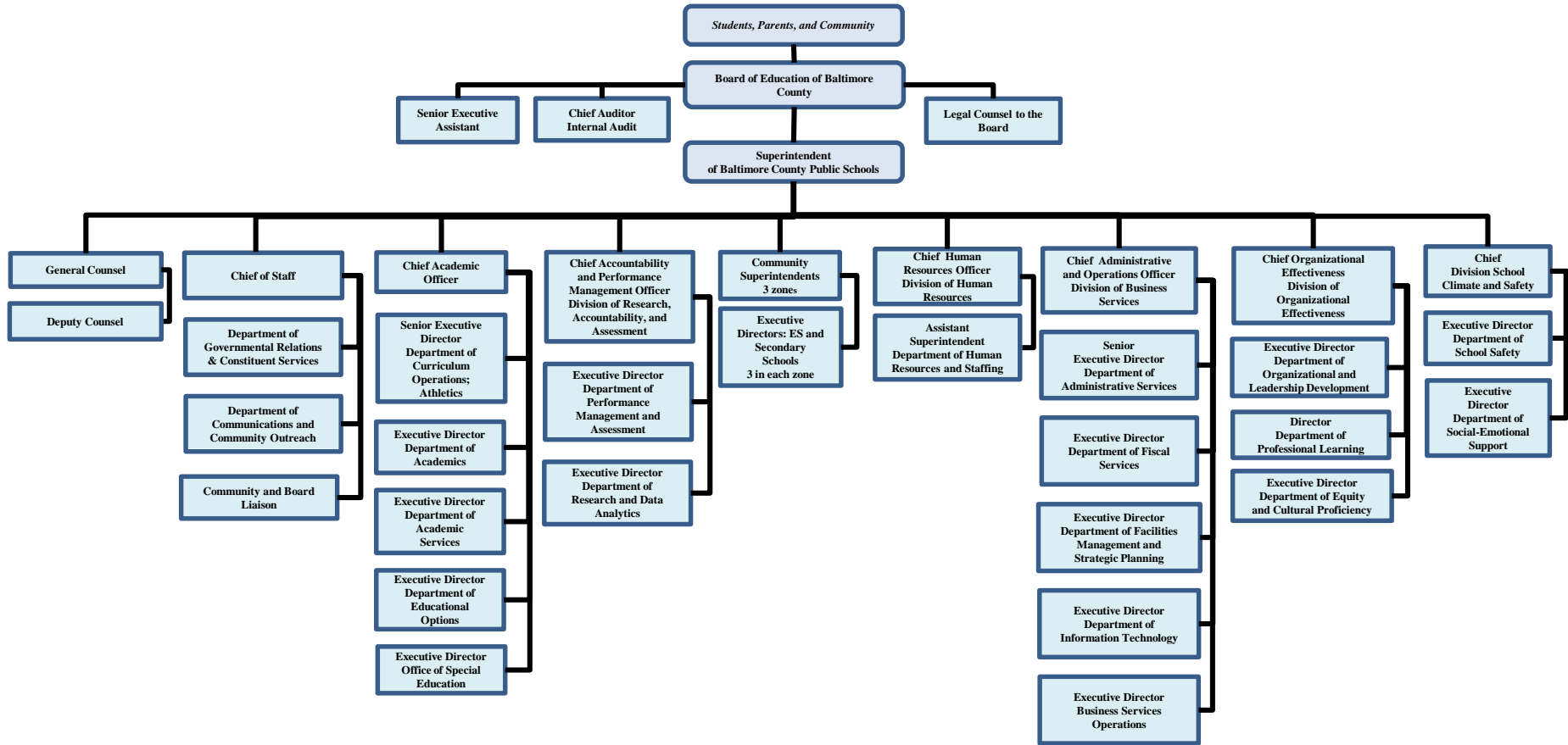
Board of Education of Baltimore County
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2021

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Baltimore County Public Schools Organization Chart



Superintendent's Staff

As of June 30, 2021

Darryl L. Williams	Superintendent
Mildred L. Charley-Greene	Acting Chief of Staff
Margaret-Ann Howie, Esq.	General Counsel
Dr. Mary Boswell-McComas	Chief Academic Officer
Dr. Monique Wheatley-Phillip	Chief Accountability and Performance Management Officer
Vacant	Chief Communications Officer
MyriamYarbrough	Chief of Organizational Effectiveness
Dr. Brian Scriven	Chief Administrative and Operations Officer
Maria Lowry	Acting Chief Human Resources Officer
Dr. Michael J. Zarchin	Chief of School Climate and Safety
Dr. George Roberts	Community Superintendent East Zone
Christina Byers	Community Superintendent Central Zone
Dr. Racquel Jones	Community Superintendent West Zone

BALTIMORE COUNTY PUBLIC SCHOOLS

Darryl L. Williams, Ed.D. ♦ Superintendent ♦ 6901 North Charles Street ♦ Towson, MD ♦ 21204

October 28, 2021

Members of the Board of Education
and Citizens of Baltimore County, Maryland:

In compliance with the public school laws of the state of Maryland, the Division of Business Services (the division) annually publishes the Comprehensive Annual Financial Report (AFR) of the Board of Education of Baltimore County (the Board). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation rests with the administration of Baltimore County Public Schools (BCPS). We believe that the data as presented are accurate in all material aspects and are presented in a manner designed to set forth the financial position and results of operations of the Board as measured by the financial activity.

All matters relating to education and operations in BCPS are governed by the Board, as provided by the public school laws of Maryland. The Board has the responsibility to maintain a reasonable, uniform system of public schools, providing quality education for all students of Baltimore County. With the advice of the superintendent, the Board establishes schools and determines the geographical attendance areas for them. Upon recommendation of the superintendent, the Board approves education policy that governs the management and conduct of the school system. The activities, funds, and entities related to BCPS included in this AFR are those in which the Board exercises oversight responsibility.

All funds and accounts of the Board are included in this AFR. While the Board is an entity created and governed by state law, it has been defined as a component unit of the Baltimore County government for financial reporting purposes. Therefore, the Board is included in the AFR of Baltimore County.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found at the beginning of the financial section.

The report is available to all interested parties. Copies of the report are forwarded to Board members, the superintendent's staff, and appropriate officials of the state of Maryland and Baltimore County. Copies are also posted on the BCPS Web site and distributed to other school districts, individuals, and organizations upon request.

THE REPORTING ENTITY AND ITS SERVICES

BCPS is the 25th largest school system in the United States. The county covers 612 square miles in the north central part of the state, and combines urban, suburban, and business regions with vast farmland and waterfront areas. The school system reflects this diversity in the student population of 111,084 students in Grades PreK–12. These students are served by more than 18,000 employees, including 9,671 teachers, making BCPS one of the largest employers in the region. More than 20,000 trained volunteers support student achievement throughout the school system.

For the 2020–2021 school year, BCPS operated 175 schools, centers, and programs: 107 elementary schools that served the needs of children in Grades Preschool–5; one school serving Grades 4–8; 26 middle schools that served students in Grades 6–8; and 24 high schools that served students in Grades 9–12. Additionally, four special education schools served children of various ages with disabilities. Another nine centers and three programs provided services – including evening high school, alternative education, home assessments, technical programs, and virtual instruction – to students in need of specialized educational and instructional services. A charter school that opened in FY2020 accommodated Grades K-4.

MAJOR INITIATIVES

The Compass: Our Pathway to Excellence

The Compass eight-year strategic plan, adopted by the Board of Education on July 14, 2020, prioritizes classroom instruction and support through five focus areas:

- **Learning, Accountability, and Results:** Increase achievement for all students while preparing a variety of pathways to prepare students for career and college.
- **Safe and Supportive Environment:** Provide a safe, orderly, and caring environment for students and staff.
- **High-Performing Workforce and Alignment of Human Capital:** Recruit and retain a qualified, highly effective and diverse workforce, and create a systemic professional development plan to improve work performance and readiness.
- **Community Engagement and Partnerships:** Communicate, engage, and partner with our parents and communities.
- **Operational Excellence:** Ensure resources are aligned to our system priorities and are distributed efficiently and effectively.

For the Year 2020–2021

During the 2020–2021 school year, BCPS continued to serve as a national educational model for high achievement, digital citizenship, and financial excellence, thanks to hard-working and determined students, teachers, and administrators, supported by parents, community, and elected officials.

The following represent highlights of BCPS achievements during 2020-2021:

- The four-year adjusted cohort graduation rate for BCPS increased from 87.6 percent for the Class of 2019 to 88.5 percent for the Class of 2020.
- The first graduates of the Woodlawn High School Early College Program earned both a high school diploma and an associate's degree from the Community College of Baltimore County.
- BCPS reached a 1:1 device ratio for students in Kindergarten through Grade 12.
- For the sixteenth straight year, BCPS was recognized among the Best Communities for Music Education by the NAMM Foundation.
- BCPS celebrated 16 consecutive years of earning the Annual Achievement of Excellence in Procurement® award from the National Procurement Institute, Inc.
- BCPS received the Meritorious Budget Award for excellence in the preparation and issuance of its school system budget for the eighteenth consecutive year from the Association of School Business Officials International.
- During the opening keynote at Adobe MAX 2020 – The Creativity Conference, Adobe CEO Shantanu Narayen praised BCPS for its use of online art exhibitions to bring its community together through art. Narayen used the BCPS “We Will Get Through This With Art” exhibition as an example of how creativity “connects us, enables us to learn, encourages us to speak out, and gives us a way to cope.”
- The National School Public Relations Association honored BCPS with ten 2021 Publications and Digital Media Excellence Awards.

These achievements provided a stark contrast to the challenges presented to families, staff, and community members due to the global COVID-19 pandemic. BCPS led a phased-in, gradual hybrid reopening of all schools and offices to safely welcome back students and staff, based on advice from the Baltimore County Department of Health and guidance from state and national agencies. Two days of in-person learning per week began for the first group of students on March 1, 2021. All students had the opportunity to return to school buildings for four days of in-person learning per week beginning May 24, 2021.

As of June 28, 2021, Baltimore County's COVID-19 seven-day positivity rate was 0.69% and the number of cases per 100,000 for the past seven days was 7.25. These metrics represented the lowest level of transmission in the categories developed by the Centers for Disease Control and Prevention.

Summer learning opportunities included both in-person and virtual learning programs. Systemwide programs included art, dance, music, and career and technical education camps, as well as Bridge to Kindergarten, Extended School Year for students receiving special education services based on the individualized education program, Extended Learning Opportunity Title I School Program, ESOL Summer Program (English for Speakers of Other Languages), Math Academy, Extended Year Learning Program for middle and high school students, and Woodlawn High School's Early College Access Program with the Community College of Baltimore County. For the second year, Summer Learning Hike provided voluntary, online reading and math practice for students entering

Prekindergarten through Grade 12. In addition, schools developed their own programs for summer learning and engagement.

All students were welcomed back for full-time, in-person learning on August 30, 2021. The BCPS Virtual Learning Program is also available for families seeking a fully virtual option, in accordance with state guidelines.

Additionally, BCPS continues to recover from a catastrophic cyberattack that took place on November 24, 2020. Staff worked through the Thanksgiving holiday in 2020 to restore instructional access as quickly as possible. Local and federal law enforcement, the Maryland Emergency Management Agency, the State Department of Information Technology, the insurance provider and its investigators, and the County Executive and his team have provided invaluable support.

Capital Facilities

For FY2021, BCPS was allocated \$40.17 million from the State of Maryland, and \$17.9 million from Baltimore County Government for a variety of capital projects. The six-year county capital program for FY2021 through FY2026 projects funding of \$617.9 million. Multiyear capital needs will be reevaluated and determined by the capital plan being developed in coordination with Baltimore County Government.

BCPS is in the process of completing the largest ten-year construction program in Baltimore County's history. The \$1.3 billion Schools for Our Future program has upgraded and provided modern learning environments for tens of thousands of our students and teachers.

In early 2020 a consultant was commissioned to assess all school buildings in order to develop a Multi-Year Improvement Plan for All Schools (MYIPAS). The vision of the MYIPAS is to provide BCPS facilities with a 21st-century instructional capability that addresses student enrollment trends and incorporates future flexibility, fully supports the highest performance of students and staff while accommodating enrollment projections, and provides safety, comfort, and well-being for every student. The MYIPAS, which is expected to be completed by the end of 2021, is being developed to provide BCPS with a thoughtful, objective, and stakeholder driven plan with a clear vision of the future.

The MYIPAS is focusing on each facility as it relates to the following three functions: 1) enrollment projections, capacity, and utilization, 2) facility condition, and 3) educational adequacy and equity.

A public engagement process has been an integral part of the MYIPAS development. The result will be a prioritized Master Plan that can be updated continuously for many years into the future.

Additionally, the State's Built to Learn Act of 2020 (BLT) will roughly double the state construction funds that BCPS receives over the next decade. In July 2021 the Interagency Commission on School Construction approved the first four projects to receive BTL funds, Bedford Elementary School replacement, Summit Park Elementary School replacement, the new Northeast Area Middle School, and Pine Grove Middle School renovation/addition, totaling nearly \$97 million. Details on which projects the bill will fund have just started to be released from the state.

In total, approximately 200 construction and building projects, including new school construction, major renovations, and modernizations at various elementary, middle, and high schools, are currently underway in BCPS. In addition to renovations of schools' plumbing, electrical, ventilation, heating, and cooling systems, the work includes improvements to cafeterias, media centers, computer systems, security systems, and other features. The capital budget includes funding to repair or replace critical infrastructure, to provide for watertight buildings, and to improve occupant comfort and well-being through the installation of modern mechanical air distribution systems in an effort to enhance the learning environment and decrease energy costs. The capital budget also includes upgrades and replacements to lighting, interior and exterior doors, windows, floors and walls, Americans with Disabilities Act (ADA) accessibility requirements, and a variety of other enhancements to improve school buildings.

A Sample of National Achievements

During 2020-2021, BCPS once again distinguished itself nationally through the achievements of students, staff, and schools in a wide range of areas that indicate a well-rounded curriculum.

Students

- Alhassan Bangura, a senior at Western School of Technology, was named one of only 107 recipients of the prestigious \$25,000 Horatio Alger National Scholarships.
- Meghna Chandrasekaran, a senior at Western School of Technology and Environmental Science, was one of two students selected by the Maryland State Department of Education to represent the state in the 59th annual United States Senate Youth Program.
- Two Baltimore County Public Schools students were named American Visions nominees and three were named American Voices nominees in the 2021 Scholastic Art & Writing Awards program. The American Visions Nominees from BCPS are Corinne Ertel and Myah Jackson-Solomon, both in Grade 12 at George Washington Carver Center for Arts and Technology. The American Voices Nominees from BCPS are Tiara Aragon, Grade 10, Carver Center; Madelyn Mueller, Grade 12, Carver Center; and Nusrat Tusi, Grade 12, Catonsville High School.
- Taylor Jackson, a 2020 graduate of George Washington Carver Center for Arts and Technology, was one of just 51 international high school artists featured in the 2020 College Board AP Art and Design Digital Exhibit.
- Yiyun Li, a junior at Towson High School, was selected through a highly competitive audition process to play a first clarinet part in the 2020 All-National Honors Concert Band.
- Ngina Rowe, a senior at Randallstown High School, earned second place in the high school category in the national Magnet Schools of America Student Poster Design Contest.
- Munachiso Nkeonye-Mbaekwe, a senior at Eastern Technical High School, was among the 27 students selected to receive a \$40,000 College Board Opportunity Scholarship.
- Ten students from two schools earned 12 national medals and three national awards in the 98th annual 2021 Scholastic Art & Writing Awards — the nation's longest-running and most prestigious scholarship and recognition program for young artists and writers in Grades 7–12. Nine of the students were from George Washington Carver Center for Arts and Technology: Tiara Izella Aragon, Olivia Berkman, Myah Jackson-Solomon, Angela Ma, Chinyere

Onyekwere, Ellis Rienzi, Cailin Tallarico, Senaiah White, Kalliyen Winder, Towson High School. Kayla Yup represented Towson High School.

- Allie (Talis) Hill, a junior literary arts student at Patapsco High School and Center for the Arts, won a top prize in the Young Writers “Through Their Eyes” writing contest.
- Rishi R. Anand, a senior at Hereford High School, was among the approximately 1,000 distinguished high school seniors from across the nation who won corporate-sponsored National Merit® Scholarship awards financed by about 140 corporations, company foundations, and other business organizations.
- Keola Edwards, a Grade 5 student at Powhatan Elementary School, was featured in an episode of the nationally syndicated “Tamron Hall Show.” Keola teaches horse grooming, showcases her riding skills and horse care knowledge, and assists with pony rides, feeding, grounds work, polo, and veterinary and dental visits, as a volunteer at City Ranch, Inc.
- Kathy Yao of Dulaney High School was among 161 high school seniors inducted into the 57th class of U.S. Presidential Scholars, a group of outstanding students recognized for their accomplishments in academics, the arts, and career and technical education fields.
- MacKenzie Brady, a 2017 graduate of Kenwood High School and a senior at Washington College, was one of only six 2021 finalists for the Sophie Kerr Prize in literature, worth \$65,580 this year.
- Four students were among the approximately 2,500 distinguished high school seniors from across the nation who won \$2,500 National Merit® Scholarships: Grace Cong, Dulaney High School; Benjamin S. Matz, Pikesville High School; Sean O. Nowak, Catonsville High School; and Lena Wang, Eastern Technical High School.
- Three 2021 graduates and one graduating senior were among the approximately 3,100 distinguished high school seniors from across the nation who won National Merit® Scholarships financed by U.S. colleges and universities: Lucas A. LaBuff, George Washington Carver Center for Arts and Technology; Daniel J. Melia, Towson High School; Nikitha C. Mupparaju, Catonsville High School; and Steven H. Zhang, Dulaney High School.

Staff

- Camille Gibson, an art teacher at Golden Ring Middle School and department chair and visual art lead teacher for Baltimore County’s East Zone schools, was named Eastern Region Middle Level Art Educator of the Year by the National Art Education Association.
- Amanda Lattimore, a computer science resource teacher with the BCPS Office of Career and Technical Education, participated in the College Board Virtual Federal AP (Advanced Placement) Week.
- Amanda Lattimore was also recognized as one of only 23 state leads in the national Advanced Placement® (AP) Advocates Program.
- The following BCPS employees earned prestigious Certified Administrative Professional (CAP) status from the International Association of Administrative Professionals: Gepsie Cox, CAP, executive administrative assistant to the chief academic officer; Pierre François, CAP, executive administrative assistant to the chief administrative and operations officer; Karen

Horlacher, CAP, administrative assistant to the executive director of information technology; and Winopa Mbakop, CAP, administrative secretary III to the director of enterprise applications.

- A workshop proposal by Niamh McQuillan, leadership development coordinator, earned placement in the PanelPicker selection phase for the SXSW Online 2021 digital experience.
- Six staff members were selected to serve as AVID National Staff Developers for the 2021 AVID DigitalXP™ training session: Lesley Beavers, AVID resource teacher in the Office of College and Career Readiness; Jessica Cuzzo, AVID coordinator at Dundalk Middle School; Erica Franklin, AVID coordinator at Holabird STEM; Molly LaBricciosa, AVID coordinator at Pikesville High School; Sara Mullin, mentor facilitator and AVID resource teacher in the Office of College and Career Readiness; and Dr. Heather Wooldridge, coordinator & AVID district director, in the Office of College and Career Readiness.
- Bettina Applewhite, a senior operations supervisor in the BCPS Office of Food and Nutrition Services, was selected to compete on Bravo's "Top Chef Amateurs."
- Five teachers achieved National Board Certification during the 2020-2021 school year, bringing the total number of National Board-certified teachers in the school system to 67: Marie Carberry, Baltimore Highlands Elementary School; Erin Francis, Deep Creek Middle School; Nancy Kreitz, Bear Creek Elementary School; Lisa Smith, Baltimore Highlands Elementary School; and Lisa Weaver, Padonia International Elementary School. In addition, three BCPS teachers successfully renewed their certification in 2020. They are: Ralph Causarano, Hereford High School; Sara Ockenhouse, Franklin Middle School; and Sandra Skordalos, Patapsco High School and Center for the Arts.

Schools

- Jacksonville Elementary School was named the 23rd National Blue Ribbon School in BCPS by the U.S. Department of Education, in the category of high achieving school.
- Eastern Technical High School, Milford Mill Academy, Owings Mills High School, and Patapsco High School and Center for the Arts earned the 2019/2020 Female Diversity Award from College Board for having 50 percent or more female test takers in the Advanced Placement computer science principles course.
- Randallstown High School and Towson High School students earned top honors in the American Scholastic Press Association's Annual Contest/Review for Scholastic Yearbooks and Magazines. "Dear Class of 2020: Life in Quarantine," Randallstown High School's 2020 literary magazine, received a First Place Magazine 2020 Award and a Most Outstanding Service to the Community Award. "Albatross," the 2020 issue of Colophon, Towson High School's creative arts magazine, received a First Place with Special Merit Magazine Award and a Most Outstanding Digital Magazine for 2020 Award.
- Golden Ring Middle School is one of only 20 national recipients of a FARE (Food Allergy Research & Education) inaugural Collaborator Community Impact Award. Golden Ring Middle is the only grant recipient in Maryland.
- Towson High School is among 139 schools in 27 states to receive the Recognized ASCA Model Program (RAMP) designation from the American School Counselor Association. The RAMP

designation, awarded for aligning with the criteria in the ASCA National Model, recognizes schools committed to delivering a data-informed school counseling program and an exemplary educational environment.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to BCPS for its Comprehensive Annual Financial Report for the fiscal year ending June 30, 2020. This was the twenty-fifth consecutive year that the Board has achieved this prestigious award. In order to be awarded a certificate of achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the certificate of achievement program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to BCPS for its comprehensive annual financial report for the fiscal year ending June 30, 2020. The Certificate of Excellence in Financial Reporting is the highest form of recognition in school system financial reporting issued by ASBO International. This is the twenty-fifth consecutive year that BCPS has received this award. We believe that the current comprehensive annual financial report continues to meet the certificate of excellence program requirements and are submitting it to ASBO for consideration.

ECONOMIC CONDITION AND OUTLOOK

The County is situated in the geographic center of Maryland, surrounding the City of Baltimore almost entirely. The County is the largest jurisdiction by population in a metropolitan area with more than 2.8 million people. The City of Baltimore and the County are entirely separate political units.

The County has the third largest land area of any political subdivision in the state of Maryland. Within its 612 square miles (plus an additional 28 square miles of water with over 200 miles of shoreline) at least 29 identifiable, unincorporated communities are situated which, as of 2010, ranged in population from approximately 4,300 to 63,000. The County's overall population grew 10% from 754,292 in 2000 to 827,370 in 2019. The 2021 population estimate for Baltimore County is 826,000. Today, the County has the third highest population in the state of Maryland.

Healthcare and education, the sectors that generally report job stability and growth despite economic downturns, are well represented in the County by five regional medical centers and five major colleges and universities. BD Diagnostic Systems shares a zip code with one of the largest concentrations of computer game developers on the East Coast. Headquarters for the Social Security Administration and Centers for Medicare and Medicaid Services and a core of IT contractors form the Woodlawn Federal Center, the epicenter of national health care reform

implementation. Major operations of T. Rowe Price, Toyota Financial Services, Euler Hermes, Zurich America, Baltimore Life, and Bank of America form a powerful finance-insurance community. Manufacturing holds its place with BD Life Sciences, Diagnostic Systems, McCormick and Company, Stanley Black & Decker, Lockheed Martin, AAI Textron, Middle River Aircraft and Coty (formerly Procter & Gamble Beauty).

New Business and Real Estate Activity

The following section highlights a selection of business and real estate activity in Baltimore County from January 2019 to July 2021.

Towson Circle East – A \$125 million mixed-use development located at the traffic circle at York and Joppa Roads. The project includes 371 mid- and high-rise apartments, developed by Avalon Bay Communities, which accepted their first occupants in February 2020. The project also includes over 24,000 square feet of new and refurbished retail space with underground parking. Shake Shack, Madison Reed, and Ethan Allen Furniture were the first tenants for the retail space and will be joined shortly by Urban Outfitters, Prose, DryBar, and Brightside.

Towson Circle East now also encompasses the project formerly known as Towson Square. That project includes a 75,000 square feet, 3,400 seat, 15 screen multiplex cinema atop a three story, 850 space garage and six restaurants. The pedestrian friendly plaza includes a traffic circle with a European style fountain, bistro style outdoor dining areas and landscaping. The County invested \$6.2 million toward the parking garage and \$2 million for infrastructure improvements, which leveraged \$85 million in private investment.

Towson Residential - Since 2008, over 1,600 new luxury apartments have been completed and almost 300 are under construction. The \$60 million, 611-bed, 248-unit Aspen Heights student housing project with first floor retail was completed in 2020 at 101 York Road. Local developer Bayview Management has completed renovation of the former Towson Police Station into apartments and is now renovating 17 W. Pennsylvania Avenue into apartments as well. Manzo Development has proposed a 15-story, 241-unit student housing building at 706 Washington Avenue in downtown Towson, tentatively called Studios.

Towson Row - Towson Row is a 1.2 million square foot mixed-use development situated at downtown Towson's southern gateway and bounded by York Road, Towsontown Boulevard, Chesapeake Avenue, and Susquehanna Avenue. When fully developed, this \$350 million project will offer roughly 145,000 square feet of Class A office space, 250 market rate apartments and condominiums, 220 limited service and extended stay hotel rooms, 985 beds for student housing, and roughly 140,000 square feet of commercial space, including shops, restaurants, and a Whole Foods. Altus, the first phase of the student housing portion of the development, which includes 214 units as well as the Whole Foods garage, is complete and 100% leased. Construction is underway on the second phase of the project, which will include the Whole Foods market (due to open this fall) and 231 additional student housing units in a project called The York.

Towson University/Downtown Towson - TU has leased the former Towson Armory and will soon occupy the space, accommodating a number of programs and offices focused on community engagement and outreach, entrepreneurship, continuing education and workforce development. The

Armory will provide a place for students to engage with the business community – as young entrepreneurs, interns and future workers. The University has also purchased 401 Washington Avenue, across the street from the Armory. The 130,000 square feet office building will be used for university administrative functions, bringing TU employees into the heart of Towson.

The Shops at Kenilworth – Greenberg Gibbons is completing work on a \$20 million renovation to The Shops at Kenilworth, a landmark shopping destination in Towson, originally built in 1979. A brand new Trader Joe’s opened on the upper level in 2017. A 3,600 square feet free-standing Felipe’s Mexican Taqueria opened in 2020. Another restaurant, Kenilworth Gourmet, has signed a lease and is expected to open in 2021. New shops in the center include: Amaryllis, Kenilworth Wine & Spirits, Liza Byrd Boutique, Quiet Storm Surf Shop, TAC @ Kenilworth (Summer Gallery), Wilkes & Riley, ZenLife Yoga Boutique & Juice Bar, longtime local boutique Ruth Shaw, J Jill, and Radcliffe Jewelers.

Metro Centre at Owings Mills – Metro Centre at Owings Mills is a \$1 billion mixed use, transit oriented special taxing district that is being developed by Owings Mills Transit, LLC. At completion, the project will support more than 1.2 million square feet of commercial office space, 300,000 square feet of complementary retail space and 1,700 residential units and a 229-room full-service Marriott Hotel with ballroom and conference facilities. The project adjoins the Owings Mills Metro stop and two commuter parking garages with a total of 5,277 spaces. Existing buildings at the project include a 120,000 square feet 6-story building housing a 40,000 square feet County library and an 80,000 square feet community college branch, a 4-story 200,00 square feet building with three floors of Class A office space over street-level retail space, a five-story upscale apartment building with 232 units (“Metro Crossing”) that are over 90% leased and another 114-unit apartment building (“The Met”) which is also fully leased. A 227-unit apartment building, (“The Willard”) is under construction and will deliver in first quarter 2022. The new 10-story, 229-room full-service Marriott hotel is finishing construction and scheduled to open in fourth quarter 2021. The hotel project represents a \$70 million investment.

Avalon Foundry Row – Northern Virginia-based AvalonBay Communities recently completed a four-star, 437-unit apartment project. The property features studio to three-bedroom apartments with modern amenities.

Redevelopment of 1323 Greenwood Road - Garver Development Group has secured the largest C-PACE loan in Baltimore County history and one of the largest in the state to help finance the conversion of a former printing plant in Pikesville, Maryland, into self-storage and industrial space. Garver obtained \$3 million in commercial property-assessed clean energy, or C-PACE, financing through MD Energy Advisors for its planned redevelopment of the former Port City Press building in Pikesville.

Hunt Valley Towne Centre - Towne Centre owner, Greenberg Gibbons, has announced a \$150 million densification plan for the expansion of the Town Centre. The plan would include apartments and senior living units, a gym and workout facility, office space, a hotel and a garage. Additionally, at least 30,000 square feet of new retail space is planned for the expansion. MGH Advertising, an integrated marketing and communications agency, recently signed a lease for 22,520 square feet at the Towne Centre.

Kaiser Foundation Health Plan of the Mid-Atlantic States – is investing over \$200 million in a new regional medical hub project in Timonium. The 227,000 square foot facility on 5 acres will include twenty-five medical specialties and will employ 350 people at opening with another 150 positions to be added within ten years. Construction is underway and the project is expected to open in early 2022.

Greenleigh at Crossroads - Greenleigh at Crossroads broke ground in May 2016 on a \$750 million mixed-use community of offices, shops, apartments, single-family homes, and a hotel. The project will occupy 250 acres of the 1,000 acre Baltimore Crossroads and is expected to build out over 10 to 15 years.

White Marsh Interchange Park— In March 2021, Merritt Properties purchased the former GM Baltimore Global Propulsions Systems site located at 10301 Philadelphia Road in White Marsh. The 56-acre project calls for demolishing the existing plant, construct up to nine, one-story buildings totaling approximately 750,000 square feet for 50 to 100 businesses to establish and grow, leasing from 2,700 to 50,000 square feet or more. The project may provide 1,200 – 1,500 new jobs.

iCyberCenter@bwtech – Located at the University of Maryland Baltimore County (UMBC) business incubator, the iCyberCenter is the first global cyber incubator that will attract international companies to the Maryland market and offer connections with existing organizations. Currently, there are eight national and international companies participating in the program.

Global Foods - A regional supermarket chain specializing in American and international food has signed a lease for its first location in the Baltimore area. Global Food, a Sterling, Virginia-based grocer with locations across suburban Washington, D.C., signed a lease at the Meadows Shopping Center in Woodlawn, Maryland, for its first store in greater Baltimore. The company agreed to a 36,360-square-foot lease with Atlantic Realty Cos. and expects to open its new location fall 2021.

2209 Sulphur Spring Road – An Israeli investment firm, Aminim Group closed on this fully leased industrial building in Halethorpe for its first investment in the market. Formerly home to Ikea, the 30-year-old warehouse was vacant in 2017 when Newport Beach, California-based The O'Donnell Group acquired the building for \$13.6 million. Over the last two years, the company has filled out the tenant roster, signing such tenants as Liberty Tire Recycling and Indusco Wire Rope and Fittings to bring the property to full occupancy with an average lease term of more than seven years.

Southern Crossroads - Southern Crossroads is a proposed residential/commercial real estate development at the Sisters of Good Shepard property in Halethorpe. The site is comprised of +/- 72 acres with a mix of high-density residential, business roadside, and industrially zoned land in Baltimore County. Development and Planning hearings are planned for the residential portion in summer 2021.

Industrial Redevelopment

Sparrows Point/Dundalk

Tradepoint Atlantic (TPA) acquired the former steel production facility at Sparrows Point. The 3,300-acre property is being redeveloped for industrial and distribution use. In May 2017, Maryland's Public Service Commission (PSC) approved two development companies, U.S. Wind Inc. and Skipjack Offshore Wind LLC, to build offshore wind projects off the coast of Ocean City, Maryland. As part of its project approval order, the PSC set certain conditions for the developers including the use of port facilities in Greater Baltimore and Ocean City, and collectively invest at least \$39.6 million to support port upgrades at Tradepoint Atlantic and \$76 million in a steel fabrication plant in Maryland. In July 2019, TPA announced a landmark agreement with Orsted U.S Offshore Wind to develop Maryland's first state-of-the art offshore wind energy staging area and facility, a major milestone in the development of Orsted's Skipjack offshore wind farm 19.5 miles off Maryland's coast, and in the expansion of the offshore wind energy workforce in Baltimore County and Maryland. The agreement is part of Orsted's \$13.2 million commitment to invest at Tradepoint Atlantic.

Amazon - located an 855,000 square-foot fulfillment center at TPA that has brought 1,500 new jobs to the region. Amazon opened its fourth fulfillment center in Maryland and second at TPA in late 2020, creating more than 500 new full-time jobs and hundreds of local construction jobs. The one million square-foot facility is designed for pick, pack, and ship larger customer items, such as bulk paper goods, sports equipment, patio furniture and larger home goods, and electronics. The facility will house innovative Amazon technologies and energy-efficient, zero-emission power industrialized truck (PIT) equipment.

Volkswagen WGoA - opened a vehicle processing terminal at TPA. The terminal will import and process 120,000 vehicles/year, serving 300 dealers. It is a \$150 million investment and will create 100 new jobs.

German automaker BMW announced it is relocating its Port of Baltimore vehicle distribution center to the 75,000-square foot facility at Tradepoint Atlantic. The relocation is expected to create 60 full-time jobs on-site. BMW of North America will open a 35 acre vehicle distribution center, doubling the size of its current facility. The new location will improve processing and distribution delivery times of vehicles to dealers. The new center will serve 126 dealers in the east/central US and can process 100,000 vehicles annually.

McCormick & Co. – broke ground in late 2020 on a 1.8 million SF distribution center at TPA, an investment of \$245 million. The facility will consolidate multiple warehouses and leverage advanced technology solutions to improve productivity and drive efficiencies enabled by automation. The company anticipates officially opening the facility by the Q2/Q3 2022.

Arnold Packaging, a regional packaging company for major-known brands, is moving to a new, built-to-suit 91,200 square foot facility at TPA in January 2022. The future space is a 21,000 square foot increase over their current corporate footprint, and allows for expanded services and functionality. TPA's proximity to the Port of Baltimore could assist Arnold to potentially reach across the globe and support a wide range of new clients. The 15-year lease, with the option of two five-year extensions, is set to begin in January 2022.

The Shoppes at Tradepoint Atlantic - Pompeian Inc., a local bottler and distributor of olive oil, vinegars and cooking wines, signed a lease expanding its footprint into Tradepoint Atlantic by developing a 400,000 square foot distribution center. The new center is expected to be open in September 2021, and becomes a major mid-Atlantic site for delivery to chain stores like Costco, Target, Publix, and Safeway around the U.S.

Technology Locations

bwtech@UMBC

The *bwtech@UMBC* Research & Technology Park (the “Park”) is a 71-acre community engaged in research, entrepreneurship, and economic development. The *bwtech@UMBC* Research & Technology Park contains eight buildings, including multi- and single-tenant buildings and three incubators. Over 30 cyber security companies currently reside and do business in the Park. The Park is adjacent to the main UMBC campus with direct access to the innovative research and amenities of a major university.

The *bwtech@UMBC* Research & Technology Park includes 131 tenants and 1,890 employees, including mature, emerging and incubator companies. This past year 10 new companies joined the incubator. *bwtech@UMBC* operates these distinct business incubators with specific industry orientation and has offered workshops over 100 businesses participating and conducts direct advisory services to over 60 tenant companies. The companies have access to UMBC campus amenities and enjoy the strategic location only minutes away from BWI Thurgood Marshall Airport, downtown Baltimore, and the federal agencies located in the Washington, D.C. corridor. *Bwtech@UMBC* won several large competitive grants to transform companies in the cyber industry and for general business needs.

Enterprise Zones

An enterprise zone is a tool the state of Maryland offers to local jurisdictions for promoting economic development in certain qualifying areas. The County has two Enterprise Zones - the Chesapeake Zone, located along the industrial North Point corridor in eastern Baltimore County and the Southwest Zone, located in the Washington Boulevard/Hollins Ferry Road industrial corridor. These two areas contain over 9,660 acres of industrial and office-zoned land, and over 600 businesses. In addition, approximately 6,300 new jobs have been created. The Halethorpe-Arbutus area in the Southwest Enterprise Zone saw dramatic growth, with almost 600 new jobs in a four-year period. The Chesapeake Zone, a larger area that now includes the entire Sparrows Point peninsula, now known as Tradepoint Atlantic. Over the past three years, the Chesapeake Enterprise Zone has seen over \$1 billion in investment and more than 3,200 jobs created, mostly at the Tradepoint Atlantic site.

The program offers two primary benefits to businesses in the designated zone that make new investments or hire new employees:

1. **Property Tax Credits.** The local jurisdiction provides an annual property tax credit over a ten-year period. For the first five years, the credit is equal to 80% of the increase in property tax resulting from the new investment in real property. In the subsequent five years, the credit decreases 10% annually until it is phased out entirely in the eleventh year.

2. *Income Tax Credits.* For each new, full-time job created in an enterprise zone, the State grants a \$1,000, one-time State income tax credit to the employer. If a worker who is certified as economically disadvantaged fills the new job, the credit can total as much as \$6,000 over three years.

The local property tax credit is applied only to the increased tax liability resulting from the new investment. Therefore, the County experiences no loss in property tax revenue as a result of the program; it simply foregoes a portion of the increase in property tax revenue that results from the new investment. Additionally, the State of Maryland reimburses the County for 50% of the property tax credits to businesses.

Opportunity Zones

The 2017 Tax Cuts and Jobs Act permits the designation of distressed communities as Opportunity Zones, a federal incentive which allows private investors to defer paying taxes on capital gains invested in an Opportunity Zone fund and if the investment is held for certain periods of time, avoid taxes on a portion of such capital gains investment and on the amount of the capital gains derived from the investment in the Opportunity Zone fund. There are ten census tracts in Baltimore County designated as Opportunity Zones.

Economic Development Financing Assistance

In FY2021 the County approved financial assistance to four businesses from the County's Revolving Financing Fund totaling \$320,000. Additionally, during FY2021 the County approved seven loans totaling \$1,250,000 from the County's Boost Loan program. The Boost Fund provides flexible financing to assist in the acquisition of business assets, working capital, equipment, owner-occupied commercial real estate, construction of new facilities, and leasehold improvements.

FINANCIAL INFORMATION

Budgeting and Accounting Controls

The Board is totally fiscally dependent on the County, State and federal governments for its funding. The Board has no authority to levy taxes. The minimum amount of funding provided to the Board by the County and State governments is mandated by state law and follow formulas commonly referred to as 'Maintenance of Effort.' The Maintenance of Effort laws guarantee funding per student comparable to the prior year's funding and can be supplemented by additional funding. Revenue and expenditures are forecasted based on the past ten years and the most current information available about the next four years. Funding should continue to grow as enrollment is projected to continue growing.

The Board prepares an annual budget for both the general and special revenue funds. These budgets are submitted to the county government for approval 120 days prior to the end of the current fiscal year. The Baltimore County Council adopts the budget by June each year. The general fund budget is adopted by categories (e.g., administration, instructional salaries, and special education) prescribed in Maryland State law. Transfers between categories during the year also require Baltimore County Council approval. The special revenue fund budget is adopted at the fund level. BCPS maintains a system of budgeting and accounting controls designed to assist management in meeting its responsibilities for reporting reliable financial information. The system is designed to provide reasonable assurance that assets are safeguarded, and transactions are executed and

recorded with management's authorization. Internal control systems are subject to inherent limitations regarding the necessity of balancing costs against the benefits produced. Management believes that the existing system of budgeting and accounting controls provides reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period. During the year, interim financial reports are available to the Board and school system administrators. Account managers are responsible for assuring that planned expenditures are within remaining appropriation balances delineated by category, object of expenditure, and in some cases, by location.

OTHER INFORMATION

Independent Audit

The financial statements for fiscal year 2021 have been audited by CliftonLarsonAllen LLP in accordance with Section 5-109 of the public school laws of Maryland. The independent auditor's report is included in the financial section of this report.

General Information

The statistical section of this report provides the reader with supplemental information, including entity-wide and governmental funds expenditures and revenues on a multi-year basis. Enrollment tables and miscellaneous statistics are also included in this section.

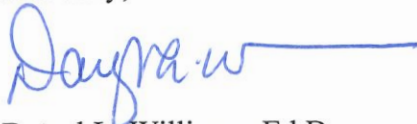
Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Fiscal Services and CliftonLarsonAllen LLP. The Department of Fiscal Services would like to express appreciation to all other departments and individuals who assisted in the closing of the BCPS financial records and the preparation of this report. Many dedicated employees each worked hundreds of extra hours to recover, restore, and recalculate records lost in the 2020 cyberattack. Their efforts made it possible to present these financial statements.

Conclusion

This report has been prepared to provide financial information for fiscal year 2021, which ended June 30, 2021, in a manner consistent with the goals and objectives of the Board of Education of Baltimore County. Should you have any questions about the financial details, needs, or plans for BCPS, please do not hesitate to call or write.

Sincerely,



Darryl L. Williams, Ed.D.
Superintendent



Brian W. Scriven, Ed.D.
Chief Administrative and Operations Officer
Division of Business Services



George L. Sarris
Executive Director
Department of Fiscal Services



Government Finance Officers Association

Certificate of
Achievement
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Presented to

**Baltimore County Public Schools
Maryland**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

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

Baltimore County Public Schools

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal

**W. Edward Chabal
President**

David J. Lewis

**David J. Lewis
Executive Director**



Hebbville Elementary

Kindergarten

Gracelyn Ubani



INDEPENDENT AUDITORS' REPORT

Members of the
Board of Education of Baltimore County
Towson, Maryland

Report on the Financial Statements

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 Baltimore County, Maryland (the Board), a component unit of Baltimore County, Maryland as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

During fiscal year ended June 30, 2021, the Board adopted the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the Board reported a restatement for the change in accounting principle (see Note 12). Our auditors' opinion is not modified with respect to the restatement.

Re-Issuance

The June 30, 2021 financial statements have been re-issued to correct an error in the special revenue fund, food service fund, the governmental and business-type activities (see Note 13). Our auditors' opinion was not modified with respect to this restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 24 through 40, and the other required supplementary information, as listed in the table of contents on pages 91 through 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Members of the
Board of Education of Baltimore County

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the 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.



CliftonLarsonAllen LLP

Baltimore, Maryland
June 28, 2022

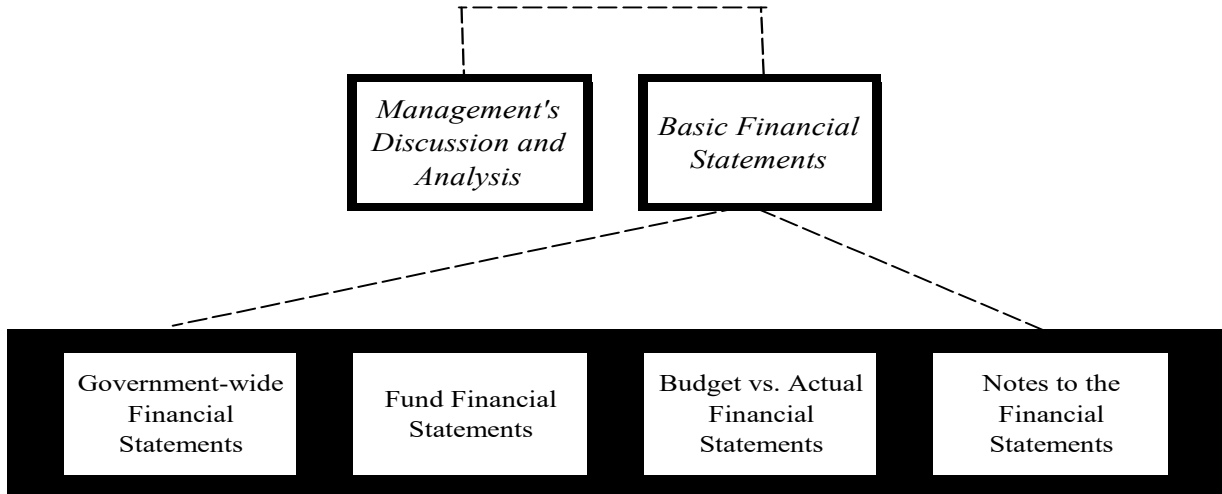
Board of Education of Baltimore County Management's Discussion and Analysis

As management of the Baltimore County Public Schools, we offer the readers of the Board of Education of Baltimore County's (the Board) financial statements this narrative overview and analysis of the financial activities of the Board for the fiscal year ended June 30, 2021. The Management's Discussion and Analysis, financial statements, and related notes are the responsibility of management. We encourage readers to consider the information presented here in conjunction with the Board's basic financial statements which follow.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements include four components: 1) government-wide financial statements, 2) fund financial statements, 3) budget and actual financial statements, and 4) notes to the financial statements.

Required Components of the Board's Annual Financial Report



BASIC FINANCIAL STATEMENTS

The basic financial statements include three kinds of financial statements that present different views of the Board – the *Government-wide Financial Statements* (pages 42 and 43), *the Fund Financial Statements* (pages 44, 46, 50-52), and *the Budget & Actual Financial Statements* (pages 48 and 49). These financial statements also include the *Notes to the Basic Financial Statements* (pages 53-88) that explain some of the information in the financial statements and provide more detail.

Government-wide Financial Statements

The Board's *Government-wide Financial Statements* provide a broad view of the Board's operations in a manner like a private sector business enterprise. The statements provide both short-term and long-term information about the Board's financial position, which assists in assessing the Board's economic condition at year end. They are prepared using the economic resources focus and full accrual basis of accounting. These methods are like those used by most businesses. They take into account all revenues and expenses connected with the fiscal year even if the cash has not been received. The Government-wide Financial Statements include two statements:

The *Statement of Net Position* presents all the Board's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as "net position." The statement combines and consolidates all the Board's components of assets and deferred outflows, and liabilities and deferred inflows, distinguishing between governmental and business-type activities. The result is net position segregated into three components, net investment in capital assets, restricted, and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The *Statement of Activities* presents information showing how the Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as earned, but unused, vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the Board. Most of the Board's revenue is unrestricted general revenue - grants and contributions from other governments.

Both above statements include separate sections to distinguish between those functions that are supported primarily by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant part of their costs through fees and charges (*business-type activities*).

The governmental activities of the Board include Administration, Mid-level Administration, Instruction, Special Education, Student Personnel Services, Health Services, Student Transportation, Operation of Plant, Maintenance of Plant, Food Services, Community Services, Capital Administration, and Student Activities. These activities are mostly supported by county and state appropriations mandated in accordance with state law, and state and federal grants.

The Board's only business-type activity is the food service operation, which serves breakfast and lunch in all Baltimore County Public Schools. The food service operation is primarily supported by charges for meals, donated federal food commodities, and reimbursements from government sponsored food programs.

The government-wide financial statements can be found immediately following *Management's Discussion and Analysis*.

Fund Financial Statements

The fund financial statements focus on major funds and on individual parts of the Board's operations. All the funds of the Board can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds, each of which use different accounting approaches and should be interpreted differently. The three categories are as follows:

Governmental Funds Financial Statements – Most of the basic services provided by the Board are accounted for in the governmental funds. Governmental funds are used to account for the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on balances of spendable resources at the end of the fiscal year. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds in reconciliations found on pages 45 and 47.

The basic governmental fund financial statements can be found on pages 44 and 46 of this report.

Proprietary Funds Financial Statements – The Board maintains two distinct types of proprietary funds. An enterprise fund is used to report the function presented as a business-type activity in the government-wide financial statements. The enterprise fund operates more like those of a commercial enterprise, charging fees for services that are provided to outside customers. The enterprise fund provides the same type of information as the

government-wide financial statements, only in more detail. The Board has one enterprise fund, the Food Service Fund, which is considered a major fund for presentation purposes. The Food Service Fund operates all the school cafeterias and provides breakfast and lunch to students and staff. An internal service fund is an accounting device used to accumulate and allocate costs internally among various functions. The Board maintains one internal service fund, the Workers' Compensation Fund, which is used to account for the self-insured workers' compensation program. All claims are paid from the fund, and participating governmental funds are charged for their share of the expenses. Because the plan benefits the governmental rather than business-type functions, it has been included within the governmental activities in the entity-wide statements.

Like the government-wide financial statements, proprietary fund financial statements use the full accrual basis of accounting and the economic resources measurement focus. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The basic proprietary fund financial statements can be found immediately following the governmental fund financial statements on pages 50-52 of this report.

Budget and Actual Financial Statements

A Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) is presented for the General Fund and Special Revenue Fund – both of which have legally adopted annual budgets. These statements show both original and final adopted budgets, along with actual revenues and expenditures compared to the final budget. In these statements, open encumbrances are treated as expenditures. The Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual can be found immediately following the basic governmental fund financial statements on pages 48 and 49.

FINANCIAL HIGHLIGHTS AND ANALYSIS

GOVERNMENT-WIDE HIGHLIGHTS

The Board is a component unit of Baltimore County, Maryland, and is fiscally dependent on the Baltimore County Government and State of Maryland to appropriate funding for the Board. The Board receives 49% of its governmental activities funding from the county, and 46% from the state. Additionally, the Board receives federal entitlement grants and competitive grants from the state and federal governments. All of the Board's funding for governmental activities is derived from these sources. The Board has no authority to levy taxes or issue bonded debt. Accordingly, the financial condition of the Board is related to the financial condition of the funding authorities – the county and state. Any appropriated funds that are unspent at the end of a fiscal year must be re-appropriated by the county government in a subsequent fiscal year before they can be spent. Key financial highlights are as follows:

- The Board's net position at the end of the fiscal year totals \$551 million, substantially all of which is net investment in capital assets.
- Governmental activities net position decreased \$205.4 million during the year. The decrease is attributable to an increase in the Other Post-Employment Benefits (OPEB) liability of \$375 million, which was offset by a net increase of \$79.8 million in Deferred Outflows and Deferred Inflows of Resources from Retirement and OPEB plans. Governmental activities net position was also affected by an increase in net assets (assets less liabilities, other than OPEB) of \$97.2 million. Capital construction projects are funded by the county and state governments. The county government issues debt to finance school construction; however, it is debt of the county government, and therefore is not reported in the Board's financial statements.
- Governmental activities general revenues account for \$1.6 billion, 84% of governmental activities revenues and 83% of total government-wide revenues. Governmental activities program revenues in the form of charges for services, operating and capital grants, accounted for \$306 million or 16% of all governmental activities revenues.
- Business-type activities net position is \$21 million as of the end of the fiscal year, decreased by \$9.5 million during the year. This decrease was primarily a result of the closure of schools due to the pandemic which resulted in a reduction in revenues. A transfer of approximately \$1 million of capital assets from governmental activities accounted for a minor change in this decrease.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Board, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$551 million at the close of the fiscal year.

The most significant portion of the Board's net position reflects its net investment in capital assets (land, buildings, vehicles, and equipment). Due to the deficit unrestricted net position, the Board's net investment in capital assets represents 346% of the total net position. The Board uses these assets in providing an education to the students of Baltimore County Public Schools. Consequently, these assets are not liquid, nor available for future spending or liquidation of any liabilities. Any school buildings that are no longer used by the Board are returned to the county government, since the county is the primary funding source for school construction. Because the Board has no authority to issue bonded debt, the only debt outstanding related to capital assets are capital leases for energy saving building improvements and the purchase of vehicles (primarily school buses). The county and state government may issue debt to finance school construction; however, it is not debt of the Board, and is not reported in these financial statements. Consequently, school buildings and construction in progress related to school buildings appear in the Board's Statement of Net Position, while any related outstanding debt issued by the county or state government does not.

The schedule below presents the net position of the Board's governmental and business-type activities as of June 30, 2021, and 2020:

The Board of Education of Baltimore County's Net Position (in thousands)

	Governmental Activities		Business-type Activity		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 289,779	\$ 202,902	\$ 12,780	\$ 22,341	\$ 302,559	\$ 225,243
Capital assets	2,002,146	2,006,420	11,111	11,452	2,013,257	2,017,872
Total assets	<u>2,291,925</u>	<u>2,209,322</u>	<u>23,891</u>	<u>33,793</u>	<u>2,315,816</u>	<u>2,243,115</u>
Deferred outflows of resources	1,057,091	958,130	-	-	1,057,091	958,130
Current liabilities	102,190	96,029	2,392	2,794	104,582	98,823
Long-term liabilities	2,682,953	2,328,731	512	456	2,683,465	2,329,187
Total liabilities	<u>2,785,143</u>	<u>2,424,760</u>	<u>2,904</u>	<u>3,250</u>	<u>2,788,047</u>	<u>2,428,010</u>
Deferred inflows of resources	34,294	15,168	-	-	34,294	15,168
Net position:						
Net investment in capital assets	1,896,523	1,895,954	11,111	11,452	1,907,634	1,907,406
Restricted	10,600	10,565	-	-	10,600	10,565
Unrestricted (deficit)	<u>(1,377,544)</u>	<u>(1,178,995)</u>	<u>9,876</u>	<u>19,091</u>	<u>(1,367,668)</u>	<u>(1,159,904)</u>
Total net position	<u>\$ 529,579</u>	<u>\$ 727,524</u>	<u>\$ 20,987</u>	<u>\$ 30,543</u>	<u>\$ 550,566</u>	<u>\$ 758,067</u>

A small portion of the Board's net position (2%) represents resources that are subject to external restrictions on how they may be used. The governmental activities restricted net position results from funds restricted for special education and health related services as mandated by the Maryland State Department of Education.

Change in Net Position

The Board's net position decreased \$215 million. This is primarily because of the increase in the OPEB liability of \$375 million offset by an increase in total deferred outflows of \$105 million.

The Board receives intergovernmental capital grants and contributions (revenue) for school construction projects yet has no corresponding liabilities. Additionally, most of the capital grants and contributions are capitalized as capital assets. Accordingly, there is little current expense (i.e., depreciation) associated with this revenue. Also, since the Board is fiscally dependent on the county, state, and federal governments, operating expenses closely match revenue, except for timing differences in relation to when an expense is recognized. The funding government(s) appropriate funds to the Board, which it spends to accomplish its goal of providing education to the children of Baltimore County Public Schools. Any unspent funds are returned to the funding authorities and can be re-appropriated in subsequent fiscal years.

The difference between the current year and prior year's change in net position was an increase of \$45 million. Governmental Activities change in net position increased by \$39 million, while the change in business-type activities was an increase of \$6 million. Beginning net position was restated due to implementation of GASB statement 84 and resulted in an increase in beginning net position of \$7.4 million. Program expenses for governmental activities increased \$47 million; while the corresponding program revenue decreased by \$16 million, which was related to a decrease in Capital grants and contributions of \$43 million, offset by an increase in Operating Grants and Contributions. General revenues from the county grew by \$10 million, and state general revenues grew by \$16 million. During fiscal year 2021, \$86 million of capital grants revenue was received and spent on school construction and renovation projects. This was a decrease of \$43 million from the prior year amount. The current year saw a decrease in spending due to closure of facilities related to the pandemic. The Board has undertaken a significant systemic phased school renovation and modernization program over the last few years. Renovation work continues in several of the high schools and will continue for several years. Work also continued for several new and replacement schools and additions to expand school capacity. Accordingly, expenditures on capital construction projects were \$86 million in fiscal year 2021, \$129 million in fiscal year 2020, \$112 million, \$229 million, \$192 million, in fiscal years 2019, 2018, and 2017, respectively. Those expenditures capitalized as assets exceeded current year depreciation by approximately \$14 million.

The schedule below shows the change in net position for the Board's governmental and business-type activities for the current and prior years.

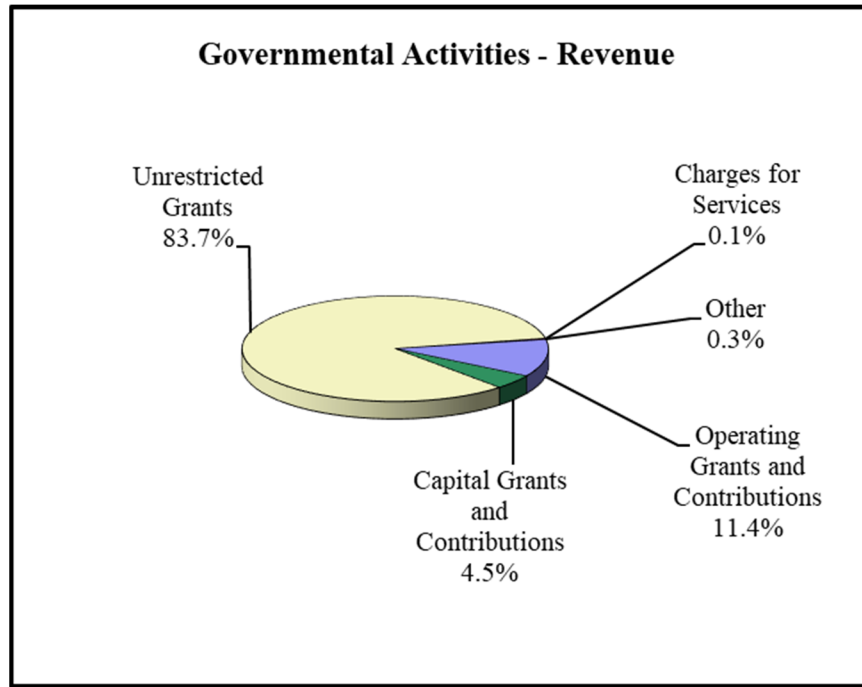
**The Board of Education of Baltimore County's
Changes in Net position (in thousands)**

	Governmental Activities		Business-type Activity		Total	
	2021	2020 *	2021	2020	2021	2020 *
Revenues:						
Program revenues:						
Charges for services	\$ 122	\$ 228	\$ 27	\$ 8,807	\$ 149	\$ 9,035
Operating grants and contributions	219,874	193,276	25,722	32,644	245,596	225,920
Capital grants and contributions	86,087	129,228	-	-	86,087	129,228
General revenues:						
Grants and contributions not restricted to certain programs	1,609,997	1,584,341	-	-	1,609,997	1,584,341
Other	6,593	7,233	-	-	6,593	7,233
Total revenues	1,922,673	1,914,306	25,749	41,451	1,948,422	1,955,757
Expenses:						
Administration	91,932	83,755	-	-	91,932	83,755
Mid-level administration	173,972	167,491	-	-	173,972	167,491
Instruction	1,176,500	1,126,208	-	-	1,176,500	1,126,208
Special education	352,473	345,016	-	-	352,473	345,016
Student personnel services	27,866	24,774	-	-	27,866	24,774
Health services	29,131	28,664	-	-	29,131	28,664
Student transportation	85,865	94,912	-	-	85,865	94,912
Operation of plant	122,582	129,991	-	-	122,582	129,991
Maintenance of plant	46,719	49,513	-	-	46,719	49,513
Community services	419	386	-	-	419	386
Capital administration	12,432	20,633	-	-	12,432	20,633
Student activities	2,916	-	-	-	2,916	-
Interest on long-term debt	4,215	4,207	-	-	4,215	4,207
Food services	-	4,496	36,322	45,272	36,322	49,768
Total expenses	2,127,022	2,080,046	36,322	45,272	2,163,344	2,125,318
Decrease in net position before transfers	(204,349)	(165,740)	(10,573)	(3,821)	(214,922)	(169,561)
Transfers	(1,017)	(779)	1,017	779	-	-
Change in net position	(205,366)	(166,519)	(9,556)	(3,042)	(214,922)	(169,561)
Net position, beginning of year, as restated	734,945	894,043	30,543	33,585	765,488	927,628
Net position, end of year	\$ 529,579	\$ 727,524	\$ 20,987	\$ 30,543	\$ 550,566	\$ 758,067

* The June 30, 2020 ending balances have not been restated for the implementation of GASB Statement 84.

Governmental Activities

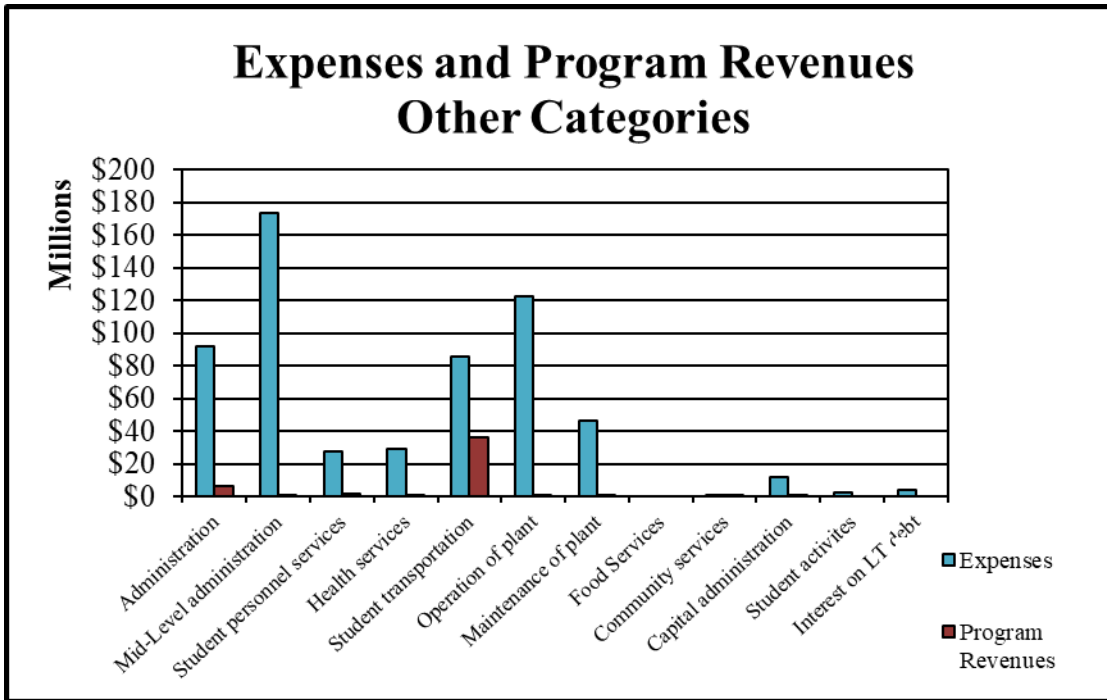
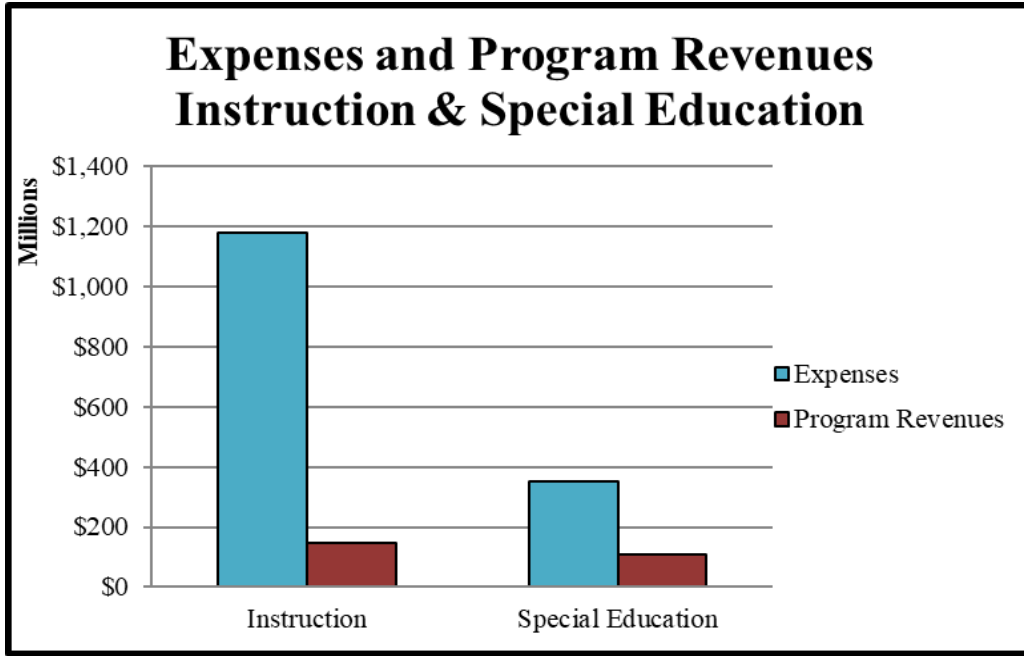
Governmental activities account for essentially all of the decrease in net position of the Board. General revenues from the county and the state increased by \$25.7 million during the current year. General revenues from the federal government and other sources declined by \$0.7 million. Program revenues from the county for capital projects decreased by \$18.4 million, while program revenue from the state for capital projects decreased by \$25.5 million. Program revenue from the federal government grew by \$25 million. Corresponding program expenses increased by 2% (\$47 million). Much of this increase in expense is from the impact of the OPEB plan which includes an increase in OPEB plan expenses of \$60 million. This was offset by declines in expenses due to the closure of schools during the pandemic and related vacancies. The chart below presents the Board’s governmental activities revenue for the fiscal year ending June 30, 2021.



Governmental activities revenue increased overall \$8 million from fiscal year 2020 to fiscal year 2021. The most significant changes were the increase in operating grants of \$27 million, and county and state general revenues of \$9 million and \$16 million, respectively. This was offset by declines in county and state capital grants of \$18 million and \$25 million, respectively.

The graphs below represent the cost of each of the Board’s instructional programs, as well as the program revenues (primarily intergovernmental aid) generated by each activity.

Governmental Activities



The following shows the cost of the Board's major governmental activities, their cost as a percentage of total governmental activities expenditures and, the corresponding program and general revenues:

- The cost of all the Board's educational programs was \$2.13 billion.
- Instructional and special education programs was \$1.53 billion (72%).
- School based and other instructional administration was \$174 million (8%).
- General administration cost was \$92 million (4%).
- Operation and maintenance of plant accounted for \$169 million (8%).
- Student transportation cost was \$86 million (4%).
- Revenue from charges for services was less than 0.1% of total expenses.
- Total program revenues were \$306 million – 14% of total expenses.
- Capital grants and contributions was \$86 million - 28% of total program revenues.
- Total general revenues were \$1.6 billion - 76% of total expenses.

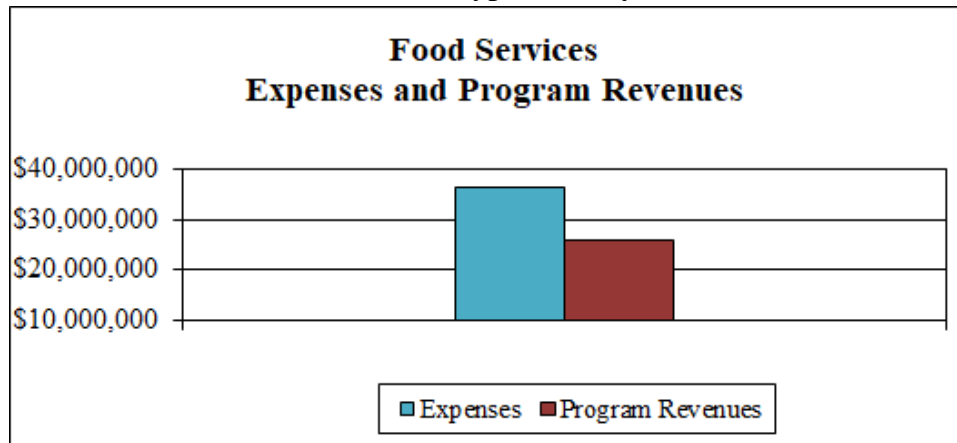
Business-type Activities

The Board's only business-type activity is the food service operation that serves meals to students and staff in schools. In fiscal year 2020, the COVID-19 pandemic presented significant disruptions and challenges in services provided by the Office of Food and Nutrition Services (OFNS). As a result, "regular" meal services were suspended after March 13, 2020. When these regular meal services ended, OFNS, pivoted to a "Mobile Meals" emergency feeding program. This continued through fiscal year 2021. In this program, bags of meals were prepared using shelf-stable food and were distributed at identified sites from which families could obtain meals for an entire day. These services were provided under the Summer Food Service Program. During FY2021 all students were provided free meals. Accordingly, revenue from reduced price meals, paid meals, and ala carte items ceased. The shift in strategy precipitated a decrease in total revenues by \$15.7 million (-37.9%) from fiscal year 2020 to fiscal year 2021.

A year-over-year comparison of the current and prior fiscal years shows that participation in the lunch and breakfast programs and thus the total number of lunch and breakfast meals served decreased by 4,229,542 and 2,546,843, respectively. These numbers represent decreases of 64.6% and 53.5% respectively, when compared to the prior year. An increase in the federal reimbursement rates helped offset revenue losses slightly.

Operating expenses fell significantly by more than \$9 million (20%). While salaries, wages, and benefits grew by \$1.2 million (5%), cost of food fell by \$8.7 million (20%), and supplies, administration, and other costs fell by \$1.2 million (53%). A net loss of \$10.6 million, coupled with \$1.0 million in capital contribution resulted in a decrease in net position of \$9.6 million.

Business-type Activity



Key indicators of the change in net position of the business-type activity follow:

- The contributed capital assets from the capital projects fund for equipment total \$1.0 million.
- Operating expenses total \$36.3 million, the largest portion being salaries, wages, and benefits of \$24.7 million and cost of food sold of \$8.6 million.
- Federal and state reimbursement of food costs, salaries and donated federal food commodities total \$25.6 million.

FUND HIGHLIGHTS

Governmental Funds

The assets of the Board's governmental funds exceeded liabilities at the end of the current fiscal year by \$171 million (*fund balance*). Total governmental revenues increased from last fiscal year by \$13 million. This change includes \$9 million less from the county, \$3 million less from the state, offset by \$25 million more from the federal government. The general fund revenue from the county increased by \$10 million, while capital funding from the county declined by \$18 million. Similarly, state general funding grew by \$22 million, while state capital projects funding fell by \$25 million, and state special revenue funding declined slightly by \$0.1 million. The increase in federal funds was due to \$25 million more in restricted grant revenues, primarily from Covid relief funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds – Fund Balances

The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$171 million, an increase of \$64 million.

The general fund is the primary operating fund of the Board. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$31.4 million while the total fund balance was \$160 million. The total general fund balance represents 9.7% of total general fund expenditures. These are typically useful as a measure of the general fund's liquidity. However, it is important to note that the Board is fiscally dependent on grants and appropriations from the county, state, and federal governments for its operating resources, as the Board has no authority to levy taxes or issue bonded debt.

During the fiscal year, the fund balance of the Board's general fund increased by \$64 million. This is due to general fund revenue exceeding expenditures by \$58.1 million, which was supplemented by capital lease issuances of \$5.8 million.

The fund balance of the special revenue fund increased slightly by less than \$0.1 million during the current fiscal year.

Capital projects fund revenues and expenditures fell by approximately \$43 million due to a slowdown in construction due to the pandemic. Most of the decrease was due to a decline in state revenue (\$25 million), the remaining decrease was in county revenue of (\$18 million).

Proprietary Funds

The Board's proprietary funds include the Food Services Fund and the Workers' Compensation Internal Service Fund. The enterprise fund provides the same type of information found in the government-wide financial statements, but in more detail. The internal service fund includes inter-fund revenues from charges to participating funds and expenses for claims and administrative costs of operating the workers' compensation plan.

During the current fiscal year, the net position of the Food Services Fund decreased by \$9.6 million. Much of this was due to the closure of schools in mid-March due to the COVID-19 pandemic. Operating revenues decreased by \$8.7 million or 99.6%. Federal reimbursements and donated commodities food service costs decreased by \$12.7 million or 41.6%. Despite a decrease, State reimbursements remained relatively unchanged. Operating expenses decreased by \$8.9 million or 19.7% primarily due to a decrease in the cost of food of \$8.7 million or 50%. Other cost savings include decreases in the cost of supplies, maintenance and repair of

equipment and other expenses for a combined total of \$1 million. After a capital contribution of \$1 million, the Food Services Fund incurred a net loss of \$9.6 million in fiscal year 2021.

In fiscal year 2014, the Board assumed responsibility from the county government for operating the self-insured workers compensation plan. This included the transfer from the county of the liability for all outstanding claims pertaining to Board employees. During fiscal year 2021, the Workers' Compensation Fund recognized \$14.3 million in chargeback revenue from other funds. Claims incurred and administrative costs totaled \$2.9 million. This includes a \$2.4 million reduction in the provision for future claims, resulting in an increase in net position of \$11.4 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final general fund budget was unchanged from the original adopted budget. During the year, transfers of appropriations were made between categories. Estimated excess funds were transferred from the Mid-level Administration, Instructional Salaries, Student Transportation, Operation of Plant and Fixed Charges categories, due to savings in salaries, benefits, contracted services, and energy costs. The funds were transferred to the Administration, Instructional Textbooks and Supplies, Other Instructional Costs, Special Education, and Maintenance of Plant, to provide funding for additional instructional materials, technology services, moving software applications to cloud based systems, and special education private placement costs.

Actual revenues were less than budgeted revenues (\$6.2 million) due to less than expected state grant revenues for the Non-Public Placement Program (\$2.3 million), less State revenues from the Blueprint for Maryland's Future funds (\$2.5 million), and less revenue from other school systems for Out of County and Kinship care tuition. This minor variance in total revenue is attributed primarily to the fact that the Board is fiscally dependent on the county and state governments for its funding, and the funding is adopted through the budget process prior to the start of the fiscal year. Once adopted, these appropriated amounts from the county and state rarely change.

Actual expenditures during FY2021 were approximately the same as FY2020. Expenditure increased slightly by \$3.5 million. Salaries fell by \$10.2 million (1.0%) due to many vacancies due to the pandemic. Contracted services decreased by \$3.5 million (2.7%), Supplies fell by \$3.9 million (8.9%), and equipment fell by \$2.3 million (13%). These decreases were largely because schools and offices were vacant most of the year while instruction and support services were provided through teleworking. These declines were offset by an increase in OPEB, retirement, healthcare, and workers compensation expenses of a combined \$24 million (6%).

Actual expenditures were \$67.1 million (4.1%) less than the adopted budget. Most of this was attributed to the cost of salaries, which were lower than expected due to personnel turnover and vacancies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Board's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$2.0 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, and construction in progress. The Board has no infrastructure assets (roads, bridges, streets, etc.).

The following schedule shows the Board's governmental and business-type activities capital assets (net of depreciation) by type:

	Governmental Activities		Business-type Activity		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 32,051	\$ 32,051	\$ -	\$ -	\$ 32,051	\$ 32,051
Buildings	1,604,591	1,612,889	3,384	3,647	1,607,975	1,616,536
Improvements other than buildings	42,893	45,908	-	-	42,893	45,908
Furniture, fixtures, and equipment	52,437	55,550	7,727	7,805	60,164	63,355
Construction in progress	270,173	260,022	-	-	270,173	260,022
Total	\$ 2,002,145	\$ 2,006,420	\$ 11,111	\$ 11,452	\$ 2,013,256	\$ 2,017,872

The total net decrease in the Board's capital assets during the year was \$4.6 million (net decrease resulted from \$89.7 million in additions offset by depreciation and disposals of \$94.3 million). Major capital additions during the fiscal year ended June 30, 2021, included the following:

- \$29 million for renovations and additions at five schools
- \$40 million for seven replacement schools
- \$4 million for two new schools
- \$3 million for roof replacements
- \$3 million for site improvements

At the end of the current year, the Board had outstanding contractual commitments on construction projects totaling more than \$46 million. Additional information on the Board's capital assets can be found in Note 5 on pages 68 - 70 of this report.

Debt Administration

The Board has no authority to issue bonded debt. The county or state may issue debt to finance school construction. The outstanding debt for school construction financing is reported in the financial statements of the issuing government, while the corresponding assets are reported in the Board's financial statements. During the fiscal year ended June 30, 2021, the total debt service costs paid by the county government to finance public school construction were \$68 million.

The debt carried by the Board is in the form of capital lease-purchase financing. This includes short-term financing (5 years) for school buses and other vehicles, and long-term capital leases (20 years) to finance energy saving improvements in numerous schools. Additional details of the Board's debt obligations can be found in Note 8 on pages 73 - 74 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Maryland state law requires the Board to submit its proposed fiscal year budget to the Baltimore County Executive by March 1st of the prior fiscal year. The county executive then submits a proposed budget to the Baltimore County Council, which must adopt a budget by June 1st of the prior fiscal year. Accordingly, the new fiscal year budget is known prior to the end of the current fiscal year.

Maryland state law mandates a certain level of state and county funding for the Board based on formulas that include factors such as student enrollment, prior fiscal year per pupil expenditures, and the wealth of the county. The county is required, in compliance with state maintenance of effort calculations, to provide funding at least equal to the current year student enrollment multiplied by the county's local appropriation on a per pupil basis for the prior fiscal year. The county may also provide funding for one-time items that do not impact the maintenance of effort calculation in future years.

The general fund operating budget for the fiscal year July 1, 2021 – June 30, 2022, was adopted by the county council on April 19, 2021. The total general fund operating budget adopted for fiscal year 2022 is \$1.68 billion. The fiscal year 2022 operating budget is \$26.6 million (1.6%) more than the fiscal year 2021 final budget. This increase is attributable to the following:

- The adopted FY2022 budget includes additional county funding of \$28.2 million, an increase of 3.3% over fiscal year 2021 budgeted county revenue. The county funded above the required maintenance of effort level driven by enrollment, even though enrollment decreased by almost 4,000 students. The county also funded salary increases and increased minimum wage costs of \$27.6 million.
- The state funds are based on state formula funding driven by enrollment and local wealth factors such as property assessments and net taxable income. Even though enrollment fell by almost 4,000 students due to the pandemic, the state passed legislation to hold the school systems harmless. This hold harmless action provided \$30.4 million to BCPS to prevent a significant decline in state funding. The net decrease in total state funding of \$1.6 million was primarily due to a shift of Concentration of Poverty funds to the special revenue fund.

The adopted capital projects budget for fiscal year 2022 represents a substantial increase of \$192 million from \$58 million to \$250 million. The FY2022 capital funding includes the following major projects:

- \$67.6 million for the replacement of Lansdowne High School
- \$53 million for the additions and renovations at various schools

- \$20.9 million for replacement of Red House Run Elementary School
- \$17.8 million for a new northeast area elementary school
- \$30 million for various major maintenance projects
- \$20 million for site improvements

The adopted budget for the special revenue fund (\$253.5 million) is a major increase (75.7%) of approximately \$109 million over the final budget for the prior fiscal year. The increase is primarily due to significant increases in funding from the Elementary and Secondary School Emergency Relief Fund (ESSER). The ESSER funds are to provide critical support to address learning loss associated with the pandemic.

The, *Every Student Succeeds Act* (ESSA), replaced and updated the No Child Left behind Act of 2015. ESSA took full effect in FY2018 and shifted much of the federal requirements to the states to implement and oversee. Some of the key requirements of ESSA are:

- Accountability plans, goals, and systems
- Identification and intervention in low-performing schools
- Testing in reading and math beginning in third grade and continuing into high school
- Maintaining challenging academic standards
- Continued maintenance of effort requirements for funding

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Board of Education of Baltimore County's finances for all those with an interest. The report seeks to demonstrate the Board's accountability for the funds it receives. Questions concerning any of the information contained in this report, or requests for additional information should be addressed to: Executive Director, Department of Fiscal Services, Baltimore County Public Schools, 6901 N. Charles St., Towson, Maryland 21204.



Corena Burkindine-Castro

Grade 4

Cedarmere Elementary

BOARD OF EDUCATION OF BALTIMORE COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2021
(In Thousands)

	Governmental Activities	Business-type Activity	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 206,034	\$ 2,818	\$ 208,852
Accounts receivable, net:			
Baltimore County	10,704	-	10,704
State of Maryland	28,499	2,231	30,730
United States Government	22,897	6,000	28,897
Other	8,165	56	8,221
Inventories:			
Food and supplies	-	1,675	1,675
Other	485	-	485
Prepaid items	1,949	-	1,949
Investments restricted for lease purchases	11,046	-	11,046
Capital assets (net of accumulated depreciation):			
Land	32,051	-	32,051
Buildings	1,604,591	3,384	1,607,975
Improvements other than buildings	42,893	-	42,893
Furniture, fixtures, and equipment	52,437	7,727	60,164
Construction in progress	270,174	-	270,174
Total assets	2,291,925	23,891	2,315,816
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Retirement and OPEB plans	1,057,091	-	1,057,091
 <u>LIABILITIES</u>			
Accounts payable	51,797	215	52,012
Retainage payable	6,212	-	6,212
Accrued salaries and withholdings	23,472	1,064	24,536
Other liabilities	3,462	-	3,462
Unearned revenue	6,201	1,113	7,314
Liabilities payable from restricted investments	11,046	-	11,046
Long-term liabilities:			
Due within one year	27,517	204	27,721
Due in more than one year	2,655,436	308	2,655,744
Total liabilities	2,785,143	2,904	2,788,047
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Retirement and OPEB plans	34,294	-	34,294
 <u>NET POSITION (DEFICIT)</u>			
Net Investment in capital assets	1,896,523	11,111	1,907,634
Restricted for special education services	10,600	-	10,600
Unrestricted (deficit)	(1,377,544)	9,876	(1,367,668)
Total net position	\$ 529,579	\$ 20,987	\$ 550,566

The notes to the basic financial statements are an integral part of this statement

BOARD OF EDUCATION OF BALTIMORE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activity	Totals
Governmental activities:						
Administration	\$ 91,932	\$ 6,598	\$ 116	\$ (85,218)	\$ -	\$ (85,218)
Mid-level administration	173,972	247	-	(173,725)	-	(173,725)
Instruction	1,176,500	67,005	81,600	(1,027,773)	-	(1,027,773)
Special education	352,473	104,398	3,451	(244,624)	-	(244,624)
Student personnel services	27,866	1,717	-	(26,149)	-	(26,149)
Health services	29,131	1,413	-	(27,718)	-	(27,718)
Student transportation	85,865	36,591	168	(49,106)	-	(49,106)
Operation of plant	122,582	144	-	(122,438)	-	(122,438)
Maintenance of plant	46,719	1,342	-	(45,377)	-	(45,377)
Food Services	-	-	-	-	-	-
Community services	419	419	-	-	-	-
Capital administration	12,432	-	752	(11,680)	-	(11,680)
Student activities	2,916	-	-	(2,916)	-	(2,916)
Interest on long-term debt	4,215	-	-	(4,215)	-	(4,215)
Total governmental activities	2,127,022	219,874	86,087	(1,820,939)	-	(1,820,939)
Business-type activity:						
Food services	36,322	25,722	-	-	(10,573)	(10,573)
Total	\$ 2,163,344	\$ 245,596	\$ 86,087	(1,820,939)	(10,573)	(1,831,512)
Unrestricted general revenues:						
Baltimore County				861,086	-	861,086
State of Maryland				748,315	-	748,315
United States Government				596	-	596
Other				6,593	-	6,593
Total unrestricted general revenues				1,616,590		1,616,590
Transfers				(1,017)	1,017	-
Total unrestricted general revenues and transfers				1,615,573	1,017	1,616,590
Change in net position				(205,366)	(9,556)	(214,922)
Net position, beginning of year, as restated				734,945	30,543	765,488
Net position, end of year				\$ 529,579	\$ 20,987	\$ 550,566

The notes to the basic financial statements are an integral part of this statement.

BOARD OF EDUCATION OF BALTIMORE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021
(In Thousands)

	General	Special Revenue	Capital Projects	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 187,660	\$ -	\$ 1,518	\$ 189,178
Accounts receivable, net:				
Baltimore County	6,108	35	4,561	10,704
State of Maryland	18,694	2,145	7,660	28,499
United States Government	-	22,897	-	22,897
Other	6,736	176	1,253	8,165
Due from other funds	3,446	-	-	3,446
Inventories	485	-	-	485
Prepaid items	1,949	-	-	1,949
Investments restricted for lease purchases	11,046	-	-	11,046
Total assets	\$ 236,124	\$ 25,253	\$ 14,992	\$ 276,369
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 39,386	\$ 3,209	\$ 8,780	\$ 51,375
Retainage payable	-	-	6,212	6,212
Accrued salaries and withholdings	21,837	1,786	-	23,623
Due to other funds	-	3,446	-	3,446
Other liabilities	3,451	11	-	3,462
Unearned revenue	-	6,201	-	6,201
Liabilities payable from restricted investments	11,046	-	-	11,046
Total liabilities	75,720	14,653	14,992	105,365
Fund balances:				
Non-spendable	2,434	-	-	2,434
Restricted	-	10,600	-	10,600
Assigned	126,538	-	-	126,538
Unassigned	31,432	-	-	31,432
Total fund balances	160,404	10,600	-	171,004
Total liabilities and fund balances	\$ 236,124	\$ 25,253	\$ 14,992	\$ 276,369

The notes to the basic financial statements are an integral part of this statement.

BOARD OF EDUCATION OF BALTIMORE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2021
(In Thousands)

Total fund balances - governmental funds (page 44) \$ 171,004

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 the governmental funds. The cost of the assets is \$3,122,029 and the accumulated depreciation is (\$1,119,883). 2,002,145

Long-term liabilities, including capital leases of (\$99,410), compensated absences of (\$36,892), the estimated liability for workers' compensation claims and judgments of (\$10,006), the net other postemployment benefits liability (\$2,420,620) and net pension liability (\$116,025) are not due and payable from current resources and, therefore, are not reported as liabilities in the funds. (2,682,953)

An internal service fund was established to account for the activities of the workers' compensation plan. The assets and accrued expenses of this fund are included here, but were not shown on the Governmental statements. 16,586

The net effect of the Deferred Outflows and Deferred Inflows of Resources recorded in conjunction with the recognition of the county retirement and OPEB liability is shown here but not included in the Governmental Statements. 1,022,797

Total net position - governmental activities (page 42) \$ 529,579

The notes to the basic financial statements are an integral part of this statement.

BOARD OF EDUCATION OF BALTIMORE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	General	Special Revenue	Capital Projects	Total Governmental Funds
Revenues:				
Baltimore County	\$ 861,086	\$ 39	\$ 61,129	\$ 922,254
State of Maryland	839,768	6,463	24,007	870,238
United States Government	596	105,705	-	106,301
Other	6,716	475	951	8,142
Total revenues	<u>1,708,166</u>	<u>112,682</u>	<u>86,087</u>	<u>1,906,935</u>
Expenditures:				
Current:				
Administration	56,843	5,177	-	62,020
Mid-level administration	102,446	221	-	102,667
Instruction:				
Instructional salaries	558,748	27,345	-	586,093
Textbooks and supplies	21,943	25,597	-	47,540
Other instructional costs	43,919	7,091	-	51,010
Special education	211,750	24,449	-	236,199
Student personnel services	15,263	1,260	-	16,523
Health services	16,558	1,320	-	17,878
Student transportation	58,331	585	-	58,916
Operation of plant	87,801	144	-	87,945
Maintenance of plant	37,552	573	-	38,125
Fixed charges	417,986	18,492	-	436,478
Community services	-	393	-	393
Capital administration	4,762	-	85,801	90,563
Student activities	2,916	-	-	2,916
Debt service:				
Principal	8,981	-	-	8,981
Interest	4,215	-	-	4,215
Total expenditures	<u>1,650,014</u>	<u>112,647</u>	<u>85,801</u>	<u>1,848,462</u>
Excess of revenues over expenditures	<u>58,152</u>	<u>35</u>	<u>286</u>	<u>58,473</u>
Other financing source :				
Capital lease issuance	5,846	-	-	5,846
Total other financing source	<u>5,846</u>	<u>-</u>	<u>-</u>	<u>5,846</u>
Net change in fund balances	63,998	35	286	64,319
Fund balances (deficit), beginning of year, as restated	<u>96,406</u>	<u>10,565</u>	<u>(286)</u>	<u>106,685</u>
Fund balances, end of year	<u>\$ 160,404</u>	<u>\$ 10,600</u>	<u>\$ -</u>	<u>\$ 171,004</u>

The notes to the basic financial statements are an integral part of this statement.

**BOARD OF EDUCATION OF BALTIMORE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)**

Total net change in fund balances - governmental funds (page 46)	64,319
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report the construction and purchase of capital assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital asset additions \$157,784 adjusted for assets converting from construction-in progress (\$68,299), other disposals from CIP (\$6,181), contributions to the Food Services business type activities (\$1,017), other excess accumulated depreciation on disposals \$6,181 is less than depreciation expense of (\$92,742) in the current period.	(4,274)
Repayment of capital lease principal is an expenditure in the governmental fund but the repayment reduces long-term liabilities in the statement of net position.	8,981
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This is the amount by which vacation leave earned (\$13,133) is greater than vacation leave used (\$6,037) in the current period.	(7,096)
Proceeds of capital lease issuance which provide current financial resources in the governmental funds, are not reported as revenues in the statement of activities.	(5,846)
Decrease in the estimated liability for workers' compensation claims included in long-term obligations.	2,444
Net effect of the expenditures for recording the net OPEB liability.	(273,599)
Net effect of the expenditures for recording the net pension liability for the Employees' Retirement System of Baltimore County.	725
Increase in the assets of the Internal Service Fund are not included in the Governmental Statements.	8,980
Change in net position of governmental activities (page 43)	<u><u>(205,366)</u></u>

The notes to the basic financial statements are an integral part of this statement.

BOARD OF EDUCATION OF BALTIMORE COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Adopted	Final	Actual Amounts	
Revenues:				
Baltimore County	\$ 861,086	\$ 861,086	\$ 861,086	\$ -
State of Maryland:				
Foundation Program	425,219	425,219	425,219	-
Geographic Cost of Education	6,490	6,490	6,490	-
Compensatory Education	160,395	160,395	160,497	102
Limited English Proficiency	32,803	32,803	32,799	(4)
Transportation	35,414	35,414	35,414	-
Formula-Students with Disabilities	42,980	42,980	42,980	-
Out-of-County Living Arrangements	1,100	1,100	940	(160)
Non-public Placements	21,875	21,875	19,563	(2,312)
Blueprint for Maryland's Future	24,199	24,199	21,676	(2,523)
Aging Schools	874	874	813	(61)
Quality Teacher Incentive	144	144	105	(39)
Total State of Maryland	751,493	751,493	746,496	(4,997)
United States Government	650	650	596	(54)
Other	36,972	36,972	35,851	(1,121)
Total revenues	<u>1,650,201</u>	<u>1,650,201</u>	<u>1,644,029</u>	<u>(6,172)</u>
Expenditures:				
Current:				
Administration	59,509	63,119	59,193	3,926
Mid-level administration	109,272	108,707	102,893	5,814
Instruction:				
Instructional salaries	579,131	571,758	558,748	13,010
Instructional textbooks and supplies	21,129	25,781	23,143	2,638
Other instructional costs	52,978	54,016	50,940	3,076
Special education	214,929	218,760	216,893	1,867
Student personnel services	17,566	17,566	15,285	2,281
Health services	18,574	18,574	16,636	1,938
Student transportation	82,511	79,684	65,703	13,981
Operation of plant	114,865	112,606	101,623	10,983
Maintenance of plant	42,760	45,499	41,700	3,799
Fixed charges	331,986	329,140	325,854	3,286
Capital administration	4,991	4,991	4,474	517
Total expenditures	<u>1,650,201</u>	<u>1,650,201</u>	<u>1,583,085</u>	<u>67,116</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	60,944	<u>\$ 60,944</u>
Fund balance, beginning of year			54,158	
Reappropriation of prior year fund balance included in Other Revenues			(31,325)	
Fund balance, end of year			<u>\$ 83,777</u>	

The notes to the basic financial statements are an integral part of this statement.

BOARD OF EDUCATION OF BALTIMORE COUNTY
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive (Negative)
	<u>Adopted</u>	<u>Final</u>		
Revenues:				
Baltimore County	\$ 5	\$ 380	\$ 49	(331)
State of Maryland	9,647	10,590	5,464	(5,126)
United States Government	79,543	132,666	106,948	(25,718)
Other	578	667	458	(209)
Total revenues	<u>89,773</u>	<u>144,303</u>	<u>112,919</u>	<u>(31,384)</u>
Expenditures:				
Administration	5,375	5,392	5,418	(26)
Mid-level administration	406	406	230	176
Instruction:				
Instructional salaries	26,958	38,354	27,343	11,011
Instructional textbooks and supplies	2,560	25,184	26,975	(1,791)
Other instructional costs	5,564	9,154	5,765	3,389
Special education	26,660	28,987	24,462	4,525
Student personnel services	365	1,033	1,748	(715)
Health services	716	1,573	707	866
Student transportation	392	392	527	(135)
Operation of plant	69	69	132	(63)
Maintenance of Plant	-	572	727	(155)
Fixed charges	20,214	22,198	18,494	3,704
Community services	494	494	356	138
Food services	-	10,495	-	10,495
Total expenditures	<u>89,773</u>	<u>144,303</u>	<u>112,884</u>	<u>31,419</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	35	<u>\$ 35</u>
Fund balance, beginning of year			10,565	
Fund balance, end of year			<u>\$ 10,600</u>	

The notes to the basic financial statements are an integral part of this statement.

BOARD OF EDUCATION OF BALTIMORE COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021
(In Thousands)

	Food Service Enterprise Fund	Internal Service Fund
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 2,818	\$ 16,856
Due from other governments	8,231	-
Accounts receivable - other	56	157
Inventories, at cost	1,675	-
Total current assets	12,780	17,013
Capital assets (net of accumulated depreciation):		
Building	3,384	-
Furniture, fixtures and equipment	7,727	-
Total capital assets - net	11,111	-
Total assets	23,891	17,013
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	215	421
Accrued salaries and withholdings	1,064	4
Compensated absences	204	-
Claims and judgements	-	5,060
Unearned revenue	1,113	-
Total current liabilities	2,596	5,485
Noncurrent liabilities:		
Compensated absences	308	-
Claims and judgements	-	4,945
Total noncurrent liabilities	308	4,945
Total liabilities	2,904	10,430
<u>NET POSITION</u>		
Net investment in capital assets	11,111	-
Unrestricted	9,876	6,583
Total net position	\$ 20,987	\$ 6,583

The notes to the basic financial statements are an integral part of this statement.

BOARD OF EDUCATION OF BALTIMORE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Food Service Enterprise Fund	Internal Service Fund
Operating Revenues:		
Charges for services	\$ 27	\$ -
Employer's contributions	-	14,317
Total operating revenue	<u>27</u>	<u>14,317</u>
Operating Expenses:		
Cost of food sold	8,598	-
Salaries, wages, and benefits	24,738	191
Claims and judgements paid	-	3,972
Provision for claims and judgements	-	(2,446)
Supplies	708	-
Maintenance and repair of equipment	419	-
Administration and support	114	1,175
Depreciation	1,541	-
Other	204	-
Total operating expenses	<u>36,322</u>	<u>2,892</u>
Operating income (loss)	<u>(36,295)</u>	<u>11,425</u>
Nonoperating Revenues:		
Federal reimbursement of food service costs	16,551	-
State reimbursement of food service costs	1,838	-
Federal donated commodities	1,253	-
Federal and other grants	6,057	-
Other revenue	23	-
Total nonoperating revenues	<u>25,722</u>	<u>-</u>
Income (loss) before capital contribution	(10,573)	11,425
Capital contribution	<u>1,017</u>	<u>-</u>
Change in net position	(9,556)	11,425
Net position (deficit), beginning of year	<u>30,543</u>	<u>(4,842)</u>
Net position , end of year	<u>\$ 20,987</u>	<u>\$ 6,583</u>

The notes to the basic financial statements are an integral part of this statement.

BOARD OF EDUCATION OF BALTIMORE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(In Thousands)

	Food Service Enterprise Fund	Internal Service Fund
Cash flows from operating activities:		
Cash received for services	\$ (37)	\$ -
Cash paid to employees	(24,724)	(192)
Cash paid to suppliers	(8,709)	-
Claims and judgements paid	-	(3,920)
Administration and support	-	(1,175)
Employer's contributions	-	14,355
Net cash provided by (used in) operating activities	(33,470)	9,068
Cash flows from non-capital financing activities:		
Proceeds of advance repaid	-	750
Capital Fund contribution for purchase of small equipment	120	-
Federal and other grants	57	-
Governmental and other subsidies	17,195	-
Net cash provided by non-capital financing activities	17,372	750
Cash flows from capital and related financing activities:		
Purchase of capital assets - net	(287)	-
Net cash used in capital and related financing activities	(287)	-
Cash flows from investing activities - interest received	4	-
Net increase (decrease) in cash and cash equivalents	(16,381)	9,818
Cash and cash equivalents, beginning of year	19,199	7,038
Cash and cash equivalents, end of year	\$ 2,818	\$ 16,856
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (36,295)	\$ 11,425
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:		
Depreciation expense	1,541	-
Federal donated commodities	1,253	-
Effect of changes in operating assets and liabilities:		
Accounts receivable - other	(52)	38
Inventories	428	-
Accounts payable	(67)	50
Accrued salaries and withholdings	14	(1)
Compensated absences	-	-
Liability for claims and judgements	-	(2,444)
Unearned revenue	(292)	-
Net cash provided by (used in) operating activities	\$ (33,470)	\$ 9,068
Noncash investing, capital and financing activities:		
Contribution of capital equipment from other fund	1,017	-

The notes to the basic financial statements are an integral part of this statement.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Board of Education of Baltimore County (the Board) is a body politic and corporate established by the Public School Laws of Maryland with the adoption of the Maryland Constitution in 1865. Section 3-103 of the Education Article of the Annotated Code of Maryland establishes a board of education for each county school system. It is composed of eleven voting members, seven who are elected for four - year terms and four who are appointed by the Governor of Maryland for terms of five years, and one student member who serves for one year. The Board has the responsibility to maintain a reasonable, uniform system of public schools to provide quality education for all youth of Baltimore County.

The financial statements of the Board are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America, applicable to governmental entities, as prescribed by the Governmental Accounting Standards Board (GASB).

The Board is a component unit of the Baltimore County Government and the Board's financial statements are included in the County's financial statements. This conclusion was reached based on the following criteria: (1) the County Council is responsible for approving the Board's budget and establishing spending limitations; and (2) the County Council is responsible for levying taxes and collecting and distributing the funds to the Board. The Board is fiscally dependent upon appropriations and grants from the County.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net position and the statement of activities) report information of all non-fiduciary activities of the Board. For the most part, inter-fund activity, which results primarily from activities in the Internal Service Fund, has been removed from these government-wide statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Items not properly included among program revenues are reported instead as general revenues. Internally allocated resources are reported as general revenues (transfers) rather than program revenues. The majority of the intergovernmental revenues from the county and state are general revenues. This is because the county and state funding is driven by mandatory state law formulas based primarily on the number of students enrolled, and the majority of these funds are not directly attributable to a specific program or

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

activity. Those intergovernmental county and state revenues that are specifically for a specific program or activity are recognized as program revenues. The Board does not allocate general government administration or indirect expenses to other functions.

Net position is restricted when constraints imposed are either externally imposed or imposed by legal requirements. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds and the proprietary fund are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

- 1) *Government-wide Financial Statements* – The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as eligibility requirements have been met.
- 2) *Governmental Fund Financial Statements* – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 180 days of the end of the current fiscal year. Principal revenue sources considered susceptible to accrual include federal and state grants and local county government appropriations. Other revenues are considered to be measurable and available only when cash is received by the Board.

Expenditures generally are recorded when a liability is incurred, as under full accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as expenditures when used. The amount of accumulated annual leave unpaid at June 30, 2021, has been reported only in the government-wide financial statements.
- Interest on long-term obligations (capital leases) is recognized when paid.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

- Amounts encumbered as purchase orders are recorded as an assignment of fund balance.

The Board reports the following major governmental funds:

- a) The General Fund is the Board's primary operating fund. It accounts for all financial resources of the Board, except those required to be accounted for in another fund.
 - b) The Special Revenue Fund accounts for revenues, primarily from state and federal governments, which are subject to restrictions as to their use.
 - c) The Capital Projects Fund accounts for the resources used for the acquisition, construction, or improvement of major capital facilities, including those of the proprietary fund.
- 3) ***Proprietary Fund Financial Statements*** – The financial statements of the Board's proprietary funds, the Food Service Enterprise Fund and the Internal Service Fund, are prepared using the economic resource measurement focus and the accrual basis of accounting, similar to the government-wide statements described above. Because the food services fund is a significant operation of the Board, and student participation in the Free and Reduced Price Meals Program drives other fund revenue formulas, it is reported as a Major Fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Food Service Enterprise Fund are charges for meals. Operating expenses include costs of food sold, salaries, wages and benefits, supplies, maintenance of equipment, and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The most significant source of revenue for the Food Service Enterprise Fund is the reimbursement of food costs from the federal government.

The Internal Service Fund accounts for the financial activities of the Board's self-insured workers' compensation program. The revenues of this fund are generated by charges to other Board funds which have salary expenditures. The operating expenses of the Internal Service Fund include expenditures for claims paid, third-party administrative fees, and premiums for excess liability insurance coverage.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS AND INFLOWS, AND NET POSITION OR EQUITY

- 1) **Deposits and Investments** – Board cash receipt and disbursement transactions relating to the major funds (General, Special Revenue, Capital Projects, and Proprietary) are initiated through a pooled cash and investment account. Unique account numbers are used to track each fund’s transactions. The Board has pooled amounts from these funds to be used for investment purposes. In the fund financial statements, each fund’s specific share of the pooled cash, investments, and inter-fund transactions are shown as cash and cash equivalents, or as “due (to) from other funds”, if the fund’s inter-fund liabilities exceed its share of pooled cash and investments. The Food Service Proprietary Fund and School Activities investments funds are allocated interest income based on their share of the investment pool. The remaining interest income is allocated to the General Fund.

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield. In this regard, the Annotated Code of Maryland authorizes the Board to invest in the following: time deposits, savings accounts, and demand deposit accounts in banks and savings and loan associations that are federally insured; or are secured with collateral as set forth in the State Finance and Procurement Article; any investment portfolio created under the Maryland Local Government Investment Pool that is administered by the Office of the State Treasurer; obligations for which the United States has pledged its full faith and credit for the payment of the principal and interest; obligations that a federal agency or federal instrumentality has issued in accordance with an act of Congress; repurchase agreements collateralized (in an amount not less than 102% of the principal amount) by an obligation of the United States, its agencies or instrumentalities; bankers’ acceptances guaranteed by a financial institution and commercial paper and money market mutual funds receiving the highest possible rating.

The Board’s cash and cash equivalents are considered to be short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity at the time of purchase that they present insignificant risk of changes in value because of changes in interest rates.

Cash and cash equivalents are recorded at cost or amortized cost. Investments are recorded at fair value, based on closing market prices at June 30, 2021. The investments in the Maryland Local Government Investment Pool (Pool) are valued on an amortized cost basis. The fair value of the Board’s position in the Pool is the same as the value of the pool shares.

- 2) **Receivables** – Accounts receivable in all funds represent amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectable amounts. Governmental fund type receivables consist primarily of amounts due from county, state, or federal governments and from other Maryland Boards of Education. These intergovernmental receivables are generally collected within 90 days of the end of the fiscal

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

year. Certain intergovernmental receivables may extend up to 180 days from the end of the fiscal year. Uncollectible amounts of as June 30, 2021 are expected to be minimal based upon collection experience and review of the status of existing receivables.

- 3) ***Inter/Intrafund Transactions*** – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” The Board has no long-term advances or inter-fund loans, and all inter-fund transactions are considered current activity. Inter-fund activity consists primarily of transfers between funds to cover cash deficits. These deficits arise primarily because many grants and capital projects are reimbursed to the Board by the granting government after the Board has incurred the expenditure.
- 4) ***Inventories and Prepaid Items*** – Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems. Inventory in the General Fund consists of expendable supplies and materials. These inventories are accounted for under the consumption method, where expenses are recorded as the items of inventory are used, and are stated at cost, using the average cost method. The General Fund inventories on hand at year-end are reflected as non-spendable fund balance.

The inventories of the Food Service Enterprise Fund include federal government donated food commodities that are valued at estimated market value. The remaining fund inventories are accounted for under the consumption method and are stated at cost, using the average cost method.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements, these payments are expended in future periods using the consumption method of accounting.

- 5) ***Capital Assets*** – Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Board as assets which have a cost of \$5,000 or more at the date of acquisition and have a useful life of two years or more. Such assets are stated at historical cost or estimated historical cost, if actual cost is not known. Donated capital assets are recorded at acquisition value at the date of donation. The Board has no infrastructure assets.

The cost of normal maintenance and repairs that do not add to the value or materially extend the useful life of an asset are not capitalized. Building improvements, additions, and renovations with a cost greater than \$500,000 are capitalized.

Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements. Depreciation expenses are recorded in the government-wide financial statements, as well as the proprietary fund financial statements. Capital assets are depreciated over the useful life of the asset using the straight-line method.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

There is no depreciation recorded for land and construction in progress. Generally, estimated useful lives are as follows:

Furniture, fixtures and equipment	5 – 25 years
Buildings and Improvements	20 – 50 years

- 6) **Deferred Outflows** – A deferred outflow of resources represents a consumption of net position that applies to a future period; therefore, will not be recognized as an outflow of resources (expenditure) until the future period. At June 30, 2021, the Board had deferred outflows of resources in the amount of \$1,057,091 that relate to changes in activity, experience, assumptions, and contributions to the Employees Retirement System of Baltimore County and the Other Post-Employment Benefits (OPEB) plan.
- 7) **Compensated Absences** – Employees of the Board, excluding ten-month employees, may earn annual vacation leave at various rates depending on the bargaining unit that represents them and their length of service. Unused annual vacation leave may be accrued up to a maximum of 45 days. All accrued annual vacation leave is payable upon separation from employment. The governmental fund financial statements record expenditures when employees are paid for leave taken, on a first-in first-out (FIFO) basis. The government-wide and proprietary fund financial statements present the cost of accumulated vacation leave and related payroll taxes as a liability. A liability for these amounts is reported in the governmental fund financial statements only if they have matured due to resignations or retirements. There is no liability for unpaid accumulated sick leave since the Board does not pay this amount when an employee separates from service.
- 8) **Long-term Obligations** – The Board has no authority to issue bonded debt. Debt incurred by the county or state governments to finance school construction is a debt of the issuing government and, along with the related debt service, is not reported in the Board’s financial statements. The long-term obligations of the Board include capital leases, compensated absences (as discussed above), estimated workers’ compensation claims, and the net pension liability and net liability for OPEB which are discussed in detail in Note 9. The capital leases represent obligations for financing the purchase of school buses, other vehicles, and building energy improvements for heating and air conditioning, lighting, and corresponding control systems in a number of schools. These capital leases are being paid over periods from 5 to 25 years from the date of inception. In the government-wide financial statements, the long-term obligations are presented in the column for governmental activities. The Board’s Food Services business-type activity has no long-term obligations other than compensated absences previously discussed.

In prior years, governmental fund long-term liabilities have been liquidated through the General Fund and Special Revenue Funds. Compensated absences, pension and workers’ compensation liabilities have been liquidated based on where an employee’s salary has

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

been funded, while payments on capital leases and OPEB liabilities have been liquidated through the General Fund.

- 9) **Unearned Revenue** – Unearned revenue arises when a liability is incurred from funds received prior to the Board having a legal claim to them. Unearned revenue for governmental activities consists primarily of restricted grant funds advanced to the Board. Unearned revenue for the business-type activities consists of prepaid accounts for school lunches, donated food commodities, and grant revenues. Revenue is recognized when the student attends a summer program, participates in the school lunch program, when donated commodities are utilized, or when the grant revenues are recognized as expenditures.
- 10) **Deferred Inflows** – A deferred inflow of resources represents an acquisition of net position that applies to a future period, therefore, will not be recognized as an inflow of resources (revenue) until that time. For government-mandated and voluntary non-exchange transactions, a deferred inflow is reported when resources are received before time requirements are met. At June 30, 2021, the Board had deferred inflows of resources totaling \$34,294 related to the difference between actual and expected experience, assumption changes, the difference between projected and actual earnings on investments, and changes in proportion and differences between Board contributions and proportionate share of contributions to the Employees Retirement System of Baltimore County and the OPEB health plan.
- 11) **Net Position and Fund Balance** – In the Statement of Net Position, net position is reported as net investment in capital assets (which is the net book value of the capital assets less the related debt, including any unpaid retainage due to contractors from capital projects), restricted, or unrestricted. Restricted net position is based on externally imposed restrictions on the use of the funds, such as grant funding for a specific purpose. The net position restricted for special education services is required to be utilized to fund those activities by regulations from the Maryland State Department of Education.

Fund balance amounts are reported within one of the fund balance categories listed below:

- a) **Non-spendable** – Includes fund balance amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact such as a permanent fund. Not in spendable form includes items that are not expected to be converted to cash, such as inventories and prepaid items.
- b) **Restricted** – Includes amounts that are restricted to specific purposes when constraints are placed on the use of resources by constitution, external resource providers, or through enabling legislation.
- c) **Committed** – Includes fund balance amounts that can be used only for the specific purposes determined by formal action of the Board (the highest level of decision-

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

making authority). Formal action of the Board would be those actions which are voted on at public Board meetings that are in compliance with Maryland law. Similar action of the Board is required to modify or rescind such commitments.

- d) *Assigned* – Includes fund balance amounts that are intended to be used by the Board for specific purposes. Assignment of the fund balance for the general fund may be made upon adoption of the subsequent year’s budget by the Board at a public meeting. Additionally, in accordance with the Board’s policies on purchasing and contracts, the purchasing manager may assign fund balance for contractual commitments encumbered prior to year-end. School activity funds are considered assigned because the funds must be used for the benefit of students in accordance with Board Policy. Constraints imposed on the use of assigned amounts do not rise to the level required to be classified as either restricted or committed.
- e) *Unassigned* – Represents the residual classification for the Board’s funds and includes all spendable amounts not contained in the four classifications described above. The general fund is the only fund that may report a positive unassigned fund balance. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in those funds.

- 12) ***Order of Fund Balance Spending Policy*** - The Board has established a fund balance spending policy for those instances where an expenditure is incurred for a purpose for which amounts in any of the restricted or unrestricted fund balance classifications (committed, assigned, or unassigned) could be used. The Board’s policy is to apply expenditures against restricted funds first followed by committed, assigned, and then unassigned amounts.

Amounts reported as encumbrances may be classified as either restricted, committed or assigned depending on the constraints and approval in place at year end. Encumbrances outstanding at year-end are reported as assignments of fund balance in the General Fund and do not constitute expenditures or liabilities because the obligation will be honored during the subsequent year. All amounts in the Special Revenue Fund are considered restricted as the entire fund balance of this fund is restricted for use in special education by the Maryland State Department of Education.

- 13) ***Notes to the Basic Financial Statements*** – To be consistent with the presentation in the financial statements, substantially all amounts reported in the notes to the basic financial statements are reported in thousands of dollars.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGET REQUIREMENTS

The Board operates within the following budget requirements for local educational agencies as specified by State law:

- 1) The Board must submit an annual budget, for its governmental funds, in writing to the County Executive within 120 days prior to the end of the current fiscal year. The General, Special Revenue, and Debt Service funds have legally adopted annual budgets. The Capital Projects Fund has a legally adopted project budget.
- 2) The County Executive must submit his recommended school system budget to the County Council not later than 75 days prior to the end of the current fiscal year.
- 3) The County Council must approve the budget ordinance by June 1st of each year. Subsequent supplemental appropriations also require County Council approval.
- 4) The General Fund budget is prepared and approved by major expenditure categories as specified in the State law. Actual expenditures may not exceed appropriations for a category. These categories include:

Category	Category
Administration	Mid-level Administration
Instructional Salaries	Instructional Textbooks and Supplies
Other Instructional Costs	Special Education
Student Personnel Services	Health Services
Student Transportation	Operation of Plant
Maintenance of Plant	Fixed Charges
Capital Administration	Community Services

The Special Revenue Fund and Debt Service Fund appropriations are authorized annually by the County Council at the Fund level, which is the legal level of control.

- 5) The Board may transfer funds between major categories with the approval of the County Council. The Board has the authority to transfer funds between objects of expenditures (i.e., salaries and wages, contracted services, supplies and materials, other charges, and equipment) within the major categories, but must notify the County Council of such action at the end of each month. In accordance with Education Article, Title 5, §5-105, of the Annotated Code of Maryland, the Board may not exceed the appropriation by category. Failure by the County Council to take action within thirty days of receipt of written requests for transfers constitutes Council approval.
- 6) The management staff of Baltimore County Public Schools is responsible for preparing the budget, monitoring budgetary expenditures, reporting on the status of the budget, and

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

making recommendations for transfers between objects of expenditure and major categories of expenditures. All such recommendations are subject to Board and/or County Council approval.

- 7) Unencumbered appropriations lapse at the end of each fiscal year, except in the Capital Projects Fund where appropriations do not lapse. Encumbered appropriations are primarily liquidated through expenditures in the subsequent fiscal year. The portion of fund balance related to lapsed appropriations must be re-appropriated to be spent.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds for Budgetary Basis financial reporting purposes. Open encumbrances are treated as restricted or assigned fund balances since the commitments will be honored through subsequent years expenditures.

During the year, the County Council approved certain transfers between General Fund categories. The approved categorical transfers of the General Fund are presented below:

	Categorical Transfers
Administration	\$ 3,609
Mid-level Administration	(565)
Instructional Salaries	(7,373)
Instructional Textbooks and Supplies	4,652
Other Instructional Costs	1,039
Special Education	3,831
Student Personnel Services	-
Health Services	-
Student Transportation	(2,827)
Operation of Plant	(2,259)
Maintenance of Plant	2,738
Fixed Charges	(2,845)
Capital Administration	-
	<u>\$ -</u>

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

A supplemental appropriation was approved for the Special Revenue Fund in the Amount of \$54,530 as follows:

	Special Revenue Supplement
Blueprint Concentration of Poverty	\$ 668
Career and Technology Education	375
Cares Act:	
Elementary & Secondary Schools	
Emergency Relief Fund	19,246
Coronavirus Relief Fund-Technology	10,531
Coronavirus Relief Fund-Tutoring	12,813
Governor's Emergency Relief Fund	1,288
Governor's Rural Broadband	750
Total CARES Act	<u>44,628</u>
Infants & Toddlers	276
Special Education Passthrough	1,995
Title I	6,500
Other local grants	88
Total Supplemental Appropriation	<u>\$ 54,530</u>

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

B. RECONCILIATION BETWEEN GAAP AND BUDGETARY BASIS

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General and Special Revenue Funds have been prepared on a legally prescribed budgetary basis of accounting that differs from GAAP. The primary difference is that the budgets are prepared using encumbrance accounting where encumbrances are treated as expenditures of the current period. In addition, for budgetary purposes revenues related to encumbrances are recorded in the Special Revenue Fund and in the General Fund in certain cases. The reconciliations from GAAP to budgetary basis are presented below:

	Revenues	Expenditures	Other Financing Sources/ (Uses)	Excess/(Deficiency) of Revenue and Other Financing Sources Over Expenditures	Fund Balance
General Fund					
Reported on the basis of GAAP	\$ 1,708,166	\$ (1,650,014)	\$ 5,846	\$ 63,998	\$ 160,404
Effect of encumbrances	-	(47,183)	-	(47,183)	(47,183)
GASB84 adjustment	(2,190)	2,916	-	726	(6,695)
Retirement cost paid on the Board's behalf by the State of Maryland	(92,502)	92,502	-	-	-
Reappropriation of prior year fund balance	31,325	-	-	31,325	-
Effect of capital leases	-	5,846	(5,846)	-	(5,846)
Other budgetary adjustments	(770)	12,848	-	12,078	(16,903)
Reported on the Budgetary Basis of Accounting	<u>\$ 1,644,029</u>	<u>\$ (1,583,085)</u>	<u>\$ -</u>	<u>\$ 60,944</u>	<u>\$ 83,777</u>
Special Revenue Fund					
Reported on basis of GAAP	\$ 112,682	\$ (112,647)	\$ -	\$ 35	\$ 10,600
Effect of encumbrances	237	(237)	-	-	-
Reported on the Budgetary Basis of Accounting	<u>\$ 112,919</u>	<u>\$ (112,884)</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ 10,600</u>

C. DEBT SERVICE BUDGETARY SCHEDULE

As discussed in Note 1, debt issued by the County government to fund school construction and related debt service is not reported in the Board's Basic Financial Statements. The authorization for the annual debt service expenditures related to this debt emanates from the Baltimore County Government Operating Budget, and, is included in the Board's annual authorized budget. The reporting of the annual county debt service and related revenues pertaining to the Board in the Debt Service Fund is required by state law. The schedule below reports the budgetary basis debt service activity for the current fiscal year.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues - Baltimore County	\$ 67,872	\$ 67,872	\$ 67,872	\$ -
Expenditures:				
Current -				
Principal	42,320	42,320	42,320	-
Interest	25,552	25,552	25,552	-
Total expenditures	<u>67,872</u>	<u>67,872</u>	<u>67,872</u>	-
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, July 1, 2020			<u>-</u>	
Fund balance, June 30, 2021			<u>\$ -</u>	

D. DETAILS OF FUND BALANCES

The details of the Governmental Funds balances at June 30, 2021 are shown as follows:

The Non-spendable general fund balance consists of the following:

Inventories	\$ 485
Prepaid Items	1,949
	<u>\$ 2,434</u>

The Assigned general fund balance consists of the following:

Encumbrances for:	
Contracted services	\$ 41,934
Supplies and materials	45,386
Equipment and other	1,198
Total encumbrances	<u>88,518</u>
For use in FY2022 Operating Budget	31,325
Student Activities	6,695
	<u>\$ 126,538</u>

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

The Special Revenue fund balance of \$10,600 is considered as restricted since this amount can only be used to provide services to special education students or for medical related purposes based upon a directive from the Maryland State Department of Education.

NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. CASH DEPOSITS

The Board's bank deposits are insured either by Federal depository insurance or by a collateralization agreement with the depository bank. The Board's policy is to maximize the investment of cash balances available for investment according to depository bank records. Short-term investments included in cash and cash equivalents are available to meet cash disbursement requirements.

The Board's deposits are subject to custodial credit risk, which is the risk that in the event of bank failure the Board's deposits may not be returned. The Annotated Code of Maryland requires funds on deposit with a financial institution be fully secured by deposit insurance, surety bonds, obligations of the United States or its agencies, obligations of the State of Maryland or any of its agencies, or obligations of a county, other governmental authority, or municipal corporation in the State of Maryland.

At June 30, 2021, the Board's net deposits were approximately \$87 million. These balances were fully collateralized as described above, including in the case of the Board's operating account maintained at the Manufacturers and Traders Trust Company, eligible collateral posted by the bank for the benefit of the Board. The collateral required is based upon a security and custodial agreement between the Board and Manufacturers and Traders Trust Company.

B. INVESTMENTS

The Board's investments are subject to both interest rate risk and custodial credit risk, which are risks that are inherent with investment activities. Interest Rate Risk results from fair value of investments potentially declining as rates increase. Custodial Credit Risk is the risk that, in the event of failure of the counter party, the Board may not be able to recover all or a portion of its investments or collateral securities that are in the possession of an outside party. To limit exposure to these risks, the Board's policy is to invest generally in overnight investments, which provide daily access to the funds invested and limits the potential from loss due to interest rate changes.

The Board's investments are in the Maryland Local Government Investment Pool (Pool) at PNC Bank, which is under the administrative control of the State Treasurer. The Pool is a 2a7 like pool, which is not registered with the Securities & Exchange Commission (SEC), but generally operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

Act of 1940 (Rule 2a7). The Pool, which maintains a \$1 per share value, is designed to give local government units of the State an investment vehicle for short-term investment of funds.

The investment objectives of the Pool are: to preserve the capital value of the dollars invested; to provide a competitive rate of return; and to provide a readily available source of daily liquidity. The Pool is rated “AAAm” by Standard and Poor’s (their highest rating). The money market portfolios are also rated “AAAm” by Standard and Poor’s, and generally are invested in funds with the same investment parameters as those invested in the Pool.

Funds restricted for lease purchase are held in custodial escrow accounts with Duetsche Bank National Trust. The funds held in escrow are fully invested in JP Morgan US Treasury money market funds which has a credit rating of Aaa.

C. SUMMARY OF DEPOSIT AND INVESTMENT BALANCE

The following is a reconciliation of the Board’s deposit and investments balances as of June 30, 2021:

	<u>Pooled Cash and Investments</u>	<u>Other</u>	<u>Government-wide Statement of Net Position</u>
Deposits	\$ 74,795	\$ 4,585	\$ 79,380
Investments:			
MLGIP	129,472	-	129,472
Money market mutual funds	-	11,046	11,046
Total	<u>\$ 204,267</u>	<u>\$ 15,631</u>	<u>\$ 219,898</u>

NOTE 4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2021, the Special Revenue Fund owed \$3,446 to the General Fund to provide funding while waiting for reimbursements from the federal government for expenditures incurred through year end.

A summary of the interfund transfers for the fiscal year ended June 30, 2021 follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Purpose</u>	<u>Amount</u>
Governmental Activities	Business Type Activity	Food Service equipment	<u>\$ 1,017</u>

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 5. CAPITAL ASSETS

A. ACTIVITY

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 32,051	\$ -	\$ -	\$ 32,051
Construction in progress	260,022	79,468	(69,316)	270,173
Total capital assets not being depreciated	<u>292,073</u>	<u>79,468</u>	<u>(69,316)</u>	<u>302,225</u>
Capital assets being depreciated:				
Buildings	2,498,024	68,156	-	2,566,180
Improvements other than buildings	99,512	1,718	-	101,230
Machinery and equipment	54,622	1,905	(308)	56,220
Vehicles	95,511	6,537	(5,874)	96,174
Total capital assets being depreciated	<u>2,747,669</u>	<u>78,316</u>	<u>(6,181)</u>	<u>2,819,804</u>
Less accumulated depreciation for:				
Buildings	(885,134)	(76,455)	-	(961,589)
Improvements other than buildings	(53,604)	(4,733)	-	(58,337)
Machinery and equipment	(39,832)	(4,174)	308	(43,699)
Vehicles	(54,752)	(7,380)	5,874	(56,258)
Total accumulated depreciation	<u>(1,033,322)</u>	<u>(92,742)</u>	<u>6,181</u>	<u>(1,119,883)</u>
Total capital assets, being depreciated, net	<u>1,714,346</u>	<u>(14,425)</u>	<u>-</u>	<u>1,699,921</u>
Governmental activities, net investment in capital assets	<u>\$ 2,006,420</u>	<u>\$ 65,042</u>	<u>\$ (69,316)</u>	<u>\$ 2,002,146</u>

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets being depreciated:				
Buildings and Improvements	\$ 7,194	\$ -	\$ -	\$ 7,194
Furniture, fixtures and equipment	29,490	1,204	(404)	30,291
Total capital assets being depreciated	36,685	1,204	(404)	37,485
Less accumulated depreciation for:				
Buildings and Improvements	(3,547)	(262)	-	(3,810)
Furniture, fixtures and equipment	(21,685)	(1,279)	399	(22,564)
Total accumulated depreciation	(25,232)	(1,541)	399	(26,374)
Business-type activities capital assets, net	\$ 11,452	\$ (337)	\$ (4)	\$ 11,111

Depreciation expense was charged to program activities as follows:

Governmental activities:

Administration	\$ 1,334
Mid-level administration	17
Instruction	82,690
Special education	462
Student transportation	6,080
Operation of plant	142
Maintenance of plant	1,878
Capital administration	139
Total depreciation expense - governmental activities	<u>\$ 92,742</u>

Business-type activities:

Food Services	<u>\$ 1,541</u>
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Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

B. CONSTRUCTION AND LEASE PURCHASE COMMITMENTS

The Board has active construction projects as of June 30, 2021. The projects include new school construction, additions, and renovations to school buildings. School capital project construction is financed primarily from county and state grants. At year-end, the Board's commitments with contractors are as follows:

Projects	Spent-to-Date	Remaining Commitment
New school construction	\$ 485,689	\$ 33,471
Additions	2,362	1,446
Improvements and renovations	138,629	11,749
Total	\$ 626,681	\$ 46,665

During the fiscal year, the Board made commitments for the acquisition of vehicles under new capital lease agreements totaling approximately \$9.4 million. The assets to be acquired are described below:

Description	Class	Amount
School buses	Vehicles	\$ 6,968
Trucks and other vehicles	Vehicles	2,420
Total		\$ 9,388

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 6. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illness and injuries to employees, students, and the public; natural disasters; and employee health benefits.

The Board participates in the Baltimore County Government self-insurance program for employee and retiree health and dental insurance. The Board pays premiums to the County for its share of current cost based upon prior years claims and anticipated enrollment. The County serves as the administrator of the plans and estimates outstanding claims and required reserves. The Board's ultimate liability is limited to premiums paid to the County.

The Board is independently self-insured for workers' compensation. The Board established an internal service fund to account for the activities of the workers' compensation plan. The Board has contracted with a third-party administrator to determine compensability for salary for lost time and to administer the payment of medical and other costs for its work-related injuries. The Board has also purchased excess workers' compensation policies to limit its liability.

The changes in the claims and judgements payable for the past two fiscal years are reflected below:

Fiscal year Ending June 30,	Beginning Payable	Incurred Claims and Judgements	Claims and Judgements Paid	Ending Payable
2021	\$ 12,450	\$ 2,616	\$ 5,060	\$ 10,006
2020	\$ 14,211	\$ 4,735	\$ 6,496	\$ 12,450

The Board also participates in a self-insured pool with other boards of education for property and casualty insurance. Casualty programs in which the Board participates include comprehensive general liability, automobile liability and physical damage, bus contractors' and drivers' liability, and Board of Education legal liability. Property insurance programs include real and personal property (replacement cost), boiler and machinery, natural disasters, employees' dishonesty blanket bond, theft and disappearance, cyber fraud, and computer and electronic funds transfer fraud. The pool is administered by the Maryland Association of Boards of Education (MABE), a public entity risk pool. MABE serves as an independent administrator, processing and settling claims, establishing liability limits, setting premiums, and establishing and maintaining reserves. The Board's liability is limited to premiums paid to MABE, plus deductibles of from \$0 - \$15,000 per incidence, depending on the nature of the coverage. The pool limits its exposure by purchasing excess coverage from commercial carriers.

Outside of the MABE pool, the Board carries underground tank, catastrophic student accident insurance and travel insurance covering Board members. The Board pays all of the premiums for

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

this coverage. There have been no reductions in insurance coverage from the previous year, and the amount of settlements over the last three years has not exceeded insurance coverage.

In November of 2020, the Board was struck by a ransomware cyberattack that disrupted most automated systems. The Board has been working continuously on restoring and replacing damaged systems and recovery of data lost in the attack. Some of the cost of recovery has been covered by insurance, however additional unplanned costs have been incurred to move systems from Board-hosted servers to cloud-based environments deemed much safer.

NOTE 7. OPERATING LEASES

The Board has long-term commitments as lessee under various non-cancelable operating leases for warehouse, office, and educational space, which expire at various times through 2030. Total expense under these operating leases for the fiscal year ended June 30, 2021, amounted to \$5,567.

The Board has long-term commitments as lessee for personal computing devices that will provide computers as part of a technology initiative to equip all students and teachers with digital learning devices. Additionally, the Board has lease agreements for servers and other data equipment. Total expense under these operating leases for the fiscal year ended June 30, 2021, amounted to \$34,275.

The aggregate future rental payments for these lease commitments are \$47,518 as summarized below:

	<u>Fiscal year ending June 30,</u>	
2022	\$	19,599
2023		6,419
2024		5,087
2025		4,648
2026		3,285
2027-2030		8,480
Total	\$	47,518

Additionally, the Board leases copiers and other equipment under contracts that are cancelable with 60-day notice. During the year, \$2.9 million in expenses was incurred under these agreements.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 8. LONG-TERM OBLIGATIONS

The Board's long-term obligations include capital leases, compensated absences, the estimated liability for workers' compensation claims and judgments, and the unfunded liabilities for Other Post Employment Benefits and county pension benefits. Details of the obligations for the capital leases and compensated absences, including the current year's changes follow. The details for the claims and judgements of the Workers' Compensation Plan are discussed in Note 6. The details for the obligations for Other Post Employment Benefits and the County Employees' Retirement System are described in Note 9.

A. CAPITAL LEASES

The Board's capital leases represent obligations incurred to finance the purchase of school buses and other vehicles, and for acquisition of building energy improvements. The vehicle leases are financed over periods of five years, while the energy performance improvement leases are financed over twenty years. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments at the inception date. These items acquired through capital leases are reported as capital assets and depreciated accordingly. The assets acquired through capital leases are as follows:

<u>Asset Description</u>	<u>Governmental Activities</u>
Vehicles	\$ 31,649
Building Improvements	103,011
Less accumulated depreciation	(25,265)
	<u>\$ 109,395</u>

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

The following are the future minimum lease payments under the Board's capital lease agreements, and the present value of the minimum lease payments as of June 30, 2021:

<u>Fiscal year ending June 30:</u>	Governmental Activities
2022	\$ 13,954
2023	13,358
2024	12,046
2025	9,822
2026	8,538
2027-2031	37,020
2032-2036	38,251
2037-2039	15,935
Total minimum lease payments	<u>148,924</u>
Less: amount representing interest	<u>(49,514)</u>
Present value of future minimum lease payments	<u><u>\$ 99,410</u></u>

B. CHANGE IN LONG-TERM LIABILITIES

The schedule below presents the current year activity and year-end balances for the Board's long-term liabilities.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital leases	\$ 102,545	\$ 5,846	\$ 8,981	99,410	\$ 9,763
Compensated absences	29,796	13,133	6,037	36,892	12,694
Claims and judgements					
- workers' compensation plan	12,450	2,616	5,060	10,006	5,060
Other Post Employment Benefits	2,045,949	374,671 *	-	2,420,620	-
County Employee Retirement Plan	137,969	-	21,944 *	116,025	-
Governmental activity					
Long-term liabilities	<u>\$ 2,328,709</u>	<u>\$ 396,266</u>	<u>\$ 42,022</u>	<u>\$ 2,682,953</u>	<u>\$ 27,517</u>
Business-type Activity/ Food Services					
Compensated absences	<u>\$ 456</u>	<u>\$ 161</u>	<u>\$ 105</u>	<u>\$ 512</u>	<u>\$ 204</u>

* Net change shown

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 9. RETIREMENT AND OTHER POST EMPLOYMENT BENEFITS

A. TEACHERS RETIREMENT AND PENSION SYSTEMS OF THE STATE OF MARYLAND

1) *Plan description*

The employees of the Board are covered by the Maryland State Teachers Retirement and Pension System (the System), which is a cost sharing multiple-employer defined benefit public employee retirement system. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. The Plans are administered by the State Retirement Agency. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees. The System issues a publicly available financial report that can be obtained at <http://www.sra.state.md.us>.

- 2) *Benefits provided* - The System provides retirement allowances and other benefits to teachers of participating governmental units. For individuals who become members of the Teachers' Retirement and Pension Systems on or before June 30, 2011, retirement/pension allowances are computed using both the highest three years Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For individuals who become members of the Teachers' Pension System on or after July 1, 2011, pension allowances are computed using both the highest five years AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system that determines how a retiree's benefits allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

A member of the Teachers' Retirement System is 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 highest three - year average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

A member of the Teachers' 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 the Teachers' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the members' 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.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

For most individuals who retired from the Teachers' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the members AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.4% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.8% of the members AFC, multiplied by the number of years of credible service accumulated after June 30, 1998. Beginning in July 1, 2011, any new member of the Teachers' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' Pension System. There were no benefit changes during the year.

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

Beginning in FY2017, the Board pays the normal cost for teachers in the Teachers Retirement and Pension System while the State contributes on behalf of the Board, the unfunded liability portion of the Board's annual required contribution to the Teachers Retirement and Pension System, which for the year ended June 30, 2021, was \$36,142. The State's contributions on behalf of the Board for the year ended June 30, 2021, were \$92,502. The FY 2021 contribution made by the State on behalf of the Board has been included as both revenues and expenditures in the general fund in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances.

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

At June 30, 2021, the Board did not report a liability related to the Teachers' Retirement and Pension Systems due to a special funding situation. The State of Maryland pays the unfunded liability for the Board and the Board pays the normal cost related to the Board's members in the Teachers' Retirement and Pension Systems; therefore, the Board is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by the Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Board were as follows:

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

State's proportionate share of the net pension liability	\$970,913
Board's proportionate share of the net pension liability	-
Total	<u>\$970,913</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year-ended June 30, 2021, the Board recognized pension expenditures of \$128,644 and revenue of \$92,502 in the General Fund for support provided by the State and Board. In the Statement of Activities, the Board recognized pension expense of \$144,535 and revenue of \$108,241 for support provided by the State and Board. Due to the special funding situation noted above related to the Teachers' Retirement and Pension Systems, the Board did not report deferred outflows of resources and deferred inflows of resources related to the Teachers' Retirement and Pension Systems.

Actuarial assumptions - The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% general, 3.10% wage
Salary increases	3.10% to 11.60%
Investment rate of return	7.40%

Mortality rates were based on Pub-210 Mortality Tables with projected generational mortality improvements based on the MP-2018 fully generational mortality improvement scale.

The economic and demographic actuarial assumptions used in the June 30, 2020, valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2014 - 2018, after completion of the June 30, 2018, valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates, and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2019. As a result, an investment return assumption of 7.40% and an inflation assumption of 2.60% were used for the June 30, 2020, valuation.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Public Equity	37%	5.20%
Private Equity	13%	6.50%
Rate Sensitive	19%	-0.30%
Credit Opportunity	9%	2.80%
Real Assets	14%	4.30%
Absolute Return	8%	1.80%
Total	<u>100%</u>	

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2020.

For the year ended June 30, 2020, the annual money-weighted rate of total return on pension plan investments, net of the pension plan expense was 3.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

- 5) **Discount rate** - The single discount rate used to measure the total pension liability was 7.40%. This single discount rate was based on the expected rate of return on pension plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

- 6) *Sensitivity of the Net Pension Liability* - Due to the special funding situation noted above related to the Teachers' Retirement and Pension Systems, the Board did not record a net pension liability related to the Teachers' Retirement and Pension Systems.
- 7) *Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued System's financial report.

B. EMPLOYEES' RETIREMENT SYSTEM OF BALTIMORE COUNTY

- 1) *Plan description* - Custodians, bus drivers, mechanics, maintenance workers, tradesmen, cafeteria workers, and employees in related positions are covered by the Employees' Retirement System of Baltimore County (the System), a cost-sharing multiple-employer defined benefit public employee retirement system. The System was established in accordance with the Section 5-1-101 of the Baltimore County Code (the Code) and placed under the management of the Board of Trustees. The administration of this system is vested in the Director of Budget and Finance of Baltimore County as specified in Section 5-1-238 of the Code. The Director of Budget and Finance has the responsibility to implement policies of the eight-member Board of Trustees as they pertain to the System and to ensure the System operates within the guidelines as set forth in those policies. The System issues a publicly available comprehensive annual financial report that includes the System's financial statements and required supplementary information. That report may be obtained by writing to the Employees' Retirement System of Baltimore County, 400 Washington Avenue, Towson, Maryland 21204.
- 2) *Benefits provided* - The System provides retirement and disability benefits, annual cost-of-living adjustments (if sufficient excess earnings exist in the fund) and occupational death benefits to plan members. Members hired prior to July 1, 2007, are eligible for normal service retirement after the attainment of age 60 with 5 years of creditable service or after 30 years of creditable service regardless of age. Members hired on or after July 1, 2007, are eligible for normal service retirement after attainment of age 67 with 10 years of creditable service or after 35 years of creditable service regardless of age.
- 3) *Contributions* - Plan members hired prior to July 1, 2007, are required to contribute between 6.25% - 7.25% of covered salary as of July 1, 2016. These plan members' contributions will increase annually until it is capped at 7.25% annually beginning January 1, 2019. Plan members hired after June 30, 2007, are required to contribute 7% annually.

The Board is required to contribute to the System at an actuarially determined rate. The contribution requirements for Plan members and the Board are established and may be amended by the Board of Trustees in accordance with Section 5 of the Code. The Board's contribution to the System for the year ended June 30, 2021, was \$8,770 which was 100% of the required contribution.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

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

- a. **Net Pension Liability** - At June 30, 2021, the Board reported a liability of \$116,025 for its proportionate share of the net pension liability. The collective net pension liability was measured as of June 30, 2020, based on an actuarial valuation dated January 1, 2019, rolled forward to June 30, 2020 using updated procedures. The Board's proportion of the net pension liability was actuarially determined based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all the participating agencies. At June 30, 2020, the Board's proportion was 5.44 percent, which was a decrease of 1.58 from the proportion measured as of June 30, 2019. There have been no changes in the benefit terms that would affect the measurement of the total pension liability since the last measurement date.
- b. **Pension expense** - For the year ended June 30, 2021, the Board recognized pension expense of (\$707).
- c. **Deferred outflows/inflows** - At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 286	\$ (260)
Change of assumptions	(417)	(1,286)
Net difference between projected and actual earnings on pension plan investments	5,542	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	8,240	23,992
Board contributions subsequent to the measurement date	8,770	-
	<u>\$ 22,421</u>	<u>\$ 22,446</u>

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

Deferred outflows of \$8,770 are reported as resources related to pensions resulting from Board contributions after the measurement date will be recognized as a reduction of the net pension liability in the year-ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2022	\$	(5,633)
2023		(5,121)
2024		2,372
2025		1,709
2026		80
Thereafter		(2,202)

5) *Actuarial Assumptions* – The total pension liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation - 3.0 %
- Salary Increases - Rates vary by participant service.
- Investment Rate of Return – 6.375%, net of pension plan investment expense and gain sharing, including inflation.
- Actuarial Cost Method – Entry Age Normal
- Asset Valuation Method - Ten-year moving average

Mortality rates were based on the RP-2000 Combined Mortality Table for males or females projected to 2032, as appropriate, with adjustments for mortality improvements based on Scale AA. The actuarial assumptions used in the January 1, 2019 measurement was developed in the most recent actuarial experience study, which covered System experience from 2011 to 2016. There were no changes in assumptions since the last evaluation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates for each major asset class included in the pension plan’s target asset allocation as of June 30, 2020, are summarized in the following table:

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

Asset Class	Long-term Expected Rate of Return	Target Asset Allocation
Cash	-0.36%	0.00%
Large Cap Equities	3.85%	21.00%
Small/Mid Cap Equities	4.29%	7.00%
International Equities (Unhedged)	4.10%	14.00%
Emerging International Equities	6.35%	7.00%
Core Bonds	0.66%	5.00%
Core Bonds - Short	0.37%	5.00%
Bank Loans	2.40%	3.00%
EMD (Local Currency)	2.38%	5.00%
Diversified Fixed Income	1.86%	9.00%
Private Equity	7.75%	9.00%
Real Estate (Core)	3.11%	5.00%
Global Asset Allocation	3.46%	5.00%
Risk Parity	3.13%	5.00%

6) **Discount rate** - The discount rate used to measure the total pension liability was the funding valuation interest rate of 6.375 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will continue to follow the current funding policy. Based on those assumptions, the system's fiduciary net position was projected to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7) **Sensitivity of the Board's proportionate share of the net pension liability to changes in the discount rate** - The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.375 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 one percentage-point lower (percent) or one percentage-point higher (percent) than the current rate:

	1% Decrease (5.375%)	Discount Rate (6.375%)	1% Increase (7.375%)
Board's proportionate share of the net pension liability	\$ 140,183	\$ 116,025	\$ 95,276

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

- 8) ***Pension plan fiduciary net position*** - Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees' Retirement System of Baltimore County financial report. The report may be obtained online at the following link - <https://www.baltimorecountymd.gov/Agencies/budfin/retirement/index.html>.
- 9) ***Combined plans total pension expense*** – The total pension expense for the State and County pension plans in the Statement of Activities for the year ended June 30, 2021, was \$143,828.

C. OTHER POST-EMPLOYMENT BENEFITS

- 1) ***Plan Description*** - The County's *Other Post-Employment Benefits* plan (OPEB Plan) is a cost-sharing multiple-employer defined-benefit postemployment healthcare plan that provides certain health benefits to retirees and their beneficiaries. The OPEB Plan was established and is maintained by the county government as a trust fund as specified in Article 10, Title 14 of the County Code. Retirees receiving a Board approved retirement, and their beneficiaries, are eligible to participate in the OPEB Plan. The retiree must elect to participate in the OPEB Plan immediately upon retirement.
- 2) ***Benefits Provided*** - The healthcare benefits provided under the OPEB Plan are determined through negotiations between the Board and employee bargaining units and are included in the bargaining unit contracts.
- 3) ***Optional Benefits*** - Certain other optional benefits for dental, vision, and life insurance coverage that are not part of the OPEB plan may be elected by retirees, however, the retiree is responsible for the full cost of the plan. Retirees' costs for dental and vision coverage is at the COBRA equivalent rates. Retirees are responsible for the full cost of life insurance.
- 4) ***Contributions*** - Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward healthcare based on their hire date, years of active service, the medical plan chosen, and whether they are Medicare eligible (age 65). The OPEB Plan does not have any required contributions from active employees.
- 5) ***Funding Policy*** – There are no statutory or contractual requirements for Board contributions to the plan. The Board contributes between 0% and 90% of the cost of healthcare based on years of service for retirees that have not become Medicare eligible. For Medicare eligible retirees the Board contributes between 0% and 84% based upon years of service. Contributions to the OPEB plan are subject to funding availability. The FY2021 contribution to the OPEB plan was \$20,847.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

- 6) ***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of resources Related to OPEB*** – At June 30, 2021, the Board reported a liability of \$2,420,620 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The accrued liability was determined for each employer in the OPEB Plan. The actuarial accrued liability is a measure of the projected long-term contribution effort. Accordingly, assets and deferred inflows and outflows were allocated to each employer in proportion to the actuarial accrued liability. At June 30, 2021, the Board’s proportion was 52.74%. This was an increase of 0.85% from the prior year proportion of 51.89%.
- a. ***Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*** – For the year ended June 30, 2021, the Board recognized OPEB expense of \$273,599. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 173,338	\$ 11,848
Change of assumptions	772,378	-
Net difference between projected and actual earnings on OPEB plan investments	6,540	-
Change in proportion Board contributions subsequent to the measurement date	61,567	-
	<u>20,847</u>	<u>-</u>
	<u>\$ 1,034,670</u>	<u>\$ 11,848</u>

Employer contributions made after the measurement date of \$20,847 will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

Year ended June 30:

2022	\$	180,692
2023		183,747
2024		184,527
2025		183,229
2026		119,192
Thereafter		150,588

- b. **Actuarial Assumptions** – The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation 2.2%
- Salary increases 0 – 6.55%
- Investment rate of return 6.375%
- Mortality RP-2014 White Collar with MP2014 mortality improvement
- Cost of living adjustments N/A
- Healthcare cost trend rates 3.9% - 5.4%

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 target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

<u>Asset Class</u>	<u>Long-term Expected Rate of Return</u>	<u>Target Asset Allocation</u>
Cash	-0.36%	0.00%
Large Cap Equities	3.85%	21.00%
Small/Mid Cap Equities	4.29%	7.00%
International Equities (Unhedged)	4.10%	14.00%
Emerging International Equities	6.35%	7.00%
Core Bonds	0.66%	5.00%
Core Bonds - Short	0.37%	5.00%
Bank Loans	2.40%	3.00%
EMD (Local Currency)	2.38%	5.00%
Diversified Fixed Income	1.86%	9.00%
Private Equity	7.75%	9.00%
Real Estate (Core)	3.11%	5.00%
Global Asset Allocation	3.46%	5.00%
Risk Parity	3.13%	5.00%

- c. **Discount Rate** – The discount rate used to measure the OPEB liability was 2.46% at the end of the measurement period as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed future trust contributions by projecting 1.75% annual increases to the five-year average of the fiscal year ending 2016 to 2020 trust contributions. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current members in 2024. Future benefit payments beyond 2024 were discounted using tax exempt general obligation bonds with municipal bonds rated AA/Aa or higher on June 30, 2020, of 2.45%. The long term expected rate of return on investments of 6.375% was blended with the index rate of 2.455% for tax exempt general obligation municipal bonds rated AA/Aa or higher at June 30, 2020, to arrive at a discount rate of 2.46% used to determine the total OPEB liability.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

- d. *Sensitivity of the Board's proportionate share 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 1-percent point lower or 1-percent point higher than the current discount rate:

	1% Decrease (1.46%)	Discount rate (2.46%)	1% Increase (3.46%)
Net OPEB Liability	\$2,918,593	\$2,420,620	\$2,029,529

- e. *Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare costs 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-percent point lower or 1-percent point higher than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (2.9%)	Trend rates (3.9%)	1% Increase (4.9%)
Net OPEB Liability	\$1,955,847	\$2,420,620	\$2,987,199

- f. *OPEB plan fiduciary net position* – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Baltimore County Government comprehensive annual financial report.

NOTE 10. POLLUTION REMEDIATION

Governmental Accounting Standards Board Statement No.49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, requires the Board to disclose the nature and source of pollution remediation obligations, the amount of the estimated liability, the method used to estimate the liability, any potential for change in estimates, and estimated recoveries that may reduce the liability. Based on management's review of current school renovation projects, there are no projects requiring pollution remediation at June 30, 2021.

Board of Education of Baltimore County

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2021

NOTE 11. CONTINGENCES

In the normal course of operations, the Board is subject to various lawsuits and claims. Based upon the advice of counsel, the Board establishes an appropriate liability for such items where a significant loss is deemed probable. For the year ended June 30, 2021, no reserve for potential losses was deemed necessary. In the opinion of management and legal counsel, the ultimate disposition of any unresolved claims and litigation matters will not have a material effect on the Board's financial position or results of operations.

The Board receives grant funds, principally from the United States Government and the State of Maryland, for various programs. Certain expenditures of these funds are subject to audit by the grantors, with the Board being contingently liable for amounts received in excess of allowable expenditures. In the opinion of management, no material refunds will be required because of expenditures disallowed by the grantors.

NOTE 12. NEW ACCOUNTING PRONOUNCEMENT

For Fiscal year 2021, The Board adopted the new Governmental Accounting Standards Board (GASB) Statement Number 84 – *Fiduciary Activities*. This statement includes guidance on identifying and reporting fiduciary activities for accounting and financial reporting purposes. Accordingly, the Board has determined that the former Student Activities Fiduciary Fund no longer meets the definition of a fiduciary fund. Accordingly, the student activities are now reported in the Board's General Fund in the Governmental Fund Statements. This change required an addition of a new expenditure program – School Activities and a restatement of the General Fund, total Governmental Funds, and Statement of Net Position beginning fund balance/net position. The schedule below shows the impact of the restated fund balance/net position:

	General Fund	Total Governmental Funds	Statement of Net Position
Fund balance/net position			
July 1, 2020, as previously stated	\$ 88,985	\$ 99,264	\$ 758,067
Reclassification of school activity fund	7,421	7,421	7,421
Fund balance/net position, July 1, 2020 as restated	<u>\$ 96,406</u>	<u>\$ 106,685</u>	<u>\$ 765,488</u>

NOTE 13. RESTATEMENT

The June 30, 2021 financial statements have been reissued to correct an error in the Special Revenue Fund, Food Services Fund, Governmental and Business Type Activities. The correction adjusts overstated revenue and expenses, however there is no impact on fund balance or net position.

BOARD OF EDUCATION OF BALTIMORE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021
(In Thousands)

Schedule of the Board's Proportionate Share of the Net OPEB Liability

	2021	2020	2019	2018
Board's proportion of the net OPEB liability	52.74%	51.89%	49.53%	48.22%
Board's proportionate share of the net OPEB liability	\$ 2,420,620	\$ 2,045,949	\$ 1,250,360	\$ 789,640
Board's covered-employee payroll	\$ 850,949	\$ 857,801	\$ 824,206	\$ 735,217
Board's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	284%	239%	152%	107%
Plan fiduciary net position as a percentage of the total OPEB liability	4.95%	6.93%	13.00%	20.49%

The Board implemented GASB 75 during fiscal year 2018. As such, only four years of information is available.

BOARD OF EDUCATION OF BALTIMORE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021
(In Thousands)

State Teachers Retirement and Pension System of Maryland - Employer Contributions
Last Nine Fiscal years

	2021	2020	2019	2018	2017	2016	2015	2014	2013 *
Contractually required contribution *	\$36,142	\$ 34,106	\$ 32,236	\$ 32,722	\$ 29,375	\$ 29,374	\$ 25,549	\$ 19,971	\$ 15,776
Contributions in relation to the contractually required contribution	(36,142)	(34,106)	(32,236)	(32,722)	(29,375)	(29,374)	(25,549)	(19,971)	(15,776)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$848,313	\$ 847,911	\$ 815,899	\$ 761,883	\$ 738,986	\$ 708,720	\$ 667,524	\$ 667,086	\$ 660,214
Contributions as a percentage of covered payroll	4%	4%	4%	4%	4%	4%	4%	3%	2%

* The Board was not contractually required to contribute to the Teachers Retirement and Pension System prior to fiscal year 2013

BOARD OF EDUCATION OF BALTIMORE COUNTY
REQUIRED SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(In Thousands)

Schedule of the Board's Proportionate Share of the Net Pension Liability
State Teachers Retirement and Pension System

	2021	2020	2019	2018	2017	2016	2015
Board's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Board's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability of the Board	970,913	882,809	901,038	943,475	1,018,884	1,103,603	807,793
Total	<u>\$ 970,913</u>	<u>\$ 882,809</u>	<u>\$ 901,038</u>	<u>\$ 943,475</u>	<u>\$ 1,018,884</u>	<u>\$ 1,103,603</u>	<u>\$ 807,793</u>
Board's covered payroll	\$847,911	\$ 807,288	\$ 761,883	\$ 738,986	\$ 708,720	\$ 667,524	\$ 667,086
Board's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	73.84%	75.43%	73.35%	71.41%	67.95%	70.76%	69.53%

* The amounts presented for fiscal year 2021 were determined as of July 1 of two years prior, using membership data as of that day, projected to June 30 of the previous year. Additionally, the Board implemented GASB 68 during fiscal year 2015, as such, only seven years of information is available.

BOARD OF EDUCATION OF BALTIMORE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021
(In Thousands)

Employees' Retirement System of Baltimore County - Employer Contributions
Last Nine Fiscal years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 *</u>
Contractually required contribution	\$8,770	\$ 7,770	\$ 9,523	\$ 8,935	\$ 8,859	\$ 8,870	\$ 8,988	\$ 6,203	\$ 5,381
Contributions in relation to the contractually required contribution	<u>\$8,770</u>	<u>7,770</u>	<u>9,523</u>	<u>8,935</u>	<u>8,859</u>	<u>8,870</u>	<u>8,988</u>	<u>6,203</u>	<u>5,381</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$108,591	\$ 109,258	\$ 109,660	\$ 104,410	\$ 101,633	\$ 96,330	\$ 91,778	\$ 87,829	\$ 86,713
Contributions as a percentage of covered payroll	8.08%	7.11%	8.68%	8.56%	8.72%	9.21%	9.79%	7.06%	6.21%

* The Board implemented GASBS No. 68 in fiscal year 2015, which requires a 10-year schedule of employer contributions. Information is not available for years 2012 and prior.

**BOARD OF EDUCATION OF BALTIMORE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(In Thousands)**

Schedule of the Board's Proportionate Share of the Net Pension Liability Employees' Retirement System of Baltimore County

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Boards's proportion of the net pension liability	5.44%	7.02%	7.05%	7.55%	7.12%	8.69%	7.26%
Board's proportionate share of the net pension liability	\$116,025	\$ 137,969	\$ 126,242	\$ 127,250	\$ 124,340	\$ 126,832	\$ 86,003
Board's covered payroll	\$109,258	\$ 109,660	\$ 104,410	\$ 101,633	\$ 96,330	\$ 91,778	\$ 87,829
Board's proportionate share of the net pension liability as a percentage of its covered payroll	106.2%	125.8%	120.9%	125.2%	129.1%	138.2%	97.9%
Plan fiduciary net position as a percentage of the total pension liability	55.90%	58.7%	60.9%	61.5%	57.1%	62.8%	68.2%

The liability presented for fiscal year 2021 was measured as of June 30, 2020 using membership data as of June 30, 2019, rolled forward to June 30, 2020. Additionally, the Board implemented GASB 68 during fiscal year 2015, as such, only seven years of information is available.

Board of Education of Baltimore County

**Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021**

STATE OF MARYLAND RETIREMENT AND PENSION SYSTEMS

NOTE 1 – CHANGES IN BENEFIT TERMS

There were no benefit changes for the years 2015 through 2021

NOTE 2 – CHANGES IN ASSUMPTIONS

There were no assumption changes for the current year.

	Inflation Assumption Changes	Investment Return Assumption Changes
6/30/2020	2.60%	7.40%
6/30/2019	2.60%	7.40%
6/30/2018	2.60%	7.50%
6/30/2017	2.65%	7.50%
6/30/2016	2.70%	7.55%
6/30/2015	2.70%	7.65%

**NOTE 3 – METHODS AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY
DETERMINED CONTRIBUTIONS**

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization period	18 years for State system
Asset Valuation method	5-year smoothed market
Inflation	2.60% general, 3.10% wage
Salary Increases	0.00% to 8.50% attributable to seniority and merit
Investment Rate of Return	7.40%
Discount Rate	7.45%
Post-retirement benefit increases	1.42% to 3.10%
Retirement Age	Experience based table of rates that are specific to the type of eligibility condition. Last updated for 2019 valuation pursuant to an experience study of the period 2014-2018
	Mortality MP-2018 Mortality tables

Board of Education of Baltimore County

**Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021**

EMPLOYEES’ RETIREMENT SYSTEM OF BALTIMORE COUNTY – PLANS A & B

NOTE 1 – CHANGES IN BENEFIT TERMS

There were no benefit changes for the years 2015 through 2021.

NOTE 2 – CHANGES IN ASSUMPTIONS

There were no changes in assumptions for the current year.

	Inflation Assumption Changes	Investment Return Assumption Changes
6/30/2020	3.00%	6.375%
6/30/2019	3.00%	6.375%
6/30/2018	3.00%	6.750%
6/30/2017	3.00%	7.000%
6/30/2016	3.00%	7.000%
6/30/2015	3.00%	7.000%

NOTE 3 – METHODS AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization period	27 year layered amortization
Asset Valuation method	10-year smoothed market
Inflation	3.0%
Salary Increases	Rates vary by participant service and are based on a 2018 experience study
Investment Rate of Return	6.375%, net of investment expenses and gain sharing, and including inflation
Retirement Age	Rates vary by participant age and service
Mortality	For healthy participants and beneficiaries: For males 108% of the RP-2000 Combined Healthy male tables projected to 2032 by Scale AA and for females 100% of the RP-2000 Combined Healthy female table projected to 2032 by Scale AA. For disabled members, RP-2000 Disabled Annuitant tables projected to 2032 with Scale AA.



Chatsworth Elementary

Grade 3

Sabrina Wojenski

Statistical Section

This part of the Board of Education of Baltimore County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board’s overall financial health. It includes information on financial trends, limited demographic information, and certain operating information.

No information on revenue capacity is presented, as the Board has no taxing authority and no significant “own source” revenues. The Board is fiscally dependent on appropriations from the Baltimore County government and the State of Maryland. Similarly, no information on debt capacity is presented because the Board has no authority to issue debt. The only debt carried by the Board is in the form of capital lease obligations.

Certain economic data of Baltimore County is presented in order to assist the users of this report to assess the economic condition of the County. This data has been obtained directly from the Baltimore County Government and is included here in its entirety.

<u>Contents</u>	<u>Page</u>
Financial Trends Information: These schedules contain trend information to help the reader understand how the Board’s financial performance and well-being have changed over time.	98-118
Demographic Information: These schedules contain certain information about student enrollment and Student to teacher ratio; which are indicators to help the reader understand the environment within which the Board’s financial activities take place.	120-122
Operating Information: These schedules contain information about certain services and other data to assist the reader in understanding how the information in the Board’s financial report relates to the services the Board provides and the activities it performs.	124-132
Baltimore County, Maryland Economic Data: These schedules contain information about certain economic and demographic data of Baltimore County, Maryland. These schedules are intended to provide a broader understanding of the county and its financial affairs.	132-141

Board of Education of Baltimore County
Net Position by Component
Last Ten Fiscal Years
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental activities:				
Net investment in capital assets	\$ 1,896,523	\$ 1,895,954	\$ 1,857,095	\$ 1,824,578
Restricted	10,600	10,565	11,113	11,973
Unrestricted (deficit)	(1,377,544)	(1,178,995)	(974,165)	(831,956)
Total governmental activities net position	<u>529,579</u>	<u>727,524</u>	<u>894,043</u>	<u>1,004,595</u>
Business-type activity:				
Net investment in capital assets	11,111	11,452	12,081	11,415
Unrestricted	9,876	19,091	21,504	20,681
Total business-type activity net position	<u>20,987</u>	<u>30,543</u>	<u>33,585</u>	<u>32,096</u>
Primary government:				
Net investment in capital assets	1,907,634	1,907,406	1,869,176	1,835,993
Restricted	10,600	10,565	11,113	11,973
Unrestricted (deficit)	(1,367,668)	(1,159,904)	(952,661)	(811,275)
Total net position	<u>\$ 550,566</u>	<u>\$ 758,067</u>	<u>\$ 927,628</u>	<u>\$ 1,036,691</u>

* The fiscal year 2014 amounts were not changed to reflect the effects of the application of GASB No. 68.

**The fiscal year 2017 amounts were not changed to reflect the effects of the application of GASB No. 75.

<u>2017**</u>	<u>2016</u>	<u>2015</u>	<u>2014 *</u>	<u>2013</u>	<u>2012</u>
\$ 1,682,007	\$ 1,555,836	\$ 1,451,076	\$ 1,383,777	\$ 1,344,340	\$ 1,300,909
13,814	15,570	16,843	16,973	15,297	14,662
(118,601)	(57,122)	(64,745)	6,731	(13,219)	(22,997)
<u>1,577,220</u>	<u>1,514,284</u>	<u>1,403,174</u>	<u>1,407,481</u>	<u>1,346,418</u>	<u>1,292,574</u>
12,103	11,890	13,045	13,750	13,977	14,367
19,784	18,027	14,995	13,929	11,499	9,220
<u>31,887</u>	<u>29,917</u>	<u>28,040</u>	<u>27,679</u>	<u>25,476</u>	<u>23,587</u>
1,694,110	1,567,726	1,464,121	1,397,527	1,358,337	1,315,276
13,814	15,570	16,843	16,973	15,297	14,662
(98,817)	(39,095)	(49,750)	20,660	(1,720)	(13,777)
<u>\$ 1,609,107</u>	<u>\$ 1,544,201</u>	<u>\$ 1,431,214</u>	<u>\$ 1,435,160</u>	<u>\$ 1,371,914</u>	<u>\$ 1,316,161</u>

Board of Education of Baltimore County
Changes in Net Position by Component
Last Ten Fiscal Years
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses:				
Governmental activities:				
Administration	\$ 91,932	\$ 83,755	\$ 74,608	\$ 67,632
Mid-level administration	173,973	167,491	152,790	144,093
Instruction	1,176,500	1,126,208	1,029,595	942,262
Special education	352,473	345,016	307,237	278,939
Student personnel services	27,866	24,774	22,077	18,847
Health services	29,131	28,664	25,907	23,747
Student transportation	85,865	94,912	94,003	84,777
Operation of plant	122,582	129,991	117,569	112,071
Maintenance of plant	46,719	49,513	45,754	42,536
Food Services	-	4,496	-	-
Community services	418	386	664	640
Capital administration	12,432	20,633	18,714	8,057
Student activities	2,916	-	-	-
Interest on long-term debt	4,215	4,207	3,076	1,126
Total governmental activities	<u>2,127,022</u>	<u>2,080,046</u>	<u>1,891,994</u>	<u>1,724,727</u>
Business-type activity	36,322	45,272	50,709	49,391
Total expenses	<u>2,163,344</u>	<u>2,125,318</u>	<u>1,942,703</u>	<u>1,774,118</u>
Program Revenues:				
Governmental activities:				
Charges for services	122	228	178	198
Operating grants and contributions	219,874	193,276	170,988	159,135
Capital grants and contributions	86,087	129,228	112,470	229,092
Total governmental activities program revenues	<u>306,083</u>	<u>322,732</u>	<u>283,636</u>	<u>388,425</u>
Business-type activity:				
Charges for services	27	8,807	12,707	13,062
Operating grants and contributions	25,722	32,644	37,533	36,346
Total business-type activity program revenues	<u>25,749</u>	<u>41,451</u>	<u>50,240</u>	<u>49,408</u>
Total program revenues	<u>331,832</u>	<u>364,183</u>	<u>333,876</u>	<u>437,833</u>
Net (Expense) Revenue:				
Governmental activities	(1,820,939)	(1,757,314)	(1,608,358)	(1,336,302)
Business-type activity	(10,573)	(3,821)	(469)	17
Total net (expense)	<u>\$ (1,831,512)</u>	<u>\$ (1,761,135)</u>	<u>\$ (1,608,827)</u>	<u>\$ (1,336,285)</u>
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Unrestricted grants and contributions	\$ 1,609,997	\$ 1,584,341	\$ 1,491,209	\$ 1,443,733
Other	6,593	7,233	8,555	5,406
Reversion of fund balance to Baltimore County	-	-	-	-
Total unrestricted general revenues	<u>1,616,590</u>	<u>1,591,574</u>	<u>1,499,764</u>	<u>1,449,139</u>
Transfers	(1,017)	(779)	(1,958)	(192)
Total governmental activities	<u>1,615,573</u>	<u>1,590,795</u>	<u>1,497,806</u>	<u>1,448,947</u>
Business-type activity:				
Transfers	1,017	779	1,958	192
Total business-type activity	<u>1,017</u>	<u>779</u>	<u>1,958</u>	<u>192</u>
Total general revenues and other changes in net position	<u>\$ 1,616,590</u>	<u>\$ 1,591,574</u>	<u>\$ 1,499,764</u>	<u>\$ 1,449,139</u>
Changes in Net Position:				
Governmental activities	\$ (205,366)	\$ (166,519)	\$ (110,552)	\$ 112,645
Business-type activity	(9,556)	(3,042)	1,489	209
Total changes in net position	<u>\$ (214,922)</u>	<u>\$ (169,561)</u>	<u>\$ (109,063)</u>	<u>\$ 112,854</u>

* The 2014 amounts were not changed to reflect the effects of the application of GASB 68.

** The 2017 amounts were not changed to reflect the application of GASB 75

2017 **	2016	2015	2014*	2013	2012
\$ 63,380	\$ 60,449	\$ 67,468	\$ 63,073	\$ 55,792	\$ 55,234
140,582	133,979	131,654	125,914	123,424	128,958
905,610	852,148	808,275	787,582	753,432	776,295
266,165	257,803	249,129	242,142	241,468	251,812
18,725	17,120	14,702	19,301	13,692	14,097
23,719	22,781	21,796	21,078	20,714	21,967
82,464	80,006	81,129	67,651	73,953	73,878
111,734	109,077	111,785	111,341	106,695	105,742
45,502	40,637	40,274	37,615	33,857	34,634
-	-	-	-	-	-
676	417	320	357	289	17
9,279	7,557	6,073	12,181	8,525	3,424
-	-	-	-	-	-
1,100	1,114	1,120	243	335	373
1,668,936	1,583,088	1,533,725	1,488,478	1,432,176	1,466,431
48,275	46,795	45,330	42,382	41,404	39,200
1,717,211	1,629,883	1,579,055	1,530,860	1,473,580	1,505,631
300	403	468	243	383	721
158,277	154,541	149,547	152,074	143,687	141,121
191,652	162,251	121,262	92,056	92,210	140,192
350,229	317,195	271,277	244,373	236,280	282,034
13,072	12,878	12,334	12,891	13,320	13,906
35,662	35,397	32,802	31,108	29,303	26,406
48,734	48,275	45,136	43,999	42,623	40,312
398,963	365,470	316,413	288,372	278,903	322,346
(1,318,707)	(1,265,893)	(1,262,448)	(1,244,105)	(1,195,896)	(1,184,397)
459	1,480	(194)	1,617	1,219	1,112
\$ (1,318,248)	\$ (1,264,413)	\$ (1,262,642)	\$ (1,242,488)	(1,194,677)	\$ (1,183,285)
\$ 1,398,398	\$ 1,371,932	\$ 1,341,910	\$ 1,299,336	\$ 1,244,335	\$ 1,233,143
4,756	5,468	7,313	6,398	6,095	5,524
(20,000)	-	-	-	-	-
1,383,154	1,377,400	1,349,223	1,305,734	1,250,430	1,238,667
(1,511)	(397)	(555)	(566)	(690)	(2,334)
1,381,643	1,377,003	1,348,668	1,305,168	1,249,740	1,236,333
1,511	397	555	566	690	2,334
1,511	397	555	566	690	2,334
\$ 1,383,154	\$ 1,377,400	\$ 1,349,223	\$ 1,305,734	\$ 1,250,430	\$ 1,238,667
\$ 62,936	\$ 111,110	\$ 86,220	\$ 61,063	\$ 53,844	\$ 51,936
1,970	1,877	361	2,183	1,909	3,446
\$ 64,906	\$ 112,987	\$ 86,581	\$ 63,246	\$ 55,753	\$ 55,382

Board of Education of Baltimore County
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(In Thousands)

	2021	2020	2019	2018
General Fund:				
Non-spendable	\$ 2,434	\$ 653	\$ 621	\$ 488
Restricted	-	-	-	-
Assigned	126,538	71,956	57,035	58,994
Unassigned	31,432	16,376	9,100	474
Total general fund	<u>\$ 160,404</u>	<u>\$ 88,985</u>	<u>\$ 66,756</u>	<u>\$ 59,956</u>
All other governmental funds:				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	10,600	10,565	11,113	11,973
Assigned	-	-	-	-
Unassigned (deficit)	-	(286)	(334)	(883)
Total all other governmental funds	<u>\$ 10,600</u>	<u>\$ 10,279</u>	<u>\$ 10,779</u>	<u>\$ 11,090</u>

The above detail of Governmental Fund Balances is presented to comply with the requirements of Government Accounting Standards Board Statement No. 54 (GASB 54), which requires redefining of the components of the fund balance. This statement, which took effect for years beginning after June 30, 2010, did not require restatement of the components of the fund balance for years prior to July 1, 2011. The fund balances for the prior years were restated to be comparable with the current year's presentation.

2017	2016	2015	2014	2013	2012
\$ 491	\$ 495	\$ 498	\$ 221	\$ 639	\$ 731
-	-	-	-	-	-
52,832	66,549	39,588	34,539	35,628	29,481
4,692	24,534	24,876	13,550	4,451	12,722
<u>\$ 58,015</u>	<u>\$ 91,578</u>	<u>\$ 64,962</u>	<u>\$ 48,310</u>	<u>\$ 40,718</u>	<u>\$ 42,934</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,814	15,570	16,843	16,973	15,297	15,393
-	-	-	-	-	-
(1,991)	(1,976)	(1,492)	(587)	-	(137)
<u>\$ 11,823</u>	<u>\$ 13,594</u>	<u>\$ 15,351</u>	<u>\$ 16,386</u>	<u>\$ 15,297</u>	<u>\$ 15,256</u>

Board of Education of Baltimore County
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:				
Intergovernmental	\$ 1,898,793	\$ 1,885,836	\$ 1,773,900	\$ 1,830,275
Other	8,142	8,216	9,499	7,475
Total revenues	<u>1,906,935</u>	<u>1,894,052</u>	<u>1,783,399</u>	<u>1,837,750</u>
Expenditures:				
Current:				
Administration	62,020	59,731	55,216	52,084
Mid-level administration	102,667	103,380	101,234	99,665
Instruction:				
Instructional salaries	586,093	585,643	558,164	534,065
Instructional textbooks and supplies	47,540	26,329	28,594	27,779
Other instructional costs	51,010	63,584	69,308	58,685
Special education	236,199	234,417	221,391	207,944
Student personnel services	16,523	15,137	14,448	13,062
Health services	17,878	17,967	17,299	16,402
Student transportation	58,916	69,790	72,199	64,658
Operation of plant	87,945	96,379	128,758	128,254
Maintenance of plant	38,125	40,451	38,964	35,729
Fixed charges	436,478	415,891	384,665	396,663
Food Services	-	4,496	-	-
Community services	393	301	496	490
Capital administration	90,563	133,680	116,271	231,594
School activities expenditures	2,916	-	-	-
Debt service:				
Principal	8,981	9,338	12,150	10,212
Interest	4,215	4,207	3,076	1,126
Total expenditures	<u>1,848,462</u>	<u>1,880,721</u>	<u>1,822,233</u>	<u>1,878,412</u>
Excess (deficit) of revenues over expenditures	58,473	13,331	(38,834)	(40,662)
Other financing sources (uses):				
Capital lease issuance	5,846	8,398	45,323	41,870
Reversion of fund balance to Baltimore County	-	-	-	-
Total other financing sources (uses)	<u>5,846</u>	<u>8,398</u>	<u>45,323</u>	<u>41,870</u>
Net change in fund balances	<u>\$ 64,319</u>	<u>\$ 21,729</u>	<u>\$ 6,489</u>	<u>\$ 1,208</u>
Debt service as a percentage of noncapital expenditures*	0.8%	0.8%	0.9%	0.7%

* Debt issued by the County to finance school construction is not an obligation of the Board, therefore the debt service relating to those obligations is not included in these financial statements.

2017	2016	2015	2014	2013	2012
\$ 1,746,876	\$ 1,687,092	\$ 1,610,994	\$ 1,542,010	\$ 1,479,501	\$ 1,513,925
6,710	7,690	9,506	7,649	7,209	7,475
<u>1,753,586</u>	<u>1,694,782</u>	<u>1,620,500</u>	<u>1,549,659</u>	<u>1,486,710</u>	<u>1,521,400</u>
47,915	45,478	53,339	48,592	43,972	41,606
97,214	93,464	91,502	87,368	87,294	86,673
518,075	497,405	483,607	469,150	461,528	453,937
27,734	28,397	28,444	33,928	26,628	25,232
52,127	38,103	17,981	16,873	14,931	12,272
197,859	191,377	185,697	180,429	181,271	180,342
12,814	12,179	10,172	9,747	9,517	9,316
16,030	15,798	15,034	14,525	14,564	14,531
62,141	59,055	70,148	63,898	57,751	54,708
87,445	87,236	90,286	90,636	86,955	83,080
38,731	34,301	32,636	35,372	29,315	27,411
409,827	392,424	403,077	397,970	377,854	376,484
-	-	-	-	-	-
645	321	252	293	251	17
195,289	166,205	125,293	96,251	94,970	141,649
-	-	-	-	-	-
9,026	9,587	10,062	7,226	6,799	7,225
1,100	1,114	1,120	243	336	373
<u>1,773,972</u>	<u>1,672,444</u>	<u>1,618,650</u>	<u>1,552,501</u>	<u>1,493,936</u>	<u>1,514,856</u>
(20,386)	22,338	1,850	(2,842)	(7,226)	6,544
5,052	2,521	13,767	11,523	5,051	3,604
(20,000)	-	-	-	-	-
<u>(14,948)</u>	<u>2,521</u>	<u>13,767</u>	<u>11,523</u>	<u>5,051</u>	<u>3,604</u>
<u>\$ (35,334)</u>	<u>\$ 24,859</u>	<u>\$ 15,617</u>	<u>\$ 8,681</u>	<u>\$ (2,175)</u>	<u>\$ 10,148</u>
0.6%	0.7%	0.7%	0.5%	0.5%	0.6%

Board of Education of Baltimore County
Government-wide Expenses by Function
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Administration	Mid-Level Administration	Instruction	Special Education	Student Personnel Services	Health Services	Student Transportation
2021	\$ 91,932	\$ 173,972	\$ 1,176,500	\$ 352,473	\$ 27,866	\$ 29,131	\$ 85,865
2020	83,755	167,491	1,126,208	345,016	24,774	28,664	94,912
2019	74,608	152,790	1,029,595	307,237	22,077	25,907	94,003
2018	67,632	144,093	942,262	278,939	18,847	23,747	84,777
2017	63,380	140,582	905,610	266,165	18,725	23,719	82,464
2016	60,449	133,979	852,148	257,803	17,120	22,781	80,006
2015	67,468	131,654	808,275	249,129	14,702	21,796	81,129
2014	63,073	125,914	787,582	242,142	19,301	21,078	67,651
2013	55,792	123,424	753,432	241,468	13,692	20,714	73,953
2012	55,234	128,958	776,295	251,812	14,097	21,967	73,878

Operation of Plant	Maintenance of Plant	Food Services	Community Services	Capital Administration	Student Activities	Interest on Long-term Debt	Food Services	Total
\$ 122,582	\$ 46,719	\$ -	\$ 419	\$ 12,432	\$ 2,916	\$ 4,215	\$ 36,322	\$ 2,163,344
129,991	49,513	4,496	386	20,633	-	4,207	45,272	2,125,318
117,569	45,754	-	664	18,714	-	3,076	50,709	1,942,703
112,071	42,536	-	640	8,057	-	1,126	49,391	1,774,118
111,734	45,502	-	676	9,279	-	1,100	48,275	1,717,211
109,077	40,637	-	417	7,557	-	1,114	46,795	1,629,883
111,785	40,274	-	320	6,073	-	1,120	45,330	1,579,055
111,341	37,615	-	357	12,181	-	243	42,382	1,530,860
106,695	33,857	-	289	8,525	-	335	41,404	1,473,580
105,742	34,634	-	17	3,424	-	373	39,200	1,505,631

Board of Education of Baltimore County
Government-wide Revenues
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Program Revenues			General Revenues					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Baltimore County	State of Maryland	United States Government	Other		
2021	\$ 149	\$ 245,596	\$ 86,087	\$ 861,086	\$ 748,315	\$ 596	\$ 6,593	\$ 1,948,422	
2020	9,035	225,920	129,228	851,563	732,089	689	7,233	1,955,757	
2019	12,885	208,521	112,470	816,971	673,570	668	8,555	1,833,640	
2018	13,260	195,481	229,092	790,069	653,091	573	5,406	1,886,972	
2017	13,372	193,939	191,652	757,552	639,959	887	4,756	1,802,117	
2016	13,281	189,938	162,251	748,849	622,288	795	5,468	1,742,870	
2015	12,802	182,349	121,262	738,075	603,108	727	7,313	1,665,636	
2014	13,134	183,182	92,056	712,535	585,920	881	6,398	1,594,106	
2013	13,703	172,990	92,210	690,477	553,193	665	6,095	1,529,333	
2012	14,627	167,527	140,192	668,495	559,539	5,109	5,524	1,561,013	

Board of Education of Baltimore County
Governmental Funds Revenues by Source ¹
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Baltimore County	State of Maryland	United States		Total
			Government	Other	
2021	\$ 922,254	\$ 870,238	\$ 106,301	\$ 8,142	\$ 1,906,935
2020	931,121	873,406	81,309	8,216	1,894,052
2019	891,121	807,446	75,333	9,499	1,783,399
2018	956,021	806,277	67,977	7,475	1,837,750
2017	902,189	774,493	70,194	6,710	1,753,586
2016	870,520	747,958	68,614	7,690	1,694,782
2015	808,899	738,241	63,854	9,506	1,620,500
2014	779,394	694,152	68,464	7,649	1,549,659
2013	738,008	674,616	66,877	7,209	1,486,710
2012	766,644	678,766	68,515	7,475	1,521,400

¹ Includes general, special revenue, capital projects funds.

Board of Education of Baltimore County
Governmental Funds Expenditures by Function ¹
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Administration	Mid-Level Administration	Instructional			Special Education	Student Personnel Services	Health Services
			Salaries	Textbooks and Supplies	Other Costs			
2021	\$ 62,020	\$ 102,667	\$ 586,093	\$ 47,540	\$ 51,010	\$ 236,199	\$ 16,523	\$ 17,878
2020	59,731	103,380	585,643	26,329	63,584	234,417	15,137	17,967
2019	55,216	101,234	558,164	28,594	69,308	221,391	14,448	17,299
2018	52,084	99,665	534,065	27,779	58,685	207,944	13,062	16,402
2017	47,915	97,214	518,075	27,734	52,127	197,859	12,814	16,030
2016	45,478	93,464	497,405	28,397	38,103	191,377	12,179	15,798
2015	53,339	91,502	483,607	28,444	17,981	185,697	10,172	15,034
2014	48,592	87,368	469,150	33,928	16,873	180,429	9,747	14,525
2013	43,972	87,294	461,528	26,628	14,931	181,271	9,517	14,564
2012	41,606	86,673	453,937	25,232	12,272	180,342	9,316	14,531

¹ Includes general, special revenue, and capital projects funds.

	Student Transportation	Operation of Plant	Maintenance of Plant	Fixed Charges	Food Services	Community Services	Capital Administration	School Activities Expenditures	Debt Service	Total
\$	58,916	\$ 87,945	\$ 38,125	\$ 436,478	\$ -	\$ 393	\$ 90,563	\$ 2,916	\$ 13,196	\$ 1,848,462
	69,790	96,379	40,451	415,891	4,496	301	133,680	-	13,545	1,880,721
	72,199	128,758	38,964	384,665	-	496	116,271	-	15,226	1,822,233
	64,658	128,254	35,729	396,663	-	490	231,594	-	11,338	1,878,412
	62,141	87,445	38,731	409,827	-	645	195,289	-	10,126	1,773,972
	59,055	87,236	34,301	392,424	-	321	166,205	-	10,701	1,672,444
	70,148	90,286	32,636	403,077	-	252	125,293	-	11,182	1,655,074
	63,898	90,636	35,372	397,970	-	293	96,251	-	7,469	1,577,665
	57,751	86,955	29,315	377,854	-	251	94,970	-	7,135	1,514,843
	54,708	83,080	27,411	376,484	-	17	141,649	-	7,598	1,530,652

Board of Education of Baltimore County
Final Approved Operating Budgets - Expenditures
Last Ten Fiscal Years
(In Thousands)

General Fund

Fiscal Year	Administration	Mid-Level Administration	Instructional Salaries and Other Costs	Instructional Textbooks and Supplies	Special Education	Student Personnel Services	Health Services	Student Transportation
2021	\$ 63,119	\$ 108,707	\$ 625,774	\$ 25,781	\$ 218,760	\$ 17,566	\$ 18,574	\$ 79,684
2020	55,322	105,034	633,311	26,025	213,953	15,537	17,776	77,053
2019	51,741	103,252	608,584	28,902	198,771	14,774	17,495	74,589
2018	51,213	100,523	577,463	27,405	183,087	12,132	16,778	69,660
2017	44,472	98,521	553,422	25,255	175,878	10,071	16,201	67,568
2016	42,469	94,822	524,601	25,502	171,041	9,744	15,667	66,232
2015	49,658	94,597	487,075	25,751	166,057	9,389	15,258	65,541
2014	45,231	89,576	468,709	30,636	160,859	9,103	14,674	60,423
2013	36,778	87,872	460,254	22,137	160,856	8,888	14,317	60,761
2012	37,109	86,727	457,892	22,577	155,229	8,635	14,161	58,270

				General Fund Total	Debt Service Fund	Special Revenue Fund		
<u>Operation of Plant</u>	<u>Maintenance of Plant</u>	<u>Fixed Charges</u>	<u>Capital Administration</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Federal and Restricted Programs</u>	<u>Total</u>	
\$112,606	\$45,499	\$329,140	\$4,991	\$1,650,201	\$ 67,872	\$ 144,303	\$ 1,862,376	
108,203	44,338	310,135	4,825	1,611,512	61,587	94,271	1,767,370	
103,823	41,294	281,908	4,569	1,529,702	54,389	95,301	1,679,392	
96,238	38,335	299,312	4,318	1,476,464	53,032	87,345	1,616,841	
93,218	36,783	310,568	4,034	1,435,991	47,898	87,062	1,570,951	
91,579	40,536	310,952	3,793	1,396,938	40,807	82,686	1,520,431	
93,641	33,719	304,576	3,795	1,349,057	38,914	70,386	1,458,357	
94,846	33,661	300,013	3,417	1,311,148	35,556	73,475	1,420,179	
89,904	34,644	291,928	3,915	1,333,717	33,249	80,272	1,447,238	
85,626	29,666	267,633	3,217	1,265,353	34,438	87,655	1,387,446	

Board of Education of Baltimore County

General Fund Revenue and Expenditures - Budgetary Basis

Last Ten Fiscal Years

(In Thousands)

	2021		2020		2019		2018		2017	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Revenues by Source:										
Baltimore County	\$ 861,086	52.4	\$ 851,563	52.7	\$ 816,971	53.2	\$ 790,069	53.4	\$ 757,552	53.3
State of Maryland	746,496	45.4	726,050	44.9	677,409	44.1	654,223	44.3	633,765	44.6
United States Government	596	0.1	689	0.1	668	0.1	573	0.1	887	0.1
Other	35,851	2.1	37,433	2.3	40,510	2.6	33,463	2.2	28,433	2.0
Total revenue	<u>1,644,029</u>	<u>100.0</u>	<u>1,615,735</u>	<u>100.0</u>	<u>1,535,558</u>	<u>100.0</u>	<u>1,478,328</u>	<u>100.0</u>	<u>1,420,637</u>	<u>100.0</u>
Expenditures - Current										
Administration	59,193	3.7	53,468	3.4	49,388	3.3	50,038	3.4	42,777	3.0
Mid-Level Administration	102,893	6.5	103,605	6.6	101,026	6.7	99,632	6.8	96,744	6.9
Instructional costs:										
Salaries	558,748	35.3	561,967	35.6	536,767	35.7	516,312	35.4	499,339	35.4
Textbooks and supplies	23,143	1.5	25,476	1.6	26,896	1.8	25,394	1.8	23,698	1.7
Other costs	50,940	3.2	60,820	3.9	67,443	4.5	55,585	3.8	50,866	3.6
Special education	216,893	13.7	212,620	13.5	196,877	13.1	182,398	12.5	175,008	12.4
Student personnel services	15,285	1.0	14,805	0.9	13,145	0.9	11,098	0.8	9,070	0.6
Health services	16,636	1.1	17,117	1.1	16,146	1.1	15,639	1.1	15,106	1.1
Student transportation	65,703	4.1	72,719	4.6	73,744	4.9	68,876	4.7	65,112	4.6
Operation of plant	101,623	6.4	104,838	6.6	99,927	6.6	94,808	6.5	90,049	6.4
Maintenance of plant	41,700	2.6	41,690	2.6	39,376	2.6	37,360	2.6	34,832	2.5
Fixed charges	325,854	20.6	305,801	19.3	279,518	18.5	296,008	20.3	305,072	21.6
Capital administration	4,474	0.3	4,660	0.3	3,908	0.3	4,032	0.3	3,591	0.2
Total expenditures	<u>1,583,085</u>	<u>100.0</u>	<u>1,579,586</u>	<u>100.0</u>	<u>1,504,161</u>	<u>100.0</u>	<u>1,457,180</u>	<u>100.0</u>	<u>1,411,264</u>	<u>100.0</u>
Excess of revenue over expenditures	<u>\$ 60,944</u>		<u>\$ 36,149</u>		<u>\$ 31,397</u>		<u>\$ 21,148</u>		<u>\$ 9,373</u>	

2016		2015		2014		2013		2012	
Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
\$ 748,849	53.7	\$ 738,075	54.5	\$ 712,086	54.3	\$ 689,743	54.4	\$ 668,495	54.6
618,578	44.4	594,327	43.9	576,122	43.9	553,541	43.6	535,580	43.7
795	0.1	727	0.1	881	0.1	665	0.1	5,109	0.4
25,210	1.8	20,868	1.5	22,625	1.7	24,218	1.9	16,190	1.3
<u>1,393,432</u>	<u>100.0</u>	<u>1,353,997</u>	<u>100.0</u>	<u>1,311,714</u>	<u>100.0</u>	<u>1,268,167</u>	<u>100.0</u>	<u>1,225,374</u>	<u>100.0</u>
41,162	3.1	49,181	3.7	43,509	3.4	36,604	2.9	35,566	2.9
93,307	6.9	91,657	6.9	87,221	6.7	87,227	6.9	86,312	7.1
479,200	35.3	467,484	35.1	452,028	34.9	445,809	35.4	440,114	36.4
23,975	1.8	23,980	1.8	29,136	2.3	20,329	1.6	21,711	1.8
36,265	2.7	15,778	1.2	12,980	1.0	10,935	0.9	8,614	0.7
168,440	12.4	161,262	12.1	156,997	12.1	158,232	12.6	155,223	12.8
8,867	0.7	8,997	0.7	8,783	0.7	8,749	0.7	8,635	0.7
15,021	1.1	14,669	1.1	14,140	1.1	14,003	1.1	14,154	1.2
65,697	4.8	64,980	4.9	59,687	4.6	59,288	4.7	57,443	4.7
87,396	6.4	92,777	7.0	93,978	7.3	87,728	7.0	83,571	6.9
38,950	2.9	33,284	2.5	32,787	2.5	34,304	2.7	29,244	2.4
294,171	21.7	303,540	22.8	299,988	23.2	291,894	23.2	267,413	22.1
3,240	0.2	3,381	0.2	2,903	0.2	3,641	0.3	3,065	0.3
<u>1,355,691</u>	<u>100.0</u>	<u>1,330,970</u>	<u>100.0</u>	<u>1,294,137</u>	<u>100.0</u>	<u>1,258,743</u>	<u>100.0</u>	<u>1,211,065</u>	<u>100.0</u>
<u>\$ 37,741</u>		<u>\$ 23,027</u>		<u>\$ 17,577</u>		<u>\$ 9,424</u>		<u>\$ 14,309</u>	

Board of Education of Baltimore County
Ratios of Outstanding Debt
Last Ten Fiscal Years
(In Thousands)

<u>Fiscal Year</u>	<u>Capital Lease Debt</u>	<u>Percentage Of Personal Income (1)</u>	<u>Per Capita (1) (2)</u>
2021	\$ 99,410	**	**
2020	102,545	**	**
2019	103,507	0.20%	124.30
2018	70,334	0.15%	84.45
2017	38,676	0.08%	**
2016	42,650	0.09%	51.08
2015	49,716	0.11%	59.75
2014	46,011	0.11%	56.25
2013	16,038	0.04%	19.71
2012	17,786	0.04%	21.96

The only debt incurred by the Board are capital lease financing arrangements for the purchase of school buses, certain other vehicles, and for building improvements at schools and other facilities. These amounts represent the future principal payments on the debt outstanding at the respective fiscal year-end.

** Baltimore County Government data not available at time of printing.

Debt incurred for the construction of schools and other capital projects is the debt of the Baltimore County Government and is not a liability of the Board of Education of Baltimore County; and therefore, is not reflected in the above data.

(1) Personal income and population data provided by Baltimore County Government

(2) Expressed in dollars



Giada Mentzer

Grade 3

Fifth District Elementary

Board of Education of Baltimore County

Cost Per Pupil - Budgetary Basis

Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Number of Pupils Enrolled	<u>111,084</u>	<u>115,038</u>	<u>113,814</u>	<u>113,282</u>
Current Expense				
General Fund:				
Administration	\$ 533	\$ 465	\$ 434	\$ 442
Mid-Level Administration	926	901	888	880
Instructional:				
Salaries	5,030	4,885	4,716	4,558
Textbooks and supplies	208	221	236	224
Other costs	459	529	593	491
Special education	1,953	1,848	1,730	1,610
Student personnel services	138	129	115	98
Health services	150	149	142	138
Student transportation	591	632	648	608
Operation of plant	915	911	878	837
Maintenance of plant	375	362	346	330
Fixed Charges ⁽¹⁾	2,933	2,658	2,456	2,613
Capital administration	40	41	34	36
Total General Fund	<u>14,251</u>	<u>13,731</u>	<u>13,216</u>	<u>12,865</u>
Special Revenue Fund	<u>1,016</u>	<u>793</u>	<u>728</u>	<u>660</u>
Debt Service Fund:				
Principal	381	383	321	316
Interest	230	152	157	152
Total Debt Service Fund	<u>611</u>	<u>535</u>	<u>478</u>	<u>468</u>
Total Cost Per Pupil	<u>\$ 15,878</u>	<u>\$ 15,060</u>	<u>\$ 14,422</u>	<u>\$ 13,993</u>

The cost per pupil is based on the total number of pupils enrolled in the fall of each school year.

(1) Costs that are not applicable to the basic educational program or that are not charged to the Board of Education are not included in the above computation. For the year ended June 30, 2021, contributions by the State of Maryland to the Teachers' Retirement and Pension System of \$92.5 million on behalf of Baltimore County Public Schools are not included in this calculation.

2017	2016	2015	2014	2013	2012
<u>112,139</u>	<u>111,126</u>	<u>109,984</u>	<u>108,376</u>	<u>107,033</u>	<u>105,315</u>
\$ 381	\$ 370	\$ 447	\$ 401	\$ 342	\$ 338
863	840	833	805	815	820
4,453	4,312	4,251	4,172	4,165	4,179
211	216	218	269	190	206
454	326	143	120	102	82
1,560	1,516	1,466	1,449	1,478	1,474
81	80	82	81	82	82
135	135	133	130	131	134
581	591	591	551	544	545
803	787	844	867	820	794
311	351	303	303	321	278
2,720	2,647	2,760	2,768	2,727	2,539
32	29	31	27	34	29
<u>12,585</u>	<u>12,200</u>	<u>12,102</u>	<u>11,942</u>	<u>11,750</u>	<u>11,499</u>
<u>675</u>	<u>682</u>	<u>635</u>	<u>665</u>	<u>687</u>	<u>644</u>
287	232	225	210	202	188
140	135	129	118	108	137
<u>427</u>	<u>367</u>	<u>354</u>	<u>328</u>	<u>310</u>	<u>325</u>
<u>\$ 13,687</u>	<u>\$ 13,249</u>	<u>\$ 13,091</u>	<u>\$ 12,935</u>	<u>\$ 12,747</u>	<u>\$ 12,468</u>

Board of Education of Baltimore County
Enrollment by Schools

<u>Elementary</u>	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>
Arbutus	390	404	Johnnycake	531	690
Baltimore Highlands	469	551	Joppa View	685	739
Battle Grove	334	346	Kingsville	272	326
Bear Creek	457	495	Lansdowne	544	631
Bedford	319	331	Logan	501	550
Berkshire	423	484	Lutherville	338	368
Campfield Ctr. *	333	410	Lyons Mill	685	759
Carney	628	638	Mars Estates	346	386
Carroll Manor	351	389	Martin Boulevard	283	298
Catonsville	638	668	Mays Chapel	668	720
Cedarmere	524	539	McCormick	308	338
Chadwick	647	637	Middleborough	306	349
Chapel Hill	593	646	Middlesex	370	424
Charlesmont	349	384	Milbrook	344	394
Chase	355	398	New Town	818	830
Chatsworth	335	366	Norwood	470	491
Chesapeake Terrace	273	286	Oakleigh	493	569
Church Lane	331	367	Oliver Beach	168	185
Colgate	458	433	Orems	363	403
Cromwell Valley Magnet	367	375	Owings Mills	746	793
Deep Creek	426	458	Padonia International	508	524
Deer Park	396	404	Perry Hall	592	621
Dogwood	578	682	Pine Grove	565	601
Dundalk	732	776	Pinewood	576	596
Edgemere	404	475	Pleasant Plains	525	698
Edmondson Heights	499	524	Pot Spring	446	477
Elmwood	524	571	Powhatan	216	251
Essex	435	493	Prettyboy	385	422
Featherbed Lane	473	572	Randallstown	384	400
Fifth District	281	322	Red House Run	575	588
Fort Garrison	283	319	Reisterstown	500	564
Franklin	400	419	Relay	616	659
Fullerton	574	617	Riderwood	405	453
Glenmar	282	317	Riverview	513	562
Glyndon	512	559	Rodgers Forge	392	468
Grange	446	489	Sandalwood	479	537
Gunpowder	494	538	Sandy Plains	534	597
Halethorpe	320	365	Scotts Branch	520	543
Halstead Academy	478	515	Seneca	389	423
Hampton	645	602	Seven Oaks	476	471
Harford Hills	370	365	Seventh District	337	404
Hawthorne	442	525	Shady Spring	540	587
Hebbsville	479	527	Sparks	485	509
Hernwood	339	383	Stoneleigh	651	748
Hillcrest	692	698	Summit Park	379	470
Holabird MS ***	225	226	Sussex	425	448
Honeygo	661	680	Timber Grove	544	561
Jacksonville	480	550	Timonium	444	484

* Centers

** Formerly Old Court Middle School

*** Grades 4-8

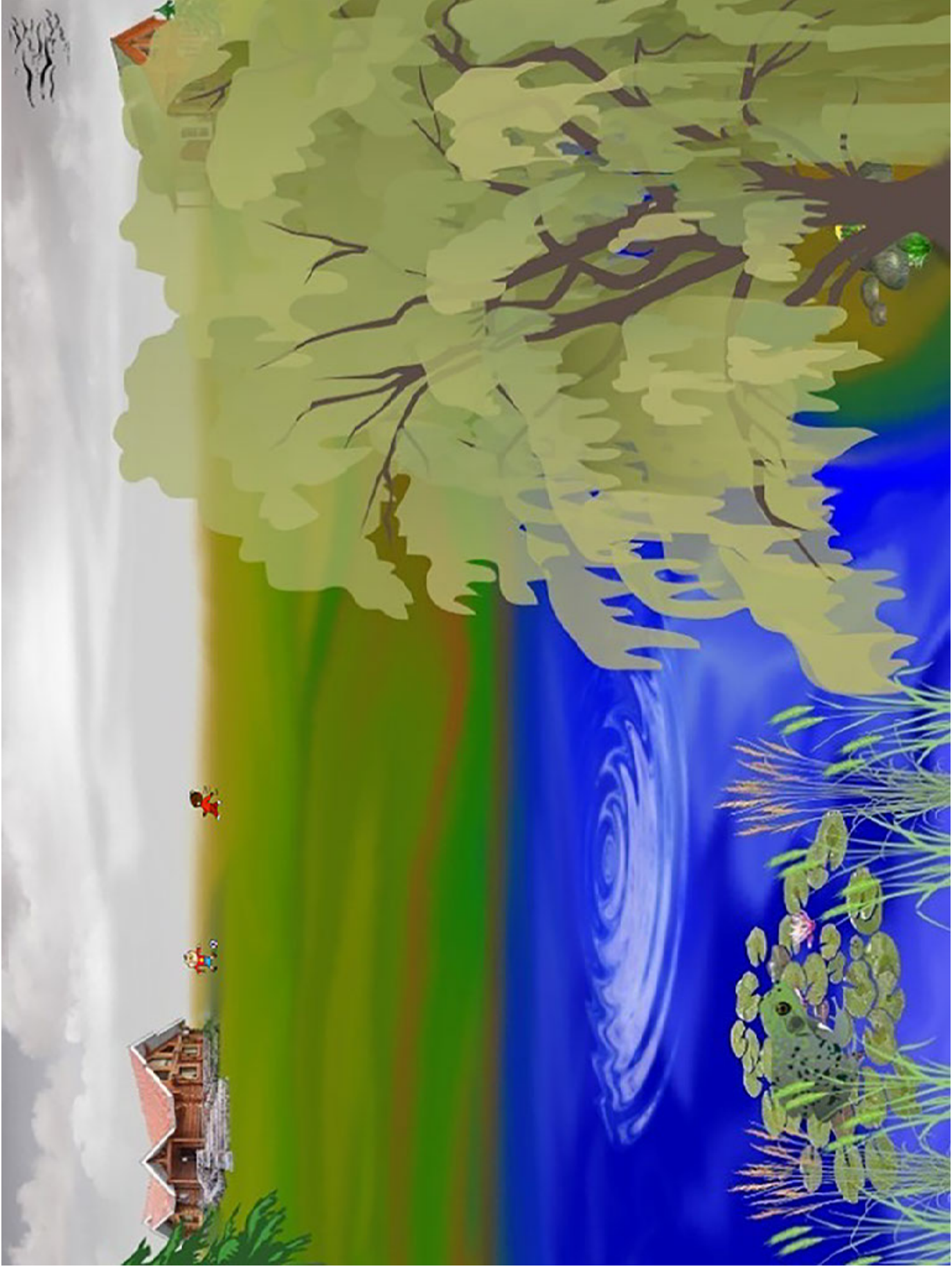
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>
Victory Villa	640	691	Windsor Mill	691	674
Villa Cresta	649	709	Woodlawn	657	622
Vincent Farm	742	761	Home Assignment	1	4
Warren	367	405	Total Middle	<u>25,924</u>	<u>25,833</u>
Watershed Public Charter	231	170			
Wellwood International	496	489	High		
West Towson	435	486	BCDC Educational Center	31	33
Westchester	668	719	George Washington Carver Center	997	961
Westowne	659	698	Catonsville	1,809	1,826
Winand	455	465	Catonsville Ctr. for Alter. Study *	51	55
Winfield	447	493	Chesapeake	988	961
Woodbridge	430	448	Crossroads Center *	88	92
Woodholme	679	714	Dulaney	1,930	1,914
Woodmoor	565	614	Dundalk	1,842	1,782
Home Assignment		2	Eastern School of Technology	1,207	1,172
Total Elementary	<u>51,547</u>	<u>55,891</u>	Extended Day Learning Program	37	62
			Franklin	1,457	1,511
Middle			Hereford	1,285	1,295
Arbutus	1,004	951	Kenwood	1,679	1,649
Catonsville	821	850	Lansdowne	1,296	1,326
Cockeysville	878	910	Loch Raven	836	874
Crossroads Center *	81	91	Milford Mill	1,312	1,251
Deep Creek	907	901	New Town	1,214	1,168
Deer Park	1,495	1,365	Overlea	1,148	1,020
Dumbarton	1,152	1,225	Owings Mills	1,120	1,189
Dundalk	827	793	Parkville	2,075	2,074
Franklin	1,258	1,242	Patapsco	1,402	1,434
General John Stricker	846	793	Perry Hall	2,018	1,969
Golden Ring	851	793	Pikesville	905	922
Hereford	920	972	Randallstown	1,097	1,048
Holabird ***	720	744	Rosedale Alternative *	17	53
Lansdowne	910	866	Sparrows Point	1,097	1,067
Loch Raven Tech. Acad.	817	823	Towson	1,677	1,619
Meadowwood Educ. Ctr. *	15	33	Western School of Technology	920	892
Middle River	1,132	1,035	Woodlawn	1,680	1,656
Northwest Acad. of Health Sci. **	784	785	Home Assignment	11	23
Parkville	1,076	1,126	Total High	<u>33,226</u>	<u>32,898</u>
Perry Hall	1,878	1,925			
Pikesville	967	972	Special Education		
Pine Grove	926	960	Battle Monument	63	63
Rosedale Alternative *	8	12	Maiden Choice School	130	137
Ridgely	1,100	1,113	The Ridge Ruxton School	119	123
Southwest Academy	794	823	White Oak School	75	93
Sparrows Point	630	637	Total Special Education	<u>387</u>	<u>416</u>
Stemmers Run	806	795			
Sudbrook Magnet	972	998	Total Enrollment	<u>111,084</u>	<u>115,038</u>

Board of Education of Baltimore County
Enrollment by Grade and
Student to Teacher Ratio

		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary:											
Preschool		2,842	3,914	3,843	3,705	3,768	3,762	3,702	3,627	3,610	3,605
Kindergarten		7,333	8,265	8,154	8,354	8,373	8,392	8,633	8,586	8,552	8,165
Grade	1	8,004	8,367	8,517	8,570	8,548	8,890	8,756	8,843	8,458	8,202
	2	8,111	8,620	8,657	8,679	9,040	8,878	8,885	8,540	8,340	7,978
	3	8,296	8,773	8,679	9,148	8,872	8,844	8,575	8,432	8,039	7,931
	4	8,506	8,750	9,172	8,974	8,930	8,614	8,538	8,139	8,049	7,843
	5	8,455	9,202	9,065	8,978	8,663	8,553	8,191	8,140	7,883	7,534
Total Elementary		51,547	55,891	56,087	56,408	56,194	55,933	55,280	54,307	52,931	51,258
Middle:											
Grade	6	8,581	8,746	8,606	8,378	8,245	8,043	8,016	7,710	7,496	7,564
	7	8,739	8,704	8,368	8,355	8,134	8,093	7,796	7,623	7,612	7,607
	8	8,604	8,383	8,263	8,158	8,083	7,755	7,605	7,602	7,626	7,580
Total Middle		25,924	25,833	25,237	24,891	24,462	23,891	23,417	22,935	22,734	22,751
High:											
Grade	9	8,455	9,172	8,483	8,533	8,209	8,079	8,171	8,127	8,266	8,179
	10	8,941	8,360	8,430	8,159	7,977	7,956	8,008	8,026	7,816	7,867
	11	7,740	7,650	7,431	7,299	7,196	7,238	7,401	7,247	7,376	7,479
	12	8,090	7,716	7,706	7,586	7,683	7,623	7,331	7,330	7,524	7,407
Total High		33,226	32,898	32,050	31,577	31,065	30,896	30,911	30,730	30,982	30,932
Special Education Schools		387	416	440	406	418	406	376	404	386	374
Total Enrollment		111,084	115,038	113,814	113,282	112,139	111,126	109,984	108,376	107,033	105,315
Number of teachers		8,102	8,091	7,950	7,770	7,770	7,697	7,567	7,405	7,294	7,188
Ratio of students to teachers		13.7	14.2	14.3	14.6	14.4	14.4	14.5	14.6	14.7	14.7

Enrollment data for each school year is collected as of September 30th of the school year.

Enrollment data by school and by grade was obtained from the Baltimore County Public Schools' Department of Information Technology



Dontae Queen

Grade 5

Deep Creek Elementary

Board of Education of Baltimore County
Other Data
Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Number of Schools			
Elementary	107	107	107
Middle	27 a	27 a	27 a
High	24	24	24
Special Education	4	4	4
Alternative Centers and Programs	9	12	12
Total	<u>171</u>	<u>174</u>	<u>174</u>

a- Includes one school serving students in grades 4-8

Student Transportation Data			
Estimated number of eligible riders daily	81,733 c	84,000	84,016
Number of bus routes:			
County	626	641	670
Private contractor	159	157	138
Total bus routes	<u>785</u>	<u>798</u>	<u>808</u>

b- Revised counts

c- No Elig. Students were transported during the Covid-19 Shutdown

High School Graduates	<u>d</u>	<u>7,389</u>	<u>7,124</u>
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d- Counts not available at the time of printing

Total Enrollment	<u>111,084</u>	<u>115,038</u>	<u>113,814</u>
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Above data was provided by various departments within the Baltimore County Public Schools' system.

2018	2017	2016	2015	2014	2013	2012
107	106	107	106	105	106	106
26 a	27	27	27	27	27	27
24	24	24	24	24	24	24
4	4	4	4	4	4	4
12	12	13	12	13	13	13
<u>173</u>	<u>173</u>	<u>175</u>	<u>173</u>	<u>173</u>	<u>174</u>	<u>174</u>
81,306	71,500	71,916	71,431	70,030	70,224	70,142
697 b	693	691	730	772	774	752
130 b	130	118	112	84	82	81
<u>827</u>	<u>823</u>	<u>809</u>	<u>842</u>	<u>856</u>	<u>856</u>	<u>833</u>
<u>7,141</u>	<u>7,358</u>	<u>7,320</u>	<u>7,082</u>	<u>7,255</u>	<u>7,347</u>	<u>7,147</u>
<u>113,282</u>	<u>112,139</u>	<u>111,126</u>	<u>109,984</u>	<u>108,376</u>	<u>107,033</u>	<u>105,315</u>

Board of Education of Baltimore County
Office of Food and Nutrition Services Data
Last Ten Fiscal Years

	2021	2020	2019	2018
Breakfast				
Number of days breakfast served	193	122	177	178
Number of free breakfast served to pupils annually:				
Regular reimbursement	-	25,784	26,803	26,613
Severe need reimbursement	2,209,232	2,532,129	3,682,432	3,682,466
Average number of free breakfasts served to pupils daily:				
Regular reimbursement	-	211	151	150
Severe need reimbursement	11,447	20,755	20,805	20,688
Number of paid breakfasts served to pupils annually:				
Regular reimbursement				
At reduced price	-	6,220	5,695	4,106
At paid price	-	30,137	31,307	27,347
Severe				
At reduced price	-	406,502	549,508	453,066
At paid price	-	1,230,406	1,620,445	1,349,779
Average number of paid breakfasts served to pupils daily:				
Regular reimbursement				
At reduced price	-	51	32	23
At paid price	-	247	177	154
Severe				
At reduced price	-	3,332	3,105	2,545
At paid price	-	10,085	9,155	7,583
Total number of reimbursable breakfasts served to pupils	2,209,232	4,231,178	5,916,190	5,543,377
Average number of reimbursable breakfasts served to pupils daily	11,447	34,682	33,425	31,143
Charge per breakfast to students:				
Elementary:				
Paid	\$ -	\$ 1.40	\$ 1.40	\$ 1.40
Reduced	-	-	-	0.30
Secondary:				
Paid	\$ -	\$ 1.55	\$ 1.55	\$ 1.55
Reduced	-	-	-	0.30
Lunch				
Number of days lunch served	193	122	180	181
Number of free lunches served to pupils annually	2,314,976	3,676,473	5,377,175	5,566,864
Average number of free lunches served to pupils daily	11,995	30,135	29,873	30,756
Number of paid lunches served to pupils annually:				
At reduced price	-	644,314	880,368	788,367
At regular price	-	1,695,840	2,456,411	2,484,351
Average number of paid lunches served to pupils daily:				
At reduced price	-	5,281	4,889	4,356
At regular price	-	13,900	13,647	13,726
Total number of lunches served to pupils annually	2,314,976	6,016,627	8,713,654	8,839,582
Average number of lunches served to pupils daily	11,995	49,317	48,409	48,837
Charge per lunch to students:				
Elementary				
Paid	\$ -	\$ 2.90	\$ 2.90	\$ 2.90
Reduced	-	-	-	0.40
Secondary				
Paid	\$ -	\$ 3.00	\$ 3.00	\$ 3.00
Reduced	-	-	-	0.40

* Breakfast data in the above format only available for the last eight fiscal years

** Formula errors in PY; corrected in FY19

*** In FY2021, all meals (breakfast and lunch) were served free of charge to students under the Summer food Service Program.

2017	2016	2015	2014	2013	2012
183	183	183	178	-	-
39,365	43,890	40,384	26,577	-	-
3,722,747	3,819,934	3,496,394	3,225,925	-	-
215	240	221	149	-	-
20,343	20,874	19,106	18,123	-	-
6,336	7,415	3,692	2,414	-	-
39,003	36,303	24,540	19,855	-	-
471,255	486,090	441,907	395,781	-	-
1,338,962	1,243,725	1,011,280	811,761	-	-
35	41	21	14	-	-
213	198	138	112	-	-
2,575	2,656	2,483	2,223	-	-
7,317	6,796	5,681	4,560	-	-
5,617,668	5,637,357	5,018,197	4,482,313	-	-
30,698	30,805	27,422	25,182	-	-
\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	-	-
0.30	0.30	0.30	0.30	-	-
\$ 1.55	\$ 1.55	\$ 1.55	\$ 1.55	-	-
0.30	0.30	0.30	0.30	-	-
183	183	183	178	181	181
5,643,859	5,799,784	5,757,754	5,526,728	5,407,195	5,231,710
30,841	31,693	31,463	31,049	29,874	28,904
802,948	836,311	835,382	848,243	905,582	950,412
2,454,891	2,288,025	2,119,176	2,086,479	2,267,562	2,451,939
4,388	4,570	4,565	4,765	5,003	5,251
13,415	12,503	11,580	11,722	12,528	13,547
8,901,698	8,924,120	8,712,312	8,461,450	8,580,339	8,634,061
48,643	48,766	47,608	47,536	47,405	47,702
\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.90
0.40	0.40	0.40	0.40	0.40	0.40
\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
0.40	0.40	0.40	0.40	0.40	0.40

Board of Education of Baltimore County
Full-time Equivalent Positions
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Full-time Equivalent Positions by Fund:				
General Fund	14,463	14,387	14,163	13,857
Special Revenue Fund	796	753	742	746
Food Service Enterprise Fund	645	640	623	625
Internal Service Fund	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total Full-time Equivalent Positions By Fund	<u>15,906</u>	<u>15,782</u>	<u>15,530</u>	<u>15,230</u>
Total Full-time Equivalent Positions By Function:				
Administration	322	320	315	313
Mid-level Administration	1,116	1,113	1,107	1,100
Instructional	7,606	7,581	7,486	7,342
Special Education	2,244	2,242	2,153	2,061
Student Personnel Services	195	178	163	136
Health Services	235	229	223	218
Student Transportation	1,226	1,212	1,206	1,191
Operation of Plant	1,226	1,216	1,213	1,194
Maintenance of Plant	250	253	254	259
Capital Administration	<u>43</u>	<u>43</u>	<u>43</u>	<u>43</u>
	14,463	14,387	14,163	13,857
Special Revenue Fund (primarily instructional)	796	753	742	746
Food Service Enterprise Fund	645	640	623	625
Internal Service Fund	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total Full-time Equivalent Positions by Function	<u>15,906</u>	<u>15,782</u>	<u>15,530</u>	<u>15,230</u>

Above data provided by Baltimore County Public Schools'
Office of Budget and Reporting

2017	2016	2015	2014	2013	2012
13,717	13,571	13,445	13,338	13,204	13,104
682	622	594	575	555	655
616	591	586	561	584	569
2	-	-	-	-	-
15,017	14,784	14,625	14,474	14,343	14,328
315	315	319	319	316	320
1,087	1,091	1,081	1,067	1,067	1,079
7,287	7,179	7,088	7,031	6,899	6,804
2,026	1,994	1,983	1,984	1,998	1,986
112	107	108	113	113	114
217	214	214	216	216	216
1,191	1,191	1,180	1,148	1,141	1,128
1,192	1,190	1,184	1,172	1,165	1,167
248	249	249	249	250	251
42	41	39	39	39	39
13,717	13,571	13,445	13,338	13,204	13,104
682	622	594	575	555	655
616	591	586	561	584	569
2	-	-	-	-	-
15,017	14,784	14,625	14,474	14,343	14,328

Board of Education of Baltimore County
Capital Asset Information
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Schools:				
Elementary				
Buildings	107	107	107	107
Square Feet	6,129,079	7,053,069	7,035,196	6,846,309
Capacity	53,674	53,858	53,657	52,229
Enrollment	51,547	55,891	56,087	56,408
Middle				
Buildings	27	27	27	27
Square Feet	3,626,575	3,800,464	3,803,274	3,799,030
Capacity	27,953	27,681	27,593	27,788
Enrollment	25,916	25,821	25,211	24,866
High				
Buildings	24	24	24	24
Square Feet	5,527,982	5,522,204	5,519,518	5,545,940
Capacity	34,974	34,707	34,688	34,606
Enrollment	33,158	32,790	31,921	31,469
Special Education				
Buildings	4	4	4	4
Square Feet	196,975	243,870	243,870	243,870
Capacity	480	760	760	760
Enrollment	387	416	440	406
Alternative				
Buildings	2	2	2	2
Square Feet	23,500	78,945	23,500	23,500
Capacity	100	350	100	257
Enrollment	76	120	155	133
Total Schools				
Buildings	164	164	164	164
Square Feet	15,504,111	16,698,552	16,625,358	16,458,649
Capacity	117,081	117,356	116,798	115,640
Enrollment	111,084	115,038	113,814	113,282

Note: The above data does not include administrative and support buildings; and leased office facilities.

Note: Colgate ES currently occupies the building normally used by Rosedale Alternative School while construction is continuing at Colgate ES.

Transportation:

School Buses	838	849	857	856
Trucks	430	400	410	401

Above data provided by Baltimore County Public Schools' Departments of Physical Facilities and Student Transportation.

2017	2016	2015	2014	2013	2012
107	107	106	105	106	106
6,755,151	6,711,151	6,560,121	6,467,506	6,506,021	6,450,369
51,500	51,098	49,975	49,264	48,933	48,933
56,194	55,933	55,280	54,307	52,931	51,258
27	27	27	27	27	27
3,752,200	3,719,824	3,855,512	3,854,297	3,854,297	3,854,297
27,605	27,379	28,203	28,203	28,264	28,496
24,461	23,871	23,385	22,903	22,695	22,716
24	24	24	24	24	24
5,599,482	5,599,482	5,351,847	5,171,264	5,126,992	5,126,992
35,247	34,973	34,005	34,005	34,093	33,766
30,932	30,770	30,751	30,576	30,811	30,753
4	4	4	4	4	4
243,870	243,870	243,870	243,870	243,870	243,870
760	760	760	760	760	750
418	406	376	404	386	374
2	2	2	3	3	3
55,445	101,040	101,040	196,040	218,785	218,785
350	350	350	745	1,030	1,030
134	146	192	186	210	214
164	164	163	163	164	164
16,406,148	16,375,367	16,112,390	15,932,977	15,949,965	15,894,313
115,462	114,560	113,293	112,977	113,080	112,975
112,139	111,126	109,984	108,376	107,033	105,315
883	895	886	883	883	882
407	392	363	363	363	363



Elijah Legins

Grade 1

Grange Elementary

Baltimore County, Maryland
Ratios of Net General Obligation (GO) Debt to
Estimated Actual Value of Property and Net GO Debt Per Capita
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year	Estimated Population (1)	Estimated Actual Value of Real & Personal Property	GO Debt (2)	Less: Amounts Available in Escrow for Debt Service (3)	Net GO Debt	Percent of Net GO Debt to Estimated Actual Value of Property	GO Debt per Capita (4)
2011	809,941	\$ 89,179,450	\$ 2,050,809	\$ -	\$ 2,050,809	2.30	\$ 2,532.05
2012	813,556	84,472,824	2,351,961	232	2,351,729	2.78	2,890.68
2013	817,993	80,894,772	2,791,988	319	2,791,669	3.45	3,412.83
2014	826,784	78,535,220	2,891,081	448	2,890,633	3.68	3,496.24
2015	829,379	78,313,024	3,014,884	586	3,014,298	3.85	3,634.40
2016	828,616	79,824,300	2,926,993	1,203	2,925,790	3.67	3,530.94
2017	828,603	82,101,821	3,327,761	1,647	3,326,114	4.05	4,014.12
2018	828,431	84,887,632	3,797,190	103,996	3,693,194	4.47	4,458.06
2019	832,512	87,744,194	4,034,369	103,461	3,930,908	4.60	4,687.46
2020	836,594	90,700,152	4,237,143	5,951	4,231,192	4.67	5,057.64

Notes:

- (1) U.S. Bureau of the Census, Population Estimates Branch. Last year based on budgetary estimates
- (2) This is the general obligation debt of both governmental and business-type activities, net of original issuance discounts and premiums
- (3) The County has resources restricted to repaying the principal of outstanding debt.
- (4) Expressed in dollars

Baltimore County, Maryland
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Consolidated Public Improvement (CPI)										
General Obligation Debt										
Assessed value										
Real property	\$ 86,234,670	\$ 81,448,482	\$ 77,870,032	\$ 75,548,498	\$ 75,289,712	\$ 76,579,861	\$ 78,767,139	\$ 81,446,013	\$ 84,155,733	\$ 86,955,435
Personal property	2,944,780	3,024,342	3,024,740	2,986,722	3,023,312	3,244,439	3,334,682	3,441,619	3,588,461	3,744,717
Total assessed value	<u>89,179,450</u>	<u>84,472,824</u>	<u>80,894,772</u>	<u>78,535,220</u>	<u>78,313,024</u>	<u>79,824,300</u>	<u>82,101,821</u>	<u>84,887,632</u>	<u>87,744,194</u>	<u>90,700,152</u>
Debt limit (4% of total assessed value)	3,567,178	3,378,913	3,235,791	3,141,409	3,132,521	3,192,972	3,284,073	3,395,505	3,509,768	3,628,006
Debt applicable to limit:										
Consolidated public improvement bonds	918,085	1,036,500	1,161,100	1,235,730	1,274,405	1,311,740	1,323,355	1,410,445	1,557,695	1,633,440
Pension liability funding	31,805	24,735	274,010	267,085	249,082	238,928	376,741	368,682	358,895	348,979
CPI commercial paper notes	174,900	240,000	240,000	216,000	211,900	99,800	121,000	246,000	246,000	145,000
Total debt applicable to debt limit	<u>1,124,790</u>	<u>1,301,235</u>	<u>1,675,110</u>	<u>1,718,815</u>	<u>1,735,387</u>	<u>1,650,468</u>	<u>1,821,096</u>	<u>2,025,127</u>	<u>2,162,590</u>	<u>2,127,419</u>
Legal debt margin	<u>\$ 2,442,388</u>	<u>\$ 2,077,678</u>	<u>\$ 1,560,681</u>	<u>\$ 1,422,594</u>	<u>\$ 1,397,134</u>	<u>\$ 1,542,504</u>	<u>\$ 1,462,977</u>	<u>\$ 1,370,378</u>	<u>\$ 1,347,178</u>	<u>\$ 1,500,587</u>
Metropolitan District General Obligation Debt										
Assessed value (1)										
Real property	\$ 76,836,626	\$ 72,056,007	\$ 68,888,892	\$ 67,005,625	\$ 64,936,021	\$ 67,958,118	\$ 69,971,527	\$ 72,576,110	\$ 75,003,966	\$ 77,499,206
Personal property	2,623,851	2,675,581	2,675,882	2,648,990	2,607,552	2,879,164	2,962,312	3,066,809	3,198,222	3,337,486
Total assessed value	<u>79,460,477</u>	<u>74,731,588</u>	<u>71,564,774</u>	<u>69,654,615</u>	<u>67,543,573</u>	<u>70,837,282</u>	<u>72,933,839</u>	<u>75,642,919</u>	<u>78,202,188</u>	<u>80,836,692</u>
Debt limit (3.2% of total assessed value)	2,542,735	2,391,411	2,290,073	2,228,948	2,161,394	2,266,793	2,333,883	2,420,573	2,502,470	2,586,774
Debt applicable to limit:										
Metropolitan District (MD) bonds	750,917	822,490	850,645	875,708	928,611	1,003,368	1,107,298	1,334,052	1,615,201	1,646,637
MD commercial paper notes	106,500	160,000	160,000	183,800	187,500	99,300	225,000	245,000	42,000	205,000
Total debt applicable to debt limit	<u>857,417</u>	<u>982,490</u>	<u>1,010,645</u>	<u>1,059,508</u>	<u>1,116,111</u>	<u>1,102,668</u>	<u>1,332,298</u>	<u>1,579,052</u>	<u>1,657,201</u>	<u>1,851,637</u>
Legal debt margin	<u>\$ 1,685,318</u>	<u>\$ 1,408,921</u>	<u>\$ 1,279,428</u>	<u>\$ 1,169,440</u>	<u>\$ 1,045,283</u>	<u>\$ 1,164,125</u>	<u>\$ 1,001,585</u>	<u>\$ 841,521</u>	<u>\$ 845,269</u>	<u>\$ 735,137</u>

Notes:

(1) Assessed value of property in the Metropolitan District.

* The County has \$103.461 million restricted to repaying the principal of outstanding debt as of June 30, 2019.

**Baltimore County, Maryland
Demographic and Economic Statistics
Fiscal Years 2010 - 2019**

Fiscal Year	Estimated Population (1)	Total Personal Income (expressed in thousands)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Formal Schooling (3)	School Enrollment (4)	Unemployment Rate (5)
2010	805,964	\$ 39,717,586	\$ 49,280	38.4	15.0	103,832	7.8%
2011	809,941	41,510,448	51,251	39.1	15.0	104,331	7.9
2012	813,556	43,379,449	53,321	39.1	15.4	105,315	7.7
2013	817,993	43,128,806	52,348	39.2	15.4	107,033	7.3
2014	826,784	44,611,807	53,949	39.2	15.4	108,376	6.5
2015	829,379	46,234,945	55,568	39.2	15.3	109,984	5.9
2016	828,616	47,396,114	57,199	39.1	15.3	111,126	5.4
2017	828,603	48,587,420	58,638	39.1	15.3	112,351	4.4
2018	828,431	50,994,500	61,556	39.4	15.4	113,282	4.2
2019	832,512	52,783,511	63,403	39.5	15.6	113,814	3.7

Notes:

- (1) U.S. Bureau of the Census, Population Estimates Branch
- (2) Data extracts prepared by the U.S. Bureau of the Census and Maryland Office of Planning
- (3) Baltimore County Office of Planning
- (4) Baltimore County Board of Education
- (5) Maryland Department of Labor and Licensing Regulation

**Baltimore County, Maryland
Principal Employers
Current Year and Nine Years Ago**

Employer	2020		Employer	2011	
	Employees	Percentage of Total County Employment		Employees	Percentage of Total County Employment
Baltimore County Public Schools	15,770	3.55	Social Security Administration/CMS	14,948	3.82
Social Security Administration/CMS	15,415	3.47	Baltimore County Public Schools	14,608	3.73
Baltimore County Government	8,237	1.85	Baltimore County Government	8,429	2.15
T. Rowe Price Associates, Inc.	4,200	0.95	Franklin Square Hospital	3,500	0.89
Community College of Baltimore Co.	4,184	0.94	Towson University	3,344	0.86
Greater Baltimore Medical Center	3,900	0.88	Greater Baltimore Medical Center	3,331	0.85
Franklin Square Hospital	3,900	0.88	St. Joseph Medical Center	3,330	0.85
UMBC	3,612	0.81	UMBC	3,258	0.83
Towson University	3,476	0.78	Erickson Retirement Communities	3,070	0.78
McCormick & Company, Inc.	2,300	0.52	Erickson Retirement Communities	3,070	0.78
Saint Joseph Medical Center	2,250	0.51	Sheppard Pratt Health System	2,380	0.61
Total	67,244	16.13	Total	63,268	16.15

Source: Baltimore County Department of Economic Development

**Baltimore County, Maryland
Principal Property Taxpayers
Current Year and Nine Years Ago
(dollars expressed in thousands)**

Taxpayer	2020		Taxpayer	2011	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Percentage of Total Taxable Assessed Value
BGE	\$ 1,305,652,610	1.44%	BGE	\$ 979,411,208	1.10%
Trade Point Atlantic LLC	2,101,554,115	2.32%	Verizon	336,238,560	0.38%
Verizon	254,040,180	0.28%	Merritt Mgt Corp	414,496,406	0.46%
Amazon	160,826,750	0.18%	Towson Town Center	238,679,800	0.27%
TRP Suburban	226,652,703	0.25%	TRP Suburban	182,581,650	0.20%
Comcast	113,461,980	0.13%	ISG	204,043,740	0.23%
Home Properties	268,742,863	0.30%	Wal Mart	185,402,834	0.21%
Merritt Mgt Corp	215,660,629	0.24%	Oak Campus Partners LLC	167,259,660	0.19%
Towson Town Center	268,947,400	0.30%	Maryland Health and Higher Education	140,164,666	0.16%
Wal Mart	168,095,639	0.19%	Comcast	89,196,300	0.10%
	<u>\$ 5,083,634,869</u>	<u>5.63%</u>		<u>\$ 2,937,474,824</u>	<u>3.30%</u>

Source: State of Maryland Assessment Files and Baltimore County Office of Budget and Finance Tax Files

**Baltimore County, Maryland
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

County Direct Rates

Fiscal Year	Real	Personal	Total (a)
2011	1.100	2.7500	1.155
2012	1.100	2.7500	1.159
2013	1.100	2.7500	1.161
2014	1.100	2.7500	1.162
2015	1.100	2.7500	1.164
2016	1.100	2.7500	1.167
2017	1.100	2.7500	1.167
2018	1.100	2.7500	1.167
2019	1.100	2.7500	1.167
2020	1.100	2.7500	1.168

Notes:

- (1) Rates are per \$100 of assessed value.
- (2) Except for the State of Maryland, there is no separate taxing authority that overlaps the County geographically.
- (3) There are no tax limits.
- (a) Weighted average of the individual Real & Personal direct rates.

**Baltimore County, Maryland
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars expressed in thousands)**

Fiscal Year Ended	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2011	\$ 839,080	\$ 834,831	99.49	\$ 3,501	\$ 838,332	99.91
2012	846,418	841,983	99.48	3,536	845,519	99.89
2013	853,307	851,115	99.74	1,365	852,480	99.90
2014	856,946	854,254	99.69	1,824	856,078	99.90
2015	872,676	869,303	99.61	2,452	871,755	99.89
2016	888,230	886,008	99.75	973	886,981	99.86
2017	921,713	918,421	99.64	-	918,421	99.64
2018	953,533	947,231	99.70	-	950,641	99.70
2019	987,128	982,261	99.60	-	982,774	99.60
2020	1,022,700	1,012,379	98.99	-	1,012,379	98.99

Baltimore County, Maryland
Taxable Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended June 30	Real Property (1)			Personal Property			Total Taxable Assessed Value (1)	Estimated Actual Value	Total Direct Rate (2)
	Residential Property	Commercial Property	Total Real Property	Railroad/Utility Property	Other Business Property	Total Personal Property			
2011	\$ 66,400,696	\$ 19,833,974	\$ 86,234,670	\$ 1,241,027	\$ 1,703,753	\$ 2,944,780	\$ 89,179,450	\$ 89,179,450	\$ 1.155
2012	61,900,847	19,547,635	81,448,482	1,229,659	1,794,683	3,024,342	84,472,824	84,472,824	1.159
2013	58,402,524	19,467,508	77,870,032	1,271,351	1,753,389	3,024,740	80,894,772	80,894,772	1.161
2014	56,661,374	18,887,124	75,548,498	1,245,132	1,741,590	2,986,722	78,535,220	78,535,220	1.162
2015	55,714,387	19,575,325	75,289,712	1,306,763	1,716,549	3,023,312	78,313,024	78,313,024	1.164
2016	56,669,097	19,910,764	76,579,861	1,347,311	1,897,128	3,244,439	79,824,300	79,824,300	1.167
2017	58,287,682	20,479,456	78,767,138	1,424,762	1,909,921	3,334,683	82,101,821	82,101,821	1.167
2018	61,084,509	20,361,503	81,446,012	1,544,456	1,897,163	3,441,619	84,887,631	84,887,631	1.167
2019	56,384,341	27,771,392	84,155,733	1,656,565	1,931,896	3,588,461	87,744,194	87,744,194	1.167
2020	65,216,577	21,738,859	86,955,436	1,684,088	2,060,628	3,744,716	90,700,152	90,700,152	1.168

Note:

(1) Tax exempt properties are not included

(2) Expressed in dollars per \$100 of assessed value