

**CALVERT COUNTY PUBLIC SCHOOLS**  
Prince Frederick, Maryland

**FINANCIAL STATEMENTS**  
June 30, 2016

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## INDEPENDENT AUDITORS' REPORT

To the Board Of Education  
of Calvert County  
Calvert County Public Schools  
Prince Frederick, 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 Calvert County Public Schools (CCPS), a component unit of Calvert County, Maryland, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise CCPS's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to CCPS'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 CCPS'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 Calvert County Public Schools as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

The Other Supplementary Information as listed in the table of contents are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2016, on our consideration of Calvert County Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Calvert County Public Schools' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
September 28, 2016

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

This section of Calvert County Public Schools' (CCPS's) annual financial report includes a discussion and analysis of the school district's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with CCPS's financial statements, which immediately follow this section.

**OVERVIEW**

- With bank balances as of June 30, 2016 totaling \$16 million, Calvert County Public Schools is financially secure.
- County, State, and Federal funding are the major factors contributing to the financial status of CCPS.
- In accordance with Maryland State Department of Education requirements, CCPS financial records are maintained on a budgetary basis. This basis is used for all budget to actual analysis.
- Outlays for new capital assets decreased during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: management's discussion and analysis (this section), the financial statements, and required supplementary information. The financial statements include two kinds of statements that present different views of the district:

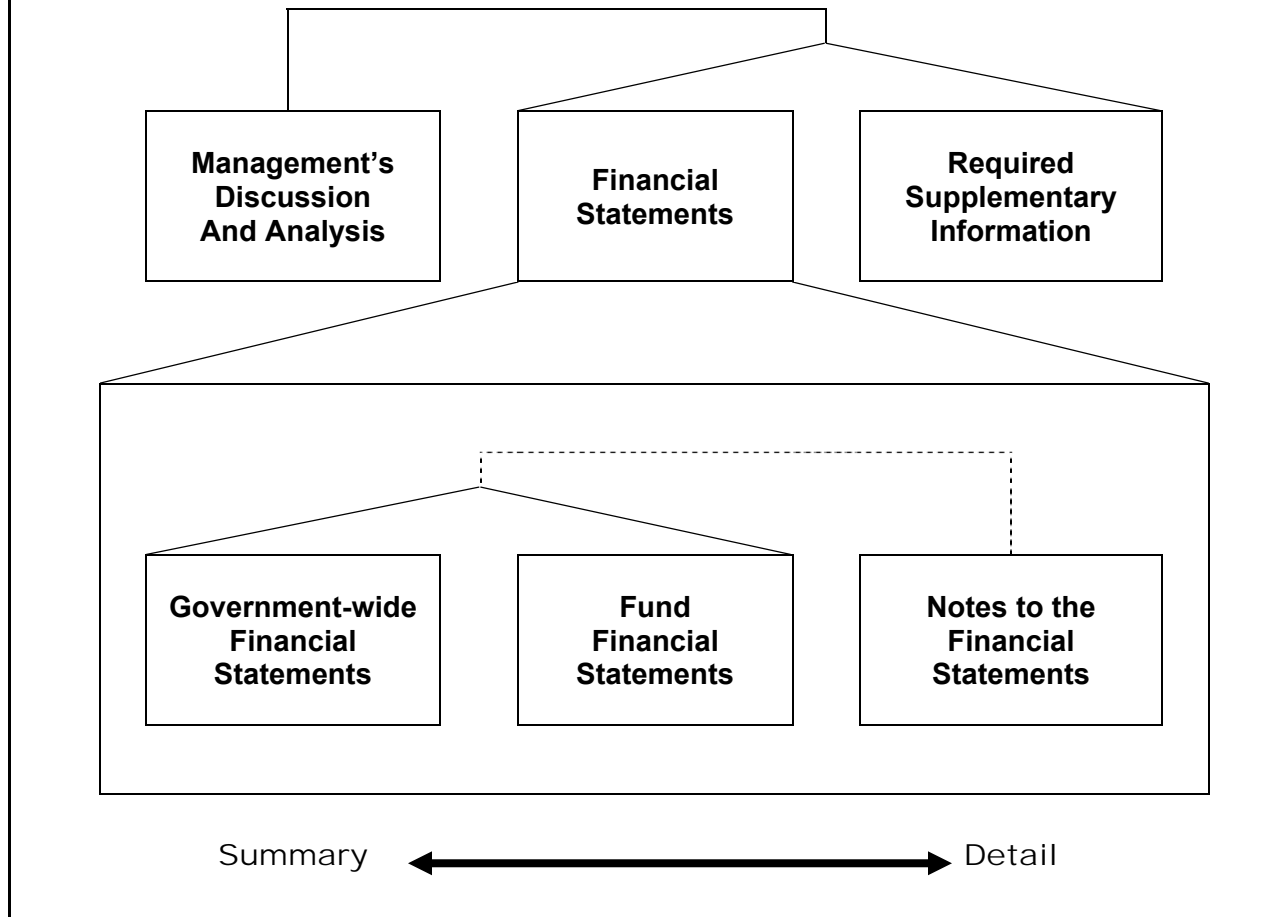
- The first two statements are CCPS government-wide financial statements that provide both short-term and long-term information about the district's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of CCPS, reporting its operation in more *detail* than its government-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds statements* provide information about the financial relationships in which CCPS acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of CCPS budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

**Figure A-1**

**Organization of CCPS Annual Financial Report**



**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

Figure A-2 summarizes the major features of the district's financial statements, including the portion of CCPS activities covered and the types of information contained. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

| <b>Figure A-2<br/>Major Features of the CCPS Government-Wide and Fund Financial Statements</b> |  |   |  |
|--|--|---|--|
|  | Government-wide Statements   | Fund Financial Statements   |  |
|  |  | Governmental Funds  | Fiduciary Funds  |
| Scope  | Entire district (except fiduciary funds)   | The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance  | Instances in which the district administers resources on behalf of someone else, such as student activities and scholarship monies |
| Required financial statements  | Statement of Net Position<br>Statement of Activities   | Balance sheet<br>Statement of Revenues, Expenditures, and Changes in Fund Balances  | Statement of Fiduciary Net Position  |
| Accounting Basis and measurement focus   | Accrual accounting and economic resources focus  | Modified accrual accounting and current financial focus   | Accrual accounting and economic resources focus  |
| Type of asset/liability information  | All assets and liabilities, both financial and capital, short-term and long-term                       | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included                     | All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can        |
| Type of flow information   | All revenues earned and expenses incurred during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable | All additions and deductions during the year, regardless of when cash is received or paid  |

**Government-wide Statements**

The school system's *Government-wide Financial Statements* provide a broad view of the school system's operations in a manner similar to a private sector business enterprise. The statements provide both short-term and long-term information about the school system's financial position, which assists in assessing the school system's economic condition at year end. They are prepared using the economic resources focus and full accrual basis of accounting. These are methods similar to 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 of the school system's assets, liabilities, and deferred inflows/outflows of resources with the difference between these components reported as "net position." The statement combines and consolidates all of the school system's current financial resources (short-term spendable resources) with capital assets (net of accumulated depreciation) and liabilities, distinguishing between governmental and business-type activities. The end result is net position segregated into three

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

components: net investment in capital assets, restricted, and unrestricted net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the school system is improving or deteriorating.

The *Statement of Activities* presents information showing how the school system'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. The majority of the school system's revenue is general revenue, grants and contributions from other governments.

In government-wide financial statements, CCPS's activities are divided into two categories:

*Governmental activities:* Most of CCPS's basic services are included here, such as regular and special education, transportation, and administration. County appropriations and State formula aid finance most of these activities.

*Business-type activities:* CCPS charges fees to help it cover the costs of certain services it provides. The district's Child Nutrition Program is included here.

***Fund Financial Statements***

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

*Governmental Funds Financial Statements* – Most of the basic services provided by the school system are accounted for in the governmental funds. Governmental funds are used to account for essentially 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.

The school system has three governmental funds:

The General Fund (Current Expenses Fund) includes most of the school system's basic functions and generally follows the requirements of the Maryland State Department of Education.

The Special Revenue Fund (Cafeteria Fund) captures the financial activities of the cafeteria operations.



**CALVERT COUNTY PUBLIC SCHOOLS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2016**

The Capital Projects Fund (School Construction Fund) tracks larger construction projects. This fund reports revenue and expenditures on a yearly basis. It should be noted that due to the long-term nature of most projects, the budgetary basis of this fund crosses fiscal years.

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 and business-type activities (reported in the Statement of Net Position and Statement of Activities), and governmental funds in reconciliations found on pages 23, 24 and 26.

*Fiduciary Fund Financial Statements* – The fiduciary funds are used to account for resources held for the benefit of parties outside the school system. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the school system's own programs. Accordingly, there is no analysis of the board's fiduciary funds included in this Management's Discussion and Analysis. The accounting used for fiduciary funds is the accrual basis of accounting.

The school system's fiduciary funds include an Agency Fund which reflects liabilities due to student groups that are earmarked for specific student groups at individual schools.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

Net Position: CCPS combined net position for Governmental Activities and Business-type Activities (in millions of dollars) as of June 30, 2015 and 2016 is as follows:

|                                 | Governmental<br>Activities |                 | Business-type<br>Activities |                 | Total           |                 | Total %age<br>Change |
|---------------------------------|----------------------------|-----------------|-----------------------------|-----------------|-----------------|-----------------|----------------------|
|                                 | <u>FY2015</u>              | <u>FY2016</u>   | <u>FY2015</u>               | <u>FY2016</u>   | <u>FY2015</u>   | <u>FY2016</u>   | <u>FY15 - 16</u>     |
| <b>Assets</b>                   |                            |                 |                             |                 |                 |                 |                      |
| Cash and Cash Equivalents       | \$ 17.4                    | \$ 21.0         | \$ 2.0                      | \$ 1.9          | \$ 19.4         | \$ 22.9         | 18.0%                |
| Accounts Receivable             | 13.2                       | 13.6            | 0.1                         | 0.1             | 13.3            | 13.7            | 3.0%                 |
| Inventories                     | 0.1                        | -               | -                           | -               | 0.1             | -               | -100.0%              |
| Other Assets                    | -                          | 0.1             | -                           | -               | -               | 0.1             | 0.0%                 |
| Capital Assets less             |                            |                 |                             |                 |                 |                 |                      |
| Accumulated Depreciation        | 224.8                      | 219.6           | 0.2                         | 0.1             | 225.0           | 219.7           | -2.4%                |
| <b>Total Assets</b>             | <b>255.5</b>               | <b>254.3</b>    | <b>2.3</b>                  | <b>2.1</b>      | <b>257.8</b>    | <b>256.4</b>    | <b>-0.5%</b>         |
| Deferred Outflows of Resources  | 1.7                        | 3.9             | 0.3                         | 0.6             | 2.0             | 4.5             | 0.0%                 |
| <b>Liabilities</b>              |                            |                 |                             |                 |                 |                 |                      |
| Other Liabilities               | 19.5                       | 21.0            | 0.4                         | 0.3             | 19.9            | 21.3            | 7.0%                 |
| Long-term Obligations           | 73.3                       | 90.3            | 2.5                         | 3.1             | 75.8            | 93.4            | 23.2%                |
| <b>Total Liabilities</b>        | <b>92.8</b>                | <b>111.3</b>    | <b>2.9</b>                  | <b>3.4</b>      | <b>95.7</b>     | <b>114.7</b>    | <b>19.9%</b>         |
| Deferred Inflows of Resources   | 1.1                        | 1.1             | 0.2                         | 0.2             | 1.3             | 1.3             | 0.0%                 |
| <b>Net Position</b>             |                            |                 |                             |                 |                 |                 |                      |
| Net Investment in Capital Asset | 224.8                      | 219.6           | 0.2                         | 0.1             | 225.0           | 219.7           | -2.4%                |
| Restricted                      | -                          | -               | -                           | -               | -               | -               | 0.0%                 |
| Unrestricted                    | (61.5)                     | (73.7)          | (0.6)                       | (1.0)           | (62.1)          | (74.7)          | -20.3%               |
| <b>Total Net Position</b>       | <b>\$ 163.3</b>            | <b>\$ 145.9</b> | <b>\$ (0.4)</b>             | <b>\$ (0.9)</b> | <b>\$ 162.9</b> | <b>\$ 145.0</b> | <b>-11.0%</b>        |

As was the case in the previous year, the decline in CCPS's financial position from FY 2015 to FY 2016 was primarily the result of an increase in the noncurrent liabilities associated with the net OPEB obligation.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

Capital Assets: By the end of FY 2016, CCPS had invested \$335,743,220 and \$1,915,001 for governmental activities and business-type activities, respectively, in a broad range of capital assets, including school building construction, equipment, and paving. (More detailed information about capital assets can be found in Note 5 to the financial statements.) Total depreciation expense for the year was \$7,568,683 for Governmental Activities and \$39,000 for Business-type Activities. A summary of capital asset activity is as follows:

**Governmental Activities**

|                            | Balance at<br>June 30, 2015 | Increases           | Decreases/<br>Transfers | Balance at<br>June 30, 2016 | Percentage<br>of Change |
|----------------------------|-----------------------------|---------------------|-------------------------|-----------------------------|-------------------------|
| Land                       | \$ 3,849,196                | \$ -                | \$ -                    | \$ 3,849,196                | 0.0%                    |
| Land improvements          | 4,963,462                   | 861,018             | -                       | 5,824,480                   | 17.3%                   |
| Construction in progress   | 3,709,438                   | 1,850,302           | (1,203,368)             | 4,356,372                   | 17.4%                   |
| Buildings and improvements | 313,677,547                 | 380,440             | (197,036)               | 313,860,951                 | 0.1%                    |
| Equipment                  | 7,756,847                   | 665,636             | (570,262)               | 7,852,221                   | 1.2%                    |
| Totals at historic cost    | <u>\$ 333,956,490</u>       | <u>\$ 3,757,396</u> | <u>\$ (1,970,666)</u>   | <u>\$ 335,743,220</u>       | <u>0.5%</u>             |

**Business-type Activities**

|                              | Balance at<br>June 30, 2015 | Increases   | Decreases/<br>Transfers | Balance at<br>June 30, 2016 | Percentage<br>of Change |
|------------------------------|-----------------------------|-------------|-------------------------|-----------------------------|-------------------------|
| Equipment at historical cost | <u>\$ 1,915,001</u>         | <u>\$ -</u> | <u>\$ -</u>             | <u>\$ 1,915,001</u>         | <u>0.0%</u>             |

Outlays for construction in progress continued to decline in FY 2016 compared to the prior year.

In addition to covering the costs associated with new construction and renovations to existing structures, capital funds were used for minimal school equipment purchases.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

Statement of Activities: For the year ended June 30, 2016, below is a schedule of changes in net position from operating results (in millions of dollars) derived from the CCPS Statement of Activities.

|                                 | Governmental<br>Activities |                  | Business-type<br>Activities |                 | Total            |                  | Total %age<br>Change |
|---------------------------------|----------------------------|------------------|-----------------------------|-----------------|------------------|------------------|----------------------|
|                                 | FY 2015                    | FY 2016          | FY 2015                     | FY 2016         | FY 2015          | FY 2016          | FY 15 -16            |
| <b>Program Revenues</b>         |                            |                  |                             |                 |                  |                  |                      |
| Charges for services            | \$ 0.2                     | \$ 0.3           | \$ 3.3                      | \$ 3.1          | \$ 3.5           | \$ 3.4           | -2.9%                |
| Operating grants/contributions  | 46.9                       | 48.5             | 2.0                         | 1.9             | 48.9             | 50.4             | 3.1%                 |
| Capital grants/contributions    | 4.0                        | 1.8              | -                           | -               | 4.0              | 1.8              | -55.0%               |
| <b>General Revenues</b>         |                            |                  |                             |                 |                  |                  |                      |
| Local appropriations            | 118.6                      | 115.8            | -                           | -               | 118.6            | 115.8            | -2.4%                |
| State aid                       | 59.6                       | 57.6             | -                           | -               | 59.6             | 57.6             | -3.4%                |
| Federal aid                     | 0.6                        | 1.2              | -                           | -               | 0.6              | 1.2              | 100.0%               |
| Interest/investment earnings    | -                          | -                | -                           | -               | -                | -                | 0.0%                 |
| <b>Total revenues</b>           | <b>\$ 229.8</b>            | <b>\$ 225.1</b>  | <b>\$ 5.3</b>               | <b>\$ 5.0</b>   | <b>\$ 235.1</b>  | <b>\$ 230.1</b>  | <b>-2.1%</b>         |
| <b>Expenses</b>                 |                            |                  |                             |                 |                  |                  |                      |
| Instruction                     | \$ 171.3                   | \$ 166.5         | \$ -                        | \$ -            | \$ 171.3         | \$ 166.5         | -2.8%                |
| Administration                  | 8.1                        | 8.5              | -                           | -               | 8.1              | 8.5              | 4.9%                 |
| Mid-level administration        | 17.9                       | 16.6             | -                           | -               | 17.9             | 16.6             | -7.3%                |
| Pupil personnel services        | 2.1                        | 2.0              | -                           | -               | 2.1              | 2.0              | -4.8%                |
| Health services                 | 2.3                        | 2.5              | -                           | -               | 2.3              | 2.5              | 8.7%                 |
| Pupil transportation            | 14.7                       | 14.6             | -                           | -               | 14.7             | 14.6             | -0.7%                |
| Oper. of plant & equipment      | 26.5                       | 25.3             | -                           | -               | 26.5             | 25.3             | -4.5%                |
| Maintenance of plant            | 4.4                        | 4.6              | -                           | -               | 4.4              | 4.6              | 4.5%                 |
| Community services              | 1.8                        | 1.9              | -                           | -               | 1.8              | 1.9              | 5.6%                 |
| Food services                   | -                          | -                | 5.6                         | 5.4             | 5.6              | 5.4              | -3.6%                |
| <b>Total expenses</b>           | <b>\$ 249.1</b>            | <b>\$ 242.5</b>  | <b>\$ 5.6</b>               | <b>\$ 5.4</b>   | <b>\$ 254.7</b>  | <b>\$ 247.9</b>  | <b>-2.7%</b>         |
| <b>Decrease in net position</b> | <b>\$ (19.3)</b>           | <b>\$ (17.4)</b> | <b>\$ (0.3)</b>             | <b>\$ (0.4)</b> | <b>\$ (19.6)</b> | <b>\$ (17.8)</b> | <b>9.2%</b>          |

The Statement of Activities shows that the local appropriation for the FY 2016 operating budget was \$115,800,068 which represents a decrease of \$2,782,714 from FY 2015. Total revenues from governmental activities for FY 2016 were \$225,113,748 which represents a decrease of \$4,733,745 from FY 2015. FY 2016 expenditures for governmental activities were \$242,494,430 which represents a decrease of \$6,616,108 from FY 2015. The net position for governmental activities decreased \$17,380,682 in FY 2016.

Revenues from business-type activities in FY 2016 were \$5,046,326 which represents a decrease of \$242,216 from FY 2015. Expenditures from business-type activities in FY 2016 were \$5,402,911 which represents a decrease of \$158,960 from FY 2015. The net position for business-type activities decreased \$356,585 in FY 2016.

CCPS's total net position decreased by \$17,737,267 in FY 2016.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

Factors influencing the change in the CCPS budget are as follows:

- Providing salaries necessary to retain and recruit highly qualified staff to serve the student population.
- Providing services to meet special education mandates and individual needs. Providing services to allow for an increase in achievement for students.
- Providing a quality health insurance plan that is affordable to the staff.
- For FY 2016, the Board of County Commissioners provided funding in excess of the Maintenance of Effort plus a local contribution towards the teachers' pension as required by State Law.
- The FY 2016 operating budget was constructed with a planned use of prior year fund balance in the amount of \$1,800,759. CCPS ended the year with an excess of revenues over expenditures in the amount of \$1,514,029. Therefore, we did not use any prior year fund balance in FY 2016.

**FINANCIAL ANALYSIS OF FUNDS**

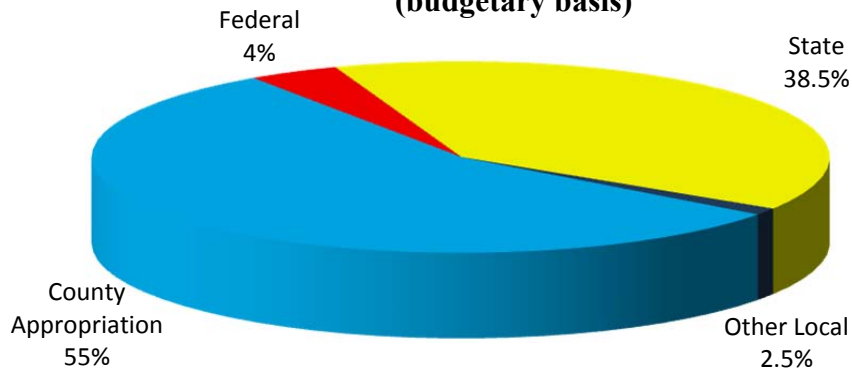
Historically, the Board of County Commissioners has provided for increased annual appropriations to CCPS's Operating Budget. A significant portion of the state funding allocated to CCPS is subject to the State Aid equalization formula. This formula attempts to overcome individual school district funding disparities. Based on each district's assessable wealth per student, this formula provides for the allocation of fewer dollars to higher wealth districts and more dollars to lower wealth districts. For FY 2016, the local appropriation provided by the Board of County Commissioners was \$114,876,122, which is a component of the local sources of funding recognized within the Current Expense Fund. Of the total funding provided by the Board of County Commissioners for FY 2016, \$4,754,380 was required to pay the local government's contribution to the teachers' pension plan as mandated by state law.

Below is a summary (on budgetary basis) of Current Expense Fund increases:

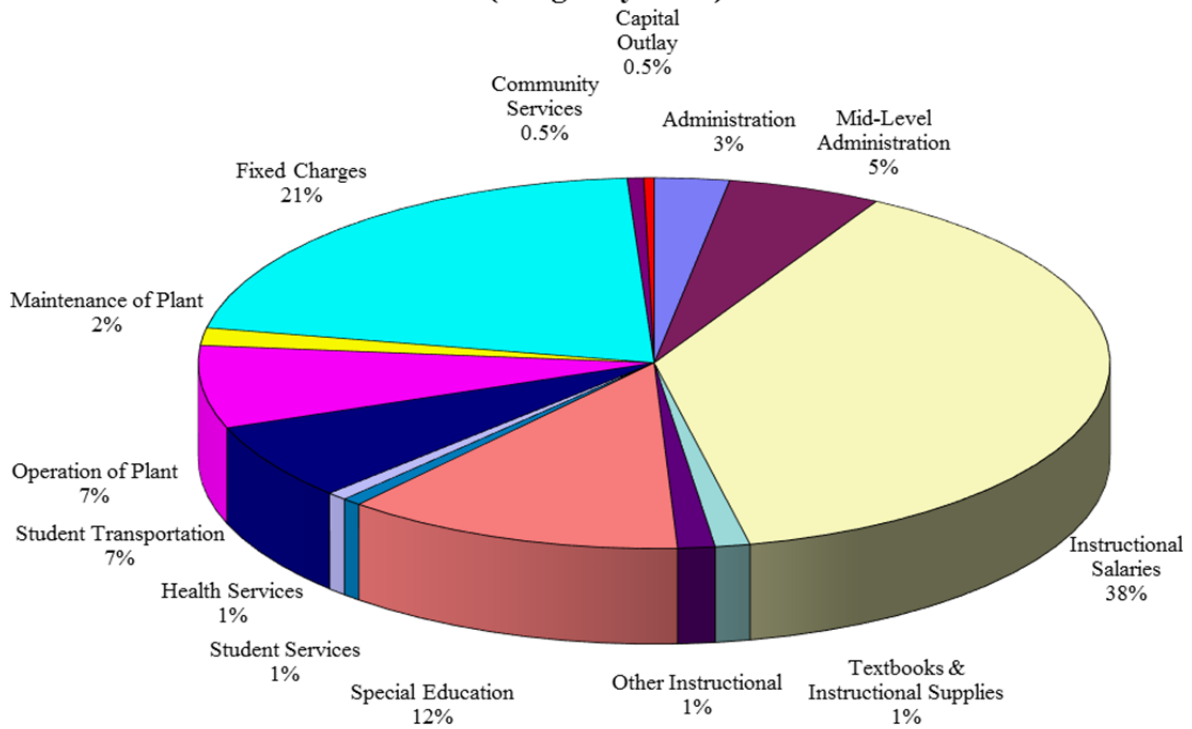
| <u>Fund</u>  | <u>FY 2015<br/>Revenues</u> | <u>FY 2016<br/>Revenues</u> | <u>Increase from FY 2015</u> |                |
|--------------|-----------------------------|-----------------------------|------------------------------|----------------|
|              |                             |                             | <u>Amount</u>                | <u>Percent</u> |
| Unrestricted | \$ 197,092,439              | \$ 197,036,963              | \$ (55,476)                  | 0.0%           |
| Restricted   | <u>11,191,942</u>           | <u>11,287,218</u>           | <u>95,276</u>                | 0.9%           |
| <b>Total</b> | <u>\$ 208,284,381</u>       | <u>\$ 208,324,181</u>       | <u>\$ 39,800</u>             | 0.0%           |

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

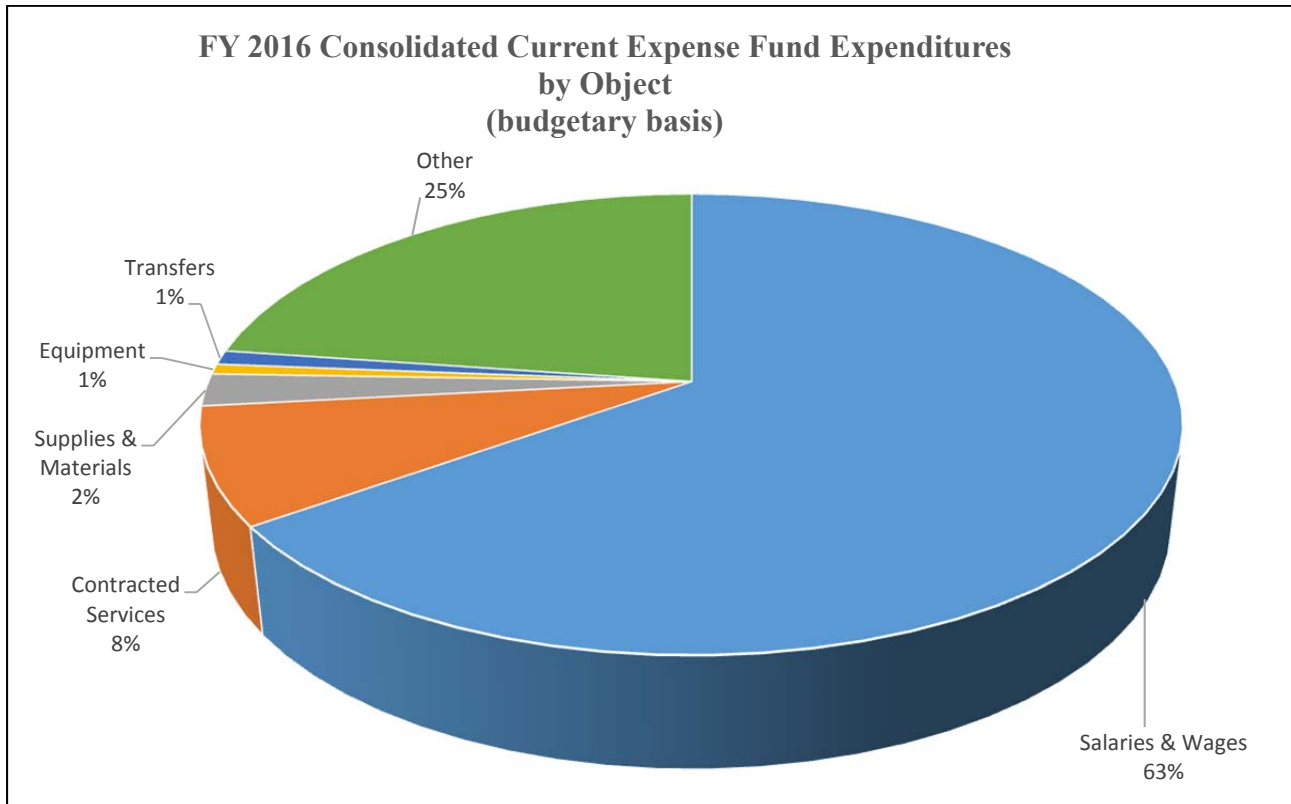
**FY 2016 Consolidated Current Expense Fund Revenues by Source  
(budgetary basis)**



**FY2016 Consolidated Current Expense Fund Expenditures by Category  
(budgetary basis)**



**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**



Approximately 55% of the financing for the CCPS's FY 2016 operating budget came from the County Government, 38.5% came from the State of Maryland, and the remainder was from other sources such as the Federal Government, tuition, fees, and income from the investment of cash.

The General Fund is intended to finance instructional programs and the daily operations which support those programs. The education of students is a labor-intensive enterprise that is reflected in personnel costs. In FY 2016, salaries consumed 63% of the total expenditures in the General Fund and, consistent with prior years, accounted for the largest part of the operating budget.

The second largest object classification within the General Fund is "other" which includes costs associated with fixed charges and utilities. In FY 2016, these expenditures comprised 25% of the total General Fund operating budget.

**CALVERT COUNTY PUBLIC SCHOOLS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2016**

Employees of CCPS have the option to select one of three (traditional, preferred provider network, or health maintenance organization - HMO) health insurance plans. Employee co-pays, deductibles, and health insurance benefits are negotiated. For FY 2016, employees paid 10% of the Individual Plan premium cost, 20% of the Family/Two-Employee Plan premium cost, and 28% of the Parent/One Child, Husband/Wife, and Family Plan premium cost. CCPS pays 100% of the remaining plan cost.

CCPS health insurance plans have modified retrospective funding arrangements with annual settlements. With these arrangements, premiums paid in excess of claim expenses are refunded to CCPS. Additionally, claim expenses in excess of paid premiums are subject to a 5% annual premium call. Annual settlements resulting in either refunds or premium calls may cause significant fluctuation in the annual general expense fund budget. In order to alleviate these fluctuations, CCPS established a committed fund balance for health insurance. As of June 30, 2016, the balance in the committed fund balance for health insurance was \$3,057,431. This fund balance has sufficient funds to meet the target of two years of annual premium calls. In FY 2016, CCPS received a refund in the amount of \$2,893,317 upon settlement of the FY 2015 plan year.

The Child Nutrition Program revenues continue to be stable. The fund balance decreased \$21,404 in FY 2016. As of June 30, 2016, the Child Nutrition Program reported a total net fund balance in the amount of \$1,751,884.

During FY 2016, State and County funds were appropriated for architectural services for Northern High School and systemic renovations for several other schools. The capital fund revenues in FY 2016 were \$1,781,357 and \$4,016,877 in FY 2015.

In accordance with the Annotated Code of Maryland, annual school budgets must be submitted to their respective governing bodies – county commissioners, county council, and county executive, or for Baltimore City, the Mayor and City Council of Baltimore City. Each governing body will establish annual appropriations and will set spending limits by category. Accordingly, all school districts including CCPS are financially dependent, thus lacking taxing ability and the authority to borrow funds.

**FACTORS BEARING ON THE FUTURE OF CCPS**

At the time these financial statements were prepared and audited, CCPS was aware of several existing circumstances that could significantly affect its future financial status:

The CCPS unrestricted budget increased by \$4,447,844 for FY 2017, as a result of one-time funding in the amount of \$1,090,580 which was awarded to CCPS by the State of Maryland due to the continuing decline in student enrollment, 100% funding of GCEI by the State, and an increase in the planned use of prior year fund balance to fund the cost of one step increase for employees. The amount of the cost sharing of the teachers' pension plan that was passed to the county was \$5,326,003 in FY 2017. This cost increased by \$571,623 over the FY 2016 cost. Our projections indicate that annual operating costs will continue to increase due to factors such as unfunded Federal and State mandates and continuing increases in employee costs, operating overhead, and the teacher pension cost-sharing. In response to the increase in operating costs and the simultaneous decrease in state and local funding, CCPS was forced to reduce staff and eliminate positions.



**CALVERT COUNTY PUBLIC SCHOOLS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2016**

- FY 2016 was the third and final year of a three-year labor agreement with teachers and support staff. In FY 2015, CCPS provided a mid-year salary increase which was equivalent to a 0.5% COLA. The increase extended to FY 2016 in the form of a 1% COLA. The entire contract for the teachers and support staff bargaining units was opened for negotiations during FY 2016 for the 4-year period of 2017-2020. CCPS will use prior year fund balance to provide one step increase in FY 2017 which the county government has agreed to fund in FY 2018 and beyond.
- Group health insurance rates continue to increase. The prior usage experience of CCPS is a determining factor used in negotiations with the health insurance provider. In an effort to ensure that the health insurance plan remains affordable and sustainable by curtailing significant increases in health insurance costs, CCPS issued a Request for Proposal (RFP) for its health insurance plan during FY 2015. As a result, we experienced minimal increases in insurance rates of 2.6% for FY 2016 and 1.75% in FY 2017.
- CCPS implemented Governmental Accounting Standards Board Statement #45 in FY 2008. This Statement generally requires that state and local governmental employers account for and report the annual cost of other post-employment benefits (OPEB) and the outstanding obligations and commitments related to OPEB in essentially the same manner as pension obligations. Annual OPEB cost for most employers are based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

The following OPEB recent payments have been made on behalf of CCPS – FY 2015 \$2,820,608 and FY 2016 \$936,000. The net cumulative OPEB obligation for CCPS has been fully reflected within these statements in the amount of \$75,936,239.

- CCPS implemented Governmental Accounting Standards Board Statement #68 in FY 2015. This Statement requires that an employer who participates in a cost-sharing pension plan recognize a liability for its proportionate share of the net pension liability. The employer is also required to recognize pension expense and report deferred outflows and deferred inflows of resources related to its proportionate share of the collective pension expense.
- The most recent financial data and analysis provided by the Maryland State Department of Education (MSDE) was for FY 2014, and reflects a “cost per pupil belonging to Calvert County” of \$13,429 – ranked 11<sup>th</sup> among 24 school districts in the State. For FY 2013, the cost per pupil for Calvert County was \$13,074 which ranked CCPS 11<sup>th</sup> among the 24 school districts in the State. CCPS operates a cost efficient system whose student achievement indicators such as advance placement enrollment and test results, Maryland School Assessment results, and SAT results place CCPS in the top echelons of schools in Maryland.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

- The annual crafting of the budget takes into consideration the population of student enrollment. CCPS has experienced a continual decline in the pupil growth rate over the past decade. Since FY 2009, our pupil growth rate (which directly impacts revenues received from State & County Governments) has declined as follows:

| <u>Fiscal Year</u> | <u>Pupil Growth Rate</u> |
|--------------------|--------------------------|
| 2009               | -1.72%                   |
| 2010               | -0.22%                   |
| 2011               | -1.51%                   |
| 2012               | -1.47%                   |
| 2013               | -1.55%                   |
| 2014               | -0.39%                   |
| 2015               | -1.46%                   |
| 2016               | -0.20%                   |

The 0.20% decrease in student enrollment in FY 2016 is equivalent to 25 full-time students.

- The Maryland Bridge to Excellence in the Public Schools Act, the federal No Child Left Behind Act, the Race to the Top grants, and Maryland's Elementary and Secondary Education Act Flexibility Request provide for the framework for the school system's Master Plan.

The Comprehensive Master Plan describes goals, objectives, and strategies that will be used to improve student achievement and meet State performance standards and local performance standards in each segment of the student population. This includes reform measures at each level: elementary, middle, and high schools. It obligates the system to approved strategies and outcomes.

This plan is updated annually and is submitted to the Maryland State Department of Education each October. A critical component of the Master Plan is documenting how restricted and unrestricted funds are allocated to improve student achievement, close achievement gaps, and ensure student progress.

- Maryland has adopted the Common Core State Standards, and Calvert County Public Schools is in the process of implementing that new curriculum. In 2014, new assessments that align with the new curriculum were administered.

Transitioning to the Common Core State Standards (CCSS) has become another area of focus for Calvert County Public Schools. Three years prior to the Teacher Effectiveness Academies, CCPS had instituted an extensive professional development program in which administrators and teachers were trained on how to engage students in thinking-based learning. The school system has welcomed the transition to the CCSS because its implementation is resulting in the infusion of thinking-based learning into rigorous content so that students will be able to perform high level, complex, problem-solving tasks. In addition, we have begun work on integrating curricular areas and integrating technology and Universal Design for Learning (UDL) into instruction and the curriculum.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

- CCPS is using teacher and principal evaluation systems that use student growth as one component of the evaluation.
  
- Future Ready is an initiative undertaken by CCPS to expand and improve the use of technology in the schools. It involves improving the infrastructure and component structure of technology in our school system. This initiative includes the following:
  - Increasing the bandwidth from 2G to 10G
  - One-to-One computers for students (at all levels)
  - Updating the Learning Management System (LMS) used by CCPS
  - Utilizing digital curriculum
  
- In FY 2016, CCPS adopted Policy Statement #1015 regarding equity in our school system. The purpose of the policy is to ensure the following:
  - All policies, procedures and practices are equitable;
  - The recruitment, hiring, support and retention of culturally, racially, and linguistically diverse administrative, instructional and support personnel;
  - All students receive an education that maximizes their potential to achieve college and career readiness regardless of their race, culture, gender, orientation, or economic status;
  - Achievement for all students is raised by closing achievement and opportunity gaps amount student subgroups.To that end, CCPS has created the position of Supervisor of Equity and School Improvement. CCPS will promote activities, programs, and training designed to achieve the goals related to equity.

**HOW WE PLAN TO MEET THE LEARNING NEEDS OF OUR STUDENTS**

Although the school system has experienced success in all goal areas, many challenges remain. To address these challenges, the school system will continue to focus on its mission to *produce graduates who are responsible citizens who are prepared for college and careers*. Accomplishing this mission will require us to continue to focus on effective, purposeful instruction that increases rigor and high levels of learning for all students.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

**CONTACT CALVERT COUNTY PUBLIC SCHOOLS MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, stakeholders and creditors with a general overview of CCPS' finances and to demonstrate CCPS' accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Edith Hutchins  
Director of Finance  
Calvert County Public Schools  
1305 Dares Beach Road  
Prince Frederick, Maryland 20678

You are also invited to visit our web site at [www.calvertnet.k12.md.us](http://www.calvertnet.k12.md.us).

## **FINANCIAL STATEMENTS**

**CALVERT COUNTY PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
**June 30, 2016**

|  | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>          |
|--|------------------------------------|-------------------------------------|-----------------------|
| <b><u>Assets</u></b>                             |                                    |                                     |                       |
| <b><u>Current Assets</u></b>                     |                                    |                                     |                       |
| Cash and cash equivalents                        | \$ 21,021,811                      | \$ 1,924,555                        | \$ 22,946,366         |
| <b><u>Due from Other Units of Government</u></b> |                                    |                                     |                       |
| State of Maryland                                | 2,203,325                          | 97,302                              | 2,300,627             |
| Calvert County                                   | 10,942,655                         | -                                   | 10,942,655            |
| Other  | 434,628                            | -                                   | 434,628               |
| Total due from other units of government         | 13,580,608                         | 97,302                              | 13,677,910            |
| Due from student activity funds                  | 53,067                             | -                                   | 53,067                |
| Prepaid costs                                    | 30,000                             | -                                   | 30,000                |
| Inventories                                      | 43,563                             | 33,049                              | 76,612                |
| <b>Total current assets</b>                      | <b>34,729,049</b>                  | <b>2,054,906</b>                    | <b>36,783,955</b>     |
| <b><u>Noncurrent Assets</u></b>                  |                                    |                                     |                       |
| Capital assets not being depreciated             | 8,205,568                          | -                                   | 8,205,568             |
| Capital assets being depreciated                 | 327,537,652                        | 1,915,001                           | 329,452,653           |
| Less: Accumulated depreciation                   | 116,120,141                        | 1,767,177                           | 117,887,318           |
| Total noncurrent assets, net                     | 219,623,079                        | 147,824                             | 219,770,903           |
| <b>Total Assets</b>                              | <b>254,352,128</b>                 | <b>2,202,730</b>                    | <b>256,554,858</b>    |
| <b><u>Deferred Outflows of Resources</u></b>     |                                    |                                     |                       |
| Pension (Note 4)                                 | 3,924,848                          | 586,470                             | 4,511,318             |
| <b><u>Liabilities</u></b>                        |                                    |                                     |                       |
| <b><u>Current Liabilities</u></b>                |                                    |                                     |                       |
| Salaries, wages and payroll deductions           | 13,226,892                         | 193,188                             | 13,420,080            |
| Accounts payable and other current liabilities   | 2,766,270                          | 1,332                               | 2,767,602             |
| Unearned revenue                                 | 4,669,569                          | 108,502                             | 4,778,071             |
| Current portion of compensated absences          | 352,888                            | -                                   | 352,888               |
| <b>Total current liabilities</b>                 | <b>21,015,619</b>                  | <b>303,022</b>                      | <b>21,318,641</b>     |
| <b><u>Noncurrent Liabilities</u></b>             |                                    |                                     |                       |
| Noncurrent portion of compensated absences       | 3,110,235                          | 44,248                              | 3,154,483             |
| Net pension liability                            | 12,466,729                         | 1,862,843                           | 14,329,572            |
| Net OPEB obligation                              | 74,712,384                         | 1,223,855                           | 75,936,239            |
| Total noncurrent liabilities                     | 90,289,348                         | 3,130,946                           | 93,420,294            |
| <b>Total Liabilities</b>                         | <b>111,304,967</b>                 | <b>3,433,968</b>                    | <b>114,738,935</b>    |
| <b><u>Deferred Inflows of Resources</u></b>      |                                    |                                     |                       |
| Pension (Note 4)                                 | 1,063,170                          | 158,864                             | 1,222,034             |
| <b><u>Net Position</u></b>                       |                                    |                                     |                       |
| Net investment in capital assets                 | 219,623,079                        | 147,824                             | 219,770,903           |
| Restricted grants                                | 34,173                             | -                                   | 34,173                |
| Unrestricted                                     | (73,748,413)                       | (951,456)                           | (74,699,869)          |
| <b>Total Net Position</b>                        | <b>\$ 145,908,839</b>              | <b>\$ (803,632)</b>                 | <b>\$ 145,105,207</b> |

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

**CALVERT COUNTY PUBLIC SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2016**

| Functions/Programs                | Program Revenues      |                      |                                    | Net (Expenses) Revenue and Changes in Net Position |                         |                          |                       |
|-----------------------------------|-----------------------|----------------------|------------------------------------|--|-------------------------|--------------------------|-----------------------|
|                                   | Expenses              | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions                   | Governmental Activities | Business-Type Activities | Total                 |
|                                   |                       |                      |                                    |  |                         |                          |                       |
| <u>Governmental Activities</u>    |                       |                      |                                    |  |                         |                          |                       |
| <u>Instruction</u>                |                       |                      |                                    |  |                         |                          |                       |
| Regular education                 | \$ 128,691,555        | \$ 275,032           | \$ 26,350,016                      | \$ 1,781,357                                       | \$ (100,285,150)        | \$ -                     | \$ (100,285,150)      |
| Special education                 | 37,799,137            | -                    | 10,679,376                         | -  | (27,119,761)            | -                        | (27,119,761)          |
| Total instruction                 | 166,490,692           | 275,032              | 37,029,392                         | 1,781,357  | (127,404,911)           | -                        | (127,404,911)         |
| <u>Support Services</u>           |                       |                      |                                    |  |                         |                          |                       |
| Administration                    | 8,493,306             | -                    | 584,844                            | -  | (7,908,462)             | -                        | (7,908,462)           |
| Mid-level administration          | 16,600,775            | -                    | 1,244,573                          | -  | (15,356,202)            | -                        | (15,356,202)          |
| Pupil personnel services          | 2,002,836             | -                    | 122,213                            | -  | (1,880,623)             | -                        | (1,880,623)           |
| Health services                   | 2,473,248             | -                    | 323,732                            | -  | (2,149,516)             | -                        | (2,149,516)           |
| Pupil transportation              | 14,639,364            | -                    | 5,876,261                          | -  | (8,763,103)             | -                        | (8,763,103)           |
| Operation of plant and equipment  | 25,315,341            | -                    | 2,470,708                          | -  | (22,844,633)            | -                        | (22,844,633)          |
| Maintenance of plant              | 4,588,649             | -                    | 246,562                            | -  | (4,342,087)             | -                        | (4,342,087)           |
| Community services                | 1,890,219             | -                    | 546,763                            | -  | (1,343,456)             | -                        | (1,343,456)           |
| Total support services            | 76,003,738            | -                    | 11,415,656                         | -  | (64,588,082)            | -                        | (64,588,082)          |
| Total governmental activities     | 242,494,430           | 275,032              | 48,445,048                         | 1,781,357  | (191,992,993)           | -                        | (191,992,993)         |
| <u>Business-type Activities</u>   |                       |                      |                                    |  |                         |                          |                       |
| Food services                     | 5,402,911             | 3,095,241            | 1,930,961                          | -  | -                       | (376,709)                | (376,709)             |
| Total business-type activities    | 5,402,911             | 3,095,241            | 1,930,961                          | -  | -                       | (376,709)                | (376,709)             |
| <b>Total school system</b>        | <b>\$ 247,897,341</b> | <b>\$ 3,370,273</b>  | <b>\$ 50,376,009</b>               | <b>\$ 1,781,357</b>                                | <b>(191,992,993)</b>    | <b>(376,709)</b>         | <b>(192,369,702)</b>  |
| <u>General Revenues</u>           |                       |                      |                                    |  |                         |                          |                       |
| Local appropriations              |                       |                      |                                    |  | 115,800,068             | 15,255                   | 115,815,323           |
| State aid                         |                       |                      |                                    |  | 57,540,102              | -                        | 57,540,102            |
| Federal aid                       |                       |                      |                                    |  | 1,241,786               | -                        | 1,241,786             |
| Interest and investment earnings  |                       |                      |                                    |  | 30,355                  | 4,869                    | 35,224                |
| Total general revenues            |                       |                      |                                    |  | 174,612,311             | 20,124                   | 174,632,435           |
| Change in net position            |                       |                      |                                    |  | (17,380,682)            | (356,585)                | (17,737,267)          |
| Net position - beginning of year  |                       |                      |                                    |  | 163,289,521             | (447,047)                | 162,842,474           |
| <b>Net position - end of year</b> |                       |                      |                                    |  | <b>\$ 145,908,839</b>   | <b>\$ (803,632)</b>      | <b>\$ 145,105,207</b> |

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

**CALVERT COUNTY PUBLIC SCHOOLS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
June 30, 2016**

|   | <b>General Fund<br/>(Current<br/>Expense Fund)</b> | <b>Special<br/>Revenue Fund<br/>(Cafeteria<br/>Fund)</b> | <b>Capital Projects<br/>Fund (School<br/>Construction<br/>Fund)</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|--|--|---|---|
| <b>ASSETS</b>                                     |  |  |   |   |
| Cash and cash equivalents                         | \$ 20,950,473                                      | \$ 1,924,555   | \$ 71,338   | \$ 22,946,366                           |
| Due from other units of government                |  |  |   |   |
| State of Maryland                                 | 2,203,325  | 97,302   | -   | 2,300,627                               |
| Calvert County                                    | 10,810,000   | -  | 132,655   | 10,942,655                              |
| Other   | 434,628  | -  | -   | 434,628                                 |
| Total due from other units<br>of government       | <u>13,447,953</u>                                  | <u>97,302</u>  | <u>132,655</u>  | <u>13,677,910</u>                       |
| Due from student activity funds                   | 53,067   | -  | -   | 53,067                                  |
| Due from capital projects fund                    | 17,259   | -  | -   | 17,259                                  |
| Prepaid costs                                     | 30,000   | -  | -   | 30,000                                  |
| Inventories                                       | 43,563   | 33,049   | -   | 76,612                                  |
| <b>TOTAL ASSETS</b>                               | <u>\$ 34,542,315</u>                               | <u>\$ 2,054,906</u>                                      | <u>\$ 203,993</u>   | <u>\$ 36,801,214</u>                    |
| <b>LIABILITIES AND FUND BALANCES</b>              |  |  |   |   |
| <b>LIABILITIES</b>                                |  |  |   |   |
| Salaries, wages and payroll deductions            | \$ 13,226,892                                      | \$ 193,188   | \$ -  | \$ 13,420,080                           |
| Accounts payable and other<br>current liabilities | 2,668,143  | 1,332  | 98,127  | 2,767,602                               |
| Due to General Fund                               | -  | -  | 17,259  | 17,259                                  |
| Unearned revenue                                  | 4,669,569  | 108,502  | -   | 4,778,071                               |
| Total liabilities                                 | <u>20,564,604</u>                                  | <u>303,022</u>   | <u>115,386</u>  | <u>20,983,012</u>                       |
| <b>FUND BALANCES</b>                              |  |  |   |   |
| Nonspendable                                      | 73,563   | 33,049   | -   | 106,612                                 |
| Restricted  | 34,173   | -  | -   | 34,173                                  |
| Committed   | 8,026,111  | -  | -   | 8,026,111                               |
| Assigned  | 1,301,820  | 1,718,835  | 88,607  | 3,109,262                               |
| Unassigned  | 4,542,044  | -  | -   | 4,542,044                               |
| Total fund balances                               | <u>13,977,711</u>                                  | <u>1,751,884</u>   | <u>88,607</u>   | <u>15,818,202</u>                       |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>        | <u>\$ 34,542,315</u>                               | <u>\$ 2,054,906</u>                                      | <u>\$ 203,993</u>   | <u>\$ 36,801,214</u>                    |

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



**CALVERT COUNTY PUBLIC SCHOOLS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
WITH THE STATEMENT OF NET POSITION  
June 30, 2016**

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

|   |                      |                              |
|---|----------------------|------------------------------|
| Total fund balance - governmental funds   |                      | \$ 15,818,202                |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:  |                      |                              |
| Cost of capital assets  | \$ 335,743,220       |                              |
| Accumulated depreciation  | <u>(116,120,141)</u> |                              |
|   |                      | 219,623,079                  |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.  |                      |                              |
| Long-term liabilities at year end consist of:   |                      |                              |
| Net OPEB Obligation   | (74,712,384)         |                              |
| Compensated absences  | <u>(3,463,123)</u>   |                              |
|   |                      | (78,175,507)                 |
| The Cafeteria Fund is reported as a governmental fund in the fund financial statements and as a business-type activity in the Statement of Net Position. Therefore, the total fund balance of the Cafeteria Fund is removed as follows: |                      |                              |
| Total fund balance of Cafeteria Fund  |                      | (1,751,884)                  |
| Net pension obligations are not due and payable in the current period and therefore are not reported in the governmental funds.   |                      |                              |
|   |                      | (12,466,729)                 |
| Deferred outflows of resources related to pensions include \$746,611 deferred outflows of resources pension expense and \$1,134,118 deferred outflow of 2016 employer contributions related to pensions.                                |                      |                              |
|   |                      | 3,924,848                    |
| Deferred inflows of resources related to the difference between projected and actual investment earnings on pension investments.  |                      |                              |
|   |                      | <u>(1,063,170)</u>           |
| <b>Total net position - governmental activities</b>   |                      | <b><u>\$ 145,908,839</u></b> |

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

**CALVERT COUNTY PUBLIC SCHOOLS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**WITH THE STATEMENT OF NET POSITION**  
**June 30, 2016**  
**(Continued)**

**Amounts reported for business-type activities in the Statement of Net Position are different because:**

|  |                    |                            |
|--|--------------------|----------------------------|
| Total net position - proprietary funds   |                    | \$ -                       |
| <p>The Cafeteria Fund is reported as a governmental fund in the fund financial statements and as a business-type activity in the Statement of Net Position. Therefore, the total fund balance of the Cafeteria Fund is added as follows:</p> |                    |                            |
| Total fund balance of Cafeteria Fund   |                    | 1,751,884                  |
| <p>Capital assets used in business-type activities are not financial resources and therefore are not reported as assets in the Cafeteria Fund:</p>   |                    |                            |
| Cost of capital assets   | \$ 1,915,001       |                            |
| Accumulated depreciation   | <u>(1,767,177)</u> |                            |
|  |                    | 147,824                    |
| <p>Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.</p>  |                    |                            |
| <p>Long-term liabilities at year end consist of:</p>   |                    |                            |
| Net OPEB Obligation  |                    | (1,223,855)                |
| Compensated absences   |                    | (44,248)                   |
| <p>Net pension obligations are not due and payable in the current period and therefore are not reported in the governmental funds.</p>   |                    |                            |
|  |                    | (1,862,843)                |
| <p>Deferred outflows of resources related to pensions include \$111,115 deferred outflows of resources pension expense and \$169,466 deferred outflow of 2016 employer contributions related to pensions.</p>                                |                    |                            |
|  |                    | 586,470                    |
| <p>Deferred inflows of resources related to the difference between projected and actual investment earnings on pension investments.</p>  |                    |                            |
|  |                    | <u>(158,864)</u>           |
| <b>Total net position - business-type activities</b>   |                    | <b><u>\$ (803,632)</u></b> |

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

**CALVERT COUNTY PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2016**

|  | General Fund<br>(Current<br>Expense Fund) | Special<br>Revenue Fund<br>(Cafeteria<br>Fund) | Capital Projects<br>Fund (School<br>Construction<br>Fund) | Total<br>Governmental<br>Funds |
|--|---|--|---|--------------------------------|
| <b>REVENUES</b>                        |   |  |   |                                |
| From local sources                     | \$ 120,959,512                            | \$ 15,255                                      | \$ 1,682,091  | \$ 122,656,858                 |
| From state sources                     | 93,901,393                                | 35,119   | 99,000  | 94,035,512                     |
| From United States Government sources  | 639,366                                   | 1,620,120                                      | -   | 2,259,486                      |
| From other sources:                    |   |  |   |                                |
| Students                               | -   | 988,631  | -   | 988,631                        |
| Federal funds received through State   | 5,500,680                                 | -  | -   | 5,500,680                      |
| Federal funds received through other   | 2,322,985                                 | -  | -   | 2,322,985                      |
| Donated commodities                    | -   | 275,722  | -   | 275,722                        |
| Other                                  | -   | 2,111,479                                      | 266   | 2,111,745                      |
| Total revenues                         | <u>223,323,936</u>                        | <u>5,046,326</u>                               | <u>1,781,357</u>  | <u>230,151,619</u>             |
| <b>EXPENDITURES</b>                    |   |  |   |                                |
| Current:                               |   |  |   |                                |
| Administration                         | 5,969,107                                 | -  | -   | 5,969,107                      |
| Mid-level administration               | 10,856,762                                | -  | -   | 10,856,762                     |
| Instructional salaries                 | 78,802,634                                | -  | -   | 78,802,634                     |
| Textbooks and instructional supplies   | 2,425,596                                 | -  | -   | 2,425,596                      |
| Other instructional costs              | 2,722,645                                 | -  | -   | 2,722,645                      |
| Special education                      | 25,528,200                                | -  | -   | 25,528,200                     |
| Pupil personnel services               | 1,360,604                                 | -  | -   | 1,360,604                      |
| Health services                        | 1,536,393                                 | -  | -   | 1,536,393                      |
| Pupil transportation                   | 13,819,072                                | -  | -   | 13,819,072                     |
| Operation of plant and equipment       | 14,558,925                                | -  | -   | 14,558,925                     |
| Maintenance of plant                   | 3,170,294                                 | -  | -   | 3,170,294                      |
| Fixed charges                          | 58,193,951                                | -  | -   | 58,193,951                     |
| Community services                     | 1,241,933                                 | -  | -   | 1,241,933                      |
| Food services:                         |   |  |   |                                |
| Cafeteria salaries and wages           | -   | 2,166,821                                      | -   | 2,166,821                      |
| Contracted services                    | -   | 63,094   | -   | 63,094                         |
| Food and supplies                      | -   | 1,911,619                                      | -   | 1,911,619                      |
| Capital outlay                         | 645,183                                   | 926,196  | 1,781,091   | 3,352,470                      |
| Total expenditures                     | <u>220,831,299</u>                        | <u>5,067,730</u>                               | <u>1,781,091</u>  | <u>227,680,120</u>             |
| Excess of revenues over expenditures   | <u>2,492,637</u>                          | <u>(21,404)</u>                                | <u>266</u>  | <u>2,471,499</u>               |
| <b>NET CHANGE IN FUND BALANCES</b>     | 2,492,637                                 | (21,404)                                       | 266   | 2,471,499                      |
| <b>FUND BALANCE, BEGINNING OF YEAR</b> | <u>11,485,074</u>                         | <u>1,773,288</u>                               | <u>88,341</u>   | <u>13,346,703</u>              |
| <b>FUND BALANCE, END OF YEAR</b>       | <u>\$ 13,977,711</u>                      | <u>\$ 1,751,884</u>                            | <u>\$ 88,607</u>  | <u>\$ 15,818,202</u>           |

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

**CALVERT COUNTY PUBLIC SCHOOLS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2016**

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

|  |           |                            |
|--|-----------|----------------------------|
| Total net change in fund balances - governmental funds   | \$        | 2,471,499                  |
| <p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation expense in the period.</p> |           |                            |
| Capital outlays  | \$        | 2,554,028                  |
| Depreciation expense   |           | <u>(7,568,683)</u>         |
|  |           | (5,014,655)                |
| <p>Upon disposal, the difference between the cost basis of capital assets and the accumulated depreciation is recorded as a loss in the Statement of Activities. For Governmental funds, all capital assets are initially recorded as expenditures and therefore, no loss is recognized upon disposal. This year, the cost basis of the disposed capital assets equaled the accumulated depreciation.</p>          |           |                            |
| Cost basis of the disposed capital assets  |           | 767,298                    |
| Accumulated depreciation   |           | <u>(609,736)</u>           |
|  |           | (157,562)                  |
| <p>OPEB costs reported in the Statement of Activities do not require the use of current financial resources and, are not reported as expenditures in governmental funds.</p>   |           |                            |
|  |           | (14,438,775)               |
| <p>In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, amounts earned exceeded vacation and sick leave used.</p>  |           |                            |
|  |           | 95,368                     |
| <p>In the statement of activities, the Cafeteria Fund is classified as a business-type activity. However, for fund financial statement reporting, the Cafeteria Fund is classified as a special revenue fund (governmental fund). The net change in the governmental fund balance for the Cafeteria Fund is removed.</p>   |           |                            |
|  |           | 21,404                     |
| <p>Governmental funds report Board pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employer contributions is reported as pension expense.</p>   |           |                            |
|  |           | <u>(357,961)</u>           |
| <b>Change in net position of governmental activities</b>   | <b>\$</b> | <b><u>(17,380,682)</u></b> |

**Amounts reported for business type activities in the Statement of Activities are different because:**

|   |           |                         |
|---|-----------|-------------------------|
| Total net change in the Cafeteria Fund balance  | \$        | (21,404)                |
| <p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation expense exceed capital outlay in the period.</p> |           |                         |
| Capital outlays   | \$        | -                       |
| Depreciation expense  |           | <u>(39,000)</u>         |
|   |           | (39,000)                |
| <p>OPEB costs reported in the Statement of Activities do not require the use of current financial resources and, are not reported as expenditures in governmental funds.</p>  |           |                         |
|   |           | (239,225)               |
| <p>In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, amounts used exceeded vacation and sick leave earned.</p>   |           |                         |
|   |           | (3,468)                 |
| <p>Governmental funds report Board pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employer contributions is reported as pension expense.</p>  |           |                         |
|   |           | <u>(53,488)</u>         |
| <b>Change in net position of business-type activities</b>   | <b>\$</b> | <b><u>(356,585)</u></b> |

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

**CALVERT COUNTY PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2016**

|                                 | <u>Agency Fund</u><br><u>(School Activities Fund)</u> |
|---------------------------------|---|
| <b><u>Assets</u></b>            |   |
| Cash and short-term investments | \$ <u>1,941,877</u>                                   |
|                                 | <u>\$ 1,941,877</u>                                   |
| <b><u>Liabilities</u></b>       |   |
| Due to student groups           | \$ 1,888,810  |
| Due to General Fund             | <u>53,067</u>   |
| Total Liabilities               | <u>\$ 1,941,877</u>                                   |

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

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Board of Education of Calvert County (the Board) is a body politic and corporate established by the Public School Laws of Maryland. It is composed of five elected voting members, and one student member. The student member serves for one year and has no voting privileges. The Board has the responsibility to maintain a reasonable, uniform system of public schools to provide quality education for all youth in Calvert County (the County).

The voting members are elected on a non-partisan basis. One member is elected from each of the three election districts for four-year terms and two members are elected at large for four-year terms to provide for staggered service rotation.

**Reporting Entity**

For financial reporting purposes the Board of Education of Calvert County (sometimes referred to herein as “Calvert County Public Schools” or “the Board”) has been defined as a component unit of Calvert County, Maryland. This conclusion was reached based on the following criteria: (1) the County is responsible for approving the Board’s budget and establishing spending limitations; (2) the County Commissioners are responsible for levying taxes and collecting and distributing the funds to the Board; and (3) the Board cannot borrow funds, but the County can and does issue bonds to finance school system operations. Therefore, the financial statements of the Board are included in the County’s financial statements. The Board does not have any component units, as it does not have any entities that it is considered to be financially accountable for in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 and as amended by GASB Statement No. 39 and GASB Statement No. 61. As a separate financial reporting entity, the Board includes its operating departments and the school activities fund in its financial statements.

**Government-Wide and Fund Financial Statements**

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the Calvert County Public Schools as a whole. For the most part, the effect of interfund activity has been removed from these statements. The activities of the General Fund (Current Expense Fund) and Capital Projects Fund (School Construction Fund) have been presented as governmental activities in the government-wide financial statements. The activities of the Special Revenue Fund (Cafeteria Fund) have been presented as business-type activities in those statements because a majority of that fund’s revenues comes from charges for services.

The Statement of Activities demonstrated the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Local appropriations, state and federal aid and other items which are not classified as program revenues are presented as general revenues of the Board.

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (continued)**

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. All individual governmental funds are considered to be major funds and are reported as separate columns in the fund financial statements. The Board has no proprietary funds.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Local appropriations and state and federal aid are recognized as revenues in the year for which they were approved by the provider. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to certain compensated absences are recognized when the obligations are expected to be liquidated with expendable available resources.

Local appropriations and state and federal aid associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria have been met. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. However, agency funds do use the accrual basis of accounting.

The Board reports the following funds in the fund financial statements:

**Governmental Funds**

*General Fund (Current Expense Fund)* – The General Fund is used to account for all financial resources of the Board except those required to be accounted for in another fund.

*Special Revenue Fund (Cafeteria Fund)* – The Special Revenue Fund is used to account for the financial resources of the child nutrition program. A substantial portion of its revenues is derived from various governmental agencies and students. The child nutrition program is not intended to be self-sustaining

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Funds** (continued)

from food sales. However, the fund is presented as a business-type activity in the government-wide financial statements because a majority of its revenues comes from charges for services.

*Capital Projects Fund (School Construction Fund)* – The Capital Projects Fund is used to account for all financial resources relating to the construction of additional schools, as well as alterations and additions to existing schools.

**Fiduciary Funds**

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The school funds account for the funds of other persons or organizations which are the direct responsibility of the principals of the respective schools.

**Specific Accounting Policies**

The accounting policies of Calvert County Public Schools conform to generally accepted accounting principles (GAAP) as related to governmental entities. All governmental and business-type activities of the School System follow GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance, contained in pre-November 30, 1989 Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA)*, which incorporates into GASB authoritative literature certain accounting and financial reporting guidance previously included in FASB, AICPA and Accounting Principles Board Opinions (APB), guidance issued before November 30, 1989.

Additional information about the Board’s accounting policies follows:

*Cash and Cash Equivalents* – The Board maintains pooled and various separate cash accounts for its funds. The Board considers any instrument with a maturity of three months or less when purchased to be cash equivalents.

*Capital Assets* – Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the governmental activities and business-type activities columns in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of more than \$5,000 and a useful life of at least five years. Capital assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment are depreciated using the straight-line method over estimated useful lives of 45 years for buildings, improvements and infrastructure, and 5-15 years for equipment.



**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Specific Accounting Policies (continued)**

*Capital Assets (continued)*

Assets which have been acquired with funds received through federal grants must be used in accordance with the terms of the grant. Federal regulations require, in some cases, that the Board reimburse the federal government for any assets which the Board retains for its own use after the termination of the grant unless otherwise provided by the grantor.

*Current Expense Fund* – Revenues from the County are recognized in the year for which they were appropriated by the County. Grant revenues from the State and the United States Government are recognized in accordance with the terms of the related grants, generally on a cost-reimbursement basis, except for revenue under Public Law 874, Impact Aid, which is recognized in accordance with entitlement notices received from the United States Department of Education.

*Cafeteria Fund* – Revenues from patrons and students are recognized as earned. Revenues from the State and United States Government in the Cafeteria Fund are recorded as earned based upon rates established by the respective governmental units.

*School Construction Fund* – Revenues from the State and County are recognized as earned on a cost-reimbursement basis. The Board is not obligated to repay principal or interest on any debt incurred by the State and County for school construction. Such bonds and loans are obligations of the State and County.

*Donated Commodities* – The value of commodities donated is determined by the United States Department of Agriculture at time of the donation and is included in revenues and expenditures in the year received.

*Inventories and Prepaid Costs* – Inventories, principally instructional supplies and materials, are stated at the lower of cost (first-in, first-out) or market. The inventories are charged to expenditures when used (consumption method). Prepaid costs are also charged to expenditures under the consumption method.

*Due To / From* – The primary purposes for these interfund balances are short-term and long-term loans and amounts due to and from other funds for expenditures made on their behalf.

*Accrued Salaries and Wages* – The Current Expense Fund's liabilities for salaries and wages generally result from the provisions of a negotiated agreement under which ten-month and eleven-month employees are paid over the summer for salaries earned during the previous school year.

*Compensated Absences* – Board employees who are employed on a twelve-month basis are granted annual leave at varying rates based on years of service. Employees in the administrators and supervisors bargaining unit may accumulate annual and personal leave up to a maximum of fifty-two days. Employees in the teachers bargaining unit may accumulate annual leave up to a maximum of thirty days. Employees in the support staff bargaining unit may accumulate annual leave up to a maximum of thirty-five days. Upon termination of employment, accumulated annual leave is paid to the employee.

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Specific Accounting Policies** (continued)

Annual leave taken during the year is recorded as a General Fund expenditure in the fund financial statements. The amount of unpaid salaries and wages at the end of the fiscal year is not recorded in the fund financial statements because it is expected to be liquidated with expendable available resources of future periods, i.e., future budget appropriations. However, this liability and related expenses are recorded in the government-wide financial statements.

Board employees earn sick leave at the rate of one day per month with no limit on the amount which can be carried over annually. Upon termination of employment, accumulated sick leave is not paid to the employee but is credited to months of service in the calculation of the employee's retirement benefits.

*Unearned Revenues* – Unearned revenues represent amounts received from grantors in advance of incurrence of eligible expenditures for grants and for revenues received from the State for the subsequent fiscal year as of June 30, 2016.

*Use of Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Budget Policy**

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

1. The Board's only legally adopted budget must be submitted annually for its General Fund in writing to the County by March 1 of each year.
2. The County must approve the budget ordinance by June 1 of each year.
3. The budget is prepared and approved by major expenditure/encumbrance category as specified by State law.
4. The Board may request supplemental appropriations and transfer funds between major categories with the approval of the County. The Board has the authority to transfer funds between objects (i.e., salaries and wages, contracted services, supplies and materials) within the major categories but must notify the County of such action. In accordance with Education Article 5-105 of the Annotated Code of Maryland, the Board may not exceed the appropriation by category without transfer and approval by the County.

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budget Policy** (continued)

5. Unencumbered appropriations lapse at the end of each fiscal year, except in the Capital Projects Fund, where appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned.
6. Supplemental amendments for the year ended June 30, 2016 were made to the General Fund budget in the amount of \$2,146,900, all of which were properly approved by the County.

Budgetary compliance is measured using the budgetary basis of accounting, the purpose of which is to demonstrate compliance with the legal requirements of Calvert County, the State of Maryland, and special federal and state programs. The budgetary basis differs from GAAP, which is used for the fund financial statements, in that encumbrances, which represent commitments to purchase goods and services, are treated as expenditures of the current period rather than as assignments of the fund balance. Revenue and a related accounts receivable is also recognized for encumbrances to the extent that the Board expects to receive matched funds from third parties to reimburse the Board for expenditures. The other principal difference is that under the budgetary basis, assignments of the prior year's fund balance are treated as revenue of the current period. The general fund budgetary basis schedules of revenues and expenditures and encumbrances, budget and actual, and a reconciliation to the fund financial statements are presented as required supplementary information to these financial statements.

**Net Position / Fund Balance Reporting**

*Net Position* – Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any capital related debt. There was no related debt at June 30, 2016. Net position is reported as restricted when there are limitations placed on their use through external restrictions imposed by grantors, laws or regulations of other governments, or enabling legislation.

The Board reports fund balance of governmental funds within one of the fund balance categories listed below:

1. Nonspendable – amounts that cannot be spent because they are either not in spendable form or they are legally required to be maintained intact, generally inventories and prepaid expenses.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can only be used for specific purposes determined by a formal action of the Board of Education, the highest level of decision-making authority for the school system. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position / Fund Balance Reporting** (continued)

4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes. Under the Board’s adopted policy, the Superintendent, Director of Finance, or Director of Procurement and Resource Management may assign amounts for specific purposes.
5. Unassigned – all other spendable amounts. 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 amounts restricted or committed to those purposes, it may be necessary to report a negative unassigned fund balance in those funds.

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

**NOTE 2 – CASH AND INVESTMENTS**

**Cash on Hand**

At June 30, 2016, cash on hand for petty cash and change funds was \$852.

**Deposits**

At year-end, the carrying amount of the Board’s deposits was \$24,887,391 consisting of cash in the amount of \$21,021,159 in the governmental activities, \$1,924,355 in the business-type activities and \$1,941,877 in the agency fund with corresponding bank balances of \$16,055,312. Of the bank balances, all deposits were covered by Federal Depository Insurance and collateral held in the Board’s name. The Board has a contractual agreement with a bank for funds to be transferred daily from overnight investments to cover checks as presented.

**Interest Rate Risk**

Fair value fluctuates with interest rates, and increasing rates could cause fair value to decline below original cost. To limit the Board’s exposure to fair value losses arising from increasing interest rates, the Board’s investment policy limits the term of investment maturities to overnight repurchase agreements and MLGIP and requires that collateral securities underlying the repurchase agreements have a market value of at least 102 percent of the cost of the agreement. Interest income is reported as general revenue in the Statement of Activities.

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of failure of the counter party, the Board will not be able to recover all or portion of its investments or collateral securities that are in the possession of an outside party. In this regard, the Board limits its investments to overnight deposits that are insured or collateralized with securities held by a custodian in the Board's name. Statutes require that deposits be in Maryland banks and that uninsured deposits be fully collateralized and authorize the Board to invest in obligations of the United States government, federal agency obligations and repurchase agreements secured by direct government or agency obligations.

**NOTE 3 – DUE FROM CALVERT COUNTY**

The County's annual operating appropriation to the Board is disbursed to the Board in agreed-upon installments throughout each fiscal year. At June 30, 2016, \$10,810,000 of the Board's fiscal 2016 appropriation remained outstanding and was collected in July and August. As of June 30, 2016, \$132,655 was due for construction projects.

**NOTE 4 – RETIREMENT AND PENSION SYSTEMS OF THE STATE OF MARYLAND**

**General Information about the Plan**

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

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

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 4 – RETIREMENT AND PENSION SYSTEMS OF THE STATE OF MARYLAND (CONTINUED)**

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

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

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

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

The State makes a substantial portion of the Board's annual required contribution to the Teachers' Retirement and Pension Systems on behalf of the Board. The State's contributions on behalf of the Board for the year ended June 30, 2016, was \$14,089,439. The fiscal 2016 contributions made by the State on behalf of the Board have been included as both revenues and expenditures in the General Fund in the accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances and are also included as revenues and expenses in the Statement of Activities.

Beginning in FY 2013, the State of Maryland General Assembly passed a bill that required the Boards of Education in Maryland to begin paying the normal cost for their teachers into the Teachers' Retirement and Pension Systems. The legislation structured this as a four year phase in to the full normal cost so that 50% was paid in FY 2013. Full normal cost will be paid in FY 2017 and each year thereafter. The Board's required contribution to the Teachers' Retirement and Pension Systems for the year ended June 30, 2016 was \$4,598,758.

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 4 – RETIREMENT AND PENSION SYSTEMS OF THE STATE OF MARYLAND (CONTINUED)**

**General Information about the Plan (continued)**

The Board’s contractually required contribution rate for the Employees’ Retirement and Pension Systems for the year ended June 30, 2016, was 5.00% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Board made its share of the required contributions during the year ended June 30, 2016 of \$1,303,584.

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

*Employees Retirement and Pension Systems.* At June 30, 2016, the Board reported a liability of \$14,329,572 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board’s proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2015. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2015, the Board’s proportionate share was 0.069%.

For the year ended June 30, 2016, the Board recognized pension expense of \$1,715,033. At June 30, 2016, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|--|---|--|
|  | <u>                    </u>                   | <u>                    </u>              |
| Differences between expected and actual experience                               | \$ -  | \$ 293,457                               |
| Changes in assumptions   | 840,029                                       | -  |
| Change in proportion   | 740,411                                       | -  |
| Net difference between projected and actual earnings on pension plan investments | 1,262,137                                     | 928,577                                  |
| Changes in proportionate share of contributions                                  | 365,157                                       |  |
| Board contributions subsequent to the measurement date                           | 1,303,584                                     | -  |
| <b>Total</b>   | <u><u>\$ 4,511,318</u></u>                    | <u><u>\$ 1,222,034</u></u>               |

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 4 – RETIREMENT AND PENSION SYSTEMS OF THE STATE OF MARYLAND (CONTINUED)**

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

\$1,303,584 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ended June 30, 2017. 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:**

|            |              |
|------------|--------------|
| 2017       | \$ (390,114) |
| 2018       | (390,114)    |
| 2019       | (390,114)    |
| 2020       | (582,820)    |
| 2021       | (232,538)    |
| Thereafter | -            |

*Teachers Retirement and Pension Systems.* At June 30, 2016, the Board did not report a liability related to the Teachers’ Retirement and Pension Systems due to a special funding situation. The State of Maryland pays the unfunded liability for the Board and the Board pays the normal cost related to the Boards members in the Teachers Retirement and Pension Systems; therefore, the Board is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by the Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Board were as follows:

|  |                              |
|--|------------------------------|
| State’s proportionate share of the net pension liability | \$ 141,629,004               |
| Board’s proportionate share of the net pension liability | <u>-</u>                     |
| Total  | <u><u>\$ 141,629,004</u></u> |

The net pension liability was measured as of June 30, 2015, 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, 2016, the Board recognized pension expense of \$18,963,104 and revenue of \$14,364,346 for support provided by the State. Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not report deferred outflows of resources and deferred inflows of resources related to the Teachers Retirement and Pension Systems.



**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 4 – RETIREMENT AND PENSION SYSTEMS OF THE STATE OF MARYLAND (CONTINUED)**

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

*Actuarial assumptions.* The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                                     |
|---------------------------|-------------------------------------|
| Inflation                 | 2.90% general, 3.20% wage           |
| Salary increases          | 3.20% to 9.20%, including inflation |
| Investment rate of return | 7.55%                               |

Mortality rates were based on RP-2014 Mortality Tables with generational mortality projections using scale MP-2014, calibrated to the System’s experience.

The economic and demographic actuarial assumptions used in the June 30, 2015 valuation were adopted by the System’s Board of Trustees based upon review of the System’s experience study for the period 2010-2014, which was completed during FY 2014. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2015. As a result, an investment return assumption of 7.55% and an inflation assumption of 2.90% were used in the June 30, 2015 valuation.

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

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 4 – RETIREMENT AND PENSION SYSTEMS OF THE STATE OF MARYLAND (CONTINUED)**

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

For each major asset class that is included in the System’s target asset allocation, these best estimates are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Public Equity      | 35%                      | 6.30%   |
| Fixed Income       | 10%                      | 0.60%   |
| Credit Opportunity | 10%                      | 3.20%   |
| Real Return        | 14%                      | 1.80%   |
| Absolute Return    | 10%                      | 4.20%   |
| Private Equity     | 10%                      | 7.20%   |
| Real Estate        | 10%                      | 4.40%   |
| Cash               | 1%                       | 0.00%   |
| 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, 2015.

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 2.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount rate.* The single discount rate used to measure the total pension liability was 7.55%. This single discount rate was based on the expected rate of return on pension plan investments of 7.55%. 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.

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 4 – RETIREMENT AND PENSION SYSTEMS OF THE STATE OF MARYLAND (CONTINUED)**

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

*Sensitivity of the Net Pension Liability.* Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Board’s net pension liability, calculated using a single discount rate of 7.55%, as well as what the Board’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the Employees Retirement and Pension Systems:

|  | <b>1% Decrease</b> | <b>Current</b>       | <b>1% Increase</b> |
|--|--------------------|----------------------|--------------------|
|  | <b>6.55%</b>       | <b>Discount Rate</b> | <b>8.55%</b>       |
|  | <b>7.55%</b>       |                      |                    |
| Board’s proportionate share of the net pension liability | \$ 20,252,653      | \$ 14,329,572        | \$ 9,418,158       |

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

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

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 5 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2016 was as follows:

|   | <u>Balance at<br/>June 30, 2015</u> | <u>Increases</u>             | <u>Decreases</u>             | <u>Balance at<br/>June 30, 2016</u> |
|---|-------------------------------------|------------------------------|------------------------------|-------------------------------------|
| Governmental Activities:                    |                                     |                              |                              |                                     |
| <b>Capital assets not being depreciated</b> |                                     |                              |                              |                                     |
| Land  | \$ 3,849,196                        | \$ -                         | \$ -                         | \$ 3,849,196                        |
| Construction in progress                    | <u>3,709,438</u>                    | <u>1,850,302</u>             | <u>(1,203,368)</u>           | <u>4,356,372</u>                    |
| Total capital assets not being depreciated  | <u>7,558,634</u>                    | <u>1,850,302</u>             | <u>(1,203,368)</u>           | <u>8,205,568</u>                    |
| <b>Capital assets being depreciated</b>     |                                     |                              |                              |                                     |
| Land Improvements                           | 4,963,462                           | 861,018                      | -                            | 5,824,480                           |
| Buildings and improvements                  | 313,677,547                         | 380,440                      | (197,036)                    | 313,860,951                         |
| Equipment                                   | <u>7,756,847</u>                    | <u>665,636</u>               | <u>(570,262)</u>             | <u>7,852,221</u>                    |
| Total capital assets being depreciated      | <u>326,397,856</u>                  | <u>1,907,094</u>             | <u>(767,298)</u>             | <u>327,537,652</u>                  |
| <b>Less - accumulated depreciation</b>      |                                     |                              |                              |                                     |
| Land improvements                           | 3,268,951                           | 283,016                      | -                            | 3,551,967                           |
| Buildings and improvements                  | 99,642,620                          | 6,858,601                    | (60,694)                     | 106,440,527                         |
| Equipment                                   | <u>6,249,623</u>                    | <u>427,066</u>               | <u>(549,042)</u>             | <u>6,127,647</u>                    |
| Total accumulated depreciation              | <u>109,161,194</u>                  | <u>7,568,683</u>             | <u>(609,736)</u>             | <u>116,120,141</u>                  |
| Total capital assets being depreciated, net | <u>217,236,662</u>                  | <u>(5,661,589)</u>           | <u>(157,562)</u>             | <u>211,417,511</u>                  |
| <b>Capital assets, net</b>                  | <u><u>\$ 224,795,296</u></u>        | <u><u>\$ (3,811,287)</u></u> | <u><u>\$ (1,360,930)</u></u> | <u><u>\$ 219,623,079</u></u>        |

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016**

**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

The Board did not experience a loss on disposals during the year ended June 30, 2016.

Depreciation expense for the year ended June 30, 2016 was charged to governmental functions as follows:

| <b>Depreciation expense allocations</b> | <b>Allocation of<br/>Total Dep. Exp.</b> |
|---|--|
| <u>Instruction:</u>                     |  |
| Regular Education                       | \$ 100,175                               |
| Special Education                       | 10,662                                   |
| <u>Support Services:</u>                |  |
| Administration                          | 234,156                                  |
| Mid-Level Administration                | 373                                      |
| Transportation                          | 3,303                                    |
| Operation of Plant and Equipment        | 7,165,024                                |
| Maintenance of Plant                    | <u>54,990</u>                            |
| <b>Total</b>                            | <b><u>\$ 7,568,683</u></b>               |

**Business-type activities**

|  | <u>Balance at<br/>June 30, 2015</u> | <u>Increases</u>          | <u>Decreases</u>   | <u>Balance at<br/>June 30, 2016</u> |
|--|-------------------------------------|---------------------------|--------------------|-------------------------------------|
| Business-type activities:                              |                                     |                           |                    |                                     |
| Equipment at historical cost                           | \$ 1,915,001                        | \$ -                      | \$ -               | \$ 1,915,001                        |
| Less accumulated depreciation                          | <u>(1,728,177)</u>                  | <u>(39,000)</u>           | <u>-</u>           | <u>(1,767,177)</u>                  |
| <b>Business-type activities<br/>capital assets net</b> | <b><u>\$ 186,824</u></b>            | <b><u>\$ (39,000)</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 147,824</u></b>            |

Depreciation expense charged to business-type activities (child nutrition program) for the year ended June 30, 2016 was \$39,000.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016**

**NOTE 6 – LONG TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2016 was as follows:

|                                       | <u>Balance<br/>July 1, 2015</u> | <u>Additions</u>     | <u>Reductions</u>     | <u>Balance<br/>June 30, 2016</u> | <u>Due Within<br/>One Year</u> |
|---------------------------------------|---------------------------------|----------------------|-----------------------|----------------------------------|--------------------------------|
| Governmental activities:              |                                 |                      |                       |                                  |                                |
| Compensated absences                  | \$ 3,558,491                    | \$ 2,152,045         | \$ (2,247,413)        | \$ 3,463,123                     | \$ 352,888                     |
| Net OPEB Obligation                   | <u>60,273,609</u>               | <u>14,438,775</u>    | <u>-</u>              | <u>74,712,384</u>                | <u>-</u>                       |
| <b>Total governmental activities</b>  | <u>\$ 63,832,100</u>            | <u>\$ 16,590,820</u> | <u>\$ (2,247,413)</u> | <u>\$ 78,175,507</u>             | <u>\$ 352,888</u>              |
| Business-type activities:             |                                 |                      |                       |                                  |                                |
| Compensated absences                  | \$ 40,780                       | \$ 27,596            | \$ (24,128)           | 44,248                           | \$ -                           |
| Net OPEB Obligation                   | <u>984,630</u>                  | <u>239,225</u>       | <u>-</u>              | <u>1,223,855</u>                 | <u>-</u>                       |
| <b>Total business-type activities</b> | <u>\$ 1,025,410</u>             | <u>\$ 266,821</u>    | <u>\$ (24,128)</u>    | <u>\$ 1,268,103</u>              | <u>\$ -</u>                    |

**NOTE 7 – POSTEMPLOYMENT BENEFITS**

**Plan Description**

The Board participates in the Calvert County, Maryland Post-Retirement Medical Plan (the Plan), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Calvert County Commissioners (the County). The Plan provides medical and life insurance benefits to retired employees of participating governmental entities. The County issues a publicly-available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to the Calvert County Commissioners, 175 Main Street, Prince Frederick, Maryland 20678, or by calling (410) 535-1600.

**Funding Policy**

The Plan's board of trustees annually establishes a subsidy amount for each type of coverage under the Retiree's Health Plan. These subsidies are reviewed annually and are subject to change based on budgetary constraints. Retirees will earn the subsidy based on their years of creditable service, ranging from 20% to 100%. Retirees eligible for the disability plan earn 75% of their subsidy if approved under the Plan, and 100% of the subsidy if approved by Social Security. A 100% subsidy equates to the Plan covering 75% of the cost of the benefit coverage. The retiree is responsible for the difference between the cost of the selected Plan and the earned subsidy.

The number of participants eligible to receive benefits as of June 30, 2016 was 786.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016**

**NOTE 7 – POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Funding Policy (continued)**

Participating governmental entities are contractually required to contribute at a rate assessed each year by the Plan. The Plan’s board of trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the requirements of GASB Statement No. 45. The ARC represents the level of funding that, if paid, on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the Plan over a period not to exceed thirty years. The Board’s annual required contribution for the years ended June 30, 2016, 2015 and 2014 were \$22,373,000, \$25,443,000 and \$23,682,000, respectively. The Board’s contributions for the years ended June 30, 2016, 2015 and 2014 were \$6,242,000, \$7,771,608 and \$4,576,000, respectively. These contributions were paid by and on-behalf of the Board by Calvert County, and it’s the Board’s understanding that the remaining unfunded actuarial liability will be paid by and on-behalf of the Board by the County in future fiscal years. The Board will make contributions directly to the Plan when possible.

The County makes on behalf payments for the Board of Education. The total of the Board’s annual other postemployment benefit cost and net OPEB obligation for the Plan as of and for the fiscal year ended June 30, 2016 were as follows:

|   |                             |
|---|-----------------------------|
| Annual Required Contribution                          | \$ 22,373,000               |
| Interest on net OPEB obligation                       | 2,990,000                   |
| ARC Adjustment  | <u>(4,443,000)</u>          |
| Net Annual OPEB Cost                                  | 20,920,000                  |
| Contribution made including expected benefit payments | <u>6,242,000</u>            |
| Increase in net OPEB obligation                       | 14,678,000                  |
| Net OPEB obligation - beginning of year               | <u>61,258,239</u>           |
| <b>Net OPEB obligation - end of year</b>              | <b><u>\$ 75,936,239</u></b> |

The annual OPEB cost, the percentage of annual OPEB cost contributed during the fiscal year, and the net OPEB obligation for the fiscal years ended June 30, were as follows:

| <u>Fiscal Year</u><br><u>Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual</u><br><u>OPEB Cost Contributed</u> | <u>Net</u><br><u>OPEB Obligation</u> |
|------------------------------------|-------------------------|---|--------------------------------------|
| 2016                               | \$ 20,920,000           | 8.2%  | \$ 75,936,239                        |
| 2015                               | 24,441,000              | 20.3%   | 61,258,239                           |
| 2014                               | 23,136,000              | 19.8%   | 44,588,847                           |

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 7 – POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Funding Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the Plan was 18.7% funded. The actuarial accrued liability for benefits was \$216,142,000, and the actuarial value of assets was \$40,337,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$175,805,000.

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

**Actuarial Methods and Assumptions**

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

In the July 1, 2015 actuarial valuation, the Entry Age Normal was used instead of the Projected Unit Credit method. The actuarial assumptions included a 7.5% investment rate of return, which is the funding target. If CCPS' total contributions to the OPEB plan (pay-go benefits plus trust contributions) are at least as much as the funding target then the discount rate would be 7.5%. However, if the OPEB contributions are less than the funding target, GASB 45 requires the use of a lower discount rate. The discount rate used for this report was 5.0%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2016 was 21 years.



**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 7 – POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Methods and Assumptions** (continued)

Additional information as of the latest actuarial valuation follows:

|                              |   |
|------------------------------|---|
| Valuation Date               | July 1, 2015  |
| Actuarial Cost Method        | Entry Age Normal  |
| Amortization Method          | Closed  |
| Asset Valuation Method       | Market Value  |
| Actuarial Assumptions:       |   |
| Investment Rate of Return    | 7.5% per year compounded annually                               |
| Healthcare Cost Trend Rates: |   |
| Medical                      | 6.5% initial / 7.5% ultimate (not applicable to life insurance) |
| Dental                       | 4% initial / 5% ultimate  |
| Vision                       | 3% initial / 4% ultimate  |
| Prescription Drug            | 6.5% initial / 7.5% ultimate                                    |

**NOTE 8 – 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; personal injury; and natural disasters. The Board is one of sixteen Boards of Education within the State of Maryland belonging to the Maryland Association of Boards of Education Group Insurance Pool (the Pool), a public entity risk pool organized as a trust. The Board pays an annual premium to the Pool for its property, liability, and automobile coverage. Such premiums are actuarially calculated for the Pool as a whole based on loss data and are allocated to members based on student enrollment and number and type of vehicles as well as experience modification factors. The Pool is reinsured on a claims-made basis for legal liability, covering claims aggregating \$5 million per district per year.

Additionally, the Board is one of fifteen Boards of Education within the State of Maryland belonging to the Maryland Association of Boards of Education Workers' Compensation Group Self-Insurance Fund (the Fund). The Fund was established to provide workers' compensation indemnity and medical benefits coverage for participating school boards. The Fund is operated under regulations promulgated by the State Workers' Compensation Commission (COMAR 14.09.02).

Each Fund participant pays an annual premium calculated on their payroll, according to the standard classification, with an experience modification applied. Although premiums billed to the Fund members are determined on an actuarial basis, ultimate liability for claims remains with the respective members and accordingly, the insurance risks are not transferred to the Fund. Six months following the end of the Fund's fiscal year, the Fund's trustees declare unneeded funds as surplus and distribute as dividends to the Fund members. This dividend distribution is made no sooner than one year after the close of that fiscal year. The Fund carries an excess insurance policy providing specific excess and employer liability protection coverage, thus reducing the potential of assessment against Fund members. The Fund provides coverage for up to a maximum of \$250,000 for each worker's compensation claim.

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 8 – RISK MANAGEMENT (CONTINUED)**

Settled claims from these risks have not exceeded the planned coverage during any of the past three years.

The Board is under a modified retrospective billing arrangement with a commercial insurance carrier to provide group health coverage. Under this arrangement the insurance carrier assesses an initial charge paid by the Board through monthly premiums. At the end of the coverage period, there is a settlement of the difference between the billed premium and the actual claims and expenses. A deficiency in the billed premium represents the callable margin, which is owed by the Board, up to a maximum of 5%. If the actual claims and expenses are less than the billed premium, the Board would be entitled to a refund. As of June 30, 2016, the Board has a balance of \$1,009,208 in their rate stabilization fund held with the insurance carrier, included in the cash and cash equivalents for the general fund.

**NOTE 9 – ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of budgetary integration in the General Fund and encumbrances outstanding at year-end are reported as restricted or assignments of fund balances since they do not constitute expenditures or liabilities.

|                           | <u>Restricted<br/>Encumbrances</u> | <u>Assigned<br/>Encumbrances</u> |
|---------------------------|------------------------------------|----------------------------------|
| Administration            | \$ -                               | \$ 85,573                        |
| Mid-Level Administration  | -                                  | 432                              |
| Instructional Supplies    | 4,174                              | 43,058                           |
| Other Instructional Costs | 4,335                              | 288,989                          |
| Special Education         | 185                                | 1,057                            |
| Pupil Transportation      | -                                  | 79,066                           |
| Operation of Plant        | 24,974                             | 370,119                          |
| Maintenance of Plant      | -                                  | 14,426                           |
| Community Services        | 505                                | 505                              |
| Capital Outlay            | -                                  | 418,595                          |
|                           | <u>\$ 34,173</u>                   | <u>\$ 1,301,820</u>              |

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 10 – FUND BALANCE**

Fund Balance at June 30, 2016 consisted of the following:

|                            | <u>General Fund</u>  | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u>         |
|----------------------------|----------------------|-----------------------------|------------------------------|----------------------|
| <b>Fund Balances</b>       |                      |                             |                              |                      |
| <b>Nonspendable for:</b>   |                      |                             |                              |                      |
| Inventory                  | \$ 43,563            | \$ 33,049                   | \$ -                         | \$ 76,612            |
| Prepaid Costs              | 30,000               | -                           | -                            | 30,000               |
| Total Nonspendable         | <u>73,563</u>        | <u>33,049</u>               | <u>-</u>                     | <u>106,612</u>       |
| <b>Restricted for:</b>     |                      |                             |                              |                      |
| Instructional Supplies     | 4,174                | -                           | -                            | 4,174                |
| Other Instructional Costs  | 4,335                | -                           | -                            | 4,335                |
| Special Education          | 185                  | -                           | -                            | 185                  |
| Operation of Plant         | 24,974               | -                           | -                            | 24,974               |
| Community Services         | 505                  | -                           | -                            | 505                  |
| Total Restricted           | <u>34,173</u>        | <u>-</u>                    | <u>-</u>                     | <u>34,173</u>        |
| <b>Committed for:</b>      |                      |                             |                              |                      |
| Healthcare                 | 3,057,431            | -                           | -                            | 3,057,431            |
| Leave                      | 309,928              | -                           | -                            | 309,928              |
| Legal Fees                 | 4,445                | -                           | -                            | 4,445                |
| NHS Construction           | 3,000,000            | -                           | -                            | 3,000,000            |
| Textbooks, Other costs     | 654,307              | -                           | -                            | 654,307              |
| Transportation Fuel        | 1,000,000            | -                           | -                            | 1,000,000            |
| Total Committed            | <u>8,026,111</u>     | <u>-</u>                    | <u>-</u>                     | <u>8,026,111</u>     |
| <b>Assigned for:</b>       |                      |                             |                              |                      |
| Administration             | 85,573               | -                           | -                            | 85,573               |
| Mid-Level Administration   | 432                  | -                           | -                            | 432                  |
| Instructional Supplies     | 43,058               | -                           | -                            | 43,058               |
| Other Instructional Costs  | 288,989              | -                           | -                            | 288,989              |
| Special Education          | 1,057                | -                           | -                            | 1,057                |
| Pupil Transportation       | 79,066               | -                           | -                            | 79,066               |
| Operation of Plant         | 370,119              | -                           | -                            | 370,119              |
| Maintenance of Plant       | 14,426               | -                           | -                            | 14,426               |
| Community Services         | 505                  | -                           | -                            | 505                  |
| Food Service               | -                    | 1,718,835                   | -                            | 1,718,835            |
| Capital Outlay             | 418,595              | -                           | 88,607                       | 507,202              |
| Total Assigned             | <u>1,301,820</u>     | <u>1,718,835</u>            | <u>88,607</u>                | <u>3,109,262</u>     |
| <b>Unassigned:</b>         | <u>4,542,044</u>     | <u>-</u>                    | <u>-</u>                     | <u>4,542,044</u>     |
| <b>Total Fund Balances</b> | <u>\$ 13,977,711</u> | <u>\$ 1,751,884</u>         | <u>\$ 88,607</u>             | <u>\$ 15,818,202</u> |

**CALVERT COUNTY PUBLIC SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 11 – CONTINGENCIES**

**Litigation**

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

**Grant Program**

The Board received grant revenues from County, State, and Federal sources. Amounts received under such programs are restricted to use in accordance with the terms of the respective grants. The use of such funds is subject to audit by the grantors. Consequently, the Board is contingently liable to refund amounts received in excess of allowable expenditures, if any. In the opinion of management, no material refunds will be required as the result of expenditures disallowed by the grantors.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CALVERT COUNTY PUBLIC SCHOOLS  
GENERAL FUND – BUDGETARY BASIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES –  
BUDGET AND ACTUAL – UNRESTRICTED AND RESTRICTED  
Year Ended June 30, 2016**

|  | <u>Budget</u>                    |                                     |                       | <u>Actual<br/>(Budgetary Basis)</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|----------------------------------|-------------------------------------|-----------------------|-------------------------------------|---|
|  | <u>As Originally<br/>Adopted</u> | <u>Transfers and<br/>Amendments</u> | <u>Final Budgeted</u> |                                     |   |
| <b>Revenues</b>  |                                  |                                     |                       |                                     |   |
| Local Sources  | \$ 119,068,838                   | \$ 2,146,900                        | \$ 121,215,738        | \$ 120,053,666                      | \$ (1,162,072)  |
| State Sources  | 79,904,376                       | -                                   | 79,904,376            | 79,804,358                          | (100,018)   |
| Federal Sources  | 12,668,137                       | -                                   | 12,668,137            | 8,466,157                           | (4,201,980)   |
| Use of Prior Year Fund Balance   | 1,800,759                        | -                                   | 1,800,759             | -                                   | (1,800,759)   |
| <b>Total Revenue</b>   | <u>\$ 213,442,110</u>            | <u>\$ 2,146,900</u>                 | <u>\$ 215,589,010</u> | <u>\$ 208,324,181</u>               | <u>\$ (7,264,829)</u>   |
| <b>Expenditures</b>  |                                  |                                     |                       |                                     |   |
| Administration   | \$ 5,693,608                     | \$ 375,180                          | \$ 6,068,788          | \$ 5,961,428                        | \$ 107,360  |
| Mid-level Administration   | 10,756,367                       | 63,178                              | 10,819,545            | 10,782,628                          | 36,917  |
| Instructional Salaries   | 79,272,175                       | 70,239                              | 79,342,414            | 78,294,677                          | 1,047,737   |
| Textbooks and Instructional Supplies                                       | 2,399,505                        | 168,937                             | 2,568,442             | 2,425,596                           | 142,846   |
| Other Instructional Costs  | 2,776,646                        | 1,151,491                           | 3,928,137             | 3,015,969                           | 912,168   |
| Special Education  | 27,756,981                       | 325,548                             | 28,082,529            | 25,371,711                          | 2,710,818   |
| Pupil Personnel Services   | 1,390,373                        | 16,600                              | 1,406,973             | 1,352,927                           | 54,046  |
| Health Services  | 1,516,571                        | 19,912                              | 1,536,483             | 1,525,852                           | 10,631  |
| Pupil Transportation   | 14,714,636                       | (392,961)                           | 14,321,675            | 13,845,967                          | 475,708   |
| Operation of Plant   | 15,461,369                       | (468,421)                           | 14,992,948            | 14,763,626                          | 229,322   |
| Maintenance of Plant   | 3,187,992                        | 20,400                              | 3,208,392             | 3,155,405                           | 52,987  |
| Fixed Charges  | 46,226,241                       | 395,297                             | 46,621,538            | 44,104,512                          | 2,517,026   |
| Community Services   | 1,538,219                        | -                                   | 1,538,219             | 1,227,862                           | 310,357   |
| Capital Outlay   | 751,427                          | 401,500                             | 1,152,927             | 981,992                             | 170,935   |
| <b>Total Expenditures</b>  | <u>213,442,110</u>               | <u>2,146,900</u>                    | <u>215,589,010</u>    | <u>206,810,152</u>                  | <u>8,778,858</u>  |
| EXCESS OF REVENUES OVER EXPENDITURES<br>AND ENCUMBRANCES                   | <u>\$ -</u>                      | <u>\$ -</u>                         | <u>\$ -</u>           | 1,514,029                           | <u>\$ 1,514,029</u>   |
| FUND BALANCE - BUGETARY BASIS, BEGINNING OF YEAR                           |                                  |                                     |                       | 11,485,074                          |   |
| EXCESS OF REVENUES OVER EXPENDITURES AND ENCUMBRANCES                      |                                  |                                     |                       | 1,514,029                           |   |
| CANCELLED ENCUMBRANCES AND OTHER ADJUSTMENTS                               |                                  |                                     |                       | 655,099                             |   |
| FUND BALANCE - BUGETARY BASIS, END OF YEAR                                 |                                  |                                     |                       | 13,654,202                          |   |
| ENCUMBRANCES OUTSTANDING AS OF JUNE 30, 2016                               |                                  |                                     |                       | 1,336,289                           |   |
| REVENUES GENERATED BY CHANGES IN ENCUMBRANCES OF EXPENDITURE DRIVEN GRANTS |                                  |                                     |                       | (23,743)                            |   |
| NET CHANGE IN PURE ENCUMBRANCES  |                                  |                                     |                       | (989,037)                           |   |
| FUND BALANCE - GAAP BASIS, END OF YEAR                                     |                                  |                                     |                       | <u>\$ 13,977,711</u>                |   |

**CALVERT COUNTY PUBLIC SCHOOLS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES –**  
**BUDGET AND ACTUAL – UNRESTRICTED**  
**Year Ended June 30, 2016**

|  | <u>Budget</u>                          |   |                       | <b>Actual</b><br><b>(Budgetary Basis)</b> | <b>Variance with</b><br><b>Final Budget</b><br><b>Positive</b><br><b>(Negative)</b> |
|--|--|---|-----------------------|---|---|
|  | <b>As Originally</b><br><b>Adopted</b> | <b>Transfers and</b><br><b>Amendments</b> | <b>Final Budgeted</b> |   |   |
| <b>Revenues</b>  |  |   |                       |   |   |
| Local Sources  | \$ 115,793,935                         | \$ 2,146,900                              | \$ 117,940,835        | \$ 118,725,678                            | \$ 784,843  |
| State Sources  | 77,647,821                             | -   | 77,647,821            | 77,671,919                                | 24,098  |
| Federal Sources  | 560,000                                | -   | 560,000               | 639,366                                   | 79,366  |
| Use of Prior Year Fund Balance                               | 1,800,759                              | -   | 1,800,759             | -   | (1,800,759)   |
| <b>Total Revenue</b>   | <b>\$ 195,802,515</b>                  | <b>\$ 2,146,900</b>                       | <b>\$ 197,949,415</b> | <b>\$ 197,036,963</b>                     | <b>\$ (912,452)</b>   |
| <br><b>Expenditures</b>                                      |  |   |                       |   |   |
| Administration   | \$ 5,538,669                           | \$ 375,180                                | \$ 5,913,849          | \$ 5,832,529                              | \$ 81,320   |
| Mid-level Administration                                     | 10,674,978                             | 63,178                                    | 10,738,156            | 10,707,129                                | 31,027  |
| Instructional Salaries                                       | 76,123,214                             | 70,239                                    | 76,193,453            | 75,894,624                                | 298,829   |
| Textbooks and Instructional Supplies                         | 2,085,802                              | 168,937                                   | 2,254,739             | 2,212,495                                 | 42,244  |
| Other Instructional Costs                                    | 1,527,209                              | 1,151,491                                 | 2,678,700             | 2,538,872                                 | 139,828   |
| Special Education  | 21,422,811                             | 325,548                                   | 21,748,359            | 21,567,988                                | 180,371   |
| Pupil Personnel Services                                     | 1,381,180                              | 16,600                                    | 1,397,780             | 1,346,704                                 | 51,076  |
| Health Services  | 1,398,127                              | 19,912                                    | 1,418,039             | 1,407,412                                 | 10,627  |
| Pupil Transportation   | 14,606,038                             | (392,961)                                 | 14,213,077            | 13,786,107                                | 426,970   |
| Operation of Plant   | 15,021,651                             | (468,421)                                 | 14,553,230            | 14,377,020                                | 176,210   |
| Maintenance of Plant   | 3,187,992                              | 20,400                                    | 3,208,392             | 3,155,405                                 | 52,987  |
| Fixed Charges  | 42,276,215                             | 395,297                                   | 42,671,512            | 41,782,436                                | 889,076   |
| Capital Outlay   | 558,629                                | 401,500                                   | 960,129               | 914,213                                   | 45,916  |
| <b>Total Expenditures</b>                                    | <b>\$ 195,802,515</b>                  | <b>\$ 2,146,900</b>                       | <b>\$ 197,949,415</b> | <b>\$ 195,522,934</b>                     | <b>\$ 2,426,481</b>   |
| <br>EXCESS OF REVENUES OVER EXPENDITURES<br>AND ENCUMBRANCES | <br><u>\$ -</u>                        | <br><u>\$ -</u>                           | <br><u>\$ -</u>       | <br><u>\$ 1,514,029</u>                   | <br><u>\$ 1,514,029</u>   |

**CALVERT COUNTY PUBLIC SCHOOLS  
SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES –  
BUDGET AND ACTUAL – RESTRICTED  
Year Ended June 30, 2016**

|  | <u>Budget</u>                    |                                     |                       | <u>Actual Budgetary<br/>Basis</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|----------------------------------|-------------------------------------|-----------------------|-----------------------------------|---|
|  | <u>As Originally<br/>Adopted</u> | <u>Transfers and<br/>Amendments</u> | <u>Final Budgeted</u> |                                   |   |
| <b>Revenues</b>  |                                  |                                     |                       |                                   |   |
| Local Sources  | \$ 3,274,903                     | \$ -                                | \$ 3,274,903          | \$ 1,327,988                      | \$ (1,946,915)  |
| State Sources  | 2,256,555                        | -                                   | 2,256,555             | 2,132,439                         | (124,116)   |
| Federal Sources  | 12,108,137                       | -                                   | 12,108,137            | 7,826,791                         | (4,281,346)   |
| Use of Prior Year Fund Balance                                   | -                                | -                                   | -                     | -                                 | -   |
| <b>Total Revenue</b>   | <u>\$ 17,639,595</u>             | <u>\$ -</u>                         | <u>\$ 17,639,595</u>  | <u>\$ 11,287,218</u>              | <u>\$ (6,352,377)</u>   |
| <b>Expenditures</b>  |                                  |                                     |                       |                                   |   |
| Administration   | \$ 154,939                       | -                                   | \$ 154,939            | \$ 128,899                        | \$ 26,040   |
| Mid-level Administration   | 81,389                           | -                                   | 81,389                | 75,499                            | 5,890   |
| Instructional Salaries   | 3,148,961                        | -                                   | 3,148,961             | 2,400,053                         | 748,908   |
| Textbooks and Instructional Supplies                             | 313,703                          | -                                   | 313,703               | 213,101                           | 100,602   |
| Other Instructional Costs  | 1,249,437                        | -                                   | 1,249,437             | 477,097                           | 772,340   |
| Special Education  | 6,334,170                        | -                                   | 6,334,170             | 3,803,723                         | 2,530,447   |
| Pupil Personnel Services   | 9,193                            | -                                   | 9,193                 | 6,223                             | 2,970   |
| Health Services  | 118,444                          | -                                   | 118,444               | 118,440                           | 4   |
| Pupil Transportation   | 108,598                          | -                                   | 108,598               | 59,860                            | 48,738  |
| Operation of Plant   | 439,718                          | -                                   | 439,718               | 386,606                           | 53,112  |
| Fixed Charges  | 3,950,026                        | -                                   | 3,950,026             | 2,322,076                         | 1,627,950   |
| Community Services   | 1,538,219                        | -                                   | 1,538,219             | 1,227,862                         | 310,357   |
| Capital Outlay   | 192,798                          | -                                   | 192,798               | 67,779                            | 125,019   |
| <b>Total Expenditures</b>  | <u>\$ 17,639,595</u>             | <u>\$ -</u>                         | <u>\$ 17,639,595</u>  | <u>\$ 11,287,218</u>              | <u>\$ 6,352,377</u>   |
| <b>EXCESS OF REVENUES OVER EXPENDITURES<br/>AND ENCUMBRANCES</b> | <u>\$ -</u>                      | <u>\$ -</u>                         | <u>\$ -</u>           | <u>\$ -</u>                       | <u>\$ -</u>   |



**CALVERT COUNTY PUBLIC SCHOOLS**  
**RECONCILIATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND**  
**OUTFLOWS AND GAAP BASIS REVENUES AND EXPENDITURES**  
**GENERAL FUND**  
**Year Ended June 30, 2016**

**REVENUES**

|  |                |
|--|----------------|
| Budgetary Basis  | \$ 208,324,181 |
| Add: Pension Contribution Paid by the State of Maryland                                      | 14,089,439     |
| Add: OPEB Contribution Paid by Calvert County  | 920,745        |
| Less: Use of prior year fund balance   | -              |
| Less: Increase in revenues generated by changes in encumbrances of expenditure driven grants | <u>(1,972)</u> |

**Total Revenues (GAAP Basis) \$ 223,332,393**

**EXPENDITURES**

|  |                    |
|--|--------------------|
| Budgetary Basis  | \$ 206,810,152     |
| Add: Prior Year Encumbrances                                 | 369,190            |
| Add: Pension Contribution Paid by the State of Maryland      | 14,089,439         |
| Add: OPEB Contribution paid by Calvert County                | 920,745            |
| Less: Prior Year Encumbrances Closed During the Current Year | (21,938)           |
| Less: Current Encumbrances                                   | <u>(1,336,289)</u> |

**Total Expenditures and Other Financing Uses (GAAP Basis) \$ 220,831,299**

**CALVERT COUNTY PUBLIC SCHOOLS**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**MARYLAND STATE RETIREMENT AND PENSION SYSTEM**  
**June 30, 2016**

**Employees' Retirement and Pension System:**

|  |    | <u>2016</u>             |
|--|----|-------------------------|
| Board's proportionation of the net pension liability   |    | 0.06895280000000000000% |
| Board's proportionate share of the net pension liability   | \$ | 14,329,572              |
| Board's covered employee payroll   |    | 14,172,855              |
| Board's proportionate share of the net pension liability as a percentage of its covered employee payroll |    | 101.11%                 |
| Plan fiduciary net position as a percentage of the total pension liability                               |    | 66.26%                  |

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

|  |    |             |
|--|----|-------------|
| Board's proportionation of the net pension liability   |    | 0.0%        |
| Board's proportionate share of the net pension liability   | \$ | -           |
| State's proportionate share of the net pension liability of the Board                                    |    | 141,629,004 |
| Total  |    | 141,629,004 |
| Board's covered employee payroll   | \$ | 112,124,454 |
| Board's proportionate share of the net pension liability as a percentage of its covered employee payroll |    | 0.00%       |
| Plan fiduciary net position as a percentage of the total pension liability                               |    | 69.53%      |

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

**CALVERT COUNTY PUBLIC SCHOOLS  
SCHEDULE OF CONTRIBUTIONS  
MARYLAND STATE RETIREMENT AND PENSION SYSTEM  
June 30, 2016**

**Employees' Retirement and Pension System**

|  | 2016             | 2015             | 2014             | 2013             | 2012             | 2011             | 2010             | 2009             | 2008             | 2007             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution                                  | \$ 1,303,584     | \$ 1,453,337     | \$ 1,484,557     | \$ 1,362,356     | \$ 2,012,647     | \$ 1,654,559     | \$ 1,160,410     | \$ 1,062,232     | \$ 1,176,227     | \$ 1,033,155     |
| Contributions in relation to the contractually required contribution | <u>1,303,584</u> | <u>1,453,337</u> | <u>1,484,557</u> | <u>1,362,356</u> | <u>2,012,647</u> | <u>1,654,559</u> | <u>1,160,410</u> | <u>1,062,232</u> | <u>1,176,227</u> | <u>1,033,155</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Board's covered-employee payroll                                     | \$ 14,172,855    | \$ 15,480,738    | \$ 14,770,745    | \$ 15,062,796    | \$ 15,588,080    | \$ 15,178,442    | \$ 15,177,027    | \$ 14,284,313    | \$ 13,195,755    | \$ 12,527,325    |
| Contributions as a percentage of covered-employee payroll            | 9%               | 9%               | 10%              | 9%               | 13%              | 11%              | 8%               | 7%               | 9%               | 8%               |

**Teachers Retirement and Pension System**

|  | 2016             | 2015             | 2014             | 2013             | 2012*       | 2011*       | 2010*       | 2009*       | 2008*       | 2007*       |
|--|------------------|------------------|------------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually required contribution                                  | \$ 5,910,295     | \$ 4,598,758     | \$ 3,594,696     | \$ 2,835,940     | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Contributions in relation to the contractually required contribution | <u>5,910,295</u> | <u>4,598,758</u> | <u>3,594,696</u> | <u>2,835,940</u> | <u>-</u>    | <u>-</u>    | <u>-</u>    | <u>-</u>    | <u>-</u>    | <u>-</u>    |
| Contribution deficiency (excess)                                     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Board's covered-employee payroll                                     | \$ 112,124,454   | \$ 104,835,359   | \$ 106,780,951   | \$ 111,686,094   | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Contributions as a percentage of covered-employee payroll            | 5%               | 4%               | 3%               | 3%               | 0%          | 0%          | 0%          | 0%          | 0%          | 0%          |

\* The Board was not contractually required to contribute to the Teachers' Retirement and Pension System prior to FY 2013.

**CALVERT COUNTY PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR OTHER POSTEMPLOYMENT BENEFIT PLAN  
June 30, 2016**

| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial Value<br/>of Assets</b> | <b>Actuarial Accrued<br/>Liability (AAL)</b> | <b>Unfunded AAL<br/>(UAAL)</b> | <b>Funded<br/>Ratio</b> | <b>Covered<br/>Payroll</b> | <b>UAAL as a<br/>UAAL as a<br/>Percentage<br/>of Covered<br/>Payroll</b> |
|---|--------------------------------------|--|--------------------------------|-------------------------|----------------------------|--|
| June 30, 2008                           | \$ -                                 | \$ 78,032,239                                | \$ 78,032,239                  | 0.0%                    | N/A                        | N/A  |
| June 30, 2009                           | -                                    | 78,032,239                                   | 78,032,239                     | 0.0%                    | N/A                        | N/A  |
| June 30, 2010                           | 3,522,381                            | 99,455,289                                   | 95,932,908                     | 3.5%                    | N/A                        | N/A  |
| June 30, 2011                           | 3,522,381                            | 99,455,289                                   | 95,932,908                     | 3.5%                    | N/A                        | N/A  |
| June 30, 2012                           | 17,226,681                           | 139,625,512                                  | 122,398,831                    | 12.3%                   | N/A                        | N/A  |
| June 30, 2013                           | 17,226,681                           | 139,625,512                                  | 122,398,831                    | 12.3%                   | N/A                        | N/A  |
| June 30, 2014                           | 18,519,000                           | 230,571,000                                  | 212,052,000                    | 8.0%                    | N/A                        | N/A  |
| June 30, 2015                           | 18,519,000                           | 230,571,000                                  | 212,052,000                    | 8.0%                    | N/A                        | N/A  |
| June 30, 2016                           | 40,337,000                           | 216,142,000                                  | 175,805,000                    | 18.7%                   | N/A                        | N/A  |

| <b>Fiscal Year<br/>Ending</b> | <b>Annual Required<br/>Contribution (ARC)</b> | <b>Actual<br/>Contribution</b> | <b>Percentage<br/>Contributed</b> | <b>Net OPEB<br/>Obligation</b> |
|-------------------------------|---|--------------------------------|-----------------------------------|--------------------------------|
| June 30, 2008                 | \$ 9,127,324                                  | \$ 5,308,165                   | 58.2%                             | \$ 3,819,159                   |
| June 30, 2009                 | 9,127,324                                     | 6,799,986                      | 74.5%                             | 6,413,838                      |
| June 30, 2010                 | 11,319,105                                    | 4,918,693                      | 43.5%                             | 12,746,349                     |
| June 30, 2011                 | 11,319,105                                    | 5,664,604                      | 50.0%                             | 18,776,224                     |
| June 30, 2012                 | 14,359,874                                    | 13,826,883                     | 96.3%                             | 19,099,109                     |
| June 30, 2013                 | 14,359,874                                    | 7,216,423                      | 51.0%                             | 26,028,847                     |
| June 30, 2014                 | 23,136,000                                    | 4,576,000                      | 19.8%                             | 44,588,847                     |
| June 30, 2015                 | 24,441,000                                    | 7,771,608                      | 20.3%                             | 61,258,239                     |
| June 30, 2016                 | 20,920,000                                    | 6,242,000                      | 8.2%                              | 75,936,239                     |

**OTHER SUPPLEMENTARY INFORMATION**

**CALVERT COUNTY PUBLIC SCHOOLS**  
**GENERAL FUND (CURRENT EXPENSE FUND) – BUDGETARY BASIS**  
**DETAILED SCHEDULE OF REVENUES EXPENDITURES, AND ENCUMBRANCES**  
**Year Ended June 30, 2016**

|  | <u>Final Budget</u>          | <u>Actual</u>                | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|------------------------------|------------------------------|---|
| <b>REVENUE</b>                         |                              |                              |   |
| From Local Sources                     |                              |                              |   |
| County funds                           | \$ 114,876,122               | \$ 114,876,122               | \$ -  |
| Tuition                                | 1,046,592                    | 941,038                      | (105,554)   |
| Interest and other                     | 5,293,024                    | 4,236,506                    | (1,056,518)   |
| Prior-year fund balance                | <u>1,800,759</u>             | <u>-</u>                     | <u>(1,800,759)</u>  |
| Total from local sources               | <u>123,016,497</u>           | <u>120,053,666</u>           | <u>(2,962,831)</u>  |
| From State Sources:                    |                              |                              |   |
| Current Expense                        | 57,522,620                   | 57,522,620                   | -   |
| Transportation                         | 5,379,505                    | 5,379,505                    | -   |
| Handicapped Children                   | 3,497,207                    | 3,497,207                    | -   |
| Other thru MSDE                        | 12,881,099                   | 12,841,665                   | (39,434)  |
| State from other sources               | <u>623,945</u>               | <u>563,361</u>               | <u>(60,584)</u>   |
| Total from state sources               | <u>79,904,376</u>            | <u>79,804,358</u>            | <u>(100,018)</u>  |
| From United States Government sources: |                              |                              |   |
| Directly received                      | 300,000                      | 339,243                      | 39,243  |
| U.S. Navy - NJROTC                     | 260,000                      | 300,122                      | 40,122  |
| Received through the State of Maryland | <u>12,108,137</u>            | <u>7,826,792</u>             | <u>(4,281,345)</u>  |
| Total from federal sources             | <u>12,668,137</u>            | <u>8,466,157</u>             | <u>(4,201,980)</u>  |
| <b>Total revenue</b>                   | <u><u>\$ 215,589,010</u></u> | <u><u>\$ 208,324,181</u></u> | <u><u>\$ (7,264,829)</u></u>                                      |

**CALVERT COUNTY PUBLIC SCHOOLS**  
**GENERAL FUND (CURRENT EXPENSE FUND) – BUDGETARY BASIS**  
**DETAILED SCHEDULE OF REVENUES EXPENDITURES, AND ENCUMBRANCES**  
**Year Ended June 30, 2016**

|                                      | <u>Final Budget</u> | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|---------------------|-------------------|---|
| <b>EXPENDITURES AND ENCUMBRANCES</b> |                     |                   |   |
| Administration:                      |                     |                   |   |
| Salaries and wages                   | \$ 4,231,781        | \$ 4,179,692      | \$ 52,089   |
| Contracted services                  | 1,256,594           | 1,280,908         | (24,314)  |
| Supplies and materials               | 69,763              | 54,543            | 15,220  |
| Equipment                            | 120,181             | 122,817           | (2,636)   |
| Outgoing transfers                   | 148,579             | 122,268           | 26,311  |
| Other                                | 241,890             | 201,200           | 40,690  |
| Total administration                 | <u>6,068,788</u>    | <u>5,961,428</u>  | <u>107,360</u>  |
| Mid-level Administration:            |                     |                   |   |
| Salaries and wages                   | 10,524,603          | 10,516,726        | 7,877   |
| Supplies and materials               | 76,517              | 62,320            | 14,197  |
| Equipment                            | 400                 | 4,695             | (4,295)   |
| Other                                | 218,025             | 198,887           | 19,138  |
| Total mid-level administration       | <u>10,819,545</u>   | <u>10,782,628</u> | <u>36,917</u>   |
| Instructional Salaries               | <u>79,342,414</u>   | <u>78,294,677</u> | <u>1,047,737</u>  |
| Textbooks and Instructional Supplies | <u>2,568,442</u>    | <u>2,425,596</u>  | <u>142,846</u>  |
| Other Instructional Costs:           |                     |                   |   |
| Salaries and wages                   | 459,134             | 337,838           | 121,296   |
| Equipment                            | 2,198,526           | 1,859,859         | 338,667   |
| Outgoing transfers                   | 7,735               | 2,918             | 4,817   |
| Other                                | 1,262,742           | 815,354           | 447,388   |
| Total other instructional costs      | <u>3,928,137</u>    | <u>3,015,969</u>  | <u>912,168</u>  |
| Special Education:                   |                     |                   |   |
| Salaries and wages                   | 23,463,347          | 22,288,017        | 1,175,330   |
| Contracted services                  | 1,267,810           | 696,515           | 571,295   |
| Supplies and materials               | 604,191             | 152,592           | 451,599   |
| Equipment                            | 321,301             | 50,929            | 270,372   |
| Other                                | 486,122             | 240,195           | 245,927   |
| Outgoing transfers                   | 1,939,758           | 1,943,463         | (3,705)   |
| Total special education              | <u>28,082,529</u>   | <u>25,371,711</u> | <u>2,710,818</u>  |
| Pupil Personnel Services:            |                     |                   |   |
| Salaries and wages                   | 1,086,248           | 1,069,065         | 17,183  |
| Contracted services                  | 229,467             | 205,901           | 23,566  |
| Supplies and materials               | 20,940              | 18,848            | 2,092   |
| Equipment                            | 6,700               | 6,683             | 17  |
| Other                                | 63,618              | 52,430            | 11,188  |
| Total pupil personnel services       | <u>1,406,973</u>    | <u>1,352,927</u>  | <u>54,046</u>   |
| Health Services:                     |                     |                   |   |
| Salaries and wages                   | 1,475,555           | 1,486,636         | (11,081)  |
| Contracted services                  | 2,250               | 1,110             | 1,140   |
| Supplies and materials               | 29,828              | 24,305            | 5,523   |
| Equipment                            | 7,200               | 5,166             | 2,034   |
| Other                                | 21,650              | 8,635             | 13,015  |
| Total health services                | <u>1,536,483</u>    | <u>1,525,852</u>  | <u>10,631</u>   |

**CALVERT COUNTY PUBLIC SCHOOLS**  
**GENERAL FUND (CURRENT EXPENSE FUND) – BUDGETARY BASIS**  
**DETAILED SCHEDULE OF REVENUES EXPENDITURES, AND ENCUMBRANCES**  
**Year Ended June 30, 2016**  
**(Continued)**

|  | <u>Final Budget</u> | <u>Actual</u>       | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|---------------------|---------------------|---|
| <b>EXPENDITURES AND ENCUMBRANCES (Continued)</b>             |                     |                     |   |
| Pupil Transportation:  |                     |                     |   |
| Salaries and wages   | \$ 1,140,980        | \$ 1,169,590        | \$ (28,610)   |
| Contracted services  | 12,963,878          | 12,487,719          | 476,159   |
| Supplies and materials                                       | 8,779               | 8,385               | 394   |
| Equipment  | 117,900             | 151,869             | (33,969)  |
| Other charges  | 90,138              | 28,404              | 61,734  |
| Total pupil transportation                                   | <u>14,321,675</u>   | <u>13,845,967</u>   | <u>475,708</u>  |
| Operation of Plant:  |                     |                     |   |
| Salaries and wages   | 7,685,116           | 7,585,801           | 99,315  |
| Contracted services  | 794,818             | 847,191             | (52,373)  |
| Supplies and materials                                       | 1,068,384           | 831,120             | 237,264   |
| Equipment  | 536,495             | 555,544             | (19,049)  |
| Other charges  | 4,908,135           | 4,943,970           | (35,835)  |
| Total operation of plant                                     | <u>14,992,948</u>   | <u>14,763,626</u>   | <u>229,322</u>  |
| Maintenance of Plant:  |                     |                     |   |
| Salaries and wages   | 2,327,092           | 2,272,536           | 54,556  |
| Contracted services  | 226,500             | 269,513             | (43,013)  |
| Supplies and materials                                       | 632,100             | 591,806             | 40,294  |
| Equipment  | 17,000              | 16,573              | 427   |
| Other charges  | 5,700               | 4,977               | 723   |
| Total maintenance of plant                                   | <u>3,208,392</u>    | <u>3,155,405</u>    | <u>52,987</u>   |
| Fixed charges  | <u>46,621,538</u>   | <u>44,104,512</u>   | <u>2,517,026</u>  |
| Community Services:  |                     |                     |   |
| Salaries and wages   | 1,238,455           | 997,954             | 240,501   |
| Contracted services  | 107,247             | 87,400              | 19,847  |
| Supplies and materials                                       | 103,666             | 74,317              | 29,349  |
| Equipment  | 6,122               | 5,561               | 561   |
| Other charges  | 82,729              | 62,630              | 20,099  |
| Total community services                                     | <u>1,538,219</u>    | <u>1,227,862</u>    | <u>310,357</u>  |
| Capital Outlay:  |                     |                     |   |
| Salaries and wages   | 240,129             | 240,129             | -   |
| Contracted services  | 598,370             | 455,124             | 143,246   |
| Supplies and materials                                       | 2,000               | 618                 | 1,382   |
| Equipment  | 310,928             | 285,303             | 25,625  |
| Other charges  | 1,500               | 818                 | 682   |
| Total capital outlay   | <u>1,152,927</u>    | <u>981,992</u>      | <u>170,935</u>  |
| <b>Total expenditures and encumbrances</b>                   | <u>215,589,010</u>  | <u>206,810,152</u>  | <u>8,778,858</u>  |
| <b>Excess of revenues over expenditures and encumbrances</b> | <u>\$ -</u>         | <u>\$ 1,514,029</u> | <u>\$ 1,514,029</u>   |



**CALVERT COUNTY PUBLIC SCHOOLS  
SCHEDULE OF CHANGES IN NET POSITION  
SCHOOL ACTIVITIES FUND – AGENCY FUND  
Year Ended June 30, 2016**

|   | <u>Balance<br/>June 30,<br/>2015</u> | <u>Additions/<br/>Receipts</u> | <u>Reductions/<br/>Disbursements</u> | <u>Balance<br/>June 30,<br/>2016</u> |
|---|--------------------------------------|--------------------------------|--------------------------------------|--------------------------------------|
| <b>ASSETS</b>                                   |                                      |                                |                                      |                                      |
| Cash by schools:                                |                                      |                                |                                      |                                      |
| <b>Elementary Schools</b>                       |                                      |                                |                                      |                                      |
| PAC - Intermediate                              | \$ 5,374                             | \$ 37,379                      | \$ 41,067                            | \$ 1,686                             |
| Barstow   | 10,446                               | 74,617                         | 73,265                               | 11,798                               |
| Beach   | 9,838                                | 84,780                         | 92,961                               | 1,657                                |
| Calvert   | 21,044                               | 50,144                         | 46,743                               | 24,445                               |
| Dowell  | 20,697                               | 55,149                         | 53,110                               | 22,736                               |
| Huntingtown                                     | 54,610                               | 148,585                        | 140,100                              | 63,095                               |
| Mt. Harmony                                     | 82,526                               | 105,047                        | 118,622                              | 68,951                               |
| Mutual  | 12,143                               | 49,476                         | 38,568                               | 23,051                               |
| PAC - Primary                                   | 1,139                                | 31,485                         | 29,314                               | 3,310                                |
| Plum Point                                      | 51,658                               | 112,772                        | 115,536                              | 48,894                               |
| St. Leonard                                     | 22,524                               | 43,351                         | 46,460                               | 19,415                               |
| Sunderland                                      | 36,963                               | 108,367                        | 107,546                              | 37,784                               |
| Windy Hill                                      | 51,298                               | 117,155                        | 118,176                              | 50,277                               |
| <b>Middle Schools</b>                           |                                      |                                |                                      |                                      |
| Calvert   | 31,840                               | 109,799                        | 115,956                              | 25,683                               |
| Mill Creek                                      | 49,998                               | 70,695                         | 76,174                               | 44,519                               |
| Northern  | 76,591                               | 136,189                        | 109,370                              | 103,410                              |
| Plum Point                                      | 87,194                               | 139,936                        | 173,240                              | 53,890                               |
| Southern  | 53,922                               | 69,497                         | 72,940                               | 50,479                               |
| Windy Hill                                      | 61,936                               | 86,155                         | 99,620                               | 48,471                               |
| <b>High Schools</b>                             |                                      |                                |                                      |                                      |
| Calvert   | 229,183                              | 715,040                        | 723,734                              | 220,489                              |
| Huntingtown                                     | 191,395                              | 927,692                        | 936,930                              | 182,157                              |
| Northern  | 404,140                              | 904,656                        | 874,674                              | 434,122                              |
| Patuxent  | 221,692                              | 611,962                        | 579,269                              | 254,385                              |
| <b>Centers</b>                                  |                                      |                                |                                      |                                      |
| Career Technology Academy                       | 54,184                               | 123,086                        | 113,329                              | 63,941                               |
| Calvert Country                                 | 53,027                               | 29,126                         | 30,101                               | 52,052                               |
| <b>Central Office</b>                           | <u>28,741</u>                        | <u>2,439</u>                   | <u>-</u>                             | <u>31,180</u>                        |
| <b>Total Assets</b>                             | <u>\$ 1,924,103</u>                  | <u>\$ 4,944,579</u>            | <u>\$ 4,926,805</u>                  | <u>\$ 1,941,877</u>                  |
| <b>LIABILITIES</b>                              |                                      |                                |                                      |                                      |
| <b>Liabilities of the School Activity Funds</b> | <u>\$ 1,924,103</u>                  | <u>\$ 4,944,579</u>            | <u>\$ 4,926,805</u>                  | <u>\$ 1,941,877</u>                  |