

**CALVERT COUNTY PUBLIC SCHOOLS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021**

**CALVERT COUNTY PUBLIC SCHOOLS  
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## INDEPENDENT AUDITORS' REPORT

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 and each major fund of Calvert County Public Schools (CCPS), a component unit of Calvert County, Maryland, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise CCPS' 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' 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' 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 and each major fund of CCPS as of June 30, 2021, 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.

### ***Emphasis of Matter***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, other post-employment benefit schedules, and budgetary comparison information as listed in the table of contents, 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Education  
of Calvert County  
Calvert County Public Schools

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021 on our consideration of CCPS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CCPS' 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 CCPS' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
September 30, 2021

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

This section of Calvert County Public Schools' (CCPS') annual financial report includes a discussion and analysis of the school Board's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with CCPS' financial statements, which immediately follow this section.

**Overview**

- With bank balances as of June 30, 2021 totaling \$37.9 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 increased during the year.

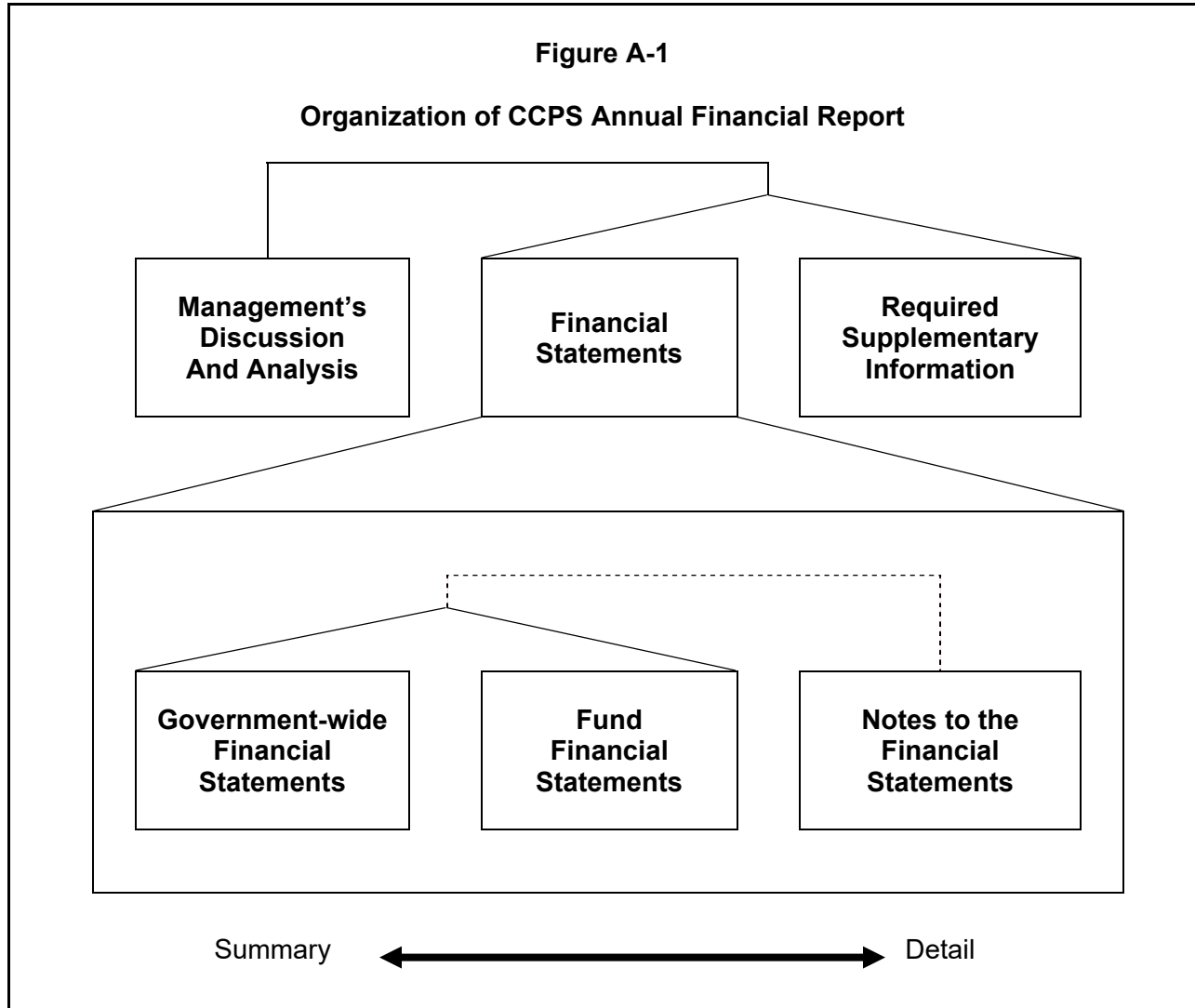
**Overview of the Financial Statements**

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 Board:

- The first two statements are CCPS government-wide financial statements that provide both short-term and long-term information about the Board'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.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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, 2021**

Figure A-2 summarizes the major features of the Board'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</b>		
<b>Major Features of the CCPS Government-wide and Fund Financial Statements</b>		
	Government-wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire Board	The activities of the Board that are not proprietary, such as special education and building maintenance
Required financial statements	Statement of Net Position Statement of Activities	Balance sheet Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
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

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Government-wide Financial 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 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' activities are classified as governmental activities. Most of CCPS' basic services (such as regular and special education, transportation, and administration) are reported here. The fees charged to cover the costs of some services such as the Child Nutrition Program are also included in the governmental activities. County appropriations and State formula aid finance most of CCPS' activities.

In government-wide financial statements, CCPS' reports only governmental activities.

**Governmental activities:** CCPS' 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.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**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 are governmental funds, each of which use different accounting approaches and should be interpreted differently. The two

**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 Child Nutrition Program operations.

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.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Net Position.** CCPS' combined net position for Governmental Activities (in millions of dollars) as of June 30, 2021 and 2020 is as follows:

	Governmental Activities		Total Amount Change	Total Percent Change
	FY 2020	FY 2021	FY 20 - 21	FY 20 - 21
<b>Assets</b>				
Cash and Cash Equivalents	\$ 32.6	\$ 37.4	\$ 4.8	0.1 %
Accounts Receivable	16.1	18.5	2.4	0.1 %
Inventories	0.1	0.1	0.0	- %
Other Assets	0.6	0.3	(0.3)	- %
Capital Assets Less				
Accumulated Depreciation	274.0	272.4	(1.6)	(0.0)%
<b>Total Assets</b>	<u>323.5</u>	<u>328.7</u>	<u>5.3</u>	
Deferred Outflows of Resources	12.6	14.4	1.8	0.1 %
<b>Liabilities</b>				
Other Liabilities	26.0	26.1	0.1	0.0 %
Long-term Obligations	89.4	86.2	(3.2)	(0.0)%
<b>Total Liabilities</b>	<u>115.4</u>	<u>112.3</u>	<u>(3.1)</u>	
Deferred Inflows of Resources	7.6	41.9	34.3	4.5 %
<b>Net Position</b>				
Net Investment in Capital Assets	270.4	272.4	2.0	0.0 %
Restricted	1.3	2.8	1.5	- %
Unrestricted	(110.6)	(86.6)	24.0	(0.2)%
<b>Total Net Position</b>	<u>\$ 161.1</u>	<u>\$ 188.6</u>	<u>\$ 27.5</u>	

**Capital Assets:** By the end of FY 2021, CCPS had invested \$272,387,372 for governmental activities 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 \$9,392,445 for governmental activities. A summary of capital asset activity is as follows:

	Balance at June 30, 2020	Increases/ Transfers	Decreases/ Transfers	Balance at June 30, 2021	Percentage of Change
Land	\$ 3,842,081	\$ -	\$ -	\$ 3,842,081	0.0%
Land Improvements	7,047,648	3,310,994	-	10,358,642	47.0%
Construction in Progress	4,562,784	7,032,632	6,495,303	5,100,113	11.8%
Buildings and Improvements	389,715,817	3,208,638	126,379	392,798,076	0.8%
Equipment	10,449,198	600,455	1,066,151	9,983,502	-4.5%
<b>Totals at Historic Cost</b>	<u>\$ 415,617,528</u>	<u>\$ 14,152,719</u>	<u>\$ 7,687,833</u>	<u>\$ 422,082,414</u>	<u>1.6%</u>

Outlays for construction in progress decreased significantly in FY 2021 compared to the prior year. Outlays in FY 2021 were predominantly for several HVAC replacement projects and for the replacement of the Beach Elementary School building.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

The district continued to utilize capital funds to pay costs associated with school safety initiatives such as guided vestibules at several schools.

**Statement of Activities.** For the year ended June 30, 2021, below is a schedule of changes in net position from operating results (in millions of dollars) derived from the CCPS statement of activities.

	Governmental Activities		Total Amount Change	Total %age Change
	FY 2020	FY 2021	FY 20 - 21	FY 20 - 21
Program Revenues				
Charges for Services	\$ 0.7	\$ -	\$ (0.7)	-100.0%
Operating Grants/Contributions	6.9	16.7	9.8	142.8%
Capital Grants/Contributions	14.2	6.1	(8.1)	-56.9%
General Revenues				
Local Appropriations	133.5	134.7	1.2	0.9%
State Aid	105.3	107.2	1.9	1.8%
Federal Aid	6.2	2.8	(3.4)	-54.8%
Interest/Investment Earnings	0.0	0.0	(0.0)	-7.0%
Miscellaneous	-	2.0	2.0	100.0
Total Revenues	<u>\$ 266.8</u>	<u>\$ 269.5</u>	<u>\$ 2.7</u>	
Expenses				
Instruction	\$ 162.3	\$ 166.3	\$ 4.0	2.5%
Administration	8.2	24.8	16.6	202.9%
Mid-Level Administration	14.4	17.1	2.7	18.6%
Pupil Personnel Services	2.7	2.5	(0.2)	-8.5%
Health Services	1.9	1.8	(0.0)	-2.6%
Pupil Transportation	14.9	13.8	(1.2)	-7.8%
Operation of Plant & Equipment	33.1	27.3	(5.8)	-17.4%
Food Services	5.1	3.6	(1.5)	-30.2%
Maintenance of Plant	3.8	3.2	(0.5)	-13.8%
Community Services	1.4	1.4	(0.0)	-0.2%
Student Activity	-	1.3	1.3	
Total Expenses	<u>\$ 247.7</u>	<u>\$ 263.0</u>	<u>\$ 15.3</u>	
Increase in Net Position	<u>\$ 19.1</u>	<u>\$ 6.5</u>	<u>\$ (12.6)</u>	

Activities for the General Fund (Current Expense Fund) and the Special Revenue Fund (Cafeteria Fund) are consolidated under governmental activities on the statement of activities. The statement of activities shows that the local appropriation for the FY 2021 operating budget was \$134,705,249 which represents an increase of \$1,161,535 from FY 2020. Total revenues from governmental activities for FY 2021 were \$269,547,028 which represents an increase of \$2,736,807 from FY 2020. FY 2021 expenditures for governmental activities were \$262,998,179 which represents an increase of \$15,248,536 from FY 2020. The net position for governmental activities increased \$6,548,849 in FY 2021.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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.
- FY 2021 was the last year of a four-year funding formula which was agreed upon by the Board of Education and the Board of County Commissioners. In FY 2021, the Board of County Commissioners provided funding in excess of Maintenance of Effort.
- FY 2021 was the second year that we received funding from the State of Maryland under the Blueprint for Maryland's Future. We received a total of \$2,804,677 of Blueprint funding. We also received a \$2,868,505 refund from the insurance carrier upon settlement of the 2019-2020 health insurance plan year. Because of the COVID-19 pandemic, CCPS provided instruction virtually for a significant portion of the 2020–2021 school year. We then migrated to a hybrid format of instruction during the second half of the school year. During the period of virtual instruction, there was a moratorium on hiring for select positions. Because of the pandemic, we experienced savings in cost areas such as workshop pay, overtime pay, substitute pay, meetings, travel reimbursements, transportation expenses for field trips and athletic trips, electricity, and non-public placements just to name a few. Additionally, we received federal grant awards totaling \$5.8 million under the Governor's Emergency Education Relief (GEER) Fund, the Elementary & Secondary School Emergency Relief (ESSER) Fund, the Coronavirus Aid Relief and Economic Security (CARES) Act, and the American Rescue Plan (ARP) Act. These funds will be used over multiple fiscal years to address student learning loss and to cover expenses related to COVID-19. As a result of the impact of the COVID-19 pandemic on our operations, CCPS ended the year with an excess of revenues over expenditures in the amount of \$10,098,826.

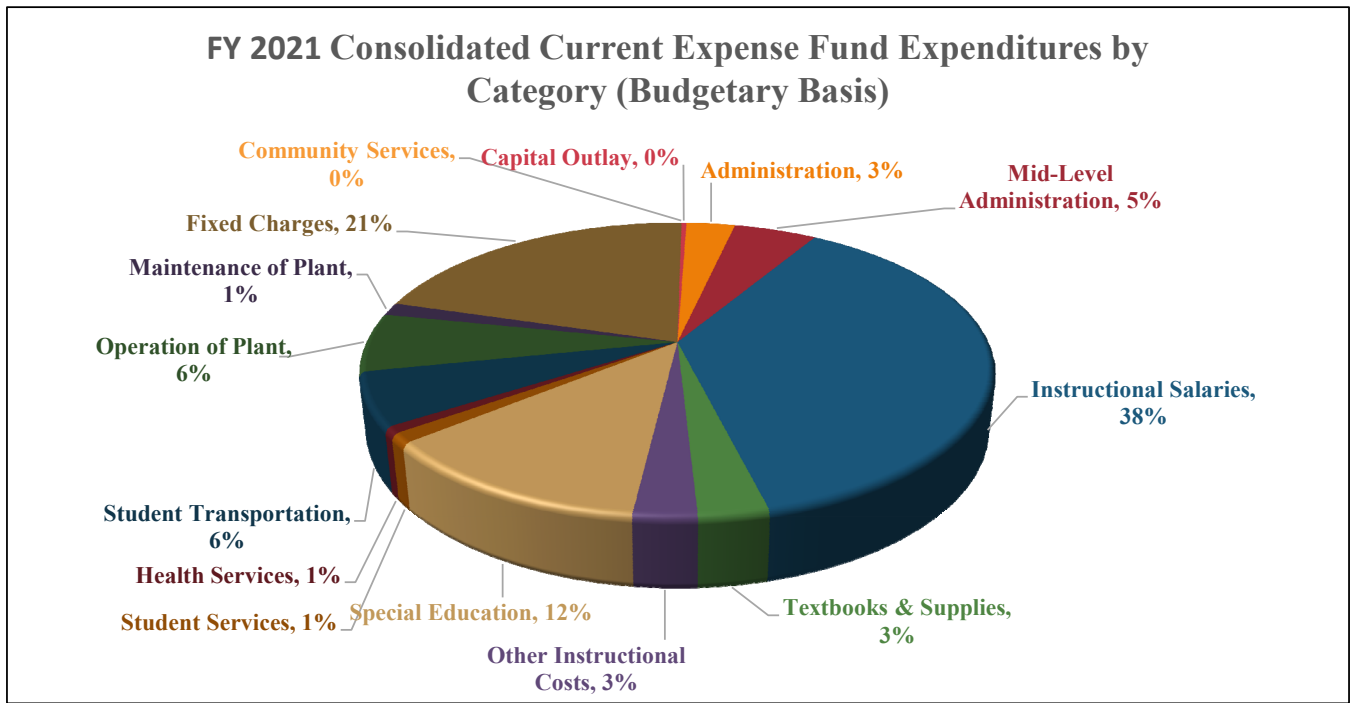
**FINANCIAL ANALYSIS OF FUNDS**

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 Board funding disparities. Based on each Board's assessable wealth per student, this formula provides for the allocation of fewer dollars to higher wealth Boards and more dollars to lower wealth Boards. For FY 2021, the local appropriation provided by the Board of County Commissioners was \$134,705,249, 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 2021, \$5,260,512 was required to pay the local government's contribution to the teachers' pension plan as mandated by state law.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

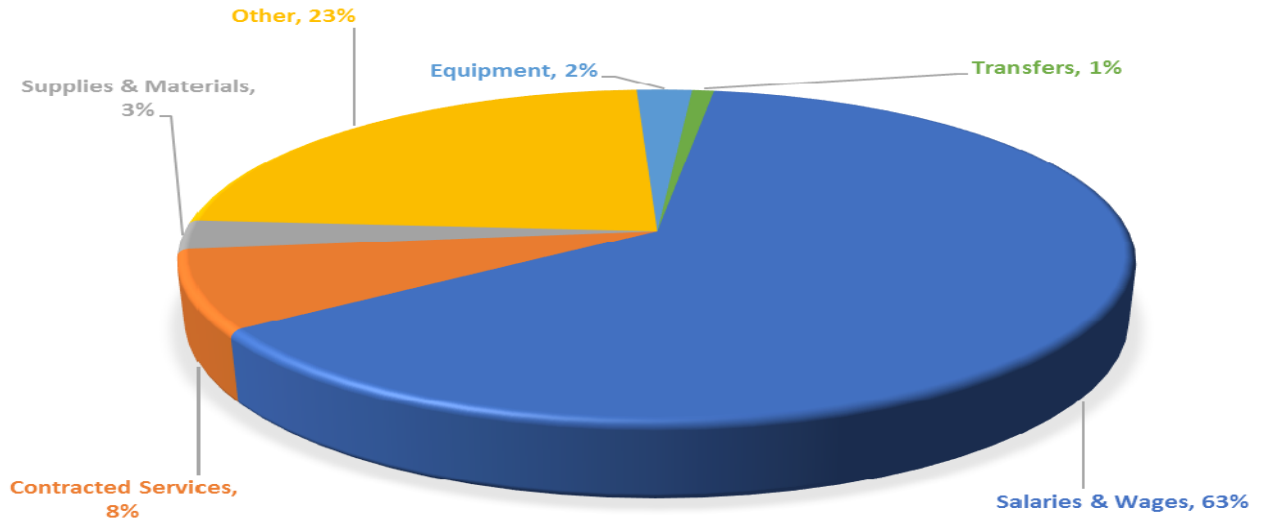
Below is a summary (on budgetary basis) of Current Expense Fund increases:

Fund	FY 2020 Revenues	FY 2021 Revenues	Increase from FY 2020	
			Amount	Percent
Unrestricted	\$ 220,910,282	\$ 226,947,581	\$ 6,037,299	2.7%
Restricted	12,755,040	16,443,309	3,688,269	28.9%
<b>Total</b>	<b>\$ 233,665,322</b>	<b>\$ 243,390,890</b>	<b>\$ 9,725,568</b>	<b>4.2%</b>

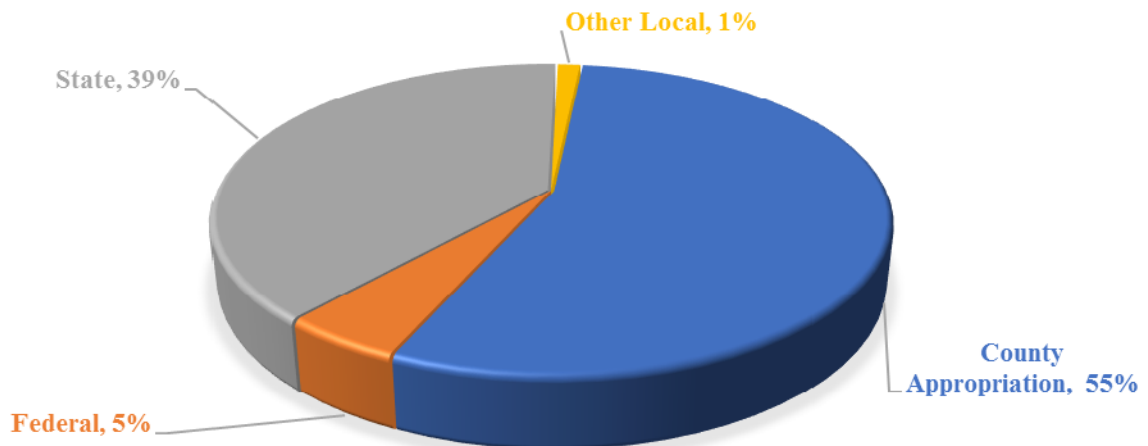


**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**FY 2021 Consolidated Current Expense Fund Expenditures by Object  
(Budgetary Basis)**



**FY 2021 Consolidated Current Expense Fund Revenues by  
Source (Budgetary Basis)**





**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

Approximately 55% of the financing for the CCPS' FY 2021 operating budget came from the County Government, 39% 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 2021, salaries comprised 63% of the total expenditures in the General Fund and continues to account 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 2021, these expenditures comprised 23% of the total General Fund operating budget.

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 2021, employees paid 10% of the Individual Plan premium cost, 20% of the Family/Two-Employee Plan premium cost, and 28% of the Self/Child, Self/Spouse, 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 current expense fund budget. In order to alleviate these fluctuations, CCPS maintains a committed fund balance for health insurance. As of June 30, 2021, the balance in the committed fund balance for health insurance was \$4,000,000.

As previously stated, CCPS received a refund in the amount of \$2,868,505 from the insurance carrier in FY 2021 upon settlement of the FY 2020 plan year.

The fund balance for the Child Nutrition Program decreased \$419,384 in FY 2021. As of June 30, 2021, the Child Nutrition Program reported a total net fund balance in the amount of \$1,376,227. The Maryland State Department of Education restricts the net cash balance for the Child Nutrition Program to no more than an average of three months of expenditures. Although some staff were unable to work for a portion of the school year because most students were receiving instruction virtually for a time, CCPS continued to pay the salaries and benefits for all contract employees. Consequently, the Child Nutrition Program required supplemental funding in the amount of \$877,000 to help cover the expenses for salaries and benefits so that the program could maintain a healthy fund balance.

During FY 2021, State and County funds were appropriated for architectural services and construction costs for the replacement of the Beach Elementary School building, several HVAC replacement projects, and minor systemic renovations throughout the district. The capital fund revenues in FY 2021 were \$6,125,954 and \$14,227,985 in FY 2020.

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.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**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:

During FY 2020, the World Health Organization declared the spread of Coronavirus Disease (otherwise known as COVID-19) a worldwide pandemic. The outbreak of the COVID-19 pandemic in FY 2020 led to the closure of Maryland schools in March 2020. The pandemic continued to affect our operations throughout FY 2021. As previously mentioned, CCPS provided instruction virtually for a significant portion of the 2020–2021 school year and then migrated to a hybrid format of instruction during the second half of the school year. Although the jobs of some CCPS staff do not readily lend themselves to teleworking, CCPS tried to utilize the services of these employees in other areas of operation where possible and continued to pay the salaries and benefits of all of its contract employees throughout FY 2021. We have worked to maintain a healthy inventory of various types of Personal Protective Equipment (PPE). CCPS anticipates the need to purchase additional PPE for the foreseeable future as staff and students continue to occupy the buildings.

After a veto by the governor in 2020, the Maryland General Assembly passed The Blueprint for Maryland's Future during the 2021 legislative session. The Blueprint for Maryland's Future is expected to transform Maryland's educational system into a world-class system. Under the provisions of the Blueprint for Maryland's Future, CCPS received four grant awards totaling \$2,804,677 from the State of Maryland in fiscal years 2020, 2021, and 2022. The awards with the most significant impact on CCPS were: the Teacher Salary Incentive Grant (\$1,493,954) which was to be used to increase teacher salaries with the goal being to recruit and retain a high-quality and diverse pool of teachers; and the Students with Disabilities Grant (\$955,841) which was to be used primarily to fully implement Individualized Education Programs (IEPs) and 504 plans for students with disabilities. Some of the more significant provisions of the Blueprint include: implementation of the career ladder (which has four levels); a minimum starting salary for teachers of \$60,000 per year beginning July 1, 2026; a \$10,000 increase in annual salary beginning July 1, 2022 for teachers who obtain National Board Certification (NBC); an additional salary increase of \$7,000 per year for teachers who obtain the NBC and teach at a low-performing school; and a requirement that local school systems demonstrate that teachers received a 10% salary increase above the negotiated salary schedule between July 1, 2019 and June 30, 2024.

County appropriation for future years is uncertain. At the end of FY 2017, the Board of Education and the Board of County Commissioners agreed to a four-year funding formula which became effective on July 1, 2017. Among the provisions of the agreement is a stipulation that the local appropriation will not be decreased if student enrollment declines. The CCPS unrestricted budget increased by \$4,116,215 for FY 2021 as a result of increased funding from the County Government. However, the funding formula agreement expired on June 30, 2021 and has not been replaced.

When the responsibility for paying the normal cost for the teachers' pension plan was transferred from the state to the local governments beginning FY 2013, the normal cost was initially funded with additional revenues from the county government during a 4-year phase-in period. At the conclusion of the phase-in period, the additional funding became part of Maintenance of Effort. The portion of the FY 2021 operating budget that was allocated to the normal cost for the teachers' pension plan was \$5,260,512.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

Our projections indicate that annual operating costs will continue to increase due to factors such as salary provisions in the negotiated agreements, the teacher pension cost-sharing, the impact of COVID-19 on our operations, and the implementation of the Blueprint for Maryland's Future.

- FY 2021 was the first year of a four-year labor agreement with teachers and support staff. Employees received a one-step increase in FY 2021. Employees who were employed with CCPS in the same bargaining unit since FY 2012 received one restoration step in FY 2021. Additionally, support staff received a \$1.10 per hour pay increase in FY 2021.
- The following recent payments have been made to OPEB on behalf of CCPS: \$8,925,979 in FY 2020 and \$6,482,787 in FY 2021. CCPS made no contribution to the OPEB trust for the benefit of the Board of Education in FY 2021. The net cumulative OPEB liability for CCPS has been fully reflected within these statements in the amount of \$66,178,327.

CCPS participates in a cost-sharing pension plan. In accordance with Governmental Accounting Standards Board Statement #68, CCPS recognizes a liability for its proportionate share of the net pension liability. CCPS 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 annual crafting of the budget takes into consideration the population of student enrollment. After experiencing a continual decline in student enrollment for more than a decade, CCPS began to realize increases in student enrollment beginning in FY 2019. However, CCPS experienced a significant decrease in enrollment for September 30, 2020 (as did all Maryland public schools) as a result of the COVID-19 pandemic. Although changes in student enrollment have a direct impact on revenues received from the State & County Governments, both entities have made provisions to hold CCPS harmless in FY 2022 for the decrease in enrollment in FY 2021. Therefore, our FY 2022 funding from the State & County Governments will not be decreased. The changes in student enrollment for the past 10 years are as follows:

<u>Fiscal Year</u>	<u>Pupil Growth Rate</u>
2012	-1.47%
2013	-1.57%
2014	-0.40%
2015	-1.47%
2016	-0.16%
2017	-0.37%
2018	-0.51%
2019	0.27%
2020	0.65%
2021	-4.37%

The 4.37% decrease in student enrollment in FY 2021 is equivalent to 681 full-time students.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

- The Every Student Succeeds Act (ESSA) supersedes the federal No Child Left Behind (NCLB) Act of 2002. The provisions of ESSA are designed to:
  - Promote equity through protections for disadvantaged and high-need students;
  - Require all U.S. students be taught to high academic standards which will achieve college and career readiness;
  - Ensure educators, families, students, and communities are provided important information through statewide assessments that measure student progress toward reaching high standards on an annual basis;
  - Increase access to high quality preschool;
  - Maintain the expectation of accountability and positive changes in the lowest-performing schools.
- In accordance with ESSA requirements, CCPS reported FY 2020 school-level per pupil expenditures to the Maryland State Department of Education in FY 2021. CCPS will be required to report the school-level per pupil expenditures on an annual basis.

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 in October of each year. 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.

- CCPS continues to integrate technology into instruction and the curriculum.
- CCPS is using teacher and principal evaluation systems that use student growth as one component of the evaluation.
- Future Ready is an initiative that was undertaken by CCPS several years ago to expand and improve the use of technology in schools. The initiative involved improving the infrastructure and component structure of technology in our school system and included: increasing the bandwidth from 2G to 10G; providing a computer to each student (at all levels); updating the Learning Management System (LMS) used by CCPS; and utilizing digital curriculum.
- As a result of the Future Ready initiative, CCPS was well-prepared to meet some of the challenges brought on by the sudden closure of Maryland schools in FY 2020. CCPS staff and students were well-equipped to shift to online learning in FY2020 and FY2021. CCPS was also able to readily adapt to an environment of virtual meetings for staff.
- CCPS continues to promote equity in our school system.
- CCPS maintains a strategic plan which has five priorities and is intended to guide the academic and operational direction of the school system. The five priorities are outlined below.

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

- Equity – Not all students enter the educational system with the same resources, abilities, and opportunities due to societal, cultural, environmental, and demographic inequities. CCPS will take a proactive and strategic approach in addressing inequities in resources, services, and opportunities to ensure that all students develop the necessary knowledge, skills, and understanding for life after high school. CCPS will provide equitable learning opportunities for all students; promote a culturally responsive workforce; and promote equitable allocation of resources that is transparent and clearly communicated.
- Student Outcomes – CCPS is committed to producing graduates who are responsible 21st century citizens. CCPS will provide students with equitable access to academically challenging and enriching learning experiences through innovative and differentiated teaching approaches that drive student growth and performance. CCPS is also committed to eliminating all achievement gaps.
- Climate & Culture – There is an increasing amount of stress on the lives of children and their families. Schools nationwide are also experiencing growth in more severe behavioral challenges as well. While the causes are unclear, the impact on teachers, schools, and students is seen every day. CCPS will integrate students' social-emotional and behavioral learning into daily instruction; provide an environment that is nurturing, respectful, and safe for all; and build and nurture the wellness and morale amongst staff.
- Workforce – CCPS will ensure that all students are supported by a high-quality workforce committed to and driven by the belief that all students can succeed. CCPS values the diversity of its students and is continually striving to reflect the diversity of the student population in its workforce. CCPS will enhance the diversity of its workforce; retain high-quality staff; and provide staff with personalized and differentiated professional learning that enables them to grow while increasing student success.
- Community Engagement – Family and community involvement in education are key factors in meeting and addressing the rising and complex social, emotional, and behavioral needs of our students. Families and community members must be equal partners in helping to address these issues as well as supporting the education of our students. CCPS will ensure that all staff, families, and community businesses and organizations are actively engaged with the Board as advocates, allies, and partners to increase equity, access, and results for all students.

CCPS will utilize specific measures to monitor progress towards achieving the five priorities.

Each year CCPS allocates a portion of the operating budget to each school based upon the school's projected enrollment. The formula for allocating a portion of the budget to schools is as follows:

Elementary School Allocation = Projected Student Enrollment multiplied by \$124.23 Per Student  
Middle School Allocation = Projected Student Enrollment multiplied by \$129.77 Per Student  
High School Allocation = Projected Student Enrollment multiplied by \$144.63 Per Student

**CALVERT COUNTY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

CCPS recognizes that some schools have a greater financial need because they have a higher student population with special needs due to factors such as poverty, immigration, and learning challenges requiring certain kinds of special education services. Beginning in FY 2019, CCPS utilized a funding formula that provided additional financial assistance to schools that had a higher number of students:

1. who are enrolled in the free & reduced meals program;
2. for whom English is a second language; or
3. who are enrolled in regional special education programs (such as autism and behavioral development classes).

The supplemental funding in the FY 2021 budget was \$196,180 and was allocated to Patuxent/Appeal Campus, Calvert High, and Patuxent High.

**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. The long-term impact of COVID-19 on our operations and financial condition are not known at this time. The school system will continue to focus on its mission to produce graduates who are responsible citizens and 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 while promoting safety, equity, and an appreciation of diversity among students and staff.

**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  
Chief Financial Officer  
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, 2021**

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 37,403,694
Due from Other Units of Government	
Federal Government	2,985,711
State of Maryland	2,430,133
Calvert County	12,674,711
Other	88,768
Other receivables	331,065
Inventories	108,957
Total Current Assets	56,023,038
<b>NONCURRENT ASSETS</b>	
Capital Assets Not Being Depreciated	8,942,194
Capital Assets Being Depreciated net of Accumulated Depreciation	263,445,178
Total Noncurrent Assets, Net	272,387,372
Total Assets	328,410,411
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	4,497,594
Other Post Employment Benefits	9,890,918
Total Deferred Outflows of Resources	14,388,512
Total Assets and Deferred Outflows of Resources	342,798,923
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	
<b>CURRENT LIABILITIES</b>	
Salaries, Wages and Payroll Deductions	15,666,636
Accounts Payable and Other Current Liabilities	2,744,111
Unearned Revenue	6,982,828
Current Portion of Compensated Absences	386,046
Other Liabilities	331,065
Total Current Liabilities	26,110,686
<b>NONCURRENT LIABILITIES</b>	
Noncurrent Portion of Compensated Absences	4,155,999
Net Pension Liability	15,849,701
Net OPEB Liability	66,178,327
Total Noncurrent Liabilities	86,184,027
Total Liabilities	112,294,713
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	1,559,082
Other Post Employment Benefits	40,383,390
Total Deferred Inflows of Resources	41,942,472
Total Liabilities and Deferred Outflows of Resources	154,237,185
<b>NET POSITION</b>	
Net Investment in Capital Assets	272,387,372
Restricted Grants	2,815,654
Unrestricted	(86,641,289)
Total Net Position	\$ 188,561,738

See accompanying Notes to Financial Statements.



**CALVERT COUNTY PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
<u>Instruction</u>					
Regular Education	\$ 138,208,438	\$ -	\$ 11,525,834	\$ 6,125,954	\$ (120,556,650)
Special Education	28,069,184	-	5,158,262	-	(22,910,922)
Total Instructions	<u>166,277,622</u>	<u>-</u>	<u>16,684,096</u>	<u>6,125,954</u>	<u>(143,467,571)</u>
<u>Support Services</u>					
Administration	24,756,634	-	-	-	(24,756,634)
Mid-level Administration	17,058,584	-	-	-	(17,058,584)
Pupil Personnel Services	2,496,233	-	-	-	(2,496,233)
Health Services	1,838,358	-	-	-	(1,838,358)
Pupil Transportation	13,774,513	-	-	-	(13,774,513)
Operation of Plant and Equipment	27,341,035	-	-	-	(27,341,035)
Food Services	3,556,814	-	-	-	(3,556,814)
Maintenance of Plant	3,242,982	-	-	-	(3,242,982)
Community Services	1,371,988	-	-	-	(1,371,988)
Student Activity	1,283,416	-	-	-	(1,283,416)
Total Support Services	<u>96,720,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96,720,558)</u>
Total Governmental Activities	<u>262,998,179</u>	<u>-</u>	<u>16,684,096</u>	<u>6,125,954</u>	<u>(240,188,129)</u>
<b>GENERAL REVENUES</b>					
Local Appropriations					134,705,249
State Aid					107,177,423
Federal Aid					2,789,639
Transfers					21,938
Miscellaneous					2,023,073
Interest and Investment Earnings					19,656
Total General Revenues					<u>246,736,978</u>
<b>CHANGE IN NET POSITION</b>					6,548,849
Net Position - Beginning of Year (Restated)					<u>182,012,889</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 188,561,738</u>

See accompanying Notes to Financial Statements.

**CALVERT COUNTY PUBLIC SCHOOLS  
BALANCE SHEET-GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	General Fund (Current Expense Fund)	Special Revenue Fund (Cafeteria Fund)	Capital Projects Fund (School Construction Fund)	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 35,894,813	\$ 1,508,881	\$ -	\$ 37,403,694
Due from Other Units of Government				
Federal Government	2,792,511	193,200	\$ -	2,985,711
State of Maryland	1,466,654	4,392	959,087	2,430,133
Calvert County	12,500,000	-	174,711	12,674,711
Other	88,768	-	-	88,768
Due From Capital Projects Fund	331,065	-	-	331,065
Inventories	22,714	86,244	-	108,958
<b>Total Assets</b>	<b>53,096,525</b>	<b>1,792,716</b>	<b>1,133,798</b>	<b>56,023,039</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Salaries, Wages and Payroll Deductions	15,461,737	204,899	-	15,666,636
Current Liabilities	1,993,836	40,240	710,035	2,744,111
Due to General Fund	-	-	331,065	331,065
Unearned Revenue	6,811,478	171,350	-	6,982,828
<b>Total Liabilities</b>	<b>24,267,051</b>	<b>416,489</b>	<b>1,041,100</b>	<b>25,724,640</b>
<b>FUND BALANCES</b>				
Nonspendable	22,714	86,244	-	108,958
Restricted	2,792,511	23,143	-	2,815,654
Committed	14,622,170	1,266,840	-	15,889,010
Assigned	3,494,491	-	92,698	3,587,189
Unassigned	7,897,588	-	-	7,897,588
<b>Total Fund Balances</b>	<b>28,829,474</b>	<b>1,376,227</b>	<b>92,698</b>	<b>30,298,399</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 53,096,525</b>	<b>\$ 1,792,716</b>	<b>\$ 1,133,798</b>	<b>\$ 56,023,039</b>

See accompanying Notes to Financial Statements.

**RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

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

<b>Total Fund Balance - Governmental Funds</b>	\$	30,298,399
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
Cost of capital assets	\$ 422,082,414	
Accumulated depreciation	<u>(149,695,042)</u>	272,387,372
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 Liability	\$ (66,178,327)	
Net Pension Liability	(15,849,701)	
Compensated Absences	<u>(4,542,045)</u>	(86,570,073)
Deferred outflows of resources related to pensions		4,497,594
Deferred outflows of resources related to OPEB		9,890,918
Pension related deferred inflows of resources		(1,559,082)
OPEB related deferred inflows of resources		<u>(40,383,390)</u>
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>188,561,738</u></b>

See accompanying Notes to Financial Statements.

**CALVERT COUNTY PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	General Fund (Current Expense Fund)	Special Revenue Fund (Cafeteria Fund)	Capital Projects Fund (School Construction Fund)	Total Governmental Funds
<b>REVENUES</b>				
From Local Sources	\$ 137,821,150	\$ -	\$ 3,955,812	\$ 141,776,962
From State Sources	106,914,823	30,138	2,170,048	109,115,009
From Federal Government	12,068,061	2,247,412	-	14,315,473
From Other Sources:				
Student	1,085,357	-	-	1,085,357
Other	835	903,408	94	904,337
<b>Total Revenues</b>	<b>257,890,226</b>	<b>3,180,958</b>	<b>6,125,954</b>	<b>267,197,138</b>
<b>EXPENDITURES</b>				
Current:				
Administration	20,250,392	-	-	20,250,392
Mid-level Administration	11,934,952	-	-	11,934,952
Instructional Salaries	88,044,752	-	-	88,044,752
Textbooks and Instructional Supplies	4,823,836	-	-	4,823,836
Other Instructional Costs	6,535,763	-	-	6,535,763
Special Education	28,650,380	-	-	28,650,380
Pupil Personnel Services	2,496,233	-	-	2,496,233
Health Services	1,875,411	-	-	1,875,411
Pupil Transportation	13,804,788	-	-	13,804,788
Operation of Plant and Equipment	16,134,936	-	-	16,134,936
Maintenance of Plant	3,297,979	-	-	3,297,979
Fixed Charges	48,548,745	-	-	48,548,745
Community Services	1,377,991	-	-	1,377,991
Food Services:				
Cafeteria Salaries and Wages	-	1,897,247	-	1,897,247
Contracted Services	-	79,460	-	79,460
Food and Supplies	-	815,100	-	815,100
Other	-	763,554	-	763,554
Equipment	-	44,982	-	44,982
Student Activity	1,283,416	-	-	1,283,416
Capital Outlay	3,659,672	-	6,125,860	9,785,532
<b>Total Expenditures</b>	<b>252,719,246</b>	<b>3,600,342</b>	<b>6,125,860</b>	<b>262,445,448</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>5,170,980</b>	<b>(419,384)</b>	<b>94</b>	<b>4,751,690</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,170,980</b>	<b>(419,384)</b>	<b>94</b>	<b>4,751,690</b>
Fund Balance - Beginning of Year- Restated	23,658,494	1,795,611	92,604	25,546,709
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 28,829,474</b>	<b>\$ 1,376,227</b>	<b>\$ 92,698</b>	<b>\$ 30,298,399</b>

See accompanying Notes to Financial Statements.



**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Board of Education of Calvert County (the Board or CCPS) 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 nonpartisan 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. 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 governmental 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), Capital Projects Fund (School Construction Fund) and Special Revenue Fund (Cafeteria Fund) have been presented as governmental activities in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are 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 THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

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

Separate financial statements are provided for governmental funds. 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.

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.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Governmental Funds (Continued)**

*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 are derived from various governmental agencies and students. The child nutrition program is not intended to be self-sustaining from food sales.

*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.

**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 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 columns in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$5,000 or more and a useful life of at least five years. Capital assets are recorded at acquisition 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.

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.



**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Specific Accounting Policies (Continued)**

*Capital Assets (Continued)*

*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 unearned revenue until used and expenditures 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 10-month and 11-month employees are paid over the summer for salaries earned during the previous school year.

*Compensated Absences* – Board employees who are employed on a 12-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 leave up to a maximum of 53 days. Employees in the teachers bargaining unit may accumulate annual leave up to a maximum of 30 days. Employees in the support staff bargaining unit may accumulate annual leave up to a maximum of 38 days. Upon termination of employment, accumulated annual leave is paid to the employee.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**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, 2021 which includes unused commodities at June 30, 2021, title does not pass to CCPS until the commodities are used.

*Pension Liability* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, the Board reports a liability of its proportionate share of the net pension liability of the Maryland State Employee Retirement System. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Postemployment Benefits Other Than Pensions (OPEB)* – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

*Deferred inflow and Deferred outflow of resources* – The Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

The Board has two items that meet the criterion described above. These are the deferrals of pension and OPEB related items that result from GASB Statements 68 and 75.

*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 April 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.
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.

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 accounting principles generally accepted in the United States of America, 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.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**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, 2021. 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. Unrestricted net position reflects the funds available for general operations.

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.
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, Chief Financial Officer, 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.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS**

**Cash on Hand**

At June 30, 2021, cash on hand for petty cash and change funds was \$211.

**Deposits**

At year-end, the carrying amount of the Board's deposits was \$37,403,694 with corresponding bank balances of \$37,856,180. 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 requires that collateral securities underlying the repurchase agreements have a market value of at least 102% of the cost of the agreement. Interest income is reported as general revenue in the statement of activities.

**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 a 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, 2021, \$12,500,000 for the Board's fiscal 2021 appropriation remained outstanding and was collected in July 2021.

The County's annual school construction appropriation to the Board is disbursed to the Board throughout each fiscal year. At June 30, 2021, \$174,711 for the Board's fiscal 2021 appropriation remained outstanding and was collected in August 2021.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

*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 publicly 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 retiree's benefits allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors

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

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

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

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 on 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.* 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 Board' Board of Trustees for the System.

Beginning in fiscal year 2017 the Board pays the normal cost for their employees in the Teachers' Retirement and Pension System while the State contributes on behalf of the Board, the unfunded liability portion of the Board's annual required contribution to the Teachers' Retirement and Pension System. The Board's normal cost for the year ended June 30, 2021 was \$5,260,512. The State's contributions on behalf of the Board for the year ended June 30, 2021 was \$13,413,145. The fiscal year 2021 contribution made by the State on behalf of the Board has been included as both revenues and expenditures in the general fund in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances and is also included as revenues and expenses in the Statement of Activities.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**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***

At June 30, 2021, 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 Board and Board pays the normal cost related to Board' members in the Teachers Retirement and Pension Systems; therefore, 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 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 Board was as follows:

CCPS' proportionate share of the net pension liability	\$	-
State's proportionate share of net pension liability of CCPS		145,104,827
Total	<u>\$</u>	<u>145,104,827</u>

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

For the year ended June 30, 2021, the Board recognized pension expense of \$18,673,656 and revenue of \$13,413,145 in the General Fund for support provided by the State. In the Statement of Activities, the Board recognized pension expense of \$21,437,365 and revenue of \$16,176,854 for support provided by the State. Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not report deferred outflows of resources and deferred inflows of resources related to the Teachers Retirement and Pension Systems.

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

Inflation	2.60% general, 3.10% wage
Salary Increases	3.10% to 11.60%
Investment Rate of Return	7.40%

Mortality rates were based on Pub-2010 Mortality Tables with projected generational mortality improvements based on the MP-2018 fully generational mortality improvement scale.



**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**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***

The economic and demographic actuarial assumptions used in the June 30, 2020 valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2014-2018, after completion of the June 30, 2019 valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2020. As a result, an investment return assumption of 7.40% and an inflation assumption of 2.60% were used in the June 30, 2020 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 weighting the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the System's investment consultant(s) and actuary(s). For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

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

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

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

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

*Discount rate.* The single discount rate used to measure the total pension liability was 7.40%. This single discount rate was based on the expected rate of return on pension plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's 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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability.* 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.

*Plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued System's financial report.  
<https://sra.maryland.gov/annual-financial-reports>

**EMPLOYEES' RETIREMENT AND PENSION SYSTEMS**

The Board's contractually required contribution rate for the Employees' Retirement and Pension Systems for the year ended June 30, 2021, was 6.75% 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, 2021 of \$1,652,773.

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

At June 30, 2021, the Board reported a liability of \$15,849,701 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2020. The contributions were increased to adjust for differences between actuarially determined contributions and actual contributions by the state of Maryland. As of June 30, 2021 the Board's proportionate share was 0.071%, which is an increase of 0.20% from its proportion measured as of June 30, 2020.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

For the year ended June 30, 2021, the Board recognized pension expense of \$1,683,625. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 485,677
Changes in Assumptions	70,076	296,068
Change in Proportion	1,578,754	776,694
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	1,188,274	-
Changes in Proportionate Share of Contributions	7,717	643
Board Contributions Subsequent to the Measurement Date	<u>1,652,773</u>	<u>-</u>
Total	<u>\$ 4,497,594</u>	<u>\$ 1,559,082</u>

\$1,652,773 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, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (48,871)
2023	257,671
2024	618,720
2025	408,751
2026	49,468

*Pension 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 7.40%, 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:

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
CCPS' Proportionate Share of the Net Pension Liability	<u>\$ 22,564,615</u>	<u>\$ 15,849,701</u>	<u>\$ 10,256,808</u>

*Plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued System's financial report. <https://sra.maryland.gov/annual-financial-reports>

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 CAPITAL ASSETS**

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

	Balance at June 30, 2020	Increases	Decreases	Transfers	Balance at June 30, 2021
<b>Capital Assets Not Being Depreciated</b>					
Land	\$ 3,842,081	\$ -	\$ -	\$ -	\$ 3,842,081
Construction in Progress	4,562,784	7,032,632	-	(6,495,303)	5,100,113
Total Capital Assets Not Being Depreciated	<u>8,404,865</u>	<u>7,032,632</u>	<u>-</u>	<u>(6,495,303)</u>	<u>8,942,194</u>
<b>Capital Assets Being Depreciated</b>					
Land Improvements	7,047,648	-	-	3,310,994	10,358,642
Buildings and Improvements	389,715,817	24,329	126,379	3,184,309	392,798,076
Equipment	8,739,784	595,305	956,301	-	8,378,788
Food Service Equipment	1,709,414	5,150	109,850	-	1,604,714
Total Capital Assets Being Depreciated	<u>407,212,663</u>	<u>624,784</u>	<u>1,192,530</u>	<u>6,495,303</u>	<u>413,140,220</u>
<b>Less - Accumulated Depreciation</b>					
Land Improvements	4,645,941	333,898	574,478	-	4,405,361
Buildings and Improvements	131,028,577	8,380,704	593,169	-	138,816,112
Equipment	4,506,344	638,610	54,504	-	5,090,450
Food Service Equipment	1,432,671	39,233	88,785	-	1,383,119
Total Accumulated Depreciation	<u>141,613,533</u>	<u>9,392,445</u>	<u>1,310,936</u>	<u>-</u>	<u>149,695,042</u>
Total Capital Assets Being Depreciated, Net	<u>265,599,130</u>	<u>(8,767,661)</u>	<u>(118,406)</u>	<u>6,495,303</u>	<u>263,445,178</u>
Capital Assets, Net	<u>\$ 274,003,995</u>	<u>\$ (1,735,029)</u>	<u>\$ (118,406)</u>	<u>\$ -</u>	<u>\$ 272,387,372</u>

The Board experienced a loss on disposals of \$118,406 during the year ended June 30, 2021.

Depreciation expense for the year ended June 30, 2021 was charged to governmental functions as follows:

Instruction:

Regular Education	\$ 168,574
Special Education	8,571

Support Services:

Administration	37,934
Mid-Level Administration	9,265
Transportation	5,383
Operation of Plant and Equipment	8,887,446
Maintenance of Plant	236,039
Food Service	39,233
	<u>\$ 9,392,445</u>

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

<b>Construction projects</b>	<u>Spent to date</u>
Beach Elementary	\$ 1,720,665
Calvert Elementary	142,039
Huntingtown Elementary	78,306
Mt. Harmony HVAC	1,931,196
Northern High Construction	192,475
Northern High/Northern Middle	224,912
Southern Middle HVAC	807,379
School Safety & Security	3,142
	<u>\$ 5,100,114</u>

**NOTE 6 LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 3,971,567	\$ 2,593,408	\$ 2,022,930	\$ 4,542,045	\$ 386,046
Net Pension Liability	13,833,267	5,456,812	3,440,378	15,849,701	-
Net OPEB Liability	71,778,482	15,407,007	21,007,162	66,178,327	-
Total Governmental Activities	<u>\$ 89,583,316</u>	<u>\$ 23,457,227</u>	<u>\$ 26,470,470</u>	<u>\$ 86,570,073</u>	<u>\$ 386,046</u>

**NOTE 7 POSTEMPLOYMENT BENEFITS**

**PLAN DESCRIPTION**

The Board participates in the Calvert County, Maryland Post-Retirement Medical Plan (the Plan), a cost-sharing multiemployer 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.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Benefits:* 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, 2021 was 2,787.

*Contributions:* Participating governmental entities are contractually required to contribute at a rate assessed each year by the Plan. The Plan's board of trustees set the employer contribution rate based on the actuarially determined annual required contribution. The Board's contribution for the year ended June 30, 2021 was \$6,422,787, which was 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.

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

At June 30, 2021, the Board reported a liability of \$66,178,327 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Board's proportion of the net OPEB liability was based on a projection of the Board's long-term share of contributions to the OPEB plan relative to the projected contributions of the County. At June 30, 2021 the Board's proportion was determined as 73%, an increase of 1% from prior year.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 POSTEMPLOYMENT BENEFITS (CONTINUED)**

For the year ended June 30, 2021, the Board recognized OPEB expense of \$2,451,909. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 772,754	\$ 9,109,013
Changes of Assumptions	-	31,274,377
Net Difference Between Projected and Actual Earnings on OPEB Plan investments	2,695,377	-
CCPS' Contributions Subsequent to the Measurement Date	6,422,787	-
Total	<u>\$ 9,890,918</u>	<u>\$ 40,383,390</u>

\$6,422,787 reported as deferred outflows of resources inflows of resources from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022.

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (6,465,754)
2023	(5,833,205)
2024	(5,260,008)
2025	(6,025,200)
2026	(6,569,886)
Thereafter	(6,761,206)

*Actuarial assumptions.* The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary Increases	2.50%
Investment Rate of Return	7.00% percent, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Rates	The trend for 2021 is 5.20%. The ultimate trend is 3.94% (pre-Medicare) and 3.94% (post-Medicare)

Mortality rates were based on the RP-2014 Healthy Annuitant White Collar Mortality Table Combined Mortality Table, RP-2014 Employee White Collar Mortality Table and RP-2014 Disabled Annuitant Tables for Males or Females, as appropriate.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 POSTEMPLOYMENT BENEFITS (CONTINUED)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	28.0%	6.4%
Small Cap U.S. Equity	28.0%	6.9%
International Equity	19.0%	7.4%
U.S Fixed Equity	20.0%	3.5%
Private Equity	5.0%	8.6%
Total	<u>100.0%</u>	

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount rate.* The discount rate used to measure the total OPEB liability was 7.00% increased 0% from 2020. The projection of cash flows used to determine the discount rate assumed that contributions from school Board will be made annually. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.0%) than the current discount rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Total OPEB Liability	\$ 177,088,567	\$ 153,793,498	\$ 134,780,278
Fiduciary	(87,615,171)	(87,615,171)	(87,615,171)
Net OPEB Liability	<u>\$ 89,473,396</u>	<u>\$ 66,178,327</u>	<u>\$ 47,165,107</u>



**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.40% decreasing to 4.40%) or 1-percentage-point higher (5.40% increasing to 6.40%) than the current healthcare cost trend rates:

	1% Decrease 4.40%	Healthcare Cost Trend Rates 5.40%	1% Increase 6.40%
Total OPEB Liability	\$ 131,847,122	\$ 153,793,498	\$ 181,522,694
Fiduciary	(87,615,171)	(87,615,171)	(87,615,171)
Net OPEB Liability	\$ 44,231,951	\$ 66,178,327	\$ 93,907,523

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

**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 distributes them as dividends to the Fund members. This dividend distribution is made no sooner than one year after the close of that fiscal year.

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

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.

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, 2021, the Board has a balance of \$607,702 in their rate stabilization fund held with the insurance carrier, this is 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.

	Restricted Encumbrances	Assigned Encumbrances
Administration	\$ -	\$ 257,894
Mid-Level Administration	19,260	5,500
Other Instructional Costs	-	639,303
Pupil Transportation	-	144,960
Operation of Plant	-	254,915
Maintenance of Plant	-	20,165
Fixed Charges	-	4,772
Capital Outlay	-	538,194
Total	\$ 19,260	\$ 1,865,703

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 10 FUND BALANCE**

Fund Balance at June 30, 2021 consisted of the following:

<b>Fund Balances</b>	General Fund	Special Revenue Fund	Capital Projects Fund	Total
<b>Nonspendable for:</b>				
Inventory	\$ 22,714	\$ 86,244	\$ -	\$ 108,958
Total Nonspendable	<u>22,714</u>	<u>86,244</u>	<u>-</u>	<u>108,958</u>
<b>Restricted for:</b>				
Administration	42,958	-	-	42,958
Mid-Level Administration	42,101	-	-	42,101
Instructional Salaries	847,247	-	-	847,247
Textbooks and Supplies	539,229	-	-	539,229
Other Instructional Costs	348,710	-	-	348,710
Special Education	753,216	-	-	753,216
Pupil Transportation	90,723	-	-	90,723
Operation of Plant	49,120	-	-	49,120
Community Services	79,207	-	-	79,207
Food Service	-	23,143	-	23,143
Total Restricted	<u>2,792,511</u>	<u>23,143</u>	<u>-</u>	<u>2,815,654</u>
<b>Committed for:</b>				
Healthcare	4,000,000	-	-	4,000,000
Leave	309,928	-	-	309,928
Legal Fees	104,445	-	-	104,445
Textbooks, Other costs	654,307	-	-	654,307
Transportation Fuel	1,000,000	-	-	1,000,000
Risk Mgmt/COVID	1,500,000	-	-	1,500,000
Premium Holiday	720,081	-	-	720,081
Salaries/Benefits	6,333,409	-	-	6,333,409
Food Service	-	1,266,840	-	1,266,840
Total Committed	<u>14,622,170</u>	<u>1,266,840</u>	<u>-</u>	<u>15,889,010</u>
<b>Assigned for:</b>				
Administration	257,894	-	-	257,894
Mid-Level Administration	5,500	-	-	5,500
Other Instructional Costs	639,303	-	-	639,303
Pupil Transportation	144,960	-	-	144,960
Operation of Plant	254,915	-	-	254,915
Maintenance of Plant	20,165	-	-	20,165
Fixed Charges	4,772	-	-	4,772
Capital Outlay	538,194	-	92,698	630,892
Student Activity Funds	1,628,788	-	-	1,628,788
Total Assigned	<u>3,494,491</u>	<u>-</u>	<u>92,698</u>	<u>3,587,189</u>
<b>Unassigned:</b>	<u>7,897,588</u>	<u>-</u>	<u>-</u>	<u>7,897,588</u>
<b>Total Fund Balances</b>	<u>\$ 28,829,474</u>	<u>\$ 1,376,227</u>	<u>\$ 92,698</u>	<u>\$ 30,298,399</u>

**CALVERT COUNTY PUBLIC SCHOOLS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

**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.

**NOTE 12 RESTATEMENT**

The Board adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities for all state and local governments. The implementation of this standard is a change in accounting principle, which resulted in the school activity fund being reclassified from an agency fund to the general fund. The pronouncement requires the restatement of the July 1, 2020 net position/fund balance as follows:

	General Fund	Total Governmental Funds	Statement of Net Position
Fund balance/net position July 1, 2020, as previously stated	\$21,832,483	\$ 23,720,698	\$ 180,186,878
Reclassification of school activity fund	<u>\$ 1,826,011</u>	<u>\$1,826,011</u>	<u>\$1,826,011</u>
Fund balance/net position, July 1, 2020, as restated	<u>\$23,658,494</u>	<u>\$ 25,546,709</u>	<u>\$ 182,012,889</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**CALVERT COUNTY PUBLIC SCHOOLS  
SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —  
BUDGET AND ACTUAL — UNRESTRICTED AND RESTRICTED  
YEAR ENDED JUNE 30, 2021**

	Budget			Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	As Originally Adopted	Transfers and Amendments	Final Budgeted		
<b>Revenues</b>					
Local Sources	141,490,583	2,896	141,493,479	137,821,150	(3,672,329)
State Sources	94,329,249	(2,896)	94,326,353	93,501,678	(824,675)
Federal Sources	24,520,372	-	24,520,372	12,068,062	(12,452,310)
Use of Prior Year Fund Balance	844,088	605,700	1,449,788	-	(1,449,788)
Total Revenues	<u>261,184,292</u>	<u>605,700</u>	<u>261,789,992</u>	<u>243,390,890</u>	<u>(18,399,102)</u>
<b>Expenditures</b>					
Administration	7,331,072	99,050	7,430,122	6,970,372	459,750
Mid-level Administration	12,131,388	64,686	12,196,074	11,886,188	309,886
Instructional Salaries	96,322,615	(1,139,477)	95,183,138	87,802,127	7,381,011
Textbooks and Instructional Supplies	6,400,460	29,463	6,429,923	4,823,836	1,606,087
Other Instructional Costs	8,017,157	1,368,792	9,385,949	6,466,245	2,919,704
Special Education	31,971,086	-	31,971,086	28,635,496	3,335,590
Pupil Personnel Services	2,607,838	-	2,607,838	2,496,718	111,120
Health Services	1,742,049	93,925	1,835,974	1,743,945	92,029
Pupil Transportation	16,455,250	-	16,455,250	13,702,332	2,752,918
Operation of Plant	16,999,869	68,986	17,068,855	15,052,296	2,016,559
Maintenance of Plant	3,341,480	38,825	3,380,305	3,287,899	92,406
Fixed Charges	54,611,659	(18,550)	54,593,109	48,330,604	6,262,505
Community Services	2,180,963	-	2,180,963	1,377,152	803,811
Capital Outlay	1,071,406	-	1,071,406	716,854	354,552
Total Expenditures	<u>261,184,292</u>	<u>605,700</u>	<u>261,789,992</u>	<u>233,292,064</u>	<u>28,497,928</u>
Excess (Deficiency) of Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>10,098,826</u>	<u>\$ 10,098,826</u>
Over Expenditures and Encumbrances					
Fund Balance - Budgetary Basis - Beginning of Year				14,706,698	
Fund Balance - Budgetary Basis - End of Year				24,805,524	
Encumbrances Outstanding as of June 30, 2021				(3,857,521)	
AP as of June 30, 2021				1,886,205	
Net Change in Encumbrances from June 30, 2020				4,620,960	
Student Activity				1,628,787	
Other Adjustments				(254,481)	
Fund Balance - GAAP Basis - End of Year				<u>28,829,474</u>	

**CALVERT COUNTY PUBLIC SCHOOLS  
SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —  
BUDGET AND ACTUAL — UNRESTRICTED  
YEAR ENDED JUNE 30, 2021**

	Budget			Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	As Originally Adopted	Transfers and Amendments	Final Budgeted		
<b>Revenues</b>					
Local Sources	135,190,249	2,896	135,193,145	136,548,936	1,355,791
State Sources	89,642,065	(2,896)	89,639,169	89,640,490	1,321
Federal Sources	873,138	-	873,138	758,155	(114,983)
Use of Prior Year Fund Balance	844,088	605,700	1,449,788	-	(1,449,788)
Total Revenues	<u>226,549,540</u>	<u>605,700</u>	<u>227,155,240</u>	<u>226,947,581</u>	<u>(207,659)</u>
<b>Expenditures</b>					
Administration	\$ 7,010,446	\$ 99,050	\$ 7,109,496	\$ 6,834,576	\$ 274,920
Mid-level Administration	11,739,217	64,686	11,803,903	11,594,464	209,439
Instructional Salaries	88,558,221	(1,139,477)	87,418,744	84,856,831	2,561,913
Textbooks and Instructional Supplies	1,947,234	29,463	1,976,697	1,670,776	305,921
Other Instructional Costs	4,666,224	1,368,792	6,035,016	5,055,747	979,269
Special Education	25,146,151	-	25,146,151	23,938,426	1,207,725
Pupil Personnel Services	2,464,235	-	2,464,235	2,387,803	76,432
Health Services	1,675,463	93,925	1,769,388	1,743,945	25,443
Pupil Transportation	15,754,899	-	15,754,899	13,489,372	2,265,527
Operation of Plant	15,831,890	68,986	15,900,876	14,360,083	1,540,793
Maintenance of Plant	3,341,480	38,825	3,380,305	3,287,899	92,406
Fixed Charges	47,405,490	(18,550)	47,386,940	46,913,024	473,916
Community Services	-	-	-	-	-
Capital Outlay	1,008,590	-	1,008,590	715,809	292,781
Total Expenditures	<u>226,549,540</u>	<u>605,700</u>	<u>227,155,240</u>	<u>216,848,755</u>	<u>10,306,485</u>
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,098,826</u>	<u>\$ 10,098,826</u>

**CALVERT COUNTY PUBLIC SCHOOLS  
SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —  
BUDGET AND ACTUAL — RESTRICTED  
YEAR ENDED JUNE 30, 2021**

	Budget			Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	As Originally Adopted	Transfers and Amendments	Final Budgeted		
<b>Revenues</b>					
Local Sources	\$ 6,300,334	\$ -	\$ 6,300,334	\$ 1,272,214	\$ (5,028,120)
State Sources	4,687,184	-	4,687,184	3,861,188	(825,996)
Federal Sources	23,647,234	-	23,647,234	11,309,907	(12,337,327)
Total Revenues	<u>\$ 34,634,752</u>	<u>\$ -</u>	<u>\$ 34,634,752</u>	<u>\$ 16,443,309</u>	<u>\$ (18,191,443)</u>
<b>Expenditures</b>					
Administration	\$ 320,626	\$ -	\$ 320,626	\$ 135,796	\$ 184,830
Mid-level Administration	392,171	-	392,171	291,724	100,447
Instructional Salaries	7,764,394	-	7,764,394	2,945,296	4,819,098
Textbooks and Instructional Supplies	4,453,226	-	4,453,226	3,153,060	1,300,166
Other Instructional Costs	3,350,933	-	3,350,933	1,410,498	1,940,435
Special Education	6,824,935	-	6,824,935	4,697,070	2,127,865
Pupil Personnel Services	143,603	-	143,603	108,915	34,688
Health Services	66,586	-	66,586	-	66,586
Pupil Transportation	700,351	-	700,351	212,960	487,391
Operation of Plant	1,167,979	-	1,167,979	692,213	475,766
Maintenance of Plant	-	-	-	-	-
Fixed Charges	7,206,169	-	7,206,169	1,417,580	5,788,589
Community Services	2,180,963	-	2,180,963	1,377,152	803,811
Capital Outlay	62,816	-	62,816	1,045	61,771
Total Expenditures	<u>34,634,752</u>	<u>-</u>	<u>34,634,752</u>	<u>16,443,309</u>	<u>18,191,443</u>
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CALVERT COUNTY PUBLIC SCHOOLS  
RECONCILIATION OF DIFFERENCE BETWEEN BUDGETARY INFLOWS AND  
OUTFLOWS GAAP BASIS REVENUES AND EXPENDITURES  
GENERAL FUND  
YEAR ENDED JUNE 30, 2021**

**Revenues**

Budgetary Basis	\$ 243,390,890
Add: Pension Contribution Paid by the State of Maryland	13,413,145
Add: Student Activity Fund Balance	1,086,191
	<u>1,086,191</u>
Total Revenues (GAAP Basis)	<u><u>\$ 257,890,226</u></u>

**Expenditures**

Budgetary Basis	\$ 233,292,064
Add: Pension Contribution Paid by the State of Maryland	13,413,145
Add: Student Activity Fund Balance	1,283,416
Add: Change in Encumbrances, net	4,620,961
Add: Adjustment to Encumbrances, net	109,660
	<u>109,660</u>
Total Expenditures and Other Financing Uses (GAAP Basis)	<u><u>\$ 252,719,246</u></u>

**CALVERT COUNTY PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
MARYLAND STATE RETIREMENT AND PENSION SYSTEM  
YEAR ENDED JUNE 30, 2021**

Measurement Date June 30,

**Employees' Retirement and Pension System:**

	2020	2019	2018	2017	2016	2015	2014
CCPS' proportionation of the net pension liability	0.070127200%	0.067068400%	0.063931900%	0.057746900%	0.066916300%	0.068952800%	0.063737680%
CCPS' proportionate share of the net pension liability	\$ 15,849,701	\$ 13,833,267	\$ 13,416,936	\$ 12,487,018	\$ 15,788,250	\$ 14,329,572	\$ 11,311,354
CCPS' covered employee payroll	15,931,788	15,242,570	14,893,973	14,469,213	14,172,855	15,480,738	14,770,745
CCPS' proportionate share of the net pension liability as a percentage of its covered employee payroll	99.48%	90.75%	90.08%	86.30%	111.40%	92.56%	76.58%
Plan fiduciary net position as a percentage of the total pension liability	66.29%	68.36%	68.36%	66.71%	62.97%	66.26%	73.65%

**Teachers' Retirement and Pension System:**

CCPS' proportionation of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CCPS' proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability of the Board	145,104,827	138,260,185	137,773,982	145,089,938	170,642,937	141,629,004	152,207,986
Total	145,104,827	138,260,185	137,773,982	145,089,938	170,642,937	141,629,004	152,207,986
CCPS' covered employee payroll	\$ 115,671,945	\$ 114,372,165	\$ 110,893,973	\$ 111,359,818	\$ 112,124,454	\$ 104,835,359	\$ 106,780,951
CCPS' proportionate share of the net pension liability as a percentage of its covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	73.84%	73.35%	73.35%	71.41%	67.95%	69.53%	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  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
MARYLAND STATE RETIREMENT AND PENSION SYSTEM  
YEAR ENDED JUNE 30, 2021**

**Employees' Retirement and Pension System**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,652,773	\$ 1,503,572	\$ 1,377,248	\$ 1,274,850	\$ 1,175,347	\$ 1,303,584	\$ 1,453,337	\$ 1,484,557	\$ 1,362,356	\$ 2,012,647
Contributions in relation to the contractually required contribution	1,652,773	1,503,572	1,377,248	1,274,850	1,175,347	1,303,584	1,453,337	1,484,557	1,362,356	2,012,647
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 16,140,361	\$ 15,931,788	\$ 15,242,570	\$ 14,893,973	\$ 14,469,213	\$ 14,172,855	\$ 15,480,738	\$ 14,770,745	\$ 15,062,796	\$ 15,588,080
Contributions as a percentage of covered-employee payroll	10%	9%	9%	9%	8%	9%	9%	10%	9%	13%

**Teachers' Retirement and Pension System**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012*
Contractually required contribution	\$ 5,260,512	\$ 5,180,760	\$ 5,023,147	\$ 4,994,291	\$ 4,951,040	\$ 5,910,295	\$ 4,598,758	\$ 3,594,696	\$ 2,835,940	\$ -
Contributions in relation to the contractually required contribution	5,260,512	5,180,760	5,023,147	4,994,291	4,951,040	5,910,295	4,598,758	3,594,696	2,835,940	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 121,933,843	\$ 115,671,945	\$ 114,372,165	\$ 110,893,973	\$ 111,359,818	\$ 112,124,454	\$ 104,835,359	\$ 106,780,951	\$ 111,686,094	\$ -
Contributions as a percentage of covered-employee payroll	4%	4%	4%	5%	4%	5%	4%	3%	3%	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  
NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND  
SCHEDULE OF CONTRIBUTIONS  
MARYLAND STATE RETIREMENT AND PENSION SYSTEM  
YEAR ENDED JUNE 30, 2021**

**NOTE 1 - CHANGES IN BENEFIT TERMS**

There were no benefit changes during the years 2015 through 2021

**NOTE 2 - CHANGES IN ASSUMPTIONS**

Inflation assumptions changed as follows:

- 6/30/2021 2.30%
- 6/30/2020 2.30%
- 6/30/2019 2.55%
- 6/30/2018 2.60%
- 6/30/2017 2.65%
- 6/30/2016 2.70%
- 6/30/2015 2.70%

Investment return assumption changed as follows:

- 6/30/2021 7.00%
- 6/30/2020 7.00%
- 6/30/2019 7.40%
- 6/30/2018 7.50%
- 6/30/2017 7.50%
- 6/30/2016 7.55%
- 6/30/2015 7.65%

**CALVERT COUNTY PUBLIC SCHOOLS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET OPEB PLAN LIABILITY AND RELATED RATIOS  
YEAR ENDED JUNE 30, 2021**

Measurement Date June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
<b>Total OPEB liability</b>				
Service cost	\$ 4,412,132	\$ 6,669,752	\$ 6,368,499	\$ 6,135,356
Interest	10,111,728	10,081,986	9,527,162	9,017,419
Differences between expected and actual experience	883,147	(11,342,148)	(903,606)	-
Changes of assumptions	(2,413,804)	(38,883,065)	-	-
Benefit payments	(6,422,787)	(5,423,001)	(5,090,844)	(5,775,000)
<b>Net change in total OPEB liability</b>	<u>6,570,416</u>	<u>(38,896,476)</u>	<u>9,901,211</u>	<u>9,377,775</u>
<b>Total OPEB liability - beginning</b>	<u>147,223,082</u>	<u>186,119,558</u>	<u>176,218,347</u>	<u>166,840,572</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 153,793,498</u>	<u>\$ 147,223,082</u>	<u>\$ 186,119,558</u>	<u>\$ 176,218,347</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 15,710,589	\$ 12,199,228	\$ 20,494,356	\$ 5,775,000
Net investment income	2,882,769	2,253,623	6,592,500	5,934,703
adjustments	-	(1,115,319)	-	-
Benefit payments	(6,422,787)	(5,423,001)	(5,090,844)	(5,775,000)
<b>Net change in plan fiduciary net position</b>	<u>12,170,571</u>	<u>7,914,531</u>	<u>21,996,012</u>	<u>5,934,703</u>
<b>Total fiduciary net position - beginning</b>	<u>75,444,600</u>	<u>67,530,069</u>	<u>45,534,057</u>	<u>39,599,354</u>
<b>Total fiduciary net position - ending (b)</b>	<u>\$ 87,615,171</u>	<u>\$ 75,444,600</u>	<u>\$ 67,530,069</u>	<u>\$ 45,534,057</u>
<b>CCPS' net OPEB liability - ending (a) - (b)</b>	<u>\$ 66,178,327</u>	<u>\$ 71,778,482</u>	<u>\$ 118,589,489</u>	<u>\$ 130,684,290</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	56.97%	51.25%	36.28%	25.84%
<b>Covered-employee payroll</b>	\$ 134,893,826	\$ 131,603,733	\$ 129,614,735	\$ 131,572,919
<b>CCPS' net OPEB liability as a percentage of covered-employee payroll</b>	49%	55%	91%	99%

**Notes to Schedule:**

*Benefit Changes*

None

*Changes of assumptions.*

*The trend rates were adjusted to reflect the December 2019 Federal appropriations bill that eliminated the exercise tax on the high cost plans*

OPEB plan does not depend on salary, salary information was not provided

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  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF OPEB CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2021**

	2021	2020	2019	2018
Contribution	\$ 6,422,787	\$ 9,287,802	\$ 6,422,787	\$ 15,066,644
Contributions in relation to the Contractually required contribution	6,422,787	9,287,802	12,199,228	15,066,644
Contribution deficiency (excess)	-	-	(5,776,441)	-
CCPS' covered-employee payroll	\$ 134,893,826	\$ 131,603,733	\$ 129,614,735	\$ 131,572,919
Contributions as a percentage of covered-employee payroll	4.76%	7.06%	9.41%	11.45%

**Notes to Schedule:**

	July 1, 2021	June 30, 2019
Valuation date:	July 1, 2021	June 30, 2019
Methods and assumptions used to determine contribution rates:		
Actuarial cost method	Projected Unit Credit	Entry Age Normal
Inflation	2.30%	2.30%
Healthcare cost trend rates	The trend for 2021 is 5.20%. The ultimate trend is 3.94%	The trend for 2019 is 5.40%. The ultimate trend is 4.06% (pre-Medicare) and 3.94% (post-Medicare)
Salary increases	2.50%	2.50%
Investment rate of return	7.00%	5.50%
Retirement age	45	45

*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.*

**OTHER SUPPLEMENTARY INFORMATION**

**CALVERT COUNTY PUBLIC SCHOOLS  
GENERAL FUND (CURRENT EXPENSE FUND) — BUDGETARY BASIS  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —  
(BUDGET AND ACTUAL)  
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUE</b>			
From Local Sources:			
County Funds	\$ 134,705,249	\$ 134,705,249	\$ -
Tuition	120,000	86,283	(33,717)
Interest and Other	6,668,230	3,029,619	(3,638,611)
Prior-Year Fund Balance	1,449,788	-	(1,449,788)
Total from Local Sources	<u>142,943,267</u>	<u>137,821,151</u>	<u>(5,122,116)</u>
From State Sources:			
Current Expense	77,041,092	77,042,413	1,321
Kirwan-TSIG	1,493,954	1,493,954	-
Transportation	6,412,282	6,412,282	-
Handicapped Children	4,691,841	4,691,841	-
Other thru MSDE	4,327,845	3,532,569	(795,276)
State from Other Sources	359,339	328,619	(30,720)
Total from State Sources	<u>94,326,353</u>	<u>93,501,678</u>	<u>(824,675)</u>
From United States Government sources:			
Directly Received	450,000	520,289	70,289
U.S. Navy - NJROTC	230,138	215,928	(14,210)
Received through Other Sources	23,840,234	11,331,844	(12,508,390)
Total from Federal Sources	<u>24,520,372</u>	<u>12,068,061</u>	<u>(12,452,311)</u>
Total Revenue	<u>\$ 261,789,992</u>	<u>\$ 243,390,890</u>	<u>\$ (18,399,102)</u>



**CALVERT COUNTY PUBLIC SCHOOLS  
GENERAL FUND (CURRENT EXPENSE FUND) — BUDGETARY BASIS  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —  
(BUDGET AND ACTUAL)  
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration:			
Salaries and Wages	\$ 4,819,023	\$ 4,870,017	\$ (50,994)
Contracted Services	1,538,660	1,400,684	137,976
Supplies and Materials	90,900	55,110	35,790
Equipment	367,188	345,644	21,544
Outgoing Transfers	307,125	127,160	179,965
Other Charges	307,226	171,757	135,469
Total Administration	<u>7,430,122</u>	<u>6,970,372</u>	<u>459,750</u>
Mid-Level Administration:			
Salaries and Wages	11,696,509	11,571,480	125,029
Contracted services	73,640	65,340	8,300
Supplies and Materials	87,040	47,720	39,320
Other Charges	270,665	139,580	131,085
Equipment	68,220	62,068	6,152
Total Mid-Level Administration	<u>12,196,074</u>	<u>11,886,188</u>	<u>309,886</u>
Instructional Salaries	95,183,138	87,802,127	7,381,011
Textbooks and Instructional Supplies	6,429,923	4,823,836	1,606,087
Other Instructional Costs:			
Contracted Services	2,306,688	1,529,324	777,364
Other Charges	2,492,956	1,426,816	1,066,140
Equipment	4,531,313	3,460,639	1,070,674
Outgoing Transfers	54,992	49,466	5,526
Total Other Instructional Costs	<u>9,385,949</u>	<u>6,466,245</u>	<u>2,919,704</u>
Special Education:			
Salaries and Wages	27,538,369	25,332,397	2,205,972
Contracted Services	1,587,941	1,001,265	586,676
Supplies and Materials	226,147	157,972	68,175
Other Charges	364,109	98,665	265,444
Equipment	121,138	106,917	14,221
Outgoing Transfers	2,133,382	1,938,280	195,102
Total Special Education	<u>31,971,086</u>	<u>28,635,496</u>	<u>3,335,590</u>
Pupil Personnel Services:			
Salaries and Wages	2,104,758	2,076,869	27,889
Contracted Services	360,020	322,217	37,803
Supplies and Materials	37,249	32,082	5,167
Other Charges	72,421	34,430	37,991
Equipment	33,390	31,120	2,270
Total Pupil Personnel Services	<u>2,607,838</u>	<u>2,496,718</u>	<u>111,120</u>
Health Services:			
Salaries and Wages	1,684,096	1,615,037	69,059
Contracted Services	5,450	1,130	4,320
Supplies and Materials	37,273	30,670	6,603
Other Charges	90,525	85,628	4,897
Equipment	18,630	11,480	7,150
Total Health Services	<u>1,835,974</u>	<u>1,743,945</u>	<u>92,029</u>

**CALVERT COUNTY PUBLIC SCHOOLS  
GENERAL FUND (CURRENT EXPENSE FUND)- BUDGETARY BASIS  
DETAILED SCHEDULE OF REVENUE, EXPENDITURES, AND  
ENCUMBRANCES (BUDGET TO ACTUAL)  
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>EXPENDITURES</b>			
<b>AND ENCUMBRANCES (Continued)</b>			
Pupil Transportation:			
Salaries and Wages	\$ 1,497,534	\$ 1,319,574	\$ 177,960
Contracted Services	14,902,209	12,346,621	2,555,588
Supplies and Materials	10,685	8,163	2,522
Other Charges	41,970	24,238	17,732
Equipment	2,852	3,736	(884)
Total Pupil Transportation	<u>16,455,250</u>	<u>13,702,332</u>	<u>2,752,918</u>
Operation of Plant:			
Salaries and Wages	8,888,284	8,545,394	342,890
Contracted Services	1,024,028	817,499	206,529
Supplies and Materials	1,105,400	689,826	415,574
Other Charges	4,763,712	4,299,964	463,748
Equipment	1,287,431	699,613	587,818
Total Operation of Plant	<u>17,068,855</u>	<u>15,052,296</u>	<u>2,016,559</u>
Maintenance of Plant:			
Salaries and Wages	2,445,530	2,397,138	48,392
Contracted Services	287,000	281,348	5,652
Supplies and Materials	604,050	569,086	34,964
Other Charges	43,725	40,327	3,398
Equipment	-	-	-
Total Maintenance of Plant	<u>3,380,305</u>	<u>3,287,899</u>	<u>92,406</u>
Fixed Charges			
Other Charges	54,593,109	48,330,604	6,262,505
Total Fixed Charges	<u>54,593,109</u>	<u>48,330,604</u>	<u>6,262,505</u>
Community Services:			
Salaries and Wages	1,638,896	1,106,412	532,484
Contracted Services	186,313	44,991	141,322
Supplies and Materials	265,762	182,956	82,806
Other Charges	72,532	40,248	32,284
Equipment	17,460	2,545	14,915
Total Community Services	<u>2,180,963</u>	<u>1,377,152</u>	<u>803,811</u>
Capital Outlay:			
Salaries and Wages	\$ 261,640	\$ 261,640	\$ -
Contracted Services	195,024	127,289	67,735
Supplies and Materials	500	639	(139)
Other Charges	3,950	4,378	(428)
Equipment	610,292	322,908	287,384
Total Capital Outlay	<u>1,071,406</u>	<u>716,854</u>	<u>354,552</u>
Total Expenditures and Encumbrances	<u>261,789,992</u>	<u>233,292,064</u>	<u>28,497,928</u>
Excess (Deficiency) of Revenues			
Over Expenditures and Encumbrances	<u>\$ -</u>	<u>\$ 10,098,826</u>	<u>\$ 10,098,826</u>