

# Annual Comprehensive Financial Report

**Fiscal Year Ended June 30, 2025**



## **Cecil County Public Schools**

A Component Unit of Cecil County

George Washington Carver Education Leadership Center

201 Booth Street

Elkton, Maryland 21921

[www.ccps.org](http://www.ccps.org)



***Serving LEARNERS, FAMILIES, and the COMMUNITY***

**NONDISCRIMINATION POLICY:** The Cecil County Public Schools does not discriminate in admissions, access, treatment or employment in its programs and activities on the basis of race, color, gender and gender identity, age, national origin, religion, sexual orientation, or disabling condition.

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## **Cecil County Public Schools**

A Component Unit of Cecil County, Maryland  
George Washington Carver Education Leadership Center  
201 Booth Street, Elkton, Maryland 21921

FISCAL YEAR ENDED JUNE 30, 2025



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Denise M. Sopa, Chief Financial Officer

Prepared by the Department of Business Services

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**CECIL COUNTY PUBLIC SCHOOLS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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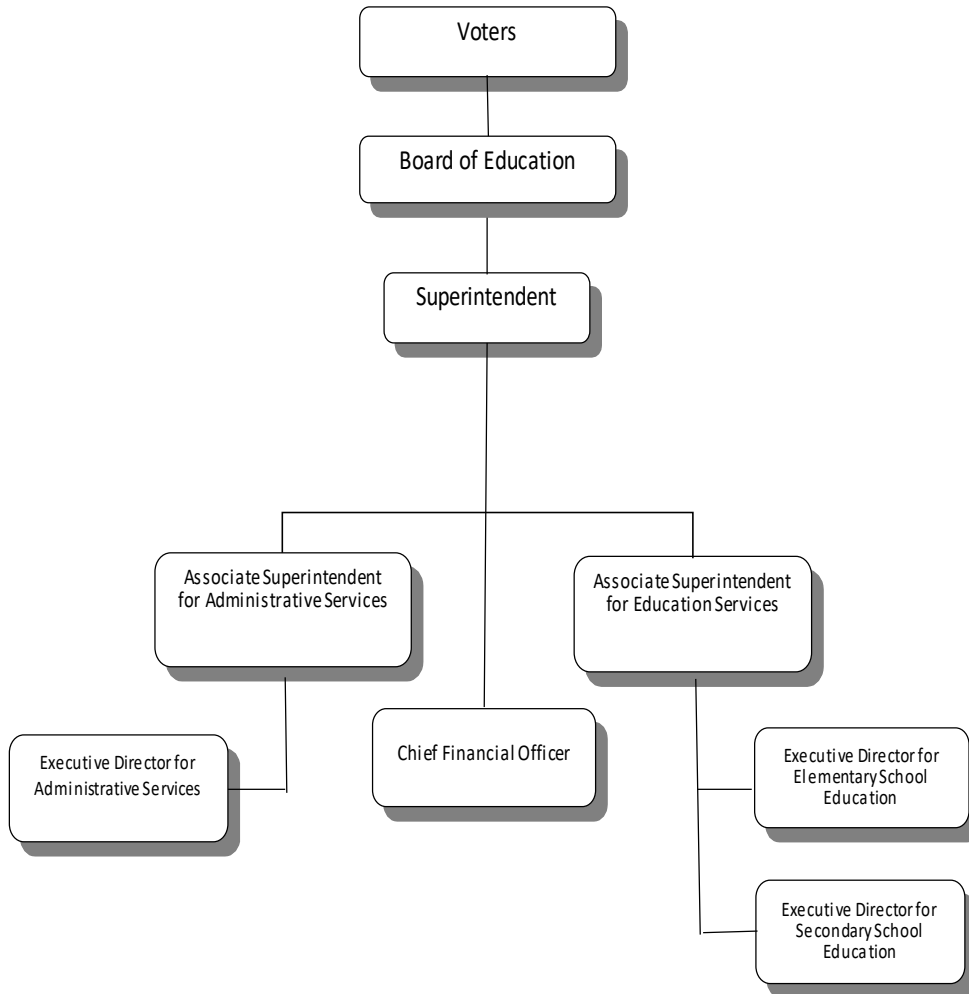
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# INTRODUCTORY SECTION



**Cecil County Public Schools  
Organization Chart  
As of July 1, 2025**



*Our Mission: CCPS serves equitably through positive relationships as a safe, collaborative community. We will ensure all learners acquire the knowledge, skills, and qualities to be responsible, caring, and ethical citizens.*

**Leadership Team  
As of July 1, 2025**

Jeffrey A. Lawson, Ed.D.	Superintendent of Schools and Secretary/Treasurer/Executive Officer of the Board of Education
Jennifer F. Hammer, Ed.D.	Associate Superintendent for Education Services
R. Joseph Buckley, Ed.D.	Associate Superintendent for Administrative Services
Denise M. Sopa	Chief Financial Officer
David B. Foye, Ed.D.	Executive Director for Secondary School Education
Shawn M. Johnson, Ed.D.	Executive Director for Elementary School Education
Theodore L. Boyer, Ed.D.	Executive Director for Administrative Services

# CECIL COUNTY PUBLIC SCHOOLS

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Jeffrey A. Lawson, Ed.D., *Superintendent*

201 Booth Street, Elkton, MD 21921

September 25, 2025

To the Board of Education of Cecil County and Citizens of Cecil County,

The Annual Comprehensive Financial Report of the Cecil County Public Schools (School System) for the fiscal year ended June 30, 2025 is prepared pursuant to the requirements of Section 5-109 of the Public School Laws of Maryland.

The School System is one governed by a Board of Education (Board) consisting of five elected members pursuant to state law and to which Cecil County provides partial fiscal support. Because of this fiscal relationship and the County's control over the budget process, the School System is a component unit of the County for financial reporting purposes, a requirement of the Governmental Accounting Standards Board (GASB).

Responsibilities for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the School System. We believe the data is accurate in all material respects and presented in a manner that fairly reflects the financial position and the results of operations of the School System. All disclosures necessary to enable the readers to gain maximum understanding of the School System's financial affairs are provided.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The design of this letter of transmittal complements the MD&A and should be read in conjunction with it. The School System's MD&A can be found at the beginning of the Financial Section.

The report is available to all interested parties. Copies are forwarded to Board members, Leadership Team members, appropriate officials of the State of Maryland and Cecil County, all of our schools, and public libraries. Copies are also distributed to other school districts, individuals, and organizations upon request. It is also available to the public on our website [www.ccps.org](http://www.ccps.org).

## **THE REPORTING ENTITY AND ITS SERVICES**

The report includes the financial activities of the Cecil County School System, a component unit of the Cecil County Government, as they relate to the services provided for a comprehensive preschool, elementary, and secondary public school education. The School System serves 14,853 students in 30 schools throughout our county including 17 elementary, 6 middle, 5 high schools, a career and technology center, and an alternative school. The School System projects enrollment to increase by 2.95% by fiscal year 2034. Our fleet of buses travel 2.4 million miles annually,

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transporting students safely to and from school. Cecil County Public Schools is the 16<sup>th</sup> largest of the 24 school systems in Maryland. Cecil County has no charter schools.

Approximately 2.4 million square feet of building space and 719 acres of land is proudly maintained to ensure a safe and secure learning environment. Since 1998, the Maryland Public School Construction Program (IAC inspection) has rated our schools "superior" a total of thirty-seven times; thirteen schools have received this rating more than once. Since 2008, twenty-seven schools have received a rating of "adequate". The oldest building in use by the system is a school facility built in 1923. The newest building in use is Chesapeake City Elementary School which was replaced in 2021. Twenty-seven of the 32 buildings have undergone renovation or modification including secure entrance upgrades. The school buildings are multi-use facilities, serving many community groups and organizations for meetings and recreational use when school is not in session.

Of the \$41.2 million in deferred maintenance expense, \$14.9 million will be eliminated with the implementation of our five-year capital improvement plan. This includes the replacement of North East Middle and High schools, replacement of the HVAC system at Cecil Manor Elementary School, and the replacement of Thomson Estates Elementary School.

The annual operating budget of the School System is approved by the County Council of Cecil County in June each year for the following fiscal year. The School System's approved budget for fiscal year 2026 totals \$275,519,158, funded 38.25% by the County, 53.58% by the State and 8.17% by Federal and other sources.

Capital projects are funded by Cecil County Government and the State of Maryland. The Board of Education has no authority to issue general obligation debt. Funds are budgeted and appropriated on both project and annual basis. Capital project funds do not lapse at the end of each year and may be expended through the duration of a project. Budget transfers between projects require the approval of the Board and the Cecil County Council.

## **LONG-TERM FINANCIAL PLANNING**

Prior to FY2025, Federal funding was largely dependent on changes in student demographics among those receiving federally funded Free and Reduced Meals (FaRMs) and students with Individual Education Plans (IEP). However, with the inauguration of President Trump in January of 2025, the federal government's view on funding public education shifted to a philosophy of decentralizing authority and promoting school choice. The administration has proposed consolidating several federal education programs into a single block grant, a move that would provide flexibility to states, but could also reduce funding and oversight for vulnerable student groups. Prior to the end of FY2025, a significant amount of appropriated federal funding was

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being withheld from states, creating nationwide uncertainty about the future of federal funding streams for public education.

In 2016, the Maryland General Assembly created the Blueprint for Maryland's Future Act (Blueprint). The Blueprint is a product of the recommendations made by the Commission on Innovation and Excellence in Education, more commonly known as the Kirwan Commission, which met over the course of three years with the charge of making substantive recommendations to the State of Maryland on better preparing students for college or the workforce. From there, the recommendations of this commission were proposed in the form of education reform bills. The final recommendations are grouped into five pillars: (1) Early Childhood Education; (2) High-Quality and Diverse Teachers and Leaders; (3) College and Career Readiness; (4) More Resources to Ensure that all Students are Successful; and (5) Governance and Accountability. Funding within the Blueprint builds on the Bridge to Excellence Act of 2002. Foundational funding by the State is maintained with adjustments based on the wealth of the local jurisdiction, along with additional funding provided for economically disadvantaged students, multilingual learners, and special education students. To ensure increased per pupil funding, the Blueprint specifies the annual target per pupil foundation amounts to be provided each year from FY2023 for the next ten years and relies on inflation thereafter. Specifically, the target per pupil amount includes costs associated with implementing the five pillars of Blueprint. An Accountability and Implementation Board has been established and charged with developing a Comprehensive Implementation Plan for the Blueprint for Maryland's Future. Ultimately, the Blueprint interweaves funding, accountability, and purposeful mandates to alter the way Maryland school systems plan their budgets, programs, and outcome goals over the next decade.

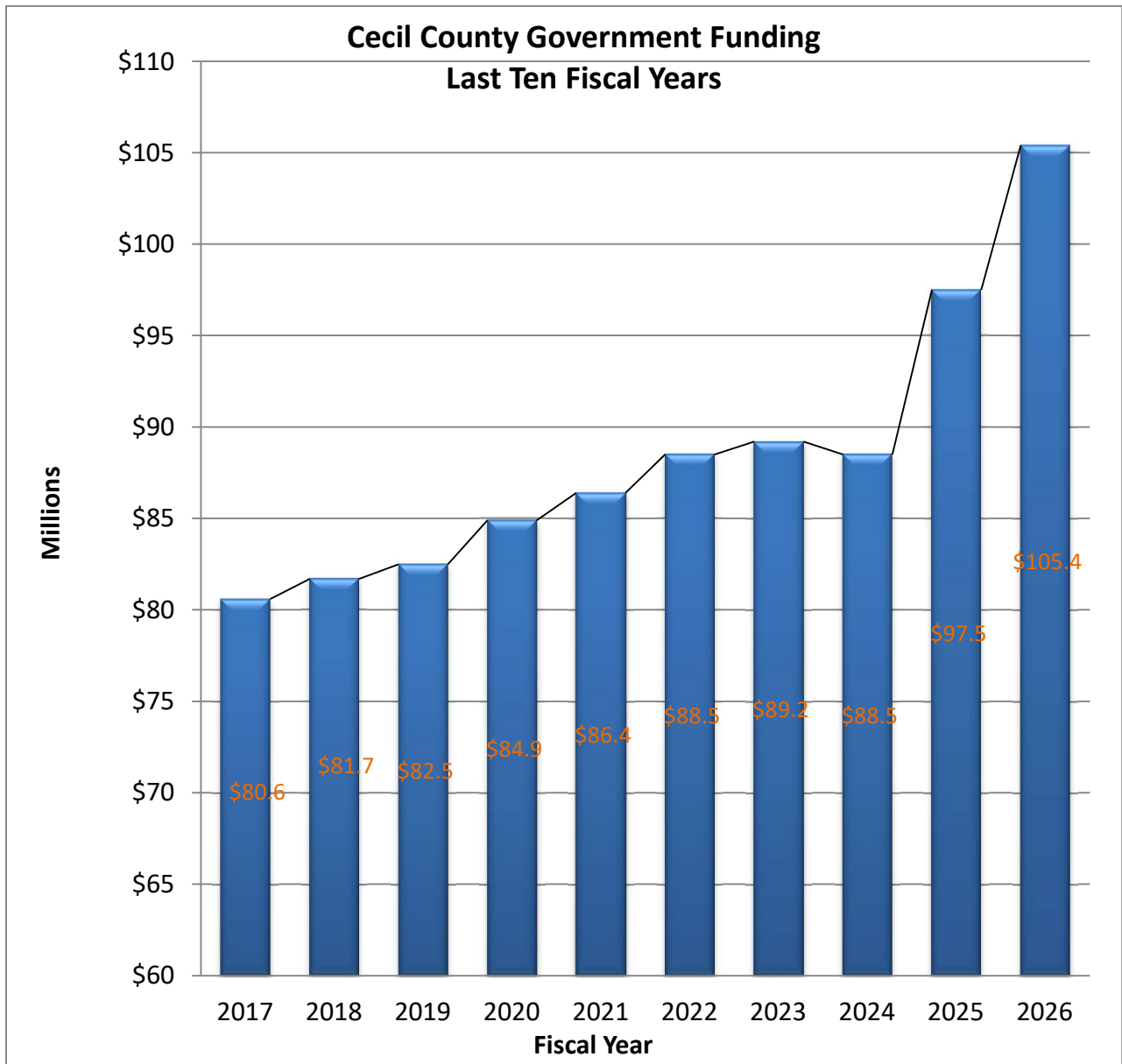
The implementation of the Blueprint for Maryland's Future Act changed the required minimum school funding amount by local government to be either the higher of Maintenance of Effort (MOE) or Local Share. MOE is the amount equal to, or greater than, the prior year per student appropriation. The calculation of MOE ensures equal funding relative to enrollment as that of prior years on a per student basis. Local Share is a state calculation utilizing county wealth data and school system enrollment data to determine the local government's funding responsibility versus the state share of funding. The calculation ensures that as a County increases in wealth, the local government is providing adequate funding towards education. FY2025 was the first time the calculation of the county's local share of \$93,550,830 was greater than the MOE calculation of \$87,828,080. Therefore, by law, Cecil County Government was required to fund the FY2025 by at least the local share amount.

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In FY2026, the School System will receive an 8.0% increase in County funding for a total regular appropriation of \$105,386,116. This is an increase of \$7,835,286. In addition, the FY26 budget passed by the State of Maryland requires County governments to pay a portion of the State's share of its teacher pension liability. The amount required by Cecil County Government in FY26 is \$1,274,570. Cecil County Public School's total projected revenue for fiscal year 2026 is \$265,519,158. Projected expenses of \$275,519,158 will require the use of fund balance in the amount of \$10,000,000.



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## **ECONOMIC CONDITION AND OUTLOOK**

Cecil County is one of the fastest growing counties in Maryland, with 3.2% population growth since 2019, while the state's overall population is declining (Source: Lightcast Q3 2025 Data Set). According to the U.S. Census Bureau, Population Division, the county's population is estimated at 106,305 in 2024 – an increase of 533 persons, representing 0.5% year-over-year growth. The Maryland Department of Planning projects this number will rise to 138,440 by 2050.

As of July 2025, Cecil County's civilian labor force totaled 52,778. From 2019 to 2024, jobs grew by 9.2%, outpacing the national growth rate of 4.3% by 4.9%. The County's unemployment rate stood at 3.8% in June 2025. Data USA reports the County's median household income at \$91,146, which is approximately \$7,500 lower than Maryland's statewide median, but \$8,700 higher than the U.S. median. Educational attainment is also improving: 92% of residents have completed high school or higher, a 3% increase from last year.

Average wages are rising as well. In Q1 2025, the average worker in Cecil County earned \$63,192 annually, an increase of 4.5% over the previous four quarters. By comparison, the national average wage index for 2023 was \$66,622 (source: Social Security Administration).

Cecil County's strategic location within the Boston-Atlanta corridor provides overnight access to more than 90 million people and one-third (\$6 trillion) of the nation's effective buying income. Located midway between Baltimore and Philadelphia, and between Washington, D.C. and New York City, Cecil County offers prime connectivity. From 2019 to 2023, the number of business establishments in the county grew by 140 (7.3%), compared to 4.6% in neighboring Harford County (Source: JobsEQ® Data, 2025Q1). With direct access to I-95 and U.S. Route 40, trade, transportation, and utilities account for 26% of county employers. Together with local government, education, health services, and leisure and hospitality, these industries employ over 60% of the county's workforce.

Cecil County's Gross Domestic Product (GDP) grew 9% from 2018 to 2022, while the state overall showed little change. Cecil County currently ranks first in Maryland for GDP growth in 2023, a notable accomplishment according to the Bureau of Economic Analysis (Source: BEA news releases, 12/4/2024). The county's strong economic performance in 2023 highlights its increasing importance to Maryland's overall economy.

The manufacturing sector remains a cornerstone of the economy, employing more than 5,000 workers or 12% of all in-county jobs with hundreds of new positions expected in the coming years. Cecil's manufacturing employment concentration is more than three times the state average of 4.1% and among the highest in the region. Major manufacturers include W.L. Gore, Northrop Grumman, Terumo Medical Corporation, Terumo Cardiovascular Systems, and TIM

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Plastics. In 2023, Northrop Grumman added a Hypersonics Capability Center and is currently building a Propulsion Innovation Center, which will create an additional 200+ skilled jobs. W.L. Gore is the county's largest employer, with over 3,000 workers engaged in polymers, plastic membranes, medical products, and Research & Development.

The logistics and transportation sector is also a major economic driver, with employers such as Amazon, IKEA, Medline, Restoration Hardware, Smithfield, and Estes. This sector has grown by more than 8% in recent years, spurred by expansions from Highline Warren, Ammo International, and others. Average annual earnings in logistics and transportation are approximately \$58,500.

Business incentives remain important to the county's economic competitiveness. The Enterprise Zone, which provides tax credits to qualifying property and business owners, continues to attract companies. Additional tools include the Job Creation Tax Credit, Opportunity Zone program, Cecil County Workforce Training Partnership Program, and the Cecil Catalyst loan program.

Cecil County is also seeing transformative projects. In June 2023, the largest Great Wolf Lodge (GWL) in the U.S. opened with more than 700 rooms and a 126,000 square foot indoor water park, employing over 1,100 people. In its first year, GWL welcomed one million visitors, far exceeding expectations. The Elkton Commerce Center completed its first 760,000-square-foot building in 2023, which is now occupied, with three more buildings planned. Redevelopment of Bainbridge, a former Naval Training Center, is progressing with two of four Phase I buildings complete and one leased. In Phase II, Norwegian company AquaCon plans to construct a \$320 million land-based indoor salmon farming operation on 160 acres, to be developed in two phases of 10,000 metric tons each.

Despite higher interest rates, housing demand remains strong. The Southfields development in Elkton is delivering hundreds of new apartments, townhomes, single-family homes, senior housing, a regional sports complex, and a hotel.

Tourism continues to be a vital segment of the economy. In 2024, visitors spent \$350.5 million in Cecil County, supporting 2,736 jobs and generating \$44.4 million in state and local taxes. Agriculture and working landscapes remain central to Cecil's identity.

Of the county's 222,824 acres, approximately one-third is farmland. While cash grains (corn, soybeans, wheat, hay, and barley) dominate, the county's unique topography supports orchards, vineyards, nurseries, and vegetables. Warwick Mushroom Farms operates the second largest single-site, high-tech mushroom facility in the Western Hemisphere, with more than 500,000 square feet of growing space, and has expanded three times. SunMed, Maryland's largest cannabis growing facility is now manufacturing edibles and beverages.

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The county also has a thriving equine sector, with the largest market value of horses sold in Maryland. Cecil is home to operations ranging from small private stables to the largest Standardbred farm in North America. Notable facilities include the Fair Hill Training Center, Select Breeders Services International, and Northview Stallion Station. Cecil also hosts the Maryland 5 Star, one of only two international equestrian events at this level in the U.S. and one of seven worldwide. 32,000+ people attended the 2024 competition, and the event has grown roughly 11% year-over-year since its inception in 2021.

Farmers continue to diversify with value-added products, such as cheese and wine. The county is also home to vineyards, wineries, breweries, and a growing agritourism sector.

## STRATEGIC PLAN

The graphic is a central infographic for the Cecil County Public Schools Strategic Plan. It features a central logo with a chessboard, a graduation cap, and a globe, surrounded by the text 'Cecil County Public Schools' and 'Serving LEARNERS, FAMILIES, and the COMMUNITY'. The infographic is divided into several sections: 'MISSION STATEMENT' (top left), 'OUR VALUES' (top right), 'VISION STATEMENT' (bottom right), and 'STRATEGIC THEMES' (bottom left). The 'MISSION STATEMENT' section states that CCPS serves equitably through positive relationships as a safe, collaborative community, ensuring all learners acquire knowledge, skills, and qualities to be responsible, caring, and ethical citizens. The 'OUR VALUES' section lists EQUITY (fairness, access, opportunity, inclusion), INTEGRITY (honesty, trust, transparency), HIGH STANDARDS (meeting learner expectations for growth and accountability), COLLABORATION (working together to strengthen communities), and WHOLE LEARNER (addressing academic, behavioral, and social-emotional needs). The 'VISION STATEMENT' aims to educate and empower every learner through equitable opportunities to build and strengthen the community. The 'STRATEGIC THEMES' section includes Safe Schools, Equitable Rigorous Learning Opportunities, Communication & Trust, Recruitment and Retention of a High-Quality Workforce, and Community and Engagement.

## Our Mission

Cecil County Public Schools serves equitably through positive relationships as a safe, collaborative community. We will ensure all learners acquire the knowledge, skills, and qualities to be responsible, caring, and ethical citizens.

# CECIL COUNTY PUBLIC SCHOOLS

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## Our Vision

To educate and empower every Cecil County learner through equitable opportunities to build and strengthen our community.

## Our Values



The School System has set five main themes within the *Strategic Plan* for student success:

- Safe schools - We will provide a safe, secure learning environment. Safety addresses not only physical well-being through facilities and emergency preparedness, but also effective aspects of safety, including mental health, drug and alcohol awareness, and social-emotional wellbeing. We will know we are successful by responding to the following indicators:
  1. Structural, staff, and student physical well-being
  2. Staff and student mental health wellness
  3. Student climate information
  4. Emergency preparedness
- Equitable, rigorous learning opportunities - A rigorous, relevant and culturally responsive curriculum will be in place, continually reviewed, and implemented by quality educators. We will challenge and support every learner to excel to high standards through equitable

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opportunities. We will know we are successful by responding to the following indicators:

1. Rigorous, relevant, and culturally responsive curriculum
  2. Equitable student opportunity in all areas of school function
  3. High expectations
  4. Diverse workforce
- Communication and trust - We will model and foster transparency throughout the organization to promote a culture founded in mutual respect. Internal and external communication plans will encourage dialogue and show value for everyone's voice and role in the system. We will know we are successful by responding to the following indicators:
    1. Consistent communication processes
    2. Ongoing two-way communication with all learners
    3. Communicating a clear rationale for initiatives
    4. Including multiple perspectives during decision-making
  - Recruitment and retention of a high-quality workforce - A high quality workforce will be recruited and retained to support the diverse needs of every learner. They will be supported through timely and relevant professional development. We will attend to the mental, physical, and social-emotional well-being of all employees. We will know we are successful by responding to the following indicators:
    1. Strategic planning for all areas of workforce needs
    2. Excellent professional culture and staff climate
    3. Professional development for all employees
    4. Employees feel supported as a person
    5. Establish and maintain regionally competitive wages
  - Community and engagement - We will create networks of support throughout our community. We will expand and enhance mutually beneficial and purposeful partnerships, engaging our community about opportunities and decisions. We will know we are successful by responding to the following indicators:
    1. Community outreach to internal and external stakeholders
    2. Community partnerships
    3. Social media outreach
    4. Community advocacy

In a school system with approximately 15,000 students and more than 2,000 employees, establishing a path forward that is reflective of the values of our community is crucial in providing our students with a world-class education. Coordinating services and resources in alignment with the system's goals requires tremendous communication and trust among stakeholders; it will be successful only if there is a united effort to move forward towards a common goal.

# CECIL COUNTY PUBLIC SCHOOLS

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The School System updates its *Strategic Plan* every October. It serves as the framework for the School System's continuous improvement efforts to achieve our Mission.

## **Recent Accomplishments**

Cecil County Public Schools is a diverse learning community where stakeholders are respected, valued and contribute to an excellent educational program in a rapidly changing global society. The following are the major programmatic initiatives accomplished before or within fiscal year 2025:

CCPS has established priorities to improve our students' academic achievement and opportunities.

- Implemented initiatives in all pillars of the Blueprint for Maryland's Future: Early Childhood Education, High-Quality and Diverse Teachers and Leaders, College and Career Readiness (CCR), More Resources to Ensure that All Students are Successful, and Governance and Accountability.
- Aligned curricular programs and resources with state and national standards.
- Provided professional development for all teachers and paraprofessionals to support student engagement and create positive learning environments.
- Created common district assessments in the secondary levels to support short-cycle feedback on instruction.
- Provided differentiated instruction designed to meet the needs of all students.
- Focused on implementing literacy strategies in all content areas.
- Served the needs of students with disabilities in inclusive and least restrictive environments.
- Updated Grading and Reporting Policy and Procedures to communicate student progress in all content areas.
- Updated Teacher and Administrator evaluation handbooks to include all employees and current strategies.
- Offered Twilight School as an alternative to suspension in all secondary schools.
- Provided Chromebooks across all schools to support instruction and access to academic platforms.
- Students in the class of 2025 earned \$19,332,080 in scholarships.
- Implemented the Apprenticeship of Maryland Program in which over 100 students participated.

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CCPS focused our strategies on improving the learning environment of our schools.

- Continued MTSS (Multi-Tiered System of Support) for academic, behavioral, and attendance needs.
- Ensured ongoing implementation of Positive Behavior Interventions and Support (PBIS) programs in all schools.
- Engaged in active partnerships with business and community leaders through our newly formed Foundation for Cecil County Public Schools.
- Ensured appropriate implementation of our Student Code of Conduct for all students.
- Conducted regular safety reviews at each school to assess readiness to respond to incidents.
- Provided training for all schools in A.L.I.C.E. (Alert, Lockdown, Inform, Counter, Evacuate) active intruder/threat protocols.
- Provided behavioral support classrooms in several elementary and middle schools to support students' needs along the continuum of service.
- Continued the Judy Center services to support families and students ages birth to five in ten sites across Cecil County.
- Hosted Student Support Centers in all elementary and middle schools to support student behavior and refocus for learning.

CCPS focused our efforts on improving support and services for our students and staff.

- Trained administrative professionals across the district to support efficiency, best practices, and compliance.
- Continued a wellness policy through our Food and Nutrition Department to provide nutritious meals to all students.
- Continued a comprehensive wellness program for staff.
- Increased access and integration to technology through the deployment of Chromebook carts in all schools.
- Replaced the wireless infrastructure, firewalls, and network switches over the past three years to support greater bandwidth at all sites.
- Chromebook technology across all levels of schooling is currently in the "refresh" phase, which aims to replace the oldest Chromebooks.
- Deployed 14,000 Chromebook devices which are available to students for daily instruction and supporting online testing requirements.
- Provided specially designed instruction to all students with disabilities.
- Provided step increases and COLA for employees per collective bargaining arrangements aligned with legislative requirements.
- Provided AVID (Advancement Via Individual Determination) programming in various elementary, middle, and high schools to support college and career readiness.

# CECIL COUNTY PUBLIC SCHOOLS

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## **The Future**

The fiscal year 2026 budget includes funding for the following major programmatic initiatives. Unfortunately, we have still been unable to restore initiatives that were eliminated due to budget cuts across our Division of Education Services. As a more favorable funding forecast emerges, we will continue rebuilding programs lost in our district. Our main priority will be reinstating several classroom teaching positions lost due to budget cuts. CCPS will continue to focus on our students' academic achievement and opportunities.

- Updating the CCPS strategic plan to reflect the needs of the district and community.
- Update curriculum and resources to ensure that students receive research-based programming.
- Enhance professional learning opportunities for teachers and staff to ensure that all teachers utilize instructional strategies to meet the needs of all students.
- Ensure that class sizes decrease to help our teachers meet the needs of all students.
- Continue to offer a full range of athletic extracurricular opportunities in middle and high schools.
- Enhance the Blended Virtual Learning Program to support a continuum of services for students in secondary schools.
- Utilize expectations from MSDE to expand the Concentration of Poverty schools with direct support from Community School Advisors and wrap around services to students.
- Secure grant funding to expand AVID in schools and provide students with instructional strategies and opportunities to support college and career readiness.
- Expansion of Apprenticeship of Maryland Program (AMP).
- Continue to offer post-CCR Pathways to CCPS students in the areas of college preparatory courses, dual enrollment courses, and career and technical education programs.
- Implement the expectations of the Read and Lead grant from MSDE to expand our MTSS resources and provide instructional coaching targeted schools.
- Train teachers and administrators on continuous improvement strategies to ensure that data drives instructional decision-making.
- Continue Chromebook refresh while navigating limited funding.
- Support and focus on more preventative maintenance work orders to save money and ensure equipment longevity.

## **FINANCIAL INFORMATION**

### **Relevant Financial Policies**

The Board of Education of Cecil County establishes and maintains fiscal oversight and control of funds appropriated to the School System. The Board must adopt an annual balanced budget

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(total expenditures equal to total revenues) and establish policies to implement a system of adequate internal controls and special grants management to ensure fiscal accountability.

The School System has no authority to levy and collect taxes. All funding is provided by the Federal, State, and County governments.

To receive State Foundation Aid, the County must appropriate the higher of Maintenance of Effort (MOE) or Local Share. This Maintenance of Effort (MOE) calculation ensures equal funding relative to enrollment as that of prior years on a per student basis. Whereas the local share, is a state calculation utilizing county wealth data and school system enrollment data to determine the local government's funding responsibility versus the state share of funding.

All appropriated unrestricted funds not spent at the end of the fiscal year accrue to the operating fund balance. By Board policy, the target is to maintain a total fund balance of not less than 2% with a goal of 5% of annual operating expenditures for the fiscal year. Any excess funds may be appropriated for one-time expenditures or used to manage revenue shortfalls in subsequent years' budgets. All funds must remain in the fund originally appropriated.

## **Budgetary Requirements**

The School System maintains a chart of accounts that fulfills the reporting requirements of the Maryland State Department of Education and specific needs of the organization itself. The chart of accounts is composed of the following elements: fund, category, program, object and location to fulfill state requirements and project, department, and discipline to fulfill organizational needs. Revenues are classified as local, state, federal, or other. Expenses are classified by category and further classified by object.

These categories include:

Administration	Student transportation
Instruction leadership and support	Operation of plant
Instruction salaries	Maintenance of plant
Instruction materials and supplies	Fixed charges
Instruction other costs	Community services
Special education	Capital outlay
Student personnel services	Student activities
Student health services	

# CECIL COUNTY PUBLIC SCHOOLS

Jeffrey A. Lawson, Ed.D., *Superintendent*

201 Booth Street, Elkton, MD 21921

Revenues are categorized by funding source as mandated by Maryland statute. These categories are:

Local appropriation	State revenue
Federal revenue	Other revenue

A complete chart of accounts is available on the School System’s website at [www.ccps.org](http://www.ccps.org). The School System may transfer funds between major categories with approval of the County Council. The School System has the authority to transfer funds between objects of expenditures (i.e. salaries and wages, contracted services, materials and supplies, other charges, and equipment) within major categories, but must notify the County Council of such action at the end of each month. In accordance with the Education Article, Title 5, §5-105, of Maryland Annotated Code, the School System may not exceed the appropriation by category.

The management and staff of the School System are responsible for preparing the budget, monitoring budgetary expenditures, reporting, and making recommendations for transfers between objects of expenditure and major categories.

## **Internal Controls**

To ensure the integrity of the financial records supporting the financial statements, consideration is given to the adequacy of internal accounting controls sufficient to provide reasonable assurance that assets are properly safeguarded and accounted for and are utilized only in accordance with management authorization. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

## **INDEPENDENT AUDIT**

State statutes require an annual audit by independent certified public accountants. The Board of Education selected the accounting firm UHY LLP to perform this audit under a contract awarded in fiscal year 2023, renewable for four succeeding years.

In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (the Uniform Guidance). The Independent Auditor’s Report on the financial statements is included in the Financial Section of this report.

We are pleased to report that the auditor’s report on the School System’s basic financial statements is without qualification, the highest possible outcome of the audit process.

# CECIL COUNTY PUBLIC SCHOOLS

Jeffrey A. Lawson, Ed.D., *Superintendent*

201 Booth Street, Elkton, MD 21921

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cecil County Public Schools for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This is the twenty-second consecutive year that the School System achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials (ASBO) International has awarded a Certificate of Excellence in Financial Reporting to Cecil County Public Schools for its ACFR for the fiscal year ended June 30, 2024. The Certificate of Excellence in Financial Reporting is the highest recognition in school system financial reporting issued by ASBO International and is only conferred to school systems that have met or exceeded the standards of the program. This is the twenty-second consecutive year the School System was awarded the ASBO Certificate of Excellence in Financial Reporting. We believe our current ACFR continues to conform to the Certificate of Excellence Program requirements, and we are submitting it to ASBO International for consideration.

We would like to acknowledge the effective, valuable work of our School System employees, the commitment of parents and families to their children's education, and the support for public education by the citizens of this community and our state and local officials. All have contributed significantly to the success of our students and this School System.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff in the Department of Business Services. The high standards to which this report conforms, reflects the professional competence of all individuals responsible for its preparation. We wish to express our appreciation for a job well done.

Sincerely,



Jeffrey A. Lawson, Ed.D.  
Superintendent of Schools  
Secretary/Treasurer



Denise M. Sopa  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Cecil County Public Schools  
Maryland**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

## **Cecil County Public Schools**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2024.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'. The signature is written in a cursive style and is positioned above a horizontal line.

**Ryan S. Stechschulte**  
President

A handwritten signature in black ink, reading 'James M. Rowan'. The signature is written in a cursive style and is positioned above a horizontal line.

**James M. Rowan, CAE, SFO**  
CEO/Executive Director

# FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Cecil County, Maryland

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

#### *Basis for Opinions*

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

#### *Emphasis of Matter*

##### *Change in Accounting Principle*

As described in Note 1 to the financial statements, in 2025, the School System adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School System's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 33 to 48, the Schedules of Required OPEB Related Supplementary Information on pages 99 to 100, and the Schedules of Required Pension Related Supplementary Information on pages 100 to 102 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025, on our consideration of the School System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School System's internal control over financial reporting and compliance.

*UHY LLP*

Columbia, Maryland  
September 25, 2025

This section of Cecil County Public Schools' Annual Comprehensive Financial Report (ACFR) represents our discussion and analysis of the School System's financial performance during the fiscal year ending June 30, 2025. The Management's Discussion and Analysis, Financial Statements, and related footnotes are the responsibility of management. Please read this section in conjunction with the transmittal letter, the School System's financial statements, and the notes to the basic financial statements that follow.

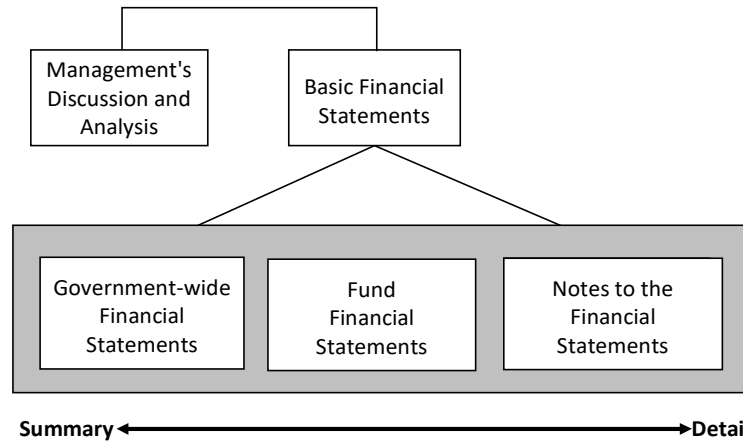
### **FINANCIAL HIGHLIGHTS**

- The School System's net position at the end of the fiscal year totaled \$125,320,274 of which \$180,843,215 is a net investment in capital assets.
- Net position increased \$15,811,323 for the year, most of which is attributable to an increase in net investment in capital assets of \$20,806,032 and a decrease in net pension liability of \$5,478,290.
- General revenues of \$133,413,924 account for 41.4% of all revenues; program revenues of \$188,679,575 account for 58.6%.
- The Food and Nutrition Department received \$1,398,028 from charges for services, accounting for 13.1% of Food and Nutrition total revenue. Charges for services revenue decreased this year due to an increase of schools in the district becoming eligible for the Community Eligibility Provision. This program within the U.S. Department of Agriculture, is a non-pricing meal service option for schools in low-income areas.
- The operating budget was amended during the year for a net increase of \$12,279,512. This included additional revenue from Federal grants of \$4,772,378, an increase in revenue from State grants of \$1,595,391, and additional other revenue of \$5,911,743.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the School System's basic financial statements and provides a framework and context for understanding the information they contain. The School System's basic financial statements consists of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Required Components Of Cecil County Public Schools'  
Annual Comprehensive Financial Report**



The following chart summarizes the major features of the School System’s financial statements, including the portion of the School System’s activities they cover and the types of information contained therein. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

<b>Major Features of the Government-wide and Fund Financial Statements</b>			
	<b>Government-wide Statements</b>	<b>Fund Financial Statements</b>	
		<b>Government Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire system (except fiduciary funds)	The activities of the School System that are not proprietary or fiduciary	Instances in which the School System administers resources on behalf of someone else, such as funds held in trust for a specific purpose, such as retiree healthcare
<b>Required financial statements</b>	-Statement of Net Position -Statement of Activities	-Balance Sheet -Statement of Revenues, Expenditures, and Changes in Fund Balance	-Statement of Fiduciary Net Position -Statement of Changes in Fiduciary Net Position
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual basis and current financial resources focus	Accrual accounting and economic resources focus

<b>Type of asset/liability information</b>	All assets and liabilities, both fiscal and capital, short-term and long term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short term and long term; the School System’s fiduciary funds do not currently contain capital assets, although they can
<b>Type of inflow/outflow information</b>	All revenues and expenses 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 and services have been received and the related liabilities are due and payable	All additions and deletions during the year, regardless of when cash is received or paid
<b>Deferred outflows/inflows of resources</b>	Changes in the net pension or net OPEB liability as applies to a future period and will not be recognized as an inflow or outflow of resources	N/A	N/A

**BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements section includes three kinds of financial statements that present different views of the School System’s activities and financial position. These include the Government-wide Financial Statements: *Statement of Net Position* and *Statement of Activities*, the Fund Financial Statements: *Balance Sheet - Governmental Funds*, *Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds*, Budget vs. Actual Financial Statement, *Statement of Revenue, Expenditures, Encumbrances, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual - General Fund*, and the Fiduciary Fund Statements, *Statement of Fiduciary Net Position*, and the *Statement of Changes in Fiduciary Net Position*. The Notes to the Basic Financial Statements are an integral part of these financial statements. They explain some of the information in the financial statements and provide more detail.

### **Recent Accounting Pronouncements**

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

### **Government-wide Statements**

The School System's government-wide financial statements provide both short-term and long-term information about the School System's overall financial status. Accounting methods similar to those used by private-sector companies are used to prepare these statements. They report information about the School System as a whole using the full accrual basis of accounting. They take into account all revenue and expenses associated with the fiscal year even if the cash was not received or the expenses paid. The government-wide financial statements include:

The *Statement of Net Position* presents all of the School System's assets and deferred outflows, and liabilities and deferred inflows with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the 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 only result in cash flows in future fiscal periods. The majority of the School System's revenue is general revenue grants and contributions from the County, State, and Federal governments.

The two government-wide statements report the School System's net position and how it has changed. Net position, the difference between the School System's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the School System's financial health or position. The increases or decreases in the School System's net position can be an indicator of whether its financial position is improving or deteriorating.

To assess the School System's overall health, you need to consider additional non-financial factors such as the county's economic condition, trends in enrollment, changes to the property tax base, and the condition of school buildings and other facilities.

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In the government-wide financial statements, the School System's activities include administration, regular instruction and special education, student personnel and health services, transportation, plant operations and maintenance, food and nutrition, community services, and student activities. County appropriations funded by taxes and other fees, as well as state formula aid, finance most of these activities.

The School System's Food and Nutrition program serves breakfast and lunch at all schools. The Food and Nutrition operation is supported by charges for meals, donated Federal food commodities, and reimbursements in accordance with government food programs.

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

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School System uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the School System are governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the school system's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School System maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, and the Capital Projects Fund, all of which are major funds.

- The **General Fund** is used to focus upon the operation of the School System's educational and support services programs. It accounts for all financial resources for the School System except those resources required to be accounted for in another fund.

- The **Special Revenue Fund** is used to record the financial transactions of the Food and Nutrition program. Revenue is primarily generated from State and Federal grants, Federal commodities, and the sale of student meals and a la carte items. The expenses are those related to providing student meals.
- The **Capital Projects Fund** reports the revenue and expenditures related to school construction projects ranging from site improvements to minor and major building renovation and addition projects. County and State resources primarily fund these expenditures.

The Fiduciary Funds financial statements are used to account for resources held for the benefit of parties outside the School System. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the School System's own programs. Additionally, there is no analysis of the School System's Fiduciary Fund in this Management's Discussion and Analysis. Fiduciary funds use the accrual basis of accounting.

The School System's Fiduciary Funds consist of the following:

- The **Retiree Benefit Trust Fund** consists of contributions of the School System to establish a reserve to pay for health and welfare benefits of future retirees. Contributions to the trust qualify as contributions within the meaning of Governmental Accounting Standards Board Statement Numbers 74 and 75. The basic fiduciary fund statements include the *Statement of Fiduciary Net Position* and the *Statement of Changes in Fiduciary Net Position* both in the Basic Financial Statements section.

### **Budget vs. Actual Financial Statements**

A *Statement of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual* is presented for the General Fund which is a legally adopted budget. This statement found in the Financial Section, shows original and final adopted budgets, along with actual revenues and expenditures compared to the final budget. Open encumbrances are treated as expenditures in this statement.

The *Special Revenue Fund* does not require a legally adopted budget, and therefore, a budget vs. actual comparison is not reported here.

The *Capital Projects Fund* is used to account for revenues and expenditures associated with the acquisition or construction of major capital projects. Projects are approved by the State and County governments on a project basis. Funds are appropriated as expenditures are recognized; therefore, a budget vs. actual comparison is not reported here.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

A comparison of Net Position for 2025 vs. 2024 is shown below:

	<u>2025</u>	<u>2024</u>	<u>Increase/(Decrease)</u>	
<b>Assets</b>				
Current assets	\$ 61,521,422	\$ 58,551,419	\$ 2,970,003	5.1%
Noncurrent assets	<u>182,533,750</u>	<u>162,244,482</u>	<u>20,289,268</u>	12.5%
Total assets	<u>244,055,172</u>	<u>220,795,901</u>	<u>23,259,271</u>	10.5%
<b>Deferred Outflow of Resources</b>				
OPEB related	11,080,487	13,275,994	(2,195,507)	(16.5)%
Pension related	<u>5,710,281</u>	<u>4,670,047</u>	<u>1,040,234</u>	22.3%
	<u>16,790,768</u>	<u>17,946,041</u>	<u>(1,155,273)</u>	(6.4)%
<b>Liabilities</b>				
Other liabilities	33,119,190	27,877,224	5,241,966	18.8%
Long-term liabilities	<u>81,527,918</u>	<u>85,267,215</u>	<u>(3,739,297)</u>	(4.4)%
Total liabilities	<u>114,647,108</u>	<u>113,144,439</u>	<u>1,502,669</u>	1.3%
<b>Deferred Inflow of Resources</b>				
OPEB related	20,144,846	15,349,855	4,794,991	31.2%
Pension related	<u>733,712</u>	<u>738,697</u>	<u>(4,985)</u>	(0.7)%
	<u>20,878,558</u>	<u>16,088,552</u>	<u>4,790,006</u>	29.8%
<b>Net Position</b>				
Net investment in capital assets	180,843,215	160,037,183	20,806,032	13.0%
Restricted	4,070,378	5,214,565	(1,144,187)	(21.9)%
Unrestricted	<u>(59,593,319)</u>	<u>(55,742,797)</u>	<u>(3,850,522)</u>	6.9%
Net position, end of year	<u>\$ 125,320,274</u>	<u>\$ 109,508,951</u>	<u>\$ 15,811,323</u>	14.4%

**Change in Net Position**

The School System's combined net position increased by \$15,811,323 or 14.4% during fiscal year 2025, to \$125,320,274. Net investment in capital assets increased by \$20,806,032, or 13.0%, mainly due to the construction of North East Middle/High School.

Other liabilities increased by \$5,241,966 or 18.8% mainly due to the increase in accounts payable resulting from school construction. Deferred Inflow of Resources increased overall by \$4,790,006 or 29.8% due to changes in the actuarial assumptions of salary increases and inflation.

**Statement of Activities**

A comparison of revenue by source and expense by function for 2025 vs. 2024 is shown below:

	<u>2025</u>	<u>2024</u>	<u>Increase/(Decrease)</u>	
<b>Revenue</b>				
Program Revenues				
Charges for services	\$ 1,665,994	\$ 1,818,518	\$ (152,524)	(8.4)%
Operating grants and contributions	151,677,394	117,133,795	34,543,599	29.5%
Capital grants and contributions	35,336,187	6,864,262	28,471,925	414.8%
General Revenues				
Grants and contributions not restricted to certain programs	129,502,276	165,125,109	(35,622,833)	(21.6)%
Other	3,911,648	2,097,680	1,813,968	86.5%
Total revenue	<u>322,093,499</u>	<u>293,039,364</u>	<u>29,054,135</u>	9.9%
<b>Expenses</b>				
Administration	10,927,262	9,260,111	1,667,151	18.0%
Mid-level administration	25,505,671	24,486,752	1,018,919	4.2%
Instruction	157,886,191	155,145,817	2,740,374	1.8%
Special education	51,758,187	48,352,887	3,405,300	7.0%
Student personnel services	3,057,282	2,539,491	517,791	20.4%
Student health services	3,730,118	3,482,562	247,556	7.1%
Student transportation	14,349,223	14,176,152	173,071	1.2%
Operation of plant	16,937,673	15,727,666	1,210,007	7.7%
Maintenance of plant	5,994,784	5,730,196	264,588	4.6%
Food and nutrition	10,789,955	9,466,039	1,323,916	14.0%
Community services	3,504,861	2,495,852	1,009,009	40.4%
Student activities	1,739,224	1,889,834	(150,610)	(8.0)%
Interest on long-term debt	101,745	134,073	(32,328)	(24.1)%
Total expenses	<u>306,282,176</u>	<u>292,887,432</u>	<u>13,394,744</u>	4.6%
Change in net position	15,811,323	151,932	15,659,391	10306.8%
Net position - beginning	<u>109,508,951</u>	<u>109,357,019</u>		
Net position - ending	<u>\$ 125,320,274</u>	<u>\$ 109,508,951</u>		

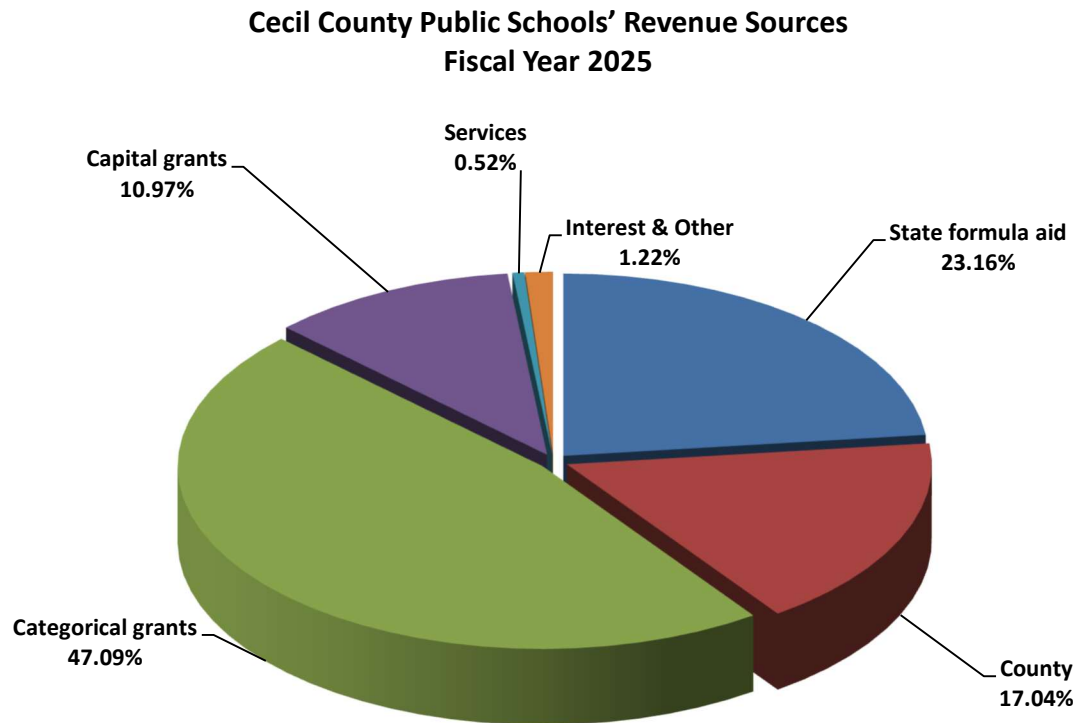
**Revenue (Statement of Activities)**

Cecil County Public Schools' revenues from fiscal year 2025 were in the amount of \$322,093,499. Program revenue came from three major sources. These include charges for services of \$1,665,994, operating grants and contributions from the State and Federal government of \$151,677,394, and Capital grants and contributions from Federal, State of Maryland and Cecil County Governments of \$35,336,187. In addition to program sources, the School System received general revenue from the State of Maryland of \$74,604,720, Cecil County Government of \$54,897,556, investment earnings of \$1,887,678 and other miscellaneous income of \$2,023,970.

The decrease in grants and contributions not restricted to certain programs from FY2024 is the result of the Blueprint for Maryland's Future Act (Blueprint). The legislation mandates much of the local government share of public education funding be allocated to specific programs that coincide with the mandated spending of the State government allocation. FY2025 was the first

year Maryland school systems were required to spend local allocations by specific programs, resulting in a shift of revenue between Program Revenue and General Revenue.

Charges for Services decreased by \$152,524 or 8.4% mainly due to the decrease in student meal sales because of the funding for CEP schools in the district. Operating grants and contributions increased by \$34,543,599 or 29.5% due to the addition of the local government share of the Blueprint program funding shift, which mandates spending the local allocation by program. Capital grants and contributions increased by \$28,471,925 or 414.8 % due to the construction of the new North East Middle/High School.



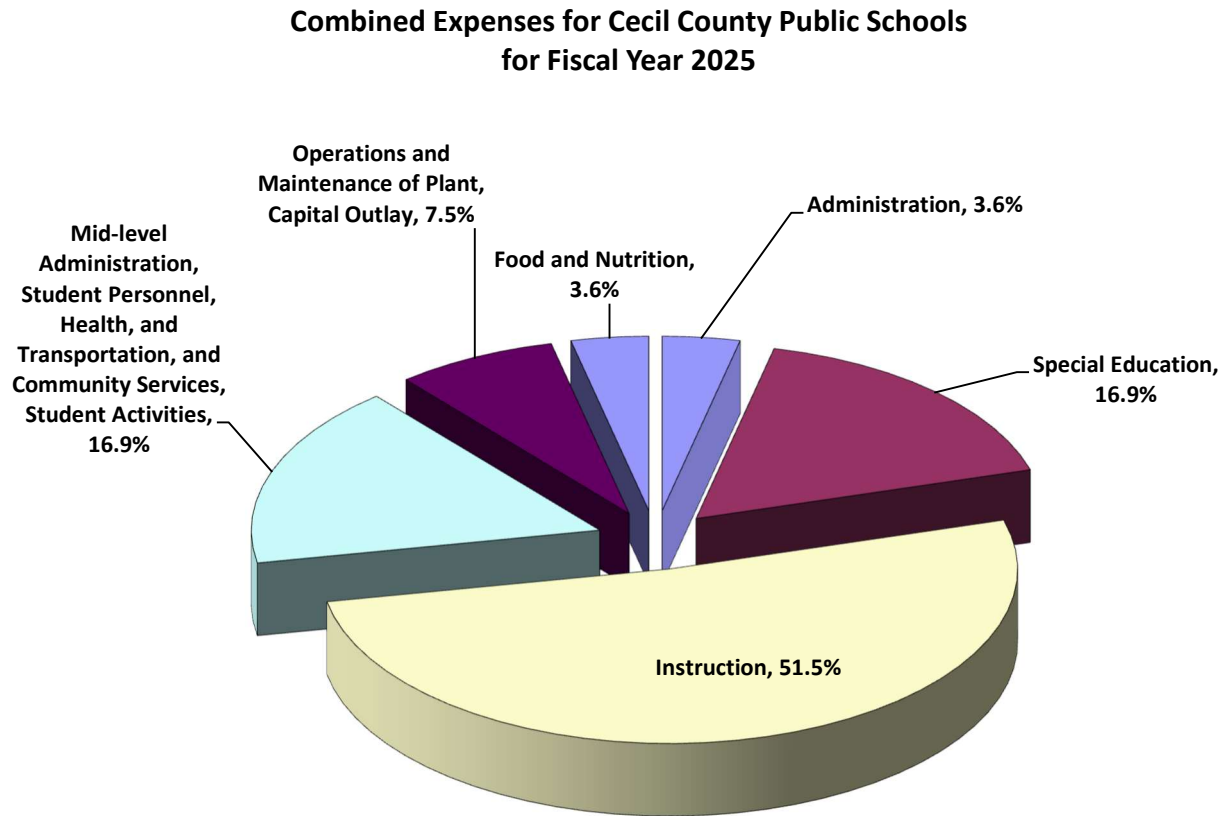
**Expenses (Statement of Activities)**

The revenues received during FY2025 were used to pay expenses of \$306,282,176. This is an increase of \$13,394,744 or 4.6% over FY2024. These expenses are reported by functional categories of activities established by the Maryland State Department of Education. Fringe benefit costs for employees have been distributed across each functional category to more accurately report the expenses of each function.

Instruction salaries and wages, supplies and materials, instructional technology, and equipment resulted in an overall increase of \$2,740,374 or 1.8% in the instruction categories. Mid-level administration increased by \$1,018,919 or 4.2%. Special Education increased by \$3,405,300 or 7.0%. Student personnel services increased by \$517,791 or 20.4%. Overall spending increased

by \$13,394,744 or 4.6% and revenue increased by \$29,054,135 or 9.9%. This resulted in an increase in net position of \$15,811,323.

The expenses classified by the state's categorical functions can be further summarized for FY2025 as follows:



**GOVERNMENT FUNDS FINANCIAL HIGHLIGHTS**

The total assets of the School System's government funds exceeded liabilities at the end of the fiscal year by \$29,669,342. Total government fund revenues increased by \$29,037,735 including a \$28,471,954 increase in the Capital Projects Fund due to an increase in federal and state funding and a \$796,577 increase in the Special Revenue Fund due to an increase in federal funding of school meal programs. The School System received \$102,244,523 or 31.7% of its governmental activities funding from the County, \$184,990,502 or 57.4% from the State, and \$25,781,040 or 8.0% from Federal grants.

**GOVERNMENT FUNDS FINANCIAL ANALYSIS**

**Major Fund Balances**

The following schedule shows the School System’s change in fund balances:

	General	Special Revenue	Capital Projects	Total Governmental Funds
Fund balance, beginning of year	\$ 26,832,140	\$ 5,309,589	\$ 57,691	\$ 32,199,420
Fund balance, end of year	25,394,091	4,060,324	214,927	29,669,342
Net change in fund balances	<u>\$ (1,438,049)</u>	<u>\$ (1,249,265)</u>	<u>\$ 157,236</u>	<u>\$ (2,530,078)</u>

The fund balance of the general fund decreased by \$1,438,049 from the previous year to \$25,394,091. The fiscal 2025 operating budget included an appropriation to utilize \$6,067,563 in revenue from the fund balance. This appropriation was unused due to the following unbudgeted revenue increases: higher than anticipated interest rates, receipt of prior years’ stop loss payments for health insurance claims that exceeded \$300,000, and late receipt of contractually obligated performance guarantees from the system’s pharmacy benefit service.

The Special Revenue fund balance decreased by \$1,249,265 from the previous year to \$4,060,324. The decrease is a result of purchases of school kitchen and cafeteria equipment.

The Capital Projects Fund balance increased \$157,236 from the previous year to \$214,927. All capital expenditures are approved on a project basis. Any fluctuation in the fund balance is due to the timing of expenditures and miscellaneous income not related to expenditures.

**General Fund Budgetary Highlights**

This measure can be useful as a measure of the General Fund’s liquidity. However, it is important to note that the School System is fiscally dependent on grants and appropriations from the County, State, and Federal governments.

The School System is authorized to transfer funds between major categories of the budget. The following schedule shows the budget amendments, the actual revenue and expenditures, and the remaining budget in each major category:

**CECIL COUNTY PUBLIC SCHOOLS**  
**Management's Discussion and Analysis**

**Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget vs. Actual</u>
<b>Revenue</b>					
Intergovernmental					
Cecil County, Maryland	\$ 97,550,830	\$ -	\$ 97,550,830	\$ 97,550,830	\$ -
State of Maryland	142,286,088	1,595,391	143,881,479	141,375,060	(2,506,419)
United States Government	13,055,387	4,772,378	17,827,765	15,297,237	(2,530,528)
Other sources					-
Investment interest	1,000,000	-	1,000,000	1,864,700	864,700
Other	6,501,694	5,911,743	12,413,437	5,099,041	(7,314,396)
Total revenue	<u>\$ 260,393,999</u>	<u>\$ 12,279,512</u>	<u>\$ 272,673,511</u>	<u>\$ 261,186,868</u>	<u>\$ (11,486,643)</u>
<b>Expenditures</b>					
Current					
Administration	\$ 6,342,875	\$ 1,130,640	7,473,514	\$ 6,596,971	\$ 876,543
Mid-level administration	17,569,062	324,982	17,894,044	17,878,665	15,379
Instruction salaries	92,034,703	(175,781)	91,858,922	90,862,038	996,884
Instruction materials and supplies	2,975,327	2,220,600	5,195,928	4,143,958	1,051,970
Instruction other costs	6,770,821	3,179,569	9,950,390	8,534,957	1,415,433
Special education	39,384,886	798,056	40,182,942	38,073,090	2,109,852
Student personnel services	2,227,523	(71,523)	2,156,000	2,145,059	10,941
Student health services	2,545,701	72,894	2,618,595	2,572,448	46,147
Student transportation	14,089,721	162,994	14,252,715	13,629,176	623,539
Operation of plant	14,285,263	161,085	14,446,348	13,925,925	520,423
Maintenance of plant	4,543,088	476,588	5,019,676	4,848,819	170,857
Fixed charges	54,066,625	1,706,666	55,773,291	54,670,203	1,103,088
Community services	3,135,441	436,792	3,572,233	2,642,244	929,989
Capital outlay	422,963	(44,050)	378,913	362,141	16,772
Student activity fees	-	1,900,000	1,900,000	1,739,223	160,777
Total expenditures	<u>\$ 260,393,999</u>	<u>\$ 12,279,512</u>	<u>\$ 272,673,511</u>	<u>\$ 262,624,917</u>	<u>\$ 10,048,594</u>

The General Fund is the School System's primary operating fund. The final budget of \$272,673,511 exceeded the original budget by \$12,279,512 including \$6,367,769 in Federal and State funding. Those funds are primarily in the categories of instruction materials and supplies, instruction other costs, special education, and fixed charges.

Actual expenditures were less than the final budget by \$10,048,594. \$5,036,947 is related to Federal and State grants that will carry over to fiscal 2026. Other unrestricted expenditures that did not occur include the areas of special education, non-public education and the cost of instruction within concentration of poverty schools. Unrestricted revenues were less than final budget by \$11,486,643 due to \$5,036,947 in Federal and State grants that will carry over to fiscal 2026 and \$6,067,563 budgeted use of fund balance in FY2025. At year end, general fund expenditures exceeded general fund revenues by \$1,438,049.

**Capital Assets and Long-Term Debt Activity**

The School System's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$180,843,215 (net of accumulated depreciation and amortization). This

investment in capital assets includes land, buildings, improvements, equipment, and construction in progress. The School System has no infrastructure assets (roads, bridges, streets, etc.).

The following schedule shows the School System’s capital assets by type:

<b>Cecil County Public Schools Capital Assets</b>		
<b>(net of depreciation and amortization)</b>		
	2025	2024
Land	\$ 7,602,489	\$ 7,602,489
Buildings	112,786,631	123,011,525
Improvements other than buildings	5,689,180	6,308,542
Furniture, fixtures, and equipment	14,612,931	15,802,962
Furniture, fixtures, and equipment - leased	1,656,341	2,186,767
Construction in progress	40,186,178	7,332,197
Total	\$ 182,533,750	\$ 162,244,482

The total increase in the School System’s net capital assets during the year including depreciation and amortization was \$20,289,268. Major capital project expenditures during the fiscal year ended June 30, 2025, included:

- Continuation of new school construction for North East Middle/High totaling \$29,736,977
- Continuation of Perryville High field house totaling \$1,401,836
- Start of School of Technology chiller replacement totaling \$1,656,052

By state statute, the School System owns assets, but not the debt associated with those facilities as it is fully dependent on the State and County governments. Capital expenditures are approved and funded by the state and local governments on a project basis. Future commitments on projects in progress total \$44,228,444. See Note 5 for details of changes in capital assets and construction commitments.

**Leases**

Right-of-use lease assets are recognized at the lease commencement date and represent the school system’s right to use an underlying asset for the lease term. Right-of-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-of-use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 1 to 4 years. Additional information on leases can be found in Note 7 to the financial statements.

### **Subscription-Based Information Technology Arrangements (SBITAs)**

Right-to-use subscription Information Technology (IT) assets are recognized at the subscription commencement date and represent the school system's right to use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 5 years. Additional information on leases can be found in Note 8 to the financial statements.

### **Fiduciary Fund**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, commonly referred to as Other Post-Employment Benefits (OPEB). The School System implemented GASB Statement No. 45 in fiscal year 2008. This addressed how governmental entities should account for and report their cost and obligation related to post employment healthcare and other non-pension benefits. Annual OPEB cost for employers our size will be based on actuarially determined amounts that, if paid on an ongoing basis, will provide sufficient resources to pay retiree benefits accrued during active service. The School System established an OPEB Trust and entered that Trust in a Pooled OPEB Investment Trust. Fiduciary responsibilities remain with the member Trustees serving as Trustees of the Pooled OPEB Investment Trust. In 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 specifies that employers recognize their net OPEB liability, and the related deferred outflows of resources, deferred inflows of resources and OPEB expense on their books and stipulates the incremental note disclosures and Required Supplementary Information in the financial reports of employers with defined benefit OPEB plans. The School System implemented GASB Statement No. 75 in fiscal year 2018.

### **FUTURE FINANCIAL IMPACTS**

In 2016, the Maryland General Assembly created the Blueprint for Maryland's Future Act (Blueprint). The Blueprint is a product of the recommendations made by the Commission on Innovation and Excellence in Education, more commonly known as the Kirwan Commission, which met over the course of three years with the charge of making substantive recommendations to the State of Maryland on better preparing students for college or the workforce. From there, the recommendations of this commission were proposed in the form of education reform bills. The final recommendations are grouped into five major policy areas:

(1) Early Childhood Education; (2) College and Career Readiness; (3) Career Ladder; (4) Supports for Students; and (5) Governance and Accountability. Funding within the Blueprint builds on the

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Bridge to Excellence Act of 2002. Foundational funding by the State is maintained with adjustments based on the wealth of the local jurisdiction, along with additional funding provided for economically disadvantaged students, multilingual learners, and special education students. To ensure increased per pupil funding, the Blueprint specifies the annual target per pupil foundation amounts to be provided each year from FY2023 for the next ten years, and relies on inflation thereafter. Specifically, the target per pupil amount includes costs associated with implementing the Blueprint including the five pillars: (1) Early Childhood Education; (2) High-quality and Diverse Teachers and Leaders; (3) College and Career Readiness; (4) More Resources to Ensure that All Students Are Successful; (5) Governance and Accountability. An Accountability and Implementation Board has been established and charged with developing a Comprehensive Implementation Plan for the Blueprint for Maryland's Future. Ultimately, the Blueprint interweaves funding, accountability, and purposeful mandates to alter the way Maryland school systems plan their budgets, programs, and outcome goals over the next decade.

During fiscal year 2019, the Board of Education developed a new Strategic Plan to monitor progress and School System priorities. Generally, the School System has been very successful in addressing all aspects of the Strategic Plan. The Strategic Plan, which is reviewed each year, has continued to serve as a guide to the School System to monitor performance in fiscal year 2025 and plan for fiscal year 2026 and beyond.

On March 11, 2021, the American Rescue Plan (ARP) Act was signed into law. It was unprecedented funding for the ARP Elementary and Secondary School Emergency Relief (ARP ESSER) Fund. Funds provided to State educational agencies and school districts to help safely reopen and sustain the safe operation of schools and address the impact of the coronavirus pandemic on the nation's students. The funds awarded by the ARP Act ended September 30, 2024.

On January 20, 2025, President Trump was sworn in for his second term. Since assuming office, President Trump has taken several actions to reshape federal funding for public education, largely driven by a philosophy of decentralizing authority and promoting school choice. A key focus has been on consolidating and reducing funding for specific programs, with the stated goal of giving states more flexibility. The administration has also frozen billions of dollars in allocated education funding, which has created uncertainty for school districts about what federal funding will be in the future.

## **THE BUDGET PROCESS**

The fiscal year 2026 approved operating budget, adopted in June 2025, was constructed using a modified application of zero-based budgeting based upon the School System's Strategic Plan and long-range fiscal plan. This budget supports the School System's mission by addressing the five Strategic Themes of the Board of Education.

Throughout the process of preparing the operating budget request, input is received from various stakeholder groups. All requests for additions, changes, and reductions are evaluated at the department and leadership level before the Superintendent makes a recommendation to the Board of Education for final adoption. The following are priorities that were considered during the fiscal year 2026 budget process:

- Reduced class size
- Academic/behavioral/mental health supports for students
- Technology refresh for staff and students
- School safety and security
- Maintenance of aging buildings and systems
- Recruitment and retention of employees
- Honoring negotiated agreements for all employee groups

**CONTACT FOR ADDITIONAL INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, vendors, and creditors with a general overview of the School System's finances and to demonstrate the School System's accountability for the funding it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, Cecil County Public Schools, George Washington Carver Education Leadership Center, 201 Booth Street, Elkton, Maryland 21921.

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# BASIC FINANCIAL STATEMENTS



**CECIL COUNTY PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2025**

<b>ASSETS</b>	<u><b>Governmental Activities</b></u>
<b>Current assets</b>	
Cash, cash equivalents, and investments	\$ 43,054,865
Due from Cecil County, Maryland	801,978
Due from State of Maryland	13,273,478
Due from United States Government	3,280,106
Accounts receivable	438,067
Prepaid items	468,055
Inventories	<u>204,873</u>
<b>Total current assets</b>	<u>61,521,422</u>
<b>Noncurrent assets</b>	
Land	7,602,489
Construction in progress	40,186,178
Buildings, net of accumulated depreciation	112,786,630
Improvements other than buildings, net of accumulated depreciation	5,689,180
Furniture, fixtures, and equipment, net of accumulated depreciation	14,612,932
Lease furniture, fixtures, and equipment, net of accumulated amortization	605,876
Subscription asset, net of accumulated amortization	<u>1,050,465</u>
<b>Total noncurrent assets</b>	<u>182,533,750</u>
<b>Total assets</b>	<u>244,055,172</u>
 <b>DEFERRED OUTFLOW OF RESOURCES</b>	
OPEB related	11,080,487
Pension related	<u>5,710,281</u>
<b>Total deferred outflows</b>	<u>16,790,768</u>
 <b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable and accrued expenses	29,076,700
Advances from others	2,314,623
Lease liability due within one year	268,408
Subscription liability due within one year	484,660
Compensated absences due within one year	514,042
Unearned revenue from State of Maryland	377,866
Unearned revenue from United States Government	<u>82,891</u>
<b>Total current liabilities</b>	<u>33,119,190</u>
<b>Noncurrent liabilities</b>	
Lease liability due in more than one year	327,616
Subscription liability due in more than one year	609,851
Compensated absences due in more than one year	4,114,192
Net OBEP liability	61,400,947
Net pension liability	<u>15,075,312</u>
<b>Total noncurrent liabilities</b>	<u>81,527,918</u>
<b>Total liabilities</b>	<u>114,647,108</u>
 <b>DEFERRED INFLOW OF RESOURCES</b>	
OPEB related	20,144,846
Pension related	<u>733,712</u>
<b>Total deferred inflows</b>	<u>20,878,558</u>
 <b>NET POSITION</b>	
Net Investment in capital assets	180,843,215
Restricted for:	
Capital projects	214,927
Food & nutrition services	3,855,451
Unrestricted	<u>(59,593,319)</u>
<b>Total net position</b>	<u>\$ 125,320,274</u>

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

**CECIL COUNTY PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

	Expenses	Program Revenue			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Function/programs</b>					
Administration	\$ 10,927,262	\$ -	\$ 831,145	\$ -	\$ (10,096,117)
Mid-level administration	25,505,671	-	2,574,626	-	(22,931,045)
Instruction salaries	132,603,438	238,927	70,029,059	-	(62,335,452)
Instruction materials and supplies	4,520,767	-	1,863,448	-	(2,657,319)
Instruction other costs	20,761,986	-	2,972,449	35,336,187	17,546,650
Special education	51,758,187	-	44,786,388	-	(6,971,799)
Student personnel services	3,057,282	-	2,344,933	-	(712,349)
Student health services	3,730,118	-	3,265,113	-	(465,005)
Student transportation	14,349,223	-	7,731,149	-	(6,618,074)
Operation of plant	16,937,673	-	631,203	-	(16,306,470)
Maintenance of plant	5,994,784	-	306,405	-	(5,688,379)
Food & nutrition services	10,789,955	1,398,028	9,279,252	-	(112,675)
Community services	3,504,861	29,039	3,449,998	-	(25,824)
Student activities	1,739,224	-	1,612,226	-	(126,998)
Interest on long-term debt	101,745	-	-	-	(101,745)
<b>Total governmental activities</b>	<u>\$ 306,282,176</u>	<u>\$ 1,665,994</u>	<u>\$ 151,677,394</u>	<u>\$ 35,336,187</u>	<u>(117,602,601)</u>
<b>General revenues</b>					
State aid not restricted to specific purposes					74,604,720
Local aid not restricted to specific purposes					54,897,556
Interest and investment earnings					1,887,678
Miscellaneous					2,023,970
					<u>133,413,924</u>
<b>Change in net position</b>					15,811,323
<b>Net position - beginning</b>					<u>109,508,951</u>
<b>Net position - ending</b>					<u>\$ 125,320,274</u>

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

**CECIL COUNTY PUBLIC SCHOOLS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash, cash equivalents, and investments	\$ 42,552,318	\$ 447,595	\$ 54,952	\$ 43,054,865
Due from Cecil County, Maryland	-	-	801,978	801,978
Due from State of Maryland	6,090,863	268,085	6,914,530	13,273,478
Due from United States Government	2,791,645	403,025	85,436	3,280,106
Due from General fund	-	2,877,337	-	2,877,337
Due from Capital Projects fund	1,740,852	-	-	1,740,852
Accounts receivable	322,855	115,212	-	438,067
Prepaid items	468,055	-	-	468,055
Inventory	-	204,873	-	204,873
Total assets	<u>\$ 53,966,588</u>	<u>\$ 4,316,127</u>	<u>\$ 7,856,896</u>	<u>\$ 66,139,611</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts payable	\$ 3,334,715	\$ 83,367	\$ 5,056,564	\$ 8,474,646
Accrued salaries	18,326,769	4,794	-	18,331,563
Estimated claims incurred but not reported	2,270,491	-	-	2,270,491
Advances from others	1,382,884	87,186	844,553	2,314,623
Due to General fund	-	-	1,740,852	1,740,852
Due to Special Revenue fund	2,877,337	-	-	2,877,337
Unearned revenue from State of Maryland	377,866	-	-	377,866
Unearned revenue from United States Government	2,435	80,456	-	82,891
Total liabilities	<u>28,572,497</u>	<u>255,803</u>	<u>7,641,969</u>	<u>36,470,269</u>
<b>Fund balances</b>				
Non-spendable				
Inventory	-	204,873	-	204,873
Prepaid expenditures	468,055	-	-	468,055
Restricted	-	3,855,451	214,927	4,070,378
Committed				
Budget contingency	5,267,821	-	-	5,267,821
Subsequent year's expenditures	10,000,000	-	-	10,000,000
Assigned				
Per Pupil Allotment for schools	459,996	-	-	459,996
Prekindergarten	186,981	-	-	186,981
Student activities	1,676,746	-	-	1,676,746
Technology / Cybersecurity	223,750	-	-	223,750
Small capital projects / Deferred maintenance	1,000,000	-	-	1,000,000
Health care	2,981,000	-	-	2,981,000
Unassigned	<u>3,129,742</u>	<u>-</u>	<u>-</u>	<u>3,129,742</u>
Total fund balance	<u>25,394,091</u>	<u>4,060,324</u>	<u>214,927</u>	<u>29,669,342</u>
Total liabilities and fund balance	<u>\$ 53,966,588</u>	<u>\$ 4,316,127</u>	<u>\$ 7,856,896</u>	<u>\$ 66,139,611</u>

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

**CECIL COUNTY PUBLIC SCHOOLS  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
WITH THE STATEMENT OF NET POSITION  
JUNE 30, 2025**

**Total Fund Balance for Governmental Funds (Page 54)** \$ 29,669,342

Amounts reported in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. (Note 5)

Capital assets	\$ 456,059,273	
Accumulated depreciation/amortization	<u>(273,525,523)</u>	182,533,750

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of: (Note 6)

Net OPEB liability	\$ (61,400,947)	
Net pension liability	(15,075,312)	
Lease liability	(596,024)	
Subscription liability	(1,094,511)	
Accrued vacation leave	<u>(4,628,234)</u>	(82,795,028)

Deferred outflows related to pensions		5,710,281
Deferred outflows related to OPEB		11,080,487

Deferred inflows related to OPEB		(20,144,846)
Deferred inflows related to pensions		<u>(733,712)</u>

**Net Position of Governmental Activities (Page 53)** \$ 125,320,274

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

**CECIL COUNTY PUBLIC SCHOOLS**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2025**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenue</b>				
Intergovernmental				
Cecil County, Maryland	\$ 97,550,830	\$ -	\$ 4,693,693	\$ 102,244,523
State of Maryland	156,428,599	661,075	27,900,828	184,990,502
United States Government	15,854,347	8,611,115	1,315,578	25,781,040
Other sources				
Sale of food	-	1,398,028	-	1,398,028
Investment interest	1,864,700	20,229	2,748	1,887,677
Other	4,355,529	7,284	1,426,088	5,788,901
Total revenue	<u>276,054,005</u>	<u>10,697,731</u>	<u>35,338,935</u>	<u>322,090,671</u>
<b>Expenditures</b>				
Current				
Administration	6,708,538	705,713	1,271,600	8,685,851
Mid-level administration	17,959,809	-	-	17,959,809
Instruction salaries	90,862,038	-	-	90,862,038
Instruction materials and supplies	4,515,972	-	2,793	4,518,765
Instruction other costs	8,585,457	-	33,907,306	42,492,763
Special education	38,204,787	-	-	38,204,787
Student personnel services	2,145,059	-	-	2,145,059
Student health services	2,572,448	-	-	2,572,448
Student transportation	13,629,176	-	-	13,629,176
Operation of plant	13,925,925	-	-	13,925,925
Maintenance of plant	3,479,603	-	-	3,479,603
Fixed charges	69,511,822	1,052,778	-	70,564,600
Community services	2,661,452	-	-	2,661,452
Food & nutrition services				
Salaries and wages	-	3,208,579	-	3,208,579
Food	-	4,775,343	-	4,775,343
Contracted services	-	232,824	-	232,824
Supplies and materials	-	1,533,907	-	1,533,907
Other operating cost	-	447,947	-	447,947
Student activities	1,739,223	-	-	1,739,223
Capital outlay	362,141	-	-	362,141
Debt service				
Principal	1,267,471	-	-	1,267,471
Interest	101,745	-	-	101,745
Total expenditures	<u>278,232,666</u>	<u>11,957,091</u>	<u>35,181,699</u>	<u>325,371,456</u>
Excess (deficiency) of revenue over expenditures	<u>(2,178,661)</u>	<u>(1,259,360)</u>	<u>157,236</u>	<u>(3,280,785)</u>
<b>Other financing sources</b>				
Leases	557,946	10,095	-	568,041
Subscriptions	182,666	-	-	182,666
Total other financing sources (uses)	<u>740,612</u>	<u>10,095</u>	<u>-</u>	<u>750,707</u>
Net change in fund balances	(1,438,049)	(1,249,265)	157,236	(2,530,078)
Fund balance, beginning of year	<u>26,832,140</u>	<u>5,309,589</u>	<u>57,691</u>	<u>32,199,420</u>
Fund balance, ending	<u>\$ 25,394,091</u>	<u>\$ 4,060,324</u>	<u>\$ 214,927</u>	<u>\$ 29,669,342</u>

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

**CECIL COUNTY PUBLIC SCHOOLS  
RECONCILIATION OF NET CHANGE IN FUND BALANCE WITH CHANGE IN NET POSITION  
YEAR ENDED JUNE 30, 2025**

**Net Change in Fund Balance - Total Governmental Funds (Page 56)** \$ (2,530,078)

Amounts reported in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in government funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period. (Note 5)

Depreciation/amortization expense	(14,952,249)
Capital outlays	35,336,638
Disposal of capital assets net of depreciation	(95,121)

The issuance of lease obligations (including subscriptions) provide current financial resources to governmental funds, while the repayment of the principal of lease obligations consumes financial resources of governmental funds. Neither, however, has any effect on net position. (Note 6)

(750,707)

Net repayment and recognition of lease obligations (including subscriptions) principal is an expenditure in the governmental funds, but these changes reduce long-term liabilities in the statement of net position and do not affect the statement of activities. (Note 6)

1,267,471

Pension costs reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(502,651)

OPEB costs reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(1,512,208)

In the Statement of Activities, accrued leave is measured by amounts earned during the year. In the governmental funds, however, expenditures for this item are measured by the amount of financial resources used. This year, vacation earned was more than the amounts used. (Note 6)

(449,772)

**Change in Net Position of Governmental Activities (Page 53)** \$ 15,811,323

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

**CECIL COUNTY PUBLIC SCHOOLS**  
**STATEMENT OF REVENUE, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenue</b>				
Intergovernmental				
Cecil County, Maryland	\$ 97,550,830	\$ 97,550,830	\$ 97,550,830	\$ -
State of Maryland	142,286,088	143,881,479	141,375,060	(2,506,419)
United States Government	13,055,387	17,827,765	15,297,237	(2,530,528)
Other sources				
Investment interest	1,000,000	1,000,000	1,864,700	864,700
Other	6,501,694	12,413,437	5,099,041	(7,314,396)
Total revenue	<u>260,393,999</u>	<u>272,673,511</u>	<u>261,186,868</u>	<u>(11,486,643)</u>
<b>Expenditures and encumbrances</b>				
Current				
Administration	6,342,875	7,473,514	6,596,971	876,543
Mid-level administration	17,569,062	17,894,044	17,878,665	15,379
Instruction salaries	92,034,703	91,858,922	90,862,038	996,884
Instruction materials and supplies	2,975,327	5,195,928	4,143,958	1,051,970
Instruction other costs	6,770,821	9,950,390	8,534,957	1,415,433
Special education	39,384,886	40,182,942	38,073,090	2,109,852
Student personnel services	2,227,523	2,156,000	2,145,059	10,941
Student health services	2,545,701	2,618,595	2,572,448	46,147
Student transportation	14,089,721	14,252,715	13,629,176	623,539
Operation of plant	14,285,263	14,446,348	13,925,925	520,423
Maintenance of plant	4,543,088	5,019,676	4,848,819	170,857
Fixed charges	54,066,625	55,773,291	54,670,203	1,103,088
Community services	3,135,441	3,572,233	2,642,244	929,989
Capital outlay	422,963	378,913	362,141	16,772
Student activities	-	1,900,000	1,739,223	160,777
Total expenditures and encumbrances	<u>260,393,999</u>	<u>272,673,511</u>	<u>262,624,917</u>	<u>10,048,594</u>
EXCESS OF REVENUE OVER EXPENDITURES AND ENCUMBRANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,438,049)</u>	<u>\$ (1,438,049)</u>
Fund balance - beginning			<u>\$ 26,832,140</u>	
Fund balance, ending			<u>\$ 25,394,091</u>	

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

**CECIL COUNTY PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2025**

<b>ASSETS</b>	<u>Retiree Benefit Trust Fund</u>
MABE - OPEB Investment Trust	<u>\$ 17,020,295</u>
Total assets	<u>17,020,295</u>
<b>NET POSITION</b>	
Restricted for other post-employment benefits	<u>\$ 17,020,295</u>
	<u><u>\$ 17,020,295</u></u>

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

**CECIL COUNTY PUBLIC SCHOOLS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2025**

	<b>Retiree Benefit Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Contributions from retirees	\$ 3,433,908
Total contributions	3,433,908
Investment income:	
Investment earnings/loss	1,305,051
Investment cost	(49,957)
Total net additions	4,689,002
<b>DEDUCTIONS</b>	
Administration service fees	1,178
Auditing fees	3,700
Insurance expense	3,524
Consulting fees	
Benefit payments from retirees	3,433,908
Total deductions	3,442,310
Change in net position	1,246,692
Net position - beginning	15,773,603
Net position - ending	\$ 17,020,295

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The School System is a body politic and corporate established through the Education Article of the Annotated Code of Maryland in 1868. Educational services are provided to students preschool through graduation in 30 school facilities owned and operated in Cecil County, Maryland by the Board of Education of Cecil County, a five member Board elected to four-year terms and one student member who serves for one year. The Board has the responsibility to maintain a reasonable, uniform system of public schools to provide quality education for all youth of Cecil County. A small number of students are placed in state-operated and non-public educational facilities to meet their special needs.

The School System is a component unit of Cecil County, Maryland and the School System's financial results are included in the County's Annual Comprehensive Financial Report. An elected County Council is responsible for approving the School System's budget. The County is responsible for levying taxes and collecting and distributing funds to the School System. The School System is financially dependent upon appropriations from the County.

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

**B. Government-wide Financial Statements**

The government-wide financial statements report on all of the non-fiduciary activities of the primary government. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds and are eliminated from the statements. Inter-fund charges to the Special Revenue Fund representing administrative overhead charges from the General Fund are included in direct expenses and not eliminated. The School System does not have business-type activities; therefore, the statements only include governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes: 1) charges to individuals who directly benefit from the goods or services provided by the function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Items not included among program revenue are reported instead as general revenue.

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

**Government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Governmental funds 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 measurable and available. Generally, the School System considers revenue measurable and available when appropriated or otherwise known to be forthcoming from the funding sources. For this purpose, the School System considers revenues available if they are collected within 60 days of the end of the fiscal year. Special grant program revenue is recognized in accordance with the terms of the grant; generally, at the time program funds are expended. Principal revenue sources considered susceptible to accrual include Federal and State grants and local County government appropriations. The School System, on a direct basis, generates no tax revenue.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Exceptions to this practice include Special Revenue Fund inventory items considered expenditures at the time the items are used and debt service recorded as an expenditure at the time payment is made by the County government.

Special Revenue Fund revenue and expenditures include the value of commodities donated by the United States Department of Agriculture which were consumed during the fiscal year. The value of donated commodities in inventory at year-end is reported as unearned revenue. Revenues are considered available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School System considers revenue to be available if it is collected within 60 days of the end of the current fiscal year.

The funds are separately accounted for in accordance with the purpose of the related revenue and expenditures. The financial statements present the results of operations of the funds with the measurement focus on the sources, uses, and balance of financial resources.

The School System uses three major funds. These funds comprise the total governmental funds as described below:

- The **General Fund** is used to focus upon the operation of the School System’s educational and support services programs. It accounts for all financial resources for the School System except those resources required to be accounted for in another fund. Major revenue sources are the County, State, and Federal governments. Minor sources of revenue come from other sources such as rebates, tuition, and interest.
- The **Special Revenue Fund** is used to record the financial transactions of the Food and Nutrition program. Revenue is primarily generated from the State and Federal grants, Federal commodities, and the sale of student meals and a la carte items.
- The **Capital Projects Fund** reports the revenue and expenditures related to school construction projects ranging from site improvements to minor and major building renovation and addition projects. County and State resources primarily fund these expenditures.

The School System’s Fiduciary Funds consist of the following:

- The **Retiree Benefit Fiduciary Trust Fund** consists of contributions of the School System to establish a reserve to pay for health and welfare benefits of future retirees. Contributions to the trust qualify as contributions and are reported using the economic resources measurement focus and the accrual basis of accounting under which expenses are recorded when the liability is incurred. Fiduciary funds are not reported in the government-wide financial statements.

#### **D. Assets, Liabilities, and Net Position or Equity**

##### **Cash, Cash Equivalents, and Investments**

The School System follows Governmental Accounting Standards Board Statement 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools,” which requires marketable securities to be carried at fair value.

The School System also follows Governmental Accounting Standards Board Statement 79, “Certain External Investment Pools and Pool Participants,” which requires disclosure of specific criteria regarding external investment pools. The School System has an Investment Pool account with the Maryland Local Government Investment Pool (MLGIP) and other funds designated for Other Post-Employment Benefits held by the Maryland Association of Boards of Education (MABE).

The School System is bound by Maryland law (COMAR 6-222) to minimize credit and interest rate risk by investing only in the highest quality investments, and therefore, has no formal Board investment policy. The law states that permissible investments are limited to U.S. Treasury and U.S. Government Agency obligations, collateralized repurchase agreements and certificates of deposit, money market mutual funds of the highest rating, and any investment portfolio created under the MLGIP. No direct investment may have a maturity date of more than 13 months after its acquisition. Securities of the MLGIP are valued daily on an amortized cost basis, which approximates market value, and are held to maturity under normal circumstances.

MLGIP seeks to maintain constant unit value of \$1.00 per unit. Unit value is computed using the amortized cost method. In addition, the net asset value of the MLGIP, market to market, is calculated and maintained on a daily basis to ensure a \$1.00 per unit constant value. Investment guidelines and limits require liquidity and diversification regarding the MLGIP. There is no formal minimum overnight liquidity position; however, it is anticipated that the MLGIP generally will operate with a minimum of 10% of the total assets in next business day maturities. Generally, the MLGIP's average life will range between 25-55 days. Maximum overnight liquidity position may be 100% of assets. The MLGIP has set standards regarding exposure to specific diversification. The limits are set to minimize risk.

The fair value of the position in the MLGIP is the same as the value of the MLGIP net assets (shares). The Maryland Local Government Investment Pool is duly chartered, administered, and subject to regulatory oversight by the State of Maryland. This pool is managed in a "Rule 2(a)-7 like" manner and has an S&P rating of AAAM. This report can be obtained in writing: Maryland Local Government Investment Pool, c/o PNC Institutional Investments Group, One East Pratt Street, Baltimore, Maryland, 21202; by calling 1-800-492-5160; or the website, [www.mlgip.com](http://www.mlgip.com).

The Board has funds designated for Other Post-Employment Benefits that are held by MABE. As of June 30, 2025, MABE held \$17,020,295 in cash and cash equivalents in the investment pool for the Board. The investment policy of MABE is set and monitored by MABE's Board of Trustees. MABE primarily invests in registered securities and mutual funds. The MABE Trust is a Common trust fund which is comprised of shares or units in a commingled fund that is not publicly traded. Underlying assets in these funds include money market funds, U.S. government securities, fixed income securities, asset backed securities, equity securities, mutual funds, and exchange traded funds and are valued at their Net Asset Values ("NAVs") calculated by the Trust Administrator. The School System may terminate its membership in the Trust and withdraw its allocated investment balance by providing written notification to the Trust six months prior to the intended withdrawal date.

The Annotated Code of Maryland authorizes the School System to invest in the following: time deposits, savings accounts, and demand deposit accounts in banks and savings and loan associations that are secured with collateral as set forth in the State Finance and Procurement Article; any investment portfolio created under the Maryland Local Government Investment Pool that is administered by the Office of the State Treasurer; an obligation for which the United States

has pledged its full faith and credit for the payment of the principal and interest; an obligation that a federal agency or a federal instrumentality has issued in accordance with an act of congress; a repurchase agreement collateralized in an amount not less than 102% of the principal amount by an obligation of the United States, its agencies or instrumentalities; bankers' acceptances guaranteed by a financial institution with a short-term debt rating in the highest letter; commercial paper and money market mutual funds that contain only securities listed above receiving the highest possible rating.

### **Receivables**

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business. Governmental fund type receivables consist primarily of amounts due from the County, State, or Federal governments, or other Maryland Boards of Education. These intergovernmental receivables are generally collected within 90 days of the end of the fiscal year.

### **Inter-fund Balances/Inter-fund Activity**

Inter-fund receivable and payable balances are non-interest bearing and are normally settled in the subsequent period. All governmental funds' payables are disbursed through the General Fund. Inter-fund activity consists primarily of transfers from other funds to the General Fund to cover accounts payable. Inter-fund expenditures disbursed from the General Fund are reimbursed the following period.

### **Inventories and Prepaid Items**

The Special Revenue Fund inventories include Federal government donated food commodities that are valued at estimated market value. The remaining inventories are accounted for under the consumption method and are stated at average cost.

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

### **Capital Assets**

Capital assets which include land, land improvements, buildings, and equipment are defined by the School System as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Sensitive items, such as cameras, computers, and computer peripherals are tracked similarly to a capital asset but are not capitalized or depreciated over the life of the item. Donated capital assets are recorded at acquisition value at the date of the donation.

Major outlays for capital assets and improvements are capitalized as projects when completed. Costs of uncompleted projects are accumulated in construction-in-progress and are carried at the lower of cost or market. The School System does not incur debt for the construction of capital projects; therefore, construction period interest is not expensed. Land improvements, buildings, and equipment with a value in excess of \$5,000 are depreciated using the straight-line method over the following estimated useful life:

Assets	Years
Improvements	20 - 30
Buildings	10 - 50
Equipment	5 - 20

Right-of-use lease assets are recognized at the lease commencement date and represent the school system’s right to use an underlying asset for the lease term. Right-of-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-of-use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 1 to 4 years.

Right-to-use subscription Information Technology (IT) assets are recognized at the subscription commencement date and represent the school system’s right to use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 5 years.

**Accrued Salaries**

Teachers’ salaries are considered earned at the completion of the school year. Teachers who are eligible may elect to be paid their ten-month salary over twelve months. The salaries are paid within the first two months of the succeeding fiscal year.

**Health Insurance and Estimated Claims Incurred but Not Reported**

The School System participates in a “minimum premium plan” for its two healthcare insurance plans. Under these plans, the School System is responsible for paying all claims up to an agreed upon level. Individual stop loss insurance policies are responsible for claims more than \$300,000. The School System has provided an accrual for claims incurred for the current fiscal year but not reported.

### **Compensated Absences**

Twelve-month employees earn annual leave at varying rates depending upon position and length of service. An employee's annual leave balance in excess of 50 days as of June 30 must be utilized by August 31 or be forfeited. Employees earn sick leave at varying rates of 10 to 12 days per year depending upon position. There is no limit to the accumulation of sick leave. At termination, employees are not paid for accumulated sick leave; however, at retirement up to 10 days of sick leave are paid to the employee, and the balance may be used as additional credited service under the retirement plan.

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

The total compensated absence liability was \$4,628,234 at June 30, 2025, classified as a long-term liability in the government-wide statements. Key factors influencing the assessment of the "more likely than not" criteria include the government's established leave policies and historical data regarding employee usage and forfeiture of leave. Expenditures in the Statement of Revenues and Expenditures for such items are the amounts accrued during the year that normally would be liquidated with expendable available financial resources.

### **Long-term Obligations**

The School System has no authority to issue bonded debt. Debt incurred by the County or State governments to finance school construction remains a debt of the issuing government and along with the related debt service, is not reported in the School System's financial statements. The School System occasionally finances the purchase of school buses, maintenance vehicles, and building improvements over periods ranging from three to five years. All long-term obligations are subject to the School System's annual appropriation from the state and local governments.

### **Unearned Revenue**

Unearned revenue occurs when the School System receives funds before it has a legal claim to them or when funds received do not meet the criteria for recognition in the current period. Unearned revenue for governmental activities consists of tuition payments received in advance of summer programs, restricted grant funds advanced to the School System, and the value of donated food commodities not used.

### **Net Position and Fund Balance**

In the *Statement of Net Position*, net position is reported as net investment in capital assets, restricted (based on some externally imposed restrictions on use of funds, such as grant funding for a specific purpose), or unrestricted.

In the *Balance Sheet - Governmental Funds*, the fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned in accordance with Board adopted Fund Balance policy. The fund balance of the Board has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain a fund balance of not less than 2% with a goal of 5% of annual operating expenditures for the fiscal year.

The Board’s basic goal is to maintain annual expenditure increases at a growth rate and to limit expenditures to anticipated revenue to maintain a balanced budget. The decision to retain a total fund balance of not less than 2% with a goal of 5% of operating expenditures is governed by Board Policy DFAA, and stems from the following:

- This amount provides the liquidity necessary to accommodate the Board’s uneven cash flow.
- This amount provides the liquidity to cover contingent liabilities.
- Any amount above 2% of operating expenditures is reported as assigned or unassigned fund balance.

The Board policy states that most restricted dollars will be spent before less restricted dollars in the following order:

1. Non-spendable (if funds become spendable)
2. Restricted
3. Committed
4. Assigned
5. Unassigned

Non-spendable – Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact. This component includes prepaid expenses related to healthcare and inventory related to food services.

Restricted – This component includes funds that are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed – This component includes amounts for which constraints have been imposed by the Board, using the highest level of decision-making authority via Board vote in accordance with the

Fund Balance policy. In addition, these constraints can only be removed or changed through formal action by the Board. This component includes funds approved in the current fiscal year for use in the subsequent fiscal year. Board Policy states that the target is to maintain a total fund balance of not less than 2% with a goal of 5% of annual operating expenditures for the fiscal year. Any portion of the fund balance required to meet the 2% policy is automatically considered a committed balance. Any additional amount greater than 2% must be determined by Board vote prior to June 30 of the current reporting period.

Assigned – This component includes a contingency for the projected maximum liability for the medical, dental, vision, and drug plans in excess of established premiums and a budget contingency due to unforeseen events in the General Fund. The authority of assigning fund balance is expressed by the Superintendent and Chief Financial Officer.

Unassigned – This component consists of the amount that has not been committed or assigned to a specific purpose and exceeds the 2% of the annual operating budget fund balance minimum requirement. A negative unassigned balance may be reported if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

For the General Fund, the School System's \$25,394,091 fund balance is 9.6% of the fiscal year 2025 total expenditures. \$468,055 is non-spendable, \$6,528,473 is assigned, and \$15,267,821 is committed as a reserve for contingencies for fiscal year 2026 and to satisfy the Fund Balance policy.

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Non-spendable				
Inventory	\$ -	\$ 204,873	\$ -	\$ 204,873
Prepaid expenditures	<u>468,055</u>	-	-	<u>468,055</u>
	468,055	204,873	-	672,928
Restricted				
Cost of operations food service	-	3,855,451	-	3,855,451
Cost of operations capital outlay	<u>-</u>	<u>-</u>	<u>214,927</u>	<u>214,927</u>
	-	3,855,451	214,927	4,070,378
Committed				
Subsequent year's expenditures	10,000,000	-	-	10,000,000
Budget contingency	<u>5,267,821</u>	-	-	<u>5,267,821</u>
	15,267,821	-	-	15,267,821
Assigned				
Per Pupil Allotment for schools	459,996	-	-	459,996
PreKindergarten	186,981	-	-	186,981
Technology/cybersecurity	223,750	-	-	223,750
Student activities	1,676,746	-	-	1,676,746
Small capital projects/Deferred maintenance	1,000,000	-	-	1,000,000
Health care	<u>2,981,000</u>	-	-	<u>2,981,000</u>
	6,528,473	-	-	6,528,473
Unassigned	<u>3,129,742</u>	-	-	<u>3,129,742</u>
Total fund balance, June 30, 2025	<u>\$ 25,394,091</u>	<u>\$ 4,060,324</u>	<u>\$ 214,927</u>	<u>\$ 29,669,342</u>
Total fund balance, June 30, 2024	<u>26,832,140</u>	<u>5,309,589</u>	<u>57,691</u>	<u>32,199,420</u>
Net change in fund balance	<u>\$ (1,438,049)</u>	<u>\$ (1,249,265)</u>	<u>\$ 157,236</u>	<u>\$ (2,530,078)</u>

**Recent Accounting Pronouncements**

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

**NOTE 2 BUDGETARY INFORMATION**

**A. Budgetary Requirements**

The School System follows the budget requirements for local school systems within the State of Maryland as specified by state law:

1. The School System must submit an annual budget for its General Fund and project budgets for its Capital Projects Fund to the County Executive prior to February 28.
2. The County Executive must submit a complete County budget to the County Council no later than April 1.
3. Following public hearings, the County Council must approve the budgets by June 15.
4. Subsequent supplemental appropriations also require the County Executive and County Council's approval.
5. The General Fund budget is prepared and approved by major expenditure categories as specified by state law. Actual expenditures may not exceed appropriations for a category. These categories include:

Administration	Student transportation
Instruction leadership and support	Operation of plant
Instruction salaries	Maintenance of plant
Instruction materials and supplies	Fixed charges
Instruction other costs	Community services
Special education	Capital outlay
Student personnel services	Student activities
Student health services	

6. The School System has the authority to transfer funds between objects of expenditures (i.e. salaries and wages, contracted services, materials and supplies, other charges, and equipment) within major categories, but must notify the County of such action at the end of each month. In accordance with the Education Article, Title 5, §5-105, of Maryland Annotated Code, the School System may not exceed the appropriation by category.
7. The management and staff of the School System are responsible for preparing the budget, monitoring budgetary expenditures, reporting, and making recommendations for transfers between objects of expenditures and major categories.
8. Unencumbered appropriations lapse at the end of each year, except in the capital projects fund where appropriations do not lapse. Encumbered appropriations are liquidated through expenditures in the subsequent fiscal year. The portion of fund balance related to lapsed appropriations must be re-appropriated.

**B. Reconciliation between GAAP and Budgetary Basis**

Budgets are not established on a basis consistent with Generally Accepted Accounting Principles (GAAP) in the United States of America. The *Statement of Revenue, Expenditures, Encumbrances, and Changes in Fund Balance – Budget (non-GAAP budgetary basis) and Actual – General Fund* has been prepared on a prescribed budgetary basis of accounting to demonstrate compliance with legal requirements of Cecil County, the State of Maryland, and special Federal and State grant programs.

The differences between the GAAP and budgetary basis relating to the General Fund are shown below.

<u>General Fund</u>	
Fund Balance Ending, June 30, 2025 – Non-GAAP	\$ 25,394,091
Maryland State Department payments to State Retirement and Pension System on behalf of the School System for eligible employees	
Revenue	14,841,619
Expenditures	(14,841,619)
Net encumbrances reported as expenditures for budget purposes and not in GAAP statements	
Revenue	(766,130)
Expenditures	<u>766,130</u>
New lease and subscriptions contracts reported as other financing sources for GAAP statements and not for budget purposes	
Revenue	750,707
Expenditures	<u>(750,707)</u>
Fund Balance Ending, June 30, 2025 – GAAP Basis	<u>\$ 25,394,091</u>

**NOTE 3 DEPOSITS AND INVESTMENTS**

By statute, the School System is authorized to invest in obligations of the U.S. Government and agencies, bankers’ acceptance agreements, repurchase agreements fully collateralized by U.S. Government securities, mutual funds which invest in U.S. Government securities, and the Maryland Local Government Investment Pool.

**Deposits**

As of June 30, 2025, the carrying amount and bank balances of the School System’s deposits with financial institutions totaled \$19,101,775 and \$19,232,217 respectively. Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it. As of June 30, 2025, the School System’s bank balances were not exposed to any custodial risk since all deposits were either covered by the Federal Deposit Insurance Corporation (“FDIC”) or

fully collateralized with the collateral held by a third party in the School System's name.

### **Short-Term Investments**

The School System is bound by Maryland law (COMAR, Maryland State Finance and Procurement Section 6-222) to minimize credit and interest rate risk by investing only in the highest quality investments, and therefore, has no formal Board investment policy. The law states that permissible investments are limited to U.S. Treasury and U.S. Government Agency obligations, collateralized repurchase agreements and certificates of deposit, money market mutual funds of the highest rating, and any investment portfolio created under the Maryland Local Government Investment Pool.

The carrying amount and market value of such investments were \$23,496,696 for the general fund, \$401,067 for the special revenue fund, and \$54,952 for the capital projects fund, respectively.

The Maryland Local Government Investment Pool is duly chartered, administered and subject to regulatory oversight by the State of Maryland. The MLGIP seeks to maintain a constant unit value of \$1.00 per unit. Unit value is computed using the amortized cost method. In addition, the net asset value of the pool, marked to market, is calculated and maintained on a weekly basis to ensure a \$1.00 per unit constant value. This pool is managed in a "Rule 2(a)-7 like" manner and has an S&P rating of AAAM. The fair value of our position in the pool is equal to the shares outstanding.

### **Long-term Investments**

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

The investments of the MABE Trust are stated at fair value and are managed by Wells Fargo Advisors and consist of money market funds, U.S. government and agency fixed income and asset backed securities, equity securities, mutual funds and exchange traded funds, and corporate bonds and corporate asset backed securities. The School Systems' investment in the MABE Trust is valued at Net Asset Value which is calculated as the School Systems' proportionate share of the MABE Trust. As of June 30, 2025, the pooled net position of the MABE Trust was \$772,157,082 in total, of which the School System's allocated investment balance was \$17,020,295. The School System places no limits on the amount they may be invested with any one issuer. The School System may terminate its membership in the MABE Trust and withdrawal its allocated

investment balance by providing written notice six months prior to the intended date of withdrawal.

The MABE Trust is audited annually by an independent CPA firm. For the current year Cohen & Company of Hunt Valley, Maryland performed this service. The audit report is usually issued by September 1<sup>st</sup> of each year, a copy of which can be obtained by sending a request to the following address: Administrator of the MABE Pooled Investment Trust, 621 Ridgely Road, Suite 300, Annapolis, Maryland 21401-1112.

**NOTE 4 INTER-FUND RECEIVABLES, PAYABLES**

The composition of inter-fund balances as of June 30, 2025, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Purpose	Amount
Special Revenue	General	Timing of payment	\$ 2,877,337
General	Capital Projects	Timing of payment	<u>1,740,852</u>
		Total	<u><u>\$ 4,618,189</u></u>

**NOTE 5 CAPITAL ASSETS**

**A. Activity**

The following is a summary of the changes in the capital assets owned by the School System during the fiscal year 2025:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated				
Land	\$ 7,602,489	\$ -	\$ -	\$ 7,602,489
Construction-in-progress	7,332,197	35,181,699	(2,327,718)	40,186,178
Total capital assets not being depreciated	<u>14,934,686</u>	<u>35,181,699</u>	<u>(2,327,718)</u>	<u>47,788,667</u>
Capital assets being depreciated and amortized				
Buildings	349,698,749	658,310	-	350,357,059
Improvements other than buildings	19,618,776	207,146	-	19,825,922
Furniture, equipment and vehicles	32,021,629	866,494	(552,224)	32,335,899
Furniture, equipment, vehicles and subscriptions - lease	5,061,851	750,707	(60,832)	5,751,726
Total capital assets being depreciated and amortized	<u>406,401,005</u>	<u>2,482,657</u>	<u>(613,056)</u>	<u>408,270,606</u>
Less accumulated depreciation and amortization for				
Buildings	(226,687,224)	(10,883,204)	-	(237,570,428)
Improvements other than buildings	(13,310,234)	(826,508)	-	(14,136,742)
Furniture, equipment and vehicles	(16,218,667)	(2,022,236)	517,935	(17,722,968)
Furniture, equipment, vehicles and subscriptions - lease	(2,875,084)	(1,220,301)	-	(4,095,385)
Total accumulated depreciation and amortization	<u>(259,091,209)</u>	<u>(14,952,249)</u>	<u>517,935</u>	<u>(273,525,523)</u>
Total capital assets, net of depreciation and amortization	<u>\$ 162,244,482</u>	<u>\$ 22,712,107</u>	<u>\$ (2,422,839)</u>	<u>\$ 182,533,750</u>

Depreciation/amortization expense was charged to functions/programs as follows:

<b>Government activities:</b>	<b>Amount</b>
Administration	\$ 1,238,602
Mid-level administration	111
Instruction materials and supplies	2,002
Instruction other costs	12,410,645
Special education	408
Student transportation	117,636
Operation of plant	54,321
Maintenance of plant	843,204
Food and nutrition	269,805
Community services	15,515
	<u>\$ 14,952,249</u>

**B. Construction Commitments**

The School System has active construction projects as of June 30, 2025. These projects are additions and renovations to school buildings. At year-end the School System commitments with contractors are as follows:

<b>Projects</b>	<b>Spent to Date</b>	<b>Remaining Commitments</b>
North East Middle/High new school	\$ 38,838,766	\$ 43,761,219
Perryville High field house	1,481,935	124,377
Cecil Manor Elementary HVAC	55,060	-
Cecil County School of Technology chiller	<u>1,656,052</u>	<u>342,848</u>
Total	<u>\$ 42,031,813</u>	<u>\$ 44,228,444</u>

**NOTE 6 LONG-TERM OBLIGATIONS**

**A. Compensated Absences**

Twelve-month employees earn annual leave at varying rates depending upon position and length of service. An employee’s annual leave balance in excess of 50 days as of June 30 must be utilized by August 31 or be forfeited. Employees earn sick leave at varying rates of 10 to 12 days per year depending upon position. There is no limit to the accumulation of sick leave. At termination, employees are not paid for accumulated sick leave; however, at retirement up to 10 days of sick time are paid to the employee, and the balance may be used as additional credited service under the retirement plan. Annual leave pay is accrued when incurred in the government-wide statement.

**B. Changes in Long-term Liabilities**

Noncurrent liabilities reported in the Statement of Net Position include leases, subscriptions, and compensated absences. A portion of the leases are liquidated through the capital projects fund and a portion is liquidated through the general fund. The other liabilities are liquidated through the general fund. The schedule below presents the current year activity and year-end balances for the School System’s noncurrent liabilities:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Leases	\$ 1,058,692	\$ 192,761	\$ (655,429)	\$ 596,024	\$ 268,408
SBITAs	1,148,607	557,946	(612,042)	1,094,511	484,660
Compensated absences	4,178,462	449,772	-	4,628,234	514,042
Net OPEB liability	66,879,237	-	(5,478,290)	61,400,947	-
Net pension liability	<u>13,527,442</u>	<u>1,547,870</u>	-	<u>15,075,312</u>	-
Long-term liabilities	<u>\$ 86,792,440</u>	<u>\$ 2,748,349</u>	<u>\$ (6,745,761)</u>	<u>\$ 82,795,028</u>	<u>\$ 1,267,110</u>

**NOTE 7 LEASES**

Leases represent obligations incurred for the right-to-use copiers for all buildings and our print and distribution department, postage machines, and vehicles. Total expenditures incurred in fiscal year 2025 under these leases amounted to \$622,307. The aggregate future rental payments under these commitments are \$596,024 summarized as follows:

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 268,408	\$ 21,630	\$ 290,038
2027	164,589	13,750	178,339
2028	94,410	9,174	103,584
2029	54,258	3,108	57,366
2030	<u>14,359</u>	<u>143</u>	<u>14,502</u>
	\$ 596,024	\$ 47,805	\$ 643,829

**NOTE 8 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)**

Subscription-based information technology arrangements (SBITAs) represent contracts that convey control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software for a defined period. The School System’s SBITAs include software related to the schools Enterprise Resource Planning (ERP) system, music curriculum, assessment analytics, and online meetings. Total expenditures incurred in fiscal year 2025 under these leases amounted to \$692,157. The aggregate future principal payments under these commitments are \$1,094,511 and are summarized as follows:

<u>Fiscal year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 514,660	\$ 49,585	\$ 564,245
2027	332,265	25,550	357,815
2028	209,953	9,061	219,014
2029	<u>37,633</u>	<u>1,025</u>	<u>38,658</u>
	\$ 1,094,511	\$ 85,221	\$ 1,179,732

**NOTE 9 GRANT PROGRAM REVENUE**

Certain programs serving specific needs and purposes of the School System and the welfare of the students are funded by restricted Federal and State grants. Monies so acquired, amounting to \$187,013,581 during the fiscal year ended June 30, 2025, were used in the designated programs and did not supplant funding for the unrestricted programs. The General and Special Revenue Funds accounted for \$151,677,394 and the Capital Project Fund accounted for \$35,336,187.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**A. Risk Management**

The School System is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and related disasters. The School System is a member of the Maryland Association of Boards of Education Group Insurance Pool (MABE) and the Workers' Compensation Group Self-Insurance Fund. MABE is a public entity risk pool currently operating as a common risk management and insurance program for fourteen member counties to reduce the amount of claims' expenditures incurred. Under the group insurance pool, coverage for casualty losses are at the replacement cost of the asset. General liability losses are limited to \$400,000 per incident beginning October 1, 2016 as provided by the State of Maryland's Sovereign Immunity Law. If the Sovereign Immunity Law is not applicable, the School System is covered up to \$1,000,000 per incident. There have been no reductions in the insurance coverage in the current year and settlements have not exceeded insurance coverage for the last three fiscal years. The Workers' Compensation Group Self-Insurance Fund provides coverage for up to the statutory limit of each incident.

**B. Health care Claims Incurred but Not Reported**

The School System is self-insured for the core health care plan. Health care claims incurred but not reported as of June 30, 2025 are estimated to be in the amount of \$2,270,491. This is included in the Statement of Net Position: Accounts payable and accrued expenses amount. This amount is \$145,491 more than the claims estimated to be outstanding in the prior year and the total is expected to be paid within the next fiscal year.

<b>Fiscal Year</b>	<b>Beginning Balance</b>	<b>Claims Incurred</b>	<b>Claims Paid</b>	<b>Ending Balance</b>
2023	\$ 1,713,000	\$ 28,135,787	\$ 27,768,787	\$ 2,080,000
2024	\$ 2,080,000	\$ 27,716,507	\$ 27,671,507	\$ 2,125,000
2025	\$ 2,125,000	\$ 30,806,715	\$ 30,661,224	\$ 2,270,491

**C. Sick Leave**

As of June 30, 2025, the amount of accumulated unused sick leave was estimated to be \$34,680,033. Based on an analysis of prior experience, accumulated sick leave is substantially used to add to the employee's service record. Management expects the School System's commitment to provide sick leave to be met during the normal course of activities over the working lives of its present employees.

**D. Sick Leave Bank**

As of June 30, 2025, the amount of accumulated unused sick leave included in the sick leave bank was estimated to be \$4,265,680. The sick leave bank is an extra source of sick leave available to those employees who are eligible and elect to participate. Participation is based on a formula for donating sick days to the bank based on the employees' classification and accrued sick leave. Management believes it is not practical to estimate the portion of such amount which will ultimately be paid because payment is contingent upon employees' future illnesses.

Management expects the School System's commitment to provide sick leave to be met during the normal course of activities over the working lives of its present employees.

**E. Special Grants**

The School System participates in several Federal and State assisted programs. These programs are generally subject to program compliance audits by the grantors or their representatives. As of June 30, 2025, the compliance audits of certain programs have not yet been conducted and/or accepted by the appropriate authorities. Accordingly, the School System's compliance with applicable program requirements for these programs will be established conclusively at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on experience, the School System does not expect such amounts, if any, to be significant.

**F. Labor Relations**

The collective bargaining agreement with the Cecil County Classroom Teachers' Association (CCCTA) for the period July 1, 2023 through June 30, 2025 is a three year agreement with a restructured salary schedule that includes an annual COLA of 3.75% and step increases, for those who qualify, while also incorporating the Blueprint for Maryland's future funding to improve teacher salaries for year one. All provisions of the agreement shall remain in effect until June 30, 2025 with reopeners limited to salary schedules and mandatory topics of negotiations.

The collective bargaining agreement with the Cecil County Public Schools Administrators' and Supervisors' Association (CCPSASA) for the period July 1, 2023 through June 30, 2026 is a three-year agreement with a salary schedule that includes an annual COLA of 3.75% and step increases, for those who qualify. All provisions of the agreement shall remain in effect until June 30, 2026 with reopeners limited to salary schedules and mandatory topics of negotiations.

The collective bargaining agreement with the Cecil Education Support Personnel Association (CESPA) for the period July 1, 2023 through June 30, 2028 is a five-year agreement. Effective July 1, 2023, in addition to step increases for those who qualify, the salary for all unit members, with the exception of Paraprofessionals, shall be improved at steps one (1) through ten (10) by a COLA of 5%. All provisions of the agreement shall remain in effect until June 30, 2028 with reopeners limited to wage provisions, salary schedules and up to three additional articles.

Meet and Confer discussions with the Central Office Support Services Leadership Association (COSSLA) for the period July 1, 2023 through June 30, 2026 is a three-year agreement with a salary schedule that includes a COLA of 3.75% and step increases. All provisions of the agreement shall remain in effect until June 30, 2026 with reopeners limited to salary schedules and mandatory topics of negotiations.

### **G. Litigation**

The School System is a defendant in lawsuits and other claims that occur in the ordinary course of school system operations. Most lawsuits and claims are covered by the Maryland Association of Boards of Education Group Insurance Pool. During the year ended June 30, 2025, the School System was named in suits that could result in a liability not covered by insurance, although such costs are not estimable and determinable due to the early stage of the cases. It is the opinion of management that such lawsuits and claims will not have a material, adverse impact on the School System's financial condition.

### **NOTE 11 OTHER POST EMPLOYMENT BENEFITS**

#### **A. Plan Description and Benefits Provided**

The Cecil County Public Schools Retiree Health and Welfare Plan (the "Plan") is a single employer defined benefit healthcare plan administered by the School System. In May 2008, the School System entered into an agreement with the Maryland Association of Boards of Education (MABE), together with certain member Boards of Education in Maryland to establish the MABE Pooled OPEB Investment Trust (MABE Pool) in order to pool assets of the member Boards of Education for investment purposes only. Each member of the MABE Pool is required to designate a member trustee who is a trustee of the member trust. The member trustees of the MABE Pool shall ensure that the MABE Pool keep such records as are necessary to maintain a separation of the assets of the Trust from the assets of trusts maintained by other governmental employers. Assets of the member trusts are reported in their respective ACFR using the economic resources measurement focus and the accrual basis of accounting under which expenses are recorded when the liability is incurred. Employer contributions are recorded in the accounting period in which they are earned and become measurable. Investments are reported at fair value and are based on published prices and quotations from major investment brokers at current exchange rates, as available.

The Trust prohibits any part of the Trust to be used for or diverted to purposes other than providing benefits to participants and beneficiaries under the Plan. The Trust provides that in no event will the assets of the Trust be transferred to an entity that is not a state, a political subdivision or an entity the income of which is excluded from taxation under taxation under Section 115 of the IRS Code.

The MABE Pool issues a publicly available audited GAAP-basis report that includes financial

statements and required supplementary information for the Trust. This report may be obtained by writing to Mr. Milton Nagel, CPA, Trust Administrator, Maryland Association of Boards of Education, 621 Ridgely Avenue, Suite 300, Annapolis, MD 21401 or calling (410) 841-5414.

The Plan provides medical, prescription drug, dental, and vision benefits to eligible retirees, their spouses, and eligible dependents. All classes of employees are eligible to participate in the Plan upon retirement. Participants must meet the eligibility requirements of the Maryland State Teachers' pension system, which are age 55 with 15 years of service, 30 years of service, or age 62 with 5 years of service. To be eligible for continued retiree healthcare coverage, the retiree must have been enrolled in the School System's sponsored Plan for at least one full year immediately prior to retirement. In addition, eligible spouses and dependents desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement. As of June 30, 2024, the measurement date of the last actuarial valuation, approximately 697 retirees and their beneficiaries were receiving benefits and an estimated 2,121 active and no inactive employees were potentially eligible to receive future benefits.

## **B. Contributions**

The School System contributes towards the retirees' healthcare premiums based on the retiree's age and years-of-service. Under 65/non-Medicare eligible retirees may receive from \$3,842 annually for 14 years-of-service up to \$8,833 annually for 30 or more years of service. Over age 65, Medicare eligible retirees may receive from \$2,382 annually for 14 years of service up to \$3,942 annually for 30 or more years of service. The retiree pays the remaining premium for the selected plan, including the cost of eligible dependents. The amount of the subsidy may be subject to the collective bargaining process and/or the School System's determination of contribution limits. The authority to establish and amend benefit provisions of the Plan rests with the School System. For the fiscal year 2025, the School System made no contribution. The School System has not established a funding policy, and as a result, there is no actuarial determined contribution.

For the fiscal year 2025, retirees contributed \$3,433,908 or 53.6% of the total premiums and the School System contributed \$2,975,348 or 46.4% towards the total retirees benefits cost of \$6,409,226. In May 2008, the School System created the Retiree Benefit Trust of the Board of Education of Cecil County (the "Trust") in order to arrange for the establishment of a reserve to pay promised future health and welfare benefits for employee services that have already occurred. The School System intends the contributions to the Trust qualify as "contributions in relation to the actuarial required contribution" that the Trust will qualify as a "trust or equivalent arrangement." Contributions by the School System are solely dependent on the governmental entities that provide funding for the School System. Employee and retiree contributions are not permitted. The Chief Financial Officer, Associate Superintendent for Administrative Services, and the Supervisor of Human Resources are the trustees of the Trust with final authority in all matters pertaining to the Trust.

**C. Net OPEB Liability**

The School System's net OPEB liability was measured as of June 30, 2025 using January 1, 2024 valuation data, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

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

As of the measurement date of June 30, 2025:

- Entry Age Normal Funding Method
- Salary growth assumption:

<u>Years of Service</u>	<u>General</u>
0	9.25%
1	6.75%
2-6	5.75%
7-10	5.50%
11-12	5.25%
13-16	4.75%
17-18	4.25%
19-22	3.75%
23-27	3.25%
28 and above	2.75%

- 88% of employees with coverage are assumed to elect coverage in retirement.
- A discount rate of 5.61% was used in this valuation.
- Employer subsidy amounts are assumed to increase at a rate of 2.5% per year.
- Below is a summary of decrements used in this valuation. Sample Retirement, Disability, and Termination rates are illustrated in the tables below.

<u>Mortality Decrement</u>	<u>Description</u>
Healthy Pre-Retirement	Pub-2010 Teacher Employees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale
Healthy Post Retirement	Pub-2010 Teacher Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale
Disabled	Pub-2010 Teacher Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale

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

Best estimates of real rates of return for each major asset class included in the target asset allocation as of June 30, 2025, (see the discussion of the MABE Trust’s investment policy) are summarized in the following table:

Asset Class	Target Allocation	Arithmetic Rate of Return <sup>1</sup>	Standard Deviation
US Large Cap Equity	16.50%	8.26%	18.39%
US Mid Cap Equity	6.00%	8.93%	20.58%
US Small Cap Equity	7.50%	9.63%	23.23%
Non-US Developed Large Cap Equity	15.00%	8.73%	21.07%
Emerging Markets Equity	8.00%	10.25%	25.13%
US Real Estate - REITs	4.00%	8.90%	20.84%
US Aggregate Fixed Income	35.00%	4.67%	5.97%
US High Yield Fixed Income	5.00%	6.32%	8.49%
US Cash	3.00%	3.35%	2.05%
Total (Nominal Rate of Return)	100.00%		7.67%
Expected inflation rate	2.36%		

<sup>1</sup>The capital market assumptions referenced above were developed by Mercer and are as of June 2025. A detailed explanation of Mercer’s methodology can be provided upon request.

The discount rate used to measure the total OPEB liability was 5.61%.

The discount rate is based on a blend of the funded and unfunded rates based on a projection of the plan’s fiduciary net position. The discount rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index, which was 4.81% as of June 30, 2025, to discount expected future benefits payments in years when the plan assets are projected to be exhausted and the expected rate of return of 6.75% discount expected future benefits payments when the plan is expected to remain solvent.

**D. Net OPEB Plan's Fiduciary Net Position**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Postion (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2024	\$ 82,652,840	\$ 15,773,603	\$ 66,879,237
Changes for the year:			
Service Cost	2,336,521	-	2,336,521
Interest	3,994,285	-	3,994,285
Changes of Benefit Terms	-	-	-
Experience Losses	(290,355)	-	(290,355)
ER Trust Contribution	-	2,975,348	(2,975,348)
Net Investment Income	-	1,255,094	(1,255,094)
Changes in Assumptions	(7,297,057)	-	(7,297,057)
Benefit Payments	(2,975,348)	(2,975,348)	-
Administrative Expense	-	(8,402)	8,402
Net Changes	<u>(4,231,954)</u>	<u>1,246,692</u>	<u>(5,478,646)</u>
Balance as of June 30, 2025	<u>\$ 78,420,886</u>	<u>\$ 17,020,295</u>	<u>\$ 61,400,591</u>
Funded status		21.70%	

Sensitivity of the net OPEB liability to changes in the discount rate:

The following presents the net OPEB liability of the School System, as well as what the School System's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Discount Rate	1% Decrease 4.61%	Discount Rate 5.61%	1% Increase 6.61%
Total OPEB Liability	\$ 89,504,334	\$ 78,420,886	\$ 69,275,069
Net OPEB Liability	\$ 72,484,395	\$ 61,400,947	\$ 52,255,130

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:

The following presents the net OPEB liability of the School System, as well as what the School System's net OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Ultimate Trend	1% Decrease 1.50%	Medical Trend 2.50%	1% Increase 3.50%
Total OPEB Liability	\$ 66,914,249	\$ 78,420,886	\$ 93,012,445
Net OPEB Liability	\$ 49,894,310	\$ 61,400,497	\$ 75,992,506

The elements of the OPEB Plan's basic financial statements are included within the *Statement of Fiduciary Net Position - Fiduciary Funds and Statement of Changes in Fiduciary Net Position - Fiduciary Funds*, in the accompanying financial statements.

**E. OPEB Expense and Deferred Outflows of Resources Related to OPEB**

For the year ended June 30, 2025, the School System recognized OPEB expense of \$4,487,556. At June 30, 2025, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 11,760,314
Changes in assumptions	10,725,003	8,384,532
Net difference between projected and actual earnings on OPEB plan investments	<u>355,484</u>	<u>-</u>
Total	<u>\$ 11,080,487</u>	<u>\$ 20,144,846</u>

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

Fiscal Year ending June 30	Measurement Date	Earnings (Inflow)/Outflow
2026	6/30/2026	\$ (232,521)
2027	6/30/2027	(917,400)
2028	6/30/2028	(856,078)
2029	6/30/2029	(817,116)
2030	6/30/2030	(548,361)
Thereafter	6/30/2031 and after	(5,692,883)

**NOTE 12 PENSION PLAN**

**A. Summary**

The School System follows GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions* (GASB No. 68). The School System participates in the Maryland State Retirement and Pension System (the System) and qualifies as a Participating Governmental Unit (PGU). The State Retirement Agency (the Agency) is the Plan administrator and fiduciary. GASB No. 68 requires that a PGU recognize its proportionate share of the System's net pension liability (i.e. unfunded pension liability) and pension expense. The System is comprised of the Teachers' Retirement and Pension Systems, Employees' Retirement and Pension Systems, State Police Retirement Pension System, Judges' Retirement System, and the Law Enforcement Officers' Pension System. The School System's employees participate in both the Teachers' Retirement and Pension Systems and the Employees' Retirement and Pension Systems. The contribution requirements of the

active employees and the participating governmental units are established and may be amended by the System. The School System's proportionate share for employees participating in the Employee's Retirement and Pension Systems is based on total System contributions and approximates 0.0573% as of the measurement date of June 30, 2024, which decreased 0.0021% from the prior measurement date of June 30, 2023.

The School System adopted GASB No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB No. 68*. GASB No. 71, which is only applicable during the year GASB No. 68 was adopted, requires that contributions to the pension plan subsequent to the beginning measurement date be recognized as the beginning deferred outflow of resources.

The School System's employees participate in the System and contributed 7 percent of their compensation during fiscal 2025 as stipulated by the System. For employees participating in the Employees' Retirement and Pension Systems, the School System contributed \$1,687,141 to the System for fiscal 2025, which was actuarially determined based on statutory provisions. In relation to these employees, the School System has also recognized in Pension Expense its proportionate share of the System's deferred outflows and inflows of resources attributable to the net difference between projected and actual investment earnings on pension plan assets, its proportionate share of the System's deferred inflows of resources (an increase in Pension Expense) attributable to the difference between actual and expected experience, its proportionate share of the System's deferred inflows and deferred outflows of resources attributable to the change in proportion, and its proportionate share of the System's deferred outflows and deferred inflows of resources attributable to changes in assumptions.

For employees participating in the Teachers' Retirement and Pension Systems, the State of Maryland (the non-employer contributing entity) pays the full employer pension cost, except for those employees eligible under the Teachers' Pension System working on federal grant programs. During the year ended June 30, 2025, the State of Maryland paid \$14,841,619 in pension costs, relating to employees of the School System participating in the Teachers' Retirement and Pension Systems, which equaled approximately 10.3% of the covered payroll. Therefore, any pension liability, deferred outflow of resources, deferred inflow of resources and related financial reporting disclosures, in relation to these employees are included in the State of Maryland Comprehensive Annual Financial Report.

### **Basis of presentation and basis of accounting**

In relation to the Employee's Retirement and Pension Systems of the System:

1. Employers participating in the System's cost-sharing multiple-employer defined benefit plans are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The Schedule of Employer Allocations



major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Pension System’s Board after considering input from the investment consultant(s) and actuary(s). For each major asset class that is included in the Pension System’s target asset allocation, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	34%	6.0%
Private Equity	16%	8.5%
Rate Sensitive	20%	2.4%
Credit Opportunity	9%	5.4%
Real Assets	15%	5.5%
Absolute Return	<u>6%</u>	3.9%
Total	<u>100%</u>	

The above was the Pension System’s Board of Trustees adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2024.

**Discount Rate**

A single discount rate of 6.80% was used to measure the total pension liability at the measurement date of June 30, 2024. A discount rate of 6.80% was used at the prior measurement date of June 30, 2023. The single discount rate was based on the expected rate of return on pension plan investments of 6.80%. 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.

**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 System’s net pension liability and the School System’s proportionate share of the System’s net pension liability, calculated using a single discount rate of 6.80%, a single discount rate that is 1-percentage point lower (i.e. 5.80%) and a single discount rate that is 1-percentage point higher (i.e. 7.80%):

	<u>1% Lower - 5.80%</u>	<u>Current Rate - 6.80%</u>	<u>1% Higher - 7.80%</u>
The System's Net Pension Liability	\$ 38,229,419,000	\$ 26,304,436,000	\$ 16,364,124,000
The School System's Proportionate Share of Net Pension Liability for Employees' Retirement & Pension Systems	\$ 21,909,624	\$ 15,075,312	\$ 9,378,427
The School System's Proportionate Share of Net Pension Liability for Teachers' Retirement & Pension Systems	\$ -	\$ -	\$ -

**Pension Plan Description**

**Organization**

The State Retirement Agency (the Agency) is administrator of the System. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees. The system is made up of two cost-sharing employer pools: the "State Pool" consists of the State agencies, boards of education, community colleges, and libraries. The "Municipal Pool" consists of the participating governmental units that elected to join the System. Neither pool shares in each other's actuarial liabilities, thus participating governmental units that elect to join the System (the "Municipal Pool"), share in the liabilities of the Municipal Pool only. The State of Maryland is the statutory guarantor for the payment of all pensions, annuities, retirement allowances, refunds, reserves, and other benefits of the System. The Agency is legally authorized to use all assets accumulated for the payment of benefits to pay such obligations to any plan member or beneficiary as defined by the terms of the plan. Consequently, the System is accounted for as a single plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*. Additionally, the System is fiscally dependent on the State by virtue of the legislative and executive controls exercised with respect to its operations, policies, and administrative budget. Accordingly, the System is included in the State's reporting entity and disclosed in its financial statements as a pension trust fund. The System is comprised of the Teachers' Retirement and Pension Systems, Employees' Retirement and Pension Systems, State Police Retirement System, Judges' Retirement System, and the Law Enforcement Officers' Pension System. The School System's employees participate in both the Teachers' Retirement and Pension System and the Employees' Retirement and Pension System.

**Covered Members**

The Teachers' Retirement System was established on August 1, 1927, to provide retirement allowances and other benefits to teachers in the State. Effective January 1, 1980, the Teachers'

Retirement System was closed to new members and the Teachers' Pension System was established. As a result, teachers hired after December 31, 1979, became members of the Teachers' Pension System as a condition of employment. On or after January 1, 2005, an individual who is a member of the Teachers' Retirement System may not transfer membership to the Teachers' Pension System.

On October 1, 1941, the Employees' Retirement System was established to provide retirement allowances and other benefits to State employees, elected and appointed officials and the employees of participating governmental units. Effective January 1, 1980, the Employees' Retirement System was essentially closed to new members and the Employees' Pension System was established. As a result, State employees (other than correctional officers) and employees of participating units hired after December 31, 1979, became members of the Employees' Pension System as a condition of employment, while all State correctional officers and members of the Maryland General Assembly continue to be enrolled as members of the Employee's Retirement System. On or after January 1, 2005, an individual who is a member of the Employee's Retirement System may not transfer membership to the Employees' Pension System. Currently, more than 150 governmental units participate in the Employees' Retirement System.

### **Summary of Significant Plan Provisions**

All plan benefits are specified by the State Personnel and Pensions Article of the Annotated Code of Maryland. For all individuals who became members of the System on or before June 30, 2011, pension allowances are computed using both the highest three consecutive years' Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For any individual who becomes a member of one of the pension systems on or after July 1, 2011, pension allowances are computed using both the highest five consecutive years' AFC and the actual number of years accumulated creditable services. Various retirement options are available under each system which ultimately determines how a retiree's benefit allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors. The member contribution rate for members of the Teachers' Retirement Pension System and Employees' Retirement Pension System is 7%. In addition, the benefit attributable to service on or after July 1, 2011 in many of the pension systems now will be subject to different cost-of-living adjustments (COLA) that is based on the increase in the Consumer Price Index (CPI) and capped at 2.5% or 1.0% based on whether the market value investment return for the preceding calendar year was higher or lower than the investment return assumption used in the valuation. A brief summary of the retirement eligibility requirements of and the benefits available under various systems in effect during fiscal year 2025, are as follows:

### **Service Retirement Allowances**

A member of the Teachers' or Employee's 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 AFC multiplied by the number of years of accumulated creditable service. An individual who is a member of 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 the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the member's combined age and eligibility service equals at least 90 years or if the member is at least age 65 and as accrued at least 10 years of eligibility service. For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.4% of the member's AFC, multiplied by the number of years of creditable 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 member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. Beginning 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. Exceptions to these benefit formulas apply to members of the Employees' Pension System, who are employed by a participating governmental unit that does not provide the 1998 or 2006 enhanced pension benefits or the 2011 reformed pension benefits. The pension allowance for these members equals 0.8% of the member's AFC up to the social security integration level (SSIL), plus 1.5% of the member's AFC in excess of the SSIL, multiplied by the number of years of accumulated creditable service. For the purpose of computing pension allowances, the SSIL is the average of the social security wage bases for the past 35 calendar years ending with the year the retiree separated from services.

### **Vested Allowances**

Any individual who is a member of the System on or before June 30, 2011 (other than a judge or a legislator), and who terminates employment before attaining retirement age but after accumulating 5 years of eligibility service is eligible for a vested retirement allowance. Any individual who joins the System on or after July 1, 2011 (other than a judge or a legislator), and who terminates employment before attaining retirement age but after accumulating 10 years of eligibility services is eligible for a vested retirement allowance. A member, who terminates employment prior to attaining retirement age and before vesting, receives a refund of all member contributions and interest.

### **Early Service Retirement**

A member of the Teachers' or Employees' Retirement System may retire with reduced benefits after completing 25 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree either attains age 60 or would have accumulated 30 years of credible service, whichever is less. The maximum reduction for a Teachers' or an Employees' Retirement System member is 30%. An individual who is a member of the Teachers' or Employees' Pension System on or before June 30, 2011, may retire with reduced benefits upon attaining age 55 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 62. The maximum reduction for these members of the Teachers' or Employees' Pension System is 42%. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, may retire with reduced benefits upon attaining age 60 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 65. The maximum reduction for these members of the Teachers' or Employees' Pension System is 30%.

### **Disability and Death Benefits**

Generally, a member covered under retirement plan provisions who is permanently disabled after 5 years of service receives a service allowance based on a minimum (usually 25%) of the member's AFC. A member covered under pension plan provisions who is permanently disabled after accumulating 5 years of eligibility service receives a service allowance computed as if service had continued with no change in salary until the retiree attained age 62. A member (other than a member of the Maryland General Assembly or a judge, both of which are ineligible for accidental disability benefits) who is permanently and totally disabled as a result of an accident occurring in the line of duty receives 2/3 (66.7%) of the member's annual salary as of the date of death plus all member contributions and interest. Death benefits are equal to a member's annual salary as of the date of death plus all member contributions and interest.

### **Adjusted Retirement Allowances (as applicable)**

Retirement and pension allowances are increased annually to provide for changes in the cost of living according to prescribed formulae. Such adjustments for retirees are based on the annual change in the CPI. For the Teachers' and Employees' Retirement Systems (TRS/ERS) the method by which the annual COLAs are computed depends upon elections made by members who were active on July 1, 1984 (or within 90 days of returning to service, for members who were active on July 1, 1984) enabling the member to receive either an unlimited COLA, a COLA limited to 5% or a two-part combination COLA depending upon the COLA election by the member. However, beginning July 1, 2011, for benefits attributable to service earned on or after July 1, 2011, in all of the systems except the judges' and legislators' systems, the adjustment is capped at the lesser of 2.5% or the increase in CPI if the most recent calendar year market value of return was greater than or equal to the assumed rate. The adjustment is capped at the lesser of 1% or the increase

in CPI if the market value return was less than the assumed rate of return. In years in which COLAs would be less than zero due to a decline in CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied, and the zero COLA is fully recovered.

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

In relation to employees participating in the Employees' Retirement and Pension System, at June 30, 2024, the School System reported a liability of \$15,075,312 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of that date. The School System's proportion of the net pension liability was based on a projection of the School System's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. As of June 30, 2024, the School System's proportion was approximately 0.0573%.

In relation to these employees, for the year ended June 30, 2025, the School System recognized pension change of \$1,732,511. As of the measurement date of June 30, 2024, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Measurement Date of June 30, 2024	Deferred Outflows	Deferred Inflows
Changes in assumptions	\$ 1,035,045	\$ -
Difference between actual and expected experience	1,566,019	377,627
Net difference between projected and actual earnings on pension plan investments	1,125,225	-
Change in proportion	296,852	356,085
Contributions subsequent to the measurement date	1,687,141	-
<b>Total</b>	<b>\$ 5,710,282</b>	<b>\$ 733,712</b>

The deferred outflow of resources of \$1,687,141 relating to contributions subsequent to the measurement date of June 30, 2024 will be recognized as a reduction of the School System's net pension liability during the subsequent fiscal year. The deferred outflows and inflows of resources due to changes in assumptions, differences between actual and expected experience, change in proportion, and differences between projected and actual investment earnings represent the School System's proportionate share of the unamortized portions of the System's original amounts. The deferred inflows and outflows related to non-investment activity for 2024, 2023, 2022, 2021, and 2020 are being amortized over the remaining service lives ranging from 5.45 to 5.72 years. The deferred outflows and inflow balances related to net difference in investment earnings for 2024, 2023, 2022, and 2021, are being amortized over a closed 5-year period. These unamortized amounts will be ratably recognized in pension expense over these services lives and closed 5-year period.

The following table shows the amortization of these deferred outflows and inflows:

Fiscal Year Ending June 30,	Deferred Outflows	Deferred Inflows	Net
2026	\$ 2,095,228	\$ (1,498,750)	\$ 596,477
2027	1,821,484	(234,695)	1,586,788
2028	760,511	(141,050)	619,460
2029	421,888	(77,360)	344,528
2030	169,431	(27,256)	142,175
Total	\$ 5,268,542	\$ (1,979,113)	\$ 3,289,429

**Net Pension Liability**

The components of the School System’s proportionate share of the Pension System’s net pension liability as of the measurement date of June 30, 2024 were as follows:

	In relation to employees participating in the Employees' Retirement and Pension System	In relation to employees participating in the Teachers' Retirement and Pension System	Total
Total Pension Liability	\$ 53,994,977	\$ 534,041,843	\$ 588,036,820
Plan Fiduciary Net Position	38,919,665	384,938,227	423,857,892
Net Pension Liability	15,075,312	149,103,615	164,178,927
Plan fiduciary net position as a percentage of total pension liability	72.08%	72.08%	72.08%

The School System’s proportionate share for the employees participating in the Employee’s Retirement and Pension Systems and the State of Maryland’s (the non-employer contributing entity’s) proportionate share for the employees participating in the Teachers’ Retirement and Pension Systems are both based on total System contributions for fiscal year 2024 approximate 0.0573% and 0.5668% respectively, at a measurement date of June 30, 2024.

**The Pension Plan Fiduciary**

Plan Information as well as the Annual Comprehensive Financial Report for the Maryland State Retirement and Pension System is available from:

State Retirement and Pension System of Maryland  
120 East Baltimore Street  
Baltimore, MD 21202  
<https://sra.maryland.gov/annual-financial-reports>

**NOTE 13 INSURANCE POOLS**

The School System participates in the Maryland Association of Boards of Education Group Insurance Pool (the Pool) and Workman's Compensation Group Self-Insurance Fund (the Fund) for its general liability, property, and workman's compensation insurance coverage. Annual contributions are made based on historical loss, exposure factors, and payroll levels.

The Pool and the Fund have excess loss insurance for both specific and aggregate losses. Although the Pool and the Fund maintain reserves, the School System could be assessed for its share of any future shortfalls. The School System's Other Post Employment Benefit Plan (OPEB Plan) is administered through the School System's Retiree Benefits Trust Fund as an irrevocable trust and a member trust of the Maryland Association of Boards of Education (MABE) Pooled OPEB Investment Trust (MABE Pool). Assets of the Trust fund are dedicated to providing post-retirement health insurance coverage to current and eligible future retirees.

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# REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Changes in Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

Fiscal Year	Fiscal Year								
(no data for FY 2016 - 2017)	2018	2019	2020	2021	2022	2023	2024	2025	
<b>Total OPEB liability</b>									
Service cost	\$ 1,446,260	\$ 1,482,416	\$ 1,519,476	\$ 1,565,808	\$ 2,246,097	\$ 2,480,553	\$ 2,461,960	\$ 2,336,521	
Interest	4,053,094	4,214,871	4,381,459	4,454,434	4,417,783	3,954,655	4,134,678	3,994,285	
Changes of benefit terms	-	-	-	-	-	-	-	-	
Differences between expected and actual experience	-	(207,879)	(2,048,898)	(359,787)	(8,368,249)	(23,395)	(6,749,822)	(290,355)	
Changes of assumptions	-	-	(258,088)	12,304,337	7,621,392	(1,425,780)	(894,877)	(7,297,057)	
Benefit payments	(3,017,488)	(2,979,948)	(2,484,757)	(2,967,177)	(3,288,056)	(3,324,121)	(3,242,691)	(2,975,348)	
<b>Net change in total OPEB liability</b>	<b>2,481,866</b>	<b>2,509,460</b>	<b>1,109,192</b>	<b>14,997,615</b>	<b>2,628,967</b>	<b>1,661,912</b>	<b>(4,290,752)</b>	<b>(4,231,954)</b>	
<b>Total OPEB liability - beginning</b>	<b>61,554,580</b>	<b>64,036,446</b>	<b>66,545,906</b>	<b>67,655,098</b>	<b>82,652,713</b>	<b>85,281,680</b>	<b>86,943,592</b>	<b>82,652,840</b>	
<b>Total OPEB liability - ending (a)</b>	<b>\$ 64,036,446</b>	<b>\$ 66,545,906</b>	<b>\$ 67,655,098</b>	<b>\$ 82,652,713</b>	<b>\$ 85,281,680</b>	<b>\$ 86,943,592</b>	<b>\$ 82,652,840</b>	<b>\$ 78,420,886</b>	
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 3,895,952	\$ 4,715,305	\$ 2,484,757	\$ (32,823)	\$ 1,788,056	\$ 3,324,121	\$ 3,242,691	\$ 2,975,348	
Net investment income	856,893	967,433	470,896	3,787,497	(2,307,155)	1,216,944	1,082,763	1,254,738	
Benefit payments	(3,017,488)	(2,979,948)	(2,484,757)	(2,967,177)	(3,288,056)	(3,324,121)	(3,242,691)	(2,975,348)	
Administrative expense	-	(7,972)	(8,405)	(8,310)	(8,188)	(8,063)	(8,446)	(8,402)	
Net change in plan fiduciary net position	1,735,357	2,694,818	462,491	779,187	(3,815,343)	1,208,881	1,074,317	1,246,336	
Plan fiduciary net position - beginning	11,633,904	13,369,252	16,064,070	16,526,561	17,305,748	13,490,405	14,699,286	15,773,603	
Plan fiduciary net position - ending (b)	13,369,261	16,064,070	16,526,561	17,305,748	13,490,405	14,699,286	15,773,603	17,019,939	
School System's net OPEB liability - ending (a) - (b)	50,667,185	50,481,827	51,128,537	65,346,965	71,791,275	72,244,306	66,879,237	61,400,947	
Plan fiduciary net position as a percentage of the total OPEB Liability Covered - employee payroll <sup>1</sup>	20.88%	24.14%	24.43%	20.94%	15.82%	16.91%	19.08%	21.70%	
Net OPEB liability as a percentage of covered-employee payroll <sup>1</sup>									
Expected Average Remaining Service Years of All Participants	14	10	10	10	10	10	10	10	

Notes to Schedule:

Benefit changes: None

Changes of assumptions: The discount rate was changed as follows:

The discount rate changes year-to-year:	6.75%	6.75%	6.75%	5.46%	4.73%	4.85%	4.93%	5.61%
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The mortality assumption was updated to the latest experience study on public sector employees and retirees released by the SOA

Methods and assumptions used to determine contribution rates:

Valuation date	6/30/2025
Liability cost method	Entry age normal
Investment rate of return	6.75%
Retirement age	State of Maryland Teachers Plan Assumptions
Demographic	State of Maryland Teachers Plan Assumptions
Rate of inflation	2.50%
Healthcare cost trend rates	Employer subsidy amounts are expected to increase 2.5% per year. There is no other benefit provided.

<sup>1</sup>Because this OPEB plan does not depend on salary, we do not have salary information.

**Schedule of OPEB Board Contributions**

**Last 10 Fiscal Years**

*Information for the fiscal year 2017  
and earlier not available*

	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the actuarially determined contribution	\$ 3,895,952	\$ 4,715,305	\$ 2,484,757	\$ (32,823)	\$ 1,788,056	\$ 3,324,121	\$ 3,242,691	\$ 2,975,348
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll <sup>1</sup>								
Contribution as a percentage of covered employee payroll <sup>1</sup>								

N/A – The Actuarial Determined Contributions (ADC) is N/A because it reflects that no formal ADC was calculated because the plan does not have a formal funding policy.

**Schedule of OPEB Investment Returns**

**Last 10 Fiscal Years**

*Information for the fiscal year 2017  
and earlier not available*

	Fiscal Year									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Annual money-weighted rate of return, net of investment	11.24%	7.36%	7.09%	2.87%	24.11%	-13.38%	8.06%	6.56%	7.92%	

**Additional Information - Schedule of Required Pension Related Supplementary Information**

**Schedule of the Proportionate Share of the Net Pension Liability for the Employees' Retirement and Pension System**

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Proportion (%) of collective net pension liability	0.0573%	0.0587%	0.0594%	0.0592%	0.0545%	0.0540%	0.0518%	0.0468%	0.0489%
Proportionate share (\$) of collective net pension liability	\$15,075,312	\$13,527,442	\$11,891,319	\$8,879,704	\$12,311,543	\$11,147,349	\$10,874,488	\$10,110,254	\$11,543,395
School System's covered payroll <sup>1</sup>	\$13,406,819	\$14,034,145	\$13,406,819	\$12,658,117	\$12,770,486	\$12,698,881	\$12,319,095	\$12,003,972	\$11,442,991
Proportionate share of collective net pension liability as a percentage of its covered payroll	112.4%	96.4%	88.7%	70.2%	96.4%	87.8%	88.3%	82.1%	96.2%
Pension plan's fiduciary net position as a percentage of the total pension liability	72.08%	73.81%	76.27%	76.76%	70.72%	72.34%	71.18%	69.38%	65.79%

<sup>1</sup> - In accordance with GASB No. 82, amounts shown represent the payroll on which contributions to the pension plan are based.

**Schedule of the Proportionate Share of the Net Pension Liability for the Teachers' Retirement and Pension System**

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Proportion (%) of collective net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proportionate share (\$) of collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portion of the State of Maryland's total proportionate share (\$) of collective net pension liability that is associated with the School System	\$ 149,103,615	\$ 120,865,615	\$ 107,726,012	\$ 93,020,386	\$ 138,098,231	\$ 133,335,709	\$ 136,183,281	\$ 134,727,764	\$ 161,402,938
Sum of the School System's and portion of the State of Maryland's total proportionate share (\$) of collective net pension liability that is associated with the School System	\$ 149,103,615	\$ 120,865,615	\$ 107,726,012	\$ 93,020,386	\$ 138,098,231	\$ 133,335,709	\$ 136,183,281	\$ 134,727,764	\$ 161,402,938
School System's covered payroll <sup>1</sup>	\$ 130,540,472	\$ 136,829,634	\$ 130,540,472	\$ 126,294,968	\$ 120,701,622	\$ 121,121,364	\$ 114,916,145	\$ 110,154,901	\$ 108,244,834
School System's proportionate share of collective net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension plan's fiduciary net position as a percentage of the total pension liability	72.08%	73.81%	76.27%	76.76%	70.72%	72.34%	71.18%	69.38%	65.79%

*1 - In accordance with GASB No. 82, amounts shown represent the payroll on which contributions to the pension plan are based.*

**Notes to Schedule of Employer Contributions**

<b>Valuation Date:</b>	June 30, 2024 Actuarially Valuation Date on which the Total Pension Liability (TPL) was based: June 30, 2023. The TPL was rolled forward from 2023 to 2024*
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>	
Actuarial cost method	Individual Entry Age Normal Cost Method
Amortization method	Level Percentage of Payroll, Closed
Remaining Amortization Period	16 years remaining
Asset Valuation Method	5-year smoothed market: 20% collar
Inflation	2.25% general, 2.75% wage
Salary increases	2.75% to 11.25%
Investment rate of return	6.80%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to the 2018 Experience Study for the period 2014- 2018.
Mortality	Public Sector 2010 Mortality Tables with generational mortality projections using scale MP-2018.

\*Prior to 2017, the Actuarial Determined Contribution was equal to the greater of, (1) The actuarially determined contribution under the System's funding policy before application of the corridor funding method, plus reinvested savings contributions and 2) Employer normal cost plus 30-year amortization of the unfunded liability, plus reinvested savings. Therefore the actuarially determined contribution is under the System's funding policy.

The above schedule is presented to illustrate the requirement for specified information for 10 years. However, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

**Schedule of Pension Plan Contribution for the Employees' and Teachers' Retirement and Pension Systems**

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Contractually required contributions	\$ 8,348,323	\$ 8,047,893	\$ 7,771,117	\$ 6,567,404	\$ 6,446,816	\$ 6,171,258	\$ 6,083,427	\$ 5,885,564	\$ 5,816,826	\$ 4,896,846
Actual Contributions Made:										
Employee systems	1,687,141	1,500,582	1,432,561	1,356,401	1,304,242	1,167,926	1,109,837	1,033,503	951,633	953,101
Teacher system	6,661,182	6,547,311	6,338,556	5,211,003	5,142,574	5,003,332	4,973,590	4,852,061	4,865,193	3,943,745
	<u>8,348,323</u>	<u>8,047,893</u>	<u>7,771,117</u>	<u>6,567,404</u>	<u>6,446,816</u>	<u>6,171,258</u>	<u>6,083,427</u>	<u>5,885,564</u>	<u>5,816,826</u>	<u>4,896,846</u>
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School System's covered payroll	\$ 143,947,291	\$ 150,863,779	\$ 143,947,291	\$ 138,953,085	\$ 133,359,739	\$ 133,820,245	\$ 127,235,240	\$ 122,473,996	\$ 120,248,806	\$ 116,036,628
Contributions as a percentage of covered payroll	5.80%	5.33%	5.40%	4.73%	4.83%	4.61%	4.78%	4.81%	4.84%	4.22%

# STATISTICAL SECTION



# Statistical Section Contents

This part of the Cecil County Public School's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	Page
<b>FINANCIAL</b>	107
<i>These schedules contain trend information to help the reader understand how the School System's financial performance and well-being have changed over time.</i>	
<b>REVENUE AND EXPENSE</b>	112
<i>These schedules contain information to help the reader assess the School System's most significant revenue by source and expenditures by function.</i>	
<b>DEMOGRAPHIC</b>	120
<i>These schedules offer demographic indicators to help the reader understand the environment within which the School System's financial activities take place.</i>	
<b>OPERATING</b>	125
<i>These schedules contain data to help the reader understand how the information in the School System's financial report relates to the services the School System provides.</i>	

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**CECIL COUNTY PUBLIC SCHOOLS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net Investment in capital assets	\$180,843,215	\$160,037,183	\$163,331,900	\$169,243,404	\$176,527,252	\$173,044,220	\$175,701,356	\$179,047,057	\$177,415,257	\$181,891,093
Restricted for capital projects	214,927	57,691	33,971	32,317	32,260	32,207	49,995	48,973	48,402	42,732
Special Revenue Fund	3,855,451	5,156,874	6,742,900	6,724,282	-	-	-	-	-	-
Unrestricted	<u>(59,593,319)</u>	<u>(55,742,797)</u>	<u>(60,751,752)</u>	<u>(56,395,191)</u>	<u>(51,284,791)</u>	<u>(55,036,874)</u>	<u>(49,148,754)</u>	<u>(44,461,926)</u>	<u>4,936,382</u>	<u>608,767</u>
Total governmental activities net position	<u>\$ 125,320,274</u>	<u>\$ 109,508,951</u>	<u>\$ 109,357,019</u>	<u>\$ 119,604,812</u>	<u>\$ 125,274,721</u>	<u>\$ 118,039,553</u>	<u>\$ 126,602,597</u>	<u>\$ 134,634,104</u>	<u>\$ 182,400,041</u>	<u>\$ 182,542,592</u>

Source: Statement of Net Position

**CECIL COUNTY PUBLIC SCHOOLS  
CHANGES IN NET POSITION  
GOVERNMENTAL ACTIVITIES  
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Expenses</b>										
<b>Government activities:</b>										
Administration	\$ 10,927,262	\$ 9,260,111	\$ 9,103,759	\$ 8,811,416	\$ 7,664,519	\$ 7,454,359	\$ 7,755,447	\$ 7,861,554	\$ 7,122,734	\$ 6,539,335
Mid-level administration	25,505,671	24,486,752	23,334,840	21,961,341	20,330,749	20,651,392	20,411,961	19,604,726	18,815,470	18,851,033
Instruction										
Salaries	132,603,438	129,446,451	124,299,293	122,107,406	117,362,024	115,973,150	109,002,536	102,933,141	101,825,291	100,858,425
Materials and supplies	4,520,767	4,136,420	3,744,543	7,052,981	4,228,356	2,742,889	3,512,951	4,686,226	5,077,775	3,212,396
Other costs	20,761,986	21,562,946	20,488,625	19,943,017	19,943,116	17,598,701	20,234,977	18,836,222	18,210,011	11,932,396
Special education	51,758,187	48,352,887	44,940,082	43,090,825	40,899,373	41,489,255	39,895,528	36,783,285	36,745,712	35,654,707
Student personnel services	3,057,282	2,539,491	3,601,263	2,809,563	2,748,813	2,509,375	2,615,572	2,011,960	1,790,269	1,471,433
Student health services	3,730,118	3,482,562	3,380,815	2,927,317	2,719,452	2,576,710	2,422,898	2,323,101	2,225,308	2,263,233
Student transportation	14,349,223	14,176,152	13,437,926	12,713,177	10,225,156	11,270,075	11,312,256	11,148,667	10,411,349	9,990,762
Operation of plant	16,937,673	15,727,666	15,551,701	15,327,765	14,379,276	13,842,969	13,877,598	13,377,424	13,117,398	13,246,823
Maintenance of plant	5,994,784	5,730,196	5,630,148	5,300,701	5,091,246	5,170,793	5,465,261	5,830,453	5,391,514	5,335,317
Food & nutrition services	10,789,955	9,466,039	8,095,469	7,350,965	5,399,918	5,647,066	5,971,152	6,092,567	5,960,076	6,274,713
Community services	3,504,861	2,495,852	1,709,110	936,525	536,247	319,578	609,561	410,722	380,861	160,674
Student activities	1,739,224	1,889,834	1,648,357	1,296,419	602,507	-	-	-	-	-
Interest on long-term debt	101,745	134,073	61,708	42,635	-	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>\$ 306,282,176</b>	<b>\$ 292,887,432</b>	<b>\$ 279,027,639</b>	<b>\$ 271,672,053</b>	<b>\$ 252,130,752</b>	<b>\$ 247,246,312</b>	<b>\$ 243,087,698</b>	<b>\$ 231,900,048</b>	<b>\$ 227,073,768</b>	<b>\$ 215,791,247</b>
<b>Program Revenues</b>										
<b>Government activities:</b>										
Charges for services:										
Instruction salaries	\$ 238,927	\$ 263,114	\$ 294,451	\$ 142,222	\$ 150,108	\$ 270,171	\$ 134,116	\$ 268,614	\$ 188,538	\$ 220,719
Food & nutrition services	1,398,028	1,452,664	1,760,023	383,463	16,865	1,448,827	2,084,543	1,921,257	1,849,130	1,824,286
Community services	29,039	102,740	34,798	63,992	162,265	42,676	154,244	104,687	156,390	34,120
Student activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	151,677,394	117,133,795	97,008,090	106,015,133	85,040,320	74,474,290	70,359,717	65,908,362	66,297,108	63,273,384
Capital grants and contributions	35,336,187	6,864,262	6,677,282	5,732,861	16,868,525	10,129,147	12,136,008	15,491,330	10,643,736	13,321,048
<b>Total governmental activities program revenue</b>	<b>\$ 188,679,575</b>	<b>\$ 125,816,575</b>	<b>\$ 105,774,644</b>	<b>\$ 112,337,671</b>	<b>\$ 102,238,083</b>	<b>\$ 86,365,111</b>	<b>\$ 84,868,628</b>	<b>\$ 83,694,250</b>	<b>\$ 79,134,902</b>	<b>\$ 78,673,557</b>
<b>Total governmental activities net expense</b>	<b>(117,602,601)</b>	<b>(167,070,857)</b>	<b>(173,252,995)</b>	<b>(159,334,382)</b>	<b>(149,892,669)</b>	<b>(160,881,201)</b>	<b>(158,219,070)</b>	<b>(148,205,798)</b>	<b>(147,938,866)</b>	<b>(137,117,690)</b>
<b>General Revenue and Other Changes in Net Position</b>										
<b>Government activities:</b>										
State aid not restricted to specific purposes	\$ 74,604,720	\$ 76,623,471	\$ 72,890,895	\$ 63,513,565	\$ 65,736,430	\$ 66,805,483	\$ 66,998,019	\$ 68,021,206	\$ 66,919,712	\$ 63,567,371
Local aid not restricted to specific purposes	54,897,556	88,501,638	89,196,266	88,527,026	86,367,865	84,905,673	82,463,528	81,688,528	80,610,438	79,750,778
Interest and investment earnings	1,887,678	1,783,444	663,999	17,731	14,360	290,594	533,355	316,538	87,206	18,242
Miscellaneous	2,023,970	314,236	254,042	1,606,151	3,353,138	316,407	192,661	334,265	178,959	171,448
<b>Total governmental activities</b>	<b>\$ 133,413,924</b>	<b>\$ 167,222,789</b>	<b>\$ 163,005,202</b>	<b>\$ 153,664,473</b>	<b>\$ 155,471,793</b>	<b>\$ 152,318,157</b>	<b>\$ 150,187,563</b>	<b>\$ 150,360,537</b>	<b>\$ 147,796,315</b>	<b>\$ 143,507,839</b>
<b>Change in Net Position</b>	<b>\$ 15,811,323</b>	<b>\$ 151,932</b>	<b>\$ (10,247,793)</b>	<b>\$ (5,669,909)</b>	<b>\$ 5,579,124</b>	<b>\$ (8,563,044)</b>	<b>\$ (8,031,507)</b>	<b>\$ 2,154,739</b>	<b>\$ (142,551)</b>	<b>\$ 6,390,149</b>

Source: Statement of Activities

**CECIL COUNTY PUBLIC SCHOOLS  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>General fund:</b>										
Non-spendable	\$ 468,055	\$ 466,396	\$ 327,269	\$ 346,600	\$ 301,200	\$ 410,629	\$ 523,678	\$ 483,753	\$ 484,018	\$ 640,769
Committed	15,267,821	11,205,839	4,874,116	4,639,071	4,275,857	6,302,758	6,625,121	5,710,472	5,888,839	5,737,241
Assigned	6,528,473	13,478,422	7,523,367	8,367,267	4,248,754	3,079,000	3,319,000	3,873,000	3,550,000	3,418,012
Unassigned	<u>3,129,742</u>	<u>1,681,483</u>	<u>6,067,563</u>	<u>6,564,789</u>	<u>9,002,597</u>	<u>-</u>	<u>2,169,481</u>	<u>7,421,672</u>	<u>6,416,521</u>	<u>2,212,204</u>
<b>Total general fund</b>	<u>\$ 25,394,091</u>	<u>\$ 26,832,140</u>	<u>\$ 18,792,315</u>	<u>\$ 19,917,727</u>	<u>\$ 17,828,408</u>	<u>\$ 9,792,387</u>	<u>\$ 12,637,280</u>	<u>\$ 17,488,897</u>	<u>\$ 16,339,378</u>	<u>\$ 12,008,226</u>
<b>All other governmental funds</b>										
<b>Special Revenue Fund:</b>										
Non-spendable	\$ 204,873	\$ 152,715	\$ 188,534	\$ 197,395	\$ 137,272	\$ 192,936	\$ 105,236	\$ 128,645	\$ 149,762	\$ 193,823
Restricted	3,855,451	5,156,874	6,742,900	6,724,282	2,817,285	1,162,336	-	-	-	-
Unassigned	-	-	-	-	-	-	1,221,023	779,106	370,487	(20,693)
Assigned	-	-	-	-	-	-	-	-	-	-
<b>Capital Project Fund:</b>										
Restricted	<u>214,927</u>	<u>57,691</u>	<u>33,971</u>	<u>32,317</u>	<u>32,260</u>	<u>32,207</u>	<u>49,995</u>	<u>48,973</u>	<u>48,402</u>	<u>42,732</u>
<b>Total all other governmental funds</b>	<u>\$ 4,275,251</u>	<u>\$ 5,367,280</u>	<u>\$ 6,965,405</u>	<u>\$ 6,953,994</u>	<u>\$ 2,986,817</u>	<u>\$ 1,387,479</u>	<u>\$ 1,376,254</u>	<u>\$ 956,724</u>	<u>\$ 568,651</u>	<u>\$ 215,862</u>

Source: Balance Sheet - Governmental Funds

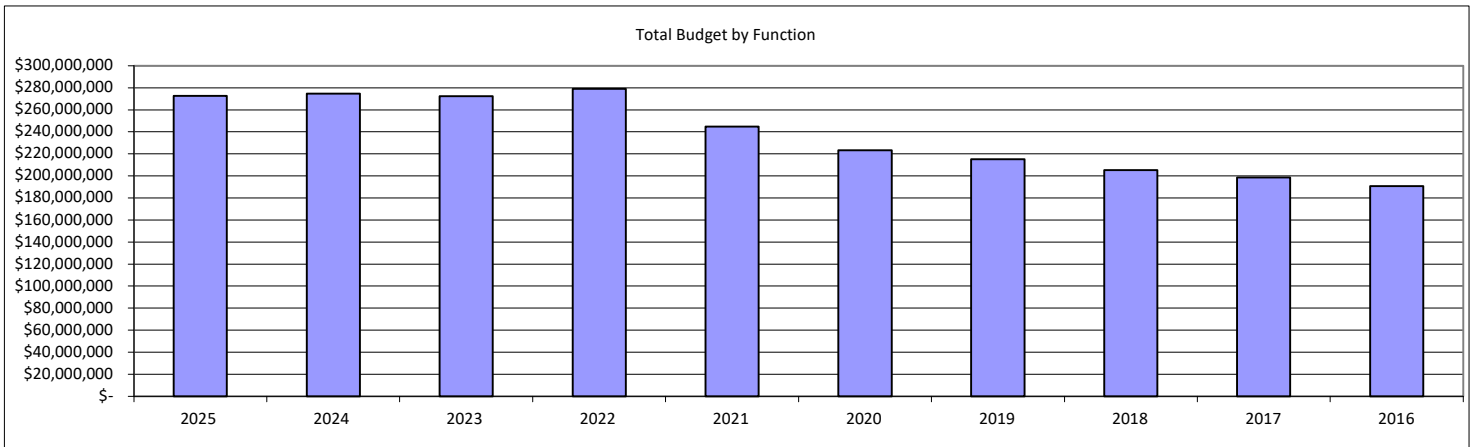
**CECIL COUNTY PUBLIC SCHOOLS**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Revenue</b>										
<b>Intergovernmental</b>										
Cecil County	\$ 102,244,523	\$ 92,050,026	\$ 92,405,458	\$ 92,670,119	\$ 97,587,339	\$ 90,378,236	\$ 89,721,741	\$ 89,881,090	\$ 86,107,741	\$ 88,050,984
State of Maryland	184,990,502	156,703,016	135,540,764	127,967,912	131,578,402	129,955,431	125,374,800	127,274,639	124,517,950	117,552,193
United States Government	25,781,040	37,585,708	34,748,034	41,454,717	24,048,783	15,656,001	16,556,091	13,720,838	13,616,684	13,549,190
<b>Other sources</b>										
Sale of food	1,398,028	1,452,664	1,760,033	383,463	16,865	1,448,827	2,084,542	1,921,257	1,849,130	1,824,286
Investment interest	1,887,677	1,783,444	663,999	17,731	14,360	290,594	533,355	316,539	87,206	18,242
Other	5,788,901	3,478,078	3,630,832	2,008,202	1,464,127	954,178	785,662	940,424	752,506	1,186,502
<b>Total revenue</b>	<b>\$ 322,090,671</b>	<b>\$ 293,052,936</b>	<b>\$ 268,749,120</b>	<b>\$ 264,502,144</b>	<b>\$ 254,709,876</b>	<b>\$ 238,683,267</b>	<b>\$ 235,056,191</b>	<b>\$ 234,054,787</b>	<b>\$ 226,931,217</b>	<b>\$ 222,181,397</b>
<b>Expenditures</b>										
Administration	\$ 8,685,851	\$ 7,714,484	\$ 8,048,844	\$ 6,590,338	\$ 6,127,701	\$ 6,017,872	\$ 5,945,377	\$ 5,845,485	\$ 6,088,651	\$ 5,140,935
Mid-level administration	17,959,809	17,487,548	16,595,032	15,746,510	14,301,253	14,657,585	14,555,005	14,136,118	13,901,636	13,336,761
<b>Instruction</b>										
Salaries	90,862,038	90,658,555	86,865,734	86,194,767	81,150,735	81,039,544	76,319,344	73,105,335	72,519,546	70,388,331
Materials and supplies	4,518,765	4,134,419	3,742,541	7,050,979	4,226,354	2,760,748	3,469,427	4,728,922	5,077,775	3,212,396
Other costs	42,492,763	16,247,092	12,946,766	11,779,963	21,961,897	13,116,856	15,167,372	19,195,545	4,068,239	3,270,618
Special education	38,204,787	36,239,897	33,339,532	32,016,490	29,728,451	30,771,185	29,508,632	27,330,111	26,279,454	26,318,771
Student personnel services	2,145,059	1,825,423	2,625,810	2,074,601	1,993,721	1,877,257	1,965,536	1,499,819	1,321,324	1,035,422
Student health services	2,572,448	2,458,879	2,414,850	2,080,458	1,897,687	1,810,039	1,710,844	1,669,881	1,631,860	1,592,818
Student transportation	13,629,176	13,914,463	12,844,330	12,531,707	9,929,866	10,855,021	11,034,883	10,786,695	10,021,991	9,621,041
Operation of plant	13,925,925	12,988,992	12,989,177	12,740,137	11,801,812	11,271,550	11,398,341	11,084,642	11,114,043	10,928,625
Maintenance of plant	3,479,603	3,261,375	4,901,689	4,294,760	3,915,661	4,109,347	4,323,819	4,908,868	4,619,523	4,364,425
Fixed charges	70,564,600	63,679,126	61,129,569	56,462,937	55,155,497	55,946,057	55,815,795	50,199,827	50,077,857	51,160,478
Community services	2,661,452	2,025,860	1,385,164	791,118	533,280	266,206	534,771	317,915	358,580	145,387
<b>Food &amp; nutrition services</b>										
Salaries and wages	3,208,579	3,011,931	2,813,376	2,526,876	2,377,849	2,536,416	2,536,100	2,423,903	2,377,355	2,408,133
Food	4,775,343	4,154,889	3,767,834	3,636,376	2,268,678	2,474,015	2,653,125	2,916,677	2,746,848	3,134,844
Contracted services	232,824	276,276	198,865	66,796	49,595	69,650	46,874	48,553	67,642	69,757
Supplies and materials	1,533,907	1,122,811	469,310	482,264	320,587	155,204	289,003	292,904	280,868	197,128
Other operating cost	447,947	1,415,552	1,018,169	752,953	71,675	226,509	203,695	105,413	102,955	46,018
Student Activity Fees	1,739,223	1,883,919	1,648,357	1,296,419	602,507	-	-	-	-	-
Capital outlay	362,141	2,017,808	1,331,937	397,461	301,730	1,030,658	1,364,740	1,119,804	8,792,710	12,170,838
Debt service										
Principal	1,267,471	1,426,372	1,207,191	508,060	1,108,764	1,177,978	961,801	1,030,894	933,021	563,457
Interest	101,745	134,073	61,708	42,635	24,488	43,698	34,086	47,489	56,940	90,510
<b>Total expenditures</b>	<b>\$ 325,371,456</b>	<b>\$ 288,079,744</b>	<b>\$ 272,345,785</b>	<b>\$ 260,064,605</b>	<b>\$ 249,849,788</b>	<b>\$ 242,213,395</b>	<b>\$ 239,838,570</b>	<b>\$ 232,794,800</b>	<b>\$ 222,438,818</b>	<b>\$ 219,196,693</b>
Excess of revenues over (under) expenditures	(3,280,785)	4,973,192	(3,596,665)	4,437,539	4,860,088	(3,530,128)	(4,782,379)	1,259,987	4,492,399	2,984,704
<b>Other financing sources (uses)</b>										
Sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leases & subscriptions	750,707	1,468,508	2,482,664	118,957	119,227	696,460	350,292	277,605	191,542	-
Transfers from Retiree Benefit Trust Func	-	-	-	1,500,000	3,000,000	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>750,707</b>	<b>1,468,508</b>	<b>2,482,664</b>	<b>1,618,957</b>	<b>3,119,227</b>	<b>696,460</b>	<b>350,292</b>	<b>277,605</b>	<b>191,542</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (2,530,078)</b>	<b>\$ 6,441,700</b>	<b>\$ (1,114,001)</b>	<b>\$ 6,056,496</b>	<b>\$ 7,979,315</b>	<b>\$ (2,833,668)</b>	<b>\$ (4,432,087)</b>	<b>\$ 1,537,592</b>	<b>\$ 4,683,941</b>	<b>\$ 2,984,704</b>
Debt Service as a percentage of noncapital expenditures*	0.47%	0.57%	0.49%	0.22%	0.49%	0.53%	0.44%	0.50%	0.47%	0.32%

Source: Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds  
Note: Capital Outlay was allocated to other functions from 2010-2015. See Reconciliation Of Net Change in Fund Balance and Note 6B to Basic Financial Statements.  
\*Debt issued to finance school construction is not an obligation of the School System, therefore the debt service relating to those obligations is not included in these financial statements.

**CECIL COUNTY PUBLIC SCHOOLS  
GENERAL FUND  
FINAL APPROVED BUDGET BY FUNCTION  
LAST TEN FISCAL YEARS**

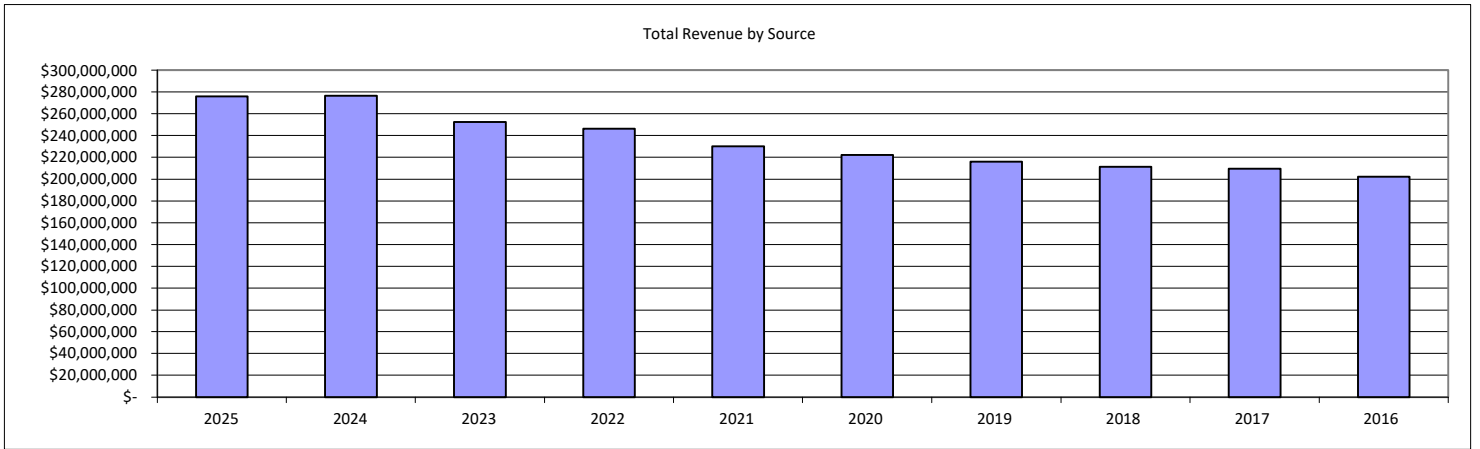
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administration	\$ 7,473,514	\$ 7,786,499	\$ 9,262,389	\$ 8,459,865	\$ 8,329,820	\$ 6,731,117	\$ 5,957,180	\$ 5,908,844	\$ 5,351,755	\$ 4,727,924
Mid-level administration	17,894,044	17,900,234	18,433,865	18,022,396	15,084,787	14,958,576	14,686,232	14,452,246	14,201,864	13,702,313
Instruction salaries	91,858,922	95,715,908	96,133,789	100,476,505	88,480,779	82,754,595	77,043,275	73,580,097	72,863,252	70,710,787
Instruction supplies	5,195,928	6,139,370	5,271,550	11,613,694	7,626,665	6,491,532	4,191,739	5,845,823	5,367,155	3,932,606
Instruction other costs	9,950,390	11,020,656	10,546,620	12,747,407	10,171,450	6,131,342	4,674,182	4,922,099	4,165,556	3,405,349
Special education	40,182,942	38,241,085	34,770,789	38,389,739	36,119,433	31,409,476	30,229,203	27,786,201	26,941,588	26,725,642
Student personnel services	2,156,000	2,070,376	3,093,925	2,544,764	2,965,550	2,607,544	2,442,636	1,671,314	1,363,081	1,054,619
Student health services	2,618,595	2,471,634	2,673,483	2,299,617	2,047,203	1,952,045	1,726,135	1,699,653	1,639,661	1,624,600
Student transportation	14,252,715	14,420,094	13,655,993	13,555,683	12,318,529	11,144,762	11,340,369	10,911,699	10,274,308	9,767,803
Operation of plant	14,446,348	13,902,519	13,211,060	13,450,029	11,907,492	11,187,264	11,536,987	11,487,301	11,469,440	11,198,162
Maintenance of plant	5,019,676	5,043,631	6,682,122	4,970,448	4,053,639	4,159,819	4,683,803	5,022,506	4,847,291	4,579,484
Fixed charges	55,773,291	52,560,259	52,748,984	48,680,326	43,860,716	42,454,528	42,638,415	39,338,254	39,088,641	38,626,623
Community services	3,572,233	3,305,203	1,901,034	1,614,526	1,373,280	512,092	642,541	415,008	414,371	274,349
Student school/activity fees	1,900,000	1,950,000	1,725,000	1,425,000	-	-	-	-	-	-
Capital outlay	378,913	2,231,205	2,211,004	966,129	447,091	679,910	3,369,972	2,288,016	485,113	307,078
<b>Total Budget by Function</b>	<b>\$ 272,673,511</b>	<b>\$ 274,758,673</b>	<b>\$ 272,321,607</b>	<b>\$ 279,216,128</b>	<b>\$ 244,786,434</b>	<b>\$ 223,174,602</b>	<b>\$ 215,162,669</b>	<b>\$ 205,329,061</b>	<b>\$ 198,473,076</b>	<b>\$ 190,637,339</b>
Increase over prior year	\$ (2,085,162) -0.8%	\$ 2,437,066 0.9%	\$ (6,894,521) -2.5%	\$ 34,429,694 14.1%	\$ 21,611,832 9.7%	\$ 8,011,933 3.7%	\$ 9,833,608 4.8%	\$ 6,855,985 3.5%	\$ 7,835,737 4.1%	\$ 715,132 0.4%



Source: Statement of Revenue, Expenditures, Encumbrances, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - General Fund

**CECIL COUNTY PUBLIC SCHOOLS  
GENERAL FUND  
REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

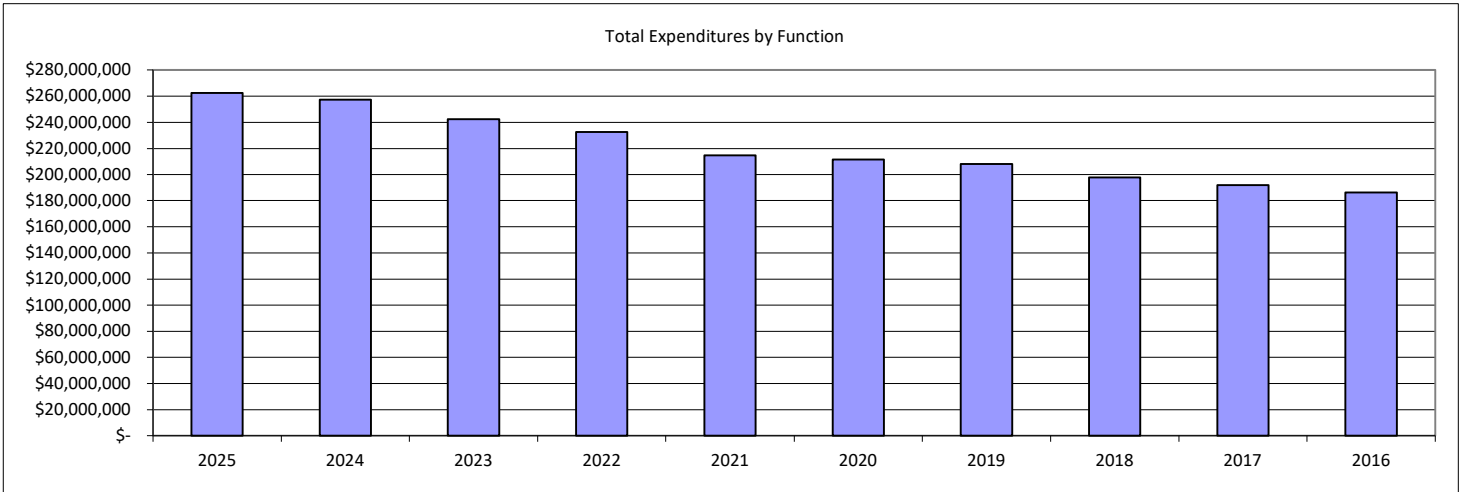
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cecil County	\$ 97,550,830	\$ 88,501,638	\$ 89,196,266	\$ 88,527,026	\$ 86,367,865	\$ 84,905,673	\$ 82,463,528	\$ 81,688,528	\$ 80,610,438	\$ 79,750,778
State of Maryland	156,428,599	153,479,762	132,690,147	126,093,459	125,627,388	124,959,492	120,214,466	119,689,250	119,046,123	112,703,145
United States Government	15,854,347	29,631,318	27,318,778	29,550,204	16,713,333	10,986,159	11,862,236	8,881,924	9,031,345	8,991,912
Other sources										
Investment interest	1,864,700	1,760,783	650,700	17,516	14,177	289,406	531,943	315,785	86,795	18,136
Other	4,355,529	2,911,300	2,560,513	1,898,426	1,431,412	950,905	781,919	925,538	728,980	685,434
<b>Total revenue by source</b>	<b>\$ 276,054,005</b>	<b>\$ 276,284,801</b>	<b>\$ 252,416,404</b>	<b>\$ 246,086,631</b>	<b>\$ 230,154,175</b>	<b>\$ 222,091,635</b>	<b>\$ 215,854,092</b>	<b>\$ 211,501,025</b>	<b>\$ 209,503,681</b>	<b>\$ 202,149,405</b>
Increase/(decrease) over prior year	\$ (230,796) -0.1%	\$ 23,868,397 9.5%	\$ 6,329,773 2.6%	\$ 15,932,456 6.9%	\$ 8,062,540 3.6%	\$ 6,237,543 2.9%	\$ 4,353,067 2.1%	\$ 1,997,344 1.0%	\$ 7,354,276 3.6%	\$ 1,473,156 0.7%



Source: Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds

**CECIL COUNTY PUBLIC SCHOOLS  
GENERAL FUND  
EXPENDITURES BY FUNCTION  
BUDGETARY BASIS (non-GAAP)  
LAST TEN FISCAL YEARS**

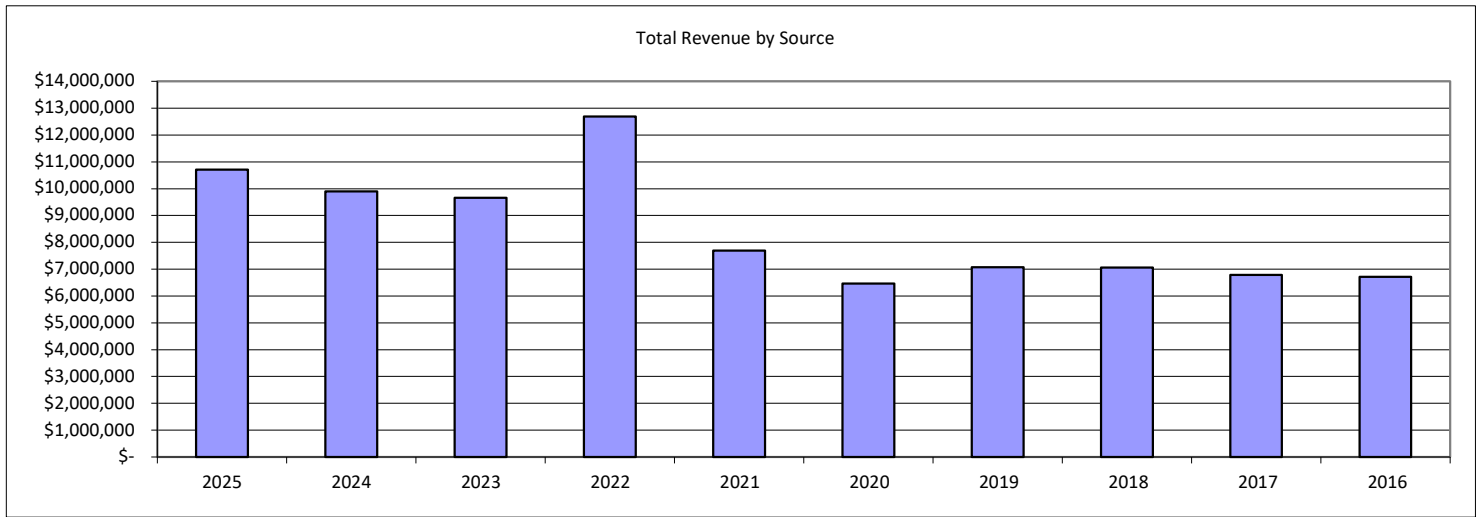
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administration	\$ 6,596,971	\$ 6,533,412	\$ 4,594,945	\$ 6,239,646	\$ 5,824,917	\$ 5,886,830	\$ 5,362,639	\$ 5,623,851	\$ 5,150,687	\$ 4,239,139
Mid-level administration	17,878,665	17,543,696	16,700,780	15,827,260	14,301,253	14,657,585	14,555,005	14,136,118	13,901,636	13,336,761
Instruction										
Salaries	90,862,038	90,658,555	86,865,734	86,194,767	81,150,736	81,039,544	76,319,344	73,105,335	72,519,546	70,388,331
Materials and supplies	4,143,958	4,449,164	3,942,413	6,339,083	4,170,138	2,662,529	2,978,821	4,718,208	4,679,832	3,064,304
Other costs	8,534,957	9,968,277	7,444,899	6,324,283	6,670,290	3,772,646	4,433,462	4,526,454	3,735,052	3,264,019
Special education	38,073,090	36,371,594	33,361,332	31,905,760	29,860,980	30,771,185	29,504,035	27,334,708	26,279,454	26,310,303
Student personnel services	2,145,059	1,812,580	2,916,154	2,259,191	2,048,031	1,750,915	2,130,476	1,499,819	1,321,324	1,035,422
Student health services	2,572,448	2,458,879	2,414,850	2,080,458	1,897,687	1,810,039	1,710,844	1,669,881	1,631,860	1,592,818
Student transportation	13,629,176	13,914,463	12,844,330	12,561,833	9,877,749	10,888,794	11,077,824	10,745,460	10,057,070	9,621,041
Operation of plant	13,925,925	12,988,991	12,991,642	12,813,576	11,840,330	11,273,037	11,398,341	11,084,642	11,114,043	10,928,625
Maintenance of plant	4,848,819	4,821,819	5,820,969	5,490,343	3,939,441	4,032,850	4,478,228	4,906,775	4,492,271	4,352,612
Fixed charges	54,670,203	49,953,506	47,968,603	42,047,236	41,317,129	41,998,540	42,233,257	36,916,283	36,163,739	37,760,931
Community services	2,642,244	1,957,263	1,545,263	634,399	738,729	266,206	534,771	317,915	358,580	122,357
Capital outlay	362,141	2,017,808	1,331,937	541,399	418,988	679,910	1,364,740	1,119,804	421,328	296,564
Student school/activity fees	1,739,223	1,883,919	1,648,357	1,296,419	602,507	-	-	-	-	-
<b>Total expenditures by function</b>	<b>\$ 262,624,917</b>	<b>\$ 257,333,926</b>	<b>\$ 242,392,208</b>	<b>\$ 232,555,653</b>	<b>\$ 214,658,905</b>	<b>\$ 211,490,610</b>	<b>\$ 208,081,787</b>	<b>\$ 197,705,253</b>	<b>\$ 191,826,422</b>	<b>\$ 186,313,227</b>
Increase/(decrease) over prior year	\$ 5,290,991 2.1%	\$ 14,941,718 6.2%	\$ 9,836,555 4.2%	\$ 17,896,748 8.3%	\$ 3,168,295 1.5%	\$ 3,408,823 1.6%	\$ 10,376,534 5.2%	\$ 5,878,831 3.1%	\$ 5,513,195 3.0%	\$ 581,462 0.3%



Source: Statement of Revenue, Expenditures, Encumbrances, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - General Fund

**CECIL COUNTY PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

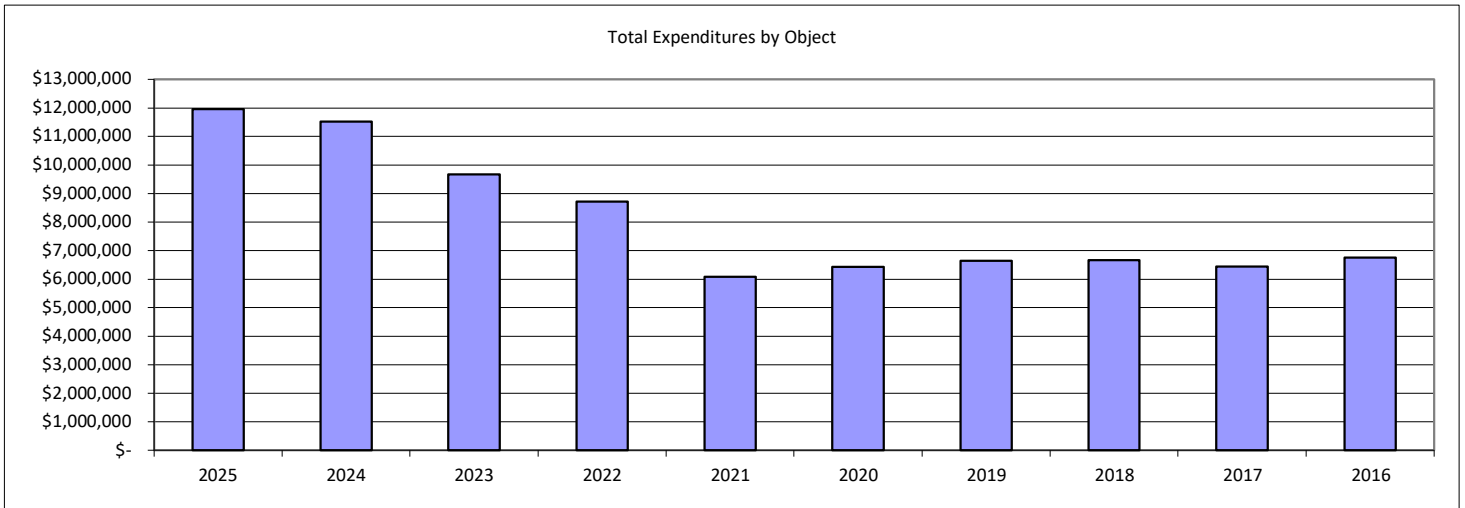
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
State of Maryland	\$ 661,075	\$ 473,598	\$ 434,425	\$ 393,777	\$ 301,962	\$ 339,356	\$ 282,539	\$ 286,621	\$ 325,394	\$ 329,274
United States Government	8,611,115	7,954,390	7,429,256	11,904,513	7,335,450	4,669,842	4,693,855	4,838,914	4,585,339	4,557,278
Sale of food	1,398,028	1,452,664	1,760,033	383,463	16,865	1,448,827	2,084,542	1,921,257	1,849,130	1,824,286
Investment interest	20,229	19,943	11,646	158	130	404	389	182	176	19
Other	<u>7,284</u>	<u>559</u>	<u>18,420</u>	<u>685</u>	<u>32,715</u>	<u>3,273</u>	<u>3,743</u>	<u>14,887</u>	<u>23,526</u>	<u>-</u>
<b>Total revenue by source</b>	<b><u>\$ 10,697,731</u></b>	<b><u>\$ 9,901,154</u></b>	<b><u>\$ 9,653,780</u></b>	<b><u>\$ 12,682,596</u></b>	<b><u>\$ 7,687,122</u></b>	<b><u>\$ 6,461,702</u></b>	<b><u>\$ 7,065,068</u></b>	<b><u>\$ 7,061,861</u></b>	<b><u>\$ 6,783,565</u></b>	<b><u>\$ 6,710,857</u></b>
Increase/(decrease) over prior year	\$ 796,577 8.05%	\$ 247,374 2.56%	\$ (3,028,816) -23.88%	\$ 4,995,474 64.98%	\$ 1,225,420 18.96%	\$ (603,366) -8.54%	\$ 3,207 0.05%	\$ 278,296 4.1%	\$ 72,708 1.1%	\$ (133,901) -2.0%



Source: Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds

**CECIL COUNTY PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
EXPENDITURES BY OBJECT  
LAST TEN FISCAL YEARS**

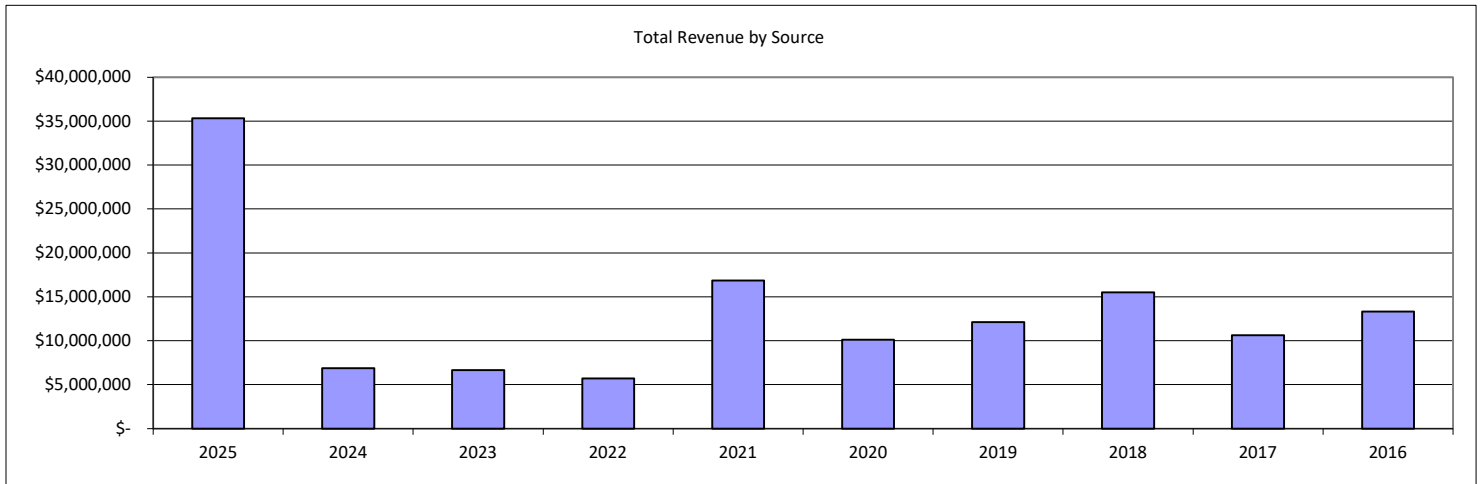
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Salaries and wages	\$ 3,208,579	\$ 3,011,931	\$ 2,813,376	\$ 2,526,876	\$ 2,377,849	\$ 2,536,416	\$ 2,536,100	\$ 2,423,903	\$ 2,377,355	\$ 2,408,133
Food	4,775,343	4,154,889	3,767,834	3,636,376	2,268,678	2,474,015	2,653,125	2,916,677	2,746,848	3,134,844
Contracted services	232,824	276,276	198,865	66,796	49,595	69,650	46,874	48,553	67,642	69,757
Supplies and materials	1,533,907	1,122,811	469,310	482,264	320,587	155,204	289,003	292,904	280,868	197,128
Other operating cost	1,822,276	1,569,105	1,533,967	1,260,374	1,008,459	1,000,103	961,945	913,666	887,047	930,701
Equipment	384,162	1,387,987	891,435	742,790	62,669	197,301	159,513	78,656	76,686	15,499
<b>Total expenditures by object</b>	<b>\$11,957,091</b>	<b>\$11,522,999</b>	<b>\$ 9,674,787</b>	<b>\$ 8,715,476</b>	<b>\$ 6,087,837</b>	<b>\$ 6,432,689</b>	<b>\$ 6,646,560</b>	<b>\$ 6,674,359</b>	<b>\$ 6,436,446</b>	<b>\$ 6,756,062</b>
Increase/(decrease) over prior year	\$ 434,092 3.8%	\$ 1,848,212 19.1%	\$ 959,311 11.0%	\$ 2,627,639 43.2%	\$ (344,852) -5.4%	\$ (213,871) -3.2%	\$ (27,799) -0.4%	\$ 237,913 3.7%	\$ (319,616) -4.7%	\$ 71,044 1.1%



Source: Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds

**CECIL COUNTY PUBLIC SCHOOLS  
CAPITAL PROJECT FUND  
REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

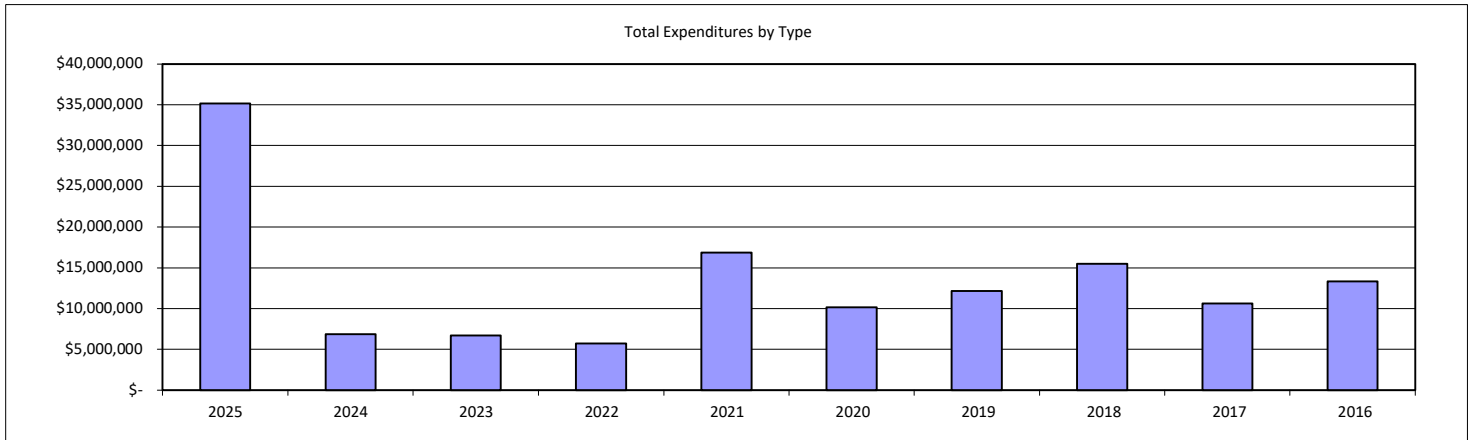
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cecil County	\$ 4,693,693	\$ 3,548,388	\$ 3,209,192	\$ 4,143,093	\$ 11,219,474	\$ 5,472,563	\$ 7,258,213	\$ 8,192,562	\$ 5,497,303	\$ 8,300,206
State of Maryland	27,900,828	2,749,656	2,416,192	1,480,676	5,649,052	4,656,583	4,877,795	7,298,768	5,146,433	4,519,774
United States Government	1,315,578	-	-	-	-	-	-	-	-	-
Investment interest	2,748	2,718	1,653	57	53	784	1,023	571	235	87
Other	<u>1,426,088</u>	<u>566,219</u>	<u>1,051,899</u>	<u>109,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,068</u>
<b>Total</b>	<b>\$ 35,338,935</b>	<b>\$ 6,866,981</b>	<b>\$ 6,678,936</b>	<b>\$ 5,732,917</b>	<b>\$ 16,868,579</b>	<b>\$ 10,129,930</b>	<b>\$ 12,137,031</b>	<b>\$ 15,491,901</b>	<b>\$ 10,643,971</b>	<b>\$ 13,321,135</b>
Increase/(decrease) over prior year	\$ 28,471,954 414.6%	\$ 188,045 2.8%	\$ 946,019 16.5%	\$ (11,135,662) -66.0%	\$ 6,738,649 66.5%	\$ (2,007,101) -16.5%	\$ (3,354,870) -21.7%	\$ 4,847,930 45.5%	\$ (2,677,164) -20.1%	\$ (12,167,780) -47.7%



Source: Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds

**CECIL COUNTY PUBLIC SCHOOLS  
CAPITAL PROJECT FUND  
EXPENDITURES BY TYPE  
LAST TEN FISCAL YEARS**

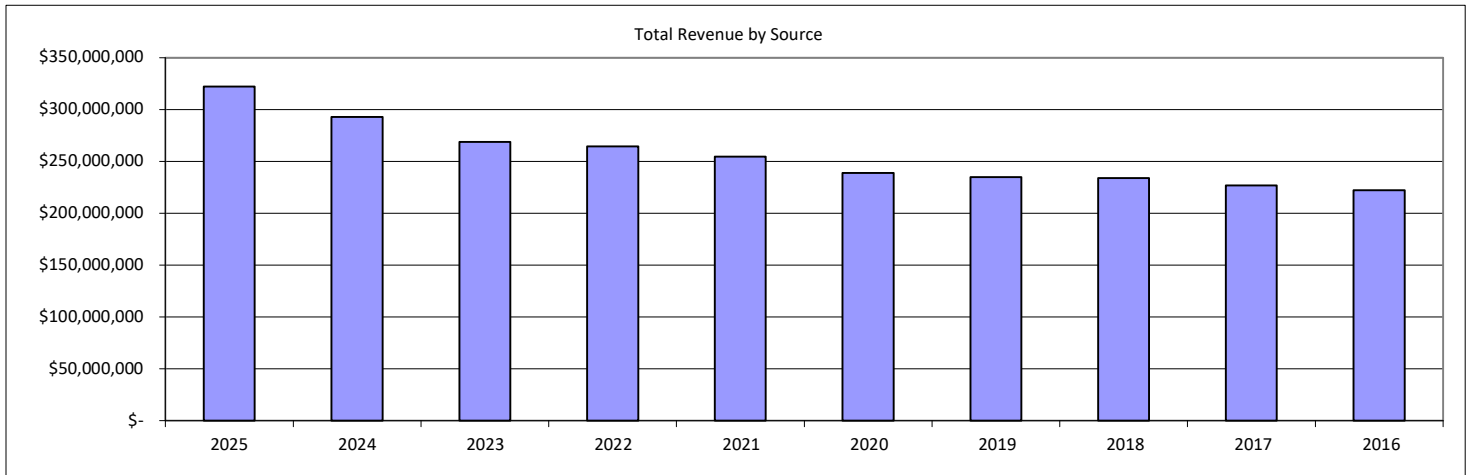
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Land	\$ -	\$ -	\$ -	\$ -	\$ 1,858,733	\$ -	\$ 164,305	\$ 18,000	\$ -	\$ -	\$ 4,359,300
Building	-	-	-	-	803,913	803,913	803,913	803,913	3,572,593	1,250,687	6,712,725
Site improvement	102,329	545,218	1,051,899	109,091	-	-	-	503,511	448,505	222,487	609,423
Remodeling	33,904,999	6,293,293	5,530,675	5,243,464	14,041,973	8,619,840	10,492,899	14,165,906	6,592,128	11,685,030	13,362,079
Equipment	1,174,371	4,750	94,708	380,305	163,907	723,966	674,891	-	25,075	168,153	240,639
<b>Total expenditures by type</b>	<b>\$ 35,181,699</b>	<b>\$ 6,843,261</b>	<b>\$ 6,677,282</b>	<b>\$ 5,732,860</b>	<b>\$ 16,868,526</b>	<b>\$ 10,147,719</b>	<b>\$ 12,136,008</b>	<b>\$ 15,491,330</b>	<b>\$ 10,638,301</b>	<b>\$ 13,326,357</b>	<b>\$ 25,284,166</b>
Increase/(decrease) over prior year	\$ 28,338,438 414.1%	\$ 165,979 2.5%	\$ 944,422 16.5%	\$ (11,135,666) -66.0%	\$ 6,720,807 66.2%	\$ (1,988,289) -16.4%	\$ (3,355,322) -21.7%	\$ 4,853,029 45.6%	\$ (2,688,056) -20.2%	\$ (11,957,809) -47.3%	\$ 17,761,285 236.1%



Source: Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds

**CECIL COUNTY PUBLIC SCHOOLS  
GOVERNMENT-WIDE  
REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

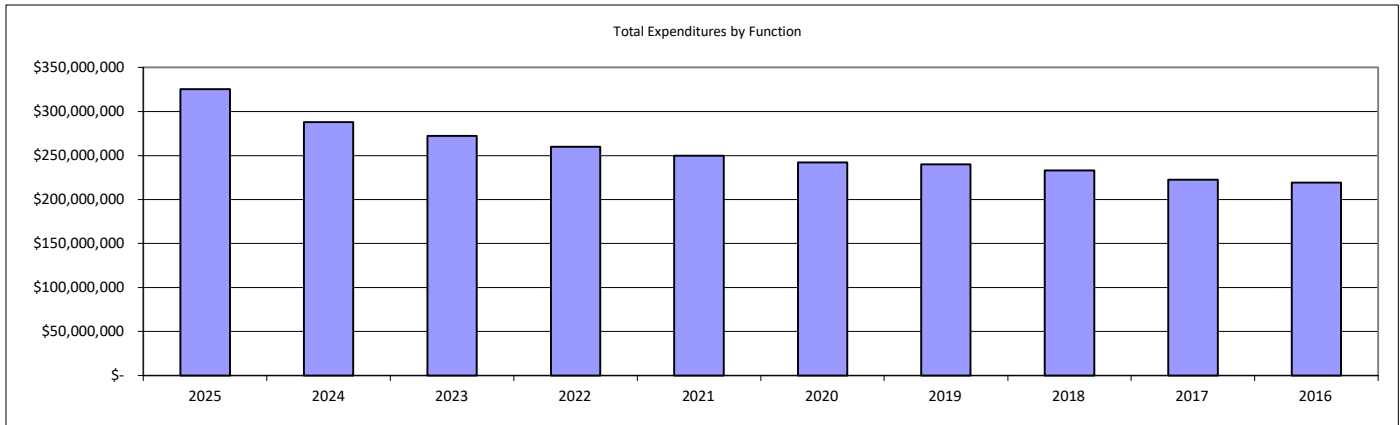
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cecil County	\$ 102,244,523	\$ 92,050,026	\$ 92,405,458	\$ 92,670,119	\$ 97,587,339	\$ 90,378,236	\$ 89,721,741	\$ 89,881,090	\$ 86,107,741	\$ 88,050,984
State of Maryland	184,990,502	156,703,016	135,540,764	127,967,912	131,578,402	129,955,431	125,374,800	127,274,639	124,517,950	117,552,193
United States Government	25,781,040	37,585,708	34,748,034	41,454,717	24,048,783	15,656,001	16,556,091	13,720,838	13,616,684	13,549,190
Sale of food	1,398,028	1,452,664	1,760,033	383,463	16,865	1,448,827	2,084,542	1,921,257	1,849,130	1,824,286
Investment interest	1,887,677	1,783,444	663,999	17,731	14,360	290,594	533,355	316,539	87,206	18,242
Other	5,788,901	3,478,078	3,630,832	2,008,202	1,464,127	954,178	785,662	940,424	752,506	1,186,502
<b>Total revenue by source</b>	<b>\$ 322,090,671</b>	<b>\$ 293,052,936</b>	<b>\$ 268,749,120</b>	<b>\$ 264,502,144</b>	<b>\$ 254,709,876</b>	<b>\$ 238,683,267</b>	<b>\$ 235,056,191</b>	<b>\$ 234,054,787</b>	<b>\$ 226,931,217</b>	<b>\$ 222,181,397</b>
Increase/(decrease) over prior year	\$ 29,037,735 9.9%	\$ 24,303,816 9.0%	\$ 4,246,976 1.6%	\$ 9,792,268 3.8%	\$ 16,026,609 6.7%	\$ 3,627,076 1.5%	\$ 1,001,404 0.4%	\$ 7,123,570 3.1%	\$ 4,749,820 2.1%	\$ (10,828,525) -4.6%



Source: Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds

**CECIL COUNTY PUBLIC SCHOOLS  
GOVERNMENT-WIDE  
EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administration	\$ 8,685,851	\$ 7,714,484	\$ 8,048,844	\$ 6,590,338	\$ 6,127,701	\$ 6,017,872	\$ 5,945,377	\$ 5,845,485	\$ 6,088,651	\$ 5,140,935
Mid-level administration	17,959,809	17,487,548	16,595,032	15,746,510	14,301,253	14,657,585	14,555,005	14,136,118	13,901,636	13,336,761
Instruction										
Salaries	90,862,038	90,658,555	86,865,734	86,194,767	81,150,735	81,039,544	76,319,344	73,105,335	72,519,546	70,388,331
Materials and supplies	4,518,765	4,134,419	3,742,541	7,050,979	4,226,354	2,760,748	3,469,427	4,728,922	5,077,775	3,212,396
Other costs	42,492,763	16,247,092	12,946,766	11,779,963	21,961,897	13,116,856	15,167,372	19,195,545	4,068,239	3,270,618
Special education	38,204,787	36,239,897	33,339,532	32,016,490	29,728,451	30,771,185	29,508,632	27,330,111	26,279,454	26,318,771
Student personnel services	2,145,059	1,825,423	2,625,810	2,074,601	1,993,721	1,877,257	1,965,536	1,499,819	1,321,324	1,035,422
Student health services	2,572,448	2,458,879	2,414,850	2,080,458	1,897,687	1,810,039	1,710,844	1,669,881	1,631,860	1,592,818
Student transportation	13,629,176	13,914,463	12,844,330	12,531,707	9,929,866	10,855,021	11,034,883	10,786,695	10,021,991	9,621,041
Operation of plant	13,925,925	12,988,992	12,989,177	12,740,137	11,801,812	11,271,550	11,398,341	11,084,642	11,114,043	10,928,625
Maintenance of plant	3,479,603	3,261,375	4,901,689	4,294,760	3,915,661	4,109,347	4,323,819	4,908,868	4,619,523	4,364,425
Fixed charges	70,564,600	63,679,126	61,129,569	56,462,937	55,155,497	55,946,057	55,815,795	50,199,827	50,077,857	51,160,478
Community services	2,661,452	2,025,860	1,385,164	791,118	533,280	266,206	534,771	317,915	358,580	145,387
Food & nutrition services	10,198,600	9,981,459	8,267,554	7,465,265	5,088,384	5,461,794	5,728,797	5,787,450	5,575,668	5,855,880
Student activities	1,739,223	1,883,919	1,648,357	1,296,419	602,507	-	-	-	-	-
Capital outlay	362,141	2,017,808	1,331,937	397,461	301,730	1,030,658	1,364,740	1,119,804	8,792,710	12,170,838
Debt service	1,369,216	1,560,445	1,268,899	550,695	1,133,252	1,221,676	995,887	1,078,383	989,961	653,967
<b>Total expenditures by function</b>	<b>\$325,371,456</b>	<b>\$288,079,744</b>	<b>\$272,345,785</b>	<b>\$260,064,605</b>	<b>\$249,849,788</b>	<b>\$242,213,395</b>	<b>\$239,838,570</b>	<b>\$232,794,800</b>	<b>\$222,438,818</b>	<b>\$219,196,693</b>
Increase/(decrease) over prior year	\$ 37,291,712 12.9%	\$ 15,733,959 5.8%	\$ 12,281,180 4.7%	\$ 10,214,817 4.1%	\$ 7,636,393 3.2%	\$ 2,374,825 1.0%	\$ 7,043,770 3.0%	\$ 10,355,982 4.7%	\$ 3,242,125 1.5%	\$ (11,603,212) -5.0%



Source: Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds

**CECIL COUNTY PUBLIC SCHOOLS  
ENROLLMENTS BY SCHOOL  
LAST TEN FISCAL YEARS**

	2025 Capacity	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County Population		104,366	105,672	104,942	103,905	103,419	102,855	102,826	102,746	102,603	102,382
<b><u>Elementary Schools</u></b>											
Bainbridge Elementary	428	294	278	304	293	265	284	287	311	313	532
Bay View Elementary	608	506	490	469	443	413	464	513	542	591	609
Calvert Elementary	433	390	398	399	393	404	432	443	455	472	479
Cecil Manor Elementary	522	416	437	424	397	374	408	439	424	453	470
Cecilton Elementary	350	273	279	281	282	282	319	285	301	324	345
Charlestown Elementary	271	305	302	272	272	254	257	235	249	246	436
Chesapeake City Elementary	459	385	372	379	356	349	349	347	323	314	343
Conowingo Elementary	533	379	386	388	391	407	464	462	451	466	474
Elk Neck Elementary	499	428	436	404	409	430	443	440	443	446	408
Gilpin Manor Elementary	501	478	450	477	427	392	425	404	405	412	466
Holly Hall Elementary	643	432	446	437	410	392	430	470	512	578	650
Kenmore Elementary	306	290	267	286	287	303	305	309	317	310	339
Leeds Elementary	408	284	321	334	332	350	423	378	393	384	407
North East Elementary	545	615	592	593	542	520	542	548	561	564	527
Perryville Elementary	500	423	424	421	407	371	393	394	405	407	-
Rising Sun Elementary	716	609	610	609	625	634	681	719	703	699	755
Thomson Estates Elementary	614	456	475	481	461	453	493	509	495	527	456
Elementary School Total	8,336	6,963	6,963	6,958	6,727	6,593	7,112	7,182	7,290	7,506	7,696
<b><u>Middle Schools</u></b>											
Bohemia Manor Middle	601	473	442	436	421	470	495	499	494	502	506
Cherry Hill Middle	775	387	398	402	385	414	431	456	412	426	416
Elkton Middle	711	538	522	523	574	574	571	556	547	557	554
North East Middle	711	758	754	791	787	798	786	773	753	750	732
Perryville Middle	860	512	536	556	578	585	590	589	558	554	556
Rising Sun Middle	818	592	610	617	650	685	702	684	674	649	679
Middle School Total	4,476	3,260	3,262	3,325	3,395	3,526	3,575	3,557	3,438	3,438	3,443
<b><u>High Schools</u></b>											
Bohemia Manor High	643	591	606	626	652	632	647	670	643	650	656
Elkton High	1,380	1,050	1,105	1,108	1,058	1,061	1,004	983	993	982	1,026
North East High	1,009	1,057	1,097	1,074	1,028	1,020	1,016	1,029	1,098	1,083	1,065
Perryville High	860	858	876	859	833	810	801	764	763	802	802
Rising Sun High	924	1,074	1,088	1,107	1,087	1,076	1,100	1,122	1,139	1,172	1,171
High School Total	4,816	4,630	4,772	4,774	4,658	4,599	4,568	4,568	4,636	4,689	4,720
<b><u>Other Schools</u></b>											
Cecil County High School*	106	48	50	60	65	15	67	98	79	87	75
School of Technology*	657	920	945	874	750	814	796	726	744	674	387
<b>Grand Total</b>	<b>18,391</b>	<b>14,853</b>	<b>14,997</b>	<b>15,057</b>	<b>14,780</b>	<b>14,718</b>	<b>15,255</b>	<b>15,307</b>	<b>15,364</b>	<b>15,633</b>	<b>15,859</b>
Increase / (Decrease)		(144)	(60)	277	62	(537)	(52)	(57)	(269)	(226)	178
% Increase / Decrease		-1.0%	-0.4%	1.9%	0.4%	-3.5%	-0.3%	-0.4%	-1.7%	-1.4%	1.1%
High School Graduates		1,096	1,057	1,063	1,012	1,060	1,068	1,031	1,097	1,071	1,143

Source: U.S. Census Bureau, Maryland Department of Commerce, Cecil County Public Schools Department of Student Services

\*Includes schools that are not home based. Students are taken from their primary location for a period of time during the school day.

**CECIL COUNTY, MARYLAND  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
W. L. Gore & Associates, Inc.	2,405	1	4.77%	2,405	1	4.81%
Cecil County Board of Education	2,011	2	3.99%	2,019	2	4.03%
Perry Point V.A. Medical Center	1,500	3	2.98%	1,500	3	3.00%
ChristianaCare Union Hospital	1,235	4	2.45%	1,236	4	2.47%
Terumo Corporation**	1,030	5	2.04%	*		
Amazon	810	6	1.61%	*		
Cecil County Government	706	7	1.40%	590	5	1.18%
IKEA	625	8	1.24%	580	6	1.16%
Cecil College	565	9	1.12%	515	7	1.03%
Northrop Grumman (formerly Orbital ATK, Inc.)	550	10	1.09%	464	9	0.93%
Wal-Mart Stores, Inc.	*			500	8	1.00%
Penn National Gaming	*			334	10	0.67%
Totals	<u>11,437</u>		<u>22.69%</u>	<u>10,143</u>		<u>20.28%</u>

\*Note: Employer is not one of the ten largest employers during the year noted

\*\*Terumo Medical and Terumo Cardiovascular totals are combined under Terumo Corporation

Source: Maryland Department of Commerce, Cecil County Public Schools Approved Budget, Cecil County Government

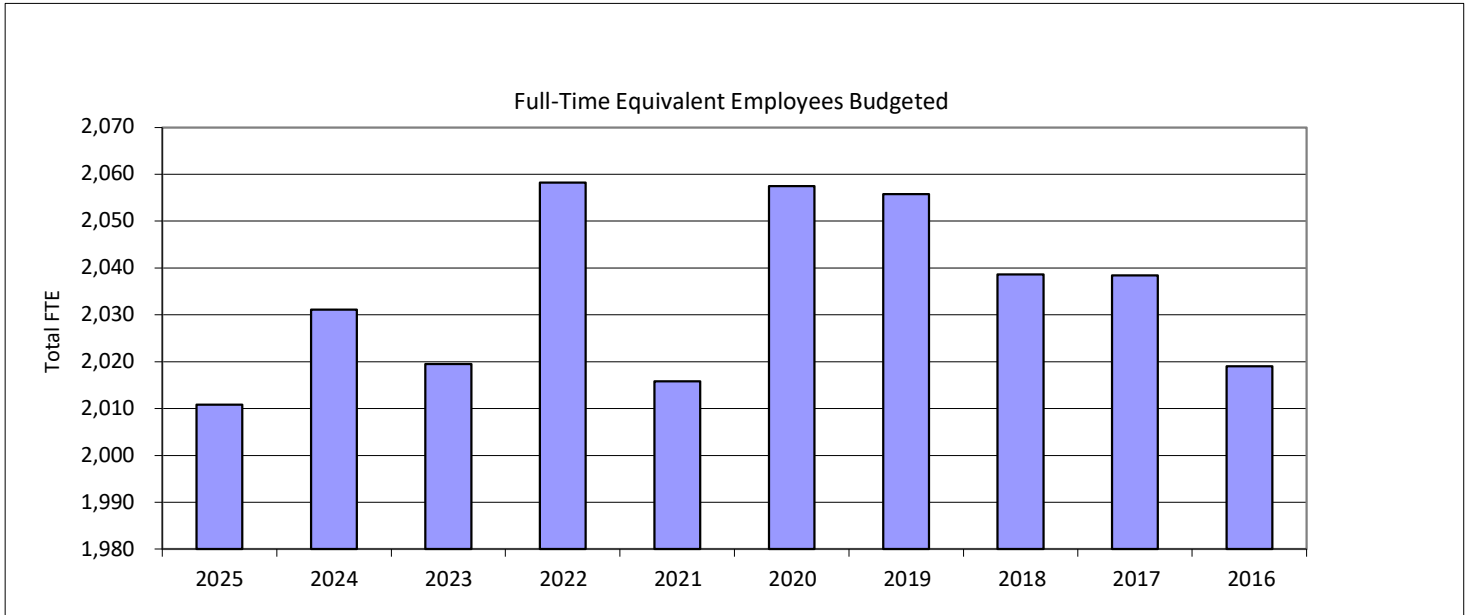
**CECIL COUNTY, MARYLAND  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

Calendar Year	Population	Personal Income (amounts expressed in thousands)		Per Capita Income	Employment	Unemployment Rate	Median Price of Housing Sales	School Enrollment
2024	104,366	4,441,817	\$ 42,560	50,398	3.0%	\$ 365,000	14,853	
2023	105,672	4,281,829	40,520	53,591	2.2%	336,875	14,997	
2022	104,942	3,929,658	37,446	51,972	3.3%	305,174	15,057	
2021	103,905	3,728,839	35,887	49,595	5.2%	286,500	14,780	
2020	103,419	3,600,015	34,810	53,741	5.9%	257,500	14,718	
2019	102,855	3,391,746	32,976	51,323	4.0%	229,900	15,255	
2018	102,826	3,346,164	32,542	50,558	4.8%	225,308	15,307	
2017	102,746	3,151,836	30,676	50,558	4.8%	216,484	15,364	
2016	102,603	3,030,687	29,538	49,918	5.1%	194,765	15,633	
2015	102,382	2,971,638	29,025	50,042	6.0%	197,902	15,859	

Source: Cecil County Office of Economic Development, Maryland Association of Realtors, U.S. Census Bureau, Maryland Department of Commerce

**CECIL COUNTY PUBLIC SCHOOLS  
FULL-TIME EQUIVALENT EMPLOYEES BUDGETED BY FUNCTION  
GENERAL FUND  
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administration	44.50	46.00	47.30	45.50	44.50	47.50	47.50	47.50	47.00	47.00
Mid-level administration	175.50	182.00	186.00	191.50	178.00	191.00	194.60	194.60	195.10	197.10
Instruction salaries	1,041.10	1,084.30	1,064.80	1,120.50	1,081.00	1,104.70	1,102.40	1,099.70	1,102.40	1,101.10
Special education	472.60	459.50	454.10	450.40	454.40	453.90	451.90	437.40	437.50	419.90
Student personnel services	21.00	16.00	27.00	11.00	16.50	18.50	14.90	15.90	13.90	15.90
Student health services	33.00	33.00	34.00	32.00	32.00	32.00	31.00	32.00	31.00	31.00
Student transportation	24.60	23.80	22.80	19.80	20.90	21.40	23.00	23.00	23.00	23.00
Operation of plant	125.00	126.00	127.50	137.50	135.50	136.50	135.50	134.50	134.50	132.00
Maintenance of plant	43.00	43.00	41.50	46.00	47.00	48.00	48.00	48.00	48.00	49.00
Community services	28.00	14.00	10.50	-	2.00	1.00	3.00	3.00	3.00	-
Capital outlay	2.50	3.50	4.00	4.00	4.00	3.00	4.00	3.00	3.00	3.00
<b>Total by function</b>	<b>2,010.80</b>	<b>2,031.10</b>	<b>2,019.50</b>	<b>2,058.20</b>	<b>2,015.80</b>	<b>2,057.50</b>	<b>2,055.80</b>	<b>2,038.60</b>	<b>2,038.40</b>	<b>2,019.00</b>
Increase/(decrease) over prior year	-20.30 -1.0%	11.60 0.6%	-38.70 -1.9%	42.40 2.1%	-41.70 -2.0%	1.70 0.1%	17.20 0.8%	0.20 0.0%	19.40 1.0%	8.00 0.4%



Source: Cecil County Public Schools, Approved Budget

**CECIL COUNTY PUBLIC SCHOOLS**  
**COST PER STUDENT**  
**BUDGETARY BASIS (non-GAAP)**  
**LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total student enrollment	14,853	14,997	15,057	14,780	14,718	15,255	15,307	15,364	15,633	15,859
Administration	\$ 444	\$ 436	\$ 305	\$ 422	\$ 396	\$ 386	\$ 350	\$ 366	\$ 329	\$ 267
Mid-level administration	1,204	1,170	1,109	1,071	972	961	951	920	889	841
Instruction										
Salaries	6,117	6,045	5,769	5,832	5,514	5,312	4,986	4,758	4,639	4,438
Materials and supplies	279	297	262	429	283	175	195	307	299	193
Other costs	575	665	494	428	453	247	290	295	239	206
Special education	2,563	2,425	2,216	2,159	2,029	2,017	1,927	1,779	1,681	1,659
Student personnel services	144	121	194	153	139	115	139	98	85	65
Student health services	173	164	160	141	129	119	112	109	104	100
Student transportation	918	928	853	850	671	714	724	699	643	607
Operation of plant	938	866	863	867	804	739	745	721	711	689
Maintenance of plant	326	322	387	371	268	264	293	319	287	274
Fixed charges	3,681	3,331	3,186	2,845	2,807	2,753	2,759	2,403	2,313	2,381
Community services	178	131	103	43	50	17	35	21	23	8
Capital outlay	24	135	88	37	28	45	89	73	27	19
Student school/activity fees	117	126	109	88	41	-	-	-	-	-
Total cost per student	<u>\$ 17,681</u>	<u>\$ 17,162</u>	<u>\$ 16,098</u>	<u>\$ 15,736</u>	<u>\$ 14,584</u>	<u>\$ 13,864</u>	<u>\$ 13,595</u>	<u>\$ 12,868</u>	<u>\$ 12,269</u>	<u>\$ 11,747</u>
Increase/(decrease) over prior year	\$ 519 3.0%	\$ 1,064 6.6%	\$ 362 2.3%	\$ 1,152 7.9%	\$ 720 5.2%	\$ 269 2.0%	\$ 727 5.6%	\$ 599 4.9%	\$ 522 4.4%	\$ (97) -0.8%

Source: Statement of Revenue, Expenditures, Encumbrances, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual - General Fund

**CECIL COUNTY PUBLIC SCHOOLS  
OTHER OPERATING DATA  
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total student enrollment	14,853	14,997	15,057	14,780	14,718	15,255	15,307	15,364	15,633	15,859
<b><u>FOOD &amp; NUTRITION SERVICES</u></b>										
Number of days lunch served	179	176	180	224*	260**	123***	180	180	180	180
Average number of lunches served daily:										
Free lunch	5,815	5,737	4,578	7,548	3,991	4,148	3,964	4,186	4,041	4,156
Reduced price	318	305	482	-	-	608	475	429	471	508
Regular price	1,988	1,961	2,128	-	-	2,349	2,281	2,194	2,109	2,209
Total average number of lunches served daily	8,121	8,003	7,188	7,548	3,991	7,105	6,720	6,809	6,621	6,873
Percentage of student participation:										
Students receiving free lunch	39.2%	38.3%	30.4%	51.1%	27.1%	27.2%	25.9%	27.2%	25.8%	26.2%
Students paying reduced price	2.1%	2.0%	3.2%	0.0%	0.0%	4.0%	3.1%	2.8%	3.0%	3.2%
Students paying regular price	13.4%	13.1%	14.1%	0.0%	0.0%	15.4%	14.9%	14.3%	13.5%	13.9%
Total percentage of student participation	54.7%	53.4%	47.7%	51.1%	27.1%	46.6%	43.9%	44.3%	42.3%	43.3%
Cost per lunch to student:										
Elementary	\$ 2.90	\$ 2.90	\$ 2.90	\$ -	\$ -	\$ 2.75	\$ 2.75	\$ 2.60	\$ 2.60	\$ 2.50
Secondary	\$ 2.90	\$ 2.90	\$ 2.90	\$ -	\$ -	\$ 2.75	\$ 2.60	\$ 2.60	\$ 2.75	\$ 2.65
<b><u>STUDENT TRANSPORTATION</u></b>										
Number of students eligible to ride the bus	12,331	11,969	12,036	13,189	13,710	13,998	14,430	14,731	14,286	14,373
Number of school bus riders daily	11,998	12,102	11,654	7,819	11,511	11,457	10,859	10,091	10,718	11,355
Percentage of student participation	80.8%	80.7%	77.4%	52.9%	78.2%	75.1%	70.9%	65.7%	68.6%	71.6%
Number of school bus routes:										
County	7	7	7	7	8	8	8	8	8	8
Private contractor	131	131	131	131	139	146	144	144	235	145
<b><u>TEACHER DATA</u></b>										
Total number of budgeted teachers	1,268.10	1,287.20	1,269.80	1,302.60	1,278.60	1,341.60	1,336.80	1,330.60	1,328.40	1310.50
Minimum salary (190 days)	\$ 55,821	\$ 53,803	\$ 51,858	\$ 49,984	\$ 49,245	\$ 48,232	\$ 46,804	\$ 45,886	\$ 45,208	\$ 44,760
Maximum salary **** (190 days)	\$ 101,516	\$ 98,278	\$ 95,157	\$ 92,149	\$ 90,963	\$ 89,337	\$ 86,092	\$ 84,638	\$ 83,563	\$ 80,829
Average annual salary	\$ 82,870	\$ 80,093	\$ 77,750	\$ 74,410	\$ 73,788	\$ 70,406	\$ 68,140	\$ 65,535	\$ 64,373	\$ 63,100
Increase/decrease over prior year	3.5%	3.0%	4.5%	0.8%	4.8%	3.3%	4.0%	1.8%	2.0%	-0.7%
Percentage of teachers with Master's and/or APC	82.3%	76.8%	77.6%	76.7%	78.5%	70.5%	70.7%	66.6%	66.4%	65.9%
Percentage of teachers with Master's plus credits	12.7%	9.9%	9.5%	9.4%	8.9%	7.9%	7.5%	6.2%	5.6%	6.0%
Percentage of teachers with Doctorate	1.3%	1.5%	1.3%	1.4%	1.3%	1.0%	0.9%	0.4%	0.5%	0.3%
Percentage of teachers with NBC	2.8%	2.5%	2.5%	2.5%	2.5%	2.4%	2.4%	2.3%	2.3%	2.3%
Student/Teacher ratio	11.7	11.7	11.9	11.3	11.5	11.4	11.5	11.5	11.8	12.1

\*Seamless Summer Option from July 1, 2021 through June 30, 2022

\*\*Breakfast and lunch were provided Monday through Friday from July 2020 through June 2021.

\*\*\*Due to COVID-19 closure, lunch served for 123 days between 9/2/2019 and 3/13/2020. 135,955 lunches were served from 3/16/2020 through 6/30/2020 at no cost to all children 18 and under regardless of whether they were students or not.

\*\*\*\*Includes additional stipends for advanced training and longevity

Source: Cecil County Public Schools Department of Food and Nutrition, Department of Student Transportation, Department of Human Resources

**CECIL COUNTY PUBLIC SCHOOLS  
CAPITAL ASSET INFORMATION  
AS OF JUNE 30, 2025**

	Square Feet	Acres	Capacity	Year Constructed	Most Recent Total Reno
<b><u>Central Offices</u></b>					
G.W. Carver Center	32,357	3	N/A	1953	2008
Administrative Services Center	76,700	50	500	1965	1965
<b><u>Elementary Schools</u></b>					
Bainbridge Elementary	51,818	15	428	1956	2001
Bay View Elementary	61,884	15	608	1961	2003
Calvert Elementary	58,857	16	433	1981	2012
Cecil Manor Elementary	49,586	10	522	1955	1995
Cecilton Elementary	35,321	8	350	1939	1997
Charlestown Elementary	42,522	20	271	1959	2003
Chesapeake City Elementary	65,749	9	459	2021	-
Conowingo Elementary	44,696	19	533	1955	1993
Elk Neck Elementary	50,156	29	499	1991	1991
Gilpin Manor Elementary	65,749	9	501	2018	-
Holly Hall Elementary	61,711	15	643	1963	2000
Kenmore Elementary	35,225	11	306	1985	1985
Leeds Elementary	40,414	17	408	1968	1968
North East Elementary	61,396	11	545	1951	2002
Perryville Elementary	69,649	10	500	1955	2016
Rising Sun Elementary	62,496	12	716	1957	1991
Thomson Estates Elementary	70,130	17	614	1976	1976
<b><u>Middle Schools</u></b>					
Bohemia Manor Middle*	N/A	N/A	601	1958	1995
Cherry Hill Middle	92,990	39	775	1968	1968
Elkton Middle	72,600	14	711	1937	1998
North East Middle	101,200	10	711	1932	1932
Perryville Middle	102,746	26	860	1928	2008
Rising Sun Middle	104,765	20	818	1931	1999
<b><u>High Schools</u></b>					
Bohemia Manor High*	136,024	47	643	1958	1995
Elkton High	187,046	37	1,380	1958	2008
North East High	123,890	50	1,009	1970	1970
Perryville High	130,672	39	860	1978	1978
Rising Sun High	114,400	42	924	1991	1991
<b><u>Other Schools</u></b>					
Providence	16,645	9	106	1923	1994
School of Technology	167,571	90	657	1991	2015
<b>Total:</b>	<b>2,386,965</b>	<b>719</b>	<b>18,891</b>		

\*See Bohemia Manor High School; Bohemia Manor Middle School and Bohemia Manor High School share the same building.

Source: Educational Facilities Master Plan

**CECIL COUNTY PUBLIC SCHOOLS  
STUDENT ACADEMIC PERFORMANCE  
AS OF JUNE 30, 2025**

**Maryland Comprehensive Assessment Program (MCAP)  
Percentage of Students Meeting Proficiency - 2025**

		English/Language Arts		Math	
		CECIL COUNTY	STATE	CECIL COUNTY	STATE
Grade 3	Proficient	41.4	50.0	33.9	42.0
Grade 4	Proficient	40.4	48.4	26.1	34.9
Grade 5	Proficient	38.9	45.0	21.3	30.7
Grade 6	Proficient	42.9	50.4	14.1	22.6
Grade 7	Proficient	47.7	53.0	16.4	17.4
Grade 8	Proficient	48.0	48.5	7.2	8.7

**Maryland Comprehensive Assessment Program (MCAP)  
Percentage of Students Meeting Proficiency - 2025**

		CECIL COUNTY	STATE
		English 10	Proficient
Algebra 1	Proficient	18.1	21.4

**Scholastic Assessment Test - Average Score, 2025 Data Reported**

	CECIL COUNTY	STATE OF MARYLAND	NATION
Evidence-Based Reading and Writing	489	491	494
Math	454	462	470
Total	943	953	964

Source: MD Report Card, CollegeBoard

**CECIL COUNTY PUBLIC SCHOOLS  
RATIOS OF OUTSTANDING DEBT  
LAST TEN CALENDAR YEARS  
(modified accrual basis of accounting)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Leases, notes payable and subscriptions (1)	\$ 2,207,299	\$ 2,165,193	\$ 887,720	\$ 1,278,823	\$ 1,585,281	\$ 2,066,799	\$ 2,678,306	\$ 3,431,595	\$ 4,173,074	\$ 4,381,287
Personal income	4,441,817,000	4,281,829,000	3,929,658,000	3,728,839,000	3,600,015,000	3,391,746,000	3,346,164,000	3,151,836,000	3,030,687,000	2,971,638,000
Percentage of personal income	0.050%	0.051%	0.023%	0.034%	0.044%	0.061%	0.080%	0.109%	0.138%	0.147%
Population	104,366	105,672	104,942	103,905	103,419	102,855	102,826	102,746	102,603	102,382
Per capita	\$ 42,560	\$ 40,520	\$ 37,446	\$ 35,887	\$ 34,810	\$ 32,976	\$ 32,542	\$ 30,676	\$ 29,538	\$ 29,025
Student enrollment	14,853	14,997	15,057	14,780	14,718	15,255	15,307	15,364	15,633	15,859
Ratio of Principal Balance to Student Enrollment	\$ 148.61	\$ 144.38	\$ 58.96	\$ 86.52	\$ 107.71	\$ 135.48	\$ 174.97	\$ 223.35	\$ 266.94	\$ 276.27

(1) Implemented GASB 87 in 2022; Implemented GASB 96 in 2023

Source: Cecil County Office of Economic Development, Maryland Association of Realtors, U.S. Census Bureau, Maryland Department of Commerce

**CECIL COUNTY PUBLIC SCHOOLS  
OUTSTANDING LEASES  
AS OF JUNE 30, 2025**

Fiscal year ending		
June 30:		Various Equipment
2026	\$	268,408
2027		164,589
2028		94,410
2029		54,258
2030		14,359
	\$	<u>596,024</u>

**CECIL COUNTY PUBLIC SCHOOLS  
OUTSTANDING SUBSCRIPTIONS  
AS OF JUNE 30, 2025**

Fiscal year ending		
June 30:		Various Equipment
2026	\$	514,660
2027		332,265
2028		209,953
2029		37,633
	\$	<u>1,094,511</u>

Source: Notes 6 and 7 to Financial Statements