

CALVERT COUNTY PUBLIC SCHOOLS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020

**CALVERT COUNTY PUBLIC SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

INDEPENDENT AUDITORS' REPORT	4
MANAGEMENT'S DISCUSSION AND ANALYSIS	7
FINANCIAL STATEMENTS	
GOVERNMENT — WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	24
STATEMENT OF ACTIVITIES	25
FUND FINANCIAL STATEMENTS	
BALANCE SHEET — GOVERNMENTAL FUNDS	26
RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	27
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	28
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	29
STATEMENT OF FIDUCIARY NET POSITION	30
NOTES TO THE FINANCIAL STATEMENTS	31
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES	
BUDET AND ACTUAL UNRESTRICTED AND RESTRICTED	54
BUDGET AND ACTUAL — UNRESTRICTED	55
BUDGET AND ACTUAL — RESTRICTED	56
RECONCILIATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP BASIS REVENUES AND EXPENDITURES — GENERAL FUND	57
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY— MARYLAND STATE RETIREMENT AND PENSION SYSTEM	58
SCHEDULE OF CONTRIBUTIONS — MARYLAND STATE RETIREMENT AND PENSION SYSTEM	59

**CALVERT COUNTY PUBLIC SCHOOLS
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS MARYLAND STATE RETIREMENT AND PENSION SYSTEM	60
SCHEDULE OF CHANGES IN NET OPEB PLAN LIABILITY AND RELATED RATIOS	61
SCHEDULE OF OPEB CONTRIBUTIONS	62
OTHER SUPPLEMENTARY INFORMATION	
GENERAL FUND (CURRENT EXPENSE FUND) — BUDGETARY BASIS DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES — BUDGET TO ACTUAL	63
SCHEDULE OF CHANGES IN NET POSITION SCHOOL ACTIVITIES FUND — AGENCY FUND	66



INDEPENDENT AUDITORS' REPORT

Board of Education
of Calvert County
Calvert County Public Schools
Prince Frederick, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Calvert County Public Schools (CCPS), a component unit of Calvert County, Maryland, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise CCPS' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of CCPS as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Board of Education
of Calvert County
Calvert County Public Schools

Other Reporting Required by Government Auditing Standards

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

CliftonLarsonAllen LLP

Baltimore, Maryland
September 29, 2020

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

This section of Calvert County Public Schools' (CCPS') annual financial report includes a discussion and analysis of the school Board's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with CCPS' financial statements, which immediately follow this section.

Overview

- With bank balances as of June 30, 2020 totaling \$35.4 million, Calvert County Public Schools is financially secure.
- County, State, and Federal funding are the major factors contributing to the financial status of CCPS.
- In accordance with Maryland State Department of Education requirements, CCPS' financial records are maintained on a budgetary basis. This basis is used for all budget to actual analysis.
- Outlays for new capital assets increased during the year.

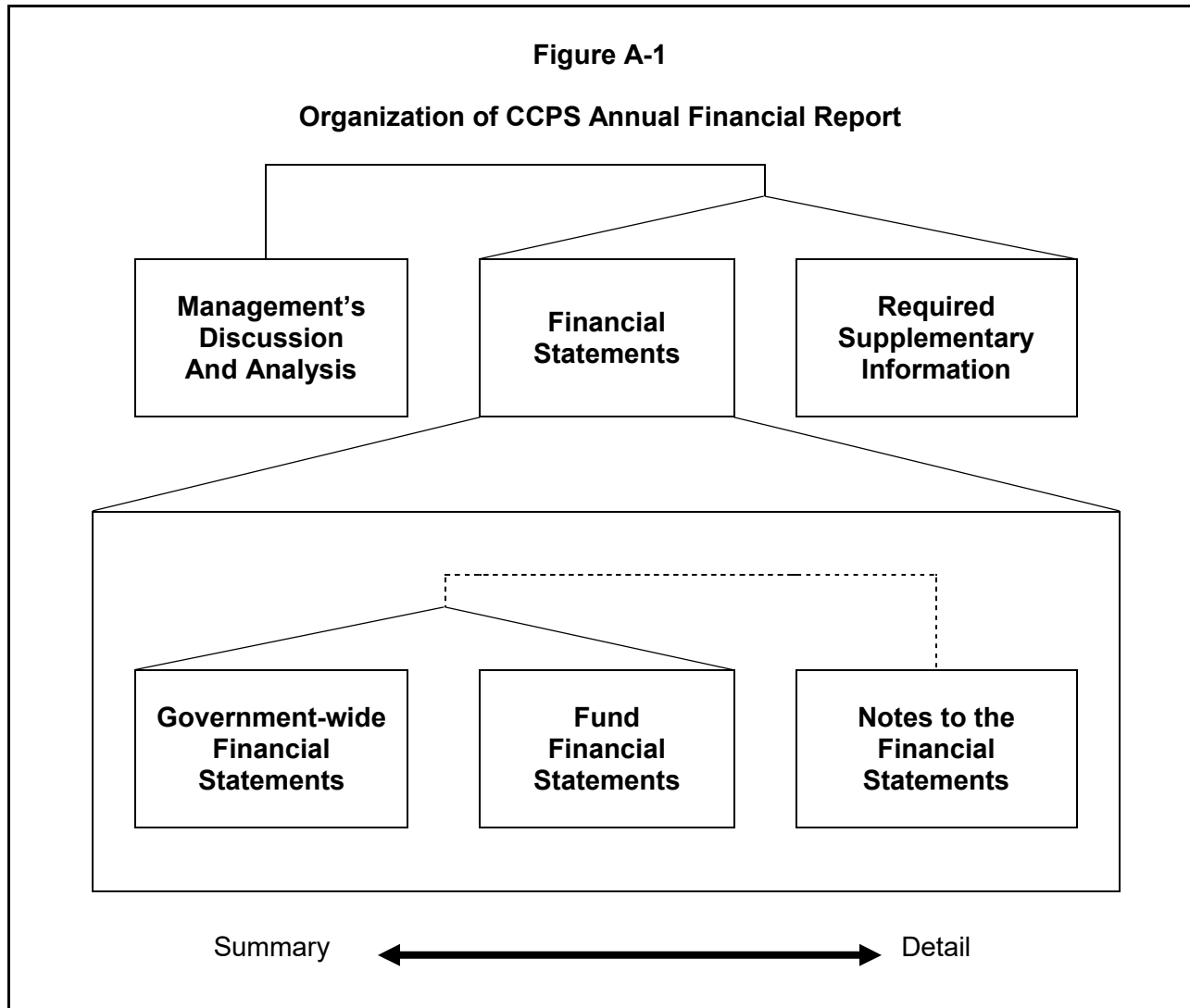
Overview of the Financial Statements

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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



**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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

The statement of net position presents all of the school system's assets, liabilities, and deferred inflows/outflows of resources with the difference between these components reported as "net position." The statement combines and consolidates all of the school system's current financial resources (short-term spendable resources) with capital assets (net of accumulated depreciation) and liabilities, distinguishing between governmental and business-type activities. The end result is net position segregated into three components: net investment in capital assets, restricted, and unrestricted net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the school system is improving or deteriorating.

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

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

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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

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

The school system has three governmental funds:

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

The Special Revenue Fund (Cafeteria Fund) captures the financial activities of the Child Nutrition Program operations.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Net Position. CCPS' combined net position for Governmental Activities (in millions of dollars) as of June 30, 2020 and 2019 is as follows:

	Governmental Activities		Total Amount Change	Total Percent Change
	FY 2019	FY 2020	FY 19 - 20	FY 19 - 20
Assets				
Cash and Cash Equivalents	\$ 26.5	\$ 32.6	\$ 6.10	0.2 %
Accounts Receivable	15.5	16.1	0.6	0.0 %
Inventories	0.0	0.1	0.1	- %
Other Assets	0.7	0.6	(0.1)	- %
Prepays	-	-	-	- %
Capital Assets Less Accumulated Depreciation	270.4	274.0	3.6	0.0 %
Total Assets	<u>313.1</u>	<u>323.5</u>	<u>10.3</u>	
Deferred Outflows of Resources	16.0	12.6	(3.4)	(0.2)%
Liabilities				
Other Liabilities	24.6	26.0	1.4	0.1 %
Long-term Obligations	135.8	89.4	(46.4)	(0.3)%
Total Liabilities	<u>160.4</u>	<u>115.3</u>	<u>(45.1)</u>	
Deferred Inflows of Resources	7.6	40.6	33.0	4.3 %
Net Position				
Net Investment in Capital Assets	270.4	274.0	3.6	0.0 %
Restricted	1.3	1.2	(0.1)	- %
Unrestricted	(110.6)	(95.0)	15.6	(0.1)%
Total Net Position	<u>\$ 161.1</u>	<u>\$ 180.2</u>	<u>\$ 19.1</u>	

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Capital Assets: By the end of FY 2020, CCPS had invested \$274,003,995 for governmental activities in a broad range of capital assets, including school building construction, equipment, and paving. (More detailed information about capital assets can be found in Note 5 to the financial statements.) Total depreciation expense for the year was \$9,093,632 for governmental activities. A summary of capital asset activity is as follows:

	Balance at June 30, 2019	Increases/ Transfers	Decreases/ Transfers	Balance at June 30, 2020	Percentage of Change
Land	\$ 3,842,081	\$ -	\$ -	\$ 3,842,081	0.0%
Land Improvements	7,047,648	-	-	7,047,648	0.0%
Construction in Progress	8,236,940	12,064,772	15,738,928	4,562,784	-44.6%
Buildings and Improvements	374,891,758	15,636,076	812,017	389,715,817	4.0%
Equipment	9,781,818	756,752	89,372	10,449,198	6.8%
Totals at Historic Cost	<u>\$ 403,800,245</u>	<u>\$ 28,457,600</u>	<u>\$ 16,640,317</u>	<u>\$ 415,617,528</u>	<u>2.9%</u>

Outlays for construction in progress decreased slightly in FY 2020 compared to the prior year. The new administration building at Northern High School was completed and work commenced on renovation of the Mary Harrison Center (which is located on the Northern High School complex). The costs associated with the completion of the administration building at Northern High were capitalized and a new asset was recorded in FY 2020.

Capital funds were used to pay costs associated with new construction, renovations/improvements to existing structures, and school safety initiatives such as guided vestibules and surveillance systems at several schools.

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Statement of Activities. For the year ended June 30, 2020, below is a schedule of changes in net position from operating results (in millions of dollars) derived from the CCPS statement of activities.

	Governmental Activities		Total Amount Change	Total %age Change
	FY 2019	FY 2020	FY 19 - 20	FY 19 - 20
Program Revenues				
Charges for Services	\$ 1.1	\$ 0.7	\$ (0.4)	-36.1%
Operating Grants/Contributions	29.1	6.9	(22.2)	-76.4%
Capital Grants/Contributions	11.6	14.2	2.6	22.6%
General Revenues				
Local Appropriations	126.4	133.5	7.1	5.7%
State Aid	79.7	105.3	25.6	32.1%
Federal Aid	24.4	6.2	(18.2)	-74.7%
Interest/Investment Earnings	0.2	0.0	(0.2)	-89.4%
Total Revenues	<u>\$ 272.5</u>	<u>\$ 266.8</u>	<u>\$ (5.7)</u>	
Expenses				
Instruction	\$ 160.8	\$ 162.3	\$ 1.5	0.9%
Administration	8.2	8.2	(0.0)	-0.3%
Mid-Level Administration	16.0	14.4	(1.6)	-10.1%
Pupil Personnel Services	2.5	2.7	0.2	9.1%
Health Services	2.2	1.9	(0.3)	-14.2%
Pupil Transportation	15.2	14.9	(0.3)	-1.7%
Operation of Plant & Equipment	42.3	33.1	(9.2)	-21.7%
Food Services	5.3	5.1	(0.2)	-3.9%
Maintenance of Plant	4.1	3.8	(0.3)	-8.3%
Community Services	1.6	1.4	(0.2)	-12.3%
Total Expenses	<u>\$ 258.2</u>	<u>\$ 247.7</u>	<u>\$ (10.5)</u>	
Increase in Net Position	<u>\$ 14.3</u>	<u>\$ 19.1</u>	<u>\$ 4.8</u>	

Activities for the General Fund (Current Expense Fund) and the Special Revenue Fund (Cafeteria Fund) are consolidated under governmental activities on the statement of activities. The statement of activities shows that the local appropriation for the FY 2020 operating budget was \$133,543,714 which represents an increase of \$7,176,048 from FY 2019. Total revenues from governmental activities for FY 2020 were \$266,810,221 which represents a decrease of \$5,729,310 from FY 2019. FY 2020 expenditures for governmental activities were \$247,749,643 which represents a decrease of \$10,410,108 from FY 2019. The net position for governmental activities increased \$19,060,578 in FY 2020.

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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

- Providing salaries necessary to retain and recruit highly qualified staff to serve the student population.
- Providing services to meet special education mandates and individual needs. Providing services to allow for an increase in achievement for students.
- Providing a quality health insurance plan that is affordable to the staff.
- FY 2020 was the third year of a four-year funding formula which was agreed upon by the Board of Education and the Board of County Commissioners. In FY 2020, the Board of County Commissioners provided funding in excess of Maintenance of Effort. As a result of the funding formula, the local appropriation for FY 2020 exceeded the FY 2019 appropriation by \$4,221,368.
- The FY 2020 operating budget was initially constructed with a plan to utilize \$3,000,000 of prior year fund balance for the Northern High School construction project. The FY 2020 operating budget was subsequently increased by an additional: \$1,186,726 to utilize fund balance for school safety & security projects, to pay the costs to renovate the tennis courts at Northern Middle School, and to make a contribution to the OPEB trust for the benefit of the Board of Education; \$454,808 for changes in state revenues associated with the Blueprint for Maryland's Future and a nominal increase in special education funding; and \$1,917,456 after receiving a refund from the insurance carrier upon settlement of the 2018-2019 health insurance plan year. CCPS ended the year with a deficiency of revenues under expenditures in the amount of \$236,541.

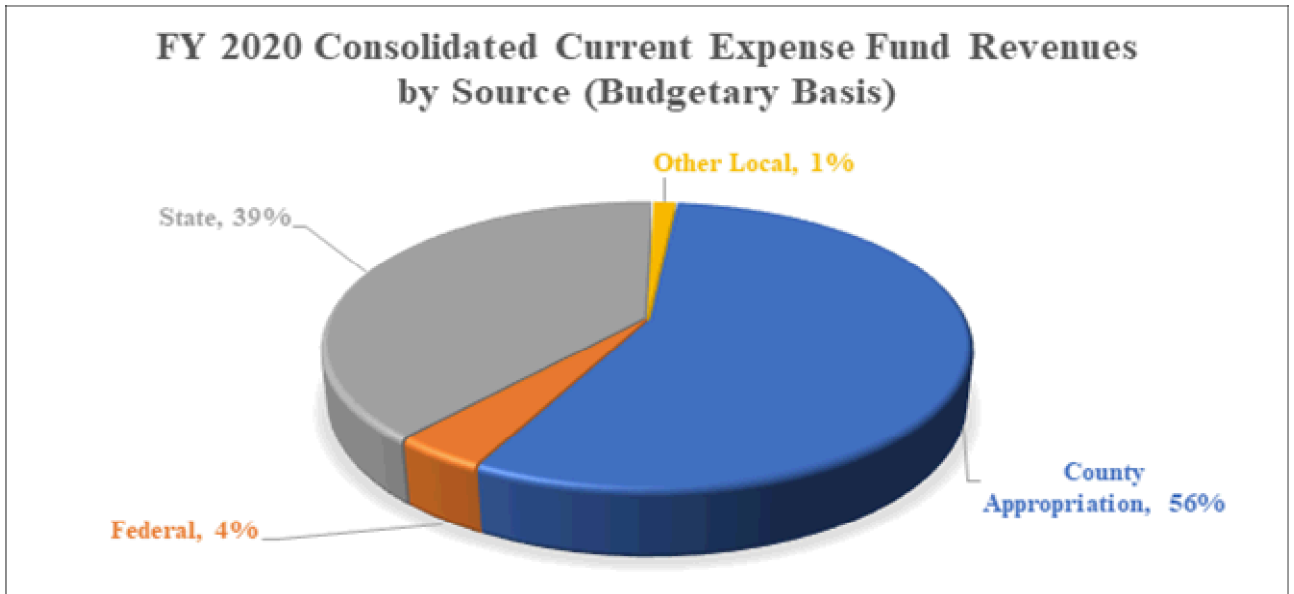
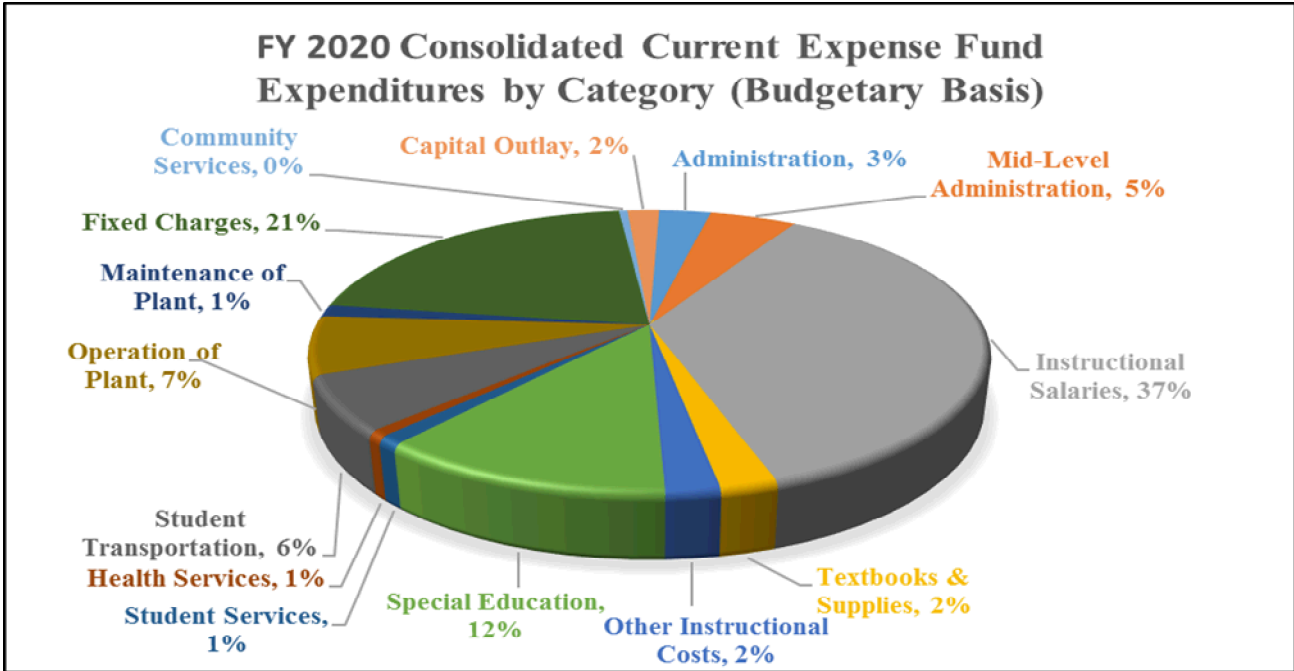
FINANCIAL ANALYSIS OF FUNDS

Historically, the Board of County Commissioners has provided for increased annual appropriations to CCPS's Operating Budget. A significant portion of the state funding allocated to CCPS is subject to the State Aid equalization formula. This formula attempts to overcome individual school Board funding disparities. Based on each Board's assessable wealth per student, this formula provides for the allocation of fewer dollars to higher wealth Boards and more dollars to lower wealth Boards. For FY 2020, the local appropriation provided by the Board of County Commissioners was \$130,589,034, which is a component of the local sources of funding recognized within the Current Expense Fund. Of the total funding provided by the Board of County Commissioners for FY 2020, \$5,180,760 was required to pay the local government's contribution to the teachers' pension plan as mandated by state law.

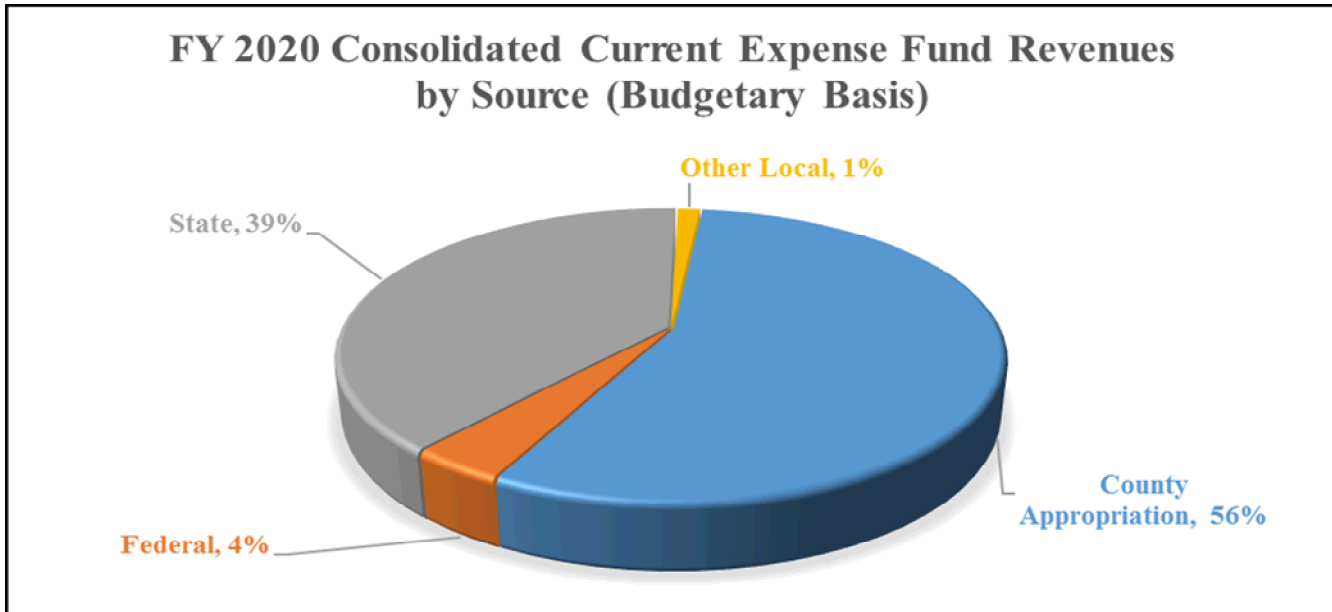
Below is a summary (on budgetary basis) of Current Expense Fund increases:

Fund	FY 2019 Revenues	FY 2020 Revenues	Increase from FY 2019	
			Amount	Percent
Unrestricted	\$ 208,485,799	\$ 220,910,282	\$ 12,424,483	6.0%
Restricted	11,770,304	12,755,040	984,736	8.4%
Total	<u>\$ 220,256,103</u>	<u>\$ 233,665,322</u>	<u>\$ 13,409,219</u>	6.1%

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**



**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**



Approximately 56% of the financing for the CCPS' FY 2020 operating budget came from the County Government, 39% came from the State of Maryland, and the remainder was from other sources such as the Federal Government, tuition, fees, and income from the investment of cash.

The General Fund is intended to finance instructional programs and the daily operations which support those programs. The education of students is a labor-intensive enterprise that is reflected in personnel costs. In FY 2020, salaries comprised 61% of the total expenditures in the General Fund and continues to account for the largest part of the operating budget.

The second largest object classification within the General Fund is "other" which includes costs associated with fixed charges and utilities. In FY 2020, these expenditures comprised 24% of the total General Fund operating budget.

Employees of CCPS have the option to select one of three (traditional, preferred provider network, or health maintenance organization - HMO) health insurance plans. Employee co-pays, deductibles, and health insurance benefits are negotiated. For FY 2020, employees paid 10% of the Individual Plan premium cost, 20% of the Family/Two-Employee Plan premium cost, and 28% of the Self/Child, Self/Spouse, and Family Plan premium cost. CCPS pays 100% of the remaining plan cost.

CCPS health insurance plans have modified retrospective funding arrangements with annual settlements. With these arrangements, premiums paid in excess of claim expenses are refunded to CCPS. Additionally, claim expenses in excess of paid premiums are subject to a 5% annual premium call. Annual settlements resulting in either refunds or premium calls may cause significant fluctuation in the annual current expense fund budget. In order to alleviate these fluctuations, CCPS maintains a committed fund balance for health insurance. As of June 30, 2020, the balance in the committed fund balance for health insurance was \$4,960,325.

As previously stated, CCPS received a refund in the amount of \$1,917,456 from the insurance carrier in FY 2020 upon settlement of the FY 2019 plan year.

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The fund balance for the Child Nutrition Program decreased \$373 in FY 2020. As of June 30, 2020, the Child Nutrition Program reported a total net fund balance in the amount of \$1,795,611. The Maryland State Department of Education restricts the net cash balance for the Child Nutrition Program to no more than an average of three months of expenditures. The FY 2018 net cash balance exceeded the limit. Therefore, in FY 2019, the Child Nutrition Program outlined a plan to begin reducing the net cash balance by approximately \$540,074 over a period of two years. Funds were utilized in FY 2019 to purchase equipment for kitchens in schools throughout the district as well as for the acquisition of two vans and there was a plan to utilize \$180,000 in FY 2020. However, Maryland schools closed beginning March 16, 2020 as a result of the COVID-19 pandemic. Although schools were closed and some staff were unable to work, CCPS continued to pay the salaries and benefits for all contract employees. Consequently, the Child Nutrition Program required supplemental funding to cover the expenses for salaries and benefits given the fact that the program ceased receiving revenues from student payments for meals. The impact of COVID-19 on future operations is uncertain.

During FY 2020, State and County funds were appropriated for architectural services and construction costs for Northern High School, school safety & security projects, and systemic renovations throughout the district. The capital fund revenues in FY 2020 were \$14,227,985 and \$21,119,107 in FY 2019.

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

FACTORS BEARING ON THE FUTURE OF CCPS

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

In FY 2020, the World Health Organization declared the spread of Coronavirus Disease (otherwise known as COVID-19) a worldwide pandemic. The outbreak of the COVID-19 pandemic in FY 2020 led to the closure of Maryland schools in March 2020. Although the jobs of some CCPS staff do not readily lend themselves to teleworking, CCPS continued to pay the salaries and benefits of all of its contract employees during the school closure. The conditions of the pandemic have necessitated the acquisition of various types of Personal Protective Equipment (PPE). CCPS utilized nearly \$500,000 of FY 2020 funding to acquire PPE and anticipates the need to make additional purchases in the foreseeable future as staff and students return to the school buildings. As of the printing of this report, CCPS continues to provide instruction online for the majority of the student population. CCPS is providing face-to-face instruction in our school buildings for a limited number of students for the first few months of the 2020-2021 school year.

The Blueprint for Maryland's Future is a product of the 2019 legislative session of the Maryland General Assembly. The expectation is that the Blueprint for Maryland's Future will transform Maryland's educational system into a world-class system. Under the provisions of the Blueprint for Maryland's Future, CCPS received four grant awards totaling \$2,804,677 from the State of Maryland in FY 2020. The awards with the most significant impact on CCPS were: the Teacher Salary Incentive Grant (\$1,493,954) which was to be used to increase teacher salaries with the goal being to recruit and retain a high-quality and diverse pool of teachers; and the Students with Disabilities Grant (\$955,841) which

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

was to be used primarily to fully implement Individualized Education Programs (IEPs) and 504 plans for students with disabilities. CCPS was awarded the same funding for FY 2021.

At the end of FY 2017, the Board of Education and the Board of County Commissioners agreed to a four-year funding formula which became effective on July 1, 2017. Among the provisions of the agreement is a stipulation that the local appropriation will not be decreased if student enrollment declines. The CCPS unrestricted budget increased by \$4,221,368 for FY 2020 as a result of increased funding from the County Government.

When the responsibility for paying the normal cost for the teachers' pension plan was transferred from the state to the local governments beginning FY 2013, the normal cost was initially funded with additional revenues from the county government during a 4-year phase-in period. At the conclusion of the phase-in period, the additional funding became part of Maintenance of Effort. The portion of the FY 2020 operating budget that was allocated to the normal cost for the teachers' pension plan was \$5,180,760.

Our projections indicate that annual operating costs will continue to increase due to factors such as salary provisions in the negotiated agreements, the teacher pension cost-sharing, unfunded Federal and State mandates and continuing increases in employee costs and operating overhead.

- FY 2020 was the fourth and final year of a four-year labor agreement with teachers and support staff. These employees received a one-step increase and a 1% COLA in FY 2020. CCPS settled on a new four-year labor agreement with teachers and support staff effective July 1, 2020. Under the provisions of the new agreement, employees will receive a one-step increase in FY 2021. Employees who were employed with CCPS in the same bargaining unit since FY 2012 will receive one restoration step in FY 2021. Additionally, support staff will receive a \$1.10 per hour pay increase in FY 2021.
- The following recent payments have been made to OPEB on behalf of CCPS: \$6,776,228 in FY 2019 and \$8,925,979 in FY 2020. Additionally, CCPS made a contribution to the OPEB trust for the benefit of the Board of Education in the amount of \$361,823 in FY 2020. The net cumulative OPEB liability for CCPS has been fully reflected within these statements in the amount of \$71,778,482.

CCPS participates in a cost-sharing pension plan. In accordance with Governmental Accounting Standards Board Statement #68, CCPS recognizes a liability for its proportionate share of the net pension liability. CCPS is also required to recognize pension expense and report deferred outflows and deferred inflows of resources related to its proportionate share of the collective pension expense.

- The annual crafting of the budget takes into consideration the population of student enrollment. After experiencing a continual decline in student enrollment for more than a decade, CCPS began to realize increases in student enrollment beginning in FY 2019. Changes in student enrollment have a direct impact on revenues received from the State & County Governments. The changes in student enrollment for the past 10 years are as follows:

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Fiscal Year	Pupil Growth Rate
2011	-1.55%
2012	-1.47%
2013	-1.57%
2014	-0.40%
2015	-1.47%
2016	-0.16%
2017	-0.37%
2018	-0.51%
2019	0.27%
2020	0.65%

The 0.65% increase in student enrollment in FY 2020 is equivalent to 102 full-time students.

- The Every Student Succeeds Act (ESSA) supersedes the federal No Child Left Behind (NCLB) Act of 2002. The provisions of ESSA are designed to:
 - Promote equity through protections for disadvantaged and high-need students;
 - Require all U.S. students be taught to high academic standards which will achieve college and career readiness;

 - Ensure educators, families, students, and communities are provided important information through statewide assessments that measure student progress toward reaching high standards on an annual basis;
 - Increase access to high quality preschool;
 - Maintain the expectation of accountability and positive changes in the lowest-performing schools.

- In accordance with ESSA requirements, CCPS reported FY 2019 school-level per pupil expenditures to the Maryland State Department of Education in FY 2020. CCPS will be required to report the school-level per pupil expenditures on an annual basis.

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

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

- CCPS continues to integrate technology into instruction and the curriculum.

- CCPS is using teacher and principal evaluation systems that use student growth as one component of the evaluation.

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

- Future Ready is an initiative that was undertaken by CCPS several years ago to expand and improve the use of technology in schools. The initiative involved improving the infrastructure and component structure of technology in our school system and included: increasing the bandwidth from 2G to 10G; providing a computer to each student (at all levels); updating the Learning Management System (LMS) used by CCPS; and utilizing digital curriculum.
- As a result of the Future Ready initiative, CCPS was well-prepared to meet some of the challenges brought on by the sudden closure of Maryland schools in FY 2020. CCPS staff and students were well-equipped to shift to online learning. CCPS was also able to readily adapt to an environment of virtual meetings for staff.
- CCPS continues to promote equity in our school system.
- CCPS maintains a strategic plan which has five priorities and is intended to guide the academic and operational direction of the school system. The five priorities are outlined below.
 - Equity – Not all students enter the educational system with the same resources, abilities, and opportunities due to societal, cultural, environmental, and demographic inequities. CCPS will take a proactive and strategic approach in addressing inequities in resources, services, and opportunities to ensure that all students develop the necessary knowledge, skills, and understanding for life after high school. CCPS will provide equitable learning opportunities for all students; promote a culturally responsive workforce; and promote equitable allocation of resources that is transparent and clearly communicated.
 - Student Outcomes – CCPS is committed to producing graduates who are responsible 21st century citizens. CCPS will provide students with equitable access to academically challenging and enriching learning experiences through innovative and differentiated teaching approaches that drive student growth and performance. CCPS is also committed to eliminating all achievement gaps.
 - Climate & Culture – There is an increasing amount of stress on the lives of children and their families. Schools nationwide are also experiencing growth in more severe behavioral challenges as well. While the causes are unclear, the impact on teachers, schools, and students is seen every day. CCPS will integrate students' social-emotional and behavioral learning into daily instruction; provide an environment that is nurturing, respectful, and safe for all; and build and nurture the wellness and morale amongst staff.
 - Workforce – CCPS will ensure that all students are supported by a high-quality workforce committed to and driven by the belief that all students can succeed. CCPS values the diversity of its students and is continually striving to reflect the diversity of the student population in its workforce. CCPS will enhance the diversity of its workforce; retain high-quality staff; and provide staff with personalized and differentiated professional learning that enables them to grow while increasing student success.
 - Community Engagement – Family and community involvement in education are key factors in meeting and addressing the rising and complex social, emotional, and behavioral needs of our students. Families and community members must be equal partners in helping to address these issues as well as supporting the education of our students. CCPS will ensure that all staff, families, and community businesses and organizations are actively engaged

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

with the Board as advocates, allies, and partners to increase equity, access, and results for all students.

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

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

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

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

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

The FY 2020 budget contained \$465,109 of supplemental funding for 8 schools (Calvert Elementary, Dowell Elementary, St. Leonard Elementary, Patuxent/Appeal Campus, Calvert Middle, Mill Creek Middle, Calvert High, and Patuxent High). The supplemental funding in the FY 2021 budget is \$196,180 and has been allocated to Patuxent/Appeal Campus, Calvert High, and Patuxent High.

HOW WE PLAN TO MEET THE LEARNING NEEDS OF OUR STUDENTS

Although the school system has experienced success in all goal areas, many challenges remain. The long-term impact of COVID-19 on our operations and financial condition are not known at this time. The school system will continue to focus on its mission to produce graduates who are responsible citizens and who are prepared for college and careers. Accomplishing this mission will require us to continue to focus on effective, purposeful instruction that increases rigor and high levels of learning for all students while promoting safety, equity, and an appreciation of diversity among students and staff.

**CALVERT COUNTY PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

CONTACT CALVERT COUNTY PUBLIC SCHOOLS MANAGEMENT

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

Edith Hutchins
Chief Financial Officer
Calvert County Public Schools
1305 Dares Beach Road
Prince Frederick, Maryland 20678

You are also invited to visit our web site at www.calvertnet.k12.md.us.

FINANCIAL STATEMENTS

**CALVERT COUNTY PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 32,597,257
Due from Other Units of Government	
Federal Government	1,262,496
State of Maryland	847,787
Calvert County	14,025,117
Other	3,780
Total Due from Other Units of Government	16,139,180
Other receivables	603,734
Inventories	108,114
Total Current Assets	49,448,285
NONCURRENT ASSETS	
Capital Assets Not Being Depreciated	8,404,865
Capital Assets Being Depreciated net of	
Accumulated Depreciation	265,599,130
Total Noncurrent Assets, Net	274,003,995
Total Assets	323,452,280
DEFERRED OUTFLOWS OF RESOURCES	
Pension	3,277,778
Other Post Employment Benefits	9,363,883
	12,641,661
LIABILITIES	
CURRENT LIABILITIES	
Salaries, Wages and Payroll Deductions	15,096,925
Accounts Payable and Other Current Liabilities	4,167,570
Unearned Revenue	5,797,258
Current Portion of Compensated Absences	231,004
Other Liabilities	665,834
Total Current Liabilities	25,958,591
NONCURRENT LIABILITIES	
Noncurrent Portion of Compensated Absences	3,740,563
Net Pension Liability	13,833,267
Net OPEB Liability	71,778,482
Total Noncurrent Liabilities	89,352,312
Total Liabilities	115,310,903
DEFERRED INFLOWS OF RESOURCES	
Pension	2,324,848
Other Post Employment Benefits	38,271,312
	40,596,160
NET POSITION	
Net Investment in Capital Assets	274,003,995
Restricted Grants	1,171,985
Unrestricted	(94,989,102)
Total Net Position	\$ 180,186,878

See accompanying Notes to Financial Statements.

**CALVERT COUNTY PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position
					Governmental Activities
Governmental Activities					
<u>Instruction</u>					
Regular Education	\$ 128,014,255	\$ 702,862	\$ 2,496,776	\$ 14,226,892	\$ (110,587,725)
Special Education	34,253,536	-	4,375,826	-	(29,877,710)
Total Instructions	162,267,791	702,862	6,872,602	14,226,892	(140,465,435)
<u>Support Services</u>					
Administration	8,172,363		-	-	(8,172,363)
Mid-level Administration	14,379,650		-	-	(14,379,650)
Pupil Personnel Services	2,728,219		-	-	(2,728,219)
Health Services	1,887,191		-	-	(1,887,191)
Pupil Transportation	14,946,199		-	-	(14,946,199)
Operation of Plant and Equipment	33,111,380		-	-	(33,111,380)
Food Services	5,092,621	-	-	-	(5,092,621)
Maintenance of Plant	3,761,601		-	-	(3,761,601)
Community Services	1,402,627		-	-	(1,402,627)
Total Support Services	85,481,852	-	-	-	(85,481,852)
Total Governmental Activities	247,749,643	702,862	6,872,602	14,226,892	(225,947,287)
GENERAL REVENUES					
					133,543,714
					105,265,953
					6,177,052
					21,146
					245,007,865
CHANGE IN NET POSITION					
					19,060,578
					161,126,300
NET POSITION - END OF YEAR					
					\$ 180,186,878

See accompanying Notes to Financial Statements.

**CALVERT COUNTY PUBLIC SCHOOLS
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund (Current Expense Fund)	Special Revenue Fund (Cafeteria Fund)	Capital Projects Fund (School Construction Fund)	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 30,509,864	\$ 2,087,393	\$ -	\$ 32,597,257
Due from Other Units of Government				
Federal Government	1,169,871	92,625	-	1,262,496
State of Maryland	704,238	-	143,549	847,787
Calvert County	12,250,000	-	1,775,117	14,025,117
Other	3,248	532	-	3,780
Total Due from Other Units of Government	14,127,357	93,157	1,918,666	16,139,180
Due From Capital Projects Fund	603,734	-	-	603,734
Inventories	47,089	61,025	-	108,114
Total Assets	45,288,044	2,241,575	1,918,666	49,448,285
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Salaries, Wages and Payroll Deductions	14,897,744	199,181	-	15,096,925
Current Liabilities	2,891,411	53,831	1,222,328	4,167,570
Due to Student Activity Fund	62,100	-	-	62,100
Due to General Fund	-	-	603,734	603,734
Unearned Revenue	5,604,306	192,952	-	5,797,258
Total Liabilities	23,455,561	445,964	1,826,062	25,727,587
FUND BALANCES				
Nonspendable	47,089	61,025	-	108,114
Restricted	1,171,985	-	-	1,171,985
Committed	11,029,005	1,734,586	-	12,763,591
Assigned	6,666,503	-	92,604	6,759,107
Unassigned	2,917,901	-	-	2,917,901
Total Fund Balances	21,832,483	1,795,611	92,604	23,720,698
Total Liabilities and Fund Balances	\$ 45,288,044	\$ 2,241,575	\$ 1,918,666	\$ 49,448,285

See accompanying Notes to Financial Statements.

**RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

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

Total Fund Balance - Governmental Funds \$ 23,720,698

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Cost of capital assets	\$ 415,617,528	
Accumulated depreciation	<u>(141,613,533)</u>	274,003,995

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.

Long-term liabilities at year end consist of:

Net OPEB Liability	\$ (71,778,482)	
Net Pension Liability	(13,833,267)	
Compensated Absences	<u>(3,971,567)</u>	(89,583,316)

Deferred outflows of resources related to pensions		3,277,778
--	--	-----------

Deferred outflows of resources related to OPEB		9,363,883
--	--	-----------

Pension related deferred inflows of resources		(2,324,848)
---	--	-------------

OPEB related deferred inflows of resources		<u>(38,271,312)</u>
--	--	---------------------

Total Net Position - Governmental Activities \$ 180,186,878

CALVERT COUNTY PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General Fund (Current Expense Fund)	Special Revenue Fund (Cafeteria Fund)	Capital Projects Fund (School Construction Fund)	Total Governmental Funds
REVENUES				
From Local Sources	\$ 133,543,714	\$ -	\$ 12,026,820	\$ 145,570,534
From State Sources	104,743,420	25,229	2,200,072	106,968,721
From Federal Government	3,005,628	1,393,716	-	4,399,344
From Other Sources:			-	-
Student	-	702,862	-	702,862
Federal Funds Received Through State	5,927,334	226,200	-	6,153,534
Other	210,499	20,053	1,094	231,646
Miscellaneous	497,303	2,286,277	-	2,783,580
Total Revenues	<u>247,927,898</u>	<u>4,654,337</u>	<u>14,227,986</u>	<u>266,810,221</u>
EXPENDITURES				
Current:				
Administration	7,040,691	-	-	7,040,691
Mid-level Administration	11,610,477	-	-	11,610,477
Instructional Salaries	99,525,668	-	-	99,525,668
Textbooks and Instructional Supplies	2,346,298	-	-	2,346,298
Other Instructional Costs	5,197,017	-	-	5,197,017
Special Education	28,227,673	-	-	28,227,673
Pupil Personnel Services	2,285,585	-	-	2,285,585
Health Services	1,525,336	-	-	1,525,336
Pupil Transportation	14,606,705	-	-	14,606,705
Operation of Plant and Equipment	15,157,511	-	-	15,157,511
Maintenance of Plant	3,129,770	-	-	3,129,770
Fixed Charges	49,048,301	-	-	49,048,301
Community Services	1,159,393	-	-	1,159,393
Food Services:				
Cafeteria Salaries and Wages	-	2,001,637	-	2,001,637
Contracted Services	-	76,985	-	76,985
Food and Supplies	-	2,526,545	-	2,526,545
Capital Outlay	1,547,549	124,476	14,226,892	15,898,917
Total Expenditures	<u>242,407,974</u>	<u>4,729,643</u>	<u>14,226,892</u>	<u>261,364,509</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,519,924</u>	<u>(75,306)</u>	<u>1,094</u>	<u>5,445,712</u>
NET CHANGE IN FUND BALANCES	5,519,924	(75,306)	1,094	5,445,712
Fund Balance - Beginning of Year	16,312,559	1,870,917	91,510	18,274,986
FUND BALANCE - END OF YEAR	<u>\$ 21,832,483</u>	<u>\$ 1,795,611</u>	<u>\$ 92,604</u>	<u>\$ 23,720,698</u>

See accompanying Notes to Financial Statements.

**CALVERT COUNTY PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

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

Net Changes in Fund Balances - Total Governmental Funds **\$ 5,445,712**

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation expense in the period.

Capital outlays	\$ 12,718,672	
Loss on disposal	(46,016)	
Depreciation expense	<u>(9,093,632)</u>	3,579,024

In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, amounts earned exceeded vacation and sick leave used. (26,943)

In the statement of activities, certain operating expenses are measured by the amounts accrued during the year. In the governmental funds expenditures for these items are measured in the amount of financial resources expended, as follows:

Net OPEB Expense:		
Change in Deferred outflows	\$ (2,835,345)	
Change in Deferred Inflows change	(33,277,664)	
Change in Net Pension liability change	<u>46,811,007</u>	10,697,998

Net Pension Expense:		
Change in Deferred outflows	\$ (506,522)	
Change in Deferred Inflows change	290,640	
Change in Net Pension liability change	<u>(419,331)</u>	(635,213)

Change in Net Position of Governmental Activities **\$ 19,060,578**

**CALVERT COUNTY PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

	Agency Fund (School Activities Fund)
ASSETS	
Cash and Short-Term Investments	\$ 1,975,074
Total Assets	1,975,074
 LIABILITIES	
Due to Student Groups	1,912,974
Due to General Fund	62,100
Total Liabilities	\$ 1,975,074

See accompanying Notes to Financial Statements.

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the Calvert County Public Schools as a whole. For the most part, the effect of interfund activity has been removed from these statements. The activities of the General Fund (Current Expense Fund), Capital Projects Fund (School Construction Fund) and Special Revenue Fund (Cafeteria Fund) have been presented as governmental activities in the government-wide financial statements.

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to certain compensated absences are recognized when the obligations are expected to be liquidated with expendable available resources.

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

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

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

Governmental Funds

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (Continued)

Special Revenue Fund (Cafeteria Fund) – The Special Revenue Fund is used to account for the financial resources of the child nutrition program. A substantial portion of its revenues are derived from various governmental agencies and students. The child nutrition program is not intended to be self-sustaining from food sales. However, the fund is presented as a business-type activity in the government-wide financial statements because a majority of its revenues comes from charges for services.

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

Fiduciary Funds

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

Specific Accounting Policies

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

Additional information about the Board's accounting policies follows:

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Specific Accounting Policies (Continued)

Capital Assets (Continued)

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

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

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

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

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

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

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

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Specific Accounting Policies (Continued)

Compensated Absences – Board employees who are employed on a 12-month basis are granted annual leave at varying rates based on years of service. Employees in the administrators and supervisors bargaining unit may accumulate annual leave up to a maximum of 53 days. Employees in the teachers bargaining unit may accumulate annual leave up to a maximum of 30 days. Employees in the support staff bargaining unit may accumulate annual leave up to a maximum of 38 days. Upon termination of employment, accumulated annual leave is paid to the employee.

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

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

Unearned Revenues – Unearned revenues represent amounts received from grantors in advance of incurrence of eligible expenditures for grants and for revenues received from the State for the subsequent fiscal year as of June 30, 2020.

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

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Budget Policy

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

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

actual, and a reconciliation to the fund financial statements are presented as required supplementary information to these financial statements.

Net Position / Fund Balance Reporting

Net Position – Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any capital related debt. There was no related debt at June 30, 2020. Net position is reported as restricted when there are limitations placed on their use through external restrictions imposed by grantors, laws or regulations of other governments, or enabling legislation. Unrestricted net position reflects the funds available for general operations.

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

1. Nonspendable – amounts that cannot be spent because they are either not in spendable form or they are legally required to be maintained intact, generally inventories and prepaid expenses.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can only be used for specific purposes determined by a formal action of the Board of Education, the highest level of decision-making authority for the school system. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes. Under the Board's adopted policy, the Superintendent, Chief Financial Officer, or Director of Procurement and Resource Management may assign amounts for specific purposes.
5. Unassigned – all other spendable amounts. The general fund is the only fund that may report a positive unassigned fund balance. In other governmental funds, if expenditures incurred for specific purposes exceed amounts restricted or committed to those purposes, it may be necessary to report a negative unassigned fund balance in those funds.

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 CASH AND INVESTMENTS

Cash on Hand

At June 30, 2020, cash on hand for petty cash and change funds was \$455.

Deposits

At year-end, the carrying amount of the Board's deposits was \$34,572,331 consisting of cash in the amount of \$32,597,257 in the governmental activities and \$1,975,074 in the agency fund with corresponding bank balances of \$35,410,362. Of the bank balances, all deposits were covered by Federal Depository Insurance and collateral held in the Board's name. The Board has a contractual agreement with a bank for funds to be transferred daily from overnight investments to cover checks as presented.

Interest Rate Risk

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

Custodial Credit Risk

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

NOTE 3 DUE FROM CALVERT COUNTY

The County's annual operating appropriation to the Board is disbursed to the Board, in agreed-upon installments throughout each fiscal year. At June 30, 2020, \$12,250,000 for the Board's fiscal 2020 appropriation remained outstanding and was collected in July.

The County's annual school construction appropriation to the Board is disbursed to the Board throughout each fiscal year. At June 30, 2020, \$1,775,117 for the Board's fiscal 2020 appropriation remained outstanding and was collected in August.

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 RETIREMENT AND PENSION SYSTEMS OF THE STATE OF MARYLAND

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

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

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

A member of either the Teachers' or Employees' Pension System on or before June 30, 2011 is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the members' combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the members AFC, multiplied by the number of years of credible service accumulated prior to July 1, 1998, plus 1.4% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' or Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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

years of credible service accumulated prior to July 1, 1998 plus 1.8% of the members AFC, multiplied by the number of years of credible service accumulated subsequent to June 30, 1998. Beginning on July 1, 2011, any new member of the Teachers' or Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' or Employees' Pension System.

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

Teachers' Pension System

Beginning in fiscal year 2017 the Board pays the normal cost for their employees in the Teachers' Retirement and Pension System while the State contributes on behalf of the Board, the unfunded liability portion of the Board's annual required contribution to the Teachers' Retirement and Pension System. The Board's normal cost for the year ended June 30, 2020 was \$5,180,760. The State's contributions on behalf of the Board for the year ended June 30, 2020 was \$13,765,273. The fiscal year 2020 contribution made by the State on behalf of the Board has been included as both revenues and expenditures in the general fund in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances and is also included as revenues and expenses in the Statement of Activities.

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

At June 30, 2020, Board did not report a liability related to the Teachers' Retirement and Pension Systems due to a special funding situation. The State of Maryland pays the unfunded liability for Board and Board pays the normal cost related to Board' members in the Teachers Retirement and Pension Systems; therefore, Board is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Board was as follows:

CCPS' proportionate share of the net pension liability	\$ -
State's proportionate share of net pension liability of CCPS	138,260,185
Total	<u>\$ 138,260,185</u>

The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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

For the year ended June 30, 2020, the Board recognized pension expense of \$13,765,273 and revenue of \$13,765,273 in the General Fund for support provided by the State. In the Statement of Activities, the Board recognized pension expense of \$16,453,538 and revenue of \$16,453,538 for support provided by the State. Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not report deferred outflows of resources and deferred inflows of resources related to the Teachers Retirement and Pension Systems

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Public Equity	37%	6.30%
Private Equity	13%	7.50%
Rate Sensitive	19%	1.30%
Credit Opportunity	9%	3.90%
Real Assets	14%	4.50%
Absolute Return	8%	3.00%
Total	<u>100 %</u>	

The above was the System’s Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2019.

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 6.46%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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

EMPLOYEES' RETIREMENT AND PENSION SYSTEMS

The Board's contractually required contribution rate for the Employees' Retirement and Pension Systems for the year ended June 30, 2020, was 6.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Board made its share of the required contributions during the year ended June 30, 2020 of \$1,503,572.

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

At June 30, 2020, the Board reported a liability of \$13,833,267 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2020. The contributions were increased to adjust for differences between actuarially determined contributions and actual contributions by the State of Maryland. As of June 30, 20 the Board's proportionate share was 0.067%, which is an increase from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the Board recognized pension expense of \$1,598,373. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 749,652
Changes in Assumptions	228,470	376,478
Change in Proportion	1,504,754	1,131,564
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	66,456
Changes in Proportionate Share of Contributions	40,982	698
Board Contributions Subsequent to the Measurement Date	1,503,572	-
Total	<u>\$ 3,277,778</u>	<u>\$ 2,324,848</u>

\$1,503,572 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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

Year Ended June 30,	Amount
2021	(227,459)
2022	(438,734)
2023	(132,192)
2024	228,856
2025	18,887

Pension Sensitivity of the Net Pension Liability. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Board's net pension liability, calculated using a single discount rate of 7.40%, as well as what the Board's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the Employees Retirement and Pension Systems:

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
CCPS' Proportionate Share of the Net Pension Liability	\$ 20,022,269	\$ 13,833,367	\$ 8,678,608

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance at June 30, 2019	Increases	Decreases	Transfers	Balance at June 30, 2020
Capital Assets Not Being Depreciated					
Land	\$ 3,842,081	\$ -	\$ -	\$ -	\$ 3,842,081
Construction in Progress	8,236,940	12,064,772	-	(15,738,928)	4,562,784
Total Capital Assets Not Being Depreciated	<u>12,079,021</u>	<u>12,064,772</u>	<u>-</u>	<u>(15,738,928)</u>	<u>8,404,865</u>
Capital Assets Being Depreciated					
Land Improvements	7,047,648	-	-	-	7,047,648
Buildings and Improvements	374,891,758	-	812,017	15,636,076	389,715,817
Equipment	8,166,881	508,423	38,372	102,852	8,739,784
Food Service Equipment	1,614,937	145,477	51,000	-	1,709,414
Total Capital Assets Being Depreciated	<u>391,721,224</u>	<u>653,900</u>	<u>901,389</u>	<u>15,738,928</u>	<u>407,212,663</u>
Less - Accumulated Depreciation					
Land Improvements	4,070,375	288,327	-	287,239	4,071,463
Buildings and Improvements	123,298,607	8,213,458	770,726	287,238	130,454,101
Equipment	4,571,768	542,700	33,647	(574,477)	5,655,298
Food Service Equipment	1,434,524	49,147	51,000	-	1,432,671
Total Accumulated Depreciation	<u>133,375,274</u>	<u>9,093,632</u>	<u>855,373</u>	<u>-</u>	<u>141,613,533</u>
Total Capital Assets Being Depreciated, Net	<u>258,345,950</u>	<u>(8,439,732)</u>	<u>46,016</u>	<u>15,738,928</u>	<u>265,599,130</u>
Capital Assets, Net	<u>\$ 270,424,971</u>	<u>\$ 3,625,040</u>	<u>\$ 46,016</u>	<u>\$ -</u>	<u>\$ 274,003,995</u>

The Board experienced a loss on disposals of \$46,016 during the year ended June 30, 2020.

Depreciation expense for the year ended June 30, 2020 was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular Education	\$ 162,420
Special Education	8,571
<u>Support Services:</u>	
Administration	39,321
Mid-Level Administration	9,265
Operation of Plant and Equipment	8,622,808
Maintenance of Plant	202,100
Food Service	49,147
	<u>\$ 9,093,632</u>

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Construction projects	<u>Spent to date</u>
Beach Elementary	\$ 344,554
Calvert Elementary	14,125
Huntingtown Elementary	14,634
Mt. Harmony HVAC	340,135
Northern High Construction	3,042,366
Northern Middle	161,564
Patuxent High HVAC	253,916
School Safety & Security	391,490
	<u>\$ 4,562,784</u>

NOTE 6 LONG TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 3,944,624	\$ 26,943	\$ -	\$ 3,971,567	\$ 231,004
Net Pension Liability	13,413,936	-	419,331	13,833,267	-
Net OPEB Liability	118,589,489	-	46,811,007	71,778,482	-
Total Governmental Activities	<u>\$ 135,948,049</u>	<u>\$ 26,943</u>	<u>\$ 47,230,338</u>	<u>\$ 89,583,316</u>	<u>\$ 231,004</u>

NOTE 7 POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 POSTEMPLOYMENT BENEFITS (CONTINUED)

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

The number of participants eligible to receive benefits as of June 30, 2020 was 2,561.

Contributions: Participating governmental entities are contractually required to contribute at a rate assessed each year by the Plan. The Plan's board of trustees set the employer contribution rate based on the actuarially determined annual required contribution. The Board's contribution for the year ended June 30, 2020 was \$9,287,802. \$8,925,979 of the contribution was paid by and on-behalf of the Board by Calvert County, and it's the Board's understanding that the remaining unfunded actuarial liability will be paid by and on-behalf of the Board by the County in future fiscal years. The pay as you go contribution made to the plan was \$361,823.

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

At June 30, 2020, the Board reported a liability of \$71,778,482 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Board's proportion of the net OPEB liability was based on a projection of the Board's long-term share of contributions to the OPEB plan relative to the projected contributions of the County. At June 30, 2020 the Board's proportion was determined as 72%.

For the year ended June 30, 2019, the Board recognized OPEB expense of \$4,968,357. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 POSTEMPLOYMENT BENEFITS (CONTINUED)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 9,109,013
Changes of Assumptions	-	29,162,299
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	76,081	-
CCPS' Contributions Subsequent to the Measurement Date	<u>9,287,802</u>	<u>-</u>
Total	<u>\$ 9,363,883</u>	<u>\$ 38,271,312</u>

\$9,287,802 reported as deferred outflows of resources inflows of resources from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020.

<u>Year Ended June 30:</u>	Amount
2021	\$ (6,819,108)
2022	(6,819,106)
2023	(6,186,557)
2024	(5,613,360)
2025	(12,757,100)

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

Inflation	2.30%
Salary increases	2.50%
Investment rate of return	7.00% percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	The trend for 2019 is 5.40%. The ultimate trend is 4.06% (pre-Medicare) and 3.94% (post-Medicare)

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 9.72%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total OPEB liability was 7.00% increased 1.50% from 2019. The projection of cash flows used to determine the discount rate assumed that contributions from school Board will be made annually. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Total OPEB Liability	\$ 169,613,709	\$ 147,223,082	\$ 128,945,747
Fiduciary	(75,444,600)	(75,444,600)	(75,444,600)
Net OPEB Liability (Asset)	<u>\$ 94,169,109</u>	<u>\$ 71,778,482</u>	<u>\$ 53,501,147</u>

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.40% decreasing to 6.40%) or 1-percentage-point higher (7.40% increasing to 8.40%) than the current healthcare cost trend rates:

	1% Decrease 6.40%	Healthcare Cost Trend Rates 7.40%	1% Increase 8.40%
Total OPEB Liability	\$ 127,252,135	\$ 147,223,082	\$ 172,357,867
Fiduciary	(75,444,600)	(75,444,600)	(75,444,600)
Net OPEB Liability (asset)	\$ 51,807,535	\$ 71,778,482	\$ 96,913,267

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

NOTE 8 RISK MANAGEMENT

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

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

Each Fund participant pays an annual premium calculated on their payroll, according to the standard classification, with an experience modification applied. Although premiums billed to the Fund members are determined on an actuarial basis, ultimate liability for claims remains with the respective members and accordingly, the insurance risks are not transferred to the Fund. Six months following the end of the Fund's fiscal year, the Fund's trustees declare unneeded funds as surplus and distributes them as dividends to the Fund members. This dividend distribution is made no sooner than one year after the close of that fiscal year.

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 RISK MANAGEMENT (CONTINUED)

The Fund carries an excess insurance policy providing specific excess and employer liability protection coverage, thus reducing the potential of assessment against Fund members. The Fund provides coverage for up to a maximum of \$250,000 for each worker's compensation claim.

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

The Board is under a modified retrospective billing arrangement with a commercial insurance carrier to provide group health coverage. Under this arrangement the insurance carrier assesses an initial charge paid by the Board through monthly premiums. At the end of the coverage period, there is a settlement of the difference between the billed premium and the actual claims and expenses. A deficiency in the billed premium represents the callable margin, which is owed by the Board, up to a maximum of 5%. If the actual claims and expenses are less than the billed premium, the Board would be entitled to a refund. As of June 30, 2020, the Board has a balance of \$607,283 in their rate stabilization fund held with the insurance carrier, this is included in the cash and cash equivalents for the general fund.

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 ENCUMBRANCES

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

	<u>Restricted Encumbrances</u>	<u>Assigned Encumbrances</u>
Administration	\$ -	\$ 70,319
Mid-Level Administration	-	82,823
Textbooks and Supplies	-	210,073
Other Instructional Costs	2,067	773,499
Special Education	-	32,083
Pupil Personnel Services	-	-
Health Services	-	129,395
Pupil Transportation	-	252,490
Operation of Plant	-	1,400,132
Maintenance of Plant	-	84,624
Fixed Charges	-	224,663
Community Services	47	-
Capital Outlay	-	3,406,402
	<u> </u>	<u> </u>
Total	<u>\$ 2,114</u>	<u>\$ 6,666,503</u>

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 FUND BALANCE

Fund Balance at June 30, 2020 consisted of the following:

Fund Balances	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Nonspendable for:				
Inventory	\$ 47,089	\$ 61,025	\$ -	\$ 108,114
Total Nonspendable	<u>47,089</u>	<u>61,025</u>	<u>-</u>	<u>108,114</u>
Restricted for:				
Administration	15,676	-	-	15,676
Mid-Level Administration	14,623	-	-	14,623
Instructional Salaries	188,349	-	-	188,349
Textbooks and Supplies	64,928	-	-	64,928
Other Instructional Costs	80,450	-	-	80,450
Special Education	431,682	-	-	431,682
Pupil Personnel Services	12,518	-	-	12,518
Pupil Transportation	9,242	-	-	9,242
Operation of Plant	60,950	-	-	60,950
Fixed Charges	182,500	-	-	182,500
Community Services	106,271	-	-	106,271
Capital Outlay	4,796	-	-	4,796
Total Restricted	<u>1,171,985</u>	<u>-</u>	<u>-</u>	<u>1,171,985</u>
Committed for:				
Healthcare	4,960,325	-	-	4,960,325
Leave	309,928	-	-	309,928
Legal Fees	104,445	-	-	104,445
Textbooks, Other costs	654,307	-	-	654,307
Transportation Fuel	1,000,000	-	-	1,000,000
Risk Mgmt/COVID	4,000,000	-	-	4,000,000
Food Service	-	1,734,586	-	1,734,586
Total Committed	<u>11,029,005</u>	<u>1,734,586</u>	<u>-</u>	<u>12,763,591</u>
Assigned for:				
Administration	70,319	-	-	70,319
Mid-Level Administration	82,823	-	-	82,823
Textbooks and Supplies	210,073	-	-	210,073
Other Instructional Costs	773,499	-	-	773,499
Special Education	32,083	-	-	32,083
Health Services	129,395	-	-	129,395
Pupil Transportation	252,490	-	-	252,490
Operation of Plant	1,400,132	-	-	1,400,132
Maintenance of Plant	84,624	-	-	84,624
Fixed Charges	224,663	-	-	224,663
Capital Outlay	3,406,402	-	92,604	3,499,006
Total Assigned	<u>6,666,503</u>	<u>-</u>	<u>92,604</u>	<u>6,759,107</u>
Unassigned:				
	<u>2,917,901</u>	<u>-</u>	<u>-</u>	<u>2,917,901</u>
Total Fund Balances	<u>\$ 21,832,483</u>	<u>\$ 1,795,611</u>	<u>\$ 92,604</u>	<u>\$ 23,720,698</u>

**CALVERT COUNTY PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12 CONTINGENCIES

Litigation

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

Grant Program

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

COVID-19

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic significantly affected global markets, supply chains, businesses, and communities. Specific to the Board, COVID-19 may impact various future operations and financial results. Management believes the Board has taken appropriate actions to mitigate any negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events may occur subsequent to year end.

REQUIRED SUPPLEMENTARY INFORMATION

**CALVERT COUNTY PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —
BUDGET AND ACTUAL — UNRESTRICTED AND RESTRICTED
YEAR ENDED JUNE 30, 2020**

	Budget			Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	As Originally Adopted	Transfers and Amendments	Final Budgeted		
Revenues					
Local Sources	\$ 137,430,957	\$ 1,917,430	\$ 139,348,387	\$ 133,543,714	\$ (5,804,673)
State Sources	91,515,168	454,808	91,969,976	90,978,147	(991,829)
Federal Sources	14,240,493	-	14,240,493	9,143,461	(5,097,032)
Use of Prior Year Fund Balance	3,000,000	1,186,726	4,186,726	-	(4,186,726)
Total Revenues	<u>246,186,618</u>	<u>\$ 3,558,964</u>	<u>\$ 249,745,582</u>	<u>\$ 233,665,322</u>	<u>\$ (16,080,260)</u>
Expenditures					
Administration	\$ 6,917,806	\$ 489,823	\$ 7,407,629	\$ 7,002,111	\$ 405,518
Mid-level Administration	12,021,837	(42,706)	11,979,131	11,693,022	286,109
Instructional Salaries	88,766,840	588,145	89,354,985	86,005,167	3,349,818
Textbooks and Instructional Supplies	3,555,114	(81,421)	3,473,693	3,135,219	338,474
Other Instructional Costs	6,038,114	543,824	6,581,938	5,188,022	1,393,916
Special Education	31,028,471	(678,832)	30,349,639	28,260,999	2,088,640
Pupil Personnel Services	2,573,980	(69,909)	2,504,071	2,282,105	221,966
Health Services	1,701,847	-	1,701,847	1,656,802	45,045
Pupil Transportation	15,301,750	59,600	15,361,350	14,857,801	503,549
Operation of Plant	16,908,388	-	16,908,388	15,907,847	1,000,541
Maintenance of Plant	3,395,253	-	3,395,253	3,196,369	198,884
Fixed Charges	52,471,217	1,925,537	54,396,754	49,274,844	5,121,910
Community Services	1,562,276	-	1,562,276	1,157,779	404,497
Capital Outlay	3,943,725	824,903	4,768,628	4,283,776	484,852
Total Expenditures	<u>246,186,618</u>	<u>3,558,964</u>	<u>249,745,582</u>	<u>233,901,863</u>	<u>15,843,719</u>
Excess (Deficiency) of Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(236,541)</u>	<u>\$ (236,541)</u>
Over Expenditures and Encumbrances					
Fund Balance - Budgetary Basis - Beginning of Year				<u>14,943,239</u>	
Fund Balance - Budgetary Basis - End of Year				14,706,698	
Encumbrances Outstanding as of June 30, 2020				6,668,617	
Closed Encumbrances				(58,180)	
Cancelled Encumbrances and Other Adjustments				<u>515,348</u>	
Fund Balance - GAAP Basis - End of Year				<u>\$ 21,832,483</u>	

**CALVERT COUNTY PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —
BUDGET AND ACTUAL — UNRESTRICTED
YEAR ENDED JUNE 30, 2020**

	Budget			Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	As Originally Adopted	Transfers and Amendments	Final Budgeted		
Revenues					
Local Sources	\$ 131,004,034	\$ 1,917,430	\$ 132,921,464	\$ 132,109,170	\$ (812,294)
State Sources	87,486,257	454,808	87,941,065	87,941,065	-
Federal Sources	1,410,000	-	1,410,000	860,047	(549,953)
Use of Prior Year Fund Balance	3,000,000	1,186,726	4,186,726	-	(4,186,726)
Total Revenues	222,900,291	3,558,964	226,459,255	220,910,282	(5,548,973)
Expenditures					
Administration	\$ 6,688,479	\$ 489,823	\$ 7,178,302	\$ 6,830,744	\$ 347,558
Mid-level Administration	11,715,525	(42,706)	11,672,819	11,533,451	139,368
Instructional Salaries	84,844,729	588,145	85,432,874	83,951,897	1,480,977
Textbooks and Instructional Supplies	2,518,173	(81,421)	2,436,752	2,428,520	8,232
Other Instructional Costs	3,835,158	543,824	4,378,982	4,333,879	45,103
Special Education	25,316,172	(678,832)	24,637,340	23,554,466	1,082,874
Pupil Personnel Services	2,409,173	(69,909)	2,339,264	2,145,620	193,644
Health Services	1,701,767	-	1,701,767	1,656,802	44,965
Pupil Transportation	15,037,618	59,600	15,097,218	14,756,423	340,795
Operation of Plant	15,775,684	-	15,775,684	15,242,704	532,980
Maintenance of Plant	3,395,253	-	3,395,253	3,196,369	198,884
Fixed Charges	45,778,298	1,925,537	47,703,835	47,284,895	418,940
Community Services	-	-	-	-	-
Capital Outlay	3,884,262	824,903	4,709,165	4,231,053	478,112
Total Expenditures	222,900,291	3,558,964	226,459,255	221,146,823	5,312,432
Excess (Deficiency) of Revenues Over Expenditures and Encumbrances	\$ -	\$ -	\$ -	\$ (236,541)	\$ (236,541)

**CALVERT COUNTY PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —
BUDGET AND ACTUAL — RESTRICTED
YEAR ENDED JUNE 30, 2020**

	Budget			Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	As Originally Adopted	Transfers and Amendments	Final Budgeted		
Revenues					
Local Sources	\$ 6,426,923	\$ -	\$ 6,426,923	\$ 1,434,544	\$ (4,992,379)
State Sources	4,028,911	-	4,028,911	3,037,082	(991,829)
Federal Sources	12,830,493	-	12,830,493	8,283,414	(4,547,079)
Total Revenues	<u>\$ 23,286,327</u>	<u>\$ -</u>	<u>\$ 23,286,327</u>	<u>\$ 12,755,040</u>	<u>\$ (10,531,287)</u>
Expenditures					
Administration	\$ 229,327	\$ -	\$ 229,327	\$ 171,367	\$ 57,960
Mid-level Administration	306,312	-	306,312	159,571	146,741
Instructional Salaries	3,922,111	-	3,922,111	2,053,270	1,868,841
Textbooks and Instructional Supplies	1,036,941	-	1,036,941	706,699	330,242
Other Instructional Costs	2,202,956	-	2,202,956	854,143	1,348,813
Special Education	5,712,299	-	5,712,299	4,706,533	1,005,766
Pupil Personnel Services	164,807	-	164,807	136,485	28,322
Health Services	80	-	80	-	80
Pupil Transportation	264,132	-	264,132	101,378	162,754
Operation of Plant	1,132,704	-	1,132,704	665,143	467,561
Maintenance of Plant	-	-	-	-	-
Fixed Charges	6,692,919	-	6,692,919	1,989,949	4,702,970
Community Services	1,562,276	-	1,562,276	1,157,779	404,497
Capital Outlay	59,463	-	59,463	52,723	6,740
Total Expenditures	<u>23,286,327</u>	<u>-</u>	<u>23,286,327</u>	<u>12,755,040</u>	<u>10,531,287</u>
Excess (Deficiency) of Revenues					
Over Expenditures and Encumbrances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CALVERT COUNTY PUBLIC SCHOOLS
RECONCILIATION OF DIFFERENCE BETWEEN BUDGETARY INFLOWS AND
OUTFLOWS GAAP BASIS REVENUES AND EXPENDITURES
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

Revenues

Budgetary Basis		\$ 233,665,322
Add:	Pension Contribution Paid by the State of Maryland	13,765,273
Add:	Miscellaneous adjustment	497,303
		<u>497,303</u>
	Total Revenues (GAAP Basis)	<u>\$ 247,927,898</u>

Expenditures

Budgetary Basis		\$ 233,901,863
Add:	Pension Contribution Paid by the State of Maryland	13,765,273
Less:	Prior Year Encumbrances Closed During the Current Year	(74,933)
Less:	Effect of Encumbrances, net	(5,184,229)
		<u>(5,184,229)</u>
	Total Expenditures and Other Financing Uses (GAAP Basis)	<u>\$ 242,407,974</u>

**CALVERT COUNTY PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
YEAR ENDED JUNE 30, 2020**

Employees' Retirement and Pension System:

	2020	2019	2018	2017	2016	2015
CCPS' proportionation of the net pension liability	0.067068400%	0.063931900%	0.057746900%	0.066916300%	0.068952800%	0.063737680%
CCPS' proportionate share of the net pension liability	\$ 13,833,267	\$ 13,416,936	\$ 12,487,018	\$ 15,788,250	\$ 14,329,572	\$ 11,311,354
CCPS' covered employee payroll	15,931,788	15,242,570	14,893,973	14,469,213	14,172,855	15,480,738
CCPS' proportionate share of the net pension liability as a percentage of its covered employee payroll	86.83%	88.02%	83.84%	109.12%	101.11%	73.07%
Plan fiduciary net position as a percentage of the total pension liability	68.36%	68.36%	66.71%	62.97%	66.26%	73.65%

Teachers' Retirement and Pension System:

CCPS' proportionation of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CCPS' proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability of the Board	138,260,185	137,773,982	145,089,938	170,642,937	141,629,004	152,207,986
Total	138,260,185	137,773,982	145,089,938	170,642,937	141,629,004	152,207,986
CCPS' covered employee payroll	\$ 115,671,945	\$ 114,372,165	\$ 113,698,745	\$ 111,359,818	\$ 112,124,454	\$ 104,835,359
CCPS' proportionate share of the net pension liability as a percentage of its covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	73.35%	73.35%	71.41%	67.95%	69.53%	69.53%

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

**CALVERT COUNTY PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
YEAR ENDED JUNE 30, 2020**

Employees' Retirement and Pension System

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 1,503,572	\$ 1,377,248	\$ 1,274,850	\$ 1,175,347	\$ 1,303,584	\$ 1,453,337	\$ 1,484,557	\$ 1,362,356	\$ 2,012,647	\$ 1,654,559
Contributions in relation to the contractually required contribution	1,503,572	1,377,248	1,274,850	1,175,347	1,303,584	1,453,337	1,484,557	1,362,356	2,012,647	1,654,559
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 15,931,788	\$ 15,242,570	\$ 14,893,973	\$ 14,469,213	\$ 14,172,855	\$ 15,480,738	\$ 14,770,745	\$ 15,062,796	\$ 15,588,080	\$ 15,178,442
Contributions as a percentage of covered-employee payroll	9%	9%	9%	8%	9%	9%	10%	9%	13%	11%

Teachers' Retirement and Pension System

	2020	2019	2018	2017	2016	2015	2014	2013	2012*	2011*
Contractually required contribution	\$ 5,180,760	\$ 5,023,147	\$ 4,994,291	\$ 4,951,040	\$ 5,910,295	\$ 4,598,758	\$ 3,594,696	\$ 2,835,940	\$ -	\$ -
Contributions in relation to the contractually required contribution	5,180,760	5,023,147	4,994,291	4,951,040	5,910,295	4,598,758	3,594,696	2,835,940	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 115,671,945	\$ 114,372,165	\$ 110,893,973	\$ 111,359,818	\$ 112,124,454	\$ 104,835,359	\$ 106,780,951	\$ 111,686,094	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	4%	4%	5%	4%	5%	4%	3%	3%	0%	0%

**CALVERT COUNTY PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
YEAR ENDED JUNE 30, 2020**

NOTE 1 - CHANGES IN BENEFIT TERMS

There were no benefit changes during the years 2015 through 2019

NOTE 2 - CHANGES IN ASSUMPTIONS

Inflation assumptions changed as follows:

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

Investment return assumption changed as follows:

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

**CALVERT COUNTY PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB PLAN LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2020**

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

Notes to Schedule:

<i>Benefit Changes</i>	None
<i>Changes of assumptions.</i>	<i>The discount rate was changed as follows:</i>
	6/30/2018 5.50%
	6/30/2019 7.00%

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

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

**CALVERT COUNTY PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS
YEAR ENDED JUNE 30, 2020**

	<u>2019</u>	<u>2019</u>	<u>2018</u>
Contribution	\$ 9,287,802	\$ 9,287,802	\$ 15,066,644
Contributions in relation to the			
Contractually required contribution	<u>9,287,802</u>	<u>12,199,228</u>	<u>15,066,644</u>
Contribution deficiency (excess)	<u><u>-</u></u>	<u><u>(2,911,426)</u></u>	<u><u>-</u></u>
 CCPS' covered-employee payroll	 \$ 131,603,733	 \$ 129,614,735	 \$ 131,572,919
 Contributions as a percentage of covered-employee payroll	 7.06%	 9.41%	 11.45%

Notes to Schedule:

Valuation date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Inflation	2.30%
Healthcare cost trend rates	The trend for 2019 is 5.40%. The ultimate trend is 4.06% (pre-Medicare) and 3.94% (post-Medicare)
Salary increases	2.50%
Investment rate of return	5.50%
Retirement age	45

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full

OTHER SUPPLEMENTARY INFORMATION

**CALVERT COUNTY PUBLIC SCHOOLS
GENERAL FUND (CURRENT EXPENSE FUND) — BUDGETARY BASIS
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —
(BUDGET AND ACTUAL)
YEAR ENDED JUNE 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUE			
From Local Sources:			
County Funds	\$ 130,589,034	\$ 130,589,034	\$ -
Tuition	110,000	137,461	27,461
Interest and Other	8,649,353	2,817,219	(5,832,134)
Prior-Year Fund Balance	4,186,726	-	(4,186,726)
Total from Local Sources	<u>143,535,113</u>	<u>133,543,714</u>	<u>(9,991,399)</u>
From State Sources:			
Current Expense	75,775,645	75,775,645	-
Kiwan-TSIG	1,493,954	1,493,954	-
Transportation	6,295,640	6,295,640	-
Handicapped Children	4,375,826	4,375,826	-
Other thru MSDE	3,705,120	2,735,855	(969,265)
State from Other Sources	323,791	301,227	(22,564)
Total from State Sources	<u>91,969,976</u>	<u>90,978,147</u>	<u>(991,829)</u>
From United States Government sources:			
Directly Received	400,000	425,727	25,727
U.S. Navy - NJROTC	260,000	223,820	(36,180)
Received through Other Sources	13,580,493	8,493,914	(5,086,579)
Total from Federal Sources	<u>14,240,493</u>	<u>9,143,461</u>	<u>(5,097,032)</u>
Total Revenue	<u>\$ 249,745,582</u>	<u>\$ 233,665,322</u>	<u>\$ (16,080,260)</u>

**CALVERT COUNTY PUBLIC SCHOOLS
GENERAL FUND (CURRENT EXPENSE FUND) — BUDGETARY BASIS
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —
(BUDGET AND ACTUAL)
YEAR ENDED JUNE 30, 2020**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES AND ENCUMBRANCES			
Administration:			
Salaries and Wages	\$ 4,757,462	\$ 4,646,990	\$ 110,472
Contracted Services	1,347,370	1,259,872	87,498
Supplies and Materials	88,540	48,093	40,447
Equipment	349,774	322,422	27,352
Outgoing Transfers	564,884	527,038	37,846
Other Charges	299,599	197,696	101,903
Total Administration	<u>7,407,629</u>	<u>7,002,111</u>	<u>405,518</u>
Mid-Level Administration:			
Salaries and Wages	11,541,380	11,371,070	170,310
Contracted services	70,820	19,715	51,105
Supplies and Materials	96,765	57,802	38,963
Other Charges	244,700	240,809	3,891
Equipment	25,466	3,626	21,840
Total Mid-Level Administration	<u>11,979,131</u>	<u>11,693,022</u>	<u>286,109</u>
Instructional Salaries	<u>89,354,985</u>	<u>86,005,167</u>	<u>3,349,818</u>
Textbooks and Instructional Supplies	<u>3,473,693</u>	<u>3,135,219</u>	<u>338,474</u>
Other Instructional Costs:			
Contracted Services	1,727,080	1,086,408	640,672
Other Charges	2,127,533	1,704,021	423,512
Equipment	2,715,259	2,389,743	325,516
Outgoing Transfers	12,066	7,850	4,216
Total Other Instructional Costs	<u>6,581,938</u>	<u>5,188,022</u>	<u>1,393,916</u>
Special Education:			
Salaries and Wages	26,354,934	24,744,040	1,610,894
Contracted Services	1,369,057	1,043,839	325,218
Supplies and Materials	166,686	165,367	1,319
Other Charges	300,094	247,815	52,279
Equipment	135,730	109,725	26,005
Outgoing Transfers	2,023,138	1,950,213	72,925
Total Special Education	<u>30,349,639</u>	<u>28,260,999</u>	<u>2,088,640</u>
Pupil Personnel Services:			
Salaries and Wages	1,860,773	1,817,592	43,181
Contracted Services	445,084	357,130	87,954
Supplies and Materials	41,646	36,509	5,137
Other Charges	134,993	49,536	85,457
Equipment	21,575	21,338	237
Total Pupil Personnel Services	<u>2,504,071</u>	<u>2,282,105</u>	<u>221,966</u>
Health Services:			
Salaries and Wages	1,628,132	1,485,888	142,244
Contracted Services	5,350	1,776	3,574
Supplies and Materials	32,915	23,268	9,647
Other Charges	19,150	142,660	(123,510)
Equipment	16,300	3,210	13,090
Total Health Services	<u>1,701,847</u>	<u>1,656,802</u>	<u>45,045</u>

CALVERT COUNTY PUBLIC SCHOOLS
GENERAL FUND (CURRENT EXPENSE FUND) — BUDGETARY BASIS
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES —
(BUDGET AND ACTUAL)
YEAR ENDED JUNE 30, 2020
(CONTINUED)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES			
AND ENCUMBRANCES (Continued)			
Pupil Transportation:			
Salaries and Wages	1,491,753	1,394,068	\$ 97,685
Contracted Services	13,580,935	13,187,327	393,608
Supplies and Materials	6,600	5,871	729
Other Charges	40,062	30,609	9,453
Equipment	242,000	239,926	2,074
Total Pupil Transportation	<u>15,361,350</u>	<u>14,857,801</u>	<u>503,549</u>
Operation of Plant:			
Salaries and Wages	8,777,881	8,359,773	418,108
Contracted Services	1,731,991	1,694,556	37,435
Supplies and Materials	1,141,398	907,817	233,581
Other Charges	4,963,998	4,740,936	223,062
Equipment	293,120	204,765	88,355
Total Operation of Plant	<u>16,908,388</u>	<u>15,907,847</u>	<u>1,000,541</u>
Maintenance of Plant:			
Salaries and Wages	2,412,103	2,341,334	70,769
Contracted Services	268,000	235,896	32,104
Supplies and Materials	610,050	503,841	106,209
Other Charges	5,100	14,738	(9,638)
Equipment	100,000	100,560	(560)
Total Maintenance of Plant	<u>3,395,253</u>	<u>3,196,369</u>	<u>198,884</u>
Fixed Charges			
Other Charges	54,396,754	49,274,844	5,121,910
Total Fixed Charges	<u>54,396,754</u>	<u>49,274,844</u>	<u>5,121,910</u>
Community Services:			
Salaries and Wages	1,314,619	998,792	315,827
Contracted Services	78,301	39,595	38,706
Supplies and Materials	108,012	72,925	35,087
Other Charges	52,803	37,953	14,850
Equipment	8,541	8,514	27
Total Community Services	<u>1,562,276</u>	<u>1,157,779</u>	<u>404,497</u>
Capital Outlay:			
Salaries and Wages	\$ 253,157	\$ 253,157	-
Contracted Services	127,981	122,574	5,407
Supplies and Materials	750	626	124
Other Charges	2,855	2,615	240
Equipment	4,383,885	3,904,804	479,081
Total Capital Outlay	<u>4,768,628</u>	<u>4,283,776</u>	<u>484,852</u>
Total Expenditures and Encumbrances	<u>249,745,582</u>	<u>233,901,863</u>	<u>15,843,719</u>
Excess (Deficiency) of Revenues			
Over Expenditures and Encumbrances	<u>\$ -</u>	<u>\$ (236,541)</u>	<u>\$ (236,541)</u>

**CALVERT COUNTY PUBLIC SCHOOLS
SCHEDULE OF CHANGES IN NET POSITION
SCHOOL ACTIVITIES FUND — AGENCY FUND
YEAR ENDED JUNE 30, 2020**

	Balance June 30, 2019	Additions/ Receipts	Reductions/ Disbursements	Balance June 30, 2020
ASSETS				
Cash by Schools:				
Elementary Schools				
PAC - Appeal	\$ 6,714	\$ 4,929	\$ 4,966	\$ 6,677
Barstow	38,612	43,044	44,817	36,839
Beach	23,229	84,814	65,022	43,021
Calvert	32,183	37,100	33,175	36,108
Dowell	53,460	43,599	52,695	44,364
Huntingtown	72,224	86,800	82,367	76,657
Mt. Harmony	68,871	49,138	59,345	58,664
Mutual	26,066	43,341	43,632	25,775
PAC - Patuxent	12,519	31,326	24,664	19,181
Plum Point	33,501	100,208	106,881	26,828
St. Leonard	20,834	27,624	29,430	19,028
Sunderland	46,989	51,977	50,654	48,312
Windy Hill	38,866	79,806	81,102	37,570
Middle Schools				
Calvert	38,752	78,713	74,372	43,093
Mill Creek	32,799	53,792	60,127	26,464
Northern	81,286	88,756	102,170	67,872
Plum Point	50,472	116,520	112,247	54,745
Southern	17,945	49,935	50,756	17,124
Windy Hill	74,260	74,722	78,972	70,010
High Schools				
Calvert	201,519	540,858	505,863	236,514
Huntingtown	200,160	746,271	781,249	165,182
Northern	450,355	713,255	740,827	422,783
Patuxent	194,664	465,183	426,465	233,382
Centers				
Career Technology Academy	59,064	82,972	73,615	68,421
Calvert Country	30,376	9,498	11,514	28,360
Central Office				
	49,456	12,644	-	62,100
Total Assets	\$ 1,955,176	\$ 3,716,825	\$ 3,696,927	\$ 1,975,074
LIABILITIES				
Liabilities of the School				
Activity Funds	\$ 1,955,176	\$ 3,716,825	\$ 3,696,927	\$ 1,975,074