

**BOARD OF EDUCATION OF CARROLL COUNTY  
Westminster, Maryland**

**MANAGEMENT'S DISCUSSION AND ANALYSIS,  
FINANCIAL STATEMENTS AND REQUIRED  
AND OTHER SUPPLEMENTARY INFORMATION  
June 30, 2009**

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## Independent Auditor's Report

Members of the Board of  
Education of Carroll County  
Westminster, Maryland

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Carroll County (the Board), a component unit of Carroll County, Maryland, as of and for the year ended June 30, 2009, which collectively comprise the Board of Education of Carroll County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2009 on our consideration of the Board's internal control over financial reporting and 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 - 12, budgetary comparison information on pages 39 and 40 and the schedule of funding progress on page 41, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of Carroll County's basic financial statements. The schedules on pages 42 – 50 presented as other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. They have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clifton Henderson LLP*

Baltimore, Maryland  
September 25, 2009

**Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

Members of the Board of  
Education of Carroll County  
Westminster, Maryland

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Carroll County (the Board) as of and for the year ended June 30, 2009, which collectively comprise the Board of Education of Carroll County's basic financial statements and have issued our report thereon dated September 25, 2009. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Board of Education of Carroll County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Board of Education of Carroll County in a separate letter dated September 25, 2009.

This report is intended solely for the information and use of the Board, audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton Gunderson LLP*

Baltimore, Maryland  
September 25, 2009

**BOARD OF EDUCATION OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

As Management of the Board of Education of Carroll County (the Board), we offer readers of the Board's financial statements this discussion and analysis of the Board's financial performance during the fiscal year ended June 30, 2009. This section should be read in conjunction with the financial statements, which immediately follow this discussion.

**Overview of the Financial Statements**

The Board's basic financial statements consist of three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements include two kinds of statements that present different views of the Board's financial performance. The report also contains required supplementary information and supplementary budgetary schedules.

- The first two statements are *government-wide financial statements* that provide both short-term and long-term information about the Board's overall financial strength.
- The next two statements are *fund financial statements* that focus on individual parts of the school system, and provide more detail on individual areas of revenues and expenditures.
- It also contains required supplementary information in addition to the basic financial statements themselves, such as a budgetary basis presentation of financial operations in the short-term for the budgetary general fund, measuring regulatory and budgetary compliance.

The financial statements also include notes that explain some of the information in the statements and, in some cases, provide even greater levels of detail. The required supplementary information is followed by a section of supplementary budgetary schedules, which primarily provides additional budgetary review. In this last section of other supplementary information, the Board has chosen to include additional detail beyond that which is required. This additional detail provides information on select operations at individual schools, as well as detailed expenditure data comparable to the reporting required by the Maryland State Department of Education.



**BOARD OF EDUCATION OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**Overview of the Financial Statements (Continued)**

The following table relays the major features of the two types of statements discussed above:

<b>Type of Analysis</b>	<b>Government-Wide Financials</b>	<b>Governmental Fund Financials</b>	<b>Budgetary Basis</b>	<b>Fiduciary Fund</b>
<b>Scope</b>	Entire school system	All activities of the school system (food service, capital projects, and certain school funds)	Reflects only the Current Operating/ General Fund	Instances in which the School System administers resources on behalf of someone else, such as school activity funds.
<b>Required Financial Statements</b>	<ul style="list-style-type: none"> <li>• Statement of Net Assets and</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet,</li> <li>• Statement of Revenues, Expenditures and Changes in Fund Balances, and</li> <li>• Fiduciary Fund Balance Sheet</li> </ul>	Budgetary Comparison Schedule presented as Required Supplementary Information	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Assets and Liabilities</li> </ul>
<b>Accounting Basis and Measurement Focus</b>	Full accrual accounting and economic resource focus	Modified accrual accounting and current financial focus	Budgetary basis and current financial focus	Full accrual basis of accounting
<b>Type of Asset/ Liability Information</b>	All assets and liabilities, including short- and long-term, as well as financial and capital	Assets and liabilities considered reasonably current (generally within one year), no long-term liabilities or capital assets included	A budgetary basis balance sheet is not presented	All assets and liabilities, both short-term and long-term; the School System's fiduciary fund does not contain capital assets, although they can
<b>Type of Inflow/ Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the period of availability or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred.	Revenues for which cash is received during or immediately following the year; includes expenditures and open encumbrances	All additions and deductions during the year, regardless of when cash is received or paid. Agency funds only report assets and liabilities and do not have a measurement focus

**BOARD OF EDUCATION OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**Government-Wide Financial Statements**

The school system-wide statements report information about the school system as a whole using accounting methods similar to those used by private sector companies. The two statements on the school system-wide level report net assets and changes in net assets and are intended to evaluate the school system's financial health or position. Net assets are defined as total assets less total liabilities. These statements will, over time, reflect improvements or deteriorations in the school system's financial strength. These statements consider the non-financial factors, including depreciation of school buildings and other facilities, which are necessary to determine overall financial strength.

Typically, the school system-wide financial statements can reflect governmental activities and business-type activities. While the school system's food service operation charges fees, the fee structure is not designed to cover all costs including depreciation cost. Therefore, this function is included as a governmental activity and no business-type activities are presented.

**Fund Financial Statements**

The Fund Financial Statements are designed to provide additional levels of detail on the school system's funds as opposed to the school system as a whole. Funds are accounting devices used by the school system to keep track of specific sources of funding and spending.

The school system has four funds reported here:

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

Food Service Fund is the fund that captures the financial activities of the cafeteria operations.

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

Fiduciary Fund includes the Agency Fund and *Other Post-Employment Benefits (OPEB) Plan Trust*. The Agency fund reflects liabilities due to student groups and reflects revenues and expenditures that are earmarked for specific student groups at individual schools. The OPEB Plan Trust accumulates resources for post employment health benefits.

**BOARD OF EDUCATION OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**Financial Analysis of the School System as a Whole**

As noted above, all activities are identified as governmental activities, as opposed to business-type activities. Current assets totaled \$64.3 million, most of which appears as accounts receivable due from other governments. This is primarily due from the County Commissioners of Carroll County. Noncurrent assets are composed of capital assets and account for approximately 88% of the school system's total assets. Current liabilities total \$55.4 million, of which over \$20.9 million is accrued payroll and related withholdings. It should be noted that this balance reflects payments made to 10-month staff members (such as teachers) who prefer to continue bi-weekly payrolls during July and August. Since these staff members have fulfilled their contractual obligation as of June 30<sup>th</sup>, the unpaid wages are reflected in this accrual. The accrued fringe portion of this balance is also primarily associated with the payments that will be made for 10-month staff members during July and August. Noncurrent liabilities are \$42.0 million and are predominantly tied to compensated absences for employees.

**Condensed Statement of Net Assets**

	<b>Governmental Activities June 30, 2009</b>	<b>Governmental Activities June 30, 2008</b>
	<i>(In Millions)</i>	<i>(In Millions)</i>
Current and other assets	\$ 64.3	\$ 46.3
Capital assets	<u>473.8</u>	<u>400.8</u>
Total assets	<u>\$ 538.1</u>	<u>\$ 447.1</u>
Current liabilities	\$ 55.4	\$ 44.2
Noncurrent liabilities	<u>42.0</u>	<u>38.3</u>
Total liabilities	<u>\$ 97.4</u>	<u>\$ 82.5</u>
Net assets:		
Invested in capital assets, net of related debt	466.5	393.0
Restricted	0.3	0.1
Unrestricted deficit	<u>(26.1)</u>	<u>(28.5)</u>
<b>Total net assets</b>	<u>\$ 440.7</u>	<u>\$ 364.6</u>

The school system's revenues exceeded expenses by \$76.1 million. For budgetary purposes, acquisitions of equipment and capital improvements are considered expenditures. However in accordance with Generally Accepted Accounting Principles (GAAP) and subject to the Board's Capitalization Policy, equipment and capital improvements are \$91.4 million, of which \$81.7 million is construction in progress and \$9.7 million is subject to depreciation. The school system continues to have a change in enrollment patterns. Consequently, the school system has been constructing new buildings and renovating/expanding existing ones. This capital outlay has resulted in increases in capital assets. The associated debt to finance these acquisitions resides on the County Government and State of Maryland financial statements, as it is not a burden of Carroll County Public Schools.

**BOARD OF EDUCATION OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**Financial Analysis of the School System as a Whole (Continued)**

**Changes in Net Assets from Operating Results**

	<b>Governmental Activities June 30, 2009</b>	<b>Governmental Activities June 30, 2008</b>
	<i>(In Millions)</i>	<i>(In Millions)</i>
<b>Revenues</b>		
Program revenues:		
Charge for services	\$ 4.9	\$ 5.0
Operating grants and contributions	48.4	42.0
Capital grants and contributions	58.0	40.4
General revenues:		
County government	164.2	151.1
State (unrestricted)	110.7	109.3
State pension aid	18.8	17.3
Other	1.4	1.4
Total revenues	406.4	366.5
<b>Expenses</b>		
Instruction (regular and special education)	218.4	184.6
Administration (central and school)	40.7	38.9
Maintenance and operations	38.8	37.8
Transportation	19.7	19.8
Student services and health	6.1	5.7
Food services	6.6	7.0
Total expenses	330.3	293.8
<b>Increase in net assets</b>	<b>\$ 76.1</b>	<b>\$ 72.7</b>

All costs identified in the Statement of Activities include the cost of salaries, wages, supplies, contracted services, and depreciation by function. In the case of regular Instruction, depreciation expense on the school buildings and equipment in those schools account for \$11.1 million. Due to reporting capabilities, no expenses are unallocated. Fringe benefits and depreciation can be tracked by individual or asset, respectively, and therefore can be tied to a function. Review of the revenues identifies some fee for services circumstances, including use of facilities and tuition. Operating Grant revenues include primarily State and Federal Grants and reflect restricted sources. As detailed in the Statement of Activities, the general revenues include State and County revenue, as well as interest income, none of which meets the criteria for classification as program revenues. More specifically:

- The cost of all governmental services this year was \$330.3 million.
- \$4.9 million of the costs were financed by users of the school districts programs through fees for service.

**BOARD OF EDUCATION OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**Financial Analysis of the School System as a Whole (Continued)**

- The State and Federal governments subsidized the operations of certain programs with grants and contributions totaling almost \$48.4 million.
- The majority of the district's costs were financed by Carroll County and the State of Maryland taxpayers. Specifically, \$164.2 million was associated with Carroll County appropriations.
- The State and County governments financed \$58.0 million in capital asset purchases, including construction in progress.

**Financial Analysis of the Board's Funds**

In the General Fund, revenues increased by 7% to \$342.0 million. The General Fund increase is attributable to a 10.9% increase in the appropriation from the County government and a 2.2% increase in unrestricted State revenue. Significant expenditure increases occurred to fund salary increases and other costs negotiated by the various bargaining groups. The system also funded 40.3 (full-time equivalent) new positions to meet growth and academic needs as well as to open Ebb Valley Elementary School in August 2009.

The Food Service Operation reflected a net change in fund balance of \$276,122 for the year ended June 30, 2009 versus a net change in fund balance of \$(588,770) for the prior year.

The Capital Projects Fund reflects no change to fund balance since revenues exactly offset expenses. This fund is designed not to maintain net assets since expenditures should be offset by revenue in each fiscal year.

Limitations affecting the availability of resources in the General Fund include a reserve for inventories of \$392,440, a reserve for prepaid of \$212,272 and include a reserve for encumbrances of \$5,145,749.

**Budgetary Highlights**

Over the course of each fiscal year, the school system revises the annual current operating budget. Generally, the budgets fluctuate for one of two reasons. First, when grants are awarded during the year, an amendment is done to adjust the budget as a whole. In addition, the system is required to maintain budgets by category, or function. Therefore, the school system makes transfers within budgeted line items to more accurately reflect changing conditions. These transfers do not impact the budget total as a whole. As reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balance on the Budget (Non-GAAP) Basis, none of the school system's categories were overspent at year-end. Most importantly, the school system ended the fiscal year with an excess of revenues over expenditures (Non-GAAP Budgetary Basis) of \$3,672,743. Beginning fiscal year 2008 and thereafter, the Board of Carroll County Commissioners and the Board agreed to create a fund balance reserve account to guard against unanticipated revenue shortfalls and minimize the impact on operations of the school system when unexpected, one-time expenses occur.

**BOARD OF EDUCATION OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**Budgetary Highlights (Continued)**

The budgetary process is designed to reflect revenues equal to expenditures. However, on the Fund statements, actual expenditures and actual revenues were both lower than budgeted. Most of this variance is associated with grants that cross fiscal years, and therefore are not fully recognized or expended during the twelve-month fiscal cycle. For instance, the current operating fund actual revenues fell short of the final budget by approximately \$2.2 million. The majority of the shortfall was within the restricted portion, as a result of grants that cross into fiscal year 2010.

Specific examples include Special Education State Passthrough Aid at \$163,406, Title 1-A at \$209,848 and Title II-A at \$301,984. These revenues will be realized and received in fiscal year 2010 to offset fiscal year 2010 grant related expenditures.

Specific areas of expenditure exceeded original budgets. Budget transfers between categories were approved to more closely align with actual expenditures, so that at year-end all categories were in compliance. Hiring turnover and vacancies caused instructional salaries to decrease. As a result, transfers were made out of instructional salaries to textbooks and other instructional costs.

**Capital Asset Administration**

By the end of fiscal year 2009, the school system had invested over \$473.8 million in capital assets net of depreciation, predominantly buildings. Total depreciation expense for the year approximated \$13.4 million, increasing accumulated depreciation on assets to \$159.7 million. Included in the Construction in Progress balance is the work completed on Manchester Valley High School, Open Space Classroom Enclosures, Westminster High School HVAC, Mt. Airy Elementary Roof, Full Day Kindergarten at William Winchester and Winfeld Elementary, and the South Carroll High School Fine Arts Addition. Fiscal year 2010 capital budgets reflect \$1,260,000 for Technology Improvements and \$420,000 for Relocatable Classroom movements. The County government issues the debt associated with these capital projects; therefore, the school system financial statements do not reflect outstanding debt associated with these capital assets.

**Factors Bearing on the School System's Future**

At the time that these financial statements were prepared and audited, the school system was aware of several existing circumstances that could affect its financial health in the future:

1. Carroll County Public Schools does not have taxing authority and is dependent on the Carroll County Government and the State of Maryland for funding. State aid is calculated based on a number of factors, most significantly being enrollment. Carroll County Public Schools have seen a slight decrease in enrollment, as measured by full-time equivalent counts, which could have a negative impact on state aid received. In addition, significant downturns in the economy or other factors limiting the revenue generated by the County or State could limit their ability to provide legally mandated levels of funding. The State

**BOARD OF EDUCATION OF CARROLL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**Factors Bearing on the School System's Future (Continued)**

legislature made changes to the inflation factor used in calculating State aid in a special legislative session during 2007, which have resulted in a decrease in State aid for fiscal years 2009 and 2010. Economic conditions may also result in additional temporary or permanent decreases in the levels of funding which are legally mandated by the State or County government.

2. The school system continues to implement President Bush's "No Child Left Behind Act." The federal act requires students to meet established standards and that individual schools demonstrate annual progress. Costs associated with hiring and retaining "highly qualified" teachers and paraprofessionals continue to rise.
3. The Government Accounting Standards Board (GASB) issued GASB Statement No. 45, *Accounting for Other Post-Employment Benefits* (OPEB) which was effective in FY 2008 for the Board. The Statement establishes standards for the measurement, recognition and reporting of OPEB expenditures and related liabilities. The Statement requires the Board to recognize an expenditure for OPEB during the period of active service for its employees, and, to the extent not currently funded, to recognize a liability for unfunded OPEB costs. The Board began participating in the Carroll County Master Retiree Benefit Trust during FY 2009. The decision on whether or not to fully fund OPEB contributions will be determined on a year to year basis; however, current economic conditions most likely will prohibit the Board from fully funding OPEB.

**Contacting the Board's Financial Management**

This financial report is designed to provide the school system's citizens, taxpayers, customers, stakeholders, and creditors with a general overview of the system's finances and to demonstrate the school system's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Administrative Services' Office, Carroll County Public Schools, 125 North Court Street, Westminster, Maryland 21157.

## **BASIC FINANCIAL STATEMENTS**



**BOARD OF EDUCATION OF CARROLL COUNTY**  
**STATEMENT OF NET ASSETS**  
**June 30, 2009**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 7,808,252
Investments	1,423,668
Accounts receivable	558,414
Due from other units of government	53,731,741
Inventory	555,741
Other current assets	<u>212,272</u>
Total current assets	<u>64,290,088</u>
<b>NONCURRENT ASSETS</b>	
Capital assets (net of accumulated depreciation):	
Land and improvements	12,549,603
Construction in progress	153,724,002
Equipment	11,889,265
Buildings and improvements	<u>295,605,138</u>
Total noncurrent assets	<u>473,768,008</u>
Total assets	<u>538,058,096</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	20,145,797
Accrued salaries and fringes	20,905,525
Accrued health claims	3,598,490
Accrued expenses	5,605,320
Accrued interest	48,288
Due to student groups	1,928,123
Due to other governments	150,073
Unearned revenue	393,125
Current portion of capital lease obligations	526,126
Current portion of compensated absences payable	<u>2,135,000</u>
Total current liabilities	<u>55,435,867</u>
<b>NONCURRENT LIABILITIES</b>	
Long-term portion of capital lease obligations	6,737,606
Long-term portion of compensated absences payable	24,456,799
Other postemployment benefits	<u>10,758,137</u>
Total noncurrent liabilities	<u>41,952,542</u>
Total liabilities	<u>97,388,409</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	466,504,276
Restricted for:	
Food services	334,747
Unrestricted	<u>(26,169,336)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 440,669,687</u>

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

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2009**

	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets	
Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>INSTRUCTION</b>					
Regular education	\$ 170,642,788	\$ 606,446	\$ 23,891,917	\$ 57,978,465	\$ (88,165,960)
Special education	47,789,791	-	20,903,498	-	(26,886,293)
Total instruction	218,432,579	606,446	44,795,415	57,978,465	(115,052,253)
<b>SUPPORT SERVICES</b>					
Administration	7,738,809	-	253,261	-	(7,485,548)
Mid-level administration	32,904,451	-	635,317	-	(32,269,134)
Student personnel services	1,638,324	-	-	-	(1,638,324)
Student health services	4,162,439	-	29,561	-	(4,132,878)
Student transportation services	19,711,914	-	137,768	-	(19,574,146)
Operation of plant	29,368,545	-	3,439	-	(29,365,106)
Maintenance of plant	9,460,518	-	241,122	-	(9,219,396)
Community services	309,144	279,598	2,722	-	(26,824)
Food services	6,554,917	4,035,484	2,332,801	-	(186,632)
Total support services	111,849,061	4,315,082	3,635,991	-	(103,897,988)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 330,281,640</b>	<b>\$ 4,921,528</b>	<b>\$ 48,431,406</b>	<b>\$ 57,978,465</b>	<b>(218,950,241)</b>
<b>GENERAL REVENUES</b>					
Local appropriations					164,164,876
State aid					129,471,486
Interest and investment earnings					238,534
Miscellaneous					1,157,365
Total general revenues					295,032,261
<b>CHANGES IN NET ASSETS</b>					
					76,082,020
<b>NET ASSETS, BEGINNING OF YEAR</b>					
					364,587,667
<b>NET ASSETS, END OF YEAR</b>					
					\$ 440,669,687

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

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2009**

	<b>General Fund</b>	<b>Food Services Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,801,934	\$ 6,318	\$ -	\$ 7,808,252
Investments	1,423,668	-	-	1,423,668
Accounts receivable	557,703	711	-	558,414
Due from other funds	-	646,002	8,433	654,435
Due from other units of government	37,839,137	87,558	15,805,046	53,731,741
Inventory	392,440	163,301	-	555,741
Other current assets	212,272	-	-	212,272
<b>TOTAL ASSETS</b>	<b><u>\$ 48,227,154</u></b>	<b><u>\$ 903,890</u></b>	<b><u>\$ 15,813,479</u></b>	<b><u>\$ 64,944,523</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,401,323	\$ 14,884	\$ 15,729,590	\$ 20,145,797
Accrued salaries and fringes	20,351,606	553,919	-	20,905,525
Accrued health claims	3,598,490	-	-	3,598,490
Accrued expenses	5,605,320	-	-	5,605,320
Due to other funds	2,498,669	-	83,889	2,582,558
Due to other governments	150,073	-	-	150,073
Deferred revenue	392,785	340	-	393,125
<b>Total liabilities</b>	<b><u>36,998,266</u></b>	<b><u>569,143</u></b>	<b><u>15,813,479</u></b>	<b><u>53,380,888</u></b>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	5,145,749	6,798	-	5,152,547
Inventories	392,440	163,301	-	555,741
Prepaid	212,272	-	-	212,272
Unreserved:				
Undesignated	5,478,427	164,648	-	5,643,075
<b>Total fund balances</b>	<b><u>11,228,888</u></b>	<b><u>334,747</u></b>	<b><u>-</u></b>	<b><u>11,563,635</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 48,227,154</u></b>	<b><u>\$ 903,890</u></b>	<b><u>\$ 15,813,479</u></b>	<b><u>\$ 64,944,523</u></b>

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

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2009**

Total fund balances – governmental funds (page 16) \$ 11,563,635

**AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:**

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of these assets is \$633,439,358, and the accumulated depreciation is \$159,671,350. 473,768,008

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of capital lease obligations \$7,263,732, compensated absences payable \$26,591,799 and net other post employment obligations \$10,758,137. (44,613,668)

Accrued interest is reported when due and payable in the funds and is reported when incurred on governmental activities. (48,288)

**TOTAL NET ASSETS, GOVERNMENTAL ACTIVITIES** (page 14) \$ 440,669,687

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

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2009**

	<u>General Fund</u>	<u>Food Services Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources	\$ 164,164,263	\$ -	\$ 49,226,945	\$ 213,391,208
State sources	163,501,034	58,470	8,751,520	172,311,024
Federal sources	10,758,422	2,164,783	-	12,923,205
Earnings on investments	235,857	2,677	-	238,534
Charges for services	886,044	4,035,484	-	4,921,528
Miscellaneous revenues	2,468,613	109,548	-	2,578,161
	<u>342,014,233</u>	<u>6,370,962</u>	<u>57,978,465</u>	<u>406,363,660</u>
Total revenues				
<b>EXPENDITURES</b>				
Administration	6,020,983	-	-	6,020,983
Instruction	150,538,845	-	-	150,538,845
Student personnel services	1,396,788	-	-	1,396,788
Student health services	3,383,627	-	-	3,383,627
Student transportation services	19,210,188	-	-	19,210,188
Operation of plant	24,020,292	-	-	24,020,292
Maintenance of plant	6,758,573	-	-	6,758,573
Fixed charges	55,253,276	-	-	55,253,276
Mid-level administration	27,140,891	-	-	27,140,891
Community services	279,932	-	-	279,932
Special education	40,080,799	-	-	40,080,799
Costs of operation - food services	-	6,569,840	-	6,569,840
Capital outlay	935,889	-	57,978,465	58,914,354
	<u>335,020,083</u>	<u>6,569,840</u>	<u>57,978,465</u>	<u>399,568,388</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>6,994,150</u>	<u>(198,878)</u>	<u>-</u>	<u>6,795,272</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in (out)	<u>(475,000)</u>	<u>475,000</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>(475,000)</u>	<u>475,000</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	6,519,150	276,122	-	6,795,272
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>4,709,738</u>	<u>58,625</u>	<u>-</u>	<u>4,768,363</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 11,228,888</u>	<u>\$ 334,747</u>	<u>\$ -</u>	<u>\$ 11,563,635</u>

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

**BOARD OF EDUCATION OF CARROLL COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2009**

Total net change in fund balances – governmental funds (page 18) \$ 6,795,272

**AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE  
STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:**

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay, which is capitalized \$86,372,750, exceeds depreciation expenses, \$13,387,140, in the period. 72,985,610

In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid or expected to be paid within one year). This year, vacation and sick leave earned exceeded the amounts used by: (74,894)

The execution of a capital lease agreement provides current financial resources to governmental funds, while the repayment of the lease principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This is the amount of principal payments on the lease obligation for this year. 486,104

In the Statement of Activities, only the gain or loss on sale of the capital assets is reported. In the governmental funds, however, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets disposed. (5,280)

OPEB costs reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (4,104,792)

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (page 15) \$ 76,082,020**

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

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**June 30, 2009**

	<b>OPEB Plan Trust</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 466,506
Investments	1,668,400	-
Due from other funds	-	2,252,128
Accounts receivable	-	1,010
Prepaid expenses	-	7,342
	1,668,400	2,726,986
Total assets	1,668,400	\$ 2,726,986
<b>LIABILITIES</b>		
Accounts payable	-	161,726
Due to student groups	-	2,241,255
Due to other funds	-	324,005
	-	324,005
Total liabilities	-	\$ 2,726,986
<b>NET ASSETS</b>		
Net assets held in trust for benefits	\$ 1,668,400	

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

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**June 30, 2009**

	<u>OPEB Plan Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 3,497,208
Employee	<u>3,162,676</u>
Total contributions	<u>6,659,884</u>
Investment earnings:	
Net appreciation in fair value of investments	<u>168,400</u>
Total investment income	<u>168,400</u>
Total additions	<u>6,828,284</u>
<b>DEDUCTIONS</b>	
Benefits paid to plan members	<u>5,159,884</u>
<b>CHANGES IN NET ASSETS</b>	1,668,400
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>-</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,668,400</u>

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



**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

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

**Financial Reporting Entity**

The Board of Education of Carroll County (the Board) as currently constituted was established under Title 3, Subtitle 103, Education, of the Annotated Code of Maryland. The Board is a five-member elected body responsible for the operation of Carroll County Public Schools.

The Board of Education of Carroll County is a component unit of Carroll County, Maryland by virtue of the County's responsibility for levying taxes and its budgetary control over the Board of Education. 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.

The financial statements of the Board are prepared in conformity with generally accepted accounting principles (GAAP) applicable to governments in the United States of America.

**Government-Wide and Fund Financial Statements**

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement was amended by Statement No. 41, insofar as to the reporting of budgetary data. This statement, known as the "Reporting Model" statement, affects the way the Board prepares and presents financial information.

The statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

**Management's Discussion and Analysis** - GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis many private sector entities provide in their annual reports.

**Government-Wide Financial Statements** - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities. Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter. Fiduciary funds are not included in government-wide financial statements.

The basic financial statements include both government-wide (based on the Board as a whole) and fund financial statements. The Board does not engage in business-type activities and, as such, issues single column government-wide financial statements. In the Government-Wide Statement of Net Assets, both the governmental activities' assets and liabilities (a) are presented on a consolidated basis and (b) are reflected on a full accrual, economic resource basis, which incorporates noncurrent assets and receivables as well as long-term obligations.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

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

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

**Statement of Net Assets** - The Statement of Net Assets is designed to display the financial position of the primary government. The Board reports all capital assets in the government-wide Statement of Net Assets and reports depreciation expense – the cost of “using up” capital assets – in the Statement of Activities. The net assets of the Board are broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

**Statement of Activities** - The Government-Wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each Board function. The expenses of individual functions are compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants). These directly matched revenues are called program revenues. This format enables the Government-Wide Statement of Activities to reflect both the gross and net cost per functional category (regular instruction, special instruction, pupil transportation, etc.) that are otherwise being supported by general government revenues.

Program revenues must be directly associated with a function and are restricted to meeting the operational or capital requirements of a particular function or activity. Multi-purposed grants and other items not properly included among program revenues are reported as general revenues. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Direct expenses are considered those that are clearly identifiable with a specific function or segment. The Board does not allocate indirect expenses.

**Fund Financial Statements** - Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

In the fund financial statements, financial transactions and accounts of the Board are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the government-wide financial statements.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

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

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

**Budgetary Comparison Schedules** - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the financial progress of their governments over the course of the year. The Board and many other governments revise their original budgets over the course of the year for a variety of reasons. A budgetary comparison schedule of the Board's original budget to the final budget and actual results is presented as required supplementary information.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide and certain fiduciary fund 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. Employee and employer contributions to the other employee benefit trust fund are recognized as revenue in the period the contributions are due.

Nonexchange transactions are where the Board either gives or receives value without directly receiving or giving equal value in exchange including, for example, grants and contributions. Revenues from grants and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied.

It is the Board's policy to first use restricted assets for expenses incurred for which both restricted and unrestricted assets are available unless a local match is required. Where a local match is required, the expense is allocated to restricted and unrestricted assets based on the required match percentages.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This focus is on the determination of, and changes in financial position, and generally only current assets and current liabilities are included on the Balance Sheet. Revenues are recorded as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within a 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 60 days of the end of the current fiscal period. The major revenue sources subject to the availability criterion are the local, state, and federal revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. Expenditures related to compensated absences are recorded when payment is due or when payable resulting from resignations or retirements.

The following types of transactions are reported as program revenues. Tuition paid directly by students and parents is identified as charges for services. Additionally, sales associated with the Food Service Operation are identified as charges for services, while state and federal support for this function is identified as operating grants and contributions. Grant-related revenue that is specifically restricted for use by a particular function is separated in the Statement of Activities.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

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

The Board reports the following major governmental funds:

**General Fund** – The General Fund is the operating fund of the Board and is used to account for the revenues and expenditures necessary for the day-to-day operation of the Board. This fund is used to account for all financial resources except those required to be accounted for in another fund.

**Food Service Fund** – The Food Service Fund is used to account for the operations of the cafeteria program throughout the school system.

**Capital Project Fund** – The Capital Improvements Project Fund is used to account for the financial resources to be used for the acquisition or construction of the Board's major capital facilities.

Additionally, the Board reports the following fiduciary fund:

**Agency Fund** – The Agency Fund is a fiduciary fund used to account for the funds held by the Board in a trustee capacity. The school funds account for the funds of other persons or organizations which are the direct responsibility of the principals of the respective schools. This is an agency fund with no measurement focus as only assets and liabilities are reported on the accrual basis.

**OPEB Plan Trust** – The OPEB Plan Trust was established during fiscal year 2009 to account for the collection of medical premiums and the payments of medical claims for the Board's retiree's.

As a general rule, the effect of interfund and internal activity has been eliminated from the government-wide financial statements including the Statement of Activities. Interfund balances are not included in the Government-Wide Statement of Net Assets. The Board distinguishes overhead costs, which are eliminated in the preparation of the Statement of Activities from interfund services provided and used between functions which are not eliminated in the Statement of Activities in the financial statement closing process. The Board does not allocate indirect expenses to functions in the fund financial statements.

**Assets, Liabilities, and Net Assets or Equity**

**Investments**

Investments are reported at fair value in accordance with GASB Statement No. 31. OPEB Plan Trust investments consisting of money market and mutual funds are stated at fair value.

**Receivables and Payables**

All interfund receivables and payables are displayed in the fund statements as "due to/due from other funds." These amounts offset each other and are eliminated from the Government-Wide Statement of Net Assets, so as to not overstate the Board's assets and liabilities. All trade receivables are deemed fully collectible by management.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

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

**Assets, Liabilities, and Net Assets or Equity (Continued)**

**Inventory**

Inventory consists of expendable supplies and food held for consumption and is valued at cost (first-in, first-out). Inventory is reflected in the financial statements by the consumption method. Under this method, the expenditure is recognized when inventory is used. In the fund financial statements, these inventories are offset by a fund balance reserve which indicates that they do not constitute available expendable resources, even though they are a component of assets.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include land and improvements, buildings and improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

There is no depreciation recorded for land. Construction in progress is depreciated when it is put in use.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<b>ASSETS</b>	<u><b>Years</b></u>
Buildings	50
Improvements	20
Equipment	3 – 10

**Unearned Revenues**

Unearned revenues represent amounts received from grantors in advance of incurrence of eligible expenditures for reimbursable-type grants and unused commodities at June 30, 2009, since title does not pass to the Board until the commodities are used.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

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

**Assets, Liabilities, and Net Assets or Equity (Continued)**

**Compensated Absences Payable (Continued)**

The current portion of compensated absences that has matured due to resignations or retirements which totals \$1,230,039 is included in accrued wages in the General Fund. The Board recognizes expenditures for these items, which include salaries and salary related payments, as incurred. Vested absences earned but not taken were \$26,591,799 at June 30, 2009 and are reflected in the entity wide Statement of Net Assets.

These absences consist primarily of sick and vacation time earned but not taken. Employees hired prior to July 1, 1997 meeting specified service requirements are eligible to accumulate sick time and upon retirement, are entitled to payment for unused sick time at 50% of their accrued sick leave balance at their previous three year average daily rate. Employees hired prior to July 1, 1997 may accumulate unused sick time and will be paid for a maximum of 250 days or their accumulated balance at June 30, 2003, whichever is greater. Employees hired July 1, 1997 and later are eligible for accumulated unlimited sick time but are not entitled to payment for unused sick time upon retirement. There is a maximum accrual of 30 paid vacation days for those employees eligible to earn and accumulate vacation time.

**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, Capital Improvements Project Fund and Food Service Fund, and encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

**School Construction Debt**

The Board is not obligated to repay principal or interest on any debt incurred for school construction. Such bonds and loans are obligations of the County government. Accordingly, the Board does not record school construction debt service revenues, expenditures, or outstanding school construction debt. The authorization for annual expenditures related to debt service emanate from the Carroll County Operating Budget Ordinance.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Fund balances in the governmental funds are reserved for encumbrances, inventories and prepaids to indicate the amounts are not available for other expenditures.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING POLICIES**

Legal budgetary control is employed for the General Fund only. Capital Projects are budgeted on a project basis only. Management employs budgetary control over the Food Service Fund for operational purposes only.

The Board follows these procedures in establishing the budgetary data reflected in these financial statements:

1. Prior to December, the staff accumulates and summarizes data for a proposed operating budget (General Fund).
2. During January, the Superintendent of Schools submits a proposed operating budget to the Board.
3. Public hearings are held to obtain citizens' comments.
4. During February, the Board adopts the proposed budget.
5. On March 1, the budget is submitted to the Carroll County Commissioners for approval.
6. During May, the County Commissioners hold final hearings and adopt the budget which becomes effective July 1.
7. The General Fund budget is adopted on a basis consistent with GAAP except for the inclusion of encumbrances as expenditures and the exclusion of pension payments made by the State on behalf of the Board. Budget comparisons presented in this report are on a non-GAAP budgetary basis. The required supplementary information budgetary comparison schedule reflects the budget as amended.
8. Request for adjustments to major categories must be submitted to the County Commissioners for approval or denial. No action within thirty (30) days of submission constitutes approval.
9. Requests for transfers between major categories must be submitted to the County Commissioners for approval or denial. No action within thirty (30) days of submission constitutes approval.
10. Expenditures may not legally exceed appropriations at the major category level. In addition, all appropriations lapse at year-end.

During the year, the County Commissioners adopted supplemental appropriations for the Board of Education's General Fund budget. The approved budget and supplemental appropriations are presented below:

Original operating budget approved by the County Commissioners	\$ 323,357,558
Approved supplemental appropriations	2,422,504
Transfers out	<u>(475,000)</u>
<b>Amended operating budget for fiscal year 2009</b>	<b><u>\$ 325,305,062</u></b>

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 3 – CASH AND CASH EQUIVALENTS**

The Board of Education maintains pooled and various separate cash accounts for its funds. The cash balances of the Agency Fund (see Statement of Fiduciary Net Assets) consist of individual demand accounts maintained by the schools. The Board considers any instrument with a maturity of three months or less when purchased, to be cash equivalents.

**Deposits**

At year-end, the carrying value of the Board's combined deposits including amounts invested in repurchase agreements was \$8,274,758 and \$1,423,668 and was invested in the Maryland Local Government Investment Pool. The bank balance of deposits, including amounts invested in repurchase agreements, was \$13,821,204 and cash on hand was \$150,000. Of the bank balance, \$443,584 was covered by federal depository insurance and \$13,377,620 was covered by collateral held by the financial institution's trust department in the Board's name. Statutes authorize secured time deposits in Maryland banks. Statutes require uninsured deposits to be fully collateralized. Therefore, under the reporting requirements of Governmental Accounting Standards Board Statement No.40, the Board's deposits are not subject to custodial or credit risk at year-end. Because of the short-term maturity and type of the investments there is limited interest rate risk.

**Investments**

Statutes authorize the Board to invest in obligations of the U.S. Government, federal government agency obligations, and repurchase agreements secured by direct government or agency obligations.

The Board is a participant of the Maryland Local Government Investment Pool (MLGIP), which provides all local government units of the State a safe investment vehicle for the short-term investment of funds. The State Legislature created MLGIP with the passage of Article 95 22G, of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, has been managed by PNC Institutional Investments. The pool has an AAAM rating from Standard and Poors and maintains a \$1.00 per share value. An MLGIP Advisory Committee of current participants was formed to review, on a quarterly basis, the activities of the Fund and to provide suggestions to enhance the pool. The fair market value of the pool is the same as the value of the pool shares.

Additionally, in accordance with reporting requirements of GASB Statement No. 40, the Board does not have any interest rate risk associated with investments. Investments in the MLGIP and repurchase agreements are priced on a daily basis, with funds availability also on a daily basis. It should also be noted that the Board does not have any foreign currency risk associated with any investments.

OPEB Plan Trust investments of \$1,668,400 are invested in the Carroll County Master Retiree Benefit Trust, which consist of money market and mutual funds. The trust does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Carroll County Master Retiree Benefit Trust is not rated by the rating agencies.



**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 4 – INVENTORY**

Inventory consists of the following for the General Fund:

Custodial supplies	\$ 187,832
Equipment, repair and maintenance supplies	204,602
Food service supplies	27,404
Food	<u>135,903</u>
<b>Total inventories</b>	<b><u>\$ 555,741</u></b>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Balance at June 30, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2009</u>
<b>CAPITAL ASSETS NOT BEING DEPRECIATED</b>				
Land and improvements	\$ 12,549,603	\$ -	\$ -	\$ 12,549,603
Construction in progress	<u>77,032,529</u>	<u>81,745,203</u>	<u>(5,053,730)</u>	<u>153,724,002</u>
Total capital assets, not being depreciated	<u>89,582,132</u>	<u>81,745,203</u>	<u>(5,053,730)</u>	<u>166,273,605</u>
<b>CAPITAL ASSETS BEING DEPRECIATED</b>				
Equipment	41,681,031	2,616,348	(1,422,437)	42,874,942
Equipment under capital lease	4,816,683	-	-	4,816,683
Building and improvements	<u>412,409,198</u>	<u>7,064,930</u>	<u>-</u>	<u>419,474,128</u>
Total capital assets being depreciated	<u>458,906,912</u>	<u>9,681,278</u>	<u>(1,422,437)</u>	<u>467,165,753</u>
<b>LESS – ACCUMULATED DEPRECIATION</b>				
Equipment	29,178,609	3,224,225	(1,417,157)	30,985,677
Equipment under capital lease	4,816,683	-	-	4,816,683
Building and improvements	<u>113,706,075</u>	<u>10,162,915</u>	<u>-</u>	<u>123,868,990</u>
Total accumulated depreciation	<u>147,701,367</u>	<u>13,387,140</u>	<u>(1,417,157)</u>	<u>159,671,350</u>
Total capital assets, being depreciated, net	<u>311,205,545</u>	<u>(3,705,862)</u>	<u>(5,280)</u>	<u>307,494,403</u>
<b>CAPITAL ASSETS, NET</b>	<b><u>\$400,787,677</u></b>	<b><u>\$ 78,039,341</u></b>	<b><u>\$ (5,059,010)</u></b>	<b><u>\$473,768,008</u></b>

Depreciation expense for the year was charged to functions as follows:

Regular education	\$ 11,093,230
Special education	126,616
Administration	231,316
Mid level administration	233,845
Student personnel services	16,766
Student health services	479
Student transportation services	109,244
Operation of plant	880,131
Maintenance of plant	634,144
Food services	<u>61,369</u>
<b>Total depreciation expense – governmental activities</b>	<b><u>\$ 13,387,140</u></b>

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

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

At June 30, 2009, the Board has construction commitments consisting of the following:

	<b>Future Amounts to be Expended</b>	<b>Future Funding to be Provided</b>
Westminster High HVAC	\$ 23,624,539	\$ 4,650,000
South Carroll High Fine Arts	19,905,434	1,620,206
Mt. Airy Middle Modernization/Addition	8,050,000	8,050,000
Manchester Valley High	8,022,841	-
Open Space Enclosure – Northwest Middle	2,236,238	5,189,250
Full Day K – William Winchester Elementary	2,087,599	4,058,000
Full Day K – Windfield Elementary	1,515,091	2,215,000
Mt. Airy Elementary	953,134	727,000
Open Space Enclosure – Westminster Elementary	501,000	501,000
<b>Total</b>	<b>\$ 66,895,876</b>	<b>\$ 27,010,456</b>

**NOTE 6 – INTERFUND BALANCES**

The composition of interfund balances as of June 30, 2009 is as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
Food Service Fund	General Fund	\$ 320,877
Food Service Fund	Capital Projects Fund	1,120
Food Service Fund	Agency Fund	324,005
Agency Fund	Capital Projects Fund	82,769
Agency Fund	General Fund	2,169,359
Capital Projects Fund	General Fund	8,433
<b>Total</b>		<b>\$ 2,906,563</b>

The interfund balances resulted from the time lag between the dates that payments of expenses and cash collections by one fund on behalf of another are made.

**NOTE 7 – LONG-TERM DEBT**

Long-term debt at June 30, 2009 consists of amounts due under capital leases and compensated absences payable as further discussed in Note 1.

During the fiscal year ended June 30, 2009, no new capital leases were entered into by the Board. In October of 2004, Phase IV of an energy management plan was entered into providing air conditioning to three elementary schools. Additionally, the plan will upgrade water and lighting fixtures.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

The Board leases energy management equipment pursuant to capital lease agreements entered into in prior years. Payments made on capital leases are recorded in the General Fund. Future minimum lease obligations are as follows:

Year Ending June	Energy Management Equipment
2010	\$ 783,286
2011	806,785
2012	830,988
2013	855,918
2014	881,595
2015 - 2019	4,643,149
Total future payments	8,801,721
Less interest	(1,537,989)
<b>Present value of future minimum lease payments</b>	<b>\$ 7,263,732</b>

Interest expense related to capital leases was \$274,368 for the year ended June 30, 2009. This amount was allocated to functions as follows:

Maintenance of plant and equipment	<u>\$ 274,368</u>
------------------------------------	-------------------

Changes in capital lease obligations for the year ended June 30, 2009 were as follows:

Balance at June 30, 2008	\$ 7,749,836
Additions	-
Reductions	(486,104)
<b>Balance at June 30, 2009</b>	7,263,732
<b>Amounts due within one year</b>	<b>(526,126)</b>
<b>Capital lease obligations non-current</b>	<b>\$ 6,737,606</b>

Changes in compensated absences payable for the year ended June 30, 2009 were as follows:

Balance at June 30, 2008	\$26,516,905
Additions	1,739,279
Reductions	(1,664,385)
<b>Balance at June 30, 2009</b>	26,591,799
<b>Amounts due within one year</b>	<b>(2,135,000)</b>
<b>Compensated absence non-current portion</b>	<b>\$24,456,799</b>

Capital lease and compensated absence liabilities are generally liquidated by the General Fund.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 8 – PENSION PLAN**

The employees of the Board are covered by the State Retirement and Pension System of Maryland which is a cost sharing employer public employee retirement system (the State System). Most Board employees participate in the State System. The State System prepares a Comprehensive Annual Financial Report, which can be obtained from the State Retirement and Pension Systems of Maryland at 120 East Baltimore Street, Baltimore, Maryland 21202.

**Plan Description**

The State System, which is administered in accordance with Article 73B of the Annotated Code of Maryland, consists of several plans which are managed by the Board of Trustees for the State System. All State employees and employees of the participating entities are eligible for coverage by the plans. The State System provides retirement, death, and disability benefits in accordance with State statutes.

**Funding Policy**

The Board's required contributions are based upon actuarial valuations. Effective July 1, 1980, in accordance with the law governing the State System, all benefits of the State System are funded in advance. The entry age normal cost method is the actuarial cost method used. Both the Board and covered employees are required by State statute to contribute to the State System. The employees contribute 5% to 7% of compensation, as defined, depending on the participant's plan.

The contribution requirements of the State System members, as well as the State and participating governmental employees are established and may be amended by the Board of Trustees for the State System. Benefits are provided in accordance with State statutes.

The State makes a substantial portion of the Board's annual required contributions to the State System on behalf of the Board. The State's contributions on behalf of the Board for the years ended June 30, 2009, 2008, and 2007 amounted to \$18,818,980, \$17,271,292, and \$13,436,187, respectively. The fiscal 2009 contributions made by the State on behalf of the Board have been included as both revenues and expenditures in the General Fund in the accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances and are also included as revenues and expenses on the Statement of Activities.

The Board made its share of the required contributions during the years ended June 30, 2009, 2008, and 2007 of \$1,468,332, \$1,613,411, and \$1,373,580, respectively.

The contributions are sufficient to fund normal costs and amortize the unfunded actuarial accrued liability over a 40-year period (as provided by law) from July 1, 1980.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description and Funding Policy**

The Board provides medical benefits to eligible employees who retire from employment with the Carroll County Public School System. The employer's contributions are financed on a pay-as-you-go basis and any amounts budgeted to be contributed towards meeting the annual required contribution per the actuarial valuation. The future payment of these benefits is contingent upon the annual approval of the operating budget.

The Board provides medical benefits to retirees pursuant to two medical benefit plans for retired employees based on negotiated agreements with various bargaining groups. For retirees over the age of 65 who retired prior to September 1, 1988, the percentage of the premium paid by the Board is dependent upon the retiree's years of service and ranges from 10% to 100%. For retirees who retired after September 1, 1988, the percentage of the premium paid by the Board is dependent upon the retiree's years of service and ranges from 0% to 100%. These percentages are applied to premiums established annually by the Board for individual, husband/wife, parent/child, and family coverages. Only Carroll County Board of Education years of service are considered. As of June 30, 2009, 751 eligible participants were receiving benefits.

**Annual OPEB Cost and Net OPEB Obligation**

The Board's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Board's net OPEB obligation:

Annual required contribution	\$ 7,558,000
Interest on net OPEB obligation	349,000
Adjustment to annual required contribution	<u>(305,000)</u>
Annual OPEB cost	7,602,000
Contributions made	<u>(3,497,208)</u>
Increase in net OPEB obligation	4,104,792
Net OPEB obligation - beginning of year	<u>6,653,345</u>
<b>Net OPEB obligation - end of year</b>	<b><u>\$ 10,758,137</u></b>

The Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2009 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	\$ 8,750,000	22.36%	\$ 6,653,345
June 30, 2009	7,602,000	46.00%	10,758,137

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONTINUED)**

**Funded Status and Funding Progress**

The unfunded actuarial accrued liability (UAAL) for benefits was \$75,282,000. The covered payroll (annual payroll of active employees covered by the plan) was \$205,042,209, and the ratio of the UAAL to the covered payroll was 36.7%.

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

**Actuarial Methods and Assumptions**

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

In the June 30, 2009, actuarial valuation, the projected unit credit method, with linear pro-ration to assumed benefit commencement method was used. The actuarial assumptions included a 4% investment rate of return, which assumes that benefits will be funded on a pay-as-you-go basis and that General Fund investments earn 4% over the long-term. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 was fourteen years.

Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2009*
Actuarial Cost Method	Projected unit method
Amortization Method	Level percentage of projected payroll over a 30-year period
Asset Valuation Method	Market value
Actuarial Assumptions:	
Investment Rate of Return	4%
Payroll Growth Rate	3%
Healthcare Cost Trend Rates:	
Pre-65 Medical	9.5% initial / 5.5% ultimate (not applicable to Life)
Post-65 Medical	9.5% initial / 5.5% ultimate (not applicable to Life)

\*The June 30, 2009 valuation only updated the annual required contribution and unfunded liability at year-end and did not take into consideration the market value of assets at June 30, 2009.

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 10 – LITIGATION AND CONTINGENCIES**

Several suits have been filed arising from personnel grievances, personal injury, and other matters. It is anticipated by the Board that an adverse decision in excess of insurance coverage on any or all of these suits would not have a material adverse affect on these financial statements.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Amounts, if any, of expenditures that may be disallowed by grantors cannot be determined at this time, although the Board expects such amounts, if any, to be immaterial.

**NOTE 11 – 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; and natural disasters for which the Board participates in the Maryland Association of Boards of Education Group Insurance Pool (MABE). MABE is a public entity risk pool currently operating as a common risk management and insurance program for fourteen member counties to reduce the amount of claims expenditures incurred. The Board pays an annual premium to MABE for its general insurance coverage. The Formation Agreement of MABE provides that MABE will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of established loss limits which range from \$2,500 to \$5 million for each insured event depending on the type of loss. Settled claims did not exceed coverage in any of the past three years.

Commercial insurance policies are purchased to provide coverage including workers' compensation coverage. Settled claims did not exceed coverage in any of the past three years.

The Board has also established limited risk management programs for healthcare insurance. In the past, healthcare insurance was covered by a third party carrier. Effective January 1, 1998, the Board, with Aetna U.S. Healthcare, established a new arrangement of providing coverage for future medical claims. Effective July 1, 2005, employees contribute 15% towards this coverage. Deposits are made by the Board into a bank account used only for payments resulting from health insurance claims.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At June 30, 2009, liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated by an actuary based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The estimate of the claims liability also includes amounts for non-incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example, from salvage or subrogation are another component of the claims liability estimate. The liability for claims and judgments is reported in the General Fund. Changes in the balances of claims liabilities are as follows:

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 11 – RISK MANAGEMENT (CONTINUED)**

	<b>2009</b>	<b>2008</b>
<b>Accrued health claims:</b>		
Unpaid claims at beginning of year	\$ 3,297,393	\$ 2,879,446
Incurred claims (including IBNR)	35,921,196	31,504,731
Claim payments	<u>(35,620,099)</u>	<u>(31,086,784)</u>
<b>Unpaid claims at end of year</b>	<b><u>\$ 3,598,490</u></b>	<b><u>\$ 3,297,393</u></b>

This information is an integral part of the accompanying financial statements.



**REQUIRED SUPPLEMENTARY INFORMATION**

**BOARD OF EDUCATION OF CARROLL COUNTY  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
(NON-GAAP BUDGETARY BASIS)  
Year Ended June 30, 2009**

	Original Budget	Final Budget	Non-GAAP Actual	Variances Positive (Negative) Final Budget To Actual
<b>REVENUES</b>				
Local sources	\$ 162,678,900	\$ 164,164,876	\$ 164,164,876	\$ -
State sources	145,483,844	145,595,933	144,818,277	(777,656)
Federal sources	12,045,021	12,551,701	10,992,053	(1,559,648)
Other revenues	3,149,793	3,467,552	3,591,809	124,257
Total revenues	<u>323,357,558</u>	<u>325,780,062</u>	<u>323,567,015</u>	<u>(2,213,047)</u>
<b>EXPENDITURES</b>				
Administration	5,946,165	5,775,997	5,588,605	187,392
Instructional salaries	129,603,412	128,849,936	127,211,405	1,638,531
Student personnel services	1,274,524	1,349,524	1,283,349	66,175
Student health services	3,237,683	3,235,435	3,099,041	136,394
Student transportation services	20,392,082	20,423,150	19,165,497	1,257,653
Operation of plant	24,788,530	24,778,190	24,698,293	79,897
Maintenance of plant	7,128,267	7,116,883	7,054,599	62,284
Fixed charges	54,572,344	55,559,904	55,253,276	306,628
Community services	300,000	302,534	279,931	22,603
Capital outlay	876,424	876,424	859,825	16,599
Mid-level administration	25,147,944	25,219,290	24,941,364	277,926
Special education	38,064,838	38,392,739	37,429,065	963,674
Instructional textbooks/supplies	8,556,096	9,250,013	8,471,676	778,337
Other instructional costs	3,469,249	4,175,043	4,083,345	91,698
Total expenditures	<u>323,357,558</u>	<u>325,305,062</u>	<u>319,419,271</u>	<u>5,885,791</u>
Excess of revenues over expenditures	<u>-</u>	<u>475,000</u>	<u>4,147,743</u>	<u>(3,672,743)</u>
<b>OTHER FINANCING SOURCES</b>				
TRANSFERS OUT	<u>-</u>	<u>(475,000)</u>	<u>(475,000)</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>(475,000)</u>	<u>(475,000)</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>3,672,743</u>	<u>\$ (3,672,743)</u>
<b>FUND BALANCE AT JUNE 30, 2008</b>			<u>2,491,540</u>	
<b>FUND BALANCE AT JUNE 30, 2009</b>			<u>\$ 6,164,283</u>	

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2009**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

Under the budgetary basis of accounting, revenues are recognized when cash is received and expenditures are recognized upon the commitment of an encumbrance. Pension payments made by the State on behalf of the Board are not considered revenues and expenditures on the budgetary basis of accounting.

**NOTE 2 – BUDGETARY TO GAAP RECONCILIATION**

A reconciliation of the revenues and expenditures for the funds which are affected by the adjustments necessary to present the Statement of Revenues and Expenditures and Changes in Fund Balance on a GAAP basis follows:

**BUDGETARY GENERAL FUND**

Revenues (non-GAAP budgetary basis)	\$ 323,567,015
Increase in fiscal year revenues generated by fiscal year changes in encumbrances of expenditure driven grants	(371,762)
State pension payments	<u>18,818,980</u>
<b>Revenues and other financing sources (GAAP basis)</b>	<b><u>\$ 342,014,233</u></b>
Expenditures (non-GAAP budgetary basis)	\$ 319,419,271
Encumbrance adjustment, net	(3,218,168)
State pension payments	<u>18,818,980</u>
<b>Total expenditures (GAAP basis)</b>	<b><u>\$ 335,020,083</u></b>

**BOARD OF EDUCATION OF CARROLL COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FOR OTHER POSTEMPLOYMENT BENEFIT PLAN  
 June 30, 2009**

**Schedule of Funding Progress**

<u>Valuation Date</u>	<u>Value of Assets</u>	<u>Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
June 30, 2008	\$ -	\$ 86,140,000	\$ 86,140,000	0%	\$201,265,894	42.8%
June 30, 2009*	-	75,282,000	75,282,000	0%	205,042,209	36.7%

\*The June 30, 2009 valuation only updated the annual required contribution and unfunded liability at year-end and did not take into consideration the market value of assets at June 30, 2009.

GASB No. 45 was not applicable to the Board prior to June 30, 2008. Accordingly, no prior valuations were performed.

**OTHER SUPPLEMENTARY INFORMATION**

**BOARD OF EDUCATION OF CARROLL COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
Year Ended June 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Local Sources</b>			
Carroll County Government	\$ 164,164,876	\$ 164,164,876	\$ -
<b>State of Maryland</b>			
State share of current expense	111,278,363	111,278,363	-
Pupil transportation	8,633,897	8,633,897	-
Special Education	8,786,939	8,786,939	-
Compensatory Education	9,559,226	9,559,226	-
Handicapped Non-Public Placement	4,400,000	4,311,525	(88,475)
Judy Center	377,557	361,816	(15,741)
Aging Schools	249,604	241,122	(8,482)
Limited English Proficient	772,490	772,490	-
Infant and Toddlers Program	288,024	288,174	150
Other state	1,249,833	584,725	(665,108)
Total state	<u>145,595,933</u>	<u>144,818,277</u>	<u>(777,656)</u>
<b>United States Government</b>			
Special Education	6,516,792	6,291,047	(225,745)
Medical Assistance Program	1,364,434	1,225,813	(138,621)
Title I Grants to Local Educational Agencies	1,893,049	1,683,201	(209,848)
Twenty-First Century Community Learning Centers	506,531	506,531	-
Improving Teacher Quality State Grants	910,026	644,282	(265,744)
Career and Technology Education	268,364	268,364	-
Innovative Education Program Strategies	-	26,166	26,166
Education Technology State Grants	33,653	24,259	(9,394)
Other federal revenue	1,058,852	322,390	(736,462)
Total federal	<u>12,551,701</u>	<u>10,992,053</u>	<u>(1,559,648)</u>
<b>Miscellaneous</b>			
Rebates	437,000	586,251	149,251
Medicare Part D rebate	360,000	469,339	109,339
Sale of surplus equipment	10,000	14,167	4,167
Other miscellaneous	-	87,608	87,608
Total miscellaneous	<u>807,000</u>	<u>1,157,365</u>	<u>350,365</u>
<b>Local</b>			
Tuition and fees:			
Athletic fees	401,217	394,847	(6,370)
Summer school	104,768	96,890	(7,878)
Outdoor school	132,000	110,201	(21,799)
Nonresident pupils	3,000	5,803	2,803
Rental of school facilities	280,000	279,598	(402)
Interest income	490,103	235,857	(254,246)
Other local	1,198,464	1,211,860	13,396
Total local	<u>2,609,552</u>	<u>2,335,056</u>	<u>(274,496)</u>
<b>Incoming Transfers</b>			
From other school units within Maryland	51,000	99,388	48,388
<b>TOTAL REVENUES</b>	<u>\$ 325,780,062</u>	<u>\$ 323,567,015</u>	<u>\$ (2,213,047)</u>

**BOARD OF EDUCATION OF CARROLL COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
Year Ended June 30, 2009**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Administration</b>			
Salaries	\$ 4,545,878	\$ 4,537,325	\$ 8,553
Contracted services	606,386	640,136	(33,750)
Materials and supplies	153,363	97,430	55,933
Other charges	430,351	298,781	131,570
Equipment - additional	6,500	1,167	5,333
Equipment - replacement	6,100	13,766	(7,666)
Transfer (indirect cost recovery)	27,419	-	27,419
	<u>5,775,997</u>	<u>5,588,605</u>	<u>187,392</u>
<b>Mid-Level Administration</b>			
Salaries	23,451,189	23,127,293	323,896
Contracted services	336,927	227,821	109,106
Materials and supplies	442,886	425,988	16,898
Other charges	921,927	718,770	203,157
Equipment - additional	27,361	81,834	(54,473)
Equipment - replacement	39,000	359,658	(320,658)
	<u>25,219,290</u>	<u>24,941,364</u>	<u>277,926</u>
<b>Instructional Salaries</b>			
Regular	118,321,009	118,601,570	(280,561)
Hourly	4,726,582	4,106,302	620,280
Add-ons, team leaders, dept chair	952,255	957,539	(5,284)
Substitutes	2,984,288	2,902,208	82,080
Other charges	3,046,779	643,786	2,402,993
Hiring turnover	(1,180,977)	-	(1,180,977)
	<u>128,849,936</u>	<u>127,211,405</u>	<u>1,638,531</u>
<b>Textbooks and Instructional Supplies</b>			
Textbooks	1,591,120	1,686,478	(95,358)
Library media	895,605	1,219,755	(324,150)
Computer supplies	1,760,626	1,142,953	617,673
General supplies	4,505,353	3,933,880	571,473
Other charges	497,309	488,610	8,699
	<u>9,250,013</u>	<u>8,471,676</u>	<u>778,337</u>

**BOARD OF EDUCATION OF CARROLL COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
Year Ended June 30, 2009  
(CONTINUED)**

	Final Budget	Actual	Variance Positive (Negative)
<b>Other Instructional Costs</b>			
Contracted services	\$ 1,392,648	\$ 1,176,976	\$ 215,672
Other charges	906,176	801,586	104,590
Equipment - additional	386,823	572,959	(186,136)
Equipment - replacement	1,374,882	1,390,916	(16,034)
Transfers to MD/LEA	63,000	121,109	(58,109)
Other outgoing transfers	51,514	19,799	31,715
	<u>4,175,043</u>	<u>4,083,345</u>	<u>91,698</u>
<b>Student Personnel Services</b>			
Salaries	1,159,095	1,146,928	12,167
Contracted services	164,660	109,591	55,069
Materials and supplies	17,510	15,085	2,425
Other charges	8,259	11,745	(3,486)
Equipment - replacement	-	-	-
	<u>1,349,524</u>	<u>1,283,349</u>	<u>66,175</u>
<b>Health Services</b>			
Salaries	2,899,509	2,895,370	4,139
Contracted services	128,836	102,476	26,360
Materials and supplies	106,222	87,216	19,006
Other charges	90,531	10,587	79,944
Equipment - additional	10,337	3,392	6,945
	<u>3,235,435</u>	<u>3,099,041</u>	<u>136,394</u>
<b>Transportation of Pupils</b>			
Salaries	1,456,766	1,374,307	82,459
Contracted services	18,631,629	17,358,129	1,273,500
Materials and supplies	22,797	15,144	7,653
Other charges	310,458	276,564	33,894
Equipment - replacement	1,500	141,353	(139,853)
	<u>20,423,150</u>	<u>19,165,497</u>	<u>1,257,653</u>



**BOARD OF EDUCATION OF CARROLL COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
Year Ended June 30, 2009  
(CONTINUED)**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Operation of Plant</b>			
Salaries	\$ 11,228,554	\$ 11,216,156	\$ 12,398
Contracted services			
Rent	1,511,358	1,513,566	(2,208)
Repair of equipment	853,990	1,131,518	(277,528)
Other	488,371	485,006	3,365
Supplies	615,806	643,453	(27,647)
Telephone	307,500	265,825	41,675
Gas and electric	7,093,314	7,037,420	55,894
Heating fuels	1,194,722	796,940	397,782
Water and sewage	831,165	619,808	211,357
Insurance	430,388	320,593	109,795
Other charges	49,342	129,884	(80,542)
Equipment - additional	162,500	431,979	(269,479)
Equipment - replacement	11,180	106,145	(94,965)
	<u>24,778,190</u>	<u>24,698,293</u>	<u>79,897</u>
Total operation of plant			
<b>Maintenance of Plant</b>			
Salaries	3,225,585	3,137,035	88,550
Contracted services			
Repair of equipment	88,000	48,193	39,807
Repair of vehicles	84,514	57,460	27,054
Improvements to grounds	72,616	131,461	(58,845)
Improvements to buildings	1,318,974	1,126,831	192,143
Other	110,400	238,733	(128,333)
Materials and supplies	1,272,661	1,347,323	(74,662)
Other charges	335,129	178,001	157,128
Equipment - additional	25,300	184,031	(158,731)
Equipment - replacement	583,704	605,531	(21,827)
	<u>7,116,883</u>	<u>7,054,599</u>	<u>62,284</u>
Total maintenance of plant			

**BOARD OF EDUCATION OF CARROLL COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
Year Ended June 30, 2009  
(CONTINUED)**

	Final Budget	Actual	Variance Positive (Negative)
<b>Fixed Charges</b>			
Medical insurance	\$ 26,604,869	\$ 28,333,857	\$ (1,728,988)
Social Security taxes	14,901,922	15,049,774	(147,852)
Employee retirement	2,315,561	1,879,699	435,862
Workmen's compensation	1,250,511	1,798,263	(547,752)
Sick leave conversion	1,836,650	1,333,018	503,632
Life insurance	280,342	283,969	(3,627)
Optical insurance	239,327	205,139	34,188
Dental insurance	1,206,131	852,942	353,189
Unemployment insurance	58,000	150,037	(92,037)
Property and liability insurance	280,094	208,603	71,491
Tuition reimbursement	933,740	1,201,275	(267,535)
Retiree health insurance	3,628,072	3,497,208	130,864
Flex benefit administration	75,000	82,904	(7,904)
Other charges	1,949,685	376,588	1,573,097
Total fixed charges	<u>55,559,904</u>	<u>55,253,276</u>	<u>306,628</u>
<b>Food Service</b>			
Interfund Transfers	475,000	475,000	-
Total food service	<u>475,000</u>	<u>475,000</u>	<u>-</u>
<b>Community Services</b>			
Salaries	300,000	278,578	21,422
Contracted services	334	-	334
Supplies	1,200	554	646
Other charges	1,000	799	201
Total community services	<u>302,534</u>	<u>279,931</u>	<u>22,603</u>
<b>Special Education Services</b>			
Salaries	27,346,286	26,615,442	730,844
Contracted services	1,936,253	1,111,401	824,852
Materials and supplies	525,234	505,121	20,113
Other charges	325,172	223,944	101,228
Equipment - additional	51,384	58,476	(7,092)
Equipment - replacement	5,160	1,812	3,348
Transfers to Maryland LEA	53,250	108,516	(55,266)
Other transfers	8,150,000	8,804,353	(654,353)
Total special education services	<u>38,392,739</u>	<u>37,429,065</u>	<u>963,674</u>
<b>Capital Outlay</b>			
Salaries	768,218	766,766	1,452
Contracted services	81,640	67,425	14,215
Materials and supplies	5,535	3,729	1,806
Other charges	18,031	20,074	(2,043)
Equipment - additional	-	(141)	141
Equipment - replacement	3,000	1,972	1,028
Total capital outlay	<u>876,424</u>	<u>859,825</u>	<u>16,599</u>
<b>TOTAL CURRENT EXPENDITURES</b>	<u>\$ 325,780,062</u>	<u>\$ 319,894,271</u>	<u>\$ 5,885,791</u>

**BOARD OF EDUCATION OF CARROLL COUNTY  
FOOD SERVICE FUND  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES  
COMPARED TO BUDGET (NON-GAAP BUDGETARY BASIS)  
Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Percent of Total Revenue</u>
<b>Revenues</b>			
Food sales:			
Lunches	\$ 4,447,920	\$ 3,237,959	50.8%
Breakfasts	116,000	99,331	1.6%
A La Carte	680,000	600,073	9.4%
Milk	73,000	66,462	1.0%
Federal reimbursement of portion of food costs	1,481,000	1,681,574	26.4%
USDA commodities	475,000	483,222	7.6%
State reimbursement of portion of food costs	55,000	58,457	0.9%
Income from investments	36,000	2,677	0.1%
Rebates on food purchases	45,000	31,660	0.5%
Miscellaneous	140,000	109,548	1.7%
<b>Total revenues</b>	<u>7,548,920</u>	<u>6,370,963</u>	<u>100.0%</u>
<b>Expenditures</b>			
Cost of food sold	2,575,000	2,250,046	34.4%
Salary and wages	4,490,820	3,980,098	60.8%
Other supplies	318,850	247,649	3.8%
Contracted services	5,000	30	0.0%
Other charges	40,750	40,295	0.6%
Equipment	118,500	27,466	0.4%
<b>Total expenditures</b>	<u>\$ 7,548,920</u>	<u>6,545,584</u>	<u>100.0%</u>
<b>Deficiency of revenues over expenditures</b>		(174,621)	0.0%
<b>Other Financing Sources:</b>			
Transfers in		475,000	0.0%
<b>Deficiency of revenues and other financing sources over expenditures</b>		<u>\$ 300,379</u>	<u>0.0%</u>

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**FOOD SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES BY SCHOOL**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2009**

<u>School</u>	<u>Revenues and Transfers in</u>	<u>Cost of Food Sold</u>	<u>Cafeteria Workers' Payroll</u>	<u>Other</u>	<u>Excess Revenues (Deficiency) Over Expenditures</u>
Taneytown Elementary School	\$ 191,211	\$ 57,075	\$ 91,647	\$ 12,705	\$ 29,784
Northwest Middle School	147,917	45,153	98,342	11,696	(7,274)
Francis Scott Key High School	309,579	114,513	148,532	21,450	25,084
Runnymede Elementary School	179,465	57,827	73,010	14,519	34,109
Charles Carroll Elementary School	103,239	29,862	77,629	6,742	(10,994)
Sandymount Elementary School	103,663	29,965	84,847	7,642	(18,791)
Mechanicsville Elementary School	147,839	47,955	88,502	8,934	2,448
Eldersburg Elementary School	132,503	40,720	83,964	8,820	(1,001)
Linton Springs Elementary School	144,708	54,754	91,205	10,387	(11,638)
Sykesville Middle School	169,201	61,230	88,572	12,679	6,720
Freedom Elementary School	132,188	42,991	81,914	9,952	(2,669)
Carrolltowne Elementary School	117,660	38,700	70,224	9,158	(422)
Liberty High School	173,227	68,312	100,104	13,455	(8,644)
Oklahoma Road Middle School	142,751	46,254	98,069	10,433	(12,005)
Piney Ridge Elementary School	153,867	48,777	83,752	11,138	10,200
Manchester Elementary School	144,909	43,360	99,999	9,555	(8,005)
Ebb Valley Elementary School	164,300	48,696	72,817	20,861	21,926
East Middle School	146,755	-	-	-	146,755
West Middle School	214,212	65,610	97,100	14,259	37,243
Winters Mill High School	285,120	96,704	155,042	20,792	12,582
William Winchester Elementary School	169,900	51,761	84,770	12,169	21,200
Westminster High School	405,278	250,144	387,543	50,886	(283,295)
C C Career & Technology	115,904	-	-	-	115,904
North Carroll Middle School	162,154	50,339	89,471	10,154	12,190
Hampstead Elementary School	111,432	37,279	76,340	7,589	(9,776)
North Carroll High School	358,758	131,254	175,449	24,319	27,736
Spring Garden Elementary School	155,990	48,038	93,045	9,939	4,968
Shiloh Middle School	220,871	72,697	95,123	14,612	38,439
Winfield Elementary School	162,445	50,414	82,891	12,433	16,707
New Windsor Middle School	103,734	32,254	65,170	7,940	(1,630)
Elmer Wolfe Elementary School	126,857	42,805	80,611	9,558	(6,117)
Parr's Ridge Elementary School	105,065	31,152	71,352	6,669	(4,108)
Mt. Airy Elementary School	72,216	22,311	61,384	5,594	(17,073)
Mt. Airy Middle School	90,919	35,817	83,542	6,158	(34,598)
South Carroll High School	187,024	60,962	109,335	13,119	3,608
Food Services - unallocated	-	7	176,362	(176,369)	-
Century High School	329,792	115,590	145,237	23,436	45,529
Westminster Elementary School	134,906	42,695	68,148	10,111	13,952
Robert Moton Elementary School	187,623	55,540	89,253	11,644	31,186
Carroll Springs School	15,114	-	-	81	15,033
Friendship Valley Elementary School	121,274	36,336	84,926	10,117	(10,105)
Cranberry Station Elementary School	147,203	44,193	74,875	10,104	18,031
Gateway School	57,190	-	-	-	57,190
<b>Total</b>	<b>\$ 6,845,963</b>	<b>\$ 2,250,046</b>	<b>\$ 3,980,098</b>	<b>\$ 315,440</b>	<b>\$ 300,379</b>

**BOARD OF EDUCATION OF CARROLL COUNTY**  
**AGENCY FUND**  
**SCHEDULE OF CHANGES IN SCHOOL ACTIVITIES FUNDS DUE TO STUDENT GROUPS**  
**(NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2009**

School	Organization Funds			Other Funds		
	Balance	Net Change	Balance	Balance	Net Change	Balance
	June 30, 2008	For Year Increase (Decrease)	June 30, 2009	June 30, 2008	For Year Increase (Decrease)	June 30, 2009
Taneytown Elementary School	\$ 19,107	96	\$ 19,203	\$ 1,850	(945)	\$ 905
Northwest Middle School	33,594	(11,412)	22,182	6,295	2,258	8,553
Francis Scott Key High School	99,659	14,812	114,471	3,139	4,540	7,679
Runnymede Elementary School	3,552	(1,023)	2,529	6,768	(977)	5,791
Charles Carroll Elementary School	5,514	(638)	4,876	-	-	-
Sandymount Elementary School	10,160	(3,424)	6,736	6,200	(3,813)	2,387
Mechanicsville Elementary School	11,054	(4,838)	6,216	26,270	(4,312)	21,958
Eldersburg Elementary School	435	(1,084)	(649)	22,864	(874)	21,990
Linton Springs Elementary School	22,653	10,150	32,803	105	-	105
Sykesville Middle School	22,417	(608)	21,809	22,754	1,526	24,280
Freedom Elementary School	23,075	17,435	40,510	33,647	(9,678)	23,969
Carrolltowne Elementary School	51,550	(2,593)	48,957	10,542	(148)	10,394
Liberty High School	126,510	10,576	137,086	17,203	15,028	32,231
Oklahoma Road Middle School	49,598	(14,852)	34,746	12,386	2,922	15,308
Piney Ridge Elementary School	44,618	(7,950)	36,668	-	-	-
Manchester Elementary School	9,662	(766)	8,896	3,777	(540)	3,237
Manchester Valley High School	-	1,210	1,210	-	3,195	3,195
Ebb Valley Elementary School	-	2,729	2,729	-	4,135	4,135
East Middle School	36,929	13,434	50,363	9,664	(3,848)	5,816
West Middle School	60,535	(30,074)	30,461	249	8,198	8,447
Winters Mill High School	104,185	(24,239)	79,946	40,306	2,490	42,796
William Winchester Elementary School	15,816	(3,189)	12,627	7,059	(875)	6,184
Westminster High School	221,868	(6,998)	214,870	18,701	12,543	31,244
C C Career & Technology Center	18,200	7,590	25,790	3,336	(1,576)	1,760
North Carroll Middle School	55,858	26,470	82,328	3,105	-	3,105
Hampstead Elementary School	34,137	(8,055)	26,082	(629)	614	(15)
North Carroll High School	205,201	9,122	214,323	70	353	423
Spring Garden Elementary School	22,050	(11,579)	10,471	2,354	1,495	3,849
Shiloh Middle School	64,454	(13,086)	51,368	224	-	224
Winfield Elementary School	5,083	(16)	5,067	5,374	5,292	10,666
New Windsor Middle School	15,595	1,989	17,584	8,422	(816)	7,606
Elmer Wolfe Elementary School	12,523	2,111	14,634	(2,017)	14,605	12,588
Parr's Ridge Elementary School	1,921	778	2,699	2,561	1,181	3,742
Mt. Airy Elementary School	2,869	6,956	9,825	12,647	418	13,065
Mt. Airy Middle School	27,638	(2,369)	25,269	16,175	1,332	17,507
South Carroll High School	131,301	(19,952)	111,349	71,311	20,381	91,692
Century High School	153,382	23,973	177,355	7,338	4,439	11,777
Westminster Elementary School	16,510	811	17,321	1,513	9,837	11,350
Robert Moton Elementary	6,506	(2,048)	4,458	2,462	2,407	4,869
Carroll Springs School	12,663	6,360	19,023	23	3	26
Friendship Valley Elementary School	1,681	(6,195)	(4,514)	3,906	3,846	7,752
Cranberry Station Elementary School	15,155	(5,596)	9,559	3,396	1,475	4,871
Gateway School	1,697	13	1,710	3,952	(1,104)	2,848
<b>Total</b>	<b>\$ 1,776,915</b>	<b>\$ (25,969)</b>	<b>\$ 1,750,946</b>	<b>\$ 395,302</b>	<b>\$ 95,007</b>	<b>\$ 490,309</b>