



2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024



10910 Clarksville Pike, Ellicott City, MD 21042

A Component Unit of Howard County, Maryland



A Component Unit of Howard County, Maryland

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Prepared By:

Division of Finance

10910 Clarksville Pike
Ellicott City, Maryland 21042-6198

William J. Barnes
Superintendent

M. Brian Hull
Chief Financial Officer

Sundeep Patel
Controller

Nicole Lewis
Coordinator, Accounting

Anastasia Lisitskaya, CPA
Jane Metzler
Gina Petrick
Jennifer Thompson
Wei Zhang, CPA
Financial Analysts

Parveen Nayab
Haidy Saleh-Abdelhakim
Marie Wilkerson
Accountants

Tony Foxx
Accounting Clerk

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Introductory Section

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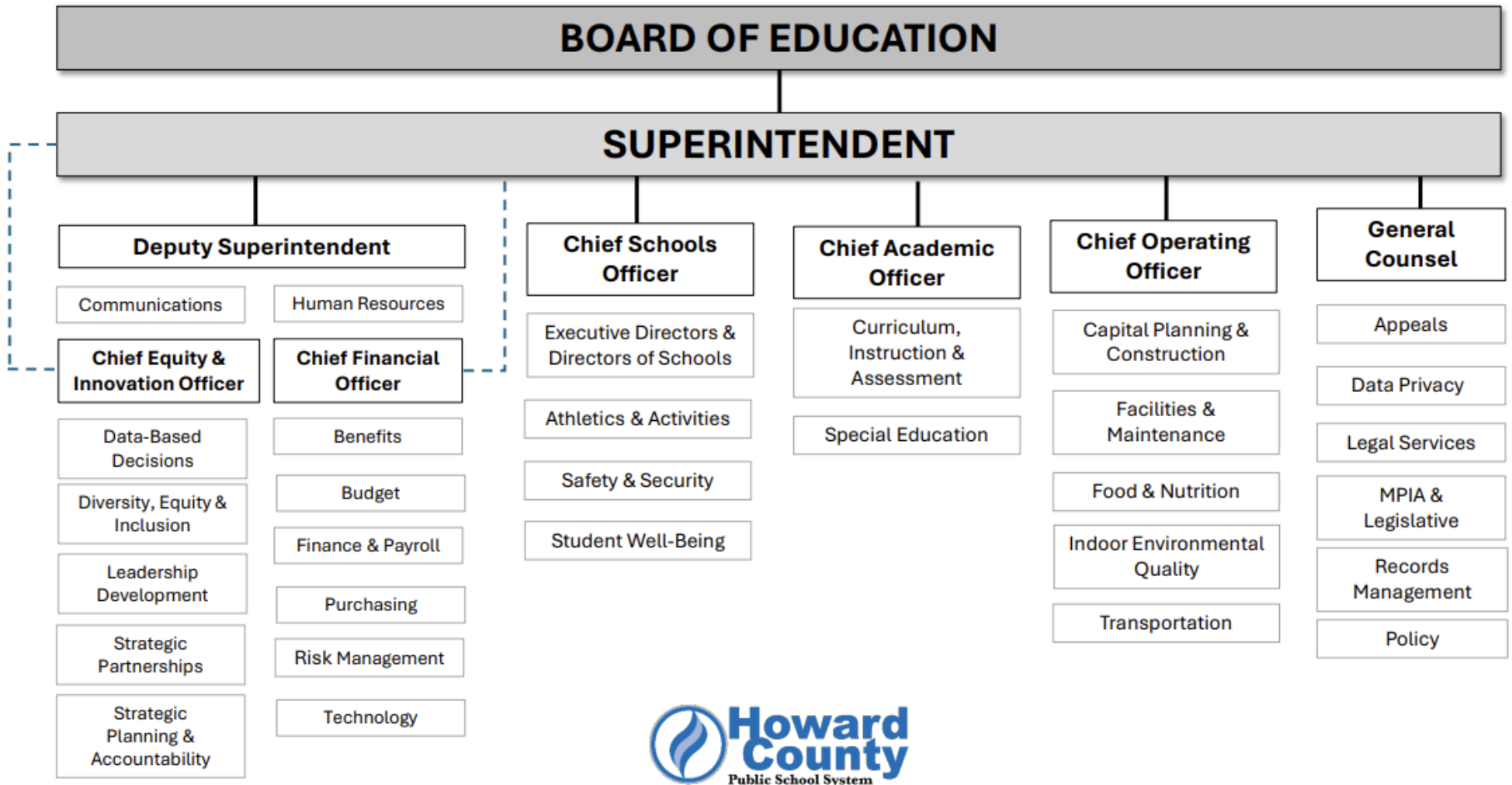
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Organizational Chart

HOWARD COUNTY PUBLIC SCHOOL SYSTEM

Organizational Structure



Principal Officials

Howard County Board of Education as of July 1, 2024



Jennifer Swickard Mallow
Chair



Yun Lu, Ph.D.
Vice Chair, District 5



Linfeng Chen, Ph.D.
At-Large – County 2



Jacquelin (Jacky) McCoy
At-Large – County 1



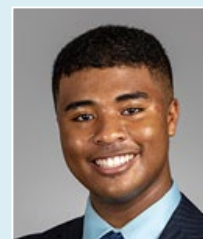
Jolene Mosley
District 3



Robyn Scates, Esq.
District 1



Antonia Watts
District 2



James Obasiolu
Student Member

Principal Officials

Howard County Public School System Leadership as of July 1, 2024



William J. Barnes
Superintendent



Karalee Turner-Little, Ph.D.
Deputy Superintendent



Cornell Brown
Chief Operating Officer



Jennifer Robinson
Chief Schools Officer



Terri Savage, Ed.D.
Chief Academic Officer



M. Brian Hull
Chief Financial Officer



Caroline Walker
Chief Equity and Innovation
Officer



Brian Basset
Director of Communications
and Engagement



**T. Michael Carson, PHR,
SHRM-CP**
Human Resources Executive
Officer



J. Stephen Cowles
General Counsel

Independent Auditor
SB & Company, LLC
10200 Grand Central Avenue, Suite 250
Owings Mills, MD 21117



September 27, 2024

Members of the Board of Education
and Citizens of Howard County, Maryland:

TRANSMITTAL LETTER OF ANNUAL COMPREHENSIVE FINANCIAL REPORT

Maryland state law requires that local education agencies publish at the close of each year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States and audited in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants. In compliance with that requirement, the Division of Administration (the Division) hereby submits the Annual Comprehensive Financial Report of the Howard County Public School System (HCPSS) for the fiscal year ended June 30, 2024.

This report has been prepared pursuant to Education Article Section 5-109 of the Annotated Code of Maryland. The report consists of management's representations concerning the finances of HCPSS. Management assumes full responsibility for the completeness, reliability, and accuracy of the presented data. We believe the data as presented is accurate in all material aspects and is presented in a manner designed to set forth the financial position and results of operations of HCPSS as measured by the financial activity.

All matters relating to education and operations in HCPSS are governed and controlled by the Board of Education of Howard County (the Board), as provided by the Public School Laws of Maryland. The Board has the responsibility to maintain a reasonable, uniform system of public schools to provide quality education for all young people of Howard County. With the advice of the Superintendent, the Board establishes schools and determines geographical attendance areas for them. Upon recommendation of the Superintendent, the Board approves education policy and prescribes the rules and regulations for the management and conduct of the School System. The activities, funds and entities related to HCPSS included in this Annual Comprehensive Financial Report are those for which the Board exercises oversight responsibility.

All funds and accounts of HCPSS are included in this Annual Comprehensive Financial Report. For financial reporting purposes, the Board has been defined as a component unit of the Howard County Government. Therefore, HCPSS is included in the audited Annual Comprehensive Financial Report for Howard County, Maryland.

HCPSS financial statements have been audited by SB & Company, LLC, an independent audit firm of licensed public accountants. The report of independent public accountants is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the report of independent public accountants and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter and should be read in conjunction with it.

Entity Services

Located in central Maryland, HCPSS serves a diverse population exceeding 57,000 students. The school system consistently ranks among Maryland's top school districts and is focused on preparing students to be life ready upon graduation. HCPSS' 2023 graduation rate of 92.57% exceeds the state average.

Graduating Class of 2023 Academic Awards*

- 29,578 College applications submitted
- 785 Students offered at least one scholarship
- \$112,125,652 Scholarship money awarded to graduates
- 1,890 Students were accepted to an Ivy League college or university
- 1,939 Students were accepted to a Historically Black College or University (HBCU)
- 1,239 Seniors took a total of 3,303 courses for college credit under the JumpStart Enrollment program
- 455 Students earned Industry Recognized Credentials
- 1,334 Completed a Maryland CTE Program *Reflects 80% of seniors completing survey.

Source: Board Report 2023 07-13 Summary of the Accomplishments of the Class of 2023

Howard County Public Schools had experienced steady enrollment growth until the COVID-19 Pandemic began in March 2020. However, enrollment levels have largely remained flat since 2021 with a slight uptick seen in the 2023 actual. HCPSS has seen consistent growth in student enrollment in populations that require additional services. Growing segments of our student population that require greater student supports and resources include poverty, homelessness, and language barriers. While current projections show a decline in the rate of student enrollment growth, HCPSS continues to address the current capacity needs of the school system. Capital costs also continue to grow each year due to the increased costs associated with the commercial industry.

HCPSS operated 78 schools in the 2023–2024 academic year, with the average age of school facilities ranging from 41 years for elementary schools to 36 for middle schools and 41 years for high schools. A wide range of support services are offered to Howard County students and parents through guidance counselors, nurses, psychologists, and student personnel workers. Students with special needs are provided with an extensive special education program at preschool, elementary, middle, and high school instructional levels.

This report includes the financial activities of HCPSS as they relate to the services provided for a Pre-K–12 public school system of 42 elementary schools, 20 middle schools, 13 high schools and 3 education centers. There currently are no charter schools in Howard County.

Economic Condition and Outlook

In FY 2024, HCPSS received approximately 55% of its governmental activities funding from Howard County, approximately 40% from State and Federal and 5% from other sources. The economic condition and outlook of the County play a substantial role in the economic condition and outlook of HCPSS. At the same time, HCPSS remains a cornerstone in the economic growth of the County as people are drawn to the quality reputation of the HCPSS. In addition, HCPSS continues to be the largest employer in the County, and therefore persists as an economic engine itself.

State and Federal funding increased from \$284.6 million to \$304.5 million, driven by the ongoing implementation of per-pupil funding increases required in the Blueprint for Maryland's Future legislations. Local funding increased from \$675.6 million to \$721.2 million.

Long-term Financial Planning

The HCPSS Operating Budget planning is intrinsically linked with planning for the Capital Budget and redistricting processes.

The FY 2024 Approved Operating Budget for HCPSS meets the funding necessary to support the school system, incorporates the mandates of the Blueprint for Maryland's Future and addresses inequities and invests in resources that will enhance the academic success and social emotional well-being for each student in an inclusive and nurturing environment that closes opportunity gaps.

Annually, HCPSS prepares a five-year Capital Improvement Program (CIP) and a 10-year Long-Range Master Plan. The CIP identifies projected capital needs, including new facilities and maintenance projects required to keep HCPSS facilities in good operating condition.

School System Budget

The school system budget is proposed by the Superintendent of Schools and reviewed by the Board of Education. The Board's budget request is submitted to the County Executive. The County Executive makes recommendations and forwards the budget to the County Council. The County Council can accept the County Executive's recommendations, make additional reductions, or restore funds cut from the school system budget by the County Executive.

The FY 2024 Approved Operating Budget (Revised) increased by \$72.1 million over the FY 2023 Approved Operating Budget. The increase in expenditures supports a significant investment in special education services; Blueprint requirements for College and Career Readiness/Career and Technical Education along with the Workforce Development Board; supplemental reading instruction; and a significant investment in student transportation.

The FY 2024 Approved Budget was developed based on a projection of 58,069 students, which is slightly less than the enrollment projection of 59,367 used to develop the FY 2023 budget.

Internal Controls

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

Budgetary Controls

The annual budget serves as the foundation of the Board's financial planning and budgetary controls. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board.

The budget is organized into State-mandated categories of expenditures including Administration, Mid-level Administration, Instructional Salaries, Textbooks and Instructional Supplies, Other Instructional Costs, Special Education, Student Personnel Services, Health Services, Student Transportation, Operation of Plant, Maintenance of Plant, Fixed Charges, Community Services, Capital Outlay, and Food Service.

In addition to internal controls, HCPSS maintains budgetary controls. The legal level of budgetary control is at the operating fund total and the State category level. Budget authority may be reallocated within each State category administratively to align with expenditure needs. However, the total expenditure level for the operating fund and a State category cannot be exceeded without approval by the Board of Education and the County Council. The objective of these budgetary controls is to ensure compliance with legal provisions of the appropriation authority. Management control is maintained at levels within each organizational unit along with an encumbrance accounting system as one technique of accomplishing budgetary control.

Independent Audit

The financial statements for FY 2024 have been audited by SB & Company, LLC in accordance with Section 5-109 of the Public School Laws of Maryland. In addition to meeting the requirements set forth in State statutes, SB & Company, LLC also performs a separate audit to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). That report will be issued at a later time. The auditor's report on the financial statements is included in the Financial Section of this report. The report of independent public accountants on the School System's basic financial statements includes an unmodified opinion for all opinion units.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Howard County Public School System for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2023. This was the second consecutive year that the system has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

In addition, the Association of School Business Officials (ASBO) International awarded the Howard County Public School System its Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2023. This award reflects our commitment to the highest standards in School System reporting.

A Certificate of Excellence is valid for a period of one year. We believe that our current annual comprehensive financial report will continue to meet the program's requirements, and we are submitting it to ASBO and GFOA to determine its eligibility for certificates from both organizations.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire Accounting staff. The high standard of conformity of this report reflects the professional competence of all the individuals responsible for its preparation. I wish to express our appreciation for a job well done.

Conclusion

This report has been prepared to provide financial information for the fiscal year ended June 30, 2024, in a manner consistent with the goals and objectives of the Board of Education of Howard County. Should you have any questions about the financial details, needs or plans for the Howard County Public School System, please do not hesitate to call, or write. Contact information is included at the end of the MD&A on [page 20](#).

Respectfully submitted,



M. Brian Hull
Chief Financial Officer



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

Howard County Public School System

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte', written over a thin horizontal line.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan', written over a thin horizontal line.

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Howard County Public Schools
Maryland**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Financial Section



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Education
Howard County, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Howard County Public School System (HCPSS), a component unit of Howard County, Maryland, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise HCPSS' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of HCPSS, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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



statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise HCPSS' basic financial statements. The detailed budgetary comparison schedules, combining fund financial statements, and the schedule of school activity fund increases and decreases (collectively, Other Supplementary Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections of the Annual Comprehensive Financial Report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2024, on our consideration of the HCPSS' internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on HCPSS' internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the HCPSS' internal controls over financial reporting and compliance.

Owings Mills, Maryland
September 27, 2024

SBC & Company, LLC

Financial Section

Management's Discussion and Analysis

Management's Discussion and Analysis

Introduction

As Management of the Howard County Public School System (HCPSS, School System, Board), we have prepared the following discussion and analysis to inform readers of the HCPSS's annual financial report about the financial information that the enclosed statements present for the year ended June 30, 2024 with selected comparative data for the year ended June 30, 2023. We encourage readers to consider the discussion and analysis along with the other information in this report, including the summary of significant accounting policies and notes to the basic financial statements. In this section we have provided an overview of the basic financial statements, selected condensed data and highlights, and analysis of the HCPSS's financial position and changes in financial position.

Financial Highlights for FY 2024

Government-wide financial statements

- The School System's financial status as of June 30, 2024, and as reflected in total net position, decreased by \$1.0 million to \$429.3 million from \$430.3 million.
- General revenues accounted for \$1.1 billion, including \$721.2 million in local appropriations and \$304.5 million in aid from the State and Federal. Program revenues, in the form of charges for services, operating grants and contributions, and capital grants and contributions, accounted for \$320.7 million. The total revenue from all sources was \$1.394 billion.
- The School System had \$1.394 billion in expenses related to programs, an increase of \$78.8 million from the prior year. The increase in expenses is primarily due to an increase in salaries and benefits costs.

Governmental funds financial statements

- The overall fund balance of the General Fund, the primary operating fund, decreased by \$6.6 million to \$34.9 million from \$41.5 million. The General Fund balance is comprised of \$0.7 million in nonspendable fund balance related to prepaid items and inventories, \$0.1 million in restricted fund balance pertaining to Workforce Development, \$26.5 million assigned for encumbrances and subsequent year's budgeted appropriation of fund balance, and \$7.6 million in unassigned fund balance.

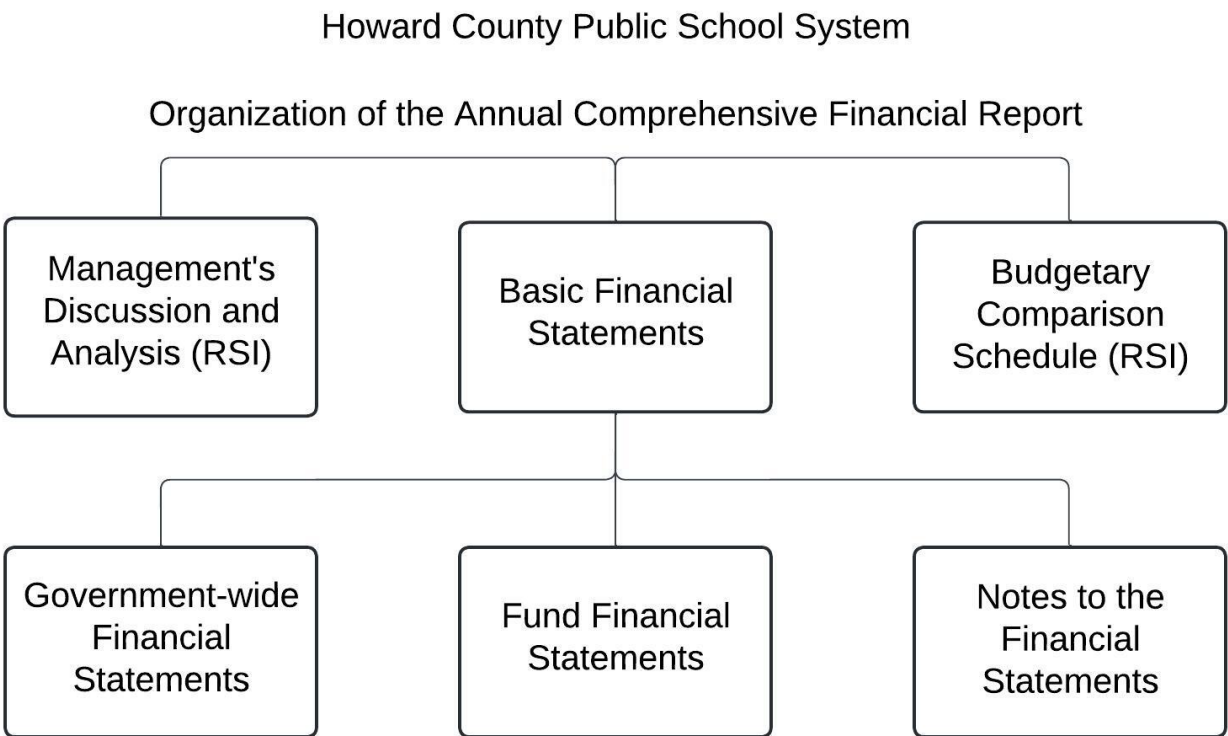
Management's Discussion and Analysis

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School System’s basic financial statements as reflected in Figure A-1. The School System’s Basic Financial Statements are comprised of three parts:

- 1. Government-wide Financial Statements include the Statement of Net Position and the Statement of Activities which provide a broad, long-term overview of the School System’s overall financial condition.
- 2. Fund Financial Statements include governmental and proprietary funds. These statements provide a greater level of detail of revenues and expenditures and focus on individual parts of the School System, while also indicating how well the School System has performed in the short-term, in the most significant funds.
- 3. Notes to the Basic Financial Statements are disclosures to ensure that a complete picture is presented in the financial statements.

Figure A-1



Management's Discussion and Analysis

Government-wide Financial Statements

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

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

The Statement of Activities presents information showing how the School System's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows, in future fiscal periods (such as earned, but unused, vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the School System. The majority of the School System's revenue is general revenue, grants, and contributions from other governments.

Both of the above statements include separate sections to distinguish between those that are supported primarily by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant part of their costs through fees and charges (business-type activities).

The activities in the Government-wide Financial Statements are divided into two categories, governmental activities and business-type activities.

- Governmental activities include the HCPSS basic services which are administration, instruction, student personnel and health services, student transportation, operation and maintenance of plant, capital outlay, special education, community services, food services, and mid-level administration. County appropriations, State and Federal aid finance most of these activities.
- Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The HCPSS reports the activities of the Jim Rouse Theatre as a business-type activity.

The government-wide financial statements can be found on [pages 22-23](#) of this report.

Management's Discussion and Analysis

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The HCPSS uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the HCPSS funds, focusing on the most significant or “major” funds—not the HCPSS as a whole. The HCPSS fund financial statements provide detailed information about its most significant funds.

All of the funds of the HCPSS can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on [pages 25 and 27](#) of this report, respectively.

The governmental fund financial statements can be found on [pages 24 and 26](#) of this report.

Proprietary Funds

Proprietary funds are used to show activities that operate more like those of commercial enterprises. These types of funds charge fees for services that are provided to outside customers. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the full accrual basis of accounting and the economic resources measurement focus. Therefore, no reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Proprietary funds include an enterprise fund and internal service funds. The HCPSS has one (1) enterprise fund and four (4) internal service funds. The enterprise fund captures the activity of the Jim Rouse Theatre. The internal service funds are: Print Services, Technology Services, Health and Dental, and Workers' Compensation.

The proprietary fund financial statements can be found on [pages 28–30](#) of this report.

Management's Discussion and Analysis

Summary of Significant Accounting Policies and the Notes to Financial Statements

The Summary of Significant Accounting Policies and Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The summary and notes can be found on [pages 32–61](#) of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the HCPSS's budget process. The HCPSS adopts an annual expenditure budget for all governmental funds. The School System's General Fund has a legally adopted budget. Management also prepares budgets for the other governmental funds for internal monitoring purposes only. The budget to actual comparison for the General Fund is presented as required supplementary information for the School System's basic financial statements. The required supplementary information and other supplementary information can be found on [pages 62–77](#) of this report.

Financial Highlights and Analysis

The School System is a component unit of Howard County, Maryland, and is fiscally dependent on the Howard County Government and the State to appropriate funding for the School System. The School System receives approximately 54.9% of its governmental activities funding from the County and approximately 39.9% from State and Federal that includes Federal entitlement grants and competitive grants from the State and Federal governments. Essentially all of the School System's funding for governmental activities is derived from these sources. The School System has no authority to levy taxes or issue bonded debt. Accordingly, the financial condition of the School System is directly related to the financial condition of the funding authorities, the County and State. Any appropriated funds that are unspent at the end of a fiscal year must be re-appropriated by the County government in a subsequent fiscal year.

Government-Wide Financial Analysis

Net Position

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the School System, net position from governmental activities was \$428.9 million at the close of the most recent fiscal year.

The most significant portion of the School System's net position (325.6%) reflects its net investment in capital assets (land, buildings, vehicles, and equipment). The School System uses these assets to provide an education to the students of Howard County. Consequently, these assets are not liquid, nor available for future spending or liquidation of any liabilities. Any school buildings that are no longer used by the School System are returned to the county government, since the county is the primary funding source for school buildings. Because the School System has no authority to issue bonded debt, the only debt outstanding related to capital assets are leases for energy performance, and the purchase of equipment including technology equipment and software. The county and/or state government may issue debt to finance school construction; however, it is not debt of the School System and is not reported in these financial statements. Consequently, school buildings and construction in progress related to school buildings appear in the School System's Statement of Net Position, while any related outstanding debt issued by the county or state government does not.

The HCPSS's financial position is the net result of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

To assess the overall financial position of the HCPSS, additional non-financial factors, such as changes in the Howard

Management's Discussion and Analysis

County property tax base and the condition of school buildings and other facilities, should be considered.

Table 1 provides a summary of the HCPSS's net position as of June 30, 2024 and 2023:

Table 1: Net Position – As of June 30, 2024 and 2023 (In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and other assets	\$ 275,472	\$ 237,844	\$ 354	\$ 398	\$ 275,826	\$ 238,242
Capital assets (net)	1,401,440	1,410,526	86	44	1,401,526	1,410,570
Total assets	1,676,912	1,648,370	440	442	1,677,352	1,648,812
DEFERRED OUTFLOWS OF RESOURCES	406,072	459,699	-	-	406,072	459,699
LIABILITIES						
Current liabilities	166,698	135,294	31	24	166,729	135,318
Long-term OPEB liabilities	783,938	766,176	-	-	783,938	766,176
Other long-term liabilities	82,586	74,261	-	-	82,586	74,261
Total liabilities	1,033,222	975,731	31	24	1,033,253	975,755
DEFERRED INFLOWS OF RESOURCES	620,873	702,488	-	-	620,873	702,488
NET POSITION						
Net investment in capital assets	1,397,670	1,403,391	86	44	1,397,756	1,403,435
Restricted for:						
GWWTTP	1,424	1,218	-	-	1,424	1,218
Capital projects	16,457	8,001	-	-	16,457	8,001
Workforce development	90	-	-	-	90	-
Unrestricted	(986,752)	(982,761)	323	374	(986,429)	(982,387)
TOTAL NET POSITION	<u>\$ 428,889</u>	<u>\$ 429,849</u>	<u>\$ 409</u>	<u>\$ 418</u>	<u>\$ 429,298</u>	<u>\$ 430,267</u>

Management's Discussion and Analysis

Change in Net Position

The School System's net position decreased \$1.0 million. Since the School System is fiscally dependent on the County, State, and Federal governments, expenses closely match revenues, with the exception of timing differences in relation to when an expense is recognized. The funding government(s) appropriate funds to the School System, which it spends to accomplish its goal of providing education to the children of Howard County. Any unspent funds are re-appropriated in subsequent fiscal years from fund balance by the County.

Table 2 shows the changes in net position for the years ended June 30, 2024 and 2023. Key elements of this increase are as follows:

Table 2: Change in Net Position – Years ended June 30, 2024 and 2023 (In Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
REVENUES						
Charges for services	\$ 22,910	\$ 20,514	\$ 282	\$ 308	\$ 23,192	\$ 20,822
Operating grants and contributions	248,372	235,723	-	-	248,372	235,723
Capital grants and contributions	49,407	81,003	-	-	49,407	81,003
General revenues						
County appropriations	721,190	675,577	-	-	721,190	675,577
State and Federal aid	304,497	284,570	-	-	304,497	284,570
Interest and investment earnings	9,150	5,656	-	-	9,150	5,656
School activity fund revenue	10,219	9,296	-	-	10,219	9,296
Miscellaneous	27,591	24,639	-	-	27,591	24,639
Total Revenues	1,393,336	1,336,978	282	308	1,393,618	1,337,286
EXPENSES						
Instruction						
Regular education	738,893	718,519	-	-	738,893	718,519
Special education	274,943	254,079	-	-	274,943	254,079
Support services:						
Administration	24,548	23,724	-	-	24,548	23,724
Mid-level administration	112,341	107,292	-	-	112,341	107,292
Student personnel services	15,624	12,971	-	-	15,624	12,971
Health services	18,198	17,253	-	-	18,198	17,253
Student transportation	68,330	49,886	-	-	68,330	49,886
Operation of plant	73,779	65,313	-	-	73,779	65,313
Maintenance of plant	38,211	38,835	-	-	38,211	38,835
Community services	5,994	7,588	-	-	5,994	7,588
Food services	23,435	20,000	-	-	23,435	20,000
Enterprise funds	-	-	291	240	291	240
Total Expenses	1,394,296	1,315,460	291	240	1,394,587	1,315,700
INCREASE (DECREASE) IN NET POSITION	(960)	21,518	(9)	68	(969)	21,586
BEGINNING NET POSITION	429,849	408,331	418	350	430,267	408,681
ENDING NET POSITION	\$ 428,889	\$ 429,849	\$ 409	\$ 418	\$ 429,298	\$ 430,267

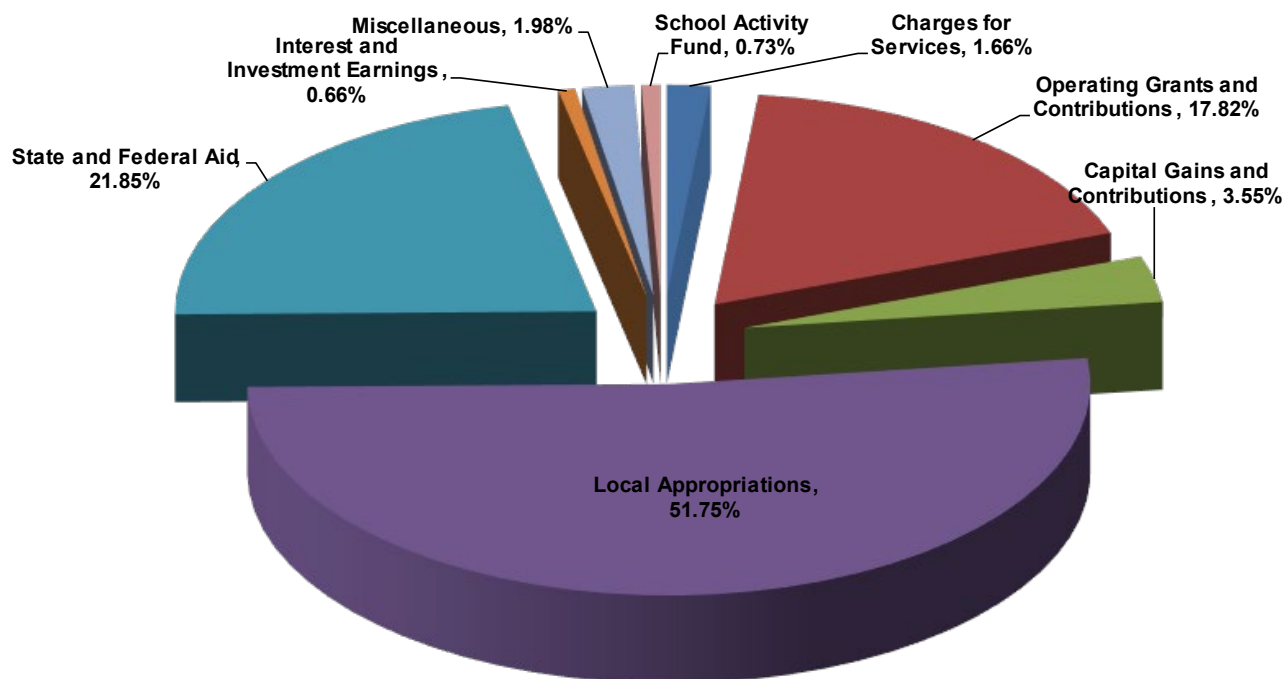
Management's Discussion and Analysis

Government-Wide Revenues and Expenses

Charts 1 and 2 display government-wide revenues and expenses, respectively, for the current year. Revenues for the HCPSS combined activities (which include program revenues and general revenues) increased to \$1.393 billion. Local appropriations and State and Federal aid accounted for most of the HCPSS revenue. Funds from these two sources contributed approximately 74% of every dollar needed. The remaining 26% came from fees charged for services and other miscellaneous revenues. Total expenses surpassed revenues, decreasing net position by \$1.0 million over last year.

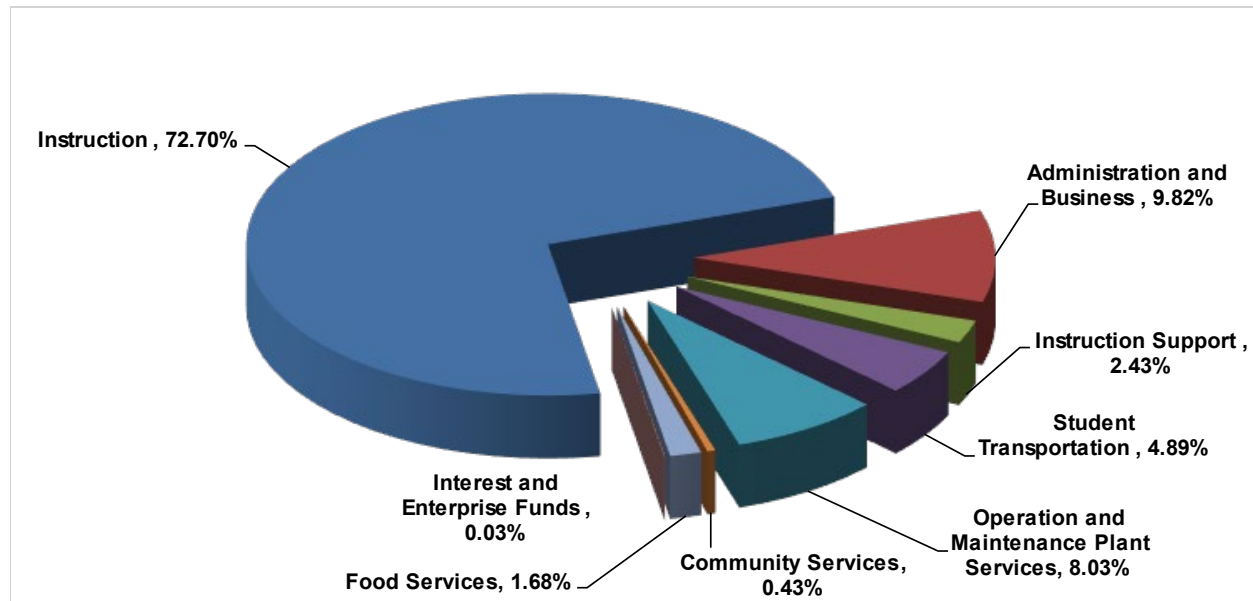
The total cost of all programs and services rose to \$1.394 billion. Most of the HCPSS expenses are related to instruction (including special education), instructional support and student transportation services. Expenses in these areas comprised approximately 80.0% of all School System expenditures. The business and administration activities, food services, and community services accounted for 9.82%, 1.68%, and 0.43% of total costs, respectively. Maintenance and operation expenses represented approximately 8.03%. Generally, increases in expenses closely paralleled inflation and growth in the demand for services. Educational programs like the class size reduction and bilingual education continue to receive the funding priority because these programs are integral to promoting student achievement.

Chart 1: Source of Revenues – FY 2024



Management's Discussion and Analysis

Chart 2: Expenses by Category – FY 2024



Management's Discussion and Analysis

Governmental Activities

Table 3 presents the cost of the 10 categories of the HCPSS: instruction – regular and special education, administration, mid-level administration, student and health services, student transportation services, operation of plant, maintenance of plant, community services, and food services. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided by specific programs).

Table 3: Cost of Governmental Activities – Year ended June 30, 2024 (In Thousands)

	Total Cost of Services	Less Program Revenues	Net Cost of Services
Instruction			
Regular education	\$ 738,893	\$ 142,647	\$ (596,246)
Special education	274,943	82,073	(192,870)
Support services			
Administration	24,548	3,493	(21,055)
Mid-level administration	112,341	13,962	(98,379)
Student personnel services	15,624	2,800	(12,824)
Health services	18,198	2,957	(15,241)
Student transportation	68,330	23,322	(45,008)
Operation of plant	73,779	7,612	(66,167)
Maintenance of plant	38,211	9,260	(28,951)
Community services	5,994	766	(5,228)
Food services	23,435	31,797	8,362
Total	\$ 1,394,296	\$ 320,689	\$ (1,073,607)

Business-Type Activities

The HCPSS has one business-type activity: The Jim Rouse Theatre. Operating revenues for the business-type activity totaled \$282 thousand for 2024. Operating expenses totaled \$292 thousand for a net operating loss of \$9 thousand primarily due to an increase in labor costs. Details of the business-type activity can be found on [pages 28-30](#) of this report.

Management's Discussion and Analysis

Financial Analysis of Governmental Funds

The focus of the School System's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School System's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the School System governmental funds reported combined ending fund balances of \$74.9 million, a decrease of \$1.6 million. This includes nonspendable fund balance which is comprised of \$0.9 million in inventories and \$0.1 million in prepaid expenses. Restricted fund balance is comprised of \$0.1 million in the General Fund for Workforce Development, \$1.4 million for the Glenelg Wastewater Treatment Plant, and \$16.5 million for capital projects. Assigned fund balance includes \$14.4 million for food services operations; \$7.3 million for the Grants fund, which \$4.8 million pertains to the School Activity Fund; \$11.4 million for encumbrances; and \$15.1 million for subsequent year's budgeted appropriation of fund balance. The unassigned fund balance as of June 30, 2024 was \$7.6 million in the General Fund.

It is important to note that the School System is fiscally dependent on grants and contributions from the county, state, and federal governments for its operating resources, as the School System has no authority to levy taxes or issue bonded debt.

During the fiscal year, the fund balance of the School System's general fund decreased by \$6.6 million. HCPSS utilized \$21.0 million of the School's System's general fund balance in their approved FY 2024 budget, in addition to \$6.7 million from the internal service fund, to cover the shortfall between budgeted revenues and expenditures. The \$21.1 million difference is attributed to higher than anticipated earnings on investments (\$6.5 million) and lower than budgeted expenditures in the instructional categories (salaries, textbooks and instructional supplies, and other instructional costs) largely due to position salary lapse and turnover (\$4.8 million), in addition to the fixed charges associated with those positions (\$4.1 million). Further, only \$3.0 million of the budgeted \$6.7 million transfer from the internal service fund was moved to support the general fund.

The fund balance of the Food Services Fund, a special revenue fund, decreased during the current fiscal year by \$2.5 million to \$14.7 due to planned one-time expenditures aimed at reducing fund balance. The Glenelg Wastewater Treatment Plant fund finished with a fund balance of \$1.4 million.

The HCPSS fiscal year 2025 approved capital budget proposed spending totaling \$522 million over the FY 2026-2030 period, which has been submitted to the Howard County Council for its approval. Cost estimates will need to be monitored closely to ensure the request is sufficient with regards to changes in the economy and materials pricing. Significant projects were the continued planning and design and construction activities for Oakland Mills MS Renovation/Addition, systemic renovations, and roofing projects. State funding decreased during this planning phase from \$57.5 million in the previous year to \$15.6 million.

General Fund Budgetary Highlights

The General Fund operates under a legally adopted annual budget. The budget is subdivided into State mandated categories of expenditures including administration, mid-level administration, instructional salaries, textbooks and instructional supplies, other instructional costs, special education, student personnel services and student health services, student transportation services, operation of plant, maintenance of plant, fixed charges and community services. The legal level of budgetary control is at the category level. The HCPSS may approve amendments to the budget recommended by Management by transferring funds within categories, but transfers between categories must be requested and approved by the County Council.

The General (Current Expense) Fund budget is prepared using the encumbrance method of accounting. Under this method, commitments such as purchase orders and contracts are recorded as budgetary expenditures in addition to those made or accrued. When the actual expenditures take place, the accounts are adjusted for the difference

Management's Discussion and Analysis

between the actual expenditure and the commitment previously recorded.

During FY 2024, HCPSS requested a categorical transfer of \$3.9 million and a supplemental appropriation of \$4.9 million for an estimated \$8.8 million increase in transportation expenditures. General Fund Budgeted Revenues were under the final budget by \$191.8 thousand. General Fund Budgeted Expenditures were under the final budget by \$11.1 million. This variance reflects salary turnover savings in instructional salaries and fixed charges associated with these positions.

Capital Assets

The HCPSS had \$1.401 billion invested in land, construction in progress, buildings and improvements, furniture and equipment, leased buildings and equipment and subscription assets, net of accumulated depreciation and amortization at June 30, 2024.

Table 4 shows governmental activities capital asset balances, net of accumulated depreciation and amortization, as of June 30, 2024 and 2023. During FY 2024, capital assets decreased by a net of \$9.1 million from the prior year. The depreciation and amortization expense on these assets was approximately \$45.9 million in FY 2023. More detailed information about capital assets can be found on pages 43–44 of this report.

Major governmental activities capital asset events during the current fiscal year included the following:

Capital Projects

- Final construction activities and close-out for Guilford Park High School
- Final construction activities and close-out for Hammond High School Renovation/Addition
- Begin planning and design of Oakland Mills MS Renovation/Addition, Dunloggin MS Renovation/Addition, Faulkner Ridge Center, and Applications and Research Lab Renovations
- Other major projects include systemic projects, roofing projects, technology projects, parking lot projects, and relocatable classrooms

The HCPSS FY 2025 capital budget approved spending of \$10.2 million to continue planning and design and begin construction activities for Oakland Mills MS Renovation/Addition, \$2.1 million for the furniture, fixture, and equipment portion of the Faulkner Ridge Center and Applications and Research Lab Renovation projects, \$50.5 million for systemic renovations, \$4.3 million for roofing projects, \$600 thousand for playground equipment, \$1.5 million for relocatable classroom projects, \$6.6 million for technology projects, \$600 thousand for parking lot expansion/repairs, \$300 thousand for planning and design, and \$200 thousand towards barrier free projects for a total of \$76.9 million.

Management's Discussion and Analysis

Table 4: Capital Assets – Governmental Activities – As of June 30, 2024 and 2023

	2024	2023
Land	\$ 40,093,533	\$ 40,093,533
Construction in progress	6,463,729	206,830,296
Buildings and improvements	2,063,112,023	1,827,708,696
Furniture and equipment	37,536,235	35,581,781
(Less accumulated depreciation)	(750,318,904)	(707,529,571)
Leased assets	8,136,118	8,267,153
Subscription assets	10,378,527	10,378,527
(Less accumulated amortization)	(13,960,800)	(10,804,739)
Total Capital Assets	\$ 1,401,440,461	\$ 1,410,525,675

Long-Term Obligations

School systems in Maryland have no authority to incur bonded debt. The only long-term obligations of the HCPSS consist of lease obligations, subscription-based information technology arrangements, net pension and OPEB liabilities, compensated absences resulting from annual leave earned but not taken by employees, and workers compensation liabilities. The lease obligations were incurred for financing accounting and computer system upgrades.

Annual leave is earned on a monthly basis. At the end of the fiscal year, annual leave that has not been used can be carried over into the following year. At the end of any fiscal year, employee carryover is limited to the maximum amount, which is the lower of the stated amount in Policy 7110- Annual Leave for Administrative Personnel, or the amount outlined in the respective negotiated agreement. Accrued leave in excess of the carryover maximum is transferred to sick leave. Compensated absences totaled approximately \$15.9 million as of June 30, 2024. Net pension and OPEB liability totaled approximately \$62.4 million and \$783.9 million, respectively, as of June 30, 2024. Total long-term obligations totaled approximately \$871.9 million as of June 30, 2024 for an increase of approximately \$24.1 million over the balance of \$847.8 million as of June 30, 2023.

Additional information on the School System's long-term obligation can be found on [page 46](#) of this report.

Management's Discussion and Analysis

Factors Influencing Future Budgets

The School System must consider a multitude of factors as it prepares future budgets. Notable factors influencing future budgets are:

- Funding the mandates put forth in the Blueprint for Maryland's Future.
- Strengthening the Health Fund balance to meet the requirements established in Policy 4070 – Fund Balance.
- Growth in student enrollment is stagnant, and due to a technical change in the enrollment counts used to calculate funding formula revenues, the enrollment count for funding formulas is declining, resulting in a decrease in the required Maintenance of Effort (MOE) funding provided by the county.
- Meeting the needs of increasing numbers of special education students; homeless students; those newly immigrated to this country; and a growing socioeconomically eligible population that all require greater services.
- The uncertain state of the federal budget affecting funding decisions at the state and local levels.
- Future capital budgets with funding for renovations and additions to existing schools, including major systemic renovations to many of the older school facilities as well as the construction of new schools.
- Salary increases in accordance with negotiated agreements with employee bargaining units.

Management's Discussion and Analysis

Economic Factors

The HCPSS will continue to face significant economic challenges in adopting a balanced budget that can maintain service levels. Challenges not unlike what the state and other school districts are faced with— budgetary challenges stemming from the confluence of multiple factors on both the revenue and expenditure sides of the budget.

- As HCPSS strives to meet the mandates of the Blueprint for Maryland's Future in coming years, the system will face challenges in fully funding the requirements without compromising other areas of the school system, particularly as the true financial impact of the mandates unfolds.
- Labor markets remain tight influencing the need to maintain compensation growth to attract and retain the best talent.
- Inflationary pressure, affecting all areas of the system, including labor, health insurance, student transportation, capital projects, and purchases of tangible and intangible school equipment and supplies.
- Student enrollment numbers have stagnated. Required revenues are declining as enrollment sensitive funding formulas are primarily responding to a number count and not the economic reality of increasing costs. Additionally, HCPSS has seen an increasing proportion of students who struggle with poverty, mental health issues, language barriers, and other challenges, which has necessitated an increase in costs pertaining to addressing their specific needs.
- As healthcare costs continue to escalate, HCPSS's share of expenses also continues to disproportionately increase.
- HCPSS outsources all transportation contracts. As the industry continues to face large shortages in attracting and maintaining labor, there have been significant cost increases in meeting the school system's needs.

HCPSS, which has managed through structural deficits the last few budgets with one-time funds, faces a starker outlook of declining revenues and increasing costs with diminished fund balances to help manage the impacts on services. This left the school system's budget at a crossroads with a need to increase revenues and decrease costs to close the deficit.

These factors were considered in preparing the HCPSS budget for FY 2025.

Contacting HCPSS Financial Management

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

Howard County Public School System
Division of Finance
10910 Clarksville Pike, Ellicott City, MD 21402-6198
Phone: 410-313-1732
Email: brian_hull@hcpss.org

Financial Section

Basic Financial Statements

Government-Wide Financial Statements

Howard County Public School System

Howard County Public School System
Statement of Net Position
June 30, 2024

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 66,678,102	\$ -	\$ 66,678,102
Investments	153,542,331	-	153,542,331
Accounts receivable	14,929,418	22,088	14,951,506
Internal balances	(331,180)	331,180	-
Due from other units of government	39,598,541	-	39,598,541
Prepaid items	89,168	-	89,168
Inventory	965,135	-	965,135
Capital assets:			
Land	40,093,533	-	40,093,533
Construction in progress	6,463,729	-	6,463,729
Building and improvements	2,063,112,023	-	2,063,112,023
Furniture and equipment	37,536,235	345,028	37,881,263
Less: accumulated depreciation	(750,318,904)	(258,761)	(750,577,665)
Leased assets	8,136,118	-	8,136,118
Subscription assets	10,378,527	-	10,378,527
Less: accumulated amortization	(13,960,800)	-	(13,960,800)
Total capital assets, net of depreciation and amortization	1,401,440,461	86,267	1,401,526,728
Total Assets	1,676,911,976	439,535	1,677,351,511
DEFERRED OUTFLOWS OF RESOURCES	406,072,522	-	406,072,522
LIABILITIES			
Accounts payable	19,167,096	-	19,167,096
Accrued liabilities	97,988,841	-	97,988,841
Unearned revenue	44,159,321	30,824	44,190,145
Long-term liabilities:			
Current portion	5,382,475	-	5,382,475
Long-term portion	866,524,647	-	866,524,647
Total Liabilities	1,033,222,380	30,824	1,033,253,204
DEFERRED INFLOWS OF RESOURCES	620,872,730	-	620,872,730
NET POSITION			
Net investment in capital assets	1,397,670,495	86,267	1,397,756,762
Restricted for:			
Glenelg wastewater treatment plant	1,424,157	-	1,424,157
Capital projects	16,457,248	-	16,457,248
Workforce development	89,843	-	89,843
Unrestricted	(986,752,355)	322,444	(986,429,911)
TOTAL NET POSITION	\$ 428,889,388	\$ 408,711	\$ 429,298,099

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements

Government-Wide Financial Statements

Howard County Public School System

Howard County Public School System

Statement of Activities

Year Ended June 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular education	\$ 738,893,378	\$ 5,189,804	\$ 88,050,607	\$ 49,406,436	\$ (596,246,531)	\$ -	\$ (596,246,531)
Special education	274,943,030	-	82,072,565	-	(192,870,465)	-	(192,870,465)
Total instruction	1,013,836,408	5,189,804	170,123,172	49,406,436	(789,116,996)	-	(789,116,996)
Support services:							
Administration	24,547,980	-	3,493,178	-	(21,054,802)	-	(21,054,802)
Mid-level administration	112,341,382	-	13,961,888	-	(98,379,494)	-	(98,379,494)
Student personnel services	15,623,792	-	2,800,450	-	(12,823,342)	-	(12,823,342)
Health services	18,197,471	-	2,957,002	-	(15,240,469)	-	(15,240,469)
Student transportation	68,329,540	-	23,321,844	-	(45,007,696)	-	(45,007,696)
Operation of plant	73,779,145	153,602	7,458,470	-	(66,167,073)	-	(66,167,073)
Maintenance of plant and equipment	38,210,749	-	9,260,045	-	(28,950,704)	-	(28,950,704)
Community services	5,994,850	-	766,464	-	(5,228,386)	-	(5,228,386)
Food services	23,434,713	17,566,971	14,229,879	-	8,362,137	-	8,362,137
Total support services	380,459,622	17,720,573	78,249,220	-	(284,489,829)	-	(284,489,829)
Total governmental activities	1,394,296,030	22,910,377	248,372,392	49,406,436	(1,073,606,825)	-	(1,073,606,825)
Business-type activities:							
Jim Rouse Theatre	291,616	282,237	-	-	-	(9,379)	(9,379)
Total Business-type activities	291,616	282,237	-	-	-	(9,379)	(9,379)
TOTAL SCHOOL SYSTEM	\$ 1,394,587,646	\$ 23,192,614	\$ 248,372,392	\$ 49,406,436	(1,073,606,825)	(9,379)	(1,073,616,204)
General revenues - unrestricted:							
Local appropriations					721,190,087	-	721,190,087
State and federal aid					304,496,971	-	304,496,971
Interest and investment earnings					9,149,717	-	9,149,717
Student activity fund revenue					10,219,369	-	10,219,369
Miscellaneous					27,590,994	-	27,590,994
Total general revenues					1,072,647,138	-	1,072,647,138
CHANGES IN NET POSITION					(959,687)	(9,379)	(969,066)
NET POSITION, BEGINNING OF YEAR					429,849,075	418,090	430,267,165
NET POSITION, END OF YEAR					\$ 428,889,388	\$ 408,711	\$ 429,298,099

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements

Fund Financial Statements

Howard County Public School System

Balance Sheet

Governmental Funds

June 30, 2024

	General Fund	Food Services Fund	Genelg Wastewater Treatment Plant Fund	Restricted Programs/ Grants Fund	Capital Projects Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 46,614,914	\$ 15,231,430	\$ 1,739	\$ 4,830,019	\$ -	\$ 66,678,102
Investments	144,955,237	536,415	1,443,650	-	-	146,935,302
Accounts receivable	6,009,738	2,190,293	153,602	6,488,978	-	14,842,611
Prepaid items	89,168	-	-	-	-	89,168
Due from other funds	10,145,566	-	-	-	26,979,969	37,125,535
Due from other units of government	-	-	-	7,475,960	32,122,581	39,598,541
Inventory	591,147	341,979	-	-	-	933,126
Total Assets	<u>\$ 208,405,770</u>	<u>\$ 18,300,117</u>	<u>\$ 1,598,991</u>	<u>\$ 18,794,957</u>	<u>\$ 59,102,550</u>	<u>\$ 306,202,385</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 5,590,868	\$ 226,389	\$ -	\$ 2,411,831	\$ 6,536,127	\$ 14,765,215
Accrued liabilities	87,353,224	-	-	785	1,347,832	88,701,841
Due to other funds	79,174,830	2,578,739	174,834	7,391,992	-	89,320,395
Unearned revenue	662,647	757,427	-	1,686,020	34,761,343	37,867,437
Compensated absences payable	688,761	-	-	-	-	688,761
Total Liabilities	<u>173,470,330</u>	<u>3,562,555</u>	<u>174,834</u>	<u>11,490,628</u>	<u>42,645,302</u>	<u>231,343,649</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	89,168	-	-	-	-	89,168
Inventories	591,147	341,979	-	-	-	933,126
Restricted	89,843	-	1,424,157	-	16,457,248	17,971,248
Assigned	26,541,615	14,395,583	-	7,304,329	-	48,241,527
Unassigned	7,623,667	-	-	-	-	7,623,667
Total fund balances	<u>34,935,440</u>	<u>14,737,562</u>	<u>1,424,157</u>	<u>7,304,329</u>	<u>16,457,248</u>	<u>74,858,736</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 208,405,770</u>	<u>\$ 18,300,117</u>	<u>\$ 1,598,991</u>	<u>\$ 18,794,957</u>	<u>\$ 59,102,550</u>	<u>\$ 306,202,385</u>

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements

Fund Financial Statements

Howard County Public School System

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (page 24)	\$ 74,858,736
Amounts reported for governmental activities in the Statement of Net Position is 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 \$2,145,897,099 and the accumulated depreciation is \$747,351,882.	1,398,545,219
Internal service funds are used by the Board to account for printing and duplicating services, data processing services, workers compensation self-insurance services activities, and health and dental self-insurance activities. The assets and liabilities of the internal service funds are included with governmental activities.	34,739,392
Deferred outflows of resources related to pensions that relate to future periods therefore not reported at the fund level.	22,899,258
Deferred outflows of resources related to OPEB that relate to future periods therefore not reported at the fund level.	383,173,264
Deferred inflows of resources related to pensions that relate to future periods therefore not reported at the fund level.	(3,431,148)
Deferred inflows of resources related to OPEB that relate to future periods therefore not reported at the fund level.	(617,441,582)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of \$15,220,795 of compensated absences payable, \$2,852,831 of lease liabilities, \$0 of subscription-based information technology arrangement liabilities, \$62,442,098 of net pension liability, and \$783,938,027 of net OPEB liability.	<u>(864,453,751)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (page 22)	<u>\$ 428,889,388</u>

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements

Fund Financial Statements

Howard County Public School System

Statement of Revenues, Expenditures and Changes in Funds Balances

Governmental Funds

Year Ended June 30, 2024

	General Fund	Food Services Fund	Glenelg Wastewater Treatment Plant Fund	Restricted Programs/ Grants Fund	Capital Projects Fund	Total Governmental Funds
REVENUES						
Intergovernmental revenues:						
Local sources	\$ 753,124,161	\$ -	\$ 3,087.00	\$ 2,020,464	\$ 44,569,519	\$ 799,717,231
State and federal sources	402,244,751	14,229,879	-	62,721,718	3,828,423	483,024,771
Earnings on investments	8,977,385	28,050	75,490	-	1,008,494	10,089,419
Charges for services	6,810,722	6,500,104	228,322	-	-	13,539,148
Interfund transfers	3,000,000	-	-	-	-	3,000,000
Miscellaneous revenues	944,340	-	-	-	-	944,340
School Activity Fund Revenue	-	-	-	10,219,369	-	10,219,369
Total Revenues	1,175,101,359	20,758,033	306,899	74,961,551	49,406,436	1,320,534,278
EXPENDITURES						
Current:						
Administration	15,238,051	-	-	958,360	-	16,196,411
Mid-level administration	70,143,354	-	-	2,269,083	-	72,412,437
Instruction:						
Instructional salaries	415,441,813	-	-	10,136,874	-	425,578,687
Textbooks and classroom supplies	9,117,177	-	-	4,175,161	-	13,292,338
Other instructional costs	15,706,085	-	-	10,065,938	-	25,772,023
Special education	168,598,011	-	-	31,278,338	-	199,876,349
Student personnel services	9,539,942	-	-	952,409	-	10,492,351
Health services	11,425,300	-	-	873,234	-	12,298,534
Student transportation	66,106,284	-	-	744,783	-	66,851,067
Operation of plant	53,680,036	-	231,409	898,761	-	54,810,206
Maintenance of plant and equipment	26,660,759	-	-	5,166,504	-	31,827,263
Fixed charges	315,075,195	-	-	7,251,540	-	322,326,735
Costs of operation - food service	-	23,306,184	-	73,264	-	23,379,448
Community services	3,901,076	-	-	1,184,775	-	5,085,851
Presumed to benefit the current and future fiscal periods:						
Capital outlay	1,071,777	-	-	2,410	40,949,763	42,023,950
Total Expenditures	1,181,704,860	23,306,184	231,409	76,031,434	40,949,763	1,322,223,650
NET CHANGE IN FUND BALANCES	(6,603,501)	(2,548,151)	75,490	(1,069,883)	8,456,673	(1,689,372)
FUND BALANCE, BEGINNING OF YEAR	41,538,941	17,285,713	1,348,667	8,374,212	8,000,575	76,548,108
FUND BALANCE, END OF YEAR	\$ 34,935,440	\$ 14,737,562	\$ 1,424,157	\$ 7,304,329	\$ 16,457,248	\$ 74,858,736

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements

Fund Financial Statements

Howard County Public School System

Reconciliation of the Governmental Funds

State of Revenues, Expenditures, and

Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2024

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS (page 26)	\$	(1,689,372)
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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 and amortization expense. This is the amount by which depreciation and amortization expense of \$44,676,609 exceeds capital outlay of \$38,193,563 in the period.		(6,483,046)
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The issuance of lease obligations in the amount of \$0 provides current financial resources to governmental funds, while the repayment of the principal of lease obligations in the amount of \$844,501 consumes the current financial resources of governmental funds.		844,501
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The issuance of subscription-based information technology agreements (SBITAs) obligations (not applicable for FY23) provides current financial resources to governmental funds, while the repayment of the principal of SBITA obligations in the amount of \$321,287 consumes the current financial resources of governmental funds.		321,287
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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 used were less than the amounts earned by:		(1,172,864)
--	--	-------------

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of the pension benefits earned net of employer contributions is reported as pension expense.		(1,784,773)
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Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, the cost of the OPEB earned net of employer contributions is reported as OPEB income (expense).		4,494,370
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Internal service funds are used by the Board to account for printing and duplicating services, data processing services, workers' compensation self-insurance activities, and health and dental self-insurance activities. The change in the net position of the internal service fund is reported with governmental activities.		<u>4,510,210</u>
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CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES (page 23)	\$	<u>(959,687)</u>
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These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements

Fund Financial Statements

Howard County Public School System Statement of Net Position Proprietary Funds June 30, 2024

	Enterprise Fund/ Jim Rouse Theater	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Investments	\$ -	\$ 6,607,029
Accounts receivable	22,088	86,807
Due from other funds	331,180	51,863,680
Inventory	-	32,009
Total current assets	353,268	58,589,525
Noncurrent assets:		
Capital assets:		
Furniture, fixtures and equipment	345,028	8,942,961
Less accumulated depreciation	(258,761)	(7,941,125)
Leased assets	-	2,122,339
Subscription assets	-	8,757,765
Less accumulated amortization	-	(8,986,698)
Total capital assets, net	86,267	2,895,242
Total assets	439,535	61,484,767
LIABILITIES		
Current liabilities:		
Accounts payable	-	4,401,881
Leases	-	407,194
Subscription agreements	-	203,216
Claims payable	-	12,686,271
Unearned revenue	30,824	6,291,884
Total current liabilities	30,824	23,990,446
Long-term liabilities:		
Leases	-	306,725
Claims payable, net of current portion	-	2,448,204
Total long-term liabilities	-	2,754,929
Total liabilities	30,824	26,745,375
NET POSITION		
Net investment in capital assets	86,267	1,978,107
Unrestricted	322,444	32,761,285
TOTAL NET POSITION	\$ 408,711	\$ 34,739,392

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements

Fund Financial Statements

Howard County Public School System

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

Year Ended June 30, 2024

	Enterprise Fund/ Jim Rouse Theater	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Charges for services - internal	\$ -	\$ 162,480,040
Charges for services - other	282,237	-
Miscellaneous revenue	-	26,646,654
Contributions from employees and retirees	-	39,438,696
Total operating revenues	282,237	228,565,390
OPERATING EXPENSES		
Operating expenses	273,133	-
Administrative expenses	-	20,161,559
Claims and related expenses	-	198,432,321
Depreciation and amortization expense	18,483	2,806,786
Total operating expenses	291,616	221,400,666
Operating income (loss)	(9,379)	7,164,724
NON-OPERATING REVENUES		
Interest income	-	345,486
Total non-operating income	-	345,486
NON-OPERATING EXPENSES		
Interfund transfers	-	3,000,000
Total non-operating expenses	-	3,000,000
CHANGES IN NET POSITION	(9,379)	4,510,210
TOTAL NET POSITION, BEGINNING OF YEAR	418,090	30,229,182
TOTAL NET POSITION, END OF YEAR	\$ 408,711	\$ 34,739,392

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements

Fund Financial Statements

Howard County Public School System

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2024

	Enterprise Fund/ Jim Rouse Theater	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 285,429	\$ -
Internal activity - payment (to) from other funds	41,928	157,218,104
Cash received from employees and retirees	-	39,438,696
Claims paid (net of rebates)	-	(172,410,028)
Payments to employees	(165,325)	(11,330,099)
Payments to suppliers	(101,135)	(7,513,610)
Net cash provided by operating activities	60,897	5,403,063
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to General Fund	\$ -	\$ (3,000,000)
Net cash used in noncapital financing activities	-	(3,000,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of equipment	(60,897)	(204,615)
Principal paid on subscriptions	-	(2,198,448)
Net cash used in capital and related financing activities	(60,897)	(2,403,063)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	-	(345,486)
Interest received	-	345,486
Net cash provided by investing activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income	\$ (9,379)	\$ 7,164,724
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	18,483	2,806,786
Effects of changes in non-cash operating assets and liabilities:		
Accounts receivable	3,192	669,619
Due from other funds	41,928	(5,261,936)
Inventory	-	20,415
Accounts payable	-	(723,688)
Claims payable	-	162,070
Unearned revenue	6,673	565,073
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 60,897</u>	<u>\$ 5,403,063</u>
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:		
Lease of equipment	\$ -	\$ -
TOTAL FINANCING ACTIVITIES	<u>\$ -</u>	<u>\$ -</u>

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements

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These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements

Financial Section

Notes to the Basic Financial Statements

Notes to Basic Financial Statements

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Notes to Basic Financial Statements

I – Summary of Significant Accounting Policies

Financial Reporting Entity

Howard County Public School System (the School System) is a body politic and corporate established by the Public School Laws of Maryland. For financial reporting purposes, the School System (alternatively referred to herein as Howard County Public School System (HCPSS)) is a component unit of Howard County, Maryland (the County) by virtue of the County's responsibility for levying taxes and incurring debt for the benefit of the School System and its budgetary control over the School System.

Accordingly, the financial statements of the School System are included in the financial statements of the County. The School System itself has no component units.

The accounting policies of the Howard County Public School System conform to accounting policies generally accepted in the United States for governmental units. The following is a summary of the significant policies employed by the School System.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the School System as a whole. For the most part, the effect of inter-fund activity has been removed from these statements. The activities of the General Fund, Food Services Fund – a special revenue fund, Glenelg Wastewater Treatment Plant – a special revenue fund, Restricted Programs Fund – a special revenue fund, Capital Projects Fund and Internal Service Funds have been presented as governmental activities in the government-wide financial statements.

The activities of the Enterprise Fund have been presented as business-type activities in those statements because a majority of these fund revenues come from charges for services.

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

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds are reported as separate columns in the governmental fund financial statements for major and nonmajor funds.

Notes to Basic Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School System considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to certain compensated absences and leases are recognized when the obligations are due and payable. Local appropriations and State and Federal aid associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria have been met. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental Funds

The School System reports the following major funds in the fund financial statements:

- *General Fund* –The General Fund is the general operating fund of the School System. It is used to account for all financial resources except those required to be accounted for in another fund.
- *Restricted Programs Fund (Special Revenue Fund)* – The Restricted Programs Fund is used to account for restricted grants issued primarily by county, state, and federal governmental agencies, “S-Programs” which support specific programs and school activity funds.

The School System elects to report the following nonmajor funds in the fund financial statements due to the importance of these funds to the HCPSS Community and other financial statement users:

- *Food Services Fund (Special Revenue Fund)* – The Food Services Fund is used to account for the operations of cafeterias and the production facility, which provides for the preparation and sale of meals primarily to students. As a special revenue fund, the proceeds of specific revenue sources (other than major capital projects) are legally restricted to expenditures for specified purposes.
- *Glenelg Wastewater Treatment Plant Fund (Special Revenue Fund)* –The Glenelg Wastewater Treatment Plant Fund is used to account for the operations of the shared wastewater treatment facility at Glenelg High School, which provides wastewater treatment services to Glenelg High School and the Musgrove Farm community of 30 home sites located on the adjoining property. The proceeds of specific revenue sources (other than major capital projects) are legally restricted to expenditures for specified purposes.
- *Capital Projects Fund* – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Notes to Basic Financial Statements

Proprietary Funds

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting used in the government-wide financial statements.

- *Enterprise Fund* – The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Jim Rouse Theatre Fund is reported as an enterprise fund.
- *Internal Service Funds* – Internal service funds are used to account for the costs of maintaining the School System's self-insured programs for health, dental, and workers' compensation benefits for its employees and to account for the costs of print and technology services.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues for the internal service funds are premium contributions to the health and dental self-insurance-fund and the workers' compensation fund. Operating revenues for the enterprise fund, Jim Rouse Theatre, are received primarily from ticket sales. Operating expenses for the internal service funds as well as the enterprise fund cover the cost of providing these services, including administrative, claim and related payments and depreciation. All other revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated and reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities.

Assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position. The effect of inter-fund services provided and used between functions have been eliminated in the Statement of Activities, so that only the net amount is included in the governmental activities' column.

Deposits and Investments

The School System maintains pooled and various separate cash accounts for its funds. The cash balances of the School Fund consist of individual demand accounts maintained by the schools. Investments are stated at amortized cost, which approximates fair value due to the short-term nature of those investments. The School System considers any instrument with a maturity of three months or less when purchased, as cash equivalents. Effective 7/1/2024, MLGIP will begin recording earned monthly interest at the end of each month rather than the beginning of the following month.

Due from Other Units of Government and Other Receivables

Accounts receivable in all funds represent amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectible amounts. Governmental fund type receivables consist primarily of amounts due from county, state, or federal governments and from other Maryland Public School Systems. These intergovernmental receivables are generally collected within 90 days of the end of the fiscal year. Certain intergovernmental receivables may extend up to one year from the end of the fiscal year. Uncollectible amounts as of June 30, 2024, are expected to be minimal based upon collection experience and review of the status of existing receivables.

Notes to Basic Financial Statements



Notes to Basic Financial Statements

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Inventory and Prepaid Items

Inventory in the General Fund consists of parts and supplies maintained in the warehouse, which is reported at cost using the weighted average cost basis. In FY24, the system significantly reduced the number of items it maintains centrally, in favor of just in time inventory purchases by individual schools and departments. Items maintained are now limited to paper and specific types of furniture. Inventory in the Food Services Fund consists of expendable food and supplies held for consumption which is reported at the lower of cost or market. The cost is recorded as an asset at the time individual inventory items are purchased. As inventory is consumed, the cost is charged to expenditures.

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. Prepaid expenses in the general fund and internal service funds consist of insurance premiums and other administrative expenditures that relate to fiscal year 2025. Prepaid expenses are accounted for in accordance with the consumption method.

Capital Assets

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

Property, plant and equipment are depreciated using the straight-line method over estimated useful lives of 20–45 years for buildings, improvements and infrastructure, and 5–15 years for furniture and equipment.

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

Unearned Revenue

For the General Fund, unearned revenue consists of summer school tuition which is collected in advance and unearned since the corresponding services have not been provided and the earnings process is not completed until the following fiscal year.

For the Restricted Programs Fund and Capital Projects Fund, unearned revenue consists of cash received under cost-reimbursement based programs in excess of the expenditures under those programs on June 30, 2024.

Student meal sales consist of payments and prepayments may be made using cash or check. Families may also prepay with a credit card by setting up an online account to pay for student meals. Unearned revenue in the Food Services Fund consists primarily of these funds held on account for student meals.

For the Glenelg Wastewater Treatment Plant Fund, homeowners are assessed after service periods; however, in unique situations where assessment fees are collected in advance, they are recorded as unearned revenue since the corresponding services have not been provided and the earnings process is not completed until the following fiscal year.

Notes to Basic Financial Statements

For the Internal Service Funds, unearned revenue consists of payroll withholdings from employees for health and dental insurance collected in advance as of June 30, 2024 for the first three months of fiscal year 2025.

Deferred Outflow and Inflow of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until the future period. The School System recognizes deferred outflows related to changes in assumptions for pension and OPEB, the difference between expected and actual experience related to OPEB, changes in the School System's proportionate share of the pension and OPEB liability, the net difference between the projected and actual investment earnings on pension and OPEB plan investments, the difference between actual and proportionate share of pension contributions and contributions subsequent to the measurement date related to pension and OPEB plans.

A deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until the future period. The School System recognizes deferred inflows related to the changes in assumptions for pension and OPEB, changes in the School System's proportionate share of the pension and OPEB liability, the difference between expected and actual experience related to pensions and OPEB, and the net difference between the projected and actual investment earnings on OPEB investments.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the Maryland State Retirement and Pension System (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Other Postemployment Benefit (OPEB) Trust Fund (Trust) and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Compensated Absences

It is the School System's policy to permit employees to accumulate earned but unused vacation, personal, and sick pay benefits. At the end of the fiscal year, personal leave in excess of the maximum carryover per negotiated agreement can be transitioned to sick leave. There is no liability for unpaid accumulated personal and sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignations and retirements.

Net Position / Fund Balance

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, accumulated amortization and the liabilities associated with leased right-of-use assets and subscription-based information technology arrangements. Under state law, the School System is prohibited from incurring debt to finance the acquisition of capital assets, except for those assets purchased under lease agreements and subscription-based information technology agreements. Major capital projects are financed through local and state aid with applicable debt recorded by Howard County and the State

Notes to Basic Financial Statements

of Maryland. Net position is reported as restricted when there are limitations placed on their use through external restrictions imposed by grantors or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, restricted resources shall be used first and then unrestricted resources as they are needed.

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

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- *Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- *Committed* – Amounts that can be used only for specific purposes as determined by a formal action of the Board, the highest level of decision-making authority for the School System. Commitments may be established, modified, or rescinded only through formal actions consisting of resolutions approved by the Board.
- *Assigned* – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This intent can be expressed by the Board or through their delegating this responsibility to the Superintendent's budgetary process.
- *Unassigned* – All other spendable amounts. This is the residual classification for the General fund and other governmental funds. The General Fund is the only fund that reports a positive unassigned fund balance amount. If expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned for these purposes, it may be necessary to report a negative unassigned fund balance.

Policy 4070, Fund Balance, states in what order fund balance categories are spent: (1) Nonspendable balance first, then (2) restricted fund balance, then (3) committed fund balance, then (4) assigned fund balance, and (5) unassigned fund balance.

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

Budgets and Budgetary Accounting

Budgetary compliance is measured using the budgetary basis of accounting, the purpose of which is to demonstrate compliance with the legal requirements of Howard County and the State of Maryland. The budgetary basis differs from GAAP, which is used for the fund financial statements, in that encumbrances, which represent commitments to purchase goods and services, are treated as expenditures of the current period rather than as reservations of the fund balance.

In addition, pension contributions made by the State of Maryland on behalf of the School System and OPEB contributions made by the Howard County Government on behalf of the School System are excluded from the budgetary basis. Another difference is that under the budgetary basis, designations of the prior year's fund balance are treated as revenue of the current period. The general fund budgetary basis schedules of revenues and expenditures and encumbrances, budget and actual, and a reconciliation to the fund financial statements are presented as required supplementary information to these financial statements. By State law, major categories of expenditures may not

Notes to Basic Financial Statements

exceed budgeted amounts.

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

Operating Budget (General Fund)

- 1) A discussion guide for the following fiscal year's operating budget is published annually.
- 2) A public hearing is held in January and February to receive budget requests from individuals and community groups.
- 3) The proposed budget is made available to the public and the County Government in January.
- 4) Public hearings are held to obtain comments from the community.
- 5) The final proposed operating budget is submitted to the County Executive on or after March 1 as may be requested by the county fiscal authority, per state law.
- 6) After approval or adjustment by the County Council, the final operating budget is approved by the School System in June.
- 7) Budgets are adopted on a basis consistent with GAAP except for the inclusion of portions of the prior year's fund balance as revenues, the inclusion of encumbrances as expenditures, the exclusion of pension contributions made on the School System's behalf by the State of Maryland, and the OPEB contributions made on behalf by the County as both revenues and expenditures. Budget comparisons presented are on a non-GAAP budgetary basis.
- 8) Transfers may be made within the major categories by the School System without the approval of the Board of Education and the County Council.
- 9) Requests for transfers between major categories must be approved by the Board of Education and submitted to the County Council for approval or denial. No action within thirty (30) days of submission constitutes approval.
- 10) The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the State Category level.

Operating Budget (Restricted Programs Fund)

This budget is not legally adopted. The Restricted Programs Fund accounts for revenue and expenditures under special State and Federal programs as well as school activity accounts maintained by individual schools. Management estimates expected revenues and expenditures but there is not a legally adopted budget, and actual expenditures may exceed budgeted amounts. The grants included in this category are not part of budget categories subject to spending limitations of the operating budget. Expenditures under these programs are limited to the amounts of the respective grants. The comparison of the Restricted Programs Fund (a special revenue fund) operating budget to actual revenues and expenditures is not presented as required supplementary information because this budget is developed internally by the School System for management purposes only.

Operating Budget (Food Services Fund)

This budget is not legally adopted. The comparison of the Food Services Fund (a special revenue fund) operating budget to actual revenues and expenditures is not presented as required supplementary information because this budget is developed internally by the School System for management purposes only.

Notes to Basic Financial Statements

Operating Budget (Glenelg Wastewater Treatment Plant Fund)

This budget is not legally adopted. The comparison of the Glenelg Wastewater Treatment Plant Fund (a special revenue fund) operating budget to actual revenues and expenditures is not presented as required supplementary information because this budget is developed internally by the School System for management purposes only.

Operating Budget (Jim Rouse Theatre Fund)

This budget is not legally adopted. The Enterprise Fund accounts for revenue and expenditures relative to the Jim Rouse Theatre Fund. The operating budget to actual revenues and expenditures is not presented as required supplementary information because this budget is developed internally by the School System for management purposes only.

Use of Estimates in Preparing Financial Statements

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

New Pronouncements

During the year ended June 30, 2024, the School System adopted Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and Statement No. 99, Omnibus 2022 without material effect to the financial statements.

As of June 30, 2024, GASB issued Statement No. 100, Accounting Changes and Error Corrections; Statement No. 101, Compensated Absences; Statement 102, Certain Risk Disclosures, and Statement 103, Financial Reporting Model Improvements. The School System is analyzing the effects of these pronouncements and plans to adopt them by their respective effective dates.

Notes to Basic Financial Statements

II – Cash and Cash Equivalents and Investments

Deposits

As of June 30, 2024, the carrying amount of the School System's deposits was \$66,678,102 in the governmental funds and the corresponding bank balances were \$67,758,207. Bank balances were covered by either Federal Depository Insurance for \$250,000 or collateral held in the pledging bank's trust department in the School System's name in the amount of \$67,508,207. The School System has a contractual arrangement with a bank for funds to be transferred daily from overnight investments to cover checks as presented.

Investments

As of June 30, 2024, the School System's investments totaling \$153,542,331 in governmental activities were entirely in the Maryland Local Government Investment Pool (MLGIP), which is under the administration of the State Treasurer. The MLGIP was established under the Annotated Code of Maryland and is rated AAAm by Standard and Poors, their highest rating for money market funds. MLGIP is a 2a7 like pool, which is not registered with the Securities and Exchange Commission, but generally operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 (Rule 2a7). Unit value is computed using the amortized cost method and maintains a \$1 per share value.

Interest Rate Risk

Fair value fluctuates with interest rates and increasing rates could cause fair value to decline below the original cost. To limit the School System's exposure to interest rate risk, the School System's investment policy limits the term of investment maturities other than the Fiduciary Funds to overnight repurchase agreements and MLGIP and requires that collateral securities underlying the re-purchase agreements and MLGIP have a market value equal to the cost of the agreement. The average maturity of the investments in the MLGIP investment pool is less than one year. Total net investment income per the Statement of Activities consists of interest income of \$9,149,717 for the year ended June 30, 2024.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counter party, the School System will not be able to recover all or a portion of its investments or collateral securities that are in the possession of an outside party. The School System's investment policy limits its investments to overnight deposits that are insured or collateralized with securities held by a custodian in the School System's name and investments in the MLGIP.

Statutes require that deposits be in Maryland banks and that uninsured deposits be fully collateralized and authorize the School System to invest in obligations of the United States government, federal agency obligations and repurchase agreements secured by direct government or agency obligations.

Notes to Basic Financial Statements

III – Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

Governmental Activities	Balance July 1, 2023	Increases	Decreases/ Reclassifications	Balance June 30, 2024
Nondepreciable capital assets				
Land	\$ 40,093,533	\$ -	\$ -	\$40,093,533
Construction in progress	206,830,296	35,036,760	(235,403,327)	6,463,729
Total nondepreciable capital assets	246,923,829	35,036,760	(235,403,327)	46,557,262
Capital assets being depreciated and amortized				
Land improvements	1,675,226	-	-	1,675,226
Buildings and improvements	1,826,033,470	235,403,327	-	2,061,436,797
Furniture and equipment	35,581,781	3,361,419	(1,406,965)	37,536,235
Leased buildings and improvements	4,855,324	-	-	4,855,324
Leased furniture and equipment	3,411,829	-	(131,035)	3,280,794
Subscription assets	10,378,527	-	-	10,378,527
Total capital assets being depreciated and amortized	1,881,936,156	238,764,746	(1,538,000)	2,119,162,903
Less accumulated depreciation for:				
Land improvements	(1,578,857)	(3,998)	-	(1,582,855)
Buildings and improvements	(676,251,314)	(41,786,081)	-	(718,037,395)
Furniture and equipment	(29,699,399)	(2,406,220)	1,406,965	(30,698,654)
Less accumulated amortization for:				
Leased buildings and equipment	(1,823,031)	(605,304)	-	(2,428,335)
Leased furniture and equipment	(1,691,167)	(614,178)	131,035	(2,174,310)
Subscription assets	(7,290,541)	(2,067,614)	-	(9,358,155)
Total accumulated depreciation and amortization	(718,334,310)	(47,483,395)	1,538,000	(764,279,704)
Total capital assets being depreciated and amortized, net	1,163,601,846	191,281,351	-	1,354,883,199
Capital assets, net	\$ 1,410,525,675	\$ 226,318,111	\$ (235,403,327)	\$ 1,401,440,461

Notes to Basic Financial Statements

Depreciation and amortization expense for the year ended June 30, 2024, was charged to Governmental activities on the Statement of Activities as follows:

Instruction:

Regular education	\$	39,673,935
Special education		105,621
Support services:		
Administration		2,283,049
Mid-level administration		3,472,953
Student transportation		14,644
Operation and maintenance of plant		1,790,102
Community services		87,825
Food services		55,265
Total depreciation and amortization expense	\$	47,483,395

Internal Service Funds Depreciation	\$	2,806,786
Governmental Funds Depreciation		44,676,609
Total Governmental Activities Depreciation	\$	47,483,395

	Balance July 1, 2023	Increases	Decreases/ Reclassifications	Balance June 30, 2024
Business-type Activities (Jim Rouse Theater)				
Buildings and improvements	\$ 46,477	\$ 60,897	\$ -	\$ 107,374
Furniture and equipment	237,654	-	-	237,654
Less accumulated depreciation	(240,278)	(18,483)	-	(258,761)
Capital assets, net	\$ 43,853	\$ 42,414	\$ -	\$ 86,267

The School System has active school construction projects as of June 30, 2024, as follows:

	Spent to Date	Remaining Commitment
Project:		
Hammond HS Renovation/Addition	\$ 96,319,940	\$ 5,621,291
Guilford Park HS	123,724,662	6,428,223
Oakland Mills MS Reno/Add	1,339,561	4,849,439
Systemic Renovations FY19 Forward	56,958,743	37,530,612
Roofing Projects FY19 Forward	12,787,572	6,230,771
Technology FY19 Forward	9,050,888	9,449,112
Dunloggin MS Reno/Add	184,528	6,293,472
Systemic Renovations FY24 Forward	1,670,197	43,455,803
Faulkner Ridge Center	157,222	21,842,779
Applications and Research Lab Reno	308,990	12,691,010
Subtotal	302,502,303	154,392,512
Other Projects	69,739,696	6,155,030
Total	\$ 372,241,999	\$ 160,547,542

These projects were primarily funded through capital grants from Howard County and the State of Maryland, prior to commitments being made with contractors.

Notes to Basic Financial Statements

IV – Due To/Due From Other Funds

The composition of inter-fund balances as of June 30, 2024, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	<u>Amount</u>
Workers Compensation	General	Reimbursable expenditures	\$ 2,120,873
Capital Projects	General	Reimbursable expenditures	26,979,969
Technology Services	General	Reimbursable expenditures	13,160,089
Health and Dental	General	Reimbursable expenditures	36,224,134
Jim Rouse Theatre	General	Reimbursable expenditures	331,180
Print Services	General	Reimbursable expenditures	358,585
General	Glenelg WWTP	Treatment plant expenditures	174,834
General	Restricted Programs	Advances of pooled cash	7,391,992
General	Food Services	Food services expenditures	2,578,739
Total			\$ 89,320,395

These inter-fund balances are presented in the accompanying financial statements as follows:

	<u>Due To</u>	<u>Due From</u>
Balance Sheet - Governmental Funds (page 24)	\$ 89,320,395	\$ 37,125,535
Statement of Net Position - Proprietary Funds (page 28)	-	331,180
Statement of Net Position - Internal Service Funds (page 74)	-	51,863,680
Total	\$ 89,320,395	\$ 89,320,395

Activity between funds represents expenditures paid by the General Fund on behalf of another fund or amounts received by the General Fund on behalf of another fund. All operating cash is processed through the General Fund and accounted for on each fund as due to/from the General Fund.

The School System does not have any long-term advances of inter-fund loans, and all inter-fund activity is considered current activity. Inter-fund activity consists primarily of advances from the General Fund to other funds to cover temporary cash needs. These situations arise because many grants and capital projects are reimbursed to the School System by the granting government after the School System has incurred the expenditure.

Notes to Basic Financial Statements

V – Long-Term Liabilities

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 14,516,317	\$ 2,785,306	\$ (1,392,067)	\$ 15,909,556	\$ 800,000
Leases	4,833,870	-	(1,267,120)	3,566,750	979,988
Subscription agreements	2,300,331	-	(2,097,115)	203,216	203,216
Net pension liability	54,924,072	7,518,026	-	62,442,098	-
Net OPEB liability	766,176,160	17,761,867	-	783,938,027	-
Workers' compensation	5,020,405	4,485,454	(3,658,384)	5,847,475	3,399,271
Total governmental activities	\$ 847,771,155	\$ 32,550,653	\$ (8,414,686)	\$ 871,907,122	\$ 5,382,475

Compensated absences, pension liabilities and other post-employment liabilities are generally liquidated by the General Fund.

The School System has entered into several leases and subscription-based information technology arrangements as lessee to finance the purchase of student information system, data warehouse, learning management system, and enterprise resources that expire at various times through FY 2031.

The future minimum lease obligations as of June 30, 2024, were as follows:

Year Ending June 30:	Leases		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 979,988	\$ 64,937	\$ 1,044,925
2026	707,013	41,586	748,599
2027	530,025	28,384	558,409
2028	471,597	17,596	489,193
2029	489,847	10,353	500,200
2030-2031	388,280	2,932	391,212
	\$ 3,566,750	\$ 165,788	\$ 3,732,538

The future minimum obligations under subscription-based information technology arrangements as of June 30, 2024 were as follows:

Year Ending June 30:	Subscription Agreements		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 203,216	\$ 5,883	\$ 209,099
	\$ 203,216	\$ 5,883	\$ 209,099

Notes to Basic Financial Statements

VI – Defined Benefit Pension Plans

General Information about the Plan

Plan Description

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

Benefits Provided

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

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

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

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

Notes to Basic Financial Statements

Contributions

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

The State makes a substantial portion of the HCPSS's annual required contribution to the Teachers' Retirement and Pension Systems on behalf of the HCPSS. The State's contribution on behalf of the HCPSS for the year ended June 30, 2024, was \$54,879,918. The contribution made by the State on behalf of the HCPSS have been included as both revenues and expenditures in the General Fund in the accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances and are also included as revenues and expenses in the Statement of Activities.

Beginning in FY 2013, the State of Maryland General Assembly passed a bill that required the Boards of Education in Maryland to begin paying the normal cost for their teachers into the Teachers' Retirement and Pension Systems. The legislation structured this as a four-year phase-in to the full normal cost so that 50% was paid in FY 2013. Full normal cost commenced being paid in FY 2020. The HCPSS's required contribution to the Teachers' Retirement and Pension Systems for the year ended June 30, 2024, was \$28,006,648.

The HCPSS's contractually required contribution rate for the Employees' Retirement and Pension Systems for the year ended June 30, 2024, was 7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The HCPSS made its share of the required contributions during the year ended June 30, 2023 of \$7,454,696.

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

Employees' Retirement and Pension Systems

As of June 30, 2024, the HCPSS reported a liability of \$62,442,098 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The HCPSS's proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2023. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2022, the HCPSS's proportionate share was 0.271%, which was a decrease of 0.003% from its proportion measured at June 30, 2022.

Notes to Basic Financial Statements

For the year ended June 30, 2024, the HCPSS recognized pension expense of \$9,330,469. At June 30, 2024, the HCPSS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 4,311,684	\$ 200,858
Changes in proportion	3,282,288	550,894
Differences between expected and actual experience	2,194,654	2,679,396
Net difference between projected and actual earnings on pension plan investments	5,564,936	-
HCPSS contributions subsequent to the measurement date	7,545,696	-
Total	\$ 22,899,258	\$ 3,431,148

The \$7,545,696 reported as deferred outflows of resources related to pensions resulting from the HCPSS contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2025	\$ 2,731,052
2026	1,560,067
2027	6,025,745
2028	1,442,054
2029	163,496
Total	\$ 11,922,414

Notes to Basic Financial Statements

Teachers' Retirement and Pension Systems

At June 30, 2024, the HCPSS did not report a liability related to the Teachers' Retirement and Pension Systems due to a special funding situation. The State of Maryland pays the unfunded liability for the HCPSS and the HCPSS pays the normal cost related to the HCPSS's members in the Teachers' Retirement and Pension Systems; therefore, the HCPSS is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by the HCPSS as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the HCPSS were as follows:

State's proportionate share of the net pension liability	\$ 518,222,412
HCPSS's proportionate share of the net pension liability	-
Total	\$ 518,222,412

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2024, the HCPSS recognized pension expense of \$82,886,556 and revenue of \$54,879,918 for support provided by the State. Due to the special funding situation noted above related to the Teachers' Retirement and Pension Systems, the HCPSS did not report deferred outflows of resources and deferred inflows of resources related to the Teachers' Retirement and Pension Systems.

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method

Actuarial Cost Method	Individual Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Inflation	2.25% general, 2.75% wage
Salary Increases	2.75% to 11.25%, including inflation
Discount Rate	6.80%
Investment Rate of Return	6.80%
Mortality	Fully generational - PB-2010/MP2018

The assumptions and methods used for funding and financial reporting purposes are in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

For the 2021 valuation, the Maryland State Retirement and Pension System Board adopted new economic assumptions (investment return, inflation, wage inflation and COLA increases). These assumptions were also utilized for the 2022 and 2023 valuation. Further, the benefit provisions valued in the actuarial valuation as of June 30, 2023 are the same as the provisions from the last actuarial valuation as of June 30, 2022.

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

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

Notes to Basic Financial Statements

in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34.0%	6.9%
Private Equity	16.0%	8.6%
Rate Sensitive	20.0%	2.6%
Credit Opportunity	9.0%	5.6%
Real Assets	15.0%	5.4%
Absolute Return	6.0%	4.4%
Total	100.0%	

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2023.

For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 3.11% and -2.97%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.80%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the HCPSS's net pension liability, calculated using a single discount rate of 6.80%, as well as what the HCPSS's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the Employees' Retirement and Pension Systems:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
HCPSS's proportionate share of the net pension liability	\$92,589,001	\$62,442,098	\$37,425,400

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

Pension Plan Fiduciary Net Position

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

Notes to Basic Financial Statements

VII – Postemployment Benefits Other Than Pension Benefits (OPEB)

Plan Description

The School System contributes to the Howard County, Maryland Post-Retirement Medical Plan (the plan), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Howard County Government (the County). The plan provides medical and life insurance benefits to retired employees of participating governmental entities. The County issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to the Howard County Government, 3430 Courthouse Drive, Ellicott City, MD 21043, or by calling 410-313-2195.

Benefits Provided

Retirees eligible for medical insurance benefits pay between 50 percent and 100 percent of the School System's full premium equivalent cost, based upon years of service. Retirees eligible for life insurance benefits pay between 10 percent and 50 percent of the School System's full premium equivalent cost, provided they have at least 10 years of service with the School System and have retired from the School System.

Contributions

Contribution requirements of the plan members and the participating employers are established and may be amended by the Plan's Board of Trustees. Contributions to the OPEB plan by retirees were \$12,308,514, contributions from the School System were \$23,924,761, and contributions from the County on behalf of HCPSS were \$8,012,400 for the year ended June 30, 2024. Employees are not required to contribute to the OPEB plan.

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

As of June 30, 2024, the School System reported a liability of \$783,938,027 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. HCPSS proportion of the net OPEB liability was based on the employer's projected long-term contribution effort to the OPEB plan as compared to the total projected long-term contribution effort of all employers and all non-employer contributing entities to determine the employer's proportion. As of June 30, 2024, the HCPSS's proportion was 72.84%.

For the year ended June 30, 2024, the HCPSS recognized OPEB income of \$4,494,370. As of June 30, 2024, the HCPSS reported deferred outflows of resources and deferred inflow of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,483,236	\$ 208,030,296
Changes in assumptions	231,891,726	402,736,373
Net difference between projected and actual earnings on OPEB plan investments	10,200,088	-
Change in proportionate share of OPEB liability	102,661,053	6,674,913
HCPSS contributions subsequent to the measurement date	31,937,161	-
Total	\$ 383,173,264	\$ 617,441,582

Notes to Basic Financial Statements

The \$31,937,161 reported as deferred outflows of resources related to OPEB resulting from the School System contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30:		
2025	\$	(39,311,837)
2026		(39,618,082)
2027		(34,311,266)
2028		(30,116,005)
2029		(28,758,324)
Thereafter		(94,089,968)
Total	\$	(266,205,483)

Plan Membership

Plan membership at fiscal year-end:

	2023	2022
Retirees and Beneficiaries Receiving Benefits	4,087	4,087
Deferred Vested Terminations	17	17
Active Plan Members	10,263	10,263
Total	14,367	14,367

Notes to Basic Financial Statements

Actuarial Assumptions

The OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal.
Interest assumption	Discount rate of 4.60% as of 6/30/23
Inflation	2.70%
Municipal Bond Rate	4.13% as of 6/30/23 based on the Bond Buyer General Obligation 20-year Bond Municipal Index
Long-Term Expected Real Rate of Return, Based on Geometric Means	4.85% for Equity investments (based on 45% target allocation), and 2.46% for Fixed Income investments (based on 23% target allocation), 6.21% for Alternative investments (based on 26% target allocation), and 4.33% for Real Asset investments (based on 6% target allocation), or a total of 4.60%
Mortality	SOA RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality MP2017 Mortality Improvement Scale
Healthcare Cost Trend Rate	4.14% ultimate rate based upon 2021 SOA Model

Notes to Basic Financial Statements

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	45%	4.85%
Fixed Income	23%	2.46%
Alternative investments	26%	6.21%
Real Asset investments	6%	4.33%
Total	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 4.40% at the beginning of the current measurement period and 4.60% at the end. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the County will continue to increase 3% per annum. The present value of payments through 2040 have been determined using the expected rate of return of assets of 7.25% as a discount rate, and the present value of benefit payments after 2040 have been determined using the June 30, 2023 bond rate of 4.14% as a discount rate based on the Bond Buyer General Obligation 20-year Bond Municipal Bond Index. The equivalent single rate is 4.60%.

Sensitivity of the Net Pension Liability

Regarding the sensitivity of the OPEB liability to changes in the single discount rate, the following presents the HCPSS' OPEB liability, calculated using a single discount rate of 4.60%, as well as what the HCPSS' OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the discount rate:

Discount Rate	1% Decrease 3.60%	Discount rate 4.60%	1% Increase 5.60%
Net OPEB liability	\$ 959,893,874	\$ 783,938,027	\$ 644,080,898

The following presents the HCPSS OPEB liability, calculated using a health care cost trend rate 1-percentage-point lower or 1-percentage-point higher:

Ultimate Trend	1% Decrease 3.14%	Heath care cost trend rate 4.14%	1% Increase 5.14%
Net OPEB liability	\$ 637,706,604	\$ 783,938,027	\$ 976,109,377



Notes to Basic Financial Statements

VIII – Fund Balance

Fund balance for the year ended June 30, 2024, consists of the following information presented in the table.

Per guidance by the AIB and the Maryland State Department of Education's Blueprint for Maryland's Future – Fiscal Reporting Guidelines, all Local Education Authorities have been instructed to restrict the unobligated Career Counseling funds at the end of the fiscal year for use in the subsequent two fiscal years. Out of an abundance of caution these funds are listed below as restricted for Workforce Development for the year ended June 30, 2024 despite this not being codified in legislation.

	General Fund	Food Services Fund	Glenelg Wastewater Treatment Plant Fund	Restricted Programs/ Grants Fund	Capital Projects Fund
Nonspendable for:					
Prepaid items	\$ 89,168	\$ -	\$ -	\$ -	\$ -
Inventories	591,147	341,979	-	-	-
Total nonspendable	680,315	341,979	-	-	-
Restricted For:					
Glenelg Wastewater Plant	-	-	1,424,157	-	-
Future School Construction	-	-	-	-	16,457,248
Workforce Development	89,843	-	-	-	-
Total restricted	89,843	-	1,424,157	-	16,457,248
Assigned To:					
Subsequent year's Budget appropriations	15,102,960	-	-	-	-
Encumbrances	11,438,655	-	-	-	-
Food Services Operations	-	14,395,583	-	-	-
Wastewater Treatment Plant Operations	-	-	-	-	-
Special Programs	-	-	-	2,474,425	-
Student Activity Fund	-	-	-	4,829,904	-
Total assigned	26,541,615	14,395,583	-	7,304,329	-
Unassigned	7,623,667	-	-	-	-
Total fund balances	<u>\$ 34,935,440</u>	<u>\$ 14,737,562</u>	<u>\$ 1,424,157</u>	<u>\$ 7,304,329</u>	<u>\$ 16,457,248</u>

Notes to Basic Financial Statements

IX – Encumbrances

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

Encumbrances for the year ended June 30, 2024, are for the following uses:

			General Fund
01	Administration	\$	186,773
02	Mid-Level Administration		24,665
03/04/05	Instructional		2,941,991
06	Special Education		1,427,262
07	Student Services		64,063
08	Health Services		291,572
09	Student Transportation		2,819,985
10	Operation of Plant		867,564
11	Maintenance of Plant		1,959,367
12	Fixed Charges		687,550
14	Community Services		155,771
15	Capital Outlay		12,093
Total		\$	11,438,655

Notes to Basic Financial Statements

X – Commitments and Contingencies

Litigation

The School System has been named as defendant in several lawsuits in the normal course of business, the outcomes of which are uncertain. It is anticipated by the School System that an adverse decision on any or all of these suits would not have a material adverse effect on the financial statements.

Grant Programs

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

Notes to Basic Financial Statements

XI – Risk Management

The School System is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the School System participates in the Maryland Association of Boards of Education Group Insurance Pool (Pool). The Pool provides property and casualty insurance as part of a self-insurance program to 19 Maryland county public school districts. The School System pays an annual premium to the Pool for its insurance coverage. The Trust Agreement of the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for potential claims in excess of established loss limits. Settled claims did not exceed the School System's insurance coverage in any of the past three years.

The School System has also established limited risk management programs for workers' compensation and health and dental insurance. Premiums are paid into these two internal service funds by other funds and are available to pay current and future claims and administrative costs of the programs. The "premium" charged by the self-insurance funds considers recent trends in actual claims experience of the School System as a whole and makes provision for catastrophic losses. As of June 30, 2024, the inter-fund premiums did not exceed reimbursable expenditures in the Health and Dental Self-Insurance Fund or the Workers' Compensation Self-Insurance Fund. Settled claims did not exceed coverage in any of the past five years.

Liabilities are reported when it is probable that a loss will occur and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual health claims in excess of \$1,000,000; and workers' compensation claims have a retention of \$600,000 per occurrence. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is reported in the respective self-insurance internal service funds.

	2024		2023	
	Workers' Compensation	Health and Dental	Workers' Compensation	Health and Dental
Beginning payable, July 1	\$ 5,020,405	\$ 9,952,000	\$ 4,510,447	\$ 10,580,000
Incurred claims (including IBNR adjustment)	3,658,384	194,773,937	3,296,009	182,050,349
Claim payments	(2,831,314)	(195,438,937)	(2,786,051)	(182,678,349)
Ending payable, June 30	\$ 5,847,475	\$ 9,287,000	\$ 5,020,405	\$ 9,952,000

Financial Section

Required Supplementary Information

Required Supplementary Information

Howard County Public School System

Budgetary Comparison Schedule
(Non-GAAP Budgetary Basis)
General Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues:				
Local sources	\$ 721,187,000	\$ 721,187,000	\$ 721,187,000	\$ -
State sources	346,004,494	346,004,494	346,682,099	677,605
Federal sources	410,000	410,000	652,228	242,228
Earnings on investments	2,500,000	7,400,000	8,977,385	1,577,385
Charges for services	4,940,893	4,940,893	5,838,289	897,396
Interfund Transfers	6,700,000	6,700,000	3,000,000	(3,700,000)
Miscellaneous revenues	1,833,750	1,833,750	1,947,272	113,522
Total revenues	<u>1,083,576,137</u>	<u>1,088,476,137</u>	<u>1,088,284,273</u>	<u>(191,864)</u>
EXPENDITURES				
Current:				
Administration	15,946,385	15,546,385	15,375,843	170,542
Mid-level administration	70,543,148	70,393,148	70,134,225	258,923
Instruction:				
Instructional salaries	416,759,697	416,759,697	415,441,813	1,317,884
Textbook and classroom supplies	9,511,736	9,511,736	8,497,795	1,013,941
Other instructional costs	19,232,827	17,832,827	16,779,201	1,053,626
Special education	169,167,514	169,167,514	168,414,077	753,437
Student personnel services	10,000,470	9,800,470	9,603,732	196,738
Health services	12,850,743	12,450,743	11,716,871	733,872
Student transportation	59,784,853	68,584,853	68,417,023	167,830
Operation of plant	55,260,568	54,360,568	53,859,641	500,927
Maintenance of plant	27,166,238	26,966,238	26,414,576	551,662
Fixed charges	232,745,184	232,745,184	228,652,666	4,092,518
Community services	4,411,212	4,161,212	4,018,127	143,085
Capital outlay	1,195,562	1,195,562	1,083,870	111,692
Subtotal expenditures and encumbrances	<u>1,104,576,137</u>	<u>1,109,476,137</u>	<u>1,098,409,460</u>	<u>11,066,677</u>
CANCELLATION AND OVER/(UNDER) LIQUIDATION OF PRIOR YEAR ENCUMBRANCES	<u>-</u>	<u>-</u>	<u>(1,412,767)</u>	<u>1,412,767</u>
TOTAL EXPENDITURES AND ENCUMBRANCES	<u>1,104,576,137</u>	<u>1,109,476,137</u>	<u>1,096,996,693</u>	<u>12,479,444</u>
REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	<u>\$ (21,000,000)</u>	<u>\$ (21,000,000)</u>	<u>(8,712,420)</u>	<u>\$ 12,287,580</u>
FUND BALANCE AS OF JUNE 30, 2023 - BUDGETARY BASIS			<u>32,787,141</u>	
FUND BALANCE AS OF JUNE 30, 2024 - BUDGETARY BASIS			24,074,721	
ENCUMBRANCES AS OF JUNE 30, 2024				
- Encumbrances			11,438,656	
- Other			<u>(577,936)</u>	
FUND BALANCE AS OF JUNE 30, 2024 - GAAP BASIS			<u>\$ 34,935,440</u>	

Required Supplementary Information

Howard County Public School System

Reconciliation of Differences Between Budgetary Inflows and Outflows and GAAP Basis Revenues and Expenditures – General Fund Year Ended June 30, 2024

REVENUES

Budgetary basis		\$ 1,088,284,273
Add	- Pension contribution paid by State of Maryland	54,879,918
	- OPEB contribution paid by Howard County Government	31,937,161
	- Other	7
GAAP basis		<u>\$ 1,175,101,359</u>

EXPENDITURES

Budgetary basis		\$ 1,098,409,460
Add	- Prior year's encumbrances expended this year	7,819,174
	- Pension contribution paid by State of Maryland	54,879,918
	- OPEB contribution paid by Howard County Government	31,937,161
	- Prior year's encumbrances outstanding	97,923
Less	- Current year's encumbrances outstanding	(11,438,656)
	- Other	(120)
GAAP basis		<u>\$ 1,181,704,860</u>

Required Supplementary Information

Howard County Public School System Schedule of the Board's Proportionate Share of the Net Pension Liability Maryland State Retirement and Pension System Last Ten Fiscal Years

Employees' Retirement and Pension System:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
HCPSS's proportion of the collective net pension liability	0.271130%	0.274503%	0.272409%	0.247261%	0.245649%	0.229880%	0.204227%	0.216632%	0.211628%	0.193217%
HCPSS's proportionate share of the collective net pension liability	\$ 62,442,098	\$ 54,924,072	\$ 40,867,624	\$ 55,884,308	\$ 50,666,597	\$ 48,232,399	\$ 44,161,368	\$ 51,112,176	\$ 43,979,901	\$ 34,289,621
HCPSS's covered payroll	\$ 64,658,289	\$ 59,399,309	\$ 59,180,757	\$ 58,184,408	\$ 55,734,643	\$ 55,508,104	\$ 52,660,440	\$ 49,018,157	\$ 48,409,886	\$ 46,836,572
HCPSS's proportionate share of the collective net pension liability										
as a percentage of its covered payroll	96.57%	92.47%	69.06%	96.05%	90.91%	86.89%	83.86%	104.27%	90.85%	73.21%
Plan fiduciary net position as a percentage of the total pension liability	69.58%	71.75%	76.76%	66.29%	72.34%	68.36%	66.71%	62.97%	66.26%	73.65%

Teachers' Retirement and Pension System:

HCPSS's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
HCPSS's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability of HCPSS	518,222,412	469,257,241	404,619,905	601,401,756	598,283,067	598,421,168	584,674,547	676,791,275	710,782,005	507,145,242
Total	\$ 518,222,412	\$ 469,257,241	\$ 404,619,905	\$ 601,401,756	\$ 598,283,067	\$ 598,421,168	\$ 584,674,547	\$ 676,791,275	\$ 710,782,005	\$ 507,145,242
HCPSS's covered payroll	\$ 584,092,023	\$ 540,561,018	\$ 528,652,969	\$ 524,931,004	\$ 498,530,714	\$ 496,958,233	\$ 469,912,057	\$ 448,824,543	\$ 448,446,514	\$ 433,872,077
HCPSS's proportionate share of the collective net pension liability										
as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	79.47%	85.40%	73.84%	75.43%	73.35%	71.41%	67.95%	70.76%	69.53%

Notes to Required Supplementary Information

There were no changes in assumptions for measurement period June 30, 2023 for the year ending June 30, 2024 for the pension liability.

Required Supplementary Information

Howard County Public School System

Schedule of the Board's Contributions

Maryland State Retirement and Pension System

Last Ten Fiscal Years

Employees' Retirement and Pension System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 7,454,696	\$ 6,612,638	\$ 6,264,996	\$ 6,002,598	\$ 5,301,428	\$ 5,044,400	\$ 4,583,972	\$ 4,156,710	\$ 4,220,168	\$ 4,460,545
Contributions in relation to the contractually required contribution	(7,454,696)	(6,612,638)	(6,264,996)	(6,002,598)	(5,301,428)	(5,044,400)	(4,583,972)	(4,156,710)	(4,220,168)	(4,460,545)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HCPSS's covered-employee payroll (workpapers)	64,658,289	\$ 59,399,309	\$ 59,180,757	\$ 58,184,408	\$ 55,734,643	\$ 55,508,104	\$ 52,660,440	\$ 49,018,157	\$ 48,409,885	\$ 46,836,572
Contributions as a percentage of covered-employee payroll	11.5%	11.1%	10.6%	10.3%	9.5%	9.1%	8.7%	8.5%	8.7%	9.5%

Teachers Retirement and Pension System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 28,006,648	\$ 27,546,556	\$ 22,610,416	\$ 22,337,648	\$ 22,365,864	\$ 21,469,704	\$ 21,003,700	\$ 19,796,016	\$ 18,309,945	\$ 15,925,463
Contributions in relation to the contractually required contribution	(28,006,648)	(27,546,556)	(22,610,416)	(22,337,648)	(22,365,864)	(21,003,700)	(21,003,700)	(19,796,016)	(18,309,945)	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HCPSS's covered-employee payroll	\$ 584,092,023	\$ 540,561,018	\$ 528,652,969	\$ 524,931,004	\$ 498,530,714	\$ 493,958,233	\$ 469,912,057	\$ 448,824,543	\$ 448,446,514	\$ 433,872,077
Contributions as a percentage of covered-employee payroll	4.8%	4.7%	4.3%	4.3%	4.5%	4.3%	4.5%	4.4%	4.1%	3.7%

Required Supplementary Information

Howard County Public School System

Schedule of Employer's Proportionate Share of the Net OPEB Liability

Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Employer's Proportion of the Collective Net OPEB Liability	72.84%	72.84%	66.42%	66.42%	63.36%	63.36%	64.69%
Employer's Proportionate Share of the Collective Net OPEB Liability	\$ 783,938,027	\$ 766,176,156	\$ 1,224,705,936	\$ 1,080,270,015	\$ 849,712,337	\$ 743,045,807	\$ 715,235,479
Covered-employee payroll	\$ 648,750,312	\$ 599,960,327	\$ 587,833,726	\$ 583,115,412	\$ 554,265,357	\$ 552,466,337	\$ 522,572,497
Employer's Proportionate Share of the Collective Net OPEB Liability as a Percentage of covered-employee payroll	120.8%	127.7%	208.3%	185.3%	153.3%	134.5%	136.9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.57%	16.92%	11.40%	10.31%	10.31%	9.94%	8.62%

* The amounts presented for each fiscal year were determined as of the end of the prior fiscal year.

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

Information not available prior to 2018.

Notes to Required Supplementary Information

The changes in assumptions for measurement period June 30, 2023 for the year ending June 30, 2024 for the OPEB liability is shown below:

Interest Assumption	In the 2023 actuarial valuation, 4.60%.
	In the 2022 actuarial valuation, 4.40%.
Municipal Bond Rate	In the 2023 actuarial valuation, 4.13%
	In the 2022 actuarial valuation, 3.69%
Inflation	In the 2023 actuarial valuation, 2.70%
	In the 2022 actuarial valuation, 2.50%
Healthcare Cost Trend Rate	In the 2023 actuarial valuation, 4.14%
	In the 2022 actuarial valuation, 3.94%

Required Supplementary Information

Howard County Public School System

Schedule of the Board's Contributions

OPEB Plan

Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions	\$ 31,937,161	\$ 28,678,509	\$ 24,753,762	\$ 24,342,697	\$ 24,339,311	\$ 24,318,190	\$ 24,924,146
Contributions in relation to the statutorily required contributions	31,937,161	28,678,509	24,753,762	24,342,697	24,339,311	24,318,190	24,924,146
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 648,750,312	\$ 599,960,327	\$ 587,833,726	\$ 583,115,412	\$ 554,265,357	\$ 552,466,337	\$ 522,572,497
Contributions as a percentage of covered-employee payroll	4.92%	4.78%	4.21%	4.17%	4.39%	4.40%	4.77%

Financial Section

**Other Supplementary
Information**

Other Supplementary Information

Howard County Public School System

Schedule of Revenues Compared to Budget (Non-GAAP Budgetary Basis)

General Fund

Year Ended June 30, 2024

	Original Budget	Final Budget	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
Intergovernmental Revenues				
Local Sources				
Local appropriation	\$ 721,187,000	\$ 721,187,000	\$ 721,187,000	\$ -
State Sources				
State Foundation	216,373,137	216,373,137	216,373,137	-
Transportation	21,959,467	21,959,467	21,959,467	-
Special education	19,982,341	19,982,341	20,623,886	641,545
Compensatory education	50,013,380	50,013,380	50,013,380	-
Limited English proficient	14,975,429	14,975,429	14,975,429	-
Students with Disabilities	1,986,000	1,986,000	1,986,000	-
Other - LEA tuition	200,000	200,000	159,269	(40,731)
Career Ladder	860,798	860,798	860,798	-
College and Career Readiness	1,896,347	1,896,347	1,908,835	12,488
Full-Day Pre-K & Pre-K Expansion	1,810,959	1,810,959	1,810,959	-
Comparable Wage Index	13,888,992	13,888,992	13,888,992	-
Transitional Supplemental Instruction	2,015,901	2,015,901	2,015,901	-
Blueprint Coordinator	-	-	64,303	64,303
Blueprint Transition Grant	41,743	41,743	41,743	-
Total state sources	346,004,494	346,004,494	346,682,099	677,605
Federal Sources				
ROTC reimbursement	250,000	250,000	284,509	34,509
Impact Aid (PL 874)	160,000	160,000	367,719	207,719
Total federal sources	410,000	410,000	652,228	242,228
Earnings on investments	2,500,000	7,400,000	8,977,385	1,577,385
Charges for services				
Tuition from patrons	1,320,000	1,320,000	1,650,833	330,833
Use of school buildings	1,250,000	1,250,000	805,356	(444,644)
Athletic program - gate receipts	350,000	350,000	412,945	62,945
E-rate rebates	500,000	500,000	1,348,237	848,237
Administration and overhead fees	1,520,893	1,520,893	1,620,918	100,025
Total charges for services	4,940,893	4,940,893	5,838,289	897,396
Interfund Transfers	6,700,000	6,700,000	3,000,000	(3,700,000)
Miscellaneous Revenue				
Other	1,833,750	1,833,750	1,947,272	113,522
TOTAL	<u>\$ 1,083,576,137</u>	<u>\$ 1,088,476,137</u>	<u>\$ 1,088,284,273</u>	<u>\$ (191,864)</u>

Other Supplementary Information

Howard County Public School System

Schedule of Expenditures Compared to Budget (Non-GAAP Budgetary Basis) General Fund Year Ended June 30, 2024

	Original Budget	Final Budget	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
Administration				
Salaries and wages	\$ 12,990,594	\$ 12,952,882	\$ 12,933,999	\$ 18,883
Contracted services	2,220,699	1,772,358	1,736,006	36,352
Supplies and materials	281,300	271,834	237,752	34,082
Other charges	453,792	549,311	468,085	81,226
Total administration	<u>15,946,385</u>	<u>15,546,385</u>	<u>15,375,843</u>	<u>170,542</u>
Mid-level Administration				
Salaries and wages	65,290,024	65,268,042	65,178,561	89,481
Contracted services	2,502,012	2,471,032	2,463,339	7,693
Supplies and materials	2,001,796	1,853,280	1,791,075	62,205
Other charges	739,316	790,794	697,171	93,623
Equipment	10,000	10,000	4,078	5,922
Total mid-level administration	<u>70,543,148</u>	<u>70,393,148</u>	<u>70,134,225</u>	<u>258,923</u>
Instructional salaries	<u>416,759,697</u>	<u>416,759,697</u>	<u>415,441,813</u>	<u>1,317,884</u>
Textbooks and classroom supplies	<u>9,511,736</u>	<u>9,511,736</u>	<u>8,497,795</u>	<u>1,013,941</u>
Other Instructional Costs				
Contracted services	18,218,732	16,796,170	15,958,923	837,247
Other charges	357,795	380,357	310,898	69,459
Equipment	76,300	76,300	65,490	10,810
Outgoing transfers	580,000	580,000	443,889	136,111
Total other instructional costs	<u>19,232,827</u>	<u>17,832,827</u>	<u>16,779,201</u>	<u>1,053,626</u>
Special Education				
Salaries and wages	141,507,594	134,239,894	134,020,610	219,284
Contracted services	10,314,017	14,590,017	14,496,427	93,590
Supplies and materials	965,558	967,058	859,853	107,205
Other charges	326,225	362,225	308,401	53,824
Equipment	110,143	19,143	12,130	7,013
Outgoing transfers	15,943,977	18,989,177	18,716,657	272,520
Total special education	<u>169,167,514</u>	<u>169,167,514</u>	<u>168,414,077</u>	<u>753,437</u>
Student Personnel Services				
Salaries and wages	9,559,047	9,356,882	9,174,348	182,534
Contracted services	389,864	389,864	389,614	250
Supplies and materials	17,567	17,567	15,900	1,667
Other charges	33,992	36,157	23,869	12,288
Total student personnel services	<u>10,000,470</u>	<u>9,800,470</u>	<u>9,603,732</u>	<u>196,738</u>
Health Services				
Salaries and wages	11,178,703	10,979,068	10,546,530	432,538
Contracted services	1,357,045	1,156,680	1,038,057	118,623
Supplies and materials	281,435	281,435	123,058	158,377
Other charges	33,560	33,560	9,226	24,334
Total health services	<u>12,850,743</u>	<u>12,450,743</u>	<u>11,716,871</u>	<u>733,872</u>

Other Supplementary Information

Howard County Public School System

Schedule of Expenditures Compared to Budget (Non-GAAP Budgetary Basis)
General Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
Student Transportation				
Salaries and wages	2,813,991	2,619,478	2,617,135	2,343
Contracted services	55,980,895	64,992,108	64,827,683	164,425
Supplies and materials	25,245	16,445	16,285	160
Other charges	964,722	956,822	955,920	902
Equipment	-	-	-	-
Total student transportation	59,784,853	68,584,853	68,417,023	167,830
Operation of Plant				
Salaries and wages	31,814,041	31,189,442	30,988,144	201,298
Contracted services	2,306,567	2,316,647	2,164,409	152,238
Supplies and materials	1,359,382	1,627,851	1,576,323	51,528
Other charges	19,765,578	19,207,128	19,111,265	95,863
Equipment	15,000	19,500	19,500	-
Total operation of plant	55,260,568	54,360,568	53,859,641	500,927
Maintenance of Plant				
Salaries and wages	11,458,751	11,445,243	11,412,841	32,402
Contracted services	14,148,452	13,992,615	13,761,883	230,732
Supplies and materials	949,685	938,530	732,240	206,290
Other charges	87,490	61,549	42,283	19,266
Equipment	521,860	528,301	465,330	62,971
Total maintenance of plant	27,166,238	26,966,238	26,414,576	551,662
Fixed Charges	232,745,184	232,745,184	228,652,666	4,092,518
Community Services				
Salaries and wages	1,642,104	1,470,034	1,468,152	1,882
Contracted services	826,458	717,853	653,419	64,434
Supplies and materials	247,010	231,398	180,318	51,080
Other charges	1,689,240	1,689,015	1,682,483	6,532
Equipment	6,400	52,912	33,755	19,157
Total community services	4,411,212	4,161,212	4,018,127	143,085
Capital Outlay				
Salaries and wages	1,006,014	1,013,084	936,580	76,504
Contracted services	160,580	153,510	134,777	18,733
Supplies and materials	10,567	11,692	6,496	5,196
Other charges	18,401	17,276	6,017	11,259
Total capital outlay	1,195,562	1,195,562	1,083,870	111,692
TOTAL EXPENDITURES	<u>\$ 1,104,576,137</u>	<u>\$ 1,109,476,137</u>	<u>\$ 1,098,409,460</u>	<u>\$ 11,066,677</u>

Other Supplementary Information

Howard County Public School System

Food Services Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Intergovernmental Revenues:				
State	\$ 635,000	\$ 635,000	\$ 1,064,280	\$ 429,280
Federal:				
National School Lunch and Milk Programs	7,712,000	7,712,000	8,853,630	1,141,630
National School Breakfast	2,721,800	2,721,800	3,359,776	637,976
U.S.D.A. Commodity Program	-	-	952,193	952,193
Total intergovernmental revenues	<u>10,433,800</u>	<u>10,433,800</u>	<u>13,165,599</u>	<u>2,731,799</u>
Earnings on investments	9,000	9,000	28,050	19,050
Charges for Services:				-
Food sales	7,603,000	7,603,000	6,500,104	(1,102,896)
Total revenues	<u>18,680,800</u>	<u>18,680,800</u>	<u>20,758,033</u>	<u>2,077,233</u>
EXPENDITURES				
Costs of operation - Food Service:				
Cost of food	6,804,000	10,503,087	10,383,784	(119,303)
Salaries and wages	11,644,394	11,965,574	11,905,045	(60,529)
Equipment/Miscellaneous	<u>1,227,620</u>	<u>1,533,716</u>	<u>1,017,355</u>	<u>(516,361)</u>
Total expenditures	<u>19,676,014</u>	<u>24,002,377</u>	<u>23,306,184</u>	<u>(696,193)</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	<u>\$ (995,214)</u>	<u>\$ (5,321,577)</u>	(2,548,151)	<u>\$ 1,381,040</u>
FUND BALANCE, BEGINNING OF THE YEAR			<u>17,285,713</u>	
FUND BALANCE, END OF THE YEAR			<u>\$ 14,737,562</u>	

Other Supplementary Information

Howard County Public School System

Combining Schedule of Net Position Internal Service Funds June 30, 2024

	Print Services Fund	Technology Services Fund	Workers' Compensation Fund	Health and Dental Fund	Total
ASSETS					
Current Assets					
Investments	\$ -	\$ -	\$ 5,291,455	\$ 1,315,574	\$ 6,607,029
Accounts receivable	-	85,531	-	1,276	86,807
Due from other funds	358,584	13,160,089	2,120,873	36,224,134	51,863,680
Inventory	27,113	4,896	-	-	32,009
Total current assets	385,697	13,250,516	7,412,328	37,540,984	58,589,525
Non-Current Assets					
Capital assets:					
Furniture, fixtures and equipment	594,742	8,348,219	-	-	8,942,961
Less accumulated depreciation	(416,815)	(7,524,310)	-	-	(7,941,125)
Leased assets	2,122,339	-	-	-	2,122,339
Subscription assets	-	8,757,765	-	-	8,757,765
Less accumulated amortization	(1,249,305)	(7,737,393)	-	-	(8,986,698)
Total capital assets, net of depreciation and amortization	1,050,961	1,844,281	-	-	2,895,242
Total assets	1,436,658	15,094,797	7,412,328	37,540,984	61,484,767
LIABILITIES					
Current Liabilities					
Accounts payable	57,888	92,671	257,620	3,993,702	4,401,881
Lease liability	407,194	-	-	-	407,194
Subscription agreements	-	203,216	-	-	203,216
Claims payable	-	-	3,399,271	9,287,000	12,686,271
Unearned revenue	-	-	-	6,291,884	6,291,884
Total current liabilities	465,082	295,887	3,656,891	19,572,586	23,990,446
Long-Term Liabilities					
Lease liability	306,725	-	-	-	306,725
Claims payable, net of current portion	-	-	2,448,204	-	2,448,204
Total long-term liabilities	306,725	-	2,448,204	-	2,754,929
Total liabilities	771,807	295,887	6,105,095	19,572,586	26,745,375
NET POSITION					
Net investment in capital assets	337,042	1,641,065	-	-	1,978,107
Unrestricted	327,809	13,157,845	1,307,233	17,968,398	32,761,285
TOTAL NET POSITION	\$ 664,851	\$ 14,798,910	\$ 1,307,233	\$ 17,968,398	\$ 34,739,392

Other Supplementary Information

Howard County Public School System

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

Year Ended June 30, 2024

	Print Services Fund	Technology Services Fund	Workers' Compensation Fund	Health and Dental Fund	Total
OPERATING REVENUES					
Charges for services - internal	\$ 2,310,611	\$ 19,405,869	\$ 4,295,234	\$136,468,326	\$ 162,480,040
Miscellaneous revenue	-	-	-	26,646,654	26,646,654
Contributions from employees and retirees	-	-	-	39,438,696	39,438,696
Total operating revenues	<u>2,310,611</u>	<u>19,405,869</u>	<u>4,295,234</u>	<u>202,553,676</u>	<u>228,565,390</u>
OPERATING EXPENSES					
Administrative expenses	2,219,403	12,165,819	477,525	5,298,812	20,161,559
Claims and related expenses	-	-	3,658,384	194,773,937	198,432,321
Depreciation and amortization expense	<u>422,639</u>	<u>2,384,147</u>	<u>-</u>	<u>-</u>	<u>2,806,786</u>
Total operating expenses	<u>2,642,042</u>	<u>14,549,966</u>	<u>4,135,909</u>	<u>200,072,749</u>	<u>221,400,666</u>
Operating income (loss)	<u>(331,431)</u>	<u>4,855,903</u>	<u>159,325</u>	<u>2,480,927</u>	<u>7,164,724</u>
NON-OPERATING REVENUE					
Interest income	-	-	276,694	68,792	345,486
Total non-operating income	<u>-</u>	<u>-</u>	<u>276,694</u>	<u>68,792</u>	<u>345,486</u>
NON-OPERATING EXPENSE					
Interfund transfers	-	3,000,000	-	-	3,000,000
Total non-operating expenses	<u>-</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>
CHANGES IN NET POSITION	<u>(331,431)</u>	<u>1,855,903</u>	<u>436,019</u>	<u>2,549,719</u>	<u>4,510,210</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>996,282</u>	<u>12,943,007</u>	<u>871,214</u>	<u>15,418,679</u>	<u>30,229,182</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 664,851</u>	<u>\$ 14,798,910</u>	<u>\$ 1,307,233</u>	<u>\$ 17,968,398</u>	<u>\$ 34,739,392</u>

Other Supplementary Information

Howard County Public School System

Combining Schedule of Cash Flows
Internal Service Funds
Year Ended June 30, 2024

	Print Services Fund	Technology Services Fund	Workers' Compensation Fund	Health and Dental Fund	Total
CASH FLOWS FROM					
OPERATING ACTIVITIES					
Internal activity - payment (to) from other funds	\$ 2,786,485	\$18,140,529	\$ 3,297,739	\$ 132,993,351	\$ 157,218,104
Cash received from employees and retirees	-	-	-	39,438,696	39,438,696
Claims paid (net of rebates)	-	-	(2,831,314)	(169,578,714)	(172,410,028)
Payments to employees	(1,051,569)	(6,807,948)	-	(3,470,582)	(11,330,099)
Payments to suppliers	(1,117,667)	(6,546,767)	(466,425)	617,249	(7,513,610)
Net cash provided by operating activities	617,249	4,785,814	-	-	5,403,063
CASH FLOWS FROM NONCAPITAL					
FINANCING ACTIVITIES					
Transfer to General Fund	-	(3,000,000)	-	-	(3,000,000)
Net cash used in noncapital financing activities	-	(3,000,000)	-	-	(3,000,000)
CASH FLOWS FROM CAPITAL AND					
RELATED FINANCING ACTIVITIES					
Purchases of equipment	(194,629)	(9,986)	-	-	(204,615)
Principal paid on leases and subscription agreements	(422,620)	(1,775,828)	-	-	(2,198,448)
Net cash used in capital and related financing activities	(617,249)	(1,785,814)	-	-	(2,403,063)
CASH FLOWS FROM					
INVESTING ACTIVITIES					
Purchase of investments	-	-	(276,694)	(68,792)	(345,486)
Interest received	-	-	276,694	68,792	345,486
Net cash used in (provided by) investing activities	-	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	-	-	-	-
CASH AND CASH EQUIVALENTS, JULY 1, 2023	-	-	-	-	-
CASH AND CASH EQUIVALENTS, JUNE 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ (331,431)	\$ 4,855,903	\$ 159,325	\$ 2,480,927	\$ 7,164,724
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	422,639	2,384,147	-	-	2,806,786
Effects of changes in assets and liabilities:					
Accounts receivable	-	(52,103)	-	721,722	669,619
Due from other funds	475,874	(1,265,340)	(997,495)	(3,474,975)	(5,261,936)
Inventory	20,415	-	-	-	20,415
Accounts payable	29,752	(1,136,793)	11,100	372,253	(723,688)
Claims payable	-	-	827,070	(665,000)	162,070
Unearned revenue	-	-	-	565,073	565,073
NET CASH PROVIDED BY					
OPERATING ACTIVITIES	\$ 617,249	\$ 4,785,814	\$ -	\$ -	\$ 5,403,063
NONCASH INVESTING, CAPITAL AND					
RELATED FINANCING ACTIVITIES:					
Lease of equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Subscription asset arrangement	-	-	-	-	-
TOTAL FINANCING ACTIVITIES	\$ -	\$ -	\$ -	\$ -	\$ -

Other Supplementary Information

Howard County Public School System

Schedule of School Activity Funds Increases and Decreases

School Activity Fund

Year Ended June 30, 2024

	<u>Balance</u> <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2024</u>
Elementary Schools				
Atholton ES	\$ 13,202	\$ 37,059	\$ 37,009	\$ 13,252
Bellows Spring ES	24,382	62,154	66,047	20,489
Bollman Bridge ES	25,283	61,905	56,773	30,415
Bryant Woods ES	11,896	29,420	29,475	11,841
Bushy Park ES	12,386	87,591	64,415	35,562
Centennial Lane ES	18,555	55,595	42,396	31,754
Clarksville ES	45,769	41,442	41,069	46,142
Clemens Crossing ES	22,334	37,225	37,858	21,701
Cradlerock School	10,534	23,831	22,585	11,780
Dayton Oaks ES	49,279	119,005	116,523	51,761
Deep Run ES	19,204	52,172	52,107	19,269
Duckett's Lane ES	19,376	63,765	62,022	21,119
Elkridge ES	28,323	64,774	61,044	32,053
Forest Ridge ES	15,881	61,298	55,320	21,859
Fulton ES	37,804	86,472	86,829	37,447
Gorman Crossing ES	50,452	87,878	83,131	55,199
Guilford ES	12,206	24,144	28,573	7,777
Hammond ES	11,066	31,221	31,240	11,047
Hanover Hills ES	79,187	62,212	66,640	74,759
Hollifield Station ES	13,332	55,709	54,010	15,031
Ilchester ES	64,877	75,097	82,709	57,265
Jeffers Hill ES	26,804	29,049	34,888	20,965
Laurel Woods ES	28,298	39,605	42,449	25,454
Lisbon ES	20,808	23,152	25,423	18,537
Longfellow ES	30,667	30,364	39,359	21,672
Manor Woods ES	41,470	63,817	58,553	46,734
Northfield ES	20,182	61,223	53,058	28,347
Phelps Luck ES	16,624	26,133	26,667	16,090
Pointers Run ES	58,231	124,264	120,214	62,281
Rockburn ES	38,145	78,610	81,446	35,309
Running Brook ES	20,599	51,480	46,940	25,139
St. John's Lane ES	12,180	48,381	51,762	8,799
Steven's Forest ES	16,330	18,710	17,097	17,943
Swansfield ES	28,566	43,081	47,233	24,414
Talbott Springs ES	17,638	51,656	51,108	18,186
Thunder Hill ES	13,239	23,002	26,091	10,150
Triadelphia Ridge ES	35,522	41,713	43,120	34,115
Veterans ES	31,459	86,400	100,441	17,418
Waterloo ES	33,976	65,917	68,303	31,590
Waverly ES	14,511	77,101	82,757	8,855
West Friendship ES	26,756	33,699	33,153	27,302
Worthington ES	49,799	50,895	48,606	52,088
Total - Elementary Schools	<u>1,167,132</u>	<u>2,288,221</u>	<u>2,276,443</u>	<u>1,178,910</u>

Other Supplementary Information

Howard County Public School System

Schedule of School Activity Funds Increases and Decreases

School Activity Fund

Year Ended June 30, 2024

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Middle Schools				
Bonnie Branch MS	\$ 26,415	\$ 73,178	\$ 76,154	\$ 23,439
Burleigh Manor MS	95,379	121,976	139,014	78,341
Clarksville MS	54,521	59,702	64,195	50,028
Dunloggin MS	56,327	71,827	71,353	56,801
Elkridge Landing MS	31,542	64,469	63,694	32,317
Ellicott Mills MS	31,967	120,441	113,454	38,954
Folly Quarter MS	11,813	73,284	66,729	18,368
Glenwood MS	38,107	42,443	45,030	35,520
Hammond MS	23,865	60,600	57,425	27,040
Harper's Choice MS	19,090	34,865	38,774	15,181
Lake Elkhorn MS	39,512	70,626	80,278	29,860
Lime Kiln MS	27,138	39,975	42,159	24,954
Mayfield Woods MS	24,479	61,854	64,251	22,082
Mount View MS	31,326	130,370	129,341	32,355
Murray Hill MS	25,084	60,911	56,813	29,182
Oakland Mills MS	31,818	67,867	71,313	28,372
Patapsco MS	20,475	58,334	56,920	21,889
Patuxent Valley MS	21,377	71,655	69,610	23,422
Thomas Viaduct MS	23,212	71,176	77,276	17,112
Wilde Lake MS	25,146	54,719	55,324	24,541
Total - Middle Schools	658,593	1,410,272	1,439,107	629,758
High Schools				
Atholton HS	165,231	412,023	383,227	194,027
Centennial HS	356,289	613,256	580,028	389,517
Glenelg HS	321,412	672,453	679,036	314,829
Guilford Park HS	-	134,611	95,329	39,282
Hammond HS	255,000	274,237	256,610	272,627
Howard HS	239,417	410,020	434,848	214,589
Long Reach HS	207,767	344,037	380,017	171,787
Marriotts Ridge HS	222,240	920,431	916,612	226,059
Mount Hebron HS	209,606	563,300	590,057	182,849
Oakland Mills HS	167,663	342,925	351,704	158,884
Reservoir HS	268,415	530,491	549,315	249,591
River Hill HS	329,155	960,448	970,658	318,945
Wilde Lake HS	237,802	283,358	304,594	216,566
Total - High Schools	2,979,997	6,461,590	6,492,035	2,949,552
Special Schools				
Apps and Research Lab	24,777	34,672	28,155	31,294
Cedar Lane School	26,723	16,227	13,344	29,606
Homewood School	8,358	8,387	5,961	10,784
Total - Special Schools	59,858	59,286	47,460	71,684
Total - All Schools	\$ 4,865,580	\$ 10,219,369	\$ 10,255,045	\$ 4,829,904

Statistical Section

Statistical Section

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Financial Trends – These schedules contain trend information to help the reader understand how the Board’s financial performance and well-being have changed over time.

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Revenue Capacity – Not included. The HCPSS lacks authority to levy taxes.

Debt Capacity – The HCPSS has no authority to issue bond debt. The Howard County Government and the State of Maryland incur bond debt on behalf of the HCPSS to fund capital improvements and are responsible for the liquidation of these debts. In accordance with Board Policy, the HCPSS has the authority to enter into lease agreements.

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Howard County Public School System

Table 1

Net Position by Component

Year Ended June 30, 2024 and Nine Prior Years

(Amounts expressed in thousands)

	2015	2016	2017	2018*	2019	2020**	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$1,120,105	\$ 1,166,847	\$1,217,728	\$ 1,234,814	\$ 1,233,956	\$ 1,237,175	\$ 1,282,509	\$ 1,368,780	\$ 1,403,391	\$ 1,397,670
Restricted for capital projects	-	-	-	-	8,460	8,062	2,947	3,861	8,001	16,457
Restricted for GWWTP	1,220	1,222	1,230	1,247	1,275	1,295	1,199	1,201	1,218	1,424
Restricted for workforce development	-	-	-	-	-	-	-	-	-	90
Restricted for food services	216	234	192	1,012	-	-	-	-	-	-
Unrestricted	(23,550)	(41,059)	(41,741)	(835,260)	(849,825)	(883,000)	(893,679)	(965,511)	(982,761)	(986,752)
Total Governmental Activities Net Position	\$1,097,991	\$ 1,127,244	\$1,177,409	\$ 401,813	\$ 393,865	\$ 363,532	\$ 392,976	\$ 408,331	\$ 429,849	\$ 428,889
Business-type Activities										
Net investment in capital assets	\$ 30	\$ 46	\$ 73	\$ 59	\$ 60	\$ 43	\$ 26	\$ 50	\$ 44	\$ 86
Unrestricted	228	256	244	295	311	262	283	300	374	323
Total Business-type Activities Net Position	\$ 258	\$ 302	\$ 317	\$ 354	\$ 371	\$ 305	\$ 309	\$ 350	\$ 418	\$ 409
Total Primary Government										
Net investment in capital assets	\$1,120,135	\$ 1,166,893	\$1,217,801	\$ 1,234,873	\$ 1,234,015	\$ 1,237,217	\$ 1,282,535	\$ 1,368,830	\$ 1,403,435	\$ 1,397,756
Restricted	1,436	1,456	1,422	2,259	11,839	9,357	4,146	5,062	9,219	17,971
Unrestricted	(23,322)	(40,803)	(41,497)	(834,965)	(851,617)	(882,737)	(893,396)	(965,211)	(982,765)	(986,429)
Total Primary Government Net Position	\$1,098,249	\$ 1,127,546	\$1,177,726	\$ 402,167	\$ 394,237	\$ 363,837	\$ 393,285	\$ 408,681	\$ 430,267	\$ 429,298

* The significant decrease in Unrestricted Net Position is due to the School System implementing GASB 75 which increased expenditures for the School System and was the prime factor for the decrease.

** As restated due to implementation of GASB 84.

Source: HCPSS Finance Department. The Board has adopted the requirements of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Prior year net position has been restated for this schedule in conformity with GASB 54.

Statistical Section

Howard County Public School System

Table 2

Changes in Net Position

Year Ended June 30, 2024 and Nine Prior Years

(Amounts expressed in thousands)

Functions/Programs	2015	2016	2017	2018	2019	2020*	2021*	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Regular education	\$ 525,124	\$ 536,486	\$ 549,749	\$ 604,207	\$ 606,945	\$ 623,037	\$ 655,145	\$ 703,676	\$ 718,519	\$ 738,893
Special education	146,833	153,791	159,479	175,426	183,463	196,616	208,356	236,022	254,079	274,943
Total Instruction	671,957	690,277	709,228	779,633	790,408	819,653	863,501	939,698	972,598	1,013,836
Support Services										
Administration	18,166	19,105	22,437	21,741	20,809	43,296	20,370	32,400	23,724	24,548
Mid-level administration	88,165	92,335	94,884	101,422	100,453	92,650	101,292	111,839	107,292	112,341
Student personnel services	4,371	4,852	4,931	5,266	5,504	4,576	6,602	12,074	12,971	15,624
Health services	10,329	11,397	11,963	12,725	13,607	13,080	14,542	16,810	17,253	18,198
Student transportation	37,528	38,035	38,839	39,890	42,401	42,468	31,686	48,994	49,886	68,330
Operation of plant	49,682	49,707	49,465	49,784	54,021	48,954	55,875	62,249	65,313	73,779
Maintenance of plant and equipment	28,372	30,755	30,121	31,779	31,918	30,205	33,572	41,084	38,835	38,211
Community services	7,437	8,741	8,603	9,402	9,313	10,078	6,735	7,982	7,589	5,994
Food services	13,465	13,845	14,857	15,483	16,581	16,583	15,060	19,436	20,000	23,435
Interest on long-term debt	63	61	43	27	20	-	-	-	-	-
Total Support Services	257,578	268,833	276,143	287,519	294,627	301,890	285,734	352,868	342,863	380,460
Total Governmental Activities	929,535	959,110	985,371	1,067,152	1,085,035	1,121,543	1,149,235	1,292,566	1,315,461	1,394,296
Business-type Activities										
Jim Rouse Theatre	111	90	109	123	189	150	148	208	240	291
Total School System Expenses	\$ 929,646	\$ 959,200	\$ 985,480	\$1,067,275	\$1,085,224	\$1,121,693	\$ 1,149,383	\$ 1,292,774	\$ 1,315,701	\$1,394,587

*FY20 restated due to implementation of GASB 84, and FY21 beginning balance restated.

Source: HCPSS Finance Department.

Statistical Section

Howard County Public School System Changes in Net Position Year Ended June 30, 2024 and Nine Prior Years (Amounts expressed in thousands)

Table 2
(continued)

Program Revenues	2015	2016	2017	2018*	2019	2020**	2021**	2022	2023	2024
Charges for Services										
Regular education	\$ 2,232	\$ 2,473	\$ 5,097	\$ 3,637	\$ 5,097	\$ 396	\$ 2,118	\$ 2,501	\$ 3,867	\$ 5,190
Special education	-	-	-	-	-	-	-	-	-	-
Operation of plant	7,328	9,362	9,716	17,452	9,716	205	222	218	215	153
Food services	5,552	5,978	6,977	6,902	6,977	3,469	5,558	9,582	16,432	17,567
Operating grants and contributions	145,645	146,211	175,495	168,923	175,495	171,756	187,658	238,797	235,724	248,372
Capital grants and contributions	78,090	80,150	42,744	61,699	42,744	41,857	84,601	123,056	81,003	49,407
Total Program Revenues	238,847	244,174	240,030	258,613	240,030	217,682	280,157	374,154	337,241	320,689
Business-type Activities										
Jim Rouse Theatre	148	134	206	159	206	84	152	249	308	282
Total School System Revenues	238,995	244,308	240,236	258,772	240,236	217,766	280,309	374,403	337,549	320,971
Total Governmental Net Expense	(690,651)	(714,892)	(745,244)	(808,503)	(844,988)	(903,927)	(869,074)	(918,371)	(978,152)	(1,073,616)
General Revenues and Other Changes in Net Position										
General revenues										
Local appropriations	530,440	544,145	600,054	572,872	600,054	607,200	620,300	640,800	675,577	721,190
State Aid	192,480	197,822	222,299	212,420	222,299	243,882	252,282	251,796	284,342	304,129
Federal Aid	163	160	194	124	194	100	171	145	228	368
Interest and investment earnings	33	101	1,612	816	1,612	1,136	52	216	5,656	9,150
Student Activity Fund Revenue	-	-	-	-	-	9,735	2,856	7,214	9,296	10,219
Miscellaneous	1,900	1,962	12,900	5,094	12,900	11,982	17,610	33,595	24,639	27,591
Total General Revenues	725,016	744,190	837,059	791,326	837,059	874,035	893,271	933,766	999,738	1,072,647
Change in Net Position - Governmental Funds	34,328	29,253	91,718	(17,213)	(7,946)	(29,826)	24,193	15,355	21,518	(960)
Change in Net Position - Jim Rouse Theatre	37	44	97	36	17	(66)	4	41	68	(9)
Total Change in Net Position	34,365	29,297	91,815	(17,177)	(7,929)	(29,892)	24,197	15,396	21,586	(969)
Net Position - Beginning of year	1,063,884	1,098,249	1,127,546	419,343	402,167	398,980	369,088	393,285	408,681	430,267
Net Position - End of Year	\$ 1,098,249	\$ 1,127,546	\$ 1,219,361	\$ 402,167	\$ 394,238	\$ 369,088	\$ 393,285	\$ 408,681	\$ 430,267	\$ 429,298

* FY18 Net position restated.

** FY20 restated due to implementation of GASB 84, and FY21 beginning balance restated.

Source: HCPSS Finance Department.

Statistical Section

Howard County Public School System Changes in Fund Balances of Governmental Funds Year Ended June 30, 2024 and Nine Prior Years (Amounts expressed in thousands)

Table 3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Intergovernmental revenues										
Local	\$ 584,657	\$ 612,804	\$ 624,455	\$ 653,700	\$ 662,183	\$ 643,299	\$ 693,334	\$ 745,538	\$ 764,531	\$ 799,717
State	314,110	304,642	338,907	307,848	320,548	357,249	376,748	397,753	417,322	423,056
Federal	26,097	27,984	29,160	29,143	30,511	34,362	43,880	95,252	58,137	59,969
Earnings on investments	21	70	292	901	1,830	1,389	67	232	6,033	10,090
Charges for services	11,302	11,885	12,200	13,742	15,737	9,213	3,896	4,466	13,131	13,539
Interfund transfers	-	-	-	-	-	-	-	-	-	3,000
Miscellaneous revenues	1,737	1,825	449	2,405	1,774	1,453	910	492	560	944
School Activity Fund Revenue	-	-	-	-	-	9,735	2,856	7,213	9,296	10,219
Total Revenues	937,924	959,210	1,005,463	1,007,739	1,032,583	1,056,700	1,121,691	1,250,946	1,269,010	1,320,534
Expenditures										
Instruction										
Regular education	338,094	335,660	347,374	361,042	363,645	389,407	386,877	413,581	443,334	464,643
Special education	106,254	108,329	112,299	121,518	125,826	136,222	140,228	156,569	176,406	199,876
Support Services										
Administration	12,869	12,431	13,735	13,842	13,332	20,159	12,968	23,136	15,108	16,196
Mid-Level administration	60,254	61,473	60,909	63,850	62,316	63,412	62,404	68,214	66,743	72,412
Student personnel services	3,032	3,325	3,347	3,500	3,636	4,230	4,254	7,441	8,403	10,492
Health services	7,042	7,608	8,010	8,184	8,698	8,970	9,085	10,669	11,444	12,300
Student transportation	36,792	37,504	37,995	38,964	41,375	41,628	30,583	47,645	48,617	66,851
Operation of plant	40,911	39,202	39,879	38,592	41,281	38,354	40,350	44,568	48,407	54,810
Maintenance of plant and equipment	22,779	24,570	23,866	25,128	25,136	24,948	26,328	32,784	30,932	31,827
Fixed charges	212,958	224,675	241,418	242,684	271,550	271,675	266,713	305,299	311,944	322,327
Community services	6,074	6,765	6,494	6,879	6,786	8,094	4,412	6,227	5,896	5,086
Food services	13,465	13,845	14,857	15,483	16,581	16,601	14,984	19,348	19,916	23,379
Capital outlay	81,225	79,922	84,325	64,056	37,925	43,358	90,394	123,126	78,153	42,024
Total	941,749	955,309	994,508	1,003,722	1,018,086	1,067,058	1,089,580	1,258,607	1,265,303	1,322,223
Excess (deficiency) of revenues over expenditures	(3,825)	3,901	10,955	4,017	14,497	(10,358)	32,111	(7,661)	3,706	(1,689)
Other Financing Sources (Uses)										
Capital contributions	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	5,314	-	-	-	-
Subscription agreements	-	-	-	-	-	1,621	-	-	-	-
Net change in fund balances	\$ (3,825)	\$ 3,901	\$ 10,955	\$ 4,017	\$ 14,497	\$ (3,423)	\$ 32,111	\$ (7,661)	\$ 3,706	\$ (1,689)
Debt Service as a percentage of noncapital expenditures	N/A	N/A	0.07%	0.47%	0.44%	0.41%	0.32%	0.32%	0.27%	0.26%

Statistical Section

Howard County Public School System

Table 4

Fund Balances of Governmental Funds

Year Ended June 30, 2024 and Nine Prior Years

(Amounts expressed in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 955	\$ 1,047	\$ 1,133	\$ 911	\$ 1,017	\$ 1,052	\$ 1,170	\$ 1,043	\$ 1,022	\$ 680
Restricted for workforce development	-	-	-	-	-	-	-	-	-	90
Committed	-	-	1,043	686	330	-	-	-	-	-
Assigned	8,421	13,896	10,849	10,685	17,018	15,808	27,479	38,595	30,330	26,542
Unassigned	6,100	2,973	8,322	13,192	15,169	13,119	36,812	6,353	10,187	7,624
Total General Fund	<u>15,476</u>	<u>17,916</u>	<u>21,347</u>	<u>25,474</u>	<u>33,534</u>	<u>29,979</u>	<u>65,461</u>	<u>45,991</u>	<u>41,539</u>	<u>34,936</u>
Other Governmental Funds										
Nonspendable	216	234	193	260	199	164	330	333	351	342
Restricted for School Construction Fund	(3,783)	(2,699)	4,282	2,769	8,460	8,062	2,947	3,861	8,001	16,457
Restricted for Special Revenue Fund	1,790	1,223	1,230	1,247	1,275	1,295	1,198	1,201	1,218	1,424
Assigned	-	927	1,504	2,824	3,602	8,890	10,566	21,455	25,439	21,700
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Other Governmental Funds	<u>(1,777)</u>	<u>(315)</u>	<u>7,209</u>	<u>7,099</u>	<u>13,536</u>	<u>18,411</u>	<u>15,041</u>	<u>26,850</u>	<u>35,009</u>	<u>39,922</u>
Total All Governmental Funds	<u>\$ 13,699</u>	<u>\$ 17,601</u>	<u>\$ 28,556</u>	<u>\$ 32,573</u>	<u>\$ 47,070</u>	<u>\$ 48,390</u>	<u>\$ 80,502</u>	<u>\$ 72,841</u>	<u>\$ 76,548</u>	<u>\$ 74,859</u>

Statistical Section

Howard County Public School System General Fund Final Approved Operating Budget Year Ended June 30, 2024 and Nine Prior Years

Table 5

	Administration	Mid-Level Administration	Instructional Salaries	Textbooks and Classroom Supplies	Other Instructional Costs	Special Education	Student Personnel Services
2015	\$ 12,274,570	\$ 56,114,610	\$ 314,883,130	\$ 12,542,920	\$ 2,518,120	\$ 91,343,200	\$ 3,005,960
2016	12,400,033	58,609,689	315,646,974	11,753,227	3,414,360	93,591,283	3,229,291
2017	13,644,327	60,121,955	331,702,925	9,309,755	3,174,210	98,973,242	3,302,029
2018	13,940,748	62,428,043	344,527,214	8,933,036	2,683,046	104,727,030	3,425,010
2019	13,342,320	62,208,494	347,229,986	9,373,425	3,128,717	109,884,782	3,641,641
2020	13,578,591	64,089,827	359,619,583	7,791,394	5,268,024	122,258,423	3,982,752
2021	13,343,612	63,057,189	360,800,857	9,391,029	4,124,092	132,179,019	4,279,587
2022	14,319,356	65,764,001	368,251,737	9,397,916	4,848,375	139,986,830	7,558,344
2023	15,334,620	66,234,353	393,380,658	10,275,444	13,085,817	156,011,247	8,546,420
2024	15,546,385	70,393,148	416,759,697	9,511,736	17,832,827	169,167,514	9,800,470

Source: HCPSS Finance Department

Statistical Section

Howard County Public School System General Fund Final Approved Operating Budget Year Ended June 30, 2024 and Nine Prior Years

Table 5
(continued)

	Health Services	Student Transportation	Operation of Plant	Maintenance of Plant and Equipment	Fixed Charges	Community Services	Capital Outlay	Total
2015	\$ 7,265,120	\$ 37,466,030	\$ 43,712,080	\$ 24,052,720	\$ 146,773,870	\$ 5,983,100	\$ 829,920	\$ 758,765,350
2016	7,817,556	37,582,625	40,436,229	25,295,656	159,105,740	6,626,238	829,479	776,338,380
2017	7,928,482	38,559,280	40,024,441	23,501,916	170,544,715	6,783,687	816,892	808,387,856
2018	8,178,796	39,015,733	40,101,696	23,939,247	159,387,166	6,973,670	845,849	819,106,284
2019	8,966,402	41,416,993	42,823,699	25,372,132	186,960,057	7,128,926	908,432	862,386,006
2020	9,302,729	42,801,337	42,167,830	26,453,528	202,758,711	7,289,364	1,179,204	908,541,297
2021	10,203,710	43,494,275	42,667,150	28,874,171	198,899,386	6,462,524	913,108	918,689,709
2022	9,762,831	46,221,782	43,542,414	27,902,205	214,160,362	4,653,038	1,276,411	957,645,602
2023	11,715,622	51,356,413	48,537,284	28,136,861	223,641,174	5,086,111	1,106,591	1,032,448,615
2024	12,450,743	68,584,853	54,360,568	26,966,238	232,745,184	4,161,212	1,195,562	1,109,476,137

Source: HCPSS Finance Department

Statistical Section

Howard County Public School System

Capital Assets by Function

Ended June 30, 2024 and Nine Prior Years

Table 6

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Schools										
Buildings	76	76	76	76	77	77	77	77	77	78
Administration										
Buildings	3	3	3	2	2	2	2	2	2	2
Vehicles	17	17	17	17	17	17	14	13	13	12
Mid-level										
Administration										
Vehicles	11	11	11	11	11	11	9	9	9	6
Special Education										
Vehicles	1	1	1	1	1	1	1	1	1	1
Student										
Transportation										
Vehicles	11	17	17	17	17	17	17	17	17	14
Operations										
Vehicles	167	152	162	152	152	150	136	125	121	107
Maintenance										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	51	58	60	65	66	66	66	81	99	94
Community Service										
Vehicles	13	14	14	14	14	14	14	14	14	14
Capital Outlay										
Vehicles	3	3	3	3	3	3	3	3	6	6
Technology										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	12	14	14	15	15	15	12	11	11	8
Print Shop										
Print Presses	17	18	20	21	21	21	22	21	21	19

Statistical Section

Howard County Public School System Computation of Debt Limits Year Ended June 30, 2024 and Nine Prior Years

Table 7

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Current Operating Budget	\$ 758,765,350	\$ 776,338,380	\$ 808,387,856	\$ 819,106,284	\$ 862,386,006	\$ 908,541,297	\$ 918,689,709	\$ 957,645,602	\$ 1,032,448,615	\$ 1,109,476,137
6 % of Current Operating Budget	<u>45,525,921</u>	<u>46,580,303</u>	<u>48,503,271</u>	<u>49,146,377</u>	<u>51,743,160</u>	<u>54,512,478</u>	<u>55,121,383</u>	<u>57,458,736</u>	<u>61,946,917</u>	<u>66,568,568</u>
Total Debt Outstanding June 30	<u>10,910,120</u>	<u>10,863,543</u>	<u>7,465,623</u>	<u>4,502,410</u>	<u>1,323,529</u>	<u>13,126,281</u>	<u>12,499,879</u>	<u>10,118,238</u>	<u>7,134,201</u>	<u>3,769,966</u>
Compliance with Debt Limit	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3 % of Current Operation Budget	<u>22,762,961</u>	<u>23,290,151</u>	<u>24,251,636</u>	<u>24,573,189</u>	<u>25,871,580</u>	<u>27,256,239</u>	<u>27,560,691</u>	<u>28,729,368</u>	<u>30,973,458</u>	<u>33,284,284</u>
Total Debt Service	\$ <u>2,859,283</u>	\$ <u>4,110,209</u>	\$ <u>411,209</u>	\$ <u>2,963,213</u>	\$ <u>3,178,881</u>	\$ <u>3,266,765</u>	\$ <u>3,264,477</u>	\$ <u>3,086,716</u>	\$ <u>3,346,740</u>	\$ <u>3,364,235</u>
Compliance with Debt Service Limit	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

HCPSS has no authority to issue bond debt. The Howard County Government and the State of Maryland incur bond debt on behalf of HCPSS to fund capital improvements and are responsible for the liquidation of these debts. In accordance with Board Policy, HCPSS has the authority to enter into capital lease agreements, limited to no more than 6% of the current operating budget. In addition, HCPSS must limit debt service to 3% of the total operating budget.

Statistical Section

Howard County Public School System

Outstanding Debt by Type

Year Ended June 30, 2024 and Nine Prior Years

Table 8

Fiscal Year	Governmental Activities Leases and SBITAs	Business-Type Activities	Total
2015	\$ 10,910,120	\$ -	\$ 10,910,120
2016	10,863,543	-	10,863,543
2017	7,465,623	-	7,465,623
2018	4,502,410	-	4,502,410
2019	1,323,529	-	1,323,529
2020*	13,126,281	-	13,126,281
2021*	12,499,879	-	12,499,879
2022*	10,118,238	-	10,118,238
2023*	7,134,201	-	7,134,201
2024*	3,769,966	-	3,769,966

For fiscal years 2015 through 2019, the amounts presented represent capital lease liabilities.

* In FY2020, HCPSS adopted GASB 87, Leases and GASB 96, Subscription-Based Information Technology Agreements (SBITAs), which require all leases and SBITAs to be reported as liabilities. The amounts presented for 2020 and beyond represent all leases and SBITAs.

Details regarding HCPSS' outstanding debt can be found in Note V to the financial statements.

Statistical Section

Howard County Public School System

Enrollment by Grade

Year Ended June 30, 2024 and Nine Prior Years

Table 9

	2015	2016	2017 (C)	2018	2019	2020	2021	2022	2023 (D)	2024
<u>Elementary School</u>										
Pre-kindergarten	1,144	1,288	1,281	1,278	1,330	1,355	1,012	1,318	1,448	1,519
Kindergarten	3,631	3,801	3,797	3,943	3,949	3,962	3,627	3,807	3,739	3,717
Grade 1	3,995	3,940	3,938	4,078	4,038	4,212	3,913	3,899	4,051	3,881
2	3,953	4,085	4,084	4,250	4,211	4,145	4,107	4,023	4,054	4,163
3	3,994	4,276	4,275	4,249	4,219	4,334	4,059	4,163	4,184	4,134
4	3,997	4,230	4,230	4,401	4,361	4,333	4,321	4,114	4,280	4,247
5	4,128	4,263	4,258	4,579	4,542	4,473	4,268	4,323	4,267	4,326
Total Elementary School	24,842	25,883	25,863	26,778	26,650	26,814	25,307	25,647	26,023	25,987
<u>Middle School</u>										
Grade 6	4,156	4,215	4,216	4,587	4,555	4,654	4,456	4,275	4,395	4,306
7	4,118	4,351	4,355	4,508	4,498	4,610	4,635	4,416	4,362	4,448
8	4,002	4,306	4,326	4,370	4,356	4,531	4,580	4,601	4,404	4,375
Total Middle School	12,276	12,872	12,897	13,465	13,409	13,795	13,671	13,292	13,161	13,129
<u>High School</u>										
Grade 9 and SP	4,365	4,619	4,591	4,799	4,915	4,757	4,665	4,878	5,045	4,801
10	4,011	4,206	4,206	4,503	4,460	4,633	4,570	4,537	4,609	4,632
11	4,000	3,983	3,986	4,255	4,253	4,272	4,456	4,285	4,255	4,460
12	4,062	3,987	3,985	4,111	4,114	4,358	4,388	4,487	4,371	4,361
Total High School	16,438	16,795	16,768	17,668	17,742	18,020	18,079	18,187	18,280	18,254
<u>Cedar Lane (includes Pre-kindergarten)</u>	129	109	110	108	99	117	116	113	124	132
<u>Homewood</u>	-	-	-	-	-	122	120	86	88	131
	129	109	110	108	99	239	236	199	212	263
Total Enrollment (A)	53,685	55,659	55,638	58,019	57,900	58,868	57,293	57,325	57,676	57,633
Number of School Teachers (B)	2,860	2,857	3,056	4,294	4,314	4,325	4,241	4,268	4,327	4,346
Ratio of Students to Teachers	19:1	19:1	18:1	14:1	13:1	14:1	14:1	13:1	13:1	13:1

(A) Total includes Pre-kindergarten head count.

(B) Sources: mdreportcard.org, Staff Data Report ***Current year data not available prior to publishing

(C) FY 2017, Special Education Teachers were added to the total classroom teachers.

(D) HCPSS website - Official Enrollment Reports (Official SY22-23 Enrollment)

***Current year data not available prior to publishing

Statistical Section

Howard County Public School System Enrollment by School Year Ended June 30, 2024 and Nine Prior Years

Table 10

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Capacity	Capacity %
<u>Elementary Schools (a)</u>												
Atholton	392	468	468	470	471	504	451	474	489	520	424	122.6%
Bellows Springs	730	739	739	802	803	776	676	747	799	825	726	113.6%
Bollman Bridge	735	764	763	757	740	765	709	719	742	754	609	123.8%
Bryant Woods	353	413	413	462	458	448	360	329	361	359	289	124.2%
Bushy Park	636	617	615	625	628	638	602	620	621	631	732	86.2%
Centennial Lane	684	739	739	737	734	719	655	658	698	742	603	123.1%
Clarksville	485	430	430	419	419	436	501	539	581	557	543	102.6%
Clemens Crossing	487	532	531	495	491	508	549	563	543	506	521	97.1%
Cradlerock	482	491	491	511	509	497	456	457	459	465	398	116.8%
Dayton Oaks	639	677	677	723	727	720	683	730	783	764	719	106.3%
Deep Run	734	816	816	748	729	767	680	711	723	677	719	94.2%
Ducketts Lane	771	826	826	600	606	570	630	620	617	595	650	91.5%
Elkridge	781	871	870	912	901	923	819	824	805	810	713	113.6%
Forest Ridge	721	704	703	686	679	689	663	656	648	679	647	104.9%
Fulton	705	832	832	920	918	1,021	838	868	879	866	738	117.3%
Gorman Crossing	693	751	751	877	877	849	786	784	743	728	735	99.0%
Guildford	496	451	451	443	439	475	500	497	478	473	465	101.7%
Hammond	633	640	640	625	623	604	620	622	651	739	653	113.2%
Hanover Hills	-	-	-	714	694	757	774	823	864	844	810	104.2%
Hollifield Station	750	796	796	869	879	872	768	750	732	721	732	98.5%
Ilchester	754	690	690	655	648	634	556	544	537	518	559	92.7%
Jeffers Hill	464	456	455	401	403	414	373	410	408	397	377	105.3%
Laurel Woods	587	601	601	601	607	645	656	634	662	596	609	97.9%
Lisbon	422	446	446	453	451	443	377	402	453	460	527	87.3%
Longfellow	453	457	457	463	460	447	485	497	478	423	512	82.6%
Manor Woods	669	759	759	660	650	627	697	697	662	675	681	99.1%
Northfield	690	710	710	749	747	702	736	718	747	749	700	107.0%
Phelps Luck	581	608	605	592	582	633	625	694	746	704	597	117.9%
Pointers Run	786	784	784	922	924	912	779	796	812	830	744	111.6%
Rockburn	661	726	726	627	629	628	611	636	651	672	584	115.1%
Running Brook	529	515	515	503	500	484	402	415	399	389	449	86.6%
St. John's Lane	722	701	701	724	726	764	679	651	641	657	612	107.4%
Stevens Forest	440	433	433	420	415	426	347	337	308	328	380	86.3%
Swansfield	588	641	640	606	601	562	501	512	592	602	650	92.6%
Talbot Springs	466	502	501	503	504	509	467	441	483	488	490	99.6%
Thunder Hill	528	558	558	528	526	475	481	485	472	454	509	89.2%
Triadelphia Ridge	509	560	560	562	563	555	540	562	605	625	584	107.0%
Veterans	865	931	928	956	932	962	951	899	870	897	799	112.3%
Waterloo	624	624	624	620	620	602	582	606	612	626	603	103.8%
Waverly	758	770	766	910	901	951	899	892	867	868	788	110.2%
West Friendship	287	326	326	400	401	393	376	382	366	370	414	89.4%
Worthington	552	528	527	528	535	508	467	446	436	404	424	95.3%
Total Elementary Schools	24,842	25,883	25,863	26,778	26,650	26,814	25,307	25,647	26,023	25,987	25,018	103.9%

(a) Includes Pre-kindergarten enrollment.

Statistical Section

Howard County Public School System Enrollment by School Year Ended June 30, 2024 and Nine Prior Years

Table 10
(continued)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Capacity	Capacity%
Middle Schools												
Bonnie Branch	661	715	713	750	751	703	693	663	682	710	701	101.3%
Burleigh Manor	746	819	819	811	808	811	844	785	806	776	779	99.6%
Clarksville	635	560	560	666	666	710	716	665	649	643	643	100.0%
Dunloggon	607	617	617	664	660	628	624	623	617	638	565	112.9%
Elkridge Landing	710	700	700	747	745	764	710	687	680	681	779	87.4%
Ellicott Mills	758	828	829	870	869	909	789	725	670	721	701	102.9%
Folly Quarter	562	616	616	660	660	700	662	664	683	683	662	103.2%
Glenwood	555	517	517	492	492	515	510	490	493	492	545	90.3%
Hammond	551	592	593	579	572	602	612	583	570	582	604	96.4%
Harper's Choice	521	570	570	505	504	493	490	505	497	469	506	92.7%
Lake Elkhorn	500	530	530	580	580	564	600	603	598	622	643	96.7%
Lime Kiln	703	729	729	632	632	660	642	619	643	650	721	90.2%
Mayfield Woods	632	685	685	725	726	787	795	758	716	695	798	87.1%
Mount View	750	792	792	838	837	853	835	866	894	876	798	109.8%
Murray Hill	595	669	669	724	720	733	723	634	591	600	662	90.6%
Oakland Mills	423	443	443	515	520	498	479	476	475	428	506	84.6%
Patapsco	675	686	687	716	712	746	693	663	661	638	643	99.2%
Patuxent Valley	648	639	639	690	686	698	778	800	767	843	760	110.9%
Thomas Viaduct	523	632	633	669	654	734	835	857	858	764	740	103.2%
Wilde Lake	521	556	556	632	632	687	641	626	611	618	740	83.5%
Total Middle Schools	12,276	12,895	12,897	13,465	13,426	13,795	13,671	13,292	13,161	13,129	13,496	97.3%
High Schools												
Atholton	1,560	1,455	1,456	1,505	1,511	1,460	1,472	1,456	1,467	1,498	1,530	97.9%
Centennial	1,429	1,511	1,511	1,593	1,594	1,597	1,467	1,377	1,392	1,364	1,360	100.3%
Glenelg	1,261	1,206	1,207	1,198	1,199	1,197	1,263	1,298	1,339	1,367	1,420	96.3%
Guilford Park										779	1,658	47.0%
Hammond	1,226	1,304	1,300	1,370	1,377	1,394	1,316	1,306	1,287	1,167	1,445	80.8%
Howard	1,758	1,839	1,837	1,899	1,898	1,910	1,828	1,792	1,741	1,529	1,400	109.2%
Long Reach	1,434	1,553	1,554	1,551	1,565	1,696	1,595	1,639	1,714	1,448	1,488	97.3%
Marriotts Ridge	1,161	1,264	1,264	1,417	1,422	1,472	1,597	1,662	1,716	1,701	1,615	105.3%
Mt. Hebron	1,498	1,583	1,582	1,631	1,630	1,695	1,635	1,639	1,621	1,518	1,400	108.4%
Oaklands Mills	1,085	1,171	1,174	1,226	1,231	1,246	1,269	1,336	1,401	1,422	1,400	101.6%
Reservoir	1,482	1,481	1,481	1,586	1,586	1,624	1,788	1,814	1,837	1,729	1,573	109.9%
River Hill	1,310	1,154	1,154	1,384	1,387	1,378	1,470	1,508	1,424	1,462	1,488	98.3%
Wilde Lake	1,234	1,251	1,248	1,308	1,318	1,351	1,379	1,360	1,341	1,270	1,424	89.2%
Total High Schools	16,438	16,772	16,768	17,668	17,718	18,020	18,079	18,187	18,280	18,254	19,201	95.1%
Special Schools												
Cedar Lane	129	109	110	108	106	117	116	113	124	132	135	97.8%
Homewood School	-	-	-	-	-	122	120	86	88	131	185	70.8%
	129	109	110	108	106	239	236	199	212	263	320	82.2%
Total All Schools (a)	53,685	55,659	55,638	58,019	57,900	58,746	57,293	57,325	57,676	57,633	58,035	99.3%

Statistical Section

Howard County Public School System

Principal Employers: Howard County, Maryland
Year Ended June 30, 2024 and June 30, 2015

Table 11

Employer	FY2024			FY2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Howard County Public Schools	9,094	1	4.86%	7,693	1	4.65%
Johns Hopkins Applied Physics Laboratory	8,000	2	4.28%	5,000	2	3.02%
Howard County Government	3,307	3	1.77%	3,054	3	1.84%
Johns Hopkins Howard County Medical Center *	1,830	4	0.98%			
Verizon	1,700	8	0.91%	1,346	7	0.81%
FreshPoint Sysco **	1,565	5	0.84%		N/A	N/A
Howard Community College	1,400	6	0.75%	1,394	6	0.84%
The Columbia Association	1,200	7	0.64%	-	N/A	N/A
Lorien Health Services	1,190	9	0.64%	2,000	4	1.21%
Nestle Dreyer's	890	10	0.48%	-	-	0.00%
Howard County General Hospital *			0.00%	1,788	5	1.08%
Wells Fargo			0.00%	-	-	0.00%
Leidos			0.00%	1,195	8	0.72%
Coastal Sunbelt Produce **			0.00%	1,050	9	0.63%
Giant Food			0.00%	1,050	9	0.63%
Total	30,176		16.15%	25,570		15.43%

* In June 2023, Howard County General Hospital was renamed Johns Hopkins Howard County Medical Center

** In December 2021, Freshpoint Sysco acquired the Coast Companies, including Coast Sunbelt Produce

Source:

Howard County Economic Development Authority - Original Source - Bureau of Labor Statistics - data.bls.gov

Howard County Public Schools provided by HCPSS

Howard County Government from HC Budget Office

Statistical Section

Howard County Public School System

Table 12

**Demographic and Economic Statistics: Howard County, Maryland
Year Ended June 30, 2024 and Nine Prior Years**

Fiscal Year	Estimated Population (a)	Personal Income (b) (thousands)	Per Capita Personal Income (b)	Public Student Enrollment (c)	Unemployment Rate (d)
2015	306,909	\$ 21,042,407	\$ 68,133	53,685	4.1%
2016	311,297	\$ 21,813,899	\$ 69,530	54,870	3.5%
2017	315,416	\$ 22,604,929	\$ 71,002	55,638	3.3%
2018	319,251	\$ 23,571,169	\$ 73,049	56,799	3.4%
2019	322,621	\$ 24,328,471	\$ 74,479	57,907	2.9%
2020	325,690	\$ 25,531,870	\$ 77,325	58,878	6.5%
2021	332,814	\$ 27,058,069	\$ 81,308	57,293	4.8%
2022	335,328	\$ 29,036,622	\$ 86,602	57,325	2.9%
2023	335,366	\$ 29,827,252	\$ 88,927	57,676	1.7%
2024	336,001	*	*	57,633	2.7%

(a) Howard County Department of Planning and Zoning - Population as of July 1, 2023 Source: Population Division, U.S. Census Bureau, March 2024. Howard County Demographic Overview

(b) Personal Income and Per Capita Personal Income revised and restated for all years per Bureau of Economic Analysis, U.S. Dept. of Commerce. (2023/2024 PI and PCPI not available)

(c) Howard County Public School System - School enrollment is based on head count taken September 30th of each year. From public information website.

(d) State of Maryland, Dept. of Labor, Licensing and Regulation Unemployment rate is as of June 2024.

* Personal Income and Per Capita Personal Income not available at time of report.

Statistical Section

Howard County Public School System

Table 13

Cost per Student – Budgetary Basis (non-GAAP) Year Ended June 30, 2024 and Nine Prior Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Full-Time Equivalent of Students Enrolled*	52,511	53,634	54,348	55,485	56,570	57,518	56,279	56,004	56,225	56,112
Expenditures **										
Current:										
Administration	\$ 233	\$ 230	\$ 250	\$ 236	\$ 232	\$ 229	\$ 237	\$ 256	\$ 273	\$ 277
Mid-level Administration	1,067	1,091	1,098	1,105	1,088	1,070	1,120	1,174	1,178	1,255
Instruction										
Instructional Salaries	5,988	5,880	5,986	6,202	6,323	6,219	6,411	6,575	6,997	7,427
Textbooks and classroom supplies	239	219	171	158	130	128	167	168	183	170
Other instructional costs	48	62	52	48	62	61	87	87	233	318
Special education	1,737	1,742	1,815	1,973	2,151	2,115	2,349	2,500	2,775	3,015
Student Personnel services	56	60	60	64	70	69	76	135	152	175
Health Services	135	144	145	156	161	158	181	174	208	222
Student Transportation	703	700	697	746	743	731	831	825	913	1,222
Operation of plant	782	750	718	743	683	672	771	777	863	969
Maintenance of plant and equipment	458	471	431	450	456	448	473	498	500	481
Fixed Charges	2,793	2,967	3,133	3,370	3,583	3,524	3,490	3,824	3,978	4,148
Community services	113	122	119	121	123	121	115	83	90	74
Capital outlay	15	15	14	16	19	19	16	23	20	21
Total Expenditure per Student	\$ 14,367	\$ 14,453	\$ 14,689	\$ 15,388	\$ 15,824	\$ 15,564	\$ 16,324	\$ 17,099	\$ 18,363	\$ 19,774
State Rank ***	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Source: HCPSS September 30 Official 23-24 Enrollment Report. Cost per Pupil calculations exclude PreK enrollment and Cedar Lane PreK enrollment.

** Source: Calculations based on HCPSS FY24 Expenditure Summary by Category - General Fund (Operating) - FY24 Revised Approved (below).

*** Source: Maryland State Department of Education, The Fact Book (Cost Per Pupil Belonging Maryland Public Schools). The ranking is based on the previous year's Cost Per Pupil, as calculated by the County. The 2014-2015 Fact Book was the last version published. Ranking data for all subsequent years was not available at the time of this report.

Statistical Section

Howard County Public School

Food Service Data

Year Ended June 30, 2024 and Five Prior Years

Table 14

	2019	2020	2021 *	2022**	2023	2024
Number of Schools	77	77	77	77	77	78
Number of days lunch served	179	120	173	180	180	180
Number of free lunches served to pupils annually	1,298,616	873,954	1,532,349	4,578,613	1,365,487	1,472,995
Average number of free lunches served to pupils daily	7,255	7,283	5,620	25,437	7,586	8,183
Number of paid lunches served to pupils annually:						
At reduced price	298,901	201,906	-	-	238,437	187,702
At regular price	1,642,005	1,162,023	-	-	1,605,567	1,660,030
Average number of paid lunches served to pupils daily:						
At reduced price	1,670	1,683	-	-	1,325	1,043
At regular price	9,173	9,684	-	-	8,920	9,222
Total number of lunches served to pupils annually	3,239,522	2,237,883	1,532,349	4,578,613	3,209,491	3,320,727
Average number of lunches served to pupils daily	18,098	18,649	5,620	25,437	17,831	18,448
Charge per lunch to students:						
Elementary	\$2.75	\$2.75	\$ -	\$ -	\$2.80	\$2.80
Secondary	\$3.25	\$3.25	\$ -	\$ -	\$3.30	\$3.30

* Paid lunches were not provided in FY21 due to school closures related to COVID-19.

** Free lunches were available to students (except DEC students) regardless of need during SY21-22.

Source: HCPSS Food and Nutrition Services

Statistical Section

Howard County Public School System

Transportation Data Table 15

Year Ended June 30, 2024 and Nine Prior Years

	Estimated number of eligible riders (Daily)	Number of bus routes (Daily)
2024	41,422	608
2023	43,619	382
2022	43,091	395
2021*	43,093	385
2020	44,664	476
2019	44,189	468
2018	43,449	453
2017	42,950	453
2016	42,371	453
2015	40,800	448

*Ridership decreased in FY21 due to COVID-19 and the limited services provided

Source: HCPSS Transportation Office

High School Graduation Data Table 16

Year Ended June 30, 2024 and Nine Prior Years

	Graduation Rate
2024	N/A*
2023	92.57%
2022	94.59%
2021	94.05%
2020	93.38%
2019	92.78%
2018	95.30%
2017	92.28%
2016	93.21%
2015	93.50%

* FY 2024 not available at the time of this report.

Source: HCPSS Public Information Office, HCPSS Website, reportcard.msde.maryland.gov

Statistical Section

Howard County Public School System

Full-time Equivalent School System Budgeted Positions by Function Year Ended June 30, 2024 and Nine Prior Years

Table 17

	2015	2016	2017	2018	2019	2020	2021	2022***	2023***	2024***
General Fund										
Administration	98.9	102.5	102.5	68.5	91.5	94.5	95.5	96.5	107.5	108.5
Mid-level Administration	602.5	612.0	616.5	618.5	598.6	604.1	603.6	614.1	622.6	632.1
Instruction**	4,633.1	4,632.5	4,723.5	4,656.4	4,739.3	4,671.8	4,534.2	4,564.0	4,670.2	4,704.0
Special Education	1,499.6	1,499.9	1,514.9	1,697.8	1,624.1	1,753.8	1,861.6	1,933.5	2,118.3	2,141.5
Student Personnel Services	32.0	32.0	33.0	33.0	33.0	36.0	38.0	93.0	108.0	116.5
Health Services	137.0	137.0	137.0	139.0	138.0	139.0	140.0	140.0	150.0	151.0
Student Transportation	14.0	14.0	15.0	16.0	16.0	16.0	16.0	16.0	21.0	24.0
Operation of Plant	456.5	455.5	457.5	458.5	461.5	461.5	461.5	461.5	497.8	550.3
Maintenance of plant and equipment	162.0	161.5	162.5	199.5	153.5	152.5	154.5	155.5	159.5	128.0
Community Services	48.4	53.1	55.1	55.3	54.1	53.3	54.1	22.1	22.6	5.6
Capital Outlay	9.0	9.5	8.5	9.5	8.5	8.5	8.5	8.5	8.5	8.5
Total General Fund	<u>7,693.0</u>	<u>7,709.5</u>	<u>7,826.0</u>	<u>7,952.0</u>	<u>7,918.1</u>	<u>7,991.0</u>	<u>7,967.5</u>	<u>8,104.7</u>	<u>8,486.0</u>	<u>8,570.0</u>
Total Grants Fund (estimated)	<u>171.0</u>	<u>173.5</u>	<u>182.6</u>	<u>193.0</u>	<u>208.2</u>	<u>213.5</u>	<u>258.2</u>	<u>244.5</u>	<u>231.1</u>	<u>238.6</u>
Restricted Funds										
Jim Rouse Theatre *	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.4	0.4
Food and Nutrition Services	191.0	191.0	192.0	192.0	194.3	199.3	198.2	198.1	207.1	197.1
Printing and Duplicating	10.0	10.0	10.0	10.0	10.0	12.0	12.0	12.0	12.0	12.0
Technology Office	64.0	64.0	64.0	65.0	62.0	62.0	61.0	66.0	72.0	72.0
Workers Comp. Self-Insurance	3.0	3.0	4.0	2.0	-	-	-	-	-	-
Health and Dental Self-Insurance	4.0	5.0	5.0	5.0	3.0	3.0	3.0	3.0	4.0	4.0
Total Restricted Funds	<u>272.2</u>	<u>273.2</u>	<u>275.2</u>	<u>274.2</u>	<u>269.5</u>	<u>276.5</u>	<u>274.6</u>	<u>279.5</u>	<u>295.5</u>	<u>285.5</u>
Total All Funds	<u>8,136.2</u>	<u>8,156.2</u>	<u>8,283.8</u>	<u>8,419.2</u>	<u>8,395.8</u>	<u>8,481.0</u>	<u>8,500.3</u>	<u>8,628.7</u>	<u>9,012.6</u>	<u>9,094.1</u>

* 0.4 FTE reclassified from Instruction to Jim Rouse Theatre.

** Includes Grant Fund FTE's.

*** Total positions off by 0.1 from Budget Book due to rounding of two positions.

Source: FY 2024 HCPSS Approved Operating Budget

Statistical Section

Howard County Public School System

County, State, and National Assessment Achievement
Year Ended June 30, 2024 and Nine Prior Years

Table 18

	SAT***			High School Assessment % Proficient *			
	Howard County	Maryland State	National	Algebra I PARCC/MCAP	English 10 PARCC/MCAP	Algebra I PARCC/MCAP	English 10 PARCC/MCAP
2024	***	***	***	42.1	71.9	20	55.3
2023	1,202	1,008	1,028	38.2	64.2	17.2	53.5
2022	1,217	1,075	1,050	31.9	59.8	14.4	53.4
2021	1,235	1,073	1,060	****	****	****	****
2020	1,195	1,029	1,051	****	****	****	****
2019	1,202	1,058	1,059	62.6	65.9	27.2	42.6
2018	1,203	1,080	1,065	57	60.9	31.2	42.4
2017	1,161	1,046	1,060	62.6	58.8	36.5	49.3
2016	1,647	1,428	1,453	56.7	45.1	35.6	44.4
2015	1,656	1,434	1,462	45.9	95	31.2	39.7

	High School Assessment**							
	Algebra	Biology	English	Government	Algebra	Biology	English	Government
2024	**	**	**	**	**	**	**	**
2023	**	**	**	**	**	**	**	**
2022	**	**	**	**	**	**	**	**
2021	**	**	**	**	**	**	**	**
2020	**	**	**	**	**	**	**	**
2019	**	**	**	**	**	**	**	**
2018	**	**	**	**	**	**	**	**
2017	**	**	**	**	**	**	**	**
2016	**	**	**	**	**	**	**	**
2015	95	95	93.2	90	87.4	87.6	83.9	75.7

* Due to the transition to the PARCC/MCAP assessment, data prior to 2015 is not comparable. The data reported is the % of students scoring a performance level of 4 or 5.

** FY 2015 - Maryland Implemented the Partnership for assessment for Readiness for College and Careers (PARCC) in English language arts and mathematics. The new assessment replaced the Maryland State Assessment (MSA and the HAS. In 2019, the PARCC assessment has been replaced with the Maryland Comprehensive Assessment Program (MCAP). The MCAP is comparable and uses the same scale as the PARCC assessment.

*** SAT and High School Assessment data not available prior to publishing.

**** Due to the school closures related to the COVID-19 pandemic, the PARCC/MCAP assessments were not delivered in 2020 or 2021.

Statistical Section
Howard County Public School System

Table 19

Insurance Summary
Year Ended June 30, 2024

Type of Coverage	Name of Company	Policy Period	Limits
WORKERS COMPENSATION			
Excess Workers Compensation	Safety National	7/1/23-6/30/24	Statutory maximum limit of indemnity per occurrence after \$600,000 self-insured retention, \$1 million Employers liability
CASUALTY INSURANCE			
Comprehensive General Liability	MABE Group Insurance Pool	7/1/23-6/30/24	\$400,000 per occurrence \$1 million per occurrence should sovereign immunity be abrogated
Personal and Advertising Injury Liability	MABE Group Insurance Pool	7/1/23-6/30/24	\$400,000 per occurrence \$1 million per occurrence should sovereign immunity be abrogated
Employee Benefit Plan Fiduciary Liability	MABE Group Insurance Pool	7/1/23-6/30/24	\$400,000 per occurrence \$1 million per occurrence should sovereign immunity be abrogated
Automobile Liability - Board of Education	MABE Group Insurance Pool	7/1/23-6/30/24	\$400,000 combined single limit \$1 million per occurrence should sovereign immunity be abrogated
Automobile Liability - Bus Contractors	MABE Group Insurance Pool	7/1/23-6/30/24	\$1 million combined single limit for bodily injury and property for Independent Bus Contractors
Maryland Personal Injury Protection	MABE Group Insurance Pool	7/1/23-6/30/24	\$2,500 per covered person for any one accident
Automobile Physical Damage	MABE Group Insurance Pool	7/1/23-6/30/24	Actual cash value with deductibles per member per loss
Maryland Uninsured Motorists	MABE Group Insurance Pool	7/1/23-6/30/24	\$50,000 per accident
Garage Keepers Liability	MABE Group Insurance Pool	7/1/23-6/30/24	\$400,000 per loss
Cyber	MABE Group Insurance Pool	7/1/23-6/30/24	\$5 million per claim and \$5 million annual Pool aggregate
Security/Law Enforcement Liability	MABE Group Insurance Pool	7/1/23-6/30/24	\$400,000 per occurrence, \$5 million per claim should sovereign immunity be abrogated and \$5 million annual aggregate
Sexual Abuse and Molestation Liability	MABE Group Insurance Pool	7/1/23-6/30/24	\$400,000 per occurrence, \$1 million per claim should sovereign immunity be abrogated, and \$6 million annual aggregate
School Board of Education Legal Liability	MABE Group Insurance Pool	7/1/23-6/30/24	\$400,000 per occurrence and \$5 million annual aggregate if sovereign immunity is abrogated or does not apply
PROPERTY INSURANCE			
Real and Personal Property	MABE Group Insurance Pool	7/1/23-6/30/24	\$1 billion each occurrence, annual Pool aggregate of \$1 billion for earthquake and flood
Builders Risk	MABE Group Insurance Pool	7/1/23-6/30/24	\$75 million each occurrence
Boiler and Machinery	MABE Group Insurance Pool	7/1/23-6/30/24	\$100 million each accident
Crime, including employee dishonesty	MABE Group Insurance Pool	7/1/23-6/30/24	\$2.5 million each loss; \$1 million each loss for theft of money or securities
ADDITIONAL COVERAGES			
Catastrophic/Cash Policy	National Union Fire Insurance (AIG)	7/1/23-6/30/24	\$10,000 Accidental Death \$20,000 Accidental Dismemberment \$6,000,000 Accident Medical Expense, \$25,000 deductible \$1,000,000 Catastrophic Cash Benefit for coma or paralysis \$1,000,000 Per storage tank incident
Storage Tank Liability	ACE American Insurance Company (Chubb)	8/23/23-8/23/24	\$1,000,000 Aggregate (claims and remediation) \$1,000,000 Aggregate for legal defense \$2,000,000 Total policy aggregate
Accident Only Policy (special education student internships)	United States Fire Insurance Company	3/15/23-3/15/24	\$25,000 per covered injury

Source: HCPSS Office of Risk Management