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INDEPENDENT AUDITORS' REPORT

The Board of Education of Caroline County
Denton, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Board of Education of Caroline County, a component unit of Caroline County, Maryland, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise The Board of Education of Caroline County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Board of Education of Caroline County as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Board of Education of Caroline County's basic financial statements. The additional supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020 on our consideration of The Board of Education of Caroline County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Board of Education of Caroline County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Board of Education of Caroline County's internal control over financial reporting and compliance.



Salisbury, Maryland
September 30, 2020

Herbert J. Geary III
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

INDEPENDENT AUDITORS' REPORT

The Board of Education of Caroline County
Denton, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Board of Education of Caroline County, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise The Board of Education of Caroline County's basic financial statements, and have issued our report thereon dated September 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Board of Education of Caroline County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of Caroline County's internal control. Accordingly, we do not express an opinion on the effectiveness of The Board of Education of Caroline County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

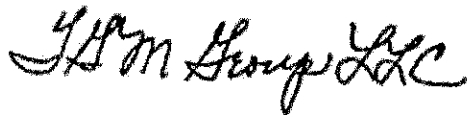
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "JHM Group LLC". The signature is written in a cursive, flowing style.

Salisbury, Maryland
September 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE BOARD OF EDUCATION OF CAROLINE COUNTY
Denton, Maryland

Management's Discussion and Analysis (MD&A)
June 30, 2020

This section of The Board of Education of Caroline County's financial report provides management's overview and analysis of the Board's financial performance for the fiscal year that ended on June 30, 2020. Please read this discussion and analysis in conjunction with the financial statements and the notes to the financial statements that follow.

The intent of Management's Discussion and Analysis is to serve as an introduction to the financial statements and provide a framework for understanding the information they contain based on currently known facts, decisions and conditions.

OVERVIEW OF THE FINANCIAL STATEMENTS

District-wide Financial Statements

The first set of financial statements, the *district-wide statements*, are designed to provide readers with a complete picture regarding the financial status of the Board of Education of Caroline County. The district-wide statements include the *statement of net position* and the *statement of activities*. The *statement of net position* presents information on all of the assets and liabilities of the Board, with the difference between the two reported as net position. The *statement of activities* reports revenues and expenses; it presents information showing how the Board's net position changed during the most recent fiscal year.

In the *statement of net position* and the *statement of activities*, the Board's activities are divided into two categories:

Governmental Activities - Most of the Board's programs and services are included here, such as instruction, administration, special education, pupil services, health services, pupil transportation, operation and maintenance of plant, fixed charges, community services, school activities, and capital outlay.

Business-type activities - The Board's food service operation is reported as a business-type activity. Fees are charged to staff, students, and visitors to help cover the costs of the food service operation.

The *district-wide statements*, measure the change in total economic resources during the period and are presented on a full accrual basis. This means that any change in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

THE BOARD OF EDUCATION OF CAROLINE COUNTY
Denton, Maryland

Management's Discussion and Analysis (MD&A)
June 30, 2020

The District-wide perspective is unrelated to budget and accordingly, budget comparisons are not provided.

Fund Financial Statements

The second set of statements, the *fund financial statements*, view the government as a collection of separate funds. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Board of Education of Caroline County uses fund accounting to ensure and demonstrate compliance with fiscal requirements. The Board's activities are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Most of the Board's activities are reported in governmental funds, which focus on an entity's financial position and change in financial position. The governmental fund statements provide a detailed short-term view of the Board's operations and the services it provides. This information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board's programs. The Board's major governmental funds are the general fund, capital projects fund, and school activity fund.

The measurement focus of these statements is current financial resources; therefore the emphasis is placed on the cash flows of the organization within the reporting period or near future. Accordingly, the modified accrual basis of accounting is used.

Proprietary funds - Proprietary funds are used to account for the business-type activities of a government. The Board's food service fund falls under this classification since a significant portion of the funding is provided through user charges.

Fiduciary funds - Fiduciary funds are used to account for resources held by the government as either a trustee (a party that administers property for a beneficiary) or an agent (one who acts on behalf of another). The Board's fiduciary funds consist of funds accumulating for retiree health benefits and agency funds. Fiduciary funds are excluded from the government-wide financial statements because the school system cannot use these assets to finance its operations.

A budgetary presentation of individual fund financial information is presented as part of the required supplementary information. The budgetary statements utilize the current financial resources measurement focus. In these statements, available cash flows of the Board are measured as well as the commitment to acquire goods or services with that cash. Open encumbrances at year-end are reported as expenditures.

THE BOARD OF EDUCATION OF CAROLINE COUNTY
Denton, Maryland

Management's Discussion and Analysis (MD&A)
June 30, 2020

THE BOARD OF EDUCATION OF CAROLINE COUNTY AS A WHOLE

The largest portion of the Board's total assets reflects the investment in capital assets such as land, buildings, vehicles and equipment. These capital assets are used to provide services to the students and citizens of Caroline County and are not available for future spending.

Figure 1-1
Statement of Net Position

	June 30, 2020	June 30, 2019	\$ Change	% Change
Current and other assets	16,548,978	15,263,700	1,285,278	8.42%
Capital assets	98,796,500	89,416,039	9,380,461	10.49%
Total Assets	115,345,478	104,679,739	10,665,739	10.19%
Deferred outflows of resources	26,256,430	17,986,761	8,269,669	45.98%
Current and other liabilities	11,434,285	9,934,294	1,499,991	15.10%
Long-term liabilities	126,562,317	108,684,848	17,877,469	16.45%
Total Liabilities	137,996,602	118,619,142	19,377,460	16.34%
Deferred inflows of resources	37,958,388	43,415,849	(5,457,461)	-12.57%
Net investment in capital assets	94,010,869	84,522,951	9,487,918	11.23%
Unrestricted	(128,363,951)	(123,891,442)	(4,472,509)	3.61%
Total Net Position	(34,353,082)	(39,368,491)	5,015,409	-12.74%

Net position can be used to serve as an indicator of a district's financial position. As illustrated in figure 1-1, the Board's total net position at the close of the fiscal year was (\$34,353,082), which represents an increase of approximately \$5 million from the prior year. The negative net position is due to the implementation of GASB 75 which now requires state and local

THE BOARD OF EDUCATION OF CAROLINE COUNTY
Denton, Maryland

Management's Discussion and Analysis (MD&A)
June 30, 2020

governments to report the liability of Other Post-Employment Benefits (OPEB). More detailed information about the Board's net OPEB liability can be found in Note 7 of the financial statements.

A comparison of revenue by source and expenses by category is presented in the table below:

Figure 1-2
Statement of Activities

	June 30, 2020	June 30, 2019	\$ Change	% Change
Revenues				
Program Revenues				
Charges for services	4,614,045	5,023,515	(409,470)	-8.15%
Operating grants and contributions	14,576,038	12,388,012	2,188,026	17.66%
Capital grants and contributions	10,515,949	1,424,788	9,091,161	638.07%
General Revenues				
County	15,220,217	14,436,087	784,130	5.43%
State aid	58,463,707	54,834,517	3,629,190	6.62%
Investment earnings	149,759	216,625	(66,866)	-30.87%
Other	633,369	708,697	(75,328)	-10.63%
Total Revenues	104,173,084	89,032,241	15,140,843	17.01%
Expenses				
Administration	2,325,663	2,152,414	173,249	8.05%
School management and support	5,951,944	5,456,663	495,281	9.08%
Instructional salaries and wages	31,790,788	29,907,286	1,883,502	6.30%
Textbooks and instructional supplies	1,589,056	1,654,914	(65,858)	-3.98%
Other instructional costs	5,885,485	6,165,544	(280,059)	-4.54%
Special education	8,444,670	7,529,922	914,748	12.15%
Pupil personnel services	674,230	561,949	112,281	19.98%
Health services	922,843	822,347	100,496	12.22%
Pupil transportation	4,548,438	3,911,682	636,756	16.28%
Operation of plant	4,615,931	4,346,463	269,468	6.20%
Maintenance of plant	1,209,100	928,032	281,068	30.29%
Fixed charges	21,200,447	20,475,754	724,693	3.54%
Community Services	453,089	495,706	(42,617)	-8.60%

THE BOARD OF EDUCATION OF CAROLINE COUNTY
Denton, Maryland

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Capital outlay	263,476	163,557	99,919	61.09%
School activity	741,433	1,007,717	(266,284)	-26.42%
On-behalf state retirement	4,682,514	4,536,723	145,791	3.21%
Food services	3,858,568	3,957,753	(99,185)	-2.51%
<i>Total Expenses</i>	99,157,675	94,074,426	5,083,249	5.40%
<i>Change in Net Position</i>	5,015,409	(5,042,185)	10,057,594	-199.47%
<i>Net Position End of Year</i>	(34,353,082)	(39,368,491)	5,015,409	-12.74%

As shown in figure 1-2, there was a \$2,188,026 increase in operating grants and contributions. This increase is associated with the enactment of Senate Bill 1030, The Blueprint for Maryland's Future, which allocated funding for spending priorities such as Prekindergarten, Transitional Supplemental Instruction, Special Education and Mental Health. Capital grants and contributions increased by \$9,091,161 due to the start of the Greensboro Elementary School construction project. State aid increased by \$3,629,190. Unrestricted state aid is direct mandated funding, which is calculated on a yearly basis by the Maryland State Department of Education Division of Business Services. This funding is formula driven based on student enrollment, FARMS (Free and Reduced Price Meals) counts and wealth data. Caroline County Public Schools also met the requirements for a Teacher Salary Incentive Grant which is another spending priority associated with The Blueprint for Maryland's Future.

The largest variances on the expenditure side took place in instructional salaries and wages, special education and fixed charges. Spending for instructional salaries and wages increased as a result of negotiated changes to the salary schedules as well as new positions that were added to the budget. The increase in special education is due to a combination of salary increases as well as a Students with Disabilities Grant that was part of The Blueprint for Maryland's Future legislation. The increase in fixed charges is due to the additional benefit costs associated with new positions and salary increases as well as increases in health insurance premiums, retirement costs and unemployment costs.

THE BOARD OF EDUCATION OF CAROLINE COUNTY
Denton, Maryland

Management's Discussion and Analysis (MD&A)
June 30, 2020

FUND PERFORMANCE

As mentioned earlier, funds are self-balancing sets of accounts used by the Board to control and manage money for particular purposes. The balance sheet for the Board's governmental funds is shown on page 20, and the results of operations are presented on page 21. As shown by the results of operations, the fund balance for the general fund increased by \$568,767. It is important to note that this change in fund balance is based on the GAAP basis of accounting (Generally Accepted Accounting Principles), which differs from the budgetary basis of accounting.

The Food Service program is designed to be self-funded. As shown on page 23, the food service program generated a loss of (\$33,194). Additional packaging, storage and distribution costs associated with COVID-19 caused this program to suffer financially and end the year with a loss.

The general fund statement of revenues, expenditures, and changes in fund balance on the budgetary basis of accounting is shown on pages 53-56. Instructional salaries and wages as well as the fixed charges associated with these costs account for the largest percentage of the general fund unrestricted expenditures.

It is critical for the reader to understand that the county appropriation and unrestricted state aid account for approximately 88% of the total operating budget. Local revenue, provided by the Caroline County Government, is dependent upon the economic condition of the County. However, the education statute requires a minimum level of funding equal to the prior years per pupil contribution times the current year projected enrollment. State aid is largely formula driven based on student enrollment and wealth. Both of these revenue streams have historically been stable and highly predictable but the impact on Maryland's economy due to the pandemic may result in adjustments to the amount of funding for state aid programs.

Additional revenue items include: state and federal restricted revenue, interest revenue and E-rate rebates. It is important to note that restricted federal and restricted state revenue may be one-time and tend to vary from one year to the next. Recurring but unpredictable are the E-rate rebates received from the Federal Communications Commission.

On the budgetary statements for both the general fund and the food services fund, the original budget is the same as the final budget. The Board follows a policy of not amending the original budget until our financial report has been issued. The Board notifies the county in advance of any categories that are over budget. After the financial report has been issued, any necessary changes are presented to the County for approval.

THE BOARD OF EDUCATION OF CAROLINE COUNTY
Denton, Maryland

Management's Discussion and Analysis (MD&A)
June 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

At June 30, 2020, the Board had invested in a broad range of capital assets including construction in progress, land, buildings and improvements, furniture, equipment and vehicles. The following schedule shows the Board's capital assets by type:

Figure 1-3
Capital Assets - Governmental Activities

	June 30, 2020	June 30, 2019	\$ Change	% Change
Construction in progress and land	12,775,386	1,917,047	10,858,339	566.41%
Buildings and improvements	129,365,518	128,567,952	797,566	0.62%
Furniture and equipment	2,313,546	2,144,932	168,614	7.86%
Software	361,630	361,630	-	0.00%
Vehicles	3,639,167	3,110,700	528,467	16.99%
<i>Total capital assets</i>	<u>148,455,247</u>	<u>136,102,261</u>	<u>12,352,986</u>	<u>9.08%</u>

Projects which contributed to the increase in capital assets include: Greensboro Elementary School, the Support Services building, a new warehouse, a track at North Caroline High School and bus purchases. Capital expenditures are approved and funded by the state and local governments on a project basis.

School Districts in Maryland are fiscally dependent on the state and county governments. Thus, the Board of Education of Caroline County has ownership of its assets, but does not issue the debt associated with them. Accordingly, the Board carries no bond rating. As mentioned in the notes to the financial statements, the Board has capital lease obligations for building renovations, vehicles and energy equipment upgrades.

THE BOARD OF EDUCATION OF CAROLINE COUNTY
Denton, Maryland

Management's Discussion and Analysis (MD&A)
June 30, 2020

FACTORS BEARING ON THE BOARD'S FUTURE

At the time these financial statements were prepared and audited, the Board was aware of the following circumstances that could affect its financial health in the future:

- The Blueprint for Maryland's Future Act (House Bill 1300) is a landmark piece of legislation intended to transform Maryland's early childhood, primary, and secondary education system to the levels of the highest performing systems. It also seeks to increase teacher salaries and to improve the recruitment and retention of high quality teachers. This legislation passed in the General Assembly in the spring of 2020, but was vetoed by the Governor. It is still unknown if the legislature will override the Governor's veto of HB 1300. If the legislature does override the Governor's veto, the bill would take effect in precisely the same form as passed. Therefore, separate legislation would be needed to amend the timelines, funding and other provisions contained in HB 1300.

- The COVID-19 pandemic caused the closure of schools on March 13, 2020 through the remainder of the school year. COVID-19 has impacted all areas of the school system from Instruction to Food Services to Finance. COVID related expenditures to ensure the safety of students and staff and to make the transition to a distance learning environment were not budgeted or expected. There is still uncertainty surrounding the pandemic and the economic effects it will have on future revenues. Cuts to education funding would be devastating to Caroline County Public Schools and would put a great strain on future operating budgets.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents and students with a general overview of the Board's finances and to demonstrate its compliance and show its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Erin B. Thornton, Comptroller, 410-479-3263 ext. 1124 or Milton E. Nagel, Assistant Superintendent for Administrative Services, 410-479-1210 ext. 1239, at The Board of Education of Caroline County, 204 Franklin Street, Denton, Maryland 21629.

THE BOARD OF EDUCATION OF CAROLINE COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS

GENERAL FUND

Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
REVENUES				
County appropriation	\$ 15,220,217	\$ 15,220,217	\$ 15,220,217	\$ -
State revenues:				
Current expense	30,386,665	30,386,665	30,386,559	(106)
Transportation	2,960,058	2,960,058	2,960,058	-
Guaranteed tax base	1,827,147	1,827,147	1,827,147	-
Handicapped children	2,726,261	2,726,261	2,726,261	-
Limited English proficiency	2,770,871	2,770,871	2,770,871	-
Supplemental grant	966,820	966,820	966,820	-
Compensatory education	16,119,610	16,119,610	16,119,610	-
Salary incentive	706,381	706,381	706,381	-
Total state revenues	58,463,813	58,463,813	58,463,707	(106)
Other sources:				
Tuition	7,000	7,000	16,400	9,400
Interest income	105,000	105,000	161,969	56,969
Miscellaneous	600,000	600,000	590,458	(9,542)
Total other sources	712,000	712,000	768,827	56,827
Total unrestricted revenues	74,396,030	74,396,030	74,452,751	56,721
Restricted revenues:				
Restricted Federal revenues	5,619,811	5,619,811	5,954,161	334,350
Restricted State revenues	3,749,585	3,749,585	3,341,743	(407,842)
Restricted other revenues	-	-	1,644,670	1,644,670
Total restricted revenues	9,369,396	9,369,396	10,940,574	1,571,178
TOTAL REVENUES	83,765,426	83,765,426	85,393,325	1,627,899

THE BOARD OF EDUCATION OF CAROLINE COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS

GENERAL FUND

Year Ended June 30, 2020

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
EXPENDITURES				
Administration:				
Salaries and wages	\$ 1,392,306	\$ 1,392,306	\$ 1,403,180	\$ (10,874)
Contracted services	337,677	337,677	384,564	(46,887)
Supplies and materials	76,950	76,950	66,547	10,403
Other charges	319,458	319,458	265,511	53,947
Equipment	21,350	21,350	1,928	19,422
Transfers	-	-	(61,791)	61,791
Total Administration	2,147,741	2,147,741	2,059,939	87,802
School management and support:				
Salaries and wages	4,773,976	4,773,976	4,889,288	(115,312)
Contracted services	4,000	4,000	2,897	1,103
Supplies and materials	128,409	128,409	128,759	(350)
Other charges	589,504	589,504	634,363	(44,859)
Equipment	10,369	10,369	3,698	6,671
Total school management and support	5,506,258	5,506,258	5,659,005	(152,747)
Instructional salaries and wages:				
Salaries and wages	30,180,661	30,180,661	29,120,190	1,060,471
Instructional textbooks and supplies:				
Supplies and materials	844,047	844,047	840,766	3,281
Other instructional costs:				
Contracted services	760,193	760,193	799,577	(39,384)
Other charges	187,350	187,350	156,361	30,989
Equipment	1,239,253	1,239,253	989,887	249,366
Transfers	21,400	21,400	(41,474)	62,874
Total other instructional costs	2,208,196	2,208,196	1,904,351	303,845
Special education:				
Salaries and wages	4,692,800	4,692,800	4,996,305	(303,505)
Contracted services	24,980	24,980	46,185	(21,205)
Supplies and materials	60,657	60,657	55,382	5,275

THE BOARD OF EDUCATION OF CAROLINE COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS

GENERAL FUND

Year Ended June 30, 2020

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Other charges	\$ 28,500	\$ 28,500	\$ 20,178	\$ 8,322
Equipment	9,441	9,441	1,380	8,061
Transfers	1,238,005	1,238,005	1,224,314	13,691
Total special education	6,054,383	6,054,383	6,343,744	(289,361)
Pupil personnel services:				
Salaries and wages	538,373	538,373	465,232	73,141
Contracted services	27,550	27,550	194,834	(167,284)
Supplies and materials	16,000	16,000	5,939	10,061
Other charges	10,100	10,100	8,225	1,875
Total pupil personnel services	592,023	592,023	674,230	(82,207)
Health services:				
Salaries and wages	664,575	664,575	709,346	(44,771)
Contracted services	6,000	6,000	4,780	1,220
Supplies and materials	27,200	27,200	13,069	14,131
Other charges	4,500	4,500	3,674	826
Equipment	5,500	5,500	2,800	2,700
Total health services	707,775	707,775	733,669	(25,894)
Pupil transportation:				
Salaries and wages	1,805,390	1,805,390	1,794,900	10,490
Contracted services	2,101,480	2,101,480	1,800,224	301,256
Supplies and materials	220,836	220,836	225,395	(4,559)
Other charges	51,664	51,664	64,698	(13,034)
Equipment	266,720	266,720	264,170	2,550
Total pupil transportation	4,446,090	4,446,090	4,149,387	296,703
Operation of plant:				
Salaries and wages	1,804,588	1,804,588	1,862,941	(58,353)
Contracted services	1,105,323	1,105,323	1,042,673	62,650
Supplies and materials	257,650	257,650	275,655	(18,005)
Other charges	1,700,084	1,700,084	1,765,630	(65,546)
Equipment	17,500	17,500	65,901	(48,401)
Total operation of plant	4,885,145	4,885,145	5,012,800	(127,655)

THE BOARD OF EDUCATION OF CAROLINE COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS

GENERAL FUND

Year Ended June 30, 2020

(continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
Maintenance of plant:				
Salaries and wages	\$ 594,463	\$ 594,463	\$ 604,376	\$ (9,913)
Contracted services	216,400	216,400	343,116	(126,716)
Supplies and materials	106,000	106,000	140,111	(34,111)
Other charges	16,260	16,260	13,765	2,495
Equipment	71,486	71,486	59,404	12,082
Total maintenance of plant	<u>1,004,609</u>	<u>1,004,609</u>	<u>1,160,772</u>	<u>(156,163)</u>
Fixed charges:				
Insurance and employee benefits	15,574,758	15,574,758	15,612,659	(37,901)
	<u>15,574,758</u>	<u>15,574,758</u>	<u>15,612,659</u>	<u>(37,901)</u>
Capital outlay:				
Contracted services	18,000	18,000	600	17,400
Building improvements	226,344	226,344	413,172	(186,828)
Total capital outlay	<u>244,344</u>	<u>244,344</u>	<u>413,772</u>	<u>(169,428)</u>
TOTAL EXPENDITURES OF LOCAL AND UNRESTRICTED FUNDS	<u>74,396,030</u>	<u>74,396,030</u>	<u>73,685,284</u>	<u>710,746</u>
Restricted programs				
Restricted Federal programs	5,619,811	5,619,811	5,954,161	(334,350)
Restricted State programs	3,749,585	3,749,585	3,341,743	407,842
Restricted other programs	-	-	1,644,670	(1,644,670)
Total restricted programs	<u>9,369,396</u>	<u>9,369,396</u>	<u>10,940,574</u>	<u>(1,571,178)</u>
TOTAL UNRESTRICTED AND RESTRICTED EXPENDITURES	<u>83,765,426</u>	<u>83,765,426</u>	<u>84,625,858</u>	<u>(860,432)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 767,467</u>	<u>\$ 767,467</u>