HARFORD COUNTY
PUBLIC SCHOOLS















ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ending June 30, 2026.

A Component Unit of Harford County, Maryland
Prepared by the Division of Business Services Finance Department

A.A. Roberty Building | 102 S. Hickory Avenue, Bel Air, Maryland 21014

2025-2026 Board of Education of Harford County



Lauren Paige
President
Appointed Member-at-Large



Wade A. Sewell
Vice President
Elected Member
Councilmanic District B



BangTam Miller
Appointed Member-at-Large



Liliana Norkaitis
Appointed Member-at-Large



Denise E. Perry
Elected Member
Councilmanic District A



Carol L. Mueller, Ph.D.
Elected Member
Councilmanic District C



Melissa L. Hahn
Elected Member
Councilmanic District D



Carol P. Bruce
Elected Member
Councilmanic District E



Diane M. Alvarez
Elected Member
Councilmanic District F



James McVicker III
Student Member



Dyann R. Mack, Ed.D.
Secretary-Treasurer
Interim Superintendent of Schools*

**Named Superintendent of Schools effective July 1, 2026.*

HARFORD COUNTY
PUBLIC SCHOOLS
Inspire • Prepare • Achieve

Annual Comprehensive Financial Report
For the Fiscal Year ended June 30, 2026

Component Unit of Harford County, Maryland

Prepared by the Division of Business Services
Finance Department

102 South Hickory Avenue
Bel Air, Maryland 21014

Harford County Public Schools Non-Discrimination Statement

The Board of Education of Harford County Public does not discriminate on the basis of age, ancestry/national origin, color, disability, pregnancy, gender identity/expression, marital status, race, religion, sex or sexual orientation in matters affecting employment or in providing access to programs and activities and provides equal access to the Boy Scouts and other designated youth groups.

In accordance with the requirements of Title IX of the Education Amendments of 1972 (20 U.S.C. §1681, et seq.), Harford County Public Schools does not discriminate on the basis of sex in any of its programs or activities or with regard to employment. Inquiries about the application of Title IX, and its implementing regulations to Harford County Public Schools may be referred to Bernard Hennigan, Harford County Public Schools Title IX Coordinator, by mail to 102 S. Hickory Avenue, Bel Air, Maryland 21014, or by telephone to 410-588-5202 or by email to TitleIX@hcps.org or the Assistant Secretary for the Office of Civil Rights in the United States Department of Education by mail to 400 Maryland Avenue, SW, Washington, DC 20202 or by telephone 1-800-421-3481, or both.

Harford County Public Schools

Student Contributors for Artwork:

Student	Grade	School	Page
Penelope Kress	3	Prospect Mill Elementary School	1
Wade Young	1	Youth's Benefit Elementary School	4
Luciana Cortez	Pre-K	Homestead-Wakefield Elementary School	4
Aubrey Puckett	11	Patterson Mill High School	12
Kira Pappas	10	Edgewood High School	14
John Heaps	6	Southampton Middle School	14
Meredith Seman	10	North Harford High School	22
Juliana Scott	K	William S. James Elementary School	24
Edison Higgins	4	Norrisville Elementary School	71
Julitza Feliciano Acevedo	7	Magnolia Middle School	71
Sabree Knox	10	Havre de Grace High School	73
Nelina Diodato	1	Roye-Williams Elementary	73
Grayson Siford	2	Harford Academy School	82
Alanah Lester	5	George D. Lisby Elementary School	82
Gray Caton	12	Bel Air High School	85
Abigail Bogert	8	Fallston Middle School	100
Aiden Cornejo	9	Swan Creek School	100



Penelope Kress, Grade 3
Prospect Mill Elementary School
Mrs. Hadaway

Harford County Public Schools

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Wade Young, Grade 1
Youth's Benefit Elementary
Teacher: Ms. Cecile Enderson



Luciana Cortez, Pre-K
Homestead Wakefield Elementary
Teacher: Mrs. M. Glackin

BOARD OF EDUCATION OF HARFORD COUNTY
STRATEGIC PLAN

MISSION

Each student will attain academic and personal success in a safe and caring environment that honors the diversity of our students and staff.

CORE VALUES

- We empower each student to achieve academic excellence.
- We create reciprocal relationships with families and members of the community.
- We attract and retain highly skilled personnel.
- We assure an efficient and effective organization.
- We provide a safe and secure environment.

HARFORD COUNTY PUBLIC SCHOOLS
BOARD OF EDUCATION

VISION

We will **inspire** and **prepare** each student to **achieve** success in college and career.

LONG TERM GOALS



Prepare every student for success in postsecondary education and career.



Engage families and the community to be partners in the education of our students.



Hire and support highly effective staff who are committed to building their own professional capacity in order to increase student achievement.



Provide safe, secure, and healthy learning environments that are conducive to effective teaching and learning, creativity and innovation.

We believe the strategic plan guides our practice and is the foundation for continuous systemic growth and achievement. Our core values are constant, non-negotiable, and reflect our systemic beliefs. The plan will be reviewed annually by the Board of Education of Harford County. The components of the plan will be reflected in the Harford County Master Plan, the Board of Education Budget, and the respective School Performance and Achievement Plans.

Approved June 26, 2017.

Board of Education of Harford County

The members of the Board as of June 30, 2026, their represented areas, and expiration of their terms are as follows:

Title	Name	Representation	Term Ends
President	Lauren Paige	Appointed Member-at-Large	2027
Vice-President	Wade A. Sewell	Councilmanic District B	2026
Other members	Denise E. Perry	Councilmanic District A	2026
	Carol L. Mueller, Ph.D.	Councilmanic District C	2026
	Melissa L. Hahn	Councilmanic District D	2026
	Carol P. Bruce	Councilmanic District E	2026
	Diane M. Alvarez	Councilmanic District F	2026
	Liliana Norkaitis	Appointed Member-at-Large	2027
	BangTam Miller	Appointed Member-at-Large	2027
Student member	James McVicker III	Student Member	2026
Secretary-Treasurer	Dyann R. Mack, Ed.D.	Interim Superintendent of Schools*	2030

The Board of Education of Harford County consists of six elected members and three members appointed by the County Executive, subject to the advice and consent of the County Council, by a vote of at least five members of the County Council. Elected members take office the first Monday in December and serve four-year terms. Appointed members serve two-year terms beginning July 1. In addition, there is a high school senior representative to the Board who serves a one-year term. The student is elected by the Harford County Regional Association of Student Councils. For more details please see Maryland Code Ann., Education Art., § 3-6A-01, *et seq*.

Administration as of June 30, 2026

Dyann R. Mack, Ed.D.
*Interim Superintendent of Schools**

Bernard P. Hennigan
Interim Deputy Superintendent of Schools

Cathy E. Bendis
Assistant Superintendent for Operations

Lauren R. Driver, Esquire
General Counsel

Deborah L. Judd, CPA
Chief Financial Officer

Heather L. Kutcher
Assistant Superintendent for Curriculum & Instruction

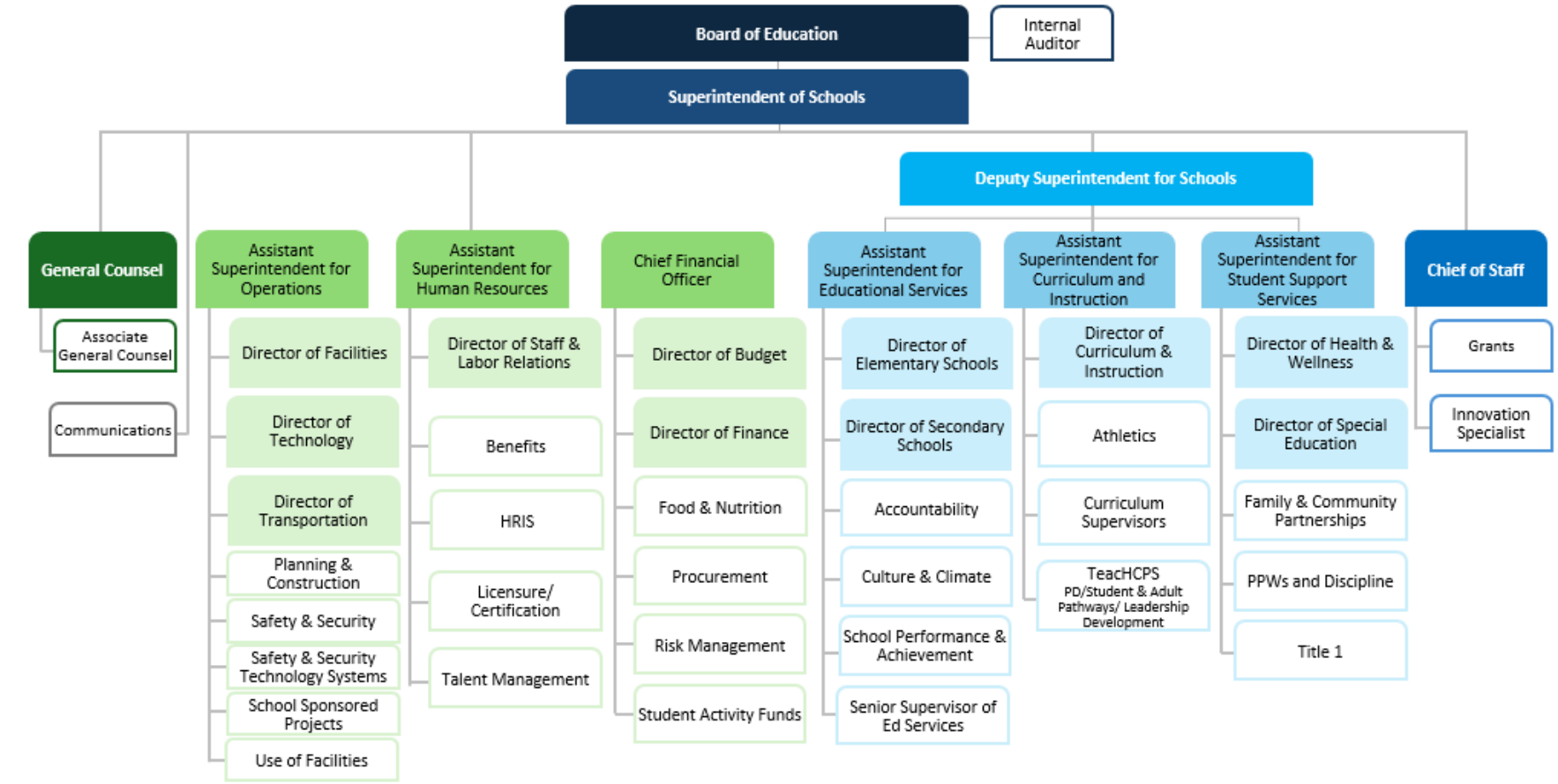
Michael L. O'Brien
Assistant Superintendent for Educational Services

Benjamin D. Richardson
Assistant Superintendent for Human Resources

Katie M. Ridgway, DPA
Chief of Staff

Vacant
Assistant Superintendent for Student Support Services

**Named Superintendent of Schools effective July 1, 2026*


Board of Education
Internal Auditor
Superintendent of Schools
Deputy Superintendent for Schools
General Counsel
Associate General Counsel
Communications
Assistant Superintendent for Operations
Director of Facilities
Director of Technology
Director of Transportation
Planning & Construction
Safety & Security
Safety & Security Technology Systems
School Sponsored Projects
Use of Facilities
Assistant Superintendent for Human Resources
Director of Staff & Labor Relations
Benefits
HRIS
Licensure/ Certification
Talent Management
Chief Financial Officer
Director of Budget
Director of Finance
Food & Nutrition
Procurement
Risk Management
Student Activity Funds
Assistant Superintendent for Educational Services
Director of Elementary Schools
Director of Secondary Schools
Accountability
Culture & Climate
School Performance & Achievement
Senior Supervisor of Ed Services
Assistant Superintendent for Curriculum and Instruction
Director of Curriculum & Instruction
Athletics
Curriculum Supervisors
TeacHCPS
PD/Student & Adult Pathways/ Leadership Development
Assistant Superintendent for Student Support Services
Director of Health & Wellness
Director of Special Education
Family & Community Partnerships
PPWs and Discipline
Title 1
Chief of Staff
Grants
Innovation Specialist
HARFORD COUNTY PUBLIC SCHOOLS
HCPS Central Services Leadership Map
July 1, 2026

HARFORD COUNTY
PUBLIC SCHOOLS

Dyann R. Mack, Ed.D., Superintendent of Schools
102 S. Hickory Avenue, Bel Air, Maryland 21014
Office: 410-838-7300 • www.hcps.org

BUSINESS SERVICES
Deborah L. Judd, CPA, Chief Financial Officer
Deborah.Judd@hcps.org

October 19, 2026

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

The Public School Laws of the State of Maryland require school districts to publish within three months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2026.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on Harford County Public Schools (HCPS) financial statements for the fiscal year ended June 30, 2026. The independent public accountants' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent public accountants' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

All funds and accounts of HCPS are included in the Annual Comprehensive Financial Report. For financial reporting purposes, HCPS has been defined as a component unit of the Harford County Government. Therefore, HCPS' financial statements and footnotes will be included in the Annual Comprehensive Financial Report of Harford County.

Profile of the Government

Harford County Public Schools (HCPS) is a fiscally dependent school system with an actual enrollment of 36,191 students in fiscal 2025. HCPS is the 159th largest school system of the 556 school districts with enrollment of 15,000 or more in the country when ranked by enrollment. This places HCPS in the top thirty percent of school districts with enrollment of 15,000 or more by size[1]. There are 24 school districts in the State of Maryland and HCPS is ranked 8th in size.[2] The student body will be served by a projected 5,340 FTE faculty and staff positions for fiscal 2026. Peak enrollment of 40,212 was reached in 2005, and has since dropped by 4,021 students, or 10.0%.

Citizens in the county have a choice of public or private schools. Harford County has 54 public schools and 46 non-public schools[3] located within the county. The number of students attending private schools is unknown. The 2026 fiscal year population of Harford County was 267,352[4]. According to the U.S. Census Bureau, the school-age population in 2025 was 43,430 of which 36,191 (HCPS enrollment less preschool and prekindergarten), or 83%, attended public schools.

The Board of Education of Harford County consists of six elected members and three members appointed by the County Executive, subject to the advice and consent of the County Council, by a vote of at least five members of the County Council. Elected members take office the first Monday in December and serve four-year terms. Appointed members serve two-year terms beginning July 1. Effective July 1, 2026, appointed members will serve four years. In addition, there is a high school senior representative to the Board who serves a one-year term. The student is elected by the Harford County Regional Association of Student Councils. For more details please see Maryland Code Ann., Education Art., § 3-6A-01, et seq.

County Government Perspective on Local Economy[4]

Local economy: Harford County's convenient location on the I-95 corridor in northeastern Maryland offers easy access to prominent research institutions such as the U.S. Army Aberdeen Proving Ground, Johns Hopkins, and the University of Maryland. Desirable location combined with the County's highly skilled work force and progressive, business-friendly environment serve to provide the draw for a wide variety of companies and industry sectors to Harford County.

Real property taxes remain one of the County's largest revenue sources. The fiscal year 2026 taxable assessable base resulted in an increase over the fiscal year 2025 assessable base of 7.0%. Properties are reassessed by the State Department of Assessments and Taxation every three years and account for one-third of the more than two million real property accounts in the state. The 2026 assessments are for "Group 2" properties and were based on an evaluation of 57,543 sales that occurred within the group over the last three years. If the reassessment resulted in a property value being adjusted, any increase in value will be phased-in equally over the next three years, while any decrease in value will be fully implemented in fiscal year 2027. For the 2026 assessment, 92.7% of "Group 2" residential properties saw an increase in property value statewide. In Harford County, residential assessments increased by 10.6% and commercial assessments for "Group 2" increased by 11.4% since their last

[1] U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "Public Elementary/Secondary School Universe Survey," 2023
[2] Maryland State Department of Education, Student Publications, "Maryland Public School Enrollment by Race/Ethnicity and Gender and Number of Schools", September 30, 2025, Table 12
[3] Maryland State Department of Education, Student Publications, "Nonpublic School Enrollment State of Maryland, September 30, 2025," Table 5
[4] Excerpts from the Harford County Government Annual Comprehensive Financial Report for the year ended June 30, 2026.

assessment released in January of 2023. This is the thirteenth year of positive assessment growth in Harford County.

Income tax revenue, the other major revenue source in the County, is directly affected by population growth, employment levels, and personal income. Income tax revenue has increased beginning in fiscal year 2012 through fiscal year 2026, except for one minor exception in fiscal year 2024, using the modified accrual basis of accounting. In fiscal year 2026 income tax revenue was $395.2 million and increased over prior year by 10.5%. The increase contains an overdistribution of $11.6 million from the Comptroller of Maryland. Income tax is budgeted at $377.0 million for fiscal year 2027. The recent increase in income tax revenue is largely due to reconciling distributions from prior tax years and an increase in wages combined with a strong workforce.

Aberdeen Proving Ground, Maryland is Harford County's number one employer. Primarily a scientific and technical research and development facility, APG has a workforce with one of the highest concentrations of advanced degrees among military installations in the nation.

Long-Term Financial Planning for the School System

The majority of all funding comes from Harford County and the State of Maryland. Ongoing expenses and needs of our students continue to rise, increasing the pressure for funding. If funding is not sufficient to support our students' ongoing needs, HCPS will need to continue to examine ways to reduce expenses. Because most funding received is allocated towards existing programs, contracts and mandates, there are limited resources available to allocate for new initiatives in general education programming.

Requirements within the Blueprint legislation will also affect future funding considerations at both the local and state level.

Blueprint for Maryland's Future

In 2016, the Maryland General Assembly established the Kirwan Commission on Innovation and Excellence in Education to make recommendations for strengthening Maryland's public schools. The commission's proposals became the foundation of the Blueprint for Maryland's Future Act (Blueprint), passed in 2021. The Blueprint organizes its reforms into five major policy areas: (1) Early Childhood Education; (2) High-quality and Diverse Teachers and Leaders; (3) College and Career Readiness Pathways; (4) More Resources to Ensure All Students Are Successful; and (5) Governance and Accountability.

The Blueprint builds on the funding model of the Bridge to Excellence Act of 2002. State foundation funding is maintained, with adjustments based on local wealth and additional funding for students who experience poverty, are English learners, or receive special education services. The law specifies per-pupil foundation amounts which began in FY2023 and includes increases each year through FY2033 and adjustments tied to inflation thereafter. Additionally, the law dictates a local share of county government funds to pay for the Blueprint mandates, which reduces local flexibility on how funds are spent. Both state and local funds are intended to support implementation across the five major policy areas, with oversight by the Accountability and Implementation Board (AIB). During implementation

Maryland school systems must align budgets, programs, and goals to Blueprint mandates while also addressing local needs and contexts.

District budgets under the Blueprint must demonstrate that targeted funds directly support the students they are intended to serve. At least 75% of each funding category must be spent on services for those students, ensuring resources truly follow a student to the classroom level. This is a substantive shift in public education accounting and districts throughout the state are working through the implications. HCPS continues to monitor developments and adjust implementation plans to ensure both compliance and meaningful impact for students.

Relevant Financial Policies

As previously stated, primary funding is provided by the State of Maryland and Harford County Government. The budget is approved by the Board of Education and the Harford County Council in accordance with State laws. The Board has no authority to levy and collect taxes or increase the budget. Formal budgetary integration, including encumbrance accounting, is employed as a management control device during the year for the governmental fund types. Management is authorized to transfer funds within major categories of expenditure, as defined by statute. Transfers between categories of expenditures and supplemental appropriations during the fiscal year require approval of the Board of Education, Harford County Executive, and Harford County Council.

By statute, in order to receive any increase in State basic school aid, each county must appropriate an amount equal to, or greater than, the prior year per pupil appropriation. Referred to as the 'maintenance of effort' calculation, it provides that if there is no enrollment growth, county funding will remain the same as that of the prior year in terms of total dollars. Counties often appropriate in excess of the minimum amount stipulated in the law.

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Harford County Public Schools for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2026. This was the twenty-first consecutive year that the school system has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a school system must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

The preparation of this report would not have been possible without the services of the entire staff of the Finance Department under the direction of Amanda Henck, CPA, Director of Finance, and the Office of Internal Audit under the direction of Laura J. Tucholski, CPA, CIA, CFE, Internal Auditor, and CliftonLarsonAllen, LLP. Many other offices in the system contributed to provide data for this report, including the artwork published throughout the document. Our appreciation is extended to all who assisted in the timely closing of the school system's financial records and in the preparation of this report. Credit must also be given to the Superintendent and Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of HCPS' finances.

Sincerely,

Dyann R. Mack, Ed.D.
Superintendent

Deborah L. Judd, CPA
Chief Financial Officer

Amanda E. Henck, CPA
Director of Finance



Aubrey Puckett, Grade 11
Patterson Mill High School
Teacher: Mrs. Alison Filicko

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Harford County Public Schools
Maryland

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025



and issued to the public 119 days after the fiscal year end

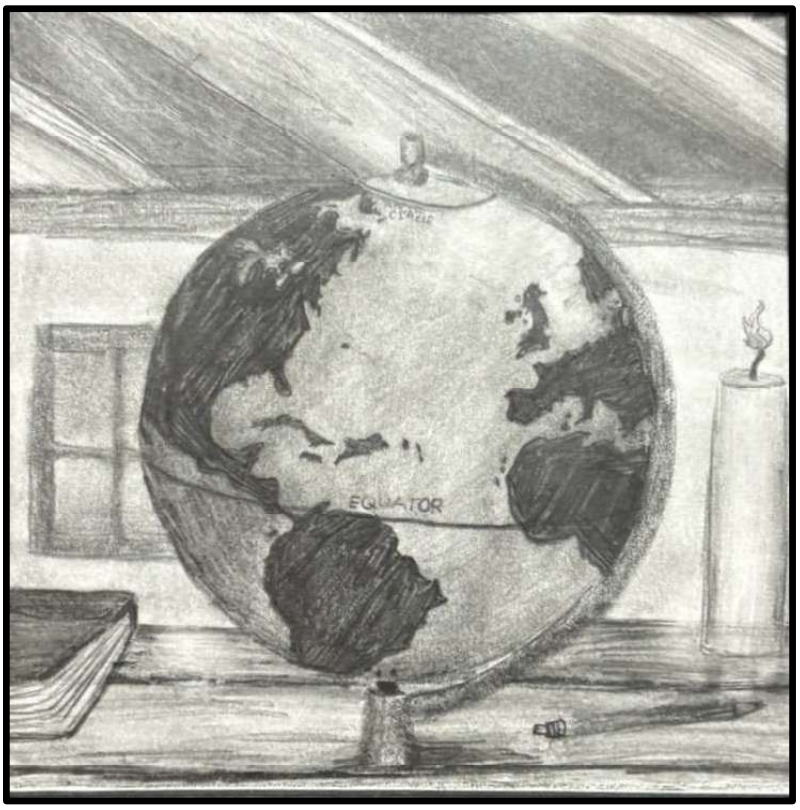
Christopher P. Morrill

Executive Director/CEO

Financial Section



Kira Pappas, Grade 10
Edgewood High School
Teacher: Ms. Melinda Durante



John Heaps, Grade 6
Southampton Middle School
Teacher: Ms. Colleen DiNunno

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Members of the Board
Of Education of Harford County
Bel Air, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Harford County Public Schools (HCPS), a component unit of Harford County, Maryland as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise HCPS' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of HCPS, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HCPS 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

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 HCPS' 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.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

Auditors' 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 auditors' 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 HCPS' 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 HCPS' 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 discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 the HCPS' basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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 GAAS. 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 report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Members of the Board of
Education of Harford County

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2026, on our consideration of HCPS' 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 HCPS' 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 HCPS' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
October 19, 2026

This Management's Discussion and Analysis (MD&A) provides an overview of the financial activities of Harford County Public Schools (HCPS) for the fiscal year ended June 30, 2026. The financial report includes the basic financial statements, notes, required supplementary information, and other supplementary information. The government-wide statements present HCPS as a whole using the accrual basis of accounting, while the governmental fund statements focus on current financial resources and near-term inflows and outflows.

The goal of the MD&A is for the HCPS financial managers to present an objective and easily readable analysis of its financial activities based on currently known facts, decisions or conditions**.**

Overview of Financial Statements

Government-wide Financial Statements present the overall financial position and results of operations of HCPS and report all assets, deferred outflows, liabilities, deferred inflows, revenues, and expenses.

Fund Financial Statements provide detailed information about HCPS's governmental funds and are used to demonstrate compliance with finance-related requirements.

Fiduciary responsibility – Retiree Health Plan Trust (Exhibits 7 and 8). HCPS is the trustee, or fiduciary, for its retiree health plan trust. We exclude these activities from Harford County Public Schools' other financial statements because the assets cannot be used to finance HCPS' activities. We are responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information immediately following the notes to the financial statements. Budgetary comparison schedules for the General Fund present the original budget, final budget and actual results for the fiscal year.

Other Supplementary Information. This report also presents certain supplementary information, including statistical information, immediately following the required supplementary information.

Financial Summary

Government-wide Financial Summary

Harford County Public Schools

Condensed Net Position

	June 30, 2026	June 30, 2025	$ Change	% Change
Current Assets	116,684,304	123,624,572	(6,940,268)	-5.6%
Capital Assets	861,937,513	841,477,591	20,459,922	2.4%
TOTAL ASSETS	978,621,817	965,102,163	13,519,654	1.4%
Deferred Outflows	178,628,036	300,371,162	(121,743,126)	-40.5%
Current/other Liabilities	44,061,709	35,089,550	8,972,159	25.6%
Long-term Liabilities	602,227,298	667,083,601	(64,856,303)	-9.7%
LIABILITIES	646,289,007	702,173,151	(55,884,144)	-8.0%
Deferred Inflows	622,485,460	795,368,217	(172,882,757)	-21.7%
Net Investment in capital assets	836,690,625	803,415,988	33,274,637	4.1%
Restricted	19,688,618	24,218,584	(4,529,966)	-18.7%
Unrestricted	(967,903,857)	(1,059,702,615)	91,798,758	-8.7%
TOTAL NET POSITION	$ (111,524,614)	$ (232,068,043)	$ 120,543,429	-51.9%

The decrease in deferred outflows is offset by the decrease in liabilities and deferred inflows, primarily related to OPEB, resulting in an improvement to net position. The detailed Statement of Net Position can be found in Exhibit 1.

Harford County Public Schools
Condensed Statement of Activities

	June 30, 2026	June 30, 2025	$ Change	% Change
Revenues	838,342,724	837,943,707	399,017	0.05%
Expenses	717,799,295	720,773,337	(2,974,042)	-0.41%
Change in Net Position	120,543,429	117,170,370	3,373,059	2.88%

Revenues remained relatively consistent with the prior year, while expenses decreased slightly, resulting in a $3.4 million increase in the change in net position. The detailed Statement of Activities can be found in Exhibit 2.

Detailed Financial Analyses

Government-wide Financial Analysis

Net position as of June 30, 2026 and 2025, is illustrated in the table below and Exhibit 1.

Harford County Public Schools
Net Position

	June 30, 2026	June 30, 2025	$ Change	% Change
ASSETS				
Current assets	$ 116,684,304	$ 123,624,572	$ (6,940,268)	-5.6%
Capital assets, net	861,937,513	841,477,591	20,459,922	2.4%
Total assets	978,621,817	965,102,163	13,519,654	1.4%
Deferred outflows related to OPEB	162,577,000	281,270,000	(118,693,000)	-42.2%
Deferred outflows related to pensions	16,051,036	19,101,162	(3,050,126)	-16.0%
Total deferred outflows	178,628,036	300,371,162	(121,743,126)	-40.5%
LIABILITIES				
Current and other liabilities	44,061,709	35,089,550	8,972,159	25.6%
Noncurrent liabilities	602,227,298	667,083,601	(64,856,303)	-9.7%
Total liabilities	646,289,007	702,173,151	(55,884,144)	-8.0%
Deferred inflows related to OPEB	621,868,000	794,442,000	(172,574,000)	-21.7%
Deferred inflows related to pensions	617,460	926,217	(308,757)	-33.3%
Total deferred inflows	622,485,460	795,368,217	(172,882,757)	-21.7%
NET POSITION				
Net investment in capital assets	836,690,625	803,415,988	33,274,637	4.1%
Restricted	19,688,618	24,218,584	(4,529,966)	-18.7%
Unrestricted	(967,903,857)	(1,059,702,615)	91,798,758	-8.7%
Total net position	$ (111,524,614)	$ (232,068,043)	$ 120,543,429	-51.9%

Net position over time may serve as a useful indicator of a government's financial position.

Deferred outflows of resources decreased by $121.7 million, primarily reflecting the recognition of amounts deferred in prior years related to changes in actuarial assumptions and differences between expected and actual experience.

The decrease in noncurrent liabilities by $64.9 million is mainly due to the net OPEB liability decrease of $43.1 million, from $553.7 million at June 30, 2025, to $510.5 million at June 30, 2026, primarily due to changes in actuarial assumptions and experience.

Deferred inflows of resources decreased by $172.9 million, primarily reflecting the recognition of previously deferred amounts related to differences between expected and actual experience and changes in actuarial assumptions, as required under GASB 75.

Net position improved by $120.5 million from June 30, 2025 to June 30, 2026, primarily due to the decrease in deferred outflows and deferred inflows related to OPEB, the decrease in the net OPEB liability, and the increase in capital assets.



Meredith Seman, Grade 10
North Harford High School
Teacher: Mr. Jason Blevins

Government-wide Results of Operations

Results of operations for HCPS, as a whole, are presented in Exhibit 2, the Statement of Activities.

Harford County Public Schools
Change in Net Position

	June 30, 2026	June 30, 2025	% Change
Revenues			
Program:			
Charges for services	$ 9,236,549	$ 9,618,858	-4.0%
Operating grants and contributions	226,897,695	218,769,097	3.7%
Capital grants and contributions	56,459,795	92,510,728	-39.0%
Local appropriations	347,602,277	321,352,402	8.2%
State aid	185,930,222	179,828,252	3.4%
Federal aid	444,380	506,948	-12.3%
Student activities	4,283,571	4,595,006	-6.8%
Miscellaneous	4,449,372	5,924,635	-24.9%
Investment earnings	3,038,863	4,837,781	-37.2%
Total revenues	838,342,724	837,943,707	0.0%
Expenses			
Instruction	470,288,120	480,012,645	-2.0%
Support services:			
Administration	18,149,163	18,402,484	-1.4%
Mid-level administration	44,286,976	43,620,647	1.5%
Pupil personnel services	6,122,257	6,048,779	1.2%
Health services	9,104,578	9,054,835	0.5%
Pupil transportation	58,262,091	55,392,333	5.2%
Operation of plant	56,307,014	51,842,249	8.6%
Maintenance of plant and equipment	28,068,663	27,955,817	0.4%
Community services	1,127,634	1,313,322	-14.1%
Food services	21,194,982	22,030,088	-3.8%
Student activities	4,394,753	4,522,235	-2.8%
Interest on long-term debt	430,634	515,473	-16.5%
Depreciation - unallocated	62,430	62,430	0.0%
Total expenses	717,799,295	720,773,337	-0.4%
Change in Net Position	120,543,429	117,170,370	2.9%
Net position - beginning of year	(232,068,043)	(349,238,413)	-33.6%
Net position - end of year	$ (111,524,614)	$ (232,068,043)	-51.9%

The change in net position reflects relatively stable revenues and a slight decrease in expenses year-over-year. Revenues are $838.3 million compared to $837.9 million in the prior year.

Local appropriations saw a large increase of 8.2% due to increased funding from the local government. State aid also increased due to State formula funding and specific Blueprint funding. Investment earnings decreased $1.8 million due to lower cash balances as HCPS continues to use fund balance to support annual operations.

Operating Grants and Contributions increased $8.2 million due to increased state revenue related to specific initiatives such as College Career Readiness, Concentration of Poverty, Transitional Supplemental Instruction and non-public education.

Capital Grants and Contributions decreased $36.0 million due to reduced spending on the Homestead Wakefield Elementary School Replacement project by approximately $20.0 million and $15.8 million for the Aberdeen Middle HVAC project.

Instruction expense decreased from the prior year due to the reduction of approximately 160 instructional positions. This decrease is offset by a salary and wage package and an increase in non-public placements. Pupil transportation went up mainly due to a $1.9 million increase in the contracted bus services. Operation of plant increased due to a $3.0 million increase in utility costs and 10.0 new safety and security liaison positions, and $0.4 million for recurring costs for detection systems.



Juliana Scott, Grade K
William S. James Elementary School
Teacher: Mrs. Henderson

Major Fund Analysis

The following table illustrates the change in fund balance for the General Fund, Special Revenue, or Food and Nutrition Fund and the Capital Projects Fund.

Harford County Public Schools
Change in Fund Balance

	General Fund		Special Revenue Fund		Capital Projects Fund		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Revenues								
Intergovernmental Revenues								
Local Sources	$ 347,602,277	$ 321,352,402	$ -	$ -	$ 34,093,415	$ 51,288,499	$ 381,695,692	$ 372,640,901
State Sources	345,806,736	333,313,901	405,629	354,045	21,133,797	39,540,681	367,346,162	373,208,627
Special State and Federal Programs	58,611,803	52,940,000	-	-	-	-	58,611,803	52,940,000
Federal Sources	444,380	506,948	15,612,919	15,089,644	-	-	16,057,299	15,596,592
Earnings on Investments	3,038,863	4,837,781	54,122	65,805	-	-	3,092,985	4,903,586
Charges for Services	-	-	7,066,635	7,522,750	-	-	7,066,635	7,522,750
Student activities	4,283,571	4,595,006	-	-	-	-	4,283,571	4,595,006
Miscellaneous Revenues	6,619,286	8,020,743	72,782	76,883	1,232,583	1,681,548	7,924,651	9,779,174
Total revenues	766,406,916	725,566,781	23,212,087	23,109,127	56,459,795	92,510,728	846,078,798	841,186,636
Expenditures								
Administration	14,038,584	13,788,075	-	-	-	-	14,038,584	13,788,075
Mid-Level Administration	34,190,545	33,532,097	-	-	-	-	34,190,545	33,532,097
Instructional Salaries	229,625,467	232,852,038	-	-	-	-	229,625,467	232,852,038
Instructional Textbooks & Materials	4,761,451	10,820,222	-	-	-	-	4,761,451	10,820,222
Other Instructional Costs	5,309,935	17,880,322	-	-	-	-	5,309,935	17,880,322
Special Education	89,925,255	82,956,456	-	-	-	-	89,925,255	82,956,456
Student Personnel Services	3,551,284	3,504,109	-	-	-	-	3,551,284	3,504,109
Health services	5,848,905	5,698,405	-	-	-	-	5,848,905	5,698,405
Pupil transportation	47,525,927	44,733,694	-	-	-	-	47,525,927	44,733,694
Operation of plant	39,069,509	35,457,294	-	-	-	-	39,069,509	35,457,294
Maintenance of plant and equipment	15,703,457	15,824,693	-	-	-	-	15,703,457	15,824,693
Fixed Charges	204,759,200	195,081,756	-	-	-	-	204,759,200	195,081,756
Community services	539,644	588,453	-	-	-	-	539,644	588,453
Special State & Federal Programs	58,611,803	52,936,558	-	-	-	-	58,611,803	52,936,558
Costs of Operations -Food Services	-	-	23,299,335	23,642,101	-	-	23,299,335	23,642,101
Student activities	4,394,753	4,522,235	-	-	-	-	4,394,753	4,522,235
Capital Outlay	-	-	-	-	60,902,513	100,742,167	60,902,513	100,742,167
Debt Service:								
Principal	11,050,442	11,251,091	-	-	-	-	11,050,442	11,251,091
Interest	430,634	515,473	-	-	-	-	430,634	515,473
Total expenditures	769,336,795	761,942,971	23,299,335	23,642,101	60,902,513	100,742,167	853,538,643	886,327,239
Excess (deficiency) of revenues over expenditures	(2,929,879)	(36,376,190)	(87,248)	(532,974)	(4,442,718)	(8,231,439)	(7,459,845)	(45,140,603)
Other financing sources:								
Issuance of Leases	-	11,733,556	-	-	-	-	-	11,733,556
Issuance of Subscriptions	178,752	4,194,411	-	-	-	-	178,752	4,194,411
Transfers	-	-	-	-	-	-	-	-
Total Other financing sources	178,752	15,927,967	-	-	-	-	178,752	15,927,967
Net change in fund balances	(2,751,127)	(20,448,223)	(87,248)	(532,974)	(4,442,718)	(8,231,439)	(7,281,093)	(29,212,636)
Fund Balances - beginning of year	62,149,190	82,597,413	11,487,315	12,020,289	12,731,269	20,962,708	86,367,774	115,580,410
Fund Balances - end of year	$ 59,398,063	$ 62,149,190	$ 11,400,067	$ 11,487,315	$ 8,288,551	$ 12,731,269	$ 79,086,681	$ 86,367,774

General Fund
The General Fund ended the year with a fund balance of $59.4 million, a decrease of $2.8 million from the prior year. General Fund revenues increased $40.8 million, $26.2 million of that increase is from local funding. Expenditures only increased $7.4 million, resulting in a significant reduction in the operating deficiency from $36.4 million in the prior year to $2.9 million in the current year. The salary package and increase in fixed charges were a large portion of that increase, along with the increase in non-public placements in the Special Education category. Assigned fund balance amounts are designated for specific purposes and are therefore not available for general operating needs. Additional information regarding assigned fund balance is provided in Note 6 to the financial statements.

Special Revenue Fund
The Food and Nutrition fund is intended to be self-supporting. There was a reduction in fund balance of $0.09 million. Despite cash sales decreasing $0.5 million, expenses were tightly controlled only resulting in a slight loss. The pressure of food costs and staffing costs is becoming increasingly difficult to offset.

Capital Projects Fund
Activity in the Capital Projects Fund decreased within two major projects. Capital Grants and Contributions decreased $36.0 million due to reduced spending on the Homestead Wakefield Elementary School Replacement project by approximately $20.0 million and $15.8 million for the Aberdeen Middle HVAC project. Expenditures exceeded revenues in the Capital Projects Fund by $4.4 million due to timing of revenues received and funds used to support state and local capital projects in varying stages of progress.

Significant Capital Asset and Long-Term Financing Activity (See Notes 4 and 5)

Capital Assets: During fiscal year 2026, capital investment was primarily concentrated on ongoing renovation. As of June 30, 2026, HCPS had approximately $1.4 billion invested in a broad range of capital assets including land (1,945 acres), buildings (6.3 million square feet), improvements, furniture, vehicles and other equipment. Capital and amortizable assets increased approximately $61.3 million and $0.2 million over last year, excluding the effect of depreciation and amortization, as shown in the table below. Most of this increase pertains to the Homestead Wakefield Elementary school replacement project and the Harford Technical High School renovation project. Disposals total $1.4 million for the year. These include eight buses and thirteen maintenance vehicles.

Harford County Public Schools
Changes to Capital Assets

	June 30, 2026	June 30, 2025	$ Change	% Change
Capital Assets:				
Land	$ 9,672,942	$ 9,672,942	$ -	0.0%
Construction in progress	135,445,130	157,374,200	(21,929,070)	-13.9%
School properties	1,095,463,113	1,019,606,502	75,856,611	7.4%
Furniture and equipment	79,285,607	71,899,685	7,385,922	10.3%
Total capital assets	1,319,866,792	1,258,553,329	61,313,463	4.9%
Amortizable lease and SBITA assets:				
Land improvements	1,072,667	1,072,667	-	0.0%
Buildings	645,712	645,712	-	0.0%
Furniture and equipment	39,017,067	39,017,067	-	0.0%
Subscription-based Information:				
Technology Agreements (SBITAs)	12,241,052	12,062,300	178,752	1.5%
Total amortizable lease assets	52,976,498	52,797,746	178,752	0.3%
Capital, lease and SBITA assets	$ 1,372,843,290	$ 1,311,351,075	$ 61,492,215	4.7%

Leases and Long-term Liabilities: School districts in Maryland are in the uncommon position of owning assets but not the debt associated with those facilities as they are fully fiscally dependent on the state and county governments. Accordingly, HCPS carries no bond rating, but has an approved debt policy for lease transactions. In fiscal year 2022, HCPS refinanced the note for the Administration Building, reflected as the Finance purchase obligation below, to a lower rate of 1.7%, without extending the term of the debt. Net budgetary savings is approximately $213,000 between years 2023 and 2030. The decrease associated with the finance purchase obligation is solely the reduction of the liability.

Notes payable currently reflects the performance energy contract and the decrease associated is solely the reduction of this liability.

Leases reflected in these financial statements pertain mainly to the HCPS copier lease and laptop leases for students and staff. There were no new leases during the current year.

Subscriptions payable decreased $2.3 million from the prior year, primarily due to payments on existing subscription obligations.

The chart below reflects the various long-term liabilities reflected in these financial statements.

Harford County Public Schools
Changes to Long-term Liabilities

	June 30, 2026	June 30, 2025	$ Change	% Change	Due Within One Year
Finance purchase obligations	$ 3,057,094	$ 3,789,516	$ (732,422)	-19.3%	$ 744,947
Notes payable - direct borrowings	4,228,153	5,233,213	(1,005,060)	-19.2%	1,025,434
Leases payable	8,256,657	15,076,076	(6,819,419)	-45.2%	3,190,020
Subscriptions payable	2,523,098	4,837,888	(2,314,790)	-47.8%	1,503,685
Compensated Absences	41,106,610	41,927,243	(820,633)	-2.0%	2,425,515
OPEB Liability	510,521,000	553,659,000	(43,138,000)	-7.8%	-
Net Pension Liability	41,424,287	42,560,665	(1,136,378)	-2.7%	-
Total Long-Term Liabilities	$ 611,116,899	$ 667,083,601	$ (55,966,702)	-9.2%	$ 8,889,601

Currently Known Facts, Decisions, or Conditions

HCPS continues to face significant financial challenges associated with implementation of the Blueprint for Maryland's Future, increasing demands for student services, workforce recruitment and retention needs, inflationary cost pressures, and limited revenue flexibility. Management expects these factors to continue affecting both operating and capital budgets in future fiscal years.

The Blueprint for Maryland's Future requires HCPS to align staffing, instructional programming, budgeting, reporting, and long-term planning with State-mandated initiatives and performance expectations. While State and local funding supports implementation of these requirements, formula-driven funding and the mandated local share limit budgetary flexibility. In addition, significant operational areas, including transportation, safety, technology infrastructure, and facilities, are not fully funded through existing State aid formulas. Costs associated with special education, accountability and reporting requirements, assessment programs, curriculum initiatives, technology infrastructure, professional development, and compliance activities continue to require investments beyond funding provided through existing State formulas.

HCPS remains highly dependent on State aid and local appropriations to support operations and capital improvements. Future revenues are subject to economic conditions, enrollment trends, legislative actions, and State and local funding decisions, while expenditures associated with personnel, student services, facilities, and Blueprint requirements are expected to continue increasing. Management continues to evaluate staffing, programmatic, operational, and capital planning decisions to address these needs within available resources.

HCPS is currently experiencing, and expects to continue experiencing, budgetary pressures related to the following:

Student Services and Enrollment Needs

- Although overall enrollment is anticipated to decrease in FY2027, demand for services supporting multilingual learners, students experiencing homelessness, economically disadvantaged students, and students requiring intensive special education services is expected to continue to increase. These student populations require significantly more resources to adequately support their needs.

Personnel Costs

- Competitive labor market conditions, inflationary cost pressures, increasing mental health service demands, rising employee benefit costs, retirement contributions, and ongoing workforce recruitment and retention needs are expected to continue affecting personnel costs.

Facilities and Capital Needs

- Capacity constraints associated with prekindergarten expansion, special education programming, community schools, increased need for security technology systems and limited capital funding for facilities, transportation, and technology infrastructure will continue to affect HCPS's capital and operating needs.
- Aging buildings and deferred maintenance, repair and replacement resulting from limited funding may continue to put additional strain on the operating budget and fund balance as HCPS addresses emergency needs.

Planning and Revenue Risks

- Enrollment uncertainty and expenditure growth that may outpace available revenue increases.
- The availability and level of State and local funding to support future operating and capital requirements remain important considerations in planning for FY2027. Funding constraints at the State and local levels may limit HCPS's ability to address increasing costs and emerging student and facility needs.

Collectively, these known facts, decisions, and conditions are expected to place ongoing pressure on HCPS's financial position. Expenditure growth associated with State mandates, compensation, benefits, student services, technology, and facilities may outpace available revenue growth, potentially requiring adjustments to spending priorities, identification of additional funding sources, implementation of cost containment measures, or other management actions to maintain long-term financial sustainability.

Contacting Harford County Public Schools' Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, and students with a general overview of HCPS finances and to demonstrate its accountability for the money it receives.

If you have questions about this report or wish to request additional financial information, contact Deborah L. Judd, CPA, Chief Financial Officer, at (410) 588-5321; or by mail at Harford County Public Schools, Business Services, 102 South Hickory Avenue, Bel Air, Maryland 21014.

STATEMENT OF NET POSITION
JUNE 30, 2026

Governmental Activities

ASSETS	
Cash and cash equivalents	$ 28,007,612
Investments	32,143,727
Due from other units of government	42,240,584
Other receivables	13,542,430
Inventory, food and supplies	728,472
Prepaid items	21,479
Capital assets not being depreciated or amortized	145,118,072
Capital assets net of accumulated depreciation and amortization	716,819,441
Total assets	978,621,817
DEFERRED OUTFLOWS	
Deferred outflows related to OPEB	162,577,000
Deferred outflows related to pensions	16,051,036
Total deferred outflows	178,628,036
LIABILITIES	
Accounts payable	21,767,457
Accrued salaries and wages	1,652,128
Payroll taxes payable	96,169
Unearned revenue	11,656,354
Noncurrent liabilities:	
Due within one year	8,889,601
Due in more than one year	602,227,298
Total liabilities	646,289,007
DEFERRED INFLOWS	
Deferred inflows related to OPEB	621,868,000
Deferred inflows related to pensions	617,460
Total deferred inflows	622,485,460
NET POSITION	
Net investment in capital assets	836,690,625
Restricted for:	
Food services	11,400,067
Capital projects	8,288,551
Unrestricted	(967,903,857)
Total net position	$ (111,524,614)

The accompanying notes are an integral part of this financial statement.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction:					
Regular education	$ 334,626,281	$ 1,674,609	$ 113,895,788	$ 40,726,691	$ (178,329,193)
Special education	135,661,839	-	64,437,464	-	(71,224,375)
Total instruction	470,288,120	1,674,609	178,333,252	40,726,691	(249,553,568)
Support services					
Administration	18,149,163	-	2,188,545	325,423	(15,635,195)
Mid-level administration	44,286,976	-	6,494,103	-	(37,792,873)
Pupil personnel services	6,122,257	-	2,400,233	-	(3,722,024)
Health services	9,104,578	-	935,529	-	(8,169,049)
Pupil transportation	58,262,091	-	17,871,253	-	(40,390,838)
Operation of plant	56,307,014	-	947,710	3,517,753	(51,841,551)
Maintenance of plant and equipment	28,068,663	-	846,723	11,889,928	(15,332,012)
Community services	1,127,634	495,305	734,895	-	102,566
Food services	21,194,982	7,066,635	16,145,452	-	2,017,105
Student activities	4,394,753	-	-	-	(4,394,753)
Interest on long-term debt	430,634	-	-	-	(430,634)
Depreciation - unallocated	62,430	-	-	-	(62,430)
Total support services	247,511,175	7,561,940	48,564,443	15,733,104	(175,651,688)
Total governmental activities	$ 717,799,295	$ 9,236,549	$ 226,897,695	$ 56,459,795	(425,205,256)
General revenues:					
Local aid not restricted to specific purposes					347,602,277
State aid not restricted to specific purposes					185,930,222
Federal aid not restricted to specific purposes					444,380
Student activities					4,283,571
Miscellaneous					4,449,372
Investment earnings					3,038,863
Total general revenues					545,748,685
Change in net position					120,543,429
Net position - beginning of year					(232,068,043)
Net position - end of year					$ (111,524,614)

The accompanying notes are an integral part of this financial statement.

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 16,352,728	$ 11,654,884	$ -	$ 28,007,612
Investments	32,143,727	-	-	32,143,727
Due from other units of government	26,537,804	1,004,461	14,698,319	42,240,584
Other receivables	13,296,114	246,316	-	13,542,430
Due from other funds	1,436,949	-	5,363,491	6,800,440
Inventory, food and supplies	166,424	562,048	-	728,472
Prepaid items	21,479	-	-	21,479
Total assets	$ 89,955,225	$ 13,467,709	$ 20,061,810	$ 123,484,744
LIABILITIES				
Accounts payable	$ 10,035,094	$ 322,324	$ 11,410,039	$ 21,767,457
Accrued salaries and wages	1,652,128	-	-	1,652,128
Payroll taxes payable	96,169	-	-	96,169
Due to other funds	5,363,491	1,436,949	-	6,800,440
Unearned revenue	10,984,765	308,369	363,220	11,656,354
Compensated absences payable	2,425,515	-	-	2,425,515
Total liabilities	30,557,162	2,067,642	11,773,259	44,398,063
FUND BALANCES				
Non-spendable	187,903	562,048	-	749,951
Restricted	-	10,838,019	8,288,551	19,126,570
Assigned	38,648,622	-	-	38,648,622
Unassigned	20,561,538	-	-	20,561,538
Total fund balances	59,398,063	11,400,067	8,288,551	79,086,681
Total liabilities and fund balances	$ 89,955,225	$ 13,467,709	$ 20,061,810	$ 123,484,744

The accompanying notes are an integral part of this financial statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2026

Total fund balances - governmental funds (Exhibit 3)	$ 79,086,681
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of these assets is $1,372,843,290 and the accumulated depreciation and amortization. is $510,905,777.	861,937,513
Long-term liabilities are not due and payable from current resources and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of net compensated absences payable ($38,681,095), obligations under leases ($8,256,657), finance purchase obligations ($3,057,094), notes payable - direct borrowing ($4,228,153) and subscriptions payable ($2,523,098), net OPEB liability ($510,521,000) and net pension liability ($41,424,287).	(608,691,384)
Deferred outflows related to OPEB.	162,577,000
Deferred outflows related to pensions.	16,051,036
Deferred inflows related to OPEB.	(621,868,000)
Deferred inflows related to pensions.	(617,460)
Total net position - governmental activities (Exhibit 1)	$ (111,524,614)

The accompanying notes are an integral part of this financial statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Intergovernmental revenues:				
Local sources	$ 347,602,277	$ -	$ 34,093,415	$ 381,695,692
State sources	345,806,736	405,629	21,133,797	367,346,162
Special state and federal programs	58,611,803	-	-	58,611,803
Federal sources	444,380	15,612,919	-	16,057,299
Earnings on investments	3,038,863	54,122	-	3,092,985
Charges for services	-	7,066,635	-	7,066,635
Student activities	4,283,571	-	-	4,283,571
Miscellaneous	6,619,286	72,782	1,232,583	7,924,651
Total revenues	766,406,916	23,212,087	56,459,795	846,078,798
Expenditures				
Current:				
Administrative services	14,038,584	-	-	14,038,584
Mid-level administrative services	34,190,545	-	-	34,190,545
Instructional salaries	229,625,467	-	-	229,625,467
Instructional textbooks and supplies	4,761,451	-	-	4,761,451
Other instructional costs	5,309,935	-	-	5,309,935
Special education	89,925,255	-	-	89,925,255
Student personnel services	3,551,284	-	-	3,551,284
Health services	5,848,905	-	-	5,848,905
Pupil transportation services	47,525,927	-	-	47,525,927
Operation of plant	39,069,509	-	-	39,069,509
Maintenance of plant and equipment	15,703,457	-	-	15,703,457
Fixed charges	204,759,200	-	-	204,759,200
Community services	539,644	-	-	539,644
Special state and federal programs	58,611,803	-	-	58,611,803
Costs of operation - food services		23,299,335	-	23,299,335
Student activities	4,394,753	-	-	4,394,753
Capital outlay	-	-	60,902,513	60,902,513
Debt service:				
Principal	11,050,442	-	-	11,050,442
Interest	430,634	-	-	430,634
Total expenditures	769,336,795	23,299,335	60,902,513	853,538,643
Excess (deficiency) of revenues over expenditures	(2,929,879)	(87,248)	(4,442,718)	(7,459,845)
Other financing sources:				
Issuance of leases	-	-	-	-
Issuance of subscriptions	178,752	-	-	178,752
Total Other financing sources	178,752	-	-	178,752
Net change in fund balances	(2,751,127)	(87,248)	(4,442,718)	(7,281,093)
Fund balances - beginning of year	62,149,190	11,487,315	12,731,269	86,367,774
Fund balances - end of year	$ 59,398,063	$ 11,400,067	$ 8,288,551	$ 79,086,681

The accompanying notes are an integral part of this financial statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2026

Total net change in fund balances - governmental funds (Exhibit 5)	$ (7,281,093)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay ($62,900,091) exceeded depreciation and amortization expense ($42,440,169) .	20,459,922
Leases and notes payable provide current financial resources to governmental funds but increases long-term liabilities in the statement of net position. Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, the net effect of borrowings and repayments on leases was ($6,819,419), finance purchase obligations ($732,422), notes payable - direct borrowing was ($1,005,060) and subscriptions was ($2,314,790).	10,871,690
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid or expected to be paid within one year) This year, vacation and sick leave earned exceeded the amounts used by $1,078,901.	1,078,901
OPEB costs reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	97,019,000
Pension costs reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,604,991)
Change in net position of governmental activities (Exhibit 2)	$ 120,543,429

The accompanying notes are an integral part of this financial statement.

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2026

	Retiree Health Plan Trust
Assets	
Investments held in MABE Trust	$ 102,902,259
Total assets	102,902,259
Liabilities	-
Total liabilities	-
Net position restricted for OPEB	$ 102,902,259

The accompanying notes are an integral part of this financial statement.

Harford County Public Schools

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026

	Retiree Health Plan Trust
Additions	
Contributions	$ 31,672,786
Other income	
Investment earnings	
Net increase in fair value of investments	13,675,412
Less custodial fees	(281,221)
Net investment results	13,394,191
Total additions	45,066,977
Deductions	
Benefit payments	30,672,786
Administrative expenses	12,912
Total deductions	30,685,698
Change in net position	14,381,279
Net position - beginning of year	88,520,980
Net position - end of year	$ 102,902,259

The accompanying notes are an integral part of this financial statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Board of Education of Harford County (the Board) is a body politic and corporate established by the Public School Laws of Maryland. For financial reporting purposes, the Board (alternatively referred to herein as Harford County Public Schools) is a component unit of Harford County, Maryland (the County) by virtue of the County's responsibility for levying taxes and incurring debt for the benefit of the Board, as well as its budgetary control over the Board. Accordingly, the financial statements of the Board are included in the financial statements of the County.

The accounting policies of Harford County Public Schools conform to accounting principles generally accepted in the United States of America. Accordingly, the Board applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of significant accounting policies employed by the Board.

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 Harford County Public Schools as a whole. The activities of the General Fund (Current Expense Fund), Special Revenue Fund (Food Service Fund) and Capital Projects Fund (School Construction Fund) have been presented as governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Local appropriations, state and federal aid and other items which are not classified as program revenues are presented as general revenues of the Board. The Board has no internal service funds and inter-fund services provided and used are negligible and are not eliminated in the process of consolidation.

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and asset retirement obligations are recognized based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Board the right to use assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscription-based information technology arrangements are reported as other financing sources.

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.

Inter-fund balances account for expenditures paid in the general fund for other funds through a common system. Reimbursements are made periodically as revenues are received.

The Retiree Health Plan Trust Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Governmental Funds

Current Expense Fund (General Fund) - The general fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Special state and federal programs are included in the restricted portion of this fund.

Food Service Fund (Special Revenue Fund) – The food service fund is used to account for the operations of the cafeterias and production facilities which provide 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.

A substantial portion of its revenues are derived from other governments and it is not intended to be self-sustaining from food sales. The Board exercises the appropriate budgetary and accounting control through use of an annual budget prepared by the Department of Food and Nutrition and

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

the Budget Office, which is reviewed and monitored by management during the fiscal year. There is no legal requirement for an approved budget.

School Construction Fund (Capital Projects Fund) – The school construction fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

Fiduciary Funds

Retiree Health Plan Trust Fund – This fund was established to prefund other postemployment benefits (OPEB) that the Board provides to retirees of the Board and their dependents. It consists of contributions of the Board to establish a reserve to pay health and welfare benefits of future retirees. Contributions to the Trust qualify as contributions and are reported as additions using the economic resource measurement focus and the accrual basis of accounting, under which expenses (deduction) are recorded when the liability is incurred or the benefits are paid.

Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

Amounts in demand deposits and short-term investments with a maturity date of three months or less when purchased are considered cash and cash equivalents.

Due From Other Units of Government and Other Receivables

Due from other units of government consists primarily of amounts due for local and state appropriations under the operating budget and capital projects, and expenditures in excess of amounts received under grant agreements. Other receivables include amounts due from other local education agencies for out-of-county tuition and the deposit with the Harford County Consortium for stabilization of health insurance costs.

Accounts receivables are not collateralized but are primarily with other governmental units and related agencies. These entities rarely default on their obligations and management of the Board considers all amounts collectible as of June 30, 2026. Therefore, no valuation allowance is provided against the amounts due.

Inventory

Inventory in the general fund consists of supplies maintained in the distribution center and is recorded at cost. Inventory in the food service fund consists of expendable food and supplies held

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Net Position or Equity (continued)

for consumption and is recorded at cost. 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.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported as governmental activities in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of more than $5,000 and a useful life of at least two years. In addition, assets having an estimated useful life of more than one year that are below the $5,000 threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant. 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 estimated 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 20-50 years for buildings, improvements and infrastructure, and 5-20 years for furniture and equipment.

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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Net Position or Equity (continued)

Compensated Absences

The Board recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported in the government-wide and general fund financial statements and includes salary-related benefits, where applicable.

Vacation: The Board's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave: The Board's policy permits employees to accumulate earned but unused sick leave. Sick leave is accrued for employees with at least ten years of service and calculated at 25% of their annual daily rate up to a maximum ranging from 200 to 300 days. Sick leave is also accrued for employees with less than ten years of service where the portion of sick leave that is accrued is based on historical tenure rates and estimates of the employee population who will be eligible for payout of their sick leave balance after ten years of service. Except when an employee retires with the State of Maryland, all sick leave lapses when employees leave the employ of the Board and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Pensions

Certain employees of the Board are members of the Maryland State Retirement and Pension System. Employees are members of either the Teachers Pension System of the State of Maryland (TPS) or the Employees Retirement System of the State of Maryland (ERS). TPS and ERS are part of the Maryland State Retirement and Pension System that is considered a single, multiple-employer cost-sharing plan.

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 the fiduciary net position of TPS and ERS and additions to/deductions from TPS and ERS' fiduciary net position have been determined on the same basis as they are reported by TPS and ERS. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Net Position or Equity (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Encumbrances

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

Net Position and Fund Balance

The difference between fund assets and deferred outflows and liabilities and deferred inflows is "Net Position" on the government-wide and fiduciary fund statements and "Fund Balance" on governmental fund statements. Net Position is classified as "Net investment in capital assets," legally "Restricted" for a specific purpose, or "Unrestricted" and available for appropriation for general purposes. When both restricted and unrestricted resources are available for use, it is the Board's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the governmental fund financial statements, non-spendable and restricted fund balance represent amounts that are legally restricted by outside parties for use for a specific purpose or are otherwise not available for appropriation. Assigned fund balance represents the portion of fund balance that reflects the Board's intended use of resources.

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 disclosures 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.

NOTE 2 – 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 Harford County, the State of Maryland, and special federal and state programs.

The budgetary basis differs from GAAP, which is used for the fund financial statements, in that encumbrances, which represent commitments to purchase goods and services, are treated as expenditures of the current period rather than assignments of the fund balance, portions of the prior year's fund balance are included as revenues and retirement payments made on the Board's behalf by the State of Maryland are excluded from revenues and expenditures. Revenue and expenditures from student activities are not budgeted and therefore are excluded. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (non-GAAP basis) and Actual-General Fund is presented in Required Supplementary Information using the budgetary basis of accounting. By state law, major categories of expenditures may not exceed budgeted amounts. The state-mandated categories of expenditures include Administration, Mid-level Administration, Instructional Salaries, Textbooks and Instructional Supplies, Other Instructional Costs, Special Education, Pupil Personnel Services, Student Health Services, Student Transportation, Operation of Plant, Maintenance of Plant, Fixed Charges, Community Services and Capital Outlay.

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

Operating Budget (General Fund)

1) Each fiscal year the Budget Office coordinates with the Superintendent to seek input from departmental leaders and the community as the budget planning process begins.

2) The Board may, at its discretion, discuss and establish its priorities for the operating budget at the regular monthly meetings in October and November.

3) No later than the regular monthly meeting in January, the Superintendent of Schools will present the recommended operating budget to the Board and the general public.

4) In January, the Board will hold a special meeting for the purpose of providing for a public hearing on the Superintendent's recommended operating budget.

5) No later than the regular monthly meeting in February, the Board will adopt an operating budget and submit the adopted operating budget to the County Executive.

6) After approval or adjustment by the County Council, the final operating budget is approved by the Board in June.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (continued)

7) Budgets are normally 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 revenues and expenditures of student activities and the exclusion of retirement payments made on the Board's behalf by the State of Maryland as revenues and expenditures.

8) Transfers may be made within the major categories by the Board of Education without the approval of the County Council as budgetary control is at the major category level.

9) Requests approved by the Board of Education for transfers between major categories must be submitted to the County Council for approval or denial. No action within thirty (30) days of submission constitutes approval.

The expenditures under special state and federal programs may exceed budgeted amounts. The grants included in this category are not part of budget categories subject to the spending limitations of the operating budget. Expenditures under these programs are limited to the amounts of the respective grants.

Food Service Fund Budget (Special Revenue Fund)

The Food Service Fund Budget is not a legally adopted budget; therefore, a budget to actual presentation is not included in the basic financial statements. The comparison of the Food Services Fund Budget to actual revenues and expenditures is presented as a supplementary schedule to these financial statements. Revenue from federal sources in the Food Service Fund includes $1,491,255 of donated commodities from the United States Department of Agriculture.

Capital Budget - School Construction Fund (Capital Projects Fund)

Annual budgetary comparisons to actual expenditures are not presented in the financial statements for the Capital Projects Fund.

School construction is budgeted on a project basis with funds primarily provided by Harford County and the State of Maryland. State funds are approved by the state's interagency committee.

NOTE 3 – CASH AND INVESTMENTS

Cash on Hand

At year end, cash on hand for petty cash and change funds was $50.

Deposits

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Board may not be able to recover the deposits. The Annotated Code of Maryland requires that funds on deposit with a financial institution be fully secured by deposit insurance, surety bonds, obligations of the United States or its agencies, obligations of the State of Maryland or any of its agencies, or obligations of a county, other governmental authority, or municipal corporation in the State of Maryland. As of June 30, 2026, all of the Board's deposits were either covered by FDIC insurance or collateral held by the financial institution in the Board's name. As of June 30, 2026, the carrying amount of the Board's deposits was $11,685,958 and the bank balance was $13,008,180.

Investments

Statutes authorize the Board to invest in obligations of the United States Government, federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the Maryland Local Government Investment Pool (MLGIP), money market mutual funds, commercial paper and repurchase agreements secured by direct government or agency obligations.

The Board is a participant in the MLGIP, which is under the administration of the State Treasurer. The MLGIP was created as part of the Annotated Code of Maryland and is rated AAAm by Standard and Poor's, their highest rating for money market funds. Unit value is computed using the amortized cost method and the pool maintains $1.00 per unit constant value. The pool is a Rule 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. The Board has no unfunded commitments nor significant terms or conditions for redemption. The investment objectives of the Pool are to preserve the capital value of the dollars invested, to provide a competitive rate of return and to provide a readily available source of daily liquidity. The amortized cost of the pool is the same as the value of the pool shares.

As of June 30, 2026, the Board's investment balances were as follows:

	Total Governmental Funds	Total Fiduciary Funds	Total
Maryland Local Government Investment Pool	$ 32,143,727	$ -	$ 32,143,727
MABE Trust	-	102,902,259	102,902,259
Total Investments	$ 32,143,727	$ 102,902,259	$ 135,045,986

NOTE 3 – CASH AND INVESTMENTS (continued)

Interest Rate Risk

Fair value fluctuates with interest rates and increasing interest rates could cause fair value to decline below original cost. To limit the Board's exposure to interest rate risk arising from increasing interest rates, the Board's investment policy limits the term of investment maturities, except in the fiduciary funds, for which longer term maturities are allowed to match the cash flow of liabilities. The Board's management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the Board from having to sell investments below original cost for that purpose. The investments as of June 30, 2026, complied with the Board's investment policy as of that date.

Investment income includes the following for the year ended June 30, 2026:

Net interest and dividends	$ 3,092,985
Less: Restricted net investment income	54,122
Total Net Investment Income Per Statement of Activities	$ 3,038,863

Credit Risk

In order to control credit risk, State statutes authorize the Board to invest in obligations of the United States government, federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the MLGIP, money market mutual funds, commercial paper and repurchase agreements secured by direct government or agency obligations.

Concentration of Credit Risk

In accordance with its investment policy, with the exception of U.S. Treasury securities, repurchase agreements, U.S. government agencies and MLGIP, no more than 50% of the Board's total investment portfolio is to be invested in a single security type. With the exception of overnight repurchase agreements with the Board's lead bank and the MLGIP, no more than 50% of the Board's portfolio may be invested in a single institution.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counter party, the Board will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. The Board's investment policy states that all investments must be fully collateralized. As of June 30, 2026, all of the Board's investments were insured or registered, were held by the custodian in the Board's name or were invested in MLGIP.

NOTE 3 – CASH AND INVESTMENTS (continued)

Reconciliation of cash and investments as shown on the Statement of Net Position:

Cash on hand	$ 50
Carrying amount of deposits	11,685,958
Carrying amount of sweep accounts	16,321,604
Carrying amount of investments	135,045,986
Total cash and investments	163,053,598
Less: Amounts in fiduciary funds	102,902,259
Total Cash and Investments per Statement of Net Position	$ 60,151,339
Cash and cash equivalents	$ 28,007,612
Investments	32,143,727
Total Cash and Investments per Statement of Net Position	$ 60,151,339

Investment in External Investment Pool

The Board has funds designated for Other Postemployment Benefits (OPEB) that are held by Maryland Association of Boards of Education (MABE) in the MABE OPEB Trust (MABE Trust). The MABE Trust is administered by the MABE and is a wholly-owned instrumentality of its members. The ten members who are sole contributors to the MABE Trust consist of Allegany Fiduciary Fund and the boards of education of the following Maryland counties: Allegany, Caroline, Cecil, Charles, Harford, Kent, Prince George's, St. Mary's and Washington.

The investments of the MABE Trust are stated at fair value and are managed by Fidelity Brokerage Services, LLC and consist of money market funds, U.S. government and agency fixed income and asset backed securities, equity securities, mutual funds and exchange traded funds and corporate and corporate asset backed securities. The MABE Trust categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. Although all of the investments of the MABE Trust are considered Level 1 and Level 2, the Board's membership investment in the MABE Trust is considered Level 2. As of June 30, 2026, the pooled net position of the MABE Trust was $894,386,807 in total, of which the Board's allocated investment balance was $102,902,259. The Board may terminate its membership in the MABE Trust and withdraw its allocated investment balance by providing written notice six months prior to the intended date of withdrawal.

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

NOTE 4 – CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2026, were as follows:

	July 1, 2025	Additions	Retirements/ Reclassifications	June 30, 2026
Governmental activities:				
Nondepreciable capital assets:				
Land	$ 9,672,942	$ -	$ -	$ 9,672,942
Construction in progress	157,374,200	52,684,917	(74,613,987)	135,445,130
Total nondepreciable capital assets	167,047,142	52,684,917	(74,613,987)	145,118,072
Depreciable capital assets:				
Land improvements	24,613,760	148,139	2,364,797	27,126,696
Buildings	994,992,742	1,227,128	72,116,547	1,068,336,417
Furniture and equipment	71,899,685	8,661,155	(1,275,233)	79,285,607
Total depreciable capital assets	1,091,506,187	10,036,422	73,206,111	1,174,748,720
Amortizable lease assets:				
Land improvements	1,072,667	-	-	1,072,667
Buildings	645,712	-	-	645,712
Furniture and equipment	39,017,067	-	-	39,017,067
Total amortizable lease assets	40,735,446	-	-	40,735,446
Amortizable SBITA assets:				
SBITAs	12,062,300	178,752	-	12,241,052
Total SBITA assets	12,062,300	178,752	-	12,241,052
Total Capital and Amortizable Assets	1,311,351,075	62,900,091	(1,407,876)	1,372,843,290
Less capital asset accumulated depreciation for:				
Land improvements	14,938,862	968,479	-	15,907,341
Buildings	379,376,080	25,982,433	-	405,358,513
Furniture and equipment	48,193,488	4,939,724	(1,407,876)	51,725,336
Total capital asset accumulated depreciation	442,508,430	31,890,636	(1,407,876)	472,991,190
Less lease asset accumulated amortization for:				
Land improvements	575,857	165,603	-	741,460
Buildings	378,890	138,446	-	517,336
Furniture and equipment	22,470,123	7,676,188	-	30,146,311
Total lease asset accumulated amortization	23,424,870	7,980,237	-	31,405,107
Less SBITA asset accumulated amortization for:				
SBITAs	3,940,184	2,569,296	-	6,509,480
Total SBITA asset accumulated amortization	3,940,184	2,569,296	-	6,509,480
Total Accumulated Depreciation and Amortization	469,873,484	42,440,169	(1,407,876)	510,905,777
Governmental activities, capital and lease assets, net	$ 841,477,591	$ 20,459,922	$ -	$ 861,937,513

NOTE 4 - CAPITAL ASSETS (continued)

Depreciation and amortization expense for the year ended June 30, 2026, was charged to governmental functions on the Statement of Activities as follows:

Depreciation not allocated to specific functions	$ 62,430
Administration	636,526
Mid-level administration	1,288
Instruction	25,769,567
Special education	110,278
Transportation	1,846,076
Operations	5,143,433
Maintenance	8,691,254
Food Service	179,317
Total	$ 42,440,169

NOTE 4 - CAPITAL ASSETS (continued)

The Board has active school construction projects as of June 30, 2026, as follows:

Project:	Spent to Date	Remaining Commitment
Aberdeen High Security Lighting Upgrade	$ 52,335	$ 138,725
Aberdeen High Ticket Booth	126,515	-
Aberdeen Middle HVAC	31,941,253	1,237,931
Bakerfield Elementary Modular Units	251,486	116,974
C. Milton Wright High Security Lighting Upgrade	53,060	96,210
Edgewood High Security Lighting Upgrade	52,431	147,842
Fallston High Elevator Modernization	216,900	24,100
George D. Lisby Elementary Modular Units	251,555	110,266
Harford Academy	10,735,029	16,047,593
Harford Glen Pier	24,707	20,493
Harford Technical High School	67,975,875	9,452,076
Havre de Grace Middle & High School Security Lighting Upgrade	102,767	91,764
Hickory Elementary Modular Unit	126,084	58,843
Hickory Elementary Strive Suite	41,207	176,127
Homestead Wakefield Elementary Site Improvements	7,261,925	2,934,072
Jarrettsville Elementary Pre-K Expansion	47,065	69,169
Joppatowne High Stormwater Improvements	499,870	46,315
Magnolia Middle Elevator Modernization	193,500	21,500
North Harford High School Energy Recovery	98,567	4,416,433
North Harford High School Roof	1,860,177	3,173,729
Oracle ERP	10,485,460	219,413
Prospect Mill Elementary Roof	2,824,354	7,073
Riverside Elementary Modular Unit	126,084	69,349
Roye Williams Elementary Sensory Room	31,369	42,065
Southampton Middle Security Vestibule	65,555	118,485
Total	$ 135,445,130	$ 38,836,547

These projects are primarily funded through capital grants from Harford County and the State of Maryland. Contracts are not entered into with contractors until such funding is obtained.

NOTE 5 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2026, was as follows:

	Balance as of July 1, 2025	Increases	Reductions	Balance as of June 30, 2026	Due Within One Year
Finance purchase obligations	$ 3,789,516	$ -	$ 732,422	$ 3,057,094	$ 744,947
Notes payable - direct borrowings	5,233,213	-	1,005,060	4,228,153	1,025,434
Leases payable	15,076,076	-	6,819,419	8,256,657	3,190,020
Subscriptions payable	4,837,888	178,752	2,493,542	2,523,098	1,503,685
Compensated absences	41,927,243	9,533,175	10,353,808	41,106,610	2,425,515
Net OPEB liability	553,659,000	-	43,138,000	510,521,000	-
Net pension liability	42,560,665	-	1,136,378	41,424,287	-
Total Governmental Activities	$ 667,083,601	$ 9,711,927	$ 65,678,629	$ 611,116,899	$ 8,889,601

Finance Purchase Obligations

The Board entered into a special financing arrangement (note payable) in the amount of $11,400,223 to construct the administration building, which was completed in January 2006. The agreement is for a period of twenty-five years. The debt was refinanced on March 1, 2022 at a rate of 1.71%. The term of the debt was not extended.

Notes Payable – Direct Borrowings

The Board entered into a contract to install energy efficient enhancements to existing buildings. Payments continue through January 2030 at a discount rate of 2.02%. The Board's outstanding note from the direct borrowing contains a provision that in the event of default, outstanding amounts become immediately due if the Board is unable to make payment.

The future minimum obligations and the net present value of these payments as of June 30, 2026 were as follows:

Years Ending June 30,	Finance Purchase Obligations Amount	Notes Payable - Direct Borrowing Amount
2027	$ 797,223	$ 1,105,571
2028	797,223	1,105,571
2029	797,223	1,105,571
2030	797,223	1,105,571
2031	-	-
2032-2036	-	-
Total minimum note payments	3,188,892	4,422,284
Less: amount representing interest	131,798	194,131
Present value of minimum note payments	$ 3,057,094	$ 4,228,153

NOTE 5 - LONG-TERM LIABILITIES (continued)

Leases

The Board leases certain equipment and properties for storage and other uses under long-term leases. The terms of the leases range from 3 years to 5 years with discount rates ranging from 1.2% to 3.49%.

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

Land Improvements	$ 1,072,667
Buildings	608,426
Furniture and equipment	31,213,366
Gross asset value	32,894,459
Less: accumulated amortization	29,294,619
Net Book Value	$ 3,599,840

The future minimum lease obligations and the net present value of these minimum payments as of June 30, 2026, were as follows:

Years Ending June 30,	Amount
2027	$ 3,467,603
2028	3,255,929
2029	2,052,432
2030	-
Total minimum lease payments	8,775,964
Less: amount representing interest	519,307
Present value of minimum lease payments	$ 8,256,657

Subscription-Based Information Technology Arrangements

The Board entered into subscription-based information technology arrangements (SBITAs) for software subscriptions and seat licenses. The terms of the SBITA arrangements range from 2 years to 6 years expiring in 2026 with discount rates ranging from 1.2% to 3.49%.

NOTE 5 - LONG-TERM LIABILITIES (continued)

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2026, were as follows:

Years Ending June 30,	Amount
2027	$ 1,570,059
2028	1,047,631
2029	-
2030	-
2031-2035	-
Total minimum subscription payments	2,617,690
Less: amount representing interest	94,592
Present value of minimum subscription payments	$ 2,523,098

NOTE 6 - FUND BALANCE

Fund balance as of June 30, 2026, consisted of the following:

	General Fund	Food Services Fund	Capital Projects Fund
Non-spendable for:			
Inventory	$ 187,903	$ 562,048	$ -
Total non-spendable	187,903	562,048	-
Restricted for:			
Food Services	-	10,838,019	-
Capital Projects	-	-	8,288,551
Total restricted	-	10,838,019	8,288,551
Assigned to:			
Purchases on order for:			
Contracted Services	1,760,091	-	-
Supplies and materials	1,364,608	-	-
Other charges	36,887	-	-
Equipment and other	165,961	-	-
Total purchases on order	3,327,547	-	-
Fiscal year 2027 unrestricted expenditures	10,600,000	-	-
Rate stabilization	12,094,182	-	-
Student activities	2,626,893	-	-
Future health insurance call	5,000,000	-	-
Emergency fuel reserve	1,000,000	-	-
Future lease payments for devices	4,000,000	-	-
Total assigned	38,648,622	-	-
Unassigned	20,561,538	-	-
Total fund balances	$ 59,398,063	$ 11,400,067	$ 8,288,551

Non-spendable fund balance reports resources that cannot be spent because of their form or due to legal or contractual requirements. Restricted fund balance reports resources that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state or local legislation. Restrictions may be changed only with the consent of the resource providers. Committed fund balance reports resources with self-imposed limitation approved by the Board to the end of the period. Formal action is required to remove or modify a constraint reflected in the committed fund balance. There were no committed fund balances as of June 30, 2026. Assigned fund balance records the portion of fund balance that reflects the Board's intended use of resources. For assigned fund balance, the Board's upper-level management is authorized to assign amounts to a specific purpose and is the highest level of decision-making for assigned fund balance.

NOTE 6 – FUND BALANCE (continued)

Unlike committed fund balance, formal action is not required to impose, remove, or modify assigned fund balance. 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 formal budgetary integration in the General Fund, Special Revenue Fund, and Capital Projects Fund. Purchases on order at year-end are reported as assignments of fund balances for the General Fund since they do not constitute expenditures or liabilities. For Special Revenue and Capital Projects Funds encumbrances outstanding are reported as part of the restricted fund balance since those resources will be used to liquidate the outstanding encumbrances. Unassigned fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

NOTE 7 - PENSION PLANS

General Information about the Pension Plan

Plan description
The employees of the Board are covered by the Maryland State Retirement and Pension System (the System), which is a cost sharing employer public employee retirement system. While there are five retirement and pension systems under the System, employees of the Board are a member of either the Teachers' Retirement and Pension Systems or the Employees' Retirement and Pension Systems. The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. The Plans are 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 https://sra.maryland.gov/ .

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.

NOTE 7 - PENSION PLANS (continued)

General Information about the Pension Plan (continued)

For individuals who become members of the Teachers' Pension System and Employees' Pension System on or after July 1, 2011, pension allowances are computed using both the highest five years AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retirees' benefits allowance will be computed. Some of these options require actuarial reductions based on the retirees' and/or designated beneficiary's attained age and similar actuarial factors.

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

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

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

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

NOTE 7 - PENSION PLANS (continued)

General Information about the Pension Plan (continued)

Beginning in FY2017, the Board pays the normal cost for their teachers in the Teachers Retirement and Pension System while the State contributes on behalf of the Board, the unfunded liability portion of the Board's annual required contribution to the Teachers Retirement and Pension System, which for the year ended June 30, 2026 was $17.6 million. The State's contributions on behalf of the Board for the year ended June 30, 2026 was $39.4 million. The fiscal 2026 contribution made by the State on behalf of the Board have been included as both revenues and expenditures in the general fund in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances and are also included as revenues and expenses in the Statement of Activities.

The Board's contractually required contribution rate for the Employees' Retirement and Pension Systems for the year ended June 30, 2026, was 6.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Board made its share of the required contributions during the year ended June 30, 2026 of $5.3 million.

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

Employees Retirement and Pension Systems

At June 30, 2026, the Board reported a liability of $41.4 million for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2025. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2026 and June 30 2025, the Board's proportion for ERS was 0.16%.

NOTE 7 - PENSION PLANS (continued)

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

For the year ended June 30, 2026, the Board recognized pension expense for ERS of approximately $7.0 million. As of June 30, 2026, the Board reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Board contributions subsequent to measurement date	$ 5,346,496	$ -
Changes in actuarial assumptions	1,480,135	-
Differences in expected vs. actual experience	5,453,790	459,760
Net difference between projected and actual earnings on pension plan investments	548,006	-
Changes in proportion	3,222,608	157,700
Changes in proportionate share of contributions	1	-
Total	$ 16,051,036	$ 617,460

The $5.3 million reported as deferred outflows of resources related to ERS resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the ERS net pension liability during the year ended June 30, 2027.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows as of June 30, 2026:

Year Ending June 30,	Amortization of Pension Expense
2027	$ 4,905,852
2028	2,524,181
2029	1,774,107
2030	654,517
2031	228,423
Total	$ 10,087,080

NOTE 7 - PENSION PLANS (continued)

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

Teachers Retirement and Pension Systems

At June 30, 2026, the Board did not report a liability related to the Teachers' Retirement and Pension Systems due to a special funding situation. The State of Maryland pays the unfunded liability for the Board and the Board pays the normal cost related to the Boards members in the Teachers Retirement and Pension Systems; therefore, the Board is not required to record its share of the unfunded pension liability but instead, that liability is recorded by the State of Maryland. The amount recognized by the Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Board were as follows:

State's proportionate share of the net pension liability	$ 315,098,598
Board's proportionate share of the net pension liability	-
Total	$ 315,098,598

The net pension liability was measured as of June 30, 2025, 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, 2026, the Board recognized pension expense of $56.9 million and revenue of $39.4 million in the General Fund for support provided by the State. In the Statement of Activities, the Board recognized pension expense of $49.2 million and revenue of $31.6 million for support provided by the State. Due to the special funding situation noted above related to the Teachers Retirement and Pension Systems, the Board did not report deferred outflows of resources and deferred inflows of resources related to the Teachers Retirement and Pension Systems.

Actuarial Assumptions

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

Inflation	2.50% general, 3.0% wage
Salary increases	3.0% to 22.5%
Investment rate of return	6.80%

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

NOTE 7 - PENSION PLANS (continued)

The economic and demographic actuarial assumptions used in the June 30, 2025 valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2014-2018, after completion of the June 30, 2018 valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2019. As a result, an investment return assumption of 6.80% and an inflation assumption of 2.5% were used in the June 30, 2025 valuation.

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

Asset Class:	Target Allocation	Long-Term Expected Rate of Return
Public Equity	34%	5.90%
Private Equity	16%	8.50%
Rate Sensitive	20%	3.00%
Credit Opportunity	9%	5.40%
Real Assets	15%	5.90%
Absolute Return	6%	3.80%
Total	100%	

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2025.

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was 9.83%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 7 - PENSION PLANS (continued)

Discount Rate

The single discount rate used to measure the total pension liability was 6.80%. 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 plans 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 Board's net pension liability, calculated using a single discount rate of 6.80%, as well as what the Board's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher for the Employees Retirement and Pension Systems:

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Board's proportionate share of the net pension liability	$ 61,590,375	$ 41,424,288	$ 24,615,756

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

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.

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

Plan administration

The Board administers a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for retirees of the Board and their dependents.

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

In December 2007, the Board created the Retiree Benefit Trust of the Board of Education of Harford County (Benefit Trust) in order to facilitate the funding or partial funding of the actuarially calculated OPEB liability. The Benefit Trust established a trust account with, and became a member of, the Maryland Association of Boards of Education Pooled OPEB Investment Trust (MABE Trust). It is a member owned trust that provides the Board and the other nine-member boards a structure to pool assets to reduce investment costs and share administrative expenses. The Board reserves the right to establish and amend the provisions of its relationship with the MABE Trust with respect to participants, any benefit provided thereunder, or its participation therein, in whole or in part at any time, by resolution of its governing body and upon advance notice to the Trustees of the MABE Trust.

The MABE Trust was established to pool assets of its member Boards of Education for investment purposes only. Each member of the MABE Trust is required to designate a member trustee. The member trustees of the MABE Trust shall ensure that the MABE Trust keep such records as are necessary in order to maintain a separation of the assets of the MABE Trust from the assets of trusts maintained by other governmental employers. Assets of the member trusts are reported in their respective financial statements using the economic resources measurement focus and the accrual basis of accounting, under which expenses are recorded when the liability is incurred. Employer contributions are recorded in the accounting period in which they are earned and become measurable. Investments are reported at fair value and are based on published prices and quotations from major investment brokers at current exchange rates, if available.

The MABE Trust issues a publicly available audited GAAP-basis report that includes financial statements and required supplementary information for the MABE Trust. This report may be obtained by writing to the Trust Administrator, Maryland Association of Boards of Education, 621 Ridgely Avenue, Suite 300, Annapolis, Maryland 21401-1112, or calling 410-841-5414.

Plan Membership

As of June 30, 2026, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	2,971
Inactive plan members entitled to but not yet receiving benefit payments	390
Active plan members	5,369
Total plan members	**8,730**

Benefits provided and contributions

The Board provides medical, dental and life insurance benefits to eligible employees upon retirement. The employer's contributions are financed on a pay-as-you-go basis, and the future payment of these benefits is contingent upon the annual approval of the operating budget. Details of the postemployment benefits provided are as follows:

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Medical Benefits
Retirees are eligible for continued membership in one of the school system's group medical plans. Dependent children can be covered until the child reaches age 26. Spouses are also covered. Surviving spouses can stay in the plan but must pay the full cost to participate. All plans include prescription drug coverage. The full Board contribution is either 85%, 90% or 95% of medical insurance premiums, based on the plan chosen by the retiree. The medical benefits paid by the Board for the year ended June 30, 2026 was $28,872,976.

Dental Benefits
Retirees are eligible for continued membership in one of the school system's group dental plans. Coverage is the same as described above for medical benefits. The full Board contribution is 90% of dental insurance premiums, based on the plan chosen by the retiree. The dental benefits paid by the Board for the year ended June 30, 2026 was $1,720,768.

Life Insurance Benefits
The full Board contribution is 90% of the life insurance premiums. The amount of insurance coverage is reduced to $20,000 upon retirement and $10,000 five years after retirement. The life insurance benefits paid by the Board for the year ended June 30, 2026 was $79,042.

Whether the Board pays the full contribution rate for medical, dental and life insurance benefits depends upon the retiree's hire date and their number of years of service as follows:

Year of Service	***Participants Hired Prior to 7/1/2006***	***Participants Hired After 7/1/2006***
0 - 9	None	None
10 - 19	Full Board Contribution*	1/3 of Full Board Contribution*
20 - 29	Full Board Contribution*	2/3 of Full Board Contribution*
30 or more	Full Board Contribution*	Full Board Contribution*

*Upon eligibility for Medicare (usually at age 65 or if eligible due to disability), retiree's and/or their Medicare-eligible dependents are required to convert to coverage which supplements Medicare.

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Net OPEB Liability of the Board

The components of the net OPEB liability of the Board as of June 30, 2026, were as follows:

Total OPEB liability	613,423,000
Plan fiduciary net position	102,902,000
Board's net OPEB liability	$ 510,521,000

Plan fiduciary net position as a percentage of the total OPEB liability	16.78%

Change in the Net OPEB Liability of the Board for the year ended June 30, 2026 was as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2025	$ 642,180,000	$ 88,521,000	$ 553,659,000
Changes for the year:			
Service cost	19,129,000	-	19,129,000
Interest	37,500,000	-	37,500,000
Change in Benefit Terms	(2,611,000)	-	(2,611,000)
Differences between expected and actual experience	(25,712,000)	-	(25,712,000)
Changes of assumptions	(26,390,000)	-	(26,390,000)
Benefit payments	(30,673,000)	(30,673,000)	-
Contributions from the employer	-	31,673,000	(31,673,000)
Net investment income	-	13,394,000	(13,394,000)
Administrative expense	-	(13,000)	13,000
Net changes	(28,757,000)	14,381,000	(43,138,000)
Balance as of June 30, 2026	$ 613,423,000	$102,902,000	$ 510,521,000

Actuarial Methods and Assumptions

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

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Significant valuation methods and assumptions are as follows:

Valuation Date	April 1, 2026 for the fiscal year ending June 30, 2026
Actuarial Cost Method	Entry age normal cost method
Asset Method	Fair market value
Actuarial Assumptions:	
Discount Rate	6.30%
Expected Return on Assets	7.00%
Salary Increases	5.02%
General Inflation	2.60%
Healthcare Cost Trend Rates:	
Medical and prescription - pre-65	8.00% initial year and 4.04% final year of valuation (not applicable to Life)
Medical and prescription - post-65	6.14% initial year and 3.78% final year of valuation (not applicable to Life)
Dental	5.00%
Mortality Rates:	
Healthy Pre-Retirement	Pub-2010 Teacher Employees Headcount-Weighted Mortality Table, projected on a fully generational basis using Mortality Improvement Scale MP-2021
Healthy Post Retirement	Pub-2010 Teacher Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis using Mortality Improvement Scale MP-2021
Survivor/Beneficiary	Pub-2010 Teachers Contingent Survivor Headcount-Weighted Mortality Table, projected on a fully generational basis using Mortality Improvement Scale MP-2021
Disabled	Pub-2010 Teacher Disabled Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis using Mortality Improvement Scale MP-2021

The financial accounting valuation reflects the following assumption changes:

The healthcare cost trend assumption was updated based on the 2026 SOA Long-Term Healthcare Cost Trends Model, adjusted to reflect the expected impact of the Inflation Reduction Act (IRA).
The decrement and salary scale assumptions were updated based on those developed for teachers in the 2024 experience study for the State of Maryland Retirement and Pension System.
The per capita cost were updated based on the FY26 premium rates and retiree claims and enrollment experience through May 31, 2026.
The discount rate was updated from 5.80% for June 30, 2025 to 6.30% for June 30, 2026.

The actuarial value of assets was determined using fair value of assets. The trust is assumed to earn 7.00% interest and contributions are assumed to be made in the middle of the year.

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Investments

Investment policy
The MABE Trust's policy in regard to the allocation of invested assets is established and may be amended by the Trustees by a majority vote of its members. It is the policy of the Trust to pursue an investment strategy that emphasizes growth of principal while avoiding excess risk. Short-term volatility will be tolerated inasmuch as it is consistent with the volatility of a comparable market index. The MABE Trust's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following was the Board's adopted asset allocation policy as of June 30, 2026:

Asset Class	Long-Term Expected Real Rate of Return
Equity	4.70%
Fixed Income	2.72%
Alternative	4.97%
Commodities	2.41%
Cash	1.07%

Rate of Return
For the year ended June 30, 2026, the total rate of return, net of investment expense, was 15.10%. The total rate of return represents a hypothetical return on the capital balance invested in the Trust during the entire year. Actual returns may vary due to the timing of capital contributions and redemptions.

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

Best estimates of real rates of return for each major asset class included in the target asset allocation as of June 30, 2026, (see the discussion of the MABE Trust's investment policy) are summarized in the following table:

Asset Class	Target Allocation
Equity	53.00%
Fixed Income	40.00%
Alternative	3.00%
Cash	4.00%
Total	100.00%

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Discount Rate

The discount rate used to determine the Board's Post-Employment Benefits Other than Pension Plan (the "Plan") liabilities under GASB 74 and 75 depends upon the Board's funding policy. The Board has established an irrevocable Trust, but because they have not established a formal contribution policy they are considered to be a government that makes ad-hoc contributions. Therefore, the discount rate is determined based on a blend of the funded and unfunded rates based on a projection of the plan's fiduciary net position. The funded rate for the Board is the long-term rate of return of plan assets of 7.00%. The unfunded rate must be based on an index for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Board used the S&P Municipal Bond 20 Year High Grade Rate Index, which was 4.32% as of June 30, 2026. The Plan's fiduciary net position was projected for each year based on the expected total contributions, benefit payments, and investment earnings from the Trust, and is projected to remain solvent. Therefore, the expected rate of return of 7.00% is used as the discount rate. The resulting discount rate of 6.30% was used to determine plan liabilities as of June 30, 2026. The fiscal year end 2025 discount rate was 5.80%.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease 5.30%	Discount Rate 6.30%	1% Increase 7.30%
Net OPEB liability	$ 586,393,000	$ 510,521,000	$ 446,641,000

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease 2.78%	Discount Rate 3.78%	1% Increase 4.78%
Net OPEB liability	$ 436,237,000	$ 510,521,000	$ 602,739,000

NOTE 8 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Deferred Outflows/Inflows

The following table illustrates deferred inflows and outflows as of June 30, 2026 under GASB 75:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected vs. actual experience	$ 50,815,000	$ 236,849,000
Net difference between projected and actual earnings on OPEB Trust investments	-	6,638,000
Changes in actuarial assumptions	111,762,000	378,381,000
Total	$ 162,577,000	$ 621,868,000

Amortization of Deferred Inflows/Outflows

Year Ending June 30,	Amortization
2027	$ (121,589,000)
2028	(109,108,000)
2029	(85,045,000)
2030	(52,076,000)
2031	(60,679,000)
Total thereafter	(30,794,000)
Total	$ (459,291,000)

NOTE 9 - RISK MANAGEMENT

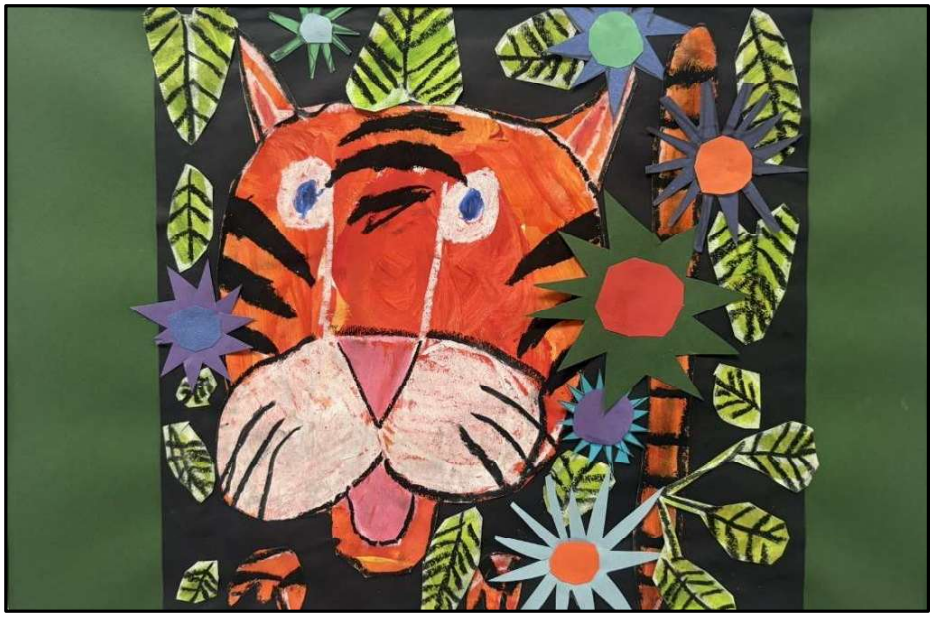
The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Board participates in the MABE Group Insurance Pool and the Worker's Compensation Self Insurance Fund.

These public entity risk pools are self-insurance funds for the various member Maryland Boards of Education to minimize the cost of insurance and related administrative expenses.

Coverage is provided up to specified limits and the Board pays an annual premium for the coverage provided. In addition to general liability insurance, the Group Insurance Pool also provides coverage for property liability and automobile liability. Coverage above these limits is provided by third party insurance carriers. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 - CONTINGENCIES AND COMMITMENTS

The Board 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 Board that an adverse decision on any or all of these suits would not have a material adverse effect on these financial statements.



Edison Higgins, Grade 4
Norrisville Elementary School
Teacher: Mrs. Alison Pitts



Julitza Feliciano Acevedo, Grade 7
Magnolia Middle School
Teacher: Ms. Ashley Diem

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2026

	Unrestricted					Restricted				
	Original Budget	Final Budget	Budget Variance - Positive (Negative)	Actual (non-GAAP)	Actual Variance - Positive (Negative)	Original Budget	Final Budget	Budget Variance - Positive (Negative)	Actual (non-GAAP)	Actual Variance - Positive (Negative)
Revenues										
Intergovernmental revenues:										
Local	$ 347,602,277	$ 347,602,277	$ -	$ 347,602,277	$ -	$ -	$ -	$ -	$ -	$ -
State	306,779,386	306,779,386	-	306,450,730	(328,656)	-	-	-	-	-
Federal	420,000	420,000	-	444,380	24,380	-	-	-	-	-
Special state and federal	-	-	-	-	-	51,326,050	75,051,108	23,725,058	57,282,771	(17,768,337)
Earnings on investments	2,000,000	2,000,000	-	2,686,598	686,598	-	-	-	-	-
Other sources	3,210,500	5,710,500	2,500,000	6,619,286	908,786	-	-	-	-	-
Prior year fund balance	12,500,000	12,500,000	-	12,500,000	-	-	-	-	-	-
Total revenues	$ 672,512,163	$ 675,012,163	$ 2,500,000	676,303,271	$ 1,291,108	$ 51,326,050	$ 75,051,108	$ 23,725,058	$ 57,282,771	$ (17,768,337)
Expenditures										
Current:										
Administrative services	$ 14,140,938	$ 14,262,938	$ (122,000)	$ 14,244,147	$ 18,791	$ 1,065,438	$ 5,740,320	$ (4,674,882)	$ 1,246,627	$ 4,493,693
Mid-level administration	34,390,882	34,390,882	-	34,141,571	249,311	1,129,685	2,512,979	(1,383,294)	2,875,892	(362,913)
Instructional salaries	229,529,370	230,029,370	(500,000)	229,625,467	403,903	9,472,603	12,574,244	(3,101,641)	11,180,798	1,393,446
Instructional textbooks and supplies	7,874,762	7,761,962	112,800	6,082,380	1,679,582	628,888	7,518,069	(6,889,181)	1,971,387	5,546,682
Other instructional costs	13,323,176	12,813,976	509,200	11,680,627	1,133,349	1,188,536	2,692,828	(1,504,292)	4,039,384	(1,346,556)
Special education	82,037,776	90,287,776	(8,250,000)	89,926,810	360,966	22,689,920	30,073,492	(7,383,572)	22,061,550	8,011,942
Student personnel services	3,632,449	3,632,449	-	3,559,742	72,707	684,747	2,050,639	(1,365,892)	1,504,617	546,022
Student health services	5,566,832	5,876,832	(310,000)	5,848,672	28,160	327,538	253,594	73,944	668,159	(414,565)
Student transportation	47,912,970	47,912,970	0	47,518,149	394,821	1,000,139	509,573	490,566	358,949	150,624
Operation of plant	40,132,458	40,907,458	(775,000)	40,571,068	336,390	2,492,699	(3,462)	2,496,161	133,569	(137,031)
Maintenance of plant	17,153,971	17,153,971	-	16,752,015	401,956	978,458	149,404	829,054	81,843	67,561
Fixed charges	175,478,809	168,643,809	6,835,000	165,264,747	3,379,062	9,198,943	9,662,639	(463,696)	10,038,915	(376,276)
Community services	576,848	576,848	-	539,644	37,204	294,457	952,227	(657,770)	720,036	232,191
Capital outlay	760,922	760,922	-	732,762	28,160	173,999	364,562	(190,563)	401,045	(36,483)
Total expenditures	$ 672,512,163	$ 675,012,163	$ (2,500,000)	666,487,801	$ 8,524,362	$ 51,326,050	$ 75,051,108	$ (23,725,058)	$ 57,282,771	$ 17,768,337
Excess of revenues over expenditures				9,815,470						
Transfer to capital projects fund				-						
Excess of revenues over expenditures and transfer				9,815,470						
Total fund balance - beginning of year				45,104,514						
Prior year fund balance recognized as revenue above				(12,500,000)						
Total fund balance - end of year				42,419,984						
Fund balance -end of year - nonspendable				(187,903)						
- assigned				(20,600,000)						
Fund balance - end of year - unassigned				$ 21,632,081						

NOTE 1 - BUDGETARY SCHEDULE

Reconciliation of Budgetary Data

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - General Fund is prepared on a legally prescribed budgetary basis of accounting which differs from GAAP. The purpose of the budgetary basis of accounting is to demonstrate compliance with the legal requirements of Harford County, the State of Maryland and special federal and state programs.



Sabree Knox, Grade 10
Havre de Grace High School
Teacher: J. Zimmerman



Nelina Diodato, Grade 1
Roye-Williams Elementary School
Teacher: Ms. Allison Leftridge

NOTE 1 - RECONCILIATION OF BUDGETARY DATA

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - General Fund is prepared on a legally prescribed budgetary basis of accounting which differs from GAAP. The purpose of the budgetary basis of accounting is to demonstrate compliance with the legal requirements of Harford County, the State of Maryland and special federal and state programs.

The differences between the two methods are set forth below:

Revenues (non-GAAP budgetary basis - unrestricted and restricted)	$	733,586,042
Prior year fund balance		(12,500,000)
Revenues adjusted by restricted encumbrances of expenditure driven grants		1,329,032
Pension contributions made directly by the State of Maryland		39,356,006
Interest earned on rate stabilization deposit		352,265
Student activities		4,283,571
Revenues (GAAP basis)	$	766,406,916
Expenditures (non-GAAP budgetary basis - unrestricted and restricted)	$	723,770,572
Net effect of encumbrances		1,437,178
Changes in value of rate stabilization fund		199,534
Pension contributions made directly by the State of Maryland		39,356,006
Student activities		4,394,753
Leases, notes and subscriptions payable increase		178,752
Expenditures (GAAP basis)	$	769,336,795

The unassigned fund balances in the current expense fund (general fund) are reconciled as follows:

Unassigned Fund Balance (non-GAAP budgetary basis)	$	21,653,560
Cumulative effect of:		
Revenues adjusted by encumbrances of expenditure driven grants		(1,070,543)
Unassigned fund balance (GAAP basis)	$	20,583,017

The assigned fund balances in the current expense fund (general fund) are reconciled as follows:

Assigned Fund Balance (non-GAAP budgetary basis)	$	20,600,000
Encumbrances		3,327,547
Rate stabilization fund balance		12,094,182
Student activities		2,626,893
Assigned Fund Balance (GAAP basis)	$	38,648,622

General Fund Supplemental Appropriations and Transfers

Unrestricted – Changes in Budget

For the fiscal year end June 30, 2026, Harford County Council approved supplemental revenues and appropriations of $2.5 million. Additionally, inter-category transfers were approved to reallocate funding from Fixed Charges ($6.8M) and Other Instructional Costs ($0.5M) to Special Education ($8.3M). The largest contributors of these changes were savings on medical benefits compared to budget and overspending on Special Education due to increased costs as compared to the original budget.

Unrestricted –Budget to Actuals

The increase in Revenue as compared to budget ($1.3M) is driven primarily by interest received on investments ($0.7M), and an unbudgeted $3.0M received from the Healthcare Consortium, of which a portion ($2.0M) was appropriated as supplemental revenues and the balance was a positive variance to the budget.

Savings of $8.5M were realized in expenditures as compared to budget due to a spending freeze during the fourth quarter which results in less spending in several expenditure categories including Instructional textbooks and supplies ($1.7M) and Other instructional costs($1.1M). The positive variance in Fixed charges ($3.4M) is due to lower Health Insurance and Workers Compensation spending than budgeted.

Restricted - Changes in Budget

For the fiscal year end June 30, 2026, the restricted budget was increased during the year to reflect the grant carry-over amounts ($15.7M). Carryover primarily related to federal funding and restricted funding for several HCPS programs. The final budget reflects funding appropriated during the year ($8.0M) specifically related to non-public schools, special education grants and additional federal funding.

Restricted –Budget to Actuals

The variances as compared to budget for both revenues and expenditures in restricted funds is a direct result of unspent grant funds that will be carried over into the next year. There were $6.3M of funds carried over from prior fiscal years and an additional $11.4M of funding allocated but not spent from FY26. The primary driver of these funds were federal funding, Special Education, and other funding restricted for HCPS programs.

Schedule of Changes in the Net OPEB Liability and Related Ratios
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability										
Service cost	$ 19,129	$ 27,813	$ 33,407	$ 32,230	$ 46,446	$ 40,146	$ 38,997	$ 57,082	$ 33,423	$ 32,230
Interest	37,500	32,007	36,070	31,847	23,508	56,875	64,540	57,234	36,491	30,624
Changes of benefit terms	(2,611)	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(25,712)	1,697	(178,278)	28,722	(1,352)	(650,070)	768	185,569	(37,372)	7,859
Changes of assumptions	(26,390)	(143,847)	(112,897)	52,992	(220,992)	313,865	(84,364)	(376,837)	429,422	(135,516)
Benefit payments	(30,673)	(28,788)	(26,467)	(23,225)	(21,090)	(25,454)	(33,549)	(28,251)	(23,812)	(24,085)
Net change in total OPEB liability	(28,757)	(111,118)	(248,165)	122,566	(173,480)	(264,638)	(13,608)	(105,203)	438,152	(88,888)
Total OPEB liability—beginning	642,180	753,298	1,001,463	878,897	1,052,377	1,317,015	1,330,623	1,435,826	997,674	1,086,562
Total OPEB liability—ending (a)	$ 613,423	$ 642,180	$ 753,298	$ 1,001,463	$ 878,897	$ 1,052,377	$ 1,317,015	$ 1,330,623	$ 1,435,826	$ 997,674
Plan fiduciary net position										
Contributions—employer	$ 31,673	$ 28,788	$ 28,467	$ 25,225	$ 23,090	$ 26,954	$ 34,367	$ 29,612	$ 25,248	$ 27,139
Net investment income	13,394	6,526	5,506	5,891	(10,078)	14,262	2,415	3,631	3,416	4,551
Benefit payments	(30,673)	(28,788)	(26,467)	(23,225)	(21,090)	(25,454)	(33,549)	(28,251)	(23,812)	(24,085)
Administrative expense	(13)	(13)	(13)	(13)	(13)	(13)	(14)	(13)	(14)	(1,605)
Net change in plan fiduciary net position	14,381	6,513	7,493	7,878	(8,091)	15,749	3,219	4,979	4,838	6,000
Plan fiduciary net position—beginning	88,521	82,008	74,515	66,637	74,728	58,979	55,760	50,781	45,943	39,943
Plan fiduciary net position—ending (b)	$ 102,902	$ 88,521	$ 82,008	$ 74,515	$ 66,637	$ 74,728	$ 58,979	$ 55,760	$ 50,781	$ 45,943
Board's net OPEB liability—ending (a) - (b)	$ 510,521	$ 553,659	$ 671,290	$ 926,948	$ 812,260	$ 977,649	$ 1,258,036	$ 1,274,863	$ 1,385,045	$ 951,731
Plan fiduciary net position as a percentage of the total OPEB liability	16.78%	13.78%	10.89%	7.44%	7.58%	7.10%	4.48%	4.19%	3.54%	4.61%
Covered employee payroll *	$ 423,434	$ 416,255	$ 404,350	$ 387,206	$ 344,940	$ 311,247	$ 294,313	$ 290,813	$ 281,948	$ 272,319
Board's net OPEB liability as a percentage of covered employee payroll	120.57%	133.01%	166.02%	239.39%	235.48%	314.11%	427.45%	438.38%	491.24%	349.49%

* - OPEB contributions are not based on a measure of pay.

Schedule of Board Contributions
Last 10 Fiscal Years
(Dollar amounts in thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 30,673	$ 28,788	$ 26,467	$ 23,225	$ 21,090	$ 25,454	$ 33,549	$ 28,251	$ 23,612	$ 69,997
Contributions in relation to the actuarially determined contribution	31,673	28,788	28,467	25,225	23,090	26,954	34,367	29,612	25,248	24,018
Contribution deficiency (excess)	$ (1,000)	$ -	$ (2,000)	$ (2,000)	$ (2,000)	$ (1,500)	$ (818)	$ (1,361)	$ (1,636)	$ 45,979
Covered employee payroll	$ 423,434	$ 416,255	$ 404,350	$ 387,206	$ 344,940	$ 311,247	$ 294,313	$ 290,813	$ 281,948	$ 272,319
Contribution as a percentage of covered employee payroll	7.48%	6.92%	7.04%	6.51%	6.69%	8.66%	11.68%	10.18%	8.95%	8.82%

Notes to Schedule:
Valuation Date: Because the contribution policy of the Harford County Public Schools is to contribute amounts as they become due, the actuarially determined contribution shown above have been set equal to the benefit payments that were paid during the applicable measurement period.

There were no significant changes to assumptions or benefit terms.

Schedule of Investment Returns
Last 10 Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment	15.10%	7.00%	7.34%	8.77%	-13.50%	24.16%	2.91%	7.13%	7.40%	11.29%

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:

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Board's proportion of the net pension liability	0.16%	0.16%	0.14%	0.14%	0.14%	0.13%	0.13%	0.12%	0.11%	0.12%
Board's proportionate share of the net pension liability	$ 41,424,287	$ 42,560,655	$ 32,831,738	$ 28,562,242	$ 20,759,980	$ 28,736,364	$ 26,004,130	$ 24,760,092	$ 23,543,713	$ 27,660,977
Board's covered payroll	$ 39,680,427	$ 37,388,590	$ 31,776,292	$ 30,787,979	$ 30,130,490	$ 29,432,878	$ 29,085,789	$ 27,807,535	$ 27,438,053	$ 27,058,838
Board's proportionate share of the net pension liability as a percentage of its covered payroll	104.39%	113.83%	103.32%	92.77%	68.90%	97.63%	89.40%	89.04%	85.81%	102.23%
Plan fiduciary net position as a percentage of the total pension liability	70.42%	68.09%	69.58%	71.75%	76.76%	66.29%	67.80%	68.36%	66.71%	62.97%

Teacher's Retirement and Pension System:

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Board's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Board's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability of the Board	315,098,598	287,778,339	254,134,394	247,246,463	187,560,008	299,559,332	270,076,439	277,587,636	295,072,229	322,486,680
Total	$ 315,098,598	$ 287,778,339	$ 254,134,394	$ 247,246,463	$ 187,560,008	$ 299,559,332	$ 270,076,439	$ 277,587,636	$ 295,072,229	$ 322,486,680
Board's covered payroll	$ 376,574,477	$ 366,961,396	$ 355,429,225	$ 314,152,019	$ 281,116,864	$ 264,880,159	$ 261,727,394	$ 254,140,491	$ 244,880,874	$ 238,829,254
Board's proportionate share of the 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	76.72%	75.05%	76.83%	79.47%	85.40%	73.84%	75.42%	73.35%	71.41%	67.95%

Schedule of Board Contributions
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
Last Ten Fiscal Years

Employees' Retirement and Pension System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 5,346,496	$ 4,749,747	$ 4,236,445	$ 3,476,891	$ 3,257,995	$ 3,049,206	$ 2,726,056	$ 2,588,989	$ 2,353,181	$ 2,216,065
Contributions in relation to the contractually required contribution	(5,346,496)	(4,749,747)	(4,236,445)	(3,476,891)	(3,257,995)	(3,049,206)	(2,726,056)	(2,588,989)	(2,353,181)	(2,216,065)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 40,259,765	$ 39,680,427	$ 37,388,590	$ 31,776,292	$ 30,787,979	$ 30,130,490	$ 29,432,878	$ 29,085,789	$ 27,807,835	$ 27,438,053
Contributions as a percentage of covered payroll	13.28%	11.97%	11.33%	10.94%	10.58%	10.12%	9.26%	8.90%	8.46%	8.08%

Teachers Retirement and Pension System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 16,223,677	$ 14,675,673	$ 13,899,772	$ 10,768,128	$ 10,826,496	$ 10,728,740	$ 10,728,740	$ 10,358,564	$ 10,127,776	$ 9,454,776
Contributions in relation to the contractually required contribution	(16,223,677)	(14,675,673)	(13,899,772)	(10,768,128)	(10,826,496)	(10,728,740)	(10,728,740)	(10,358,564)	(10,127,776)	(9,454,776)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 383,174,240	$ 376,574,477	$ 366,961,396	$ 355,429,225	$ 314,152,019	$ 281,116,864	$ 264,880,159	$ 261,727,394	$ 254,140,491	$ 244,880,874
Contributions as a percentage of covered payroll	4.23%	3.90%	3.79%	3.03%	3.45%	3.82%	4.05%	3.96%	3.99%	3.86%

NOTE 2 - STATE OF MARYLAND RETIREMENT AND PENSION SYSTEM

Changes in Benefit Terms

There were no benefit changes during the years 2016 through 2025

Changes in Assumptions

- Inflation assumptions changed as follows:
  - 6/30/2025 2.50%
  - 6/30/2024 2.50%
  - 6/30/2023 2.25%
  - 6/30/2022 2.25%
  - 6/30/2021 2.25%
  - 6/30/2020 2.60%
  - 6/30/2019 2.60%
  - 6/30/2018 2.60%
  - 6/30/2017 2.65%
  - 6/30/2016 2.70%
- Investment return assumption changed as follows:
  - 6/30/2025 6.80%
  - 6/30/2024 6.80%
  - 6/30/2023 6.80%
  - 6/30/2022 6.80%
  - 6/30/2021 6.80%
  - 6/30/2020 7.40%
  - 6/30/2019 7.40%
  - 6/30/2018 7.50%
  - 6/30/2017 7.50%
  - 6/30/2016 7.55%
  - 6/30/2015 7.65%

Other Supplementary Information



Grayson Siford, Grade 2
Harford Academy School
Teacher: Ms. Marcy Johnson



Alanah Lester Grade 5
George D. Lisby Elementary School
Teacher: Ms. Benedetto

FOOD SERVICES FUND
(SPECIAL REVENUE FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2026

	Budget	Actual	Variance - Positive (Negative)
Revenues			
Cafeteria sales	$ 8,740,000	$ 7,066,635	$ (1,673,365)
Federal Aid			
Summer Food Program	815,000	649,102	(165,898)
School Lunch Program	8,300,000	9,898,051	1,598,051
School Breakfast Program	2,750,000	3,059,199	309,199
Fresh Fruits and Vegetables Program	-	83,301	83,301
Child and Adult Care Food Program	450,000	407,975	(42,025)
U.S.D.A. Commodities	1,500,000	1,491,255	(8,745)
Other Federal Revenue	-	24,036	24,036
Total federal aid	13,815,000	15,612,919	1,797,919
State Aid			
Child Feeding Program	515,000	405,629	(109,371)
Total state aid	515,000	405,629	(109,371)
Interest earned	-	54,122	54,122
Miscellaneous revenue	250,000	72,782	(177,218)
Total revenues	$ 23,320,000	$ 23,212,087	$ (107,913)
Expenditures			
Salaries and wages	7,707,907	7,486,052	221,855
Contracted services	589,479	655,580	(66,101)
Supplies and materials	9,293,773	9,631,237	(337,464)
Other charges	4,050,236	3,629,802	420,434
Furniture and equipment	328,605	130,884	197,721
U.S.D.A. commodities	1,350,000	1,481,917	(131,917)
Total expenditures	$ 23,320,000	23,015,472	$ 304,528
Excess of revenues over expenditures		196,615	
Total fund balance - beginning of year		11,148,510	
Fund balance - end of year - nonspendable		(562,048)	
Fund balance - end of year - restricted		$ 10,783,077	

SCHOOL CONSTRUCTION FUND
(CAPITAL PROJECTS FUND)
SCHEDULE OF EXPENDITURES BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2026

Aberdeen Middle HVAC	$ 6,046,998
Athletic and Recreational - Aberdeen High Ticket Booth	98,755
Athletic and Recreational - Athletic Fields	23,871
Athletic and Recreational - Outdoor Track Reconditioning	243,529
Blue Print Facility Program - Pre-Kindergarten	1,569,755
Educational Facilities	30,768
Educational Facilities - Special Education	226,000
Educational Facilities - Special Education - BAHS & SMS	60
Educational Facilities - Tech Education Lab Refresh	15,546
Facilities Master Plan	325,423
Facilities Repairs	68,042
Facilities Repairs - ADA	413,115
Facilities Repairs - Forest Hill Annex	184,728
Facilities Repairs - Roofs	13,655
Fleet Replacement - Buses	781,210
Fleet Replacement - Vehicles and Equipment	1,702,374
Harford Academy	4,437,142
Harford Technical High Renovations	21,438,724
Havre de Grace High Modernization	125,791
HCPS Local Major Projects - Harford Glen Pier	1,250
Homestead Wakefield Elementary	8,936,153
HVAC Major Repairs	503,486
Joppatowne High Renovations	228
Life, Health, Safety - Emergency Systems	11,473
Life, Health, Safety - Environmental Compliance	(141,246)
Life, Health, Safety - Non Consumptive Water	947,964
Life, Health, Safety - Security Measures	1,865,637
Life, Health, Safety - Stadium and Pathway Lighting	275,873
North Harford High Energy Recovery	102,072
North Harford High Roof	2,059,280
Prospect Mill Elementary Roof	2,793,518
Relocatables	164,110
Security Measures - MCSS - FY25	51,279
Security Measures - MCSS - FY26	65,555
Security Measures - Miscellaneous	111
Site Improvements - Fencing	61,578
Site Improvements - Joppatowne High Stormwater	479,086
Site Improvements - Paving -New	490,993
Site Improvements - Paving-Overlay & Maintenance	48,475
Site Improvements - Stormwater, Erosion, Sediment	15,600
Technology Infrastructure	2,709,162
Technology Infrastructure - ERP	1,715,390
	$ 60,902,513

Statistical Information

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

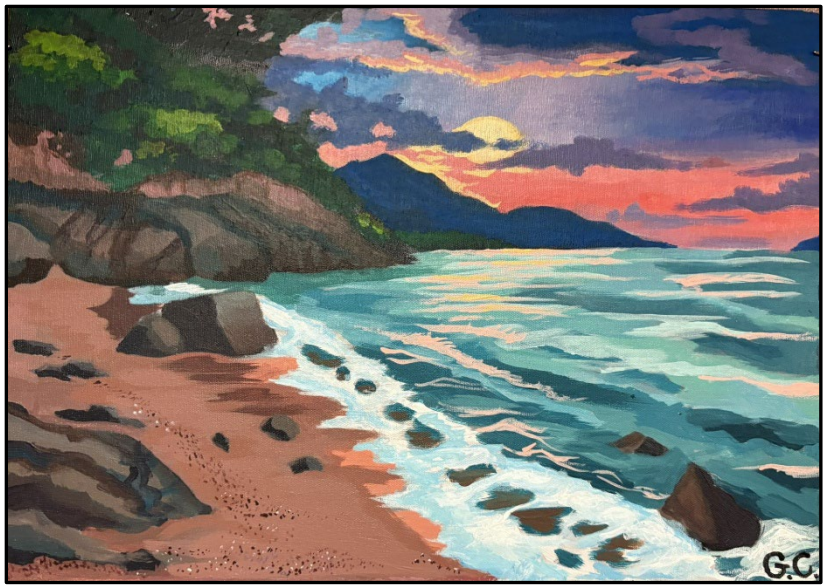
Contents — Page

Financial Trends — 86 - 89
These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

Demographic and Economic Information — 90 - 91
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place.

Operating Information — 92 - 99
These schedules contain service and infrastructure data to help the reader understand how the information in the Board's financial report relates to the services it provides and activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year after June 30, 2017 and from the Independent Auditors' Report, Financial Statements and Supplementary Information for the relevant year prior to that.



Gray Caton, Grade 12
Bel Air High School
Teacher: Ms. Zito Jergensen

Net Position by Component Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Governmental activities										
Net investment in capital assets	$836,690	$803,416	$742,295	$757,053	$722,933	$709,605	$675,956	$645,696	$629,198	$619,802
Restricted for food services	11,400	11,488	12,020	12,466	11,048	3,072	994	2,850	2,706	2,899
Restricted for capital projects	8,289	12,731	20,963	15,247	15,744	231	317	592	2,008	1,719
Unrestricted	(967,904)	(1,059,703)	(1,124,517)	(1,170,209)	(1,190,335)	(1,219,560)	(1,233,332)	(1,161,655)	(1,052,658)	(321,964)
Total governmental activities net position	($111,525)	($232,068)	($349,239)	($385,443)	($440,610)	($506,652)	($556,065)	($512,517)	($418,746)	$302,456

**2024 and 2023 restated due to error in depreciation

Changes in Net Position Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Functions/Programs										
Expenses										
Governmental activities:										
Instruction:										
Regular education	$334,626	$350,885	$356,500	$362,871	$306,156	$333,646	$332,351	$334,553	$314,366	$285,968
Special education	135,662	129,128	126,387	123,024	97,638	106,377	115,704	111,397	103,091	91,260
Total Instruction	470,288	480,013	482,887	485,895	403,794	440,023	448,055	445,950	417,457	377,228
Support services:										
Administration	18,149	18,403	18,834	18,839	16,076	16,845	17,817	17,526	16,901	15,417
Mid-level administration	44,287	43,621	44,022	44,944	38,229	41,841	44,235	45,439	43,367	40,276
Pupil personnel services	6,122	6,049	4,716	4,778	3,487	4,708	4,849	3,194	2,819	2,525
Health services	9,104	9,055	9,776	8,910	7,368	7,567	8,242	8,335	7,461	6,163
Pupil transportation	58,262	55,393	54,620	53,123	45,811	36,584	42,251	45,150	42,605	40,243
Operation of plant	56,307	51,842	50,715	51,023	50,945	44,645	48,824	50,567	48,637	45,834
Maintenance of plant and equipment	28,069	27,956	27,406	26,686	24,788	24,656	24,605	25,787	24,352	20,797
Community services	1,128	1,313	1,443	1,605	930	387	865	728	594	578
Food services	21,195	22,030	21,953	21,136	18,719	11,583	19,068	20,912	19,765	18,260
Student activities*	4,395	4,522	4,504	4,458	3,269	1,426	-	-	-	-
Interest on long-term debt	431	515	449	461	545	227	246	264	282	299
Depreciation - unallocated	62	62	62	62	62	64	75	75	75	77
Total Support Services	247,511	240,761	238,500	236,025	210,229	190,533	211,077	217,977	206,858	190,469
Total governmental activities	717,799	720,774	721,387	721,920	614,023	630,556	659,132	663,927	624,315	567,697
Program revenues										
Charges for services:										
Regular education	1,674	1,592	1,475	1,415	1,563	294	1,275	1,726	1,603	1,753
Community services	495	504	465	266	57	27	441	445	455	465
Food services	7,067	7,523	7,210	7,568	1,675	20	5,460	7,911	7,407	7,123
Operating grants and contributions	226,898	218,769	214,803	189,263	167,472	163,092	145,236	127,856	125,265	126,498
Capital grants and contributions	56,460	92,511	73,877	25,292	32,592	59,445	55,004	40,965	29,732	23,168
Total governmental activities program revenues	292,594	320,899	297,830	223,804	203,359	222,878	207,416	178,903	164,462	159,007
Total governmental net expense	(425,205)	(399,875)	(423,557)	(498,116)	(410,664)	(407,678)	(451,716)	(485,024)	(459,853)	(408,690)
General Revenues and Other Changes in Net Position										
General revenues:										
Local appropriations	347,602	321,352	314,853	324,238	293,813	276,928	256,466	245,816	238,716	233,534
State Aid	185,930	179,828	179,931	174,489	155,611	150,152	145,571	141,640	139,327	137,763
Federal Aid	444	507	879	542	449	853	472	590	409	392
Student activities*	4,284	4,595	4,552	4,345	3,492	1,412	-	-	-	-
Miscellaneous	4,449	5,925	19,026	13,252	22,888	25,177	5,166	2,433	2,672	4,371
Investment earnings	3,039	4,838	6,249	4,766	453	47	494	774	515	182
Total general revenues	545,748	517,045	525,490	521,632	476,706	454,569	408,169	391,253	381,639	376,242
Change in Net Position	120,543	117,170	101,933	23,516	66,042	46,891	(43,547)	(93,771)	(78,214)	(32,448)
Net position - beginning of year	(232,068)	(346,812)	(417,094)	(440,610)	(855,916)	(905,328)	(861,781)	(768,010)	($46,808)	($14,360)
Adjustment to Restate Beginning Net Position	-	(2,426)	(31,651)	-	-	2,521	-	-	(642,988)	-
Net position - beginning of year, as Restated	(232,068)	(349,238)	(448,745)	(440,610)	(855,916)	(902,807)	(861,781)	(768,010)	(689,796)	(14,360)
Net position - end of year	(111,525)	($232,068)	($346,812)	($417,094)	($789,874)	($855,916)	($905,328)	($861,781)	($768,010)	($46,808)

* Prior to FY 2021 student activities were reported as agency funds and were not included in the entity-wide statements.

**2025 and 2024 Net position - beginning of year restated due to error in depreciation.

Fund Balances of Governmental Funds Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
General fund										
Non Spendable	$188	$111	$734	$847	$166	$133	$147	$162	$139	$ 199.00
Assigned	38,649	41,944	57,434	72,746	55,194	53,627	25,988	17,293	24,443	23,988
Unassigned	20,561	20,094	24,429	25,490	36,755	19,842	3,691	3,028	3,760	10,418
Total general fund	$59,398	$62,149	$82,597	$99,083	$92,115	$73,602	$29,826	$20,483	$28,342	$34,605
All other governmental funds										
Non Spendable -										
Special Revenue Fund	$562	$459	$683	$598	$569	$563	$540	$387	$352	$373
Restricted - reported in:										
Special revenue fund	10,838	11,029	11,337	11,868	10,479	2,508	454	2,463	2,354	2,525
Capital projects fund	8,289	12,731	20,963	15,247	15,744	231	317	592	2,008	1,720
Total all other governmental funds	$19,689	$24,219	$32,983	$27,713	$26,792	$3,302	$1,311	$3,442	$4,714	$4,618

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Revenues										
Intergovernmental revenues										
Local sources	$381,696	$372,641	$344,308	$344,763	$313,898	$320,336	305,047	$267,242	$256,649	$252,664
State sources	367,346	373,209	351,602	278,022	260,451	262,266	246,637	248,066	236,683	228,318
Special state and federal programs	58,611	52,940	69,114	66,604	73,394	47,814	35,315	31,042	29,727	30,327
Federal sources	16,057	15,597	16,995	15,846	25,494	13,337	9,386	10,202	9,870	9,806
Earnings on investments	3,093	4,904	6,325	4,817	453	47	514	811	521	182
Charges for services	7,067	7,522	7,210	7,568	1,675	20	5,460	7,911	7,407	7,123
Student activities*	4,284	4,595	4,552	4,345	3,492	1,412	-	-	-	-
Miscellaneous revenues	7,925	9,779	21,319	15,023	24,634	26,368	7,269	4,882	5,244	6,828
Total revenues	846,079	841,187	821,425	736,988	703,491	671,600	609,628	570,156	546,101	535,248
Expenditures										
Current										
Administrative services	14,039	13,788	13,434	12,958	12,211	10,967	10,524	9,987	10,342	9,244
Mid-level administrative services	34,191	33,532	32,358	31,458	29,086	27,366	25,177	26,121	26,079	25,699
Instructional salaries	229,625	232,852	218,563	208,737	185,913	180,349	167,556	167,799	161,840	158,061
Instructional textbooks and supplies	4,761	10,820	8,102	7,557	7,416	5,411	5,659	5,689	6,527	6,625
Other instructional costs	5,310	17,880	16,853	6,708	3,851	1,925	2,576	3,116	5,452	4,336
Special education	89,925	82,956	71,557	64,911	52,924	49,045	46,188	43,628	42,541	40,700
Student personnel services	3,551	3,504	2,859	2,786	2,240	2,187	2,072	1,790	1,745	1,715
Health services	5,849	5,698	5,302	5,367	4,271	4,054	4,050	3,939	3,774	3,356
Pupil transportation services	47,526	44,734	43,974	42,169	35,717	27,043	30,514	32,223	31,552	30,808
Operation of plant	39,070	35,458	33,773	32,768	36,225	26,778	25,640	26,788	27,493	28,174
Maintenance of plant and equipment	15,703	15,827	19,529	15,556	14,101	14,022	12,298	12,745	13,605	12,986
Fixed charges	204,759	195,082	185,809	166,626	155,835	158,679	161,469	152,731	142,127	136,560
Community services	540	588	550	448	264	78	433	519	505	496
Special state and federal programs	58,612	52,937	66,710	66,419	85,437	47,814	35,315	31,042	29,727	30,327
Costs of operations - food services	23,299	23,642	23,269	21,681	19,194	10,851	16,830	17,925	17,558	17,244
Student activities*	4,395	4,522	4,504	4,458	3,269	1,426	-	-	-	-
Capital outlay	60,903	100,742	88,857	31,039	34,097	59,535	55,290	42,421	30,577	24,181
Debt service:										
Principal	11,050	11,251	12,474	7,622	7,019	597	578	560	542	525
Interest	431	515	449	461	545	227	246	264	282	299
Total expenditures	853,539	886,328	848,926	729,729	689,615	628,354	602,415	579,287	552,268	531,336
Excess (deficit) of revenues over expenditures	(7,460)	(45,141)	(27,501)	7,259	13,876	43,246	7,213	(9,131)	(6,167)	3,912
Other financing sources (uses)										
Leases	-	11,734	8,912	148	82	-	-	-	-	-
Subscriptions	179	4,194	7,373	482	28,045	-	-	-	-	-
	179	15,928	16,285	630		-	-	-	-	-
Net change in fund balances	($7,281)	($29,213)	($11,216)	$7,889	$42,003	$43,246	$7,213	($9,131)	($6,167)	$3,912

* Prior to FY 2021 student activities were reported as agency funds and were not included in the entity-wide statements.

HARFORD COUNTY PUBLIC SCHOOLS
STATISTICAL INFORMATION
June 30, 2026

Table 5

Enrollment by School and Student to Teacher Ratio
Last Ten Years at September 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	Capacity #'s	Capacity %
Abingdon Elementary	613	641	674	658	622	649	724	775	826	830	863	71.0%
Bakerfield Elementary	484	460	452	463	421	383	426	427	410	428	500	96.8%
Bel Air Elementary	535	521	514	532	530	522	531	507	487	466	486	110.1%
Church Creek Elementary	703	732	722	725	679	678	697	738	793	796	819	85.8%
Churchville Elementary	369	364	376	374	329	338	370	393	383	367	411	89.8%
Darlington Elementary	100	96	92	101	100	98	104	106	103	114	157	63.7%
Deerfield Elementary	670	708	714	728	733	720	752	765	791	795	788	85.0%
Dublin Elementary	224	222	216	212	214	215	230	238	236	262	294	76.2%
Edgewood Elementary	421	428	415	401	374	349	405	381	394	399	461	91.3%
Emmorton Elementary	579	584	556	548	546	564	592	610	607	560	570	101.6%
Forest Hill Elementary	432	451	475	471	467	472	507	508	512	469	530	81.5%
Forest Lakes Elementary	444	447	420	428	462	429	445	427	445	463	530	83.8%
Fountain Green Elementary	481	443	456	477	444	458	484	498	500	494	548	87.8%
George D. Lisby Elementary at Hillsdale	527	528	516	503	475	420	413	406	417	459	473	111.4%
Halls Cross Roads Elementary	428	425	443	453	438	429	454	502	504	515	552	77.5%
Havre de Grace Elementary	599	593	603	566	602	575	609	512	490	457	542	110.5%
Hickory Elementary	610	635	664	657	632	643	691	663	696	687	668	91.3%
Homestead-Wakefield Elementary	1,091	1,071	1,057	1,057	1,047	996	1,034	1,003	974	954	1,089	100.2%
Jarrettsville Elementary	450	467	476	488	440	426	450	442	410	420	525	85.7%
Joppatowne Elementary	486	495	495	501	509	536	617	594	562	566	663	73.3%
Magnolia Elementary	529	545	527	498	514	517	550	568	535	538	561	94.3%
Meadowvale Elementary	540	552	544	540	477	454	518	520	515	520	568	95.1%
Norrisville Elementary	222	213	213	212	207	205	218	212	225	198	274	81.0%
North Bend Elementary	445	467	448	428	414	378	402	380	375	308	498	89.4%
North Harford Elementary	417	424	404	386	348	331	373	344	368	411	500	83.4%
Old Post Road Elementary	824	850	892	842	807	836	865	803	839	844	984	83.7%
Prospect Mill Elementary	572	579	592	587	561	566	591	565	566	585	611	93.6%
Red Pump Elementary	670	696	753	753	755	758	772	753	714	681	737	90.9%
Ring Factory Elementary	519	541	544	534	523	520	539	517	532	512	548	94.7%
Riverside Elementary	507	481	465	440	404	445	462	483	472	446	588	86.2%
Roye-Williams Elementary	452	444	449	442	430	410	490	521	498	533	703	64.3%
William S. James Elementary	427	463	475	497	470	480	472	442	407	413	521	82.0%
Youths Benefit Elementary	1,116	1,151	1,114	1,123	1,103	1,082	1,057	1,017	999	987	1,120	99.6%
Total Elementary Schools	**17,486**	**17,717**	**17,756**	**17,625**	**17,077**	**16,882**	**17,844**	**17,620**	**17,585**	**17,477**	**19,682**	**88.8%**
Aberdeen Middle	1,098	1,071	1,058	1,082	1,072	1,204	1,203	1,144	1,126	1,127	1,624	67.6%
Bel Air Middle	1,066	1,080	1,080	1,138	1,354	1,441	1,435	1,373	1,366	1,324	1,243	85.8%
Edgewood Middle	939	936	994	999	1,043	1,186	1,160	1,118	1,089	1,073	1,295	72.5%
Fallston Middle	1,079	1,068	1,060	1,007	894	864	934	950	932	873	1,104	97.7%
Havre de Grace Middle	589	617	587	626	625	613	601	569	557	524	762	77.3%
Magnolia Middle	695	689	724	730	734	812	831	765	731	739	1,028	67.6%
North Harford Middle	874	849	867	848	895	878	929	895	910	951	1,210	72.2%
Patterson Mill Middle	733	716	767	819	758	742	764	738	713	690	731	100.3%
Southampton Middle	1,210	1,192	1,194	1,175	1,136	1,173	1,261	1,219	1,228	1,185	1,444	83.8%
Total Middle Schools	**8,283**	**8,218**	**8,331**	**8,424**	**8,511**	**8,913**	**9,118**	**8,771**	**8,652**	**8,486**	**10,441**	**79.3%**
Aberdeen High	1,330	1,396	1,465	1,495	1,469	1,441	1,431	1,458	1,468	1,485	1,720	77.3%
Bel Air High	1,282	1,341	1,419	1,489	1,522	1,557	1,560	1,544	1,555	1,564	1,768	72.5%
C. Milton Wright High	1,268	1,291	1,302	1,266	1,331	1,330	1,363	1,421	1,460	1,469	1,613	78.6%
Edgewood High	1,400	1,440	1,417	1,415	1,396	1,413	1,458	1,387	1,403	1,338	1,716	81.6%
Fallston High	1,025	1,036	1,047	1,044	982	977	973	985	1,022	1,044	1,573	65.2%
Harford Technical High	941	954	983	979	992	993	999	1,009	1,010	997	1,135	82.9%
Havre de Grace High	810	822	870	818	771	699	662	640	630	607	835	97.0%
Joppatowne High	845	882	900	833	786	782	745	763	723	694	1,056	80.0%
North Harford High	1,190	1,204	1,161	1,221	1,221	1,226	1,254	1,212	1,241	1,231	1,538	77.4%
Patterson Mill High	863	839	826	760	802	836	825	826	840	839	992	87.0%
Total High Schools	**10,954**	**11,205**	**11,390**	**11,320**	**11,272**	**11,254**	**11,270**	**11,245**	**11,352**	**11,268**	**13,946**	**78.5%**
Total Secondary Schools	**19,237**	**19,423**	**19,721**	**19,744**	**19,783**	**20,167**	**20,388**	**20,016**	**20,004**	**19,754**	**24,387**	**78.9%**
Center for Educational Opportunity (CEO)	128	122	87	39	12	148	74	69	69	69	n/a	n/a
Swan Creek School	422	368	402	488	916	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Harford Academy at Campus Hills	125	141	139	141	132	136	123	121	122	126	200	n/a
Total Special Schools	**675**	**631**	**628**	**668**	**1,060**	**284**	**197**	**190**	**191**	**195**	**200**	n/a
Total All Schools	**37,398**	**37,771**	**38,105**	**38,037**	**37,920**	**37,333**	**38,429**	**37,826**	**37,780**	**37,426**	**44,269**	**84.5%**
Teachers & Therapists Staff (1)	2,883	3,013	2,983	2,964	2,846	2,742	2,677	2,735	2,738	2,787		
Student/Teacher Ratio*	12.97	12.54	12.77	12.83	13.32	13.62	14.36	13.83	13.80	13.43		

Source: Monthly Report on Enrollment at September 30.
Source (1): MSDE Budget Certification data

Teachers - Staff with duties relating to instructing students, including classroom teachers, home and hospital teachers, distance learning teachers,
Therapists - Staff who perform activities related to physical or occupational methods of treatment and rehabilitation of students
*Definition of teaching position includes those that do not have core classroom responsibilities. Their inclusion deflates the ratio. (eg. Therapists, Special Education and Special Area Teachers)
Note: September 30 is the State's official enrollment date for the school year.

Enrollment by Grade Last Ten Years as of September 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Elementary School:										
Prekindergarten	1,182	1,161	1,122	1,092	988	781	1,006	947	901	837
Kindergarten	2,556	2,525	2,621	2,735	2,763	2,584	2,809	2,605	2,646	2,651
Grade 1	2,587	2,643	2,817	2,853	2,709	2,737	2,700	2,696	2,694	2,605
2	2,651	2,811	2,883	2,773	2,746	2,601	2,747	2,737	2,694	2,724
3	2,829	2,904	2,807	2,798	2,657	2,655	2,825	2,720	2,797	2,920
4	2,911	2,825	2,847	2,672	2,723	2,772	2,812	2,865	2,982	2,847
5	2,821	2,896	2,711	2,808	2,807	2,752	2,945	3,050	2,871	2,893
Total Elementary School	17,537	17,765	17,808	17,731	17,393	16,882	17,844	17,620	17,585	17,477
Middle School:										
Grade 6	2,875	2,679	2,814	2,812	2,783	2,902	3,087	2,946	2,915	2,780
7	2,711	2,831	2,838	2,779	2,923	3,024	2,992	2,963	2,818	2,890
8	2,869	2,868	2,819	2,935	3,092	3,019	3,040	2,871	2,930	2,832
Total Middle School	8,455	8,378	8,471	8,526	8,798	8,945	9,119	8,780	8,663	8,502
High School:										
Grade 9	3,029	3,107	3,208	3,421	3,559	3,209	3,203	3,221	3,171	3,267
10	2,790	2,872	3,017	2,990	2,819	2,874	2,823	2,774	2,931	2,696
11	2,710	2,816	2,814	2,692	2,625	2,743	2,602	2,787	2,597	2,769
12	2,752	2,692	2,648	2,536	2,594	2,544	2,715	2,523	2,711	2,589
Total High School	11,281	11,487	11,687	11,639	11,597	11,370	11,343	11,305	11,410	11,321
Special Education	125	141	139	141	132	136	123	121	122	126
Total Enrollment	37,398	37,771	38,105	38,037	37,920	37,333	38,429	37,826	37,780	37,426

Source: Monthly Report on Enrollment at September 30.
Note: September 30 is the State's official enrollment date for the school year.

Operating Indicators by Function

Fiscal Year	Per Pupil Expenditures[1] Dollars	Per Pupil Expenditures[1] State Rank	Number of School Bus Riders[2]	Food Services[3] Breakfasts Served	Food Services[3] Lunches Served
2026	Not available		34,021	1,280,518	3,251,367
2025	18,739	18	33,481	1,371,468	3,397,279
2024	17,689	18	33,286	1,437,238	3,453,685
2023	16,936	19	31,139	1,339,119	3,354,308
2022	15,526	23	31,006	1,493,292	3,761,106
2021 [4]	14,463	22	31,382	2,793,483	Meal Kits Served
2020 [5]	13,552	22	33,248	967,000	2,182,334
2019	13,457	20	32,540	1,405,746	3,244,101
2018	13,005	20	32,558	1,431,954	3,238,451
2017	12,770	21	32,421	1,488,108	3,301,809

[1] Maryland State Department of Education, Selected Financial Data, Part 3 - Analysis of Costs, Table 2: "Cost per Pupil Belonging for Current Expenses," for relevant year

[2] HCPS Department of Transportation

[3] HCPS Department of Food and Nutrition Services

[4] Meal Kits Served during school closure included breakfasts and lunches daily.

[5] Mandatory school closure determined by State Superintendent of Schools effective March 16, 2020 through end of school year

Table 8

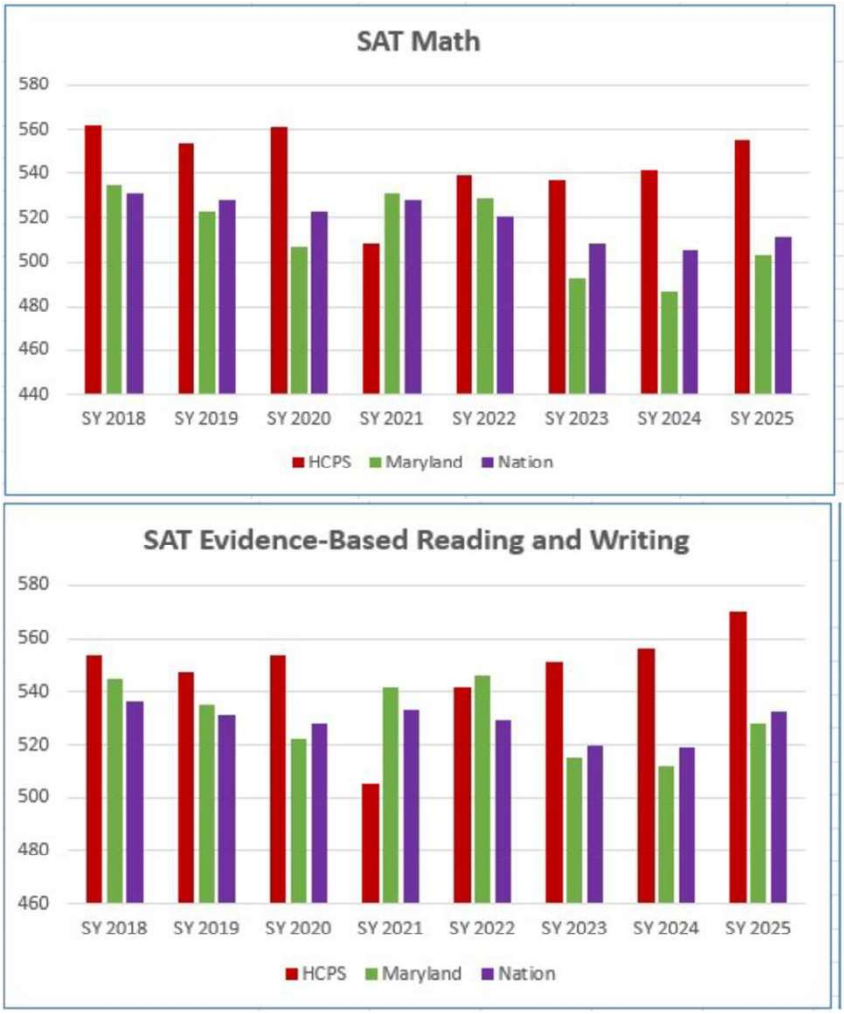
Capital Asset Statistics by Function

	Fiscal Year									
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Instructional Buildings										
Elementary Schools	33	33	33	33	33	33	33	33	33	33
Middle Schools	9	9	9	9	9	9	9	9	9	9
High Schools	10	10	10	10	10	10	10	10	10	10
Special Needs School	1	1	1	1	1	1	1	1	1	1
Alternative Education Ctr	1	1	1	1	1	1	1	1	1	1
Harford Glen Environmental Center	1	1	1	1	1	1	1	1	1	1
Total	55	55	55	55	55	55	55	55	55	55
Support Buildings										
Central Administration Building	1	1	1	1	1	1	1	1	1	1
Transportation/Facilities Operations Ctr	1	1	1	1	1	1	1	1	1	1
Food Services/Warehouse Facility	1	1	1	1	1	1	1	1	1	1
Total	3	3	3	3	3	3	3	3	3	3

Student Academic Performance
2025 Assessment Results

SAT

	Harford	State	Nation
	Average Score		
Mathematics	555	503	511
Evidence-Based Reading and Writing	570	528	532



Source: The Office of Accountability

Facilities Information as of June 30, 2026

		Gross Square Feet	Acres	Year Constructed	Age in Years
	Central Offices				
	102 S. Hickory	73,122	0.77	2005	20
	Hickory Annex	39,930	7.83	various	n/a
	Forest Hill Annex	32,183	4.20	1980	n/a
	Eva Mar Land	-	45.21	n/a	n/a
	Woodbridge Center Land	-	12.00	n/a	n/a
	Box Hill South Land	-	17.86	n/a	n/a
	Campus Hills Land	-	31.15	n/a	n/a
	Harford Glen Environmental Center	31,647	284.90	1998	n/a
	Harford Academy	63,984	26.78	1971	54
	Swan Creek School	107,087	6.13	1965	60
1	**High Schools**				
2	Aberdeen High	230,134	47.30	2004	21
3	Bel Air High	262,454	31.09	2009	16
4	C. Milton Wright High	220,910	69.50	1980	45
5	Edgewood High	268,354	44.32	2010	15
6	Fallston High	233,500	49.44	1977	48
7	Harford Technical High	218,225	26.78	1978	47
8	Havre de Grace High[1]	125,056	30.08	2020	5
9	Joppatowne High	184,070	69.33	1972	53
10	North Harford High	245,238	73.45	1950	75
	Patterson Mill High [1]	132,500	38.68	2007	18
11	**Middle Schools**				
12	Aberdeen Middle	196,800	43.82	1973	52
13	Bel Air Middle	164,900	49.52	1961	64
14	Edgewood Middle	166,530	34.83	1965	60
	Fallston Middle	130,284	49.44	1993	32
15	Havre de Grace Middle[1]	125,056	30.08	2020	5
	Magnolia Middle	149,100	43.05	1979	46
16	Patterson Mill Middle [1]	132,500	38.68	2007	18
17	North Harford Middle	173,728	40.00	1976	49
	Southampton Middle	188,134	35.99	1970	55

		Gross Square Feet	Acres	Year Constructed	Age in Years
	Elementary Schools				
18	Abingdon Elementary	91,229	28.70	1992	33
19	Bakerfield Elementary	65,691	10.00	1961	64
20	Bel Air Elementary	49,748	6.25	1984	41
21	Church Creek Elementary	85,801	20.51	1994	31
22	Churchville Elementary	52,360	6.46	1931	94
23	Darlington Elementary	24,237	7.89	1938	87
24	Deerfield Elementary	103,200	20.73	2010	15
25	Dublin Elementary	44,385	24.69	1941	84
26	Edgewood Elementary	67,341	34.44	1969	56
27	Emmorton Elementary	63,000	10.57	1994	31
28	Forest Hill Elementary	64,722	8.44	2000	25
29	Forest Lakes Elementary	68,971	20.67	1997	28
30	Fountain Green Elementary	60,000	12.77	1993	32
31	George D. Lisby Elementary	56,295	20.01	1968	57
32	Hall's Cross Roads Elementary	63,082	12.73	1943	82
33	Havre de Grace Elementary	65,085	11.22	1949	76
34	Hickory Elementary	77,958	23.04	1950	75
35	Homestead-Wakefield Elementary	141,936	11.57	2025	1
36	Jarrettsville Elementary	61,275	32.43	1962	63
37	Joppatowne Elementary	89,985	16.87	1965	60
38	Magnolia Elementary	59,900	43.05	1975	50
39	Meadowvale Elementary	69,000	13.26	1959	66
40	Norrisville Elementary	37,417	14.76	1967	58
41	North Bend Elementary	60,221	18.23	1991	34
42	North Harford Elementary	49,703	20.00	1984	41
43	Prospect Mill Elementary	75,538	26.77	1973	52
44	Red Pump Elementary	100,549	23.52	2011	14
45	Ring Factory Elementary	59,132	34.02	1990	35
46	Riverside Elementary	55,711	13.18	1968	57
47	Roye Williams Elementary	78,126	28.36	1953	72
48	Old Post Rd. Elementary	112,417	46.00	1956	69
49	William S. James Elementary	58,500	15.00	1976	49
50	Youth's Benefit Elementary	149,694	26.18	2017	8
	Total	**6,257,635**	**1,944.53**		

Notes

[1] *Two of our facilities are combination Middle and High Schools; Patterson Mill Middle/High School and Havre de Grace Middle/High School. The gross square foot of the facility is divided evenly between the middle and high school in this chart.*

Harford County, Maryland
Principal Emloyers
Current Fiscal Year and Ten Years Ago

	Fiscal Year 2026		
	Number of Employees [1]	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	21,000	1	21.86%
Harford County Public Schools	5,625	2	5.86%
UM Upper Chesapeake Health	3,000	3	3.12%
Harford County Government	1,554	4	1.62%
Harford Community College	1,428	5	1.49%
Sephora	1,000	6	1.04%
Smith's Detection, Inc.	1,000	7	1.04%
Kohl's E-Fulfillment Center	954	8	0.99%
Klein's ShopRite of Maryland	900	9	0.94%
Frito Lay, Inc.	810	10	0.84%
Total	37,271		38.80%
Total County Employment [2]	96,062		100%

	Fiscal Year 2017		
	Number of Employees [1]	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	21,000	1	22.98%
Harford County Public Schools	5,231	2	5.72%
UM Upper Chesapeake Health System	3,300	3	3.61%
Harford County Government	1,541	4	1.69%
Kohl's E-Fulfillment Center	1,140	5	1.25%
Rite Aid Mid-Atlantic Customer Support Center	1,100	6	1.20%
Harford Community College	1,010	7	1.11%
Klein's ShopRite of Maryland	1,000	8	1.09%
Jacobs Technology, Inc.	875	9	0.96%
Jones Junction	670	10	0.73%
Total	36,867		40.34%
Total County Employment [3]	91,376		100%

Source:
(1) Office of Economic Development, Harford County, Maryland
(2) Maryland Department of Labor
(3) U.S. Census Bureau, Center for Economic Studies, June 2013

Table 12

Full-time Equivalent Employees by Function
Fiscal 2017 - 2026

State Category	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Administration	116	121	124	121	115	116	112	117	117	117
Mid-Level - Office of the Principal	276	279	282	283	278	270	264	287	287	290
Mid-Level - Admin & Supervision	64	65	72	67	64	56	54	55	63	62
Instructional Salaries	2,698	2,814	2,787	2,783	2,663	2,563	2,499	2,565	2,600	2,645
Special Education	1,310	1,307	1,291	1,270	1,162	1,091	1,061	1,004	1,024	1,021
Student Services	55	53	33	31	37	35	25	21	30	26
Health Services	71	74	78	73	71	70	70	70	73	72
Transportation	253	254	234	234	226	190	186	188	188	217
Operation of Plant	373	364	363	362	339	339	340	338	340	340
Maintenance of Plant	115	118	117	117	117	117	114	128	126	126
Community Services	8	8	2	2	2	2	2	1	1	1
Totals[1]	**5,339**	**5,457**	**5,383**	**5,343**	**5,074**	**4,849**	**4,727**	**4,774**	**4,849**	**4,917**

Information supplied by HCPS Budget Office from the MSDE Budget Certification Reports.

Data includes employee count from the Unrestricted and Restricted Funds, referred to as the Current Expense Fund.

[1]FTE equivalents by state category are rounded to the whole number; totals by year represent the number of FTEs in total and may not equal the sum of each category due to rounding.

Table 13

Schedule of Ratio of Total Debt Service to Non Capital Expenditures
(accrual basis of accounting)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Principal & Interest	$ 11,481,076	$ 11,766,564	$ 12,923,682	$ 8,083,392	$ 7,564,154	$ 823,882	$ 823,882	$ 823,822	$ 823,822	$ 823,822
Total Expenditures	853,538,643	886,327,239	848,925,559	729,729,339	689,615,557	628,354,568	602,415,169	579,287,488	552,268,371	531,336,264
Less capitalized net activity	62,900,091	111,143,019	100,738,709	22,338,783	49,532,465	53,719,660	53,375,509	40,911,831	28,680,888	24,402,329
Net expenditures	790,638,552	775,184,220	748,186,850	707,390,556	640,083,092	574,634,908	549,039,660	538,375,657	523,587,483	506,933,935
Ratio of Principal & Interest to Net Expenditures	1.45%	1.52%	1.73%	1.14%	1.18%	0.14%	0.15%	0.15%	0.16%	0.16%

Table 14

Ratios of Outstanding Debt
(modified accrual basis of accounting)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Leases, Notes Payable, and Subscriptions (1)	$18,065,002	$28,936,693	$24,259,817	$20,449,266	$27,442,005	$6,334,360	$6,931,521	$7,509,774	$8,069,717	$8,611,929
Personal Income (000's) (2)	24,393,819	22,832,104	21,370,368	20,002,217	18,594,352	17,403,924	16,289,708	15,246,872	14,684,465	14,163,408
Percentage of Personal Income	0.07%	0.13%	0.11%	0.10%	0.15%	0.04%	0.04%	0.05%	0.05%	0.06%
Population (2)	267,352	266,585	265,793	264,578	262,977	259,118	256,805	255,594	253,884	251,948
Per Capita	$ 67.57	$ 108.55	$ 91.27	$ 77.29	$ 104.35	$ 24.45	$ 26.99	$ 29.38	$ 31.79	$ 34.18
Student Enrollment	37,398	37,771	38,105	38,037	37,920	37,333	38,429	37,826	37,780	37,426
Ratio of Principal Balance to Student Enrollment	$ 483.05	$ 766.11	$ 636.66	$ 537.62	$ 723.68	$ 169.67	$ 180.37	$ 198.53	$ 213.60	$ 230.11

(1) - Implemented GASB 87 – Leases in 2022; Implemented Subscriptions in 2023
(2) Personal income and population data provided by Harford County Government
Enrollment Source: Monthly Report on Enrollment at September 30.



Abigail Bogert, Grade 8
Fallston Middle School
Teacher: Ms. Beth Markley



Aiden Cornejo, Grade 9
Swan Creek School
Teacher: Ms. Kimberly Oxenburg















HARFORD COUNTY
PUBLIC SCHOOLS