

**FINANCIAL SECTION**

*Budgets are financial planning and decision-making documents. The Financial Section is the heart of the school budget document. The budget financial schedules present the proposed and adopted budgets for the district compared with the results of past budget plans.*



*Students at Plaza Middle School learned about sewing, practicing with a sewing machine to get comfortable with its speed and direction.*

**PARK HILL SCHOOL DISTRICT**

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Kansas City, Missouri 64153

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# Park Hill School District

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## BUDGET ASSUMPTIONS

Fiscal years for the school district begin July 1.

Annually, Park Hill School District administration prepares a budget forecast to facilitate building the financial planning and budget preparation process for the district and to attain the stated goals and objectives of the school district. The forecast is created using assumptions that reflect a conservative understanding of future indicators that impact the financial obligations of the district. Throughout the budget preparation process, assumptions are modified to reflect new information as it becomes available. In developing the 2020-2021 budget, the district identified the following issues and considerations as the budget assumptions that have significantly impacted the final product.

District staff operated under these assumptions during the key months of December 2019 – March 2020 as project budgets were crafted. Additional factors were added after the COVID shutdown that began in March 2020.

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## KEY BUDGET FACTORS

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### STUDENT ENROLLMENT

Student enrollment is the primary variable in preparing future budget expenditures. Student enrollment directly impacts staffing counts, materials/supplies, services (i.e. student transportation costs), and capital expenditures to provide and furnish effective classroom space.

In addition, student enrollment is also a factor in key revenue formulas, including the state's basic foundation formula, Prop C sales tax, school lunch receipts, and community services (i.e. Adventure Club).

Official K-12 enrollment for 2019-2020 was 11,709 (+0.8%) and reflects 36 consecutive years of enrollment growth in the school district.

Enrollment projections are made for future years to anticipate student/staff related expenditures. Using projection models employed by the district, K-12 enrollment for 2020-2021 is projected to be 11,894 (+1.6%).

## PROJECTED 2020-2021 ENROLLMENT BY SCHOOL &amp; GRADE LEVEL

**ELEMENTARY SCHOOLS**

	<b>K</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>TOTAL</b>
4020-Chinn Elementary	80	80	81	79	63	75	458
4040-Graden Elementary	82	83	79	94	75	96	509
4060-Line Creek Elementary	68	57	60	70	58	86	399
4080-Renner Elementary	72	64	85	85	60	91	457
5000-Southeast Elementary	88	94	81	91	89	76	519
5020-Union Chapel Elementary	96	111	86	85	101	90	569
5040-English Landing Elementary	77	75	79	73	79	75	458
5060-Prairie Point Elementary	76	72	66	74	80	71	439
5080-Hawthorn Elementary	85	90	75	68	98	93	509
5090-Tiffany Ridge Elementary	83	86	75	79	85	93	501
5095-Hopewell Elementary	81	82	69	95	74	89	490
6000-Russell Jones Education Center	3	3	7	13	4	3	33
<b>Subtotal</b>	<b>891</b>	<b>897</b>	<b>843</b>	<b>906</b>	<b>866</b>	<b>938</b>	<b>5,341</b>

**MIDDLE SCHOOLS**

	<b>6</b>	<b>7</b>	<b>8</b>	<b>TOTAL</b>
3000-Lakeview Middle School	238	236	215	689
3030-Congress Middle School	238	263	226	727
3050-Plaza Middle School	238	232	244	714
3060-Walden Middle School	238	250	242	730
6000-Russell Jones Education Center	4	1	4	9
<b>Subtotal</b>	<b>956</b>	<b>982</b>	<b>931</b>	<b>2,869</b>

**HIGH SCHOOLS**

	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>TOTAL</b>
1020-LEAD Innovation Studio	203	186	124	129	642
1050-Park Hill High School	383	336	423	410	1,552
1080-Park Hill South High School	383	366	362	359	1,470
6000-Russell Jones Education Center	9	6	3	2	20
<b>Subtotal</b>	<b>978</b>	<b>894</b>	<b>912</b>	<b>900</b>	<b>3,684</b>

**TOTAL 11,894**

### ASSESSED VALUATION & TOTAL TAX RATE

The 2019-2020 Aggregate Assessed Valuation (AAV) for the Park Hill School District is \$ 1,877,953,228. The Board of Education approved a total tax rate of \$5.3955 per \$100 of assessed valuation in August, 2019. The two values (AAV \* Tax Rate / 100) will generate approximately \$101.3 million in total revenue. County fees of 1.6% are taken from these revenues, which yields \$83.5 million in operating revenue. AAV grew by 7.4% from the prior year and has grown by an average of 4.7% per year for the last five years.

Forecasts in budget preparation will estimate 2.5% growth in AAV and no change in total tax rate for 2020-2021 through 2023-2024.

No change in the district's current total tax rate of \$5.3955 per \$100 of assessed valuation is planned, although slight modifications may occur between levies in Operating (currently \$4.5227) and Capital Funds (currently \$0.1600).

<b>Fund</b>	<b>2019-2020</b>
Fund 1: Operating	4.5227
Fund 2: Special Revenue	0.0000
Fund 3: Debt Service	0.7128
Fund 4: Capital	0.1600
	<b>5.3955</b>
Funds 1, 2, 4 (All Operating)	4.6827

### BUDGET ASSUMPTIONS

The Park Hill School District budget assumptions are organized into four budget dimensions: Fund Balances, Revenue, Expenditures, and Debt Service.

### FUND BALANCES

Annually, budgetary assumptions and planning “begin with the end in mind” – maintaining appropriate levels within operating, capital and debt service fund balances demonstrate to the public the economic stability and sustainability of the school district. Target measures for these balances have been established by the Board of Education, the Comprehensive School Improvement Plan (CSIP), Financial Focus Area Collaborative Team (FACT), and by the State Auditor. Maintaining balances at these target ranges serve as guides in the development of future budgets.

Fund balances for the purposes of local/state reporting are defined as the balances within each fund at the beginning of each fiscal year (July 1). Target ranges for operating and capital fund balances are often presented as the balance on July 1 as a percentage to prior year(s) expenditures in these funds. For example, if on July 1 there is a fund balance of \$20 million in operating funds, and in the prior year the district reports \$100 million in operating expenditures, the operating fund balance is presented as 20%. Restricted funds are not included within fund balance calculations.

The current target ranges by fund are as follows:

Fund	Target Range	Target Range Established
Operating (Fund 1 + Fund 2)	18 to 22% of prior year operating expenditures	Park Hill Board of Education
Debt Service (Fund 3)	The debt service fund is only allowed to have the payments required for the next calendar year and the reasonable reserve of the following year's payment.	Missouri State Auditor
Capital Fund (Fund 4)	65% to 85% of the average of prior three-Year capital expenditures	CSIP Financial FACT Team

The Park Hill School District budgeting processes include the development of budgets for the budget year (2020-2021) and projected budgets for three years beyond the budget year (2021-2022, 2022-2023, and 2023-2024) with these target ranges as the principal budgetary goal. Projected budgets for future years will be developed utilizing balances from prior years and any future balance that falls outside the above ranges will be made only as a part of a long-range financial strategic plan by the Board of Education.

## REVENUE

The state of Missouri requires that school districts report revenues by source. Each source of revenue is organized within one of five major classes: Local, County, State, Federal, and Non-Current Revenue. Park Hill School District does not have revenue received from other LEAs.

## OPERATING REVENUE

The Park Hill School District Board of Education approved the 2019-2020 budget with \$167.0 million in operating revenue. Early budget assumptions for 2020-2021 project a 2.8% increase in operating revenue, or \$4.6 million in operating revenue growth. This expected increase in operating revenue is primarily due to increases in aggregate assessed valuation (AAV) reported in the 2019-2020 school year, and its impact on future AAV. Other increases are due to the increases in revenue due to enrollment growth and its impact on nutrition services, fee-based pre-school and childcare programs, and from the state foundation formula.

**The values below reflect the budget assumptions made while the 2020-2021 budget was being developed. Final budget values differ from the assumptions below.**

Revenue by Source	2019-2020 Board Approved Budget	2020-2021 Budget Assumption*		
5100-Revenues from Local Sources	112,952,203	115,795,359	+ 2,843,156	+ 2.5%
5200-Revenue from County Sources	5,117,939	5,238,530	+ 120,591	+ 2.4%
5300-Revenue from State Sources	42,869,546	44,593,037	+ 1,723,491	+ 4.0%
5400-Revenue from Federal Sources	6,069,193	6,017,438	(51,755)	- 0.9%
5600-Non-Current Revenue	46,378	47,485	+ 1,107	+ 2.4%
<b>Grand Total</b>	<b>167,055,259</b>	<b>171,691,849</b>	<b>+ 4,636,590</b>	<b>+ 2.8%</b>

\* Actual budget values will differ. Budget assumptions will be updated throughout the budgeting process (January – June)

## TOTAL REVENUE

Total revenues include all operating revenue (detailed above) and includes revenue generated from restricted sources: debt service revenue, and bond sources.

The Park Hill Board of Education approved the 2019-2020 budget with \$179.6 million in total revenue. Preliminary budget assumptions project an increase of 2.4% in total revenue, or \$4.4 million. This expected increase in total revenue is from the same sources as listed above (operating revenue): increases in aggregate assessed valuation (AAV) reported in the 2019-2020 school year, and its impact on future AAV. Other increases are due to the increases in revenue due to enrollment growth and its impact on nutrition services, fee-based pre-school and childcare programs, and from the state foundation formula.

**The values below reflect the budget assumptions made while the 2020-2021 budget was being developed. Final budget values differ from the assumptions below.**

Revenue by Source	2019-2020 Board Approved Budget	2020-2021 Budget Assumption*		
5100-Revenues from Local Sources	124,863,873	127,429,895	+ 2,566,022	+ 2.1%
5200-Revenue from County Sources	5,787,797	5,925,134	+ 137,337	+ 2.4%
5300-Revenue from State Sources	42,869,546	44,593,037	+ 1,723,491	+ 4.0%
5400-Revenue from Federal Sources	6,069,193	6,017,438	(51,755)	-0.9%
5600-Non-Current Revenue	46,378	47,485	+ 1,107	+ 2.4%
<b>Grand Total</b>	<b>179,636,787</b>	<b>184,012,989</b>	<b>+ 4,376,202</b>	<b>+ 2.4%</b>

\* Actual budget values will differ. Budget assumptions will be updated throughout the budgeting process (January – June)

Budgeted revenues for 2020-2021 will be updated throughout the spring as new information becomes available up to the final budget recommendation made to the Board of Education on June 25, 2020. Key data sources which will alter these revenue values include actual tax receipts in 2019-2020, legislative changes impacting the state foundation formula, interest rates on fund balances and investments, and preliminary information regarding property assessed valuation growth provided by the Platte County Assessor and Clerk.

## EXPENDITURES

Expenditures are often expressed by expenditure object: Salaries, Employee Benefits, Purchased Services, Supplies and Materials, Capital Outlay and Debt. The table below reflects operating expenditures, so it excludes bond expenditures and debt.

## OPERATING EXPENDITURES

The Park Hill School District Board of Education approved the 2019-2020 budget with \$172.9 million in operating expenditures. Budget assumptions project a 0.6% increase in operating expenditures, or \$950 thousand in operating expenditure growth.

**The values below reflect the budget assumptions made while the 2020-2021 budget was being developed. Final budget values differ from the assumptions below.**

Revenue by Source	2019-2020 Board Approved Budget	2020-2021 Budget Assumption*		
6100-Salaries	98,257,185	101,109,995	+ 2,852,810	2.9%
6200-Employee Benefits	27,828,729	29,071,970	+ 1,243,241	4.5%
6300-Purchased Services	20,764,235	20,849,190	+ 84,955	0.4%
6400-Supplies and Materials	17,059,275	16,352,340	-706,935	-4.1%
6500-Capital Outlay	9,009,662	6,486,783	-2,522,879	-28.0%
6600 - Long and Short Term Debt	0	0	0	
<b>Grand Total</b>	<b>172,919,086</b>	<b>173,870,278</b>	<b>951,192</b>	<b>0.6%</b>

\* Budget assumptions will be updated throughout the budgeting process (January – June)

It is recognized that a 0.6% operating expenditure growth is less than the forecasted student enrollment growth depicted (1.6%) planned for the 2020-2021 fiscal year. The relatively small growth in operating expenditures is assisted by reductions forecasted in operating leases (6300-Purchased Services) due to the construction of the Support and Transportation Services Center, and the construction of the LEAD Innovation Studio. The annual savings is estimated to be approximately \$740,000. Also contributing to the relatively small growth in operating expenditures is a reduction in capital improvements coinciding with a completion of the projects outlined in the April, 2017 No-Tax-Increase Bond Issue.

**Student Transportation Services Note:** Anticipated reductions in student transportation costs due to (1) revised school start times, (2) rebidding student transportation services; and (3) the impact of owning the transportation facility **have not yet been included** in the budgeted operating expenditures values above.

Annual budgeting is a process, and 2020-2021 budgeted expenditures will be updated throughout the spring as new information becomes available up to the final budget recommendation made to the Board of Education on June 25, 2020.

## TOTAL EXPENDITURES

The Park Hill School District Board of Education approved the 2019-2020 budget with \$245.6 million in total expenditures. Budget assumptions project a 24.2% decrease in total expenditures, or \$59.4 million of reductions in total expenditures.

**The values below reflect the budget assumptions made while the 2020-2021 budget was being developed. Final budget values differ from the assumptions below.**

Expenditure by Source	2019-2020 Board Approved Budget	2020-2021 Budget Assumption*		
6100-Salaries	98,257,185	101,109,995	2,852,810	2.9%
6200-Employee Benefits	27,828,729	29,071,970	1,243,241	4.5%
6300-Purchased Services	20,764,235	20,849,190	84,955	0.4%
6400-Supplies and Materials	17,059,275	16,352,340	-706,935	-4.1%
6500-Capital Outlay	69,498,775	7,910,858	-61,587,917	-88.6%
6600 - Long and Short Term Debt	12,212,618	10,888,457	-1,324,161	-10.8%
<b>Grand Total</b>	<b>245,620,817</b>	<b>186,182,810</b>	<b>-59,438,007</b>	<b>-24.2%</b>



\* Budget assumptions will be updated throughout the budgeting process (January – June)

The relatively large reduction in expenditures is primarily due to the completion of the projects outlined in the April, 2017 No-Tax-Increase Bond Issue. Revenue for the projects was received in prior years and expensed as the projects are completed.

## EXPENDITURE CONSIDERATIONS (DETAIL)

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Specific projects that account for the increases or changes in operating expenditures include the following by district focus area:

### ACADEMIC SERVICES

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- Professional development to support CSIP Implementation
  - MTSS (Multi-Tiered System of Supports)
    - Behavior management training for all staff
    - MTSS processes and protocols
- Professional development to support curriculum implementation
  - K-12 math instructional improvement, consultant and training costs
  - K-12 English language arts instructional improvement, consultant and training costs
  - Training for instructional coaches and learning facilitators
- Increased curriculum resource needs
  - Elementary English language arts
  - High School ath
  - High School science
  - High School English language arts novels
- AVID expansion to all elementary schools
- Expansion of middle school extra-curricular programming
- Increased translation service needs
- Expand Online Course Offerings
  - Expansion of Edgenuity (Online Courses) – Expansion from Credit Recovery to include Credit Acquisition
  - Enhancement of Schoology (Learning Management System) (Additional Functionality)
  - MOCAP (Missouri Course Access Program)
    - 2019-2020 Unbudgeted Expenditures projected to be \$75,000
    - 2020-2021 Budgeted Expenditures projected to be \$100,000

### HUMAN RESOURCES

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- Staffing for 1.6% K-12 Enrollment Growth
- Staffing for Operation of New Facilities
  - LEAD Innovation Studio
  - Staffing response to CSIP priorities (i.e. behavior interventions, special education)
- Administrator staffing will follow according to the workload score and the resource staffing model will be considered for student services positions (counselor, nurse, social worker, recovery room, etc.).
- Math interventionist program will be considered according to budget priorities
- Staff Compensation (pending negotiations)
  - Proposed two-year agreement on salary and benefits.
- Expand the Employee Assistance Program (EAP)
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## OPERATIONS

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- Deploy Capital Improvement Plan
- Bond Projects
  - Finish Work on LEAD Innovation Studio
- Student Transportation Changes
  - Enrollment Growth
  - Contractor to occupy new PHSD facility
  - Begin first year of new contract
  - Deploy 3-Tier Bussing System (Reducing Expenditures)

## TECHNOLOGY

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- Elementary Student Laptop Computer Replacement (Maintenance Cycle)
- District Internet Content Filter Replacement (Maintenance Cycle)
- Network Switching Equipment Replacement (Maintenance Cycle)
- Datacenter Server Computing Replacement (Maintenance Cycle)
- Installation of Large Space Audio/Visual Systems
- Network Security Firewall Equipment Replacement (Maintenance Cycle)
- District Staff and Student Copier Replacement (Maintenance Cycle)
- Classroom Audio/Visual Equipment Replacement (Maintenance Cycle)
- District Datacenter Storage Hardware Replacement (Maintenance Cycle)

## SCHOOL IMPROVEMENT/STUDENT SERVICES/COMMUNICATIONS

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- School Security Improvements
  - Internal emergency communication/notification system
- MTSS implementation (in partnership with Academic Services related to CSIP)
  - Adopt a Platform to Integrate Student Data for Response to Intervention (RTI)/Multi-tiered System of Supports (MTSS) - Panorama Expansion to full deployment
  - Behavior Management Philosophy recommendations
- Quality
  - Organizational Quality Assessment - Baldrige, MQA
- Communication Services
  - Marketing/Advertising/Graphic Design positional redesign (replacement/in-source Kelly Sports)
  - Expansion of translation services (printed and telephonic)
- Student Services
  - Transition SNAP (electronic student health information system) to online/cloud-based system

## BALANCED OPERATING BUDGET

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Annual budgeting is a process, and 2020-2021 budgeted revenue and expenditures will be updated throughout the spring as new information becomes available up to the final budget recommendation made to the Board of Education on June 25, 2020.

Preliminary budget values for 2020-2021 show \$171.6 million in operating revenue and \$173.9 million in operating expenditures. The \$2.3 million gap is paid from using available fund balances accumulated from savings, efficiencies and reductions in prior years. It is anticipated that the district will open the 2020-2021 with \$34.6 million in unrestricted operating fund balance (21.5%). Using \$2.3 million from this fund balance will result in a fund balance

at the conclusion of the 2020-2021 school year of 20.0%, a value exactly at the mid-point of the target range adopted by the Board of Education (18 to 22%).

The Board of Education and district staff will work throughout the spring to refine revenue and expenditure values for 2020-2021. In addition, budgets for 2021-2022 through 2023-2024 will be forecasted using growth models for long-range financial planning to demonstrate financial sustainability. The Board adopted target range of an annual fund balance between 18% and 22% will be used to evaluate the viability of current and future budgets.

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#### DEBT SERVICE

The district carries existing debt from the sale of general obligation bonds in 2011 (new bonds), 2012 (new bonds), 2013 (refinance), 2015 (refinance), 2016 (refinance), 2017 (new bonds), and 2018 (new bonds). The total debt payment for 2020-2021 is set at \$10.9 million. This payment fits into the overall plan of finance the district established prior to the approval of the 2017-No-Tax-Increase bond passed in April, 2017.

No increase in the current debt service levy, \$0.7128, is planned for 2020-2021 through 2023-2024.

The Missouri State Auditor allows for fund balances in the debt service fund to be no higher than the payments required for the next calendar year and the reasonable reserve of the following year's payment.

During the 2020-2021 fiscal year, the Board of Education and district staff will work with financial advisors on any revision to the current plan of finance to account for debt service fund balances that may exceed limits and that could be used to repay debt early. Paying debt early will allow for no-tax-increase bonding capacity in future years.

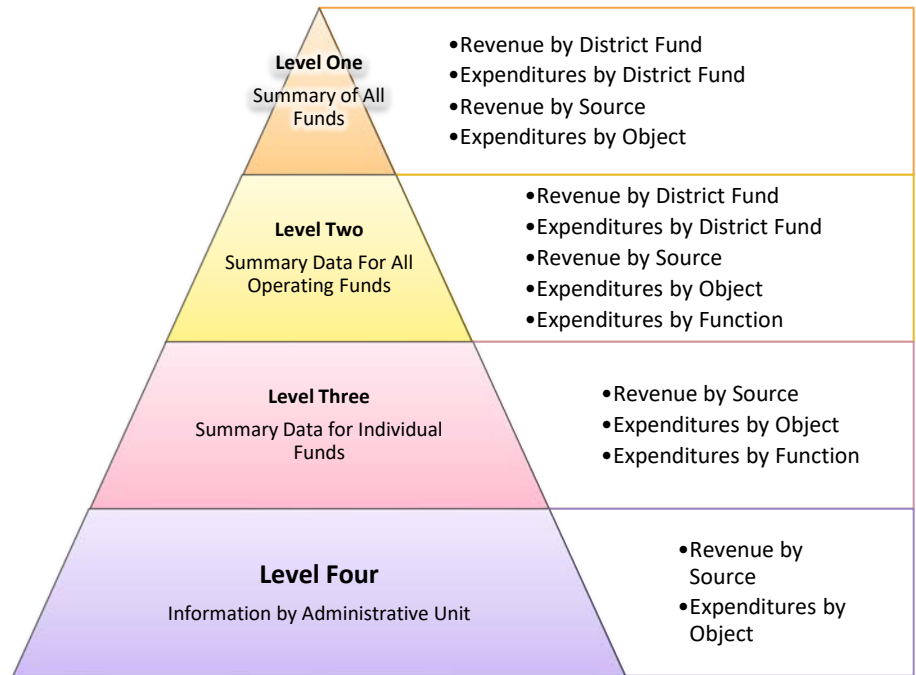
## PRESENTATION OF FINANCIAL DATA

## ORGANIZATION OF DATA – PYRAMID APPROACH

In this section of the budget document, financial data will be presented using a “pyramid approach”. A pyramid approach presents financial data initially at a very high-level view followed by progressive levels of detail. The pyramid consists of four levels.

**Level One - Summary of All Funds**

- Revenue by District Fund
- Expenditures by District Fund
- Revenue by Source - Sources specify the origin of the revenue, such as local, county, state, federal or other sources.
- Expenditures by Object - An expenditure's object identifies the service or commodity obtained such as salaries, employee benefits, purchased services, supplies or capital projects.

**Level Two - Summary Data for All Operating Funds**

- Revenue by District Fund (Operating Funds)
- Expenditures by District Fund (Operating Funds)
- Revenue by Source (Operating Funds) - Sources specify the origin of the revenue such as local, county, state, federal or other sources.
- Expenditures by Object (Operating Funds) - An expenditure's object identifies the service or commodity obtained such as salaries, employee benefits, purchased services, supplies or capital projects.
- Expenditures by Function (Operating Funds) - Expenditures by function describe the action, purpose or program in which activities are performed such as special education services.

**Level Three - Summary Data for Individual Funds**

- Revenue by Source - Sources specify the origin of the revenue such as local, county, state, federal or other sources.
- Expenditures by Object - An expenditure's object identifies the service or commodity obtained such as salaries, employee benefits, purchased services, supplies or capital projects.

- Expenditures by Function—Expenditures by function describe the action, purpose or program in which activities are performed such as special education services.

#### Level Four - Information by Administrative Unit

*Expenditure Administrative Units are utilized to identify the program or school in which the expenditure is being made and approved.*

- Revenue by Source - Sources specify the origin of the revenue such as local, county, state, federal or other sources.
- Expenditures by Object - An expenditure's object identifies the service or commodity obtained such as salaries, employee benefits, purchased services, supplies or capital projects.

Following each table in the Financial Section, accounting groupings are defined to provide the reader an understanding of the organization and meaning of the data.

#### PRESENTATION OF FISCAL YEARS

Tables in the Financial Section will utilize the following data and format.

School Year	Financial Data Presented
2016-2017	Actual values (audited) and posted to DESE.
2017-2018	Actual values (audited) and posted to DESE.
2018-2019	Actual values (audited) and posted to DESE.
2019-2020	Estimated values based upon actual data through May, 2020 and using estimates for June, 2020. These values are highlighted in blue.
2020-2021	Budgeted values using annual budgeting processes. These values are highlighted in purple.
2021-2022	Estimated values based upon forecasts using methodologies (described below on following page).
2022-2023	Estimated values based upon forecasts using methodologies (described below on following page).
2023-2024	Estimated values based upon forecasts using methodologies (described below on following page)

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**BUDGET FORECAST**

Budget forecasts help in the assessment of the fiscal consequences of budget proposals. Sometimes the consequences of budget decisions are not realized until subsequent years. For example, the full cost of a new program that is implemented mid-year will not be realized until the following year. The budget forecasts will also reveal the financial consequences on future year budgets of the use of non-recurring revenues to fund recurring expenditures.

The Park Hill School District uses both qualitative methods and quantitative models to project future financial performance. Qualitative methods, generally considered to be “expert-driven”, have generally been successful with short-term financial projections by estimating annual key revenue and expenditure measures such as aggregate assessed valuation growth, enrollment growth, state revenues, and employee benefit costs. Experts include but are not limited to the Platte County Assessor, area demographic experts, Missouri’s Director of School Finance, the state Governor, and external consultants.

Park Hill School District also uses quantitative models that discount the expert factor and use historical data and patterns to predict future financial trends. These models are typically used to project financials beyond a single school year into years where expert opinions do not exist or have proven to be less reliable. For example, student activity accounts funded primarily by fundraising receipts and student participation are difficult to project from an “expert driven” qualitative approach. In this case, district-wide historical trends based upon aggregated data from prior school years are used to form a model to project future revenues, expenditures, and financial performance. Criteria that are typically used to forecast revenue and expenditures for future years include:

**Student Enrollment.** Student enrollment is a major criterion for determining the number of staff that will be required. A student headcount is taken each September and January to provide a consistent basis for development of budget forecasting. Expenditures associated with salaries and benefits, along with the student headcount are the main factors in developing the annual budget. Salaries and benefits account for 75% of the operating budget. Projections for student enrollment are presented to the Board of Education prior to budget presentations in the spring of each year.

**Local Economy.** The largest source of revenue for the district is local real estate and personal property taxes (cars, boats, trailers, etc.) that are based on the assessed valuation of the property. Reassessment of all real estate and personal property every other year (odd numbered years) is the district’s basis of the creation of the tax levy that generates local revenues. The district works closely with local, state and federal government entities to monitor these values.

**State Economy.** Economic conditions in the state impact substantial revenue streams including Proposition C sales tax, state foundation formula, and transportation aid.

**CPI.** In order to further determine expenditures beyond salary and benefit costs, expenditures are based on a Consumer Price Index (CPI) escalator. This indicator relates to current economic indicators with regard to consumables, supplies, equipment and other purchased goods. Costs for materials and supplies, as well as major capital additions or changes are an important factor in determining expenses for future school terms. Construction costs have to be calculated into the budget including increased labor and material costs, the purchase of land, professional fees, and inflation.

**Competitive Salary and Compensation Environment.** The Park Hill Board of Education has established the desire to maintain competitive compensation for all employee groups in the district. The district monitors trends and ranks position in salary measures compared to benchmark school districts in the greater Kansas City area.

The district has adopted the Association of School Business Officials (ASBO) Meritorious Budget standards which requires three years of financial forecasts beyond the budgeted year. The qualitative methods and quantitative models described above are used to generate these forecasts which are shared with the Board of Education and public in the annual budget report and in reports throughout the school year. Park Hill School District also uses these financial forecasts to project future fund balances which serve as the key sustainability measure featured on the district's financial scorecard. Forecasting for the fiscal years 2021-2022 through 2023-2024 is based on historical data and other information as it becomes known.

Budget forecast figures for the 2021-2022 through 2023-2024 school years are provided throughout the document. Forecast figures are highlighted in the financial information presented above, specifically in the Fund Balance table and commentary provided on the preceding pages.

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#### PRESENTATION OF VALUES

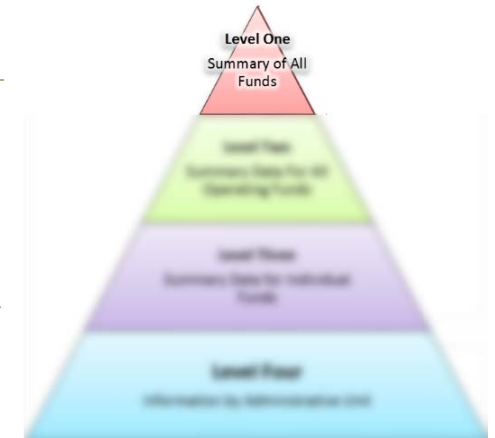
In order to simplify the presentation, values within tables throughout the financial section have been rounded to the nearest dollar (whole number). Subtotals and grand totals have also been rounded. In some cases, totals in the table and the sums of the numbers presented may differ slightly due to rounding, but these differences are not material, and are not deemed by the school district as misrepresentation or errors.

## LEVEL ONE – SUMMARY OF ALL FUNDS

Level One of the pyramid approach presents a summary of all funds. This includes the revenues and expenditures for all fund types. To assist the reader, the data is organized by Revenue by District Subfund, Expenditures by District Subfund, Revenue by Source, and Expenditures by Object.

### DISTRICT SUBFUND SUMMARY (ALL FUNDS)

### REVENUE BY DISTRICT SUBFUND (ALL FUNDS)



The Park Hill School District accounts for revenues in eight specific funds.

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
101-OPERATING	85,429,467	88,443,491	99,500,723	99,071,099	104,213,055	105,889,149	107,533,759	110,812,919
105-STUDENT ACTIVITIES	2,160,259	2,227,627	2,042,424	1,548,621	2,407,276	2,469,662	2,535,811	2,608,020
107-FOOD SERVICE	5,765,683	5,765,608	5,883,145	5,624,407	6,275,322	6,450,455	6,630,513	6,815,640
111-COMMUNITY SERVICES	4,196,189	4,367,973	4,581,926	3,380,035	4,485,901	4,620,478	4,759,092	4,901,866
202-SPECIAL REVENUE (TEACHERS)	44,957,696	46,947,816	48,855,599	48,834,430	49,769,462	53,440,316	54,500,011	55,584,967
303-DEBT SERVICE	19,573,451	10,782,106	11,935,675	13,730,556	49,576,271	14,926,859	15,143,308	15,616,248
404-REGULAR CAPITAL OUTLAY	9,112,953	5,172,155	5,531,500	6,250,020	6,542,310	6,699,836	6,820,116	6,999,871
408-BOND PROCEEDS' CAPITAL OUTLAY	12,923	90,995,926	26,814,300	702,651	2,905	0	0	0
<b>Grand Total</b>	<b>171,208,623</b>	<b>254,702,702</b>	<b>205,145,292</b>	<b>179,141,819</b>	<b>223,272,502</b>	<b>194,496,755</b>	<b>197,922,610</b>	<b>203,339,531</b>

*Subfunds are defined on page 87.*

### Explanation of Major Shifts from Current Year

**Subfund 101-Operating.** The 5.2% increase in revenue is budgeted in *Subfund 101-Operating* primarily due to a \$2.1 million increase in delinquent taxes. Approximately \$3.8 million of protested/delinquent tax payments originally due in January 2020 were not paid through June 30, 2020 and are now budgeted to be received in the 2020-2021 budget year.

Omitting delinquent taxes from the formula, revenue within *Fund 100-General (Incidental)* is budgeted to increase by 5.2% or \$5.6 million. This increase is largely driven by an anticipated increase in aggregate assessed valuation of 2.5% which drives a similar increase in current property taxes.



The tax in Fund 100-General (Incidental) (tax rate is currently \$4.5227 per \$100 of assessed valuation), \$4.5227 is placed in *Subfund 101-Operating*.

**Subfund 105-Student Activities.** The 55.4% increase in *Subfund 105-Student Activities* results from lower revenue in 2019-2020 when revenues in student activities were negatively impacted due to the COVID shutdown in March through May 2020. The 2020-2021 budgeted revenue of \$2,407,276 is more consistent with a complete school year of student activities.

**Subfund 107-Food Service.** The 11.6% increase in *Subfund 107-Food Service* results from lower revenue in 2019-2020 when revenues in the district's Nutrition Services program were negatively impacted due to the COVID shutdown in March through May 2020. The 2020-2021 budgeted revenue of \$6,275,322 is more consistent with a complete school year of the district's school breakfast and lunch program. Increased revenues are also planned due to the estimated 1.6% growth in student enrollment.

**Subfund 111-Community Services.** This subfund includes revenues from the district's school-aged day care program (Adventure Club), Pre-School program for 3 to 5 year old children, Community Education program and activities at the District Aquatic Center.

The 2.0% increase in revenue in *Subfund 111-Community Services* results from lower revenue in 2019-2020 when revenues in the district's Community Services programs were negatively impacted due to the COVID shutdown in March through May 2020. The 2020-2021 budgeted revenue of \$4,485,901 is more consistent with a complete school year of activity in the community service programs (listed above). Increased revenues are also planned due to the estimated 1.6% growth in student enrollment.

**Subfund 202-Special Revenue (Teachers).** The 1.9% increase (\$935,000) in *Fund 200-Special Revenue (Teachers)* for the 2020-2021 school year occurs primarily due the impact of anticipated K-12 enrollment growth (1.6%) and the impact of the enrollment growth on the State Foundation Formula and Missouri Proposition C sales tax calculations. The 1.9% increase occurs despite a 4% reduction in these calculations from "full funding" based on feedback from Missouri officials on the impact of the COVID shutdown on the state economy.

**Subfund 303-Debt Service.** The 261.1% budgeted increase (\$35.8 million) in *Fund 300-Debt Service* is due to a refinance action of \$34 million in bonds (Series 2012) planned in the fall 2020. It is projected that the refinance could save district taxpayers up to \$2.0 million in future interest payments.

A small portion of the increase in *Fund 300-Debt Service* is due to a budgeted \$2.5 million in assessed valuation growth.

**Subfund 404-Regular Capital Outlay.** The 4.7% increase in the *Subfund 404-Regular Capital Outlay* is the result of (1) a planned 2.5% increase in assessed valuation, and (2) an increase in the collection of delinquent and protested taxes over prior years.

The tax in Fund 400-Capital Projects (tax rate is currently \$0.1600 per \$100 of assessed valuation) is placed in *Subfund 404- Regular Capital Outlay*.

**Subfund 408-Bond Proceeds' Capital Outlay.** The \$2,905 budgeted revenue is interest earning on the remaining balances of bond funds. The significant decrease in revenue in *Subfund 408-Bond Proceeds' Capital Outlay* is exclusively the result of a complete spend of bond funds collected in prior years with minimal balances in which to earn interest.

## EXPENDITURES BY DISTRICT SUBFUND (ALL FUNDS)

The Park Hill School District accounts for expenditures in eight specific funds:

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
101-OPERATING	47,552,722	52,864,060	53,265,475	55,777,611	61,002,919	59,343,021	61,025,398	62,678,469
105-STUDENT ACTIVITIES	2,302,081	2,160,978	2,199,112	1,716,210	2,406,966	2,463,886	2,529,676	2,601,357
107-FOOD SERVICE	5,672,419	5,780,934	6,505,637	5,685,219	6,034,165	6,206,316	6,380,279	6,559,133
111-COMMUNITY SERVICES	3,967,129	3,874,132	3,888,657	3,928,954	4,342,302	4,620,477	4,759,094	4,901,864
202-SPECIAL REVENUE (TEACHERS)	77,096,832	80,019,374	85,799,727	92,466,376	95,799,154	97,817,553	100,544,399	103,392,889
303-DEBT SERVICE	11,407,901	12,908,279	20,661,199	12,212,893	46,189,000	11,082,825	11,249,463	11,446,513
404-REGULAR CAPITAL OUTLAY	12,001,877	6,286,299	11,971,375	6,872,343	15,960,200	7,167,487	7,467,069	7,655,783
408-BOND PROCEEDS' CAPITAL OUTLAY	5,523,704	13,775,677	44,649,637	54,058,316	6,032,151	0	0	0
<b>Grand Total</b>	<b>165,524,666</b>	<b>177,669,734</b>	<b>228,940,820</b>	<b>232,717,922</b>	<b>237,766,857</b>	<b>188,701,565</b>	<b>193,955,378</b>	<b>199,236,008</b>

*Subfunds are defined on page 87.*

### Explanation of Major Shifts from Current Year

**Subfund 101-Operating.** The 9.4% increase in *Subfund 101-Operating* expenditures is due to planned increase in the following budget items

- salaries and benefits for classified employees as well as an increase in FTE to fill positions needed to address student enrollment growth and appropriate staff ratios.
- projected increases in utility costs such as water and sewer and trash removal.
- a projected reduction in student transportation costs (\$300,000) from the prior year due to changes in school start times, the completion of the District-owned Support and Transportation Services Center, the rebid of the contract, and a pilot to replace taxi cabs with shuttles.
- a projected reduction in facility lease costs that have been eliminated with the construction of the district's Support and Transportation Services Center, and the LEAD Innovation Studio. The annual savings is estimated to be approximately \$740,000.
- an increase in utilities and fuel due to anticipated rate increases for electric, gas, water and diesel fuel (for buses).
- an increase in general supplies, classroom technology and textbooks due to student enrollment growth.
- an increase in technology-related supplies where approximately \$1.8 million in student and staff laptops that were ordered in the prior year were delayed (COVID) and these expenditures have been moved to the 2020-2021 school/fiscal year.
- an increase in textbook costs due to a larger-than-normal textbook adoption/replacement cycle.

**Subfund 105-Student Activities.** The 40.2% budgeted increase in student activity funds is based upon planned student activities outlined at each school. The increase is magnified due to lower expenditures in 2019-2020 due to the COVID shutdown from March through May 2020.

**Subfund 107-Food Service.** The 6.1% budgeted increase in *Subfund 107-Food Service* expenditures is largely due to a budgeted increase in accounts for increased participation of students within the school lunch program, resulting in higher food, supply and labor costs. Revenue to support these expenditures are generated from Nutrition Services sources, including school lunch prices, and federal revenue generated through participation in the National School Lunch Program.

**Subfund 111-Community Services.** The 10.5% budgeted increase in *Subfund 111-Community Services* is to cover an anticipated increase in costs associated with additional students in pre-school, Adventure Club, and Community Education. The increase also includes compensation increases (+2.4%) for employees in these programs.

**Subfund 202-Special Revenue (Teachers).** The budgeted increase in expenditures in *Fund 200-Special Revenue (Teachers)* of 3.6% are due to increased certified staffing to support increases address enrollment growth as well as a 2.4% average compensation increase for the 2020-2021 school year.

**Subfund 303-Debt Service.** The 278.2% increase in debt expenditures budgeted in 2020-2021 reflects plans to refinance \$34 million in bonds (Series 2012) in the fall 2020. It is projected that the refinance could save district taxpayers up to \$2.0 million in future interest payments. If approved by the Board of Education, this refinance action results in \$34 million in revenue and expenditures to repay existing debt with refinance bonds.

**Subfund 404-Regular Capital Outlay.** The 132.2% increase in the *Subfund 404-Regular Capital Outlay* reflects a capital improvement plan larger in scope than in the prior year. The capital plan includes expenditures related to

- \$3.5 million of capital fund balance to complete the third floor of the LEAD Innovation Studio.
- an additional \$3.5 million for contingency for bond project completion and possible COVID-related shortfalls

**Subfund 408-Bond Proceeds' Capital Outlay.** The decrease in expenditures in Subfund 408-Bond Proceeds' Capital Outlay coincides with the completion of the bond projects outlined in the district's April 2017 Bond Issue. Expenditures during 2020-2021 will result in 100% of the bond funds spent.

## REVENUE BY SOURCE (ALL FUNDS)

In addition to funds, the Park Hill School District accounts for revenue by source. Sources specify the origin of the revenue, such as local, county, state, federal or other sources (noted as "Non-Current"). Revenue sources are defined on page 121.

SOURCE	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
5100 - LOCAL SOURCES	111,963,664	116,451,634	127,872,659	123,474,682	131,947,710	134,628,974	136,972,941	141,286,091
5200 - COUNTY SOURCES	4,418,974	5,866,496	5,684,951	5,714,846	5,883,043	6,045,119	6,211,997	6,383,835
5300 - STATE SOURCES	39,826,931	39,686,265	41,391,401	42,156,259	43,066,370	46,411,569	47,175,343	47,952,510
5400 - FEDERAL SOURCES	6,123,020	4,947,970	6,845,358	6,914,170	6,447,656	6,517,436	6,662,664	6,811,345
5600 - NON-CURRENT REVENUE	8,876,033	87,750,337	23,350,922	881,862	35,927,723	893,657	899,665	905,750
<b>Grand Total</b>	<b>171,208,623</b>	<b>254,702,702</b>	<b>205,145,292</b>	<b>179,141,819</b>	<b>223,272,502</b>	<b>194,496,755</b>	<b>197,922,610</b>	<b>203,339,531</b>

### Explanation of Major Shifts from Current Year

**Source 5100-Local Sources.** Current and delinquent taxes make up most revenue from local sources. The 2020-2021 budget includes \$5.2 million in increase current and delinquent taxes which comes from an anticipated 2.5% growth in assessed valuation, and the collection of delinquent/protested taxes from prior years.

Also impacting the revenue from local sources is the reduction in earnings from temporary deposits (interest) as the district decreases the balance of bond funds.

Revenue Increases are also expected from 2019-2020 based on full revenue years in the Nutrition Services program, Student Activity subfund, and Community Services fund all impacted negatively in 2019-2020 by the COVID shutdown in March through May 2020.

Other factors impacting revenue from local sources include:

- an increase (+2.9%) in School District Trust Fund (Prop C) sales tax revenue distributed by the State based upon an anticipated increase in student enrollment count. The growth in enrollment will be slightly offset by an anticipated decrease in Prop C revenues due to the detrimental effects of COVID on the economic activity within the state.
- increase in E-rate funding (+\$900,000) based upon the results of an FCC appeal won by the school district during the 2019-2020 school year.

**Source 5200-County Sources.** The 2.9% budgeted increase in revenue from county sources is expected because of planned increases in county fines and revenue from state assessed railroad and utility taxes.

**Source 5300-State Sources.** State operating revenue, which makes up approximately 24.7% of all operating revenue, is anticipated to increase by 2.2% (\$910,111) primarily due to

- a minimal increase in Basic Formula, Classroom Trust Fund and Transportation monies due to increased student enrollment and an increase in reimbursable transportation expenses (construction of District Transportation Center). A small increase is expected despite planned withholdings from the state due to budget shortfalls related to COVID. Budgeted values for the State Foundation Formula and Classroom Trust Fund include a 4% reduction or “proration” due to the negative economic impact of the COVID shutdown in March – May 2020.
- an increase in Early Childhood (3 & 4-Year-Old) Special Education (ECSE) revenue based upon the state of Missouri fully funding the 2019-2020 ECSE program (revenue is based upon actual expenditures and is received the year following).

**Source 5400-Federal Sources.** Federal operating revenue, which makes up 3.7% of all operating revenue, is anticipated to decrease by 6.7% (\$466,514) primarily due to

- an abnormally high amount received in 2019-2020 due to ESSR CARES Act monies distributed by the federal government to the states to support local school districts.
- a decrease in Title I funds due to a decreased allocation and lack of carryover revenue from the Federal government.

**Source 5600-Non-Current Revenue.** Non-Current operating revenue, which makes up 0.5% (\$5,861) of all operating revenue, is anticipated to increase by 4074.1%. This budgeted increase is due the plan to refinance \$34 million in debt, which requires the sale of new bonds which is reflected in this revenue total.

### Sources

**5100-Revenue from Local Sources**—Revenue received directly by the school district, including local property taxes, Proposition C sales tax, School Nutrition Services sales, student activity and fundraising revenues, and interest on investments.

**5200-Revenue from County Sources**—Revenue collected by the county and distributed to school districts, including county fines, escheats, and state assessed railroad and utility taxes.

**5300-Revenue from State Sources**—Revenue generated by state taxes or collected by the state and distributed to school districts through various formulas based on enrollment, attendance and/or demographic variables. These revenues include the state foundation formula, classroom trust fund, transportation reimbursement, reimbursement for Early Childhood Special Education and Parents as Teachers programming.

**5400-Revenue from Federal Sources**—Revenue generated at federal level and distributed to the state and/or LEA through the state. These include Title programs, IDEA reimbursement, Medicaid, School Lunch/Breakfast reimbursement for qualifying students, and various grants.

**5600-Non-Current Revenue** —Revenues such as the sale or refunding of general obligation bonds and sale of property.

## EXPENDITURES BY OBJECT (ALL FUNDS)

In addition to District Fund, the Park Hill School District also accounts for expenditures by object. An expenditure's object identifies the service or commodity obtained, such as salaries, employee benefits, purchased services, supplies and materials or capital outlay and long- and short-term debt. Expenditure Objects are defined on page 123.

OBJECT	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
6100 - SALARIES	85,588,382	88,447,265	91,385,906	97,878,774	101,514,241	103,927,639	106,837,005	109,855,402
6200 - EMPLOYEE BENEFITS	23,401,955	24,561,567	25,536,731	27,795,117	29,287,878	30,043,572	30,854,869	31,711,720
6300 - PURCHASED SERVICES	17,412,000	16,865,011	17,602,460	18,251,052	20,105,148	19,222,058	19,767,696	20,332,508
6400 - SUPPLIES AND MATERIALS	10,188,847	14,825,635	17,133,511	15,555,803	18,580,161	17,157,167	17,675,656	18,127,552
6500 - CAPITAL OUTLAY	16,378,676	20,004,041	56,576,331	61,022,834	22,090,429	7,268,304	7,570,689	7,762,313
6600 - LONG- AND SHORT-TERM DEBT	12,554,806	12,966,215	20,705,880	12,214,342	46,189,000	11,082,825	11,249,463	11,446,513
<b>Grand Total</b>	<b>165,524,666</b>	<b>177,669,734</b>	<b>228,940,820</b>	<b>232,717,922</b>	<b>237,766,857</b>	<b>188,701,565</b>	<b>193,955,378</b>	<b>199,236,008</b>

### Explanation of Major Shifts from Current Year

**Object 6100-Salaries.** Employee salaries make up approximately 55% of all operating expenditures and are expected to increase by 3.7% (\$3.6 million) primarily due to

- a projected increase of 28.9 Full Time Equivalent (FTE) positions to address student enrollment growth, fill unfilled positions in the Technology and Operations Department, and to maintain class size and other staffing ratios.
- budgeted average compensation increases of 2.4% for returning staff members.
- continuity planning occurring in June – August 2020 where teachers produce online ready content for each K-12 course in order to prepare for the potential of a future COVID shutdown and for Alternative Methods of Instruction (AMI) for future snow days. The budgeted cost to prepare the continuity plan is \$500,000.

**Object 6200-Employee Benefits.** Employee benefits make up approximately 16% of all operating expenditures and are expected to increase by 5.4% (\$1.5 million) primarily due to

- a projected increase of 28.9 Full Time Equivalent (FTE) positions to address student enrollment growth, fill unfilled positions in the Technology and Operations Department, and to maintain class size and other staffing ratios.
- a budgeted increase to insurance benefits of 2.5%.
- an increase in the district's contribution to retirement due to the increase in wages and FTE.

**Object 6300-Purchased Services.** Purchased services make up 11.0% of all operating expenditures and are expected to increase by 10.2% (\$1.9 million) primarily due to the net effect of the following

- projected increases in utility costs such as water and sewer and trash removal.

- a projected reduction in student transportation costs (\$300,000) from the prior year due to changes in school start times, the completion of the District-owned Support and Transportation Services Center, the rebid of the contract, and a pilot to replace taxi cabs with shuttles.
- a projected reduction in facility lease costs that have been eliminated with the construction of the district's Support and Transportation Services Center, and the LEAD Innovation Studio. The annual savings is estimated to be approximately \$740,000.

**Object 6400-Supplies and Materials.** Supplies and materials make up 10% of all operating expenditures and are expected to increase by 19.4% (\$3.0 million) primarily due to

- an increase in utilities and fuel due to anticipated rate increases for electric, gas, water and diesel fuel (for buses).
- an increase in general supplies, classroom technology and textbooks due to student enrollment growth.
- an increase in technology-related supplies where approximately \$1.8 million in student and staff laptops that were ordered in the prior year were delayed (COVID) and these expenditures have been moved to the 2020-2021 school/fiscal year.
- an increase in textbook costs due to a larger-than-normal textbook adoption/replacement cycle.

**Object 6500-Capital Outlay.** Capital Outlay makes up 8.7% of all operating expenditures and are expected to decrease by 130.5% (\$38.9 million) primarily due to

- a capital improvement plan larger in scope from the prior year but that incorporates bond funds (not included as a "operating" funds). Planned expenditures outlined in the district's Capital Improvement Plan (page 165).
- \$3.5 million of capital fund balance to complete the third floor of the LEAD Innovation Studio.
- an additional \$3.5 million for contingency for bond project completion and possible COVID-related shortfalls.

**Object 6600-Long- and Short-Term Debt.** The 278.2% increase in debt expenditures budgeted in 2020-2021 reflects plans to refinance \$34 million in bonds (Series 2012) in the fall 2020. It is projected that the refinance could save district taxpayers up to \$2.0 million in future interest payments. If approved by the Board of Education, this refinance action results in \$34 million in revenue and expenditures to repay existing debt with refinance bonds.

### **Definition of Objects**

**6100-Salaries**— Amounts paid to LEA employees who are considered to be in a position of permanent nature or hired temporarily, including personnel substituting for those in permanent positions. This includes gross salary for services rendered while on the LEA payroll.

**6200-Employee Benefits**— Amounts paid by LEAs on behalf of employees. These amounts are over and above the gross salary. Such payments are fringe benefits and, while not paid directly to employees, are part of the cost of salaries and benefits. These charges should be distributed to functions in accordance with the salary function of the employee or group of employees.

**6300-Purchased Services**— Amounts paid for services rendered by personnel who are not on the LEA's payroll and for other services that LEAs may purchase. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided in order to obtain the desired result.

**6400-Supplies and Materials**— Amounts paid for material items of an expendable nature that are consumed, worn-out, deteriorate in use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances. It should be noted that a more thorough classification of expenditures would be achieved by identifying the object with the function, for example, the type of supplies, such as audiovisual supplies or classroom teaching supplies. For evaluation of a particular supply object, supplies can be broken into subdivisions such as food and other supplies in the Nutrition Services program. To determine the merit of prepared food versus raw food, two further breakouts could be used: (1) food prepared for serving and (2) unprepared food.

**6500-Capital Outlay**— Expenditures for the acquisition of capital assets or additions to capital assets. They include expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, additional equipment, and replacement of equipment. Lease purchase principal and interest with intent to acquire title must be treated as Capital Outlay. It is important to differentiate between expenditure object.

**6600-Long- and Short-Term Debt**— Expenditures for the retirement of debt, the payment of interest on debt and the payment of fees.



## FUND BALANCES (ALL FUNDS)

The closing (June 30) fund balances in each Park Hill School District fund appears below. Subfunds are defined on page 87.

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
101-OPERATING	29,304,503	28,622,375	32,934,527	32,596,069	29,618,052	28,319,286	28,783,259	29,109,787
105-STUDENT ACTIVITIES	2,249,473	2,316,122	2,159,434	1,991,845	1,992,155	1,997,931	2,004,066	2,010,729
107-FOOD SERVICE	(265,236)	(280,562)	(903,053)	(963,865)	(722,708)	(478,569)	(228,335)	28,172
111-COMMUNITY SERVICES	530,475	1,024,316	1,717,584	1,168,665	1,312,264	1,312,265	1,312,263	1,312,265
202-SPECIAL REVENUE (TEACHERS)	0	0	(0)	(0)	(0)	(0)	(0)	(0)
303-DEBT SERVICE	20,837,412	18,711,239	9,985,715	11,503,378	14,890,649	18,734,683	22,628,528	26,798,263
404-REGULAR CAPITAL OUTLAY	12,766,805	14,842,660	13,381,752	12,759,429	3,500,000	6,500,006	5,853,053	5,197,141
408-BOND PROCEEDS' CAPITAL OUTLAY	0	77,220,249	59,384,911	6,029,246	0	0	0	0
<b>Grand Total</b>	<b>65,423,431</b>	<b>142,456,399</b>	<b>118,660,871</b>	<b>65,084,768</b>	<b>50,590,413</b>	<b>56,385,603</b>	<b>60,352,835</b>	<b>64,456,358</b>

## SIGNIFICANT CHANGES IN FUND BALANCES

**Subfund 101 – Operating.** The drop in the *Subfund 101-Operating* fund balance has been planned for a number of years in preparation of taking on additional operating expenses with the opening of two new schools (Walden Middle School and Hopewell Elementary) in 2019-2020. The Board of Education has established a guideline of maintaining a July 1 operating fund balance between 18 to 22% of prior year operating expenditures. The budgeted fund balance at the conclusion of the 2020-2021 school year is projected to be 19.0% of the prior years' operating expenditures. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 105 – Student Activities.** The fund balance in *Subfund 105-Student Activities* is expected to increase primarily as a function of increased enrollment. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 107 – Food Service.** The fund balance in *Subfund 107-Food Service* is expected to increase from prior years as the district plans for this fund to zero-out on an annual basis. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 111 – Community Services.** A balance in *Subfund 111-Community Services* will be used in future years to offset program costs and capital improvements that support the community programs (i.e. School-Aged Child Care, Pre-School, Aquatic Center, Community Education). The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 202 – Special Revenue (Teachers).** This subfund has no balance as it is zeroed out at the end of each fiscal year via a state-approved transfer between Fund 101 and 202.

**Subfund 303 – Debt Service.** The balances in this subfund may only be used to pay debt and may not be transferred from this subfund to any other subfund. The district is planning for the repayment of debt through 2037-2038 school year.

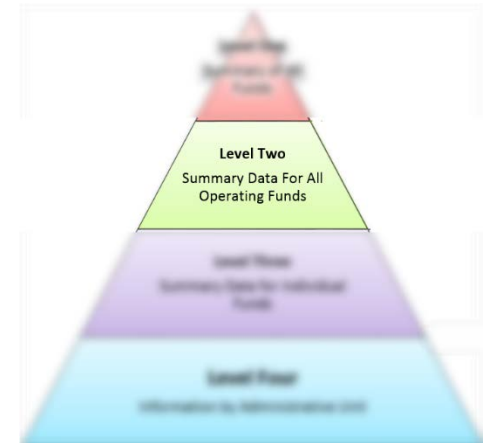
**Subfund 404 – Regular Capital Outlay.** The district utilizes the balance in this subfund to renovate and update school facilities per the district’s annual capital improvement plan. The district Financial Focus Area Collaborative Team (FACT), a team made up of district staff and key stakeholders, has established a target for capital fund balance between 65 and 85% of the average of the prior three-years capital expenditures. This fund balance allows the district to address the planned capital needs without revenues from the sale of general obligation bonds. The capital needs of the district vary greatly from year to year as maintenance cycles for facility upkeep (i.e. school roofs, flooring, parking lots) converge with technology maintenance cycles (i.e. laptops, technology equipment replacements), and other one-time capital needs (playground upkeep).

The reduction of the capital subfund balance has been planned as the district addresses capital needs as described in the district’s capital improvement plan (page 165). The projected balance at the conclusion of the 2020-2021 school year is 30.2% of prior year capital (non-bond) expenditures. This percentage falls outside of the Board target and will result in a strategic plan to rebuild the balance in subsequent years.

**Subfund 408 – Bond Proceeds’ Capital Outlay.** This subfund shows no balance in forecasted years based upon a plan to complete projects outlined within the bond program detail within the April, 2017 No-Tax-Increase Bond Issue.

## LEVEL TWO - SUMMARY DATA FOR ALL OPERATING FUNDS

Level Two of the pyramid approach presents a summary of operating funds. Operating funds exclude debt service (Fund 003) and bond projects (Fund 008). This includes the revenues and expenditures for all fund types. To assist the reader, the data is organized by Revenue by District Fund, Expenditures by District Fund, Revenue by Source, and Expenditures by Object and Expenditures by Function.



## DISTRICT FUND SUMMARY (OPERATING FUNDS)

### REVENUE BY DISTRICT SUBFUND (OPERATING FUNDS)

The Park Hill School District accounts for operating revenues in six specific funds.

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
101-OPERATING	85,429,467	88,443,491	99,500,723	99,071,099	104,213,055	105,889,149	107,533,759	110,812,919
105-STUDENT ACTIVITIES	2,160,259	2,227,627	2,042,424	1,548,621	2,407,276	2,469,662	2,535,811	2,608,020
107-FOOD SERVICE	5,765,683	5,765,608	5,883,145	5,624,407	6,275,322	6,450,455	6,630,513	6,815,640
111-COMMUNITY SERVICES	4,196,189	4,367,973	4,581,926	3,380,035	4,485,901	4,620,478	4,759,092	4,901,866
202-SPECIAL REVENUE (TEACHERS)	44,957,696	46,947,816	48,855,599	48,834,430	49,769,462	53,440,316	54,500,011	55,584,967
404-REGULAR CAPITAL OUTLAY	9,112,953	5,172,155	5,531,500	6,250,020	6,542,310	6,699,836	6,820,116	6,999,871
<b>Grand Total</b>	<b>151,622,248</b>	<b>152,924,670</b>	<b>166,395,317</b>	<b>164,708,612</b>	<b>173,693,326</b>	<b>179,569,896</b>	<b>182,779,302</b>	<b>187,723,283</b>

*Subfunds are defined on page 87*

### Explanation of Major Shifts from Current Year

**Subfund 101-Operating.** The 5.2% increase in revenue is budgeted in *Subfund 101-Operating* primarily due to a \$2.1 million increase in delinquent taxes. Approximately \$3.8 million of protested/delinquent tax payments originally due in January 2020 were not paid through June 30, 2020 and are now budgeted to be received in the 2020-2021 budget year.

Omitting delinquent taxes from the formula, revenue within *Fund 100-General (Incidental)* is budgeted to increase by 5.2% or \$5.6 million. This increase is largely driven by an anticipated increase in aggregate assessed valuation of 2.5% which drives a similar increase in current property taxes.

The tax in *Fund 100-General (Incidental)* (tax rate is currently \$4.5227 per \$100 of assessed valuation), \$4.5227 is placed in *Subfund 101-Operating*.

**Subfund 105-Student Activities.** The 55.4% increase in *Subfund 105-Student Activities* results from lower revenue in 2019-2020 when revenues in student activities were negatively impacted due to the COVID shutdown in March through May 2020. The 2020-2021 budgeted revenue of \$2,407,276 is more consistent with a complete school year of student activities.

**Subfund 107-Food Service.** The 11.6% increase in *Subfund 107-Food Service* results from lower revenue in 2019-2020 when revenues in the district's Nutrition Services program were negatively impacted due to the COVID shutdown in March through May 2020. The 2020-2021 budgeted revenue of \$6,275,322 is more consistent with a complete school year of the district's school breakfast and lunch program. Increased revenues are also planned due to the estimated 1.6% growth in student enrollment.

**Subfund 111-Community Services.** This subfund includes revenues from the district's school-aged day care program (Adventure Club), Pre-School program for 3 to 5 year old children, Community Education program and activities at the District Aquatic Center.

The 32.7% increase in revenue in *Subfund 111-Community Services* results from lower revenue in 2019-2020 when revenues in the district's Community Services programs were negatively impacted due to the COVID shutdown in March through May 2020. The 2020-2021 budgeted revenue of \$4,485,901 is more consistent with a complete school year of activity in the community service programs (listed above). Increased revenues are also planned due to the estimated 1.6% growth in student enrollment.

**Subfund 202-Special Revenue (Teachers).** The 1.9% increase (\$935,000) in *Fund 200-Special Revenue (Teachers)* for the 2020-2021 school year occurs primarily due the impact of anticipated K-12 enrollment growth (1.6%) and the impact of the enrollment growth on the State Foundation Formula and Missouri Proposition C sales tax calculations. The 1.9% increase occurs despite a 4% reduction in these calculations from "full funding" based on feedback from Missouri officials on the impact of the COVID shutdown on the state economy.

**Subfund 404-Regular Capital Outlay.** The 4.7% increase in the *Subfund 404-Regular Capital Outlay* is the result of (1) a planned 2.5% increase in assessed valuation, and (2) an increase in the collection of delinquent and protested taxes over prior years.

The tax in Fund 400-Capital Projects (tax rate is currently \$0.1600 per \$100 of assessed valuation) is placed in this fund.

## EXPENDITURE BY DISTRICT SUBFUND (OPERATING FUNDS)

The Park Hill School District accounts for operating expenditures in six specific funds.

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
101-OPERATING	47,552,722	52,864,060	53,265,475	55,777,611	61,002,919	59,343,021	61,025,398	62,678,469
105-STUDENT ACTIVITIES	2,302,081	2,160,978	2,199,112	1,716,210	2,406,966	2,463,886	2,529,676	2,601,357
107-FOOD SERVICE	5,672,419	5,780,934	6,505,637	5,685,219	6,034,165	6,206,316	6,380,279	6,559,133
111-COMMUNITY SERVICES	3,967,129	3,874,132	3,888,657	3,928,954	4,342,302	4,620,477	4,759,094	4,901,864
202-SPECIAL REVENUE (TEACHERS)	77,096,832	80,019,374	85,799,727	92,466,376	95,799,154	97,817,553	100,544,399	103,392,889
404-REGULAR CAPITAL OUTLAY	12,001,877	6,286,299	11,971,375	6,872,343	15,960,200	7,167,487	7,467,069	7,655,783
<b>Grand Total</b>	<b>148,593,061</b>	<b>150,985,778</b>	<b>163,629,983</b>	<b>166,446,713</b>	<b>185,545,706</b>	<b>177,618,740</b>	<b>182,705,915</b>	<b>187,789,495</b>

### Explanation of Major Shifts from Current Year

**Subfund 101-Operating.** The 9.4% increase in *Subfund 100-General (Incidental)* expenditures is due to planned increase in the following budget items

- salaries and benefits for classified employees as well as an increase in FTE to fill positions needed to address student enrollment growth and appropriate staff ratios.
- projected increases in utility costs such as water and sewer and trash removal.
- a projected reduction in student transportation costs (\$300,000) from the prior year due to changes in school start times, the completion of the District-owned Support and Transportation Services Center, the rebid of the contract, and a pilot to replace taxi cabs with shuttles.
- a projected reduction in facility lease costs that have been eliminated with the construction of the district's Support and Transportation Services Center, and the LEAD Innovation Studio. The annual savings is estimated to be approximately \$740,000.
- an increase in utilities and fuel due to anticipated rate increases for electric, gas, water and diesel fuel (for buses).
- an increase in general supplies, classroom technology and textbooks due to student enrollment growth.
- an increase in technology-related supplies where approximately \$1.8 million in student and staff laptops that were ordered in the prior year were delayed (COVID) and these expenditures have been moved to the 2020-2021 school/fiscal year.
- an increase in textbook costs due to a larger-than-normal textbook adoption/replacement cycle.

**Subfund 105-Student Activities.** The 40.2% budgeted increase in student activity funds is based upon planned student activities outlined at each school. The increase is magnified due to lower expenditures in 2019-2020 due to the COVID shutdown from March through May 2020.

**Subfund 107-Food Service.** The 6.1% budgeted increase in *Subfund 107-Food Service* expenditures is largely due to a budgeted increase in accounts for increased participation of students within the school lunch program, resulting in higher food, supply and labor costs. Revenue to support these expenditures are generated from Nutrition Services sources, including school lunch prices, and federal revenue generated through participation in the National School Lunch Program.

**Subfund 111-Community Services.** The 10.5% budgeted increase in *Subfund 111-Community Services* is to cover anticipated increase in costs associated with additional students in pre-school, Adventure Club, and Community Education. The increase also includes compensation increases (+2.4%) for employees in these programs.

**Subfund 202-Special Revenue (Teachers).** The budgeted increase in expenditures in *Fund 200-Special Revenue (Teachers)* of 3.6% are due to increased certified staffing to support increases address enrollment growth as well as a 2.4% average compensation increase for the 2020-2021 school year.

**Subfund 404-Regular Capital Outlay.** The 132.2% increase in the *Subfund 404-Regular Capital Outlay* reflects a capital improvement plan larger in scope than in the prior year. The capital plan includes expenditures related to

- \$3.5 million of capital fund balance to complete the third floor of the LEAD Innovation Studio.
- an additional \$3.5 million for contingency for bond project completion and possible COVID-related shortfalls.

A definition of subfunds can be found on page 87.

## REVENUE BY SOURCE (OPERATING FUNDS)

In addition to District Funds, the Park Hill School District accounts for revenue by source. Sources specify the origin of the revenue, such as local, county, state, federal or other sources (noted as “Non-Current”). Revenue sources are defined on page 121.

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
5100 - REVENUES FROM LOCAL SOURCES	101,697,570	103,066,322	113,061,221	109,800,411	118,186,443	120,499,472	122,646,924	126,507,566
5200 - REVENUE FROM COUNTY SOURCES	3,928,693	5,188,777	5,031,414	4,955,910	5,105,134	5,247,762	5,394,706	5,546,112
5300 - REVENUE FROM STATE SOURCES	39,826,931	39,686,265	41,391,401	42,156,259	43,066,370	46,411,569	47,175,343	47,952,510
5400 - REVENUE FROM FEDERAL SOURCES	6,123,020	4,947,970	6,845,358	6,914,170	6,447,656	6,517,436	6,662,664	6,811,345
5600 - NON-CURRENT REVENUE	46,033	35,337	65,922	881,862	887,723	893,657	899,665	905,750
<b>Grand Total</b>	<b>151,622,248</b>	<b>152,924,670</b>	<b>166,395,317</b>	<b>164,708,612</b>	<b>173,693,326</b>	<b>179,569,896</b>	<b>182,779,302</b>	<b>187,723,283</b>

### Explanation of Major Shifts from Current Year

**Source 5100-Local Sources.** Current and delinquent taxes make up most revenue from local sources. The 2020-2021 budget includes \$5.2 million in increase current and delinquent taxes which comes from an anticipated 2.5% growth in assessed valuation, and the collection of delinquent/protested taxes from prior years.

Also impacting the revenue from local sources is the reduction in earnings from temporary deposits (interest) as the district decreases the balance of bond funds.

Revenue Increases are also expected from 2019-2020 based on full revenue years in the Nutrition Services program, Student Activity subfund, and Community Services fund all impacted negatively in 2019-2020 by the COVID shutdown in March through May 2020.

Other factors impacting revenue from local sources include:

- an increase (+2.9%) in School District Trust Fund (Prop C) sales tax revenue distributed by the State based upon an anticipated increase in student enrollment count. The growth in enrollment will be slightly offset by an anticipated decrease in Prop C revenues due to the detrimental effects of COVID on the economic activity within the state.
- increase in E-rate funding (+\$900,000) based upon the results of an FCC appeal won by the school district during the 2019-2020 school year.

**Source 5200-County Sources.** The 2.9% budgeted increase in revenue from county sources is expected because of planned increases in county fines and revenue from state assessed railroad and utility taxes.

**Source 5300-State Sources.** State operating revenue, which makes up approximately 24.7% of all operating revenue, is anticipated to increase by 2.2% (\$910,111) primarily due to

- a minimal increase in Basic Formula, Classroom Trust Fund and Transportation monies due to increased student enrollment and an increase in reimbursable transportation expenses (construction of District Transportation Center). A small increase is expected despite planned withholdings from the state due to budget shortfalls related to COVID. Budgeted values for the State Foundation Formula and Classroom Trust Fund include a 4% reduction or “proration” due to the negative economic impact of the COVID shutdown in March – May 2020.
- an increase in Early Childhood (3 & 4-Year-Old) Special Education (ECSE) revenue based upon the state of Missouri fully funding the 2019-2020 ECSE program (revenue is based upon actual expenditures and is received the year following).

**Source 5400-Federal Sources.** Federal operating revenue, which makes up 3.7% of all operating revenue, is anticipated to decrease by 6.7% (\$466,514) primarily due to

- an abnormally high amount received in 2019-2020 due to ESSR CARES Act monies distributed by the federal government to the states to support local school districts.
- a decrease in Title I funds due to a decreased allocation and lack of carryover revenue from the Federal government.

**Source 5600-Non-Current Revenue.** Non-Current operating revenue, which makes up 0.5% (\$5,861) of all operating revenue, is anticipated to increase by 4074.1%. This budgeted increase is due the plan to refinance \$34 million in debt, which requires the sale of new bonds which is reflected in this revenue total.



## EXPENDITURES BY OBJECT (OPERATING FUNDS)

In addition to District Funds, the Park Hill School District also accounts for expenditures by object. An expenditure's object identifies the service or commodity obtained, such as salaries, employee benefits, purchased services, supplies and materials, capital outlay or long-and short-term debt.

OBJECT	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
6100 - SALARIES	85,588,382	88,447,265	91,385,906	97,878,774	101,514,241	103,927,639	106,837,005	109,855,402
6200 - EMPLOYEE BENEFITS	23,401,955	24,561,567	25,536,731	27,795,117	29,287,878	30,043,572	30,854,869	31,711,720
6300 - PURCHASED SERVICES	17,412,000	16,865,011	17,602,460	18,251,052	20,105,148	19,222,058	19,767,696	20,332,508
6400 - SUPPLIES AND MATERIALS	10,188,847	14,825,635	17,133,511	15,555,803	18,580,161	17,157,167	17,675,656	18,127,552
6500 - CAPITAL OUTLAY	10,855,357	6,286,299	11,971,375	6,965,967	16,058,278	7,268,304	7,570,689	7,762,313
6600 - LONG- AND SHORT-TERM DEBT	1,146,519	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>148,593,061</b>	<b>150,985,778</b>	<b>163,629,983</b>	<b>166,446,713</b>	<b>185,545,706</b>	<b>177,618,740</b>	<b>182,705,915</b>	<b>187,789,495</b>

### Explanation of Major Shifts from Current Year

**Object 6100-Salaries.** Employee salaries make up approximately 55% of all operating expenditures and are expected to increase by 3.7% (\$3.6 million) primarily due to

- a projected increase of 28.9 Full Time Equivalent (FTE) positions to address student enrollment growth, fill unfilled positions in the Technology and Operations Department, and to maintain class size and other staffing ratios.
- budgeted average compensation increases of 2.4% for returning staff members.
- continuity planning occurring in June – August 2020 where teachers produce online ready content for each K-12 course in order to prepare for the potential of a future COVID shutdown and for Alternative Methods of Instruction (AMI) for future snow days. The budgeted cost to prepare the continuity plan is \$500,000.

**Object 6200-Employee Benefits.** Employee benefits make up approximately 16% of all operating expenditures and are expected to increase by 5.4% (\$1.5 million) primarily due to

- a projected increase of 28.9 Full Time Equivalent (FTE) positions to address student enrollment growth, fill unfilled positions in the Technology and Operations Department, and to maintain class size and other staffing ratios.
- a budgeted increase to insurance benefits of 2.5%.
- an increase in the district's contribution to retirement due to the increase in wages and FTE.

**Object 6300-Purchased Services.** Purchased services make up 11.0% of all operating expenditures and are expected to increase by 10.2% (\$1.9 million) primarily due to the net effect of the following

- projected increases in utility costs such as water and sewer and trash removal.
- a projected reduction in student transportation costs (\$300,000) from the prior year due to changes in school start times, the completion of the District-owned Support and Transportation Services Center, the rebid of the contract, and a pilot to replace taxi cabs with shuttles.
- a projected reduction in facility lease costs that have been eliminated with the construction of the district's Support and Transportation Services Center, and the LEAD Innovation Studio. The annual savings is estimated to be approximately \$740,000.

**Object 6400-Supplies and Materials.** Supplies and materials make up 10% of all operating expenditures and are expected to increase by 19.4% (\$3.0 million) primarily due to

- an increase in utilities and fuel due to anticipated rate increases for electric, gas, water and diesel fuel (for buses).
- an increase in general supplies, classroom technology and textbooks due to student enrollment growth.
- an increase in technology-related supplies where approximately \$1.8 million in student and staff laptops that were ordered in the prior year were delayed (COVID) and these expenditures have been moved to the 2020-2021 school/fiscal year.
- an increase in textbook costs due to a larger-than-normal textbook adoption/replacement cycle.

**Object 6500-Capital Outlay.** Capital Outlay makes up 8.7% of all operating expenditures and are expected to increase by 130.5% (\$9.0 million) primarily due to

- a capital improvement plan larger in scope from the prior year but that incorporates bond funds (not included as a "operating" funds). Planned expenditures outlined in the district's Capital Improvement Plan (page 165).
- \$3.5 million of capital fund balance to complete the third floor of the LEAD Innovation Studio.
- an additional \$3.5 million for contingency for bond project completion and possible COVID-related shortfalls.

**Object 6600-Long- and Short-Term Debt.** Debt is not paid from operating funds. The payment made in 2016-2017 was the repayment of a loan from the Missouri Department of Natural Resources used to purchase energy efficient capital items.

## EXPENDITURES BY FUNCTION (OPERATING FUNDS)

In addition to District Funds, the Park Hill School District also accounts for expenditures by function. Expenditures by function describe the action, purpose or program in which activities are performed such as special education services. Functions are defined on page 136.

FUNCTION AND SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
<b>1000 - INSTRUCTION</b>	<b>75,094,852</b>	<b>80,293,966</b>	<b>81,791,176</b>	<b>83,428,690</b>	<b>87,164,976</b>	<b>87,968,148</b>	<b>90,431,763</b>	<b>92,919,647</b>
1100 - REGULAR PROGRAMS	52,150,461	56,307,845	60,270,840	60,389,601	63,622,713	64,081,915	65,893,037	67,697,576
1200 - SPECIAL PROGRAMS	17,719,027	18,681,706	16,135,415	17,578,894	17,620,866	18,087,726	18,602,064	19,138,820
1300 - CAREER EDUCATION PROGRAMS	55,046	62,237	150,907	115,476	171,517	153,204	156,800	160,535
1400 - STUDENT ACTIVITIES	4,162,728	4,250,526	4,344,466	4,399,230	4,942,249	4,825,558	4,947,697	5,077,819
1900 - PAYMENTS TO OTHER DISTRICTS	1,007,590	991,652	889,548	945,489	807,631	819,745	832,165	844,897
<b>2000 - SUPPORT SERVICES</b>	<b>65,663,755</b>	<b>65,916,041</b>	<b>77,165,375</b>	<b>78,329,740</b>	<b>86,201,540</b>	<b>83,261,056</b>	<b>85,707,397</b>	<b>88,120,386</b>
2100 - SUPPORT PUPILS	5,257,315	5,308,994	9,300,540	10,965,598	11,157,305	11,395,648	11,717,061	12,051,804
2200 - SUPPORT INSTRUCTIONAL STAFF	14,320,188	10,052,604	5,133,934	5,179,193	5,830,557	5,443,543	5,572,347	5,706,172
2300 - SUPPORT GENERAL ADMIN	1,953,822	6,409,326	11,361,974	11,458,656	14,919,875	14,492,244	14,934,972	15,388,898
2400 - SUPPORT BUILDING LEVEL ADMIN	7,847,560	7,990,368	8,381,871	8,900,490	8,980,543	9,165,405	9,367,420	9,577,327
2500 - BUSINESS SUPPORT SERVICES	33,925,237	33,483,703	39,654,181	38,226,104	41,534,692	39,089,034	40,365,465	41,568,450
2600 - SUPPORT SERVICES - CENTRAL OFFICE	2,359,633	2,671,046	3,282,732	3,520,390	3,691,801	3,585,790	3,658,750	3,734,297
2900 - OTHER SUPPORTING SERVICES			50,143	79,309	86,767	89,392	91,382	93,438
<b>3000 - COMMUNITY SERVICES</b>	<b>4,246,745</b>	<b>4,217,252</b>	<b>4,334,469</b>	<b>4,492,051</b>	<b>4,929,189</b>	<b>5,193,285</b>	<b>5,346,579</b>	<b>5,504,638</b>
3100 - COMMUNITY SERVICES	2,297,805	2,271,481	811,062	760,756	964,053	1,025,810	1,056,589	1,088,284
3200 - COMMUNITY RECREATION SERVICES	266,386	282,377	268,799	293,338	325,539	346,394	356,787	367,487
3500 - EARLY CHILDHOOD PROGRAM	1,614,231	1,593,579	1,687,945	1,691,211	1,892,268	1,985,001	2,043,087	2,103,068
3600 - WELFARE ACTIVITIES SERVICES	0	0	0	0	1,500	1,514	1,529	1,544
3700 - NON-PUBLIC SCHOOL PUPILS' SERVICES	8,093	12,181	8,786	8,329	16,856	14,139	14,279	14,423
3800 - CUSTODY/CARE OF CHILDREN SERVICES	49,613	46,448	1,530,272	1,658,911	1,678,614	1,782,438	1,835,687	1,890,554
3900 - OTHER COMMUNITY SERVICES	10,617	11,186	27,604	79,506	50,359	37,989	38,621	39,278
<b>4000 - FACILITIES ACQ &amp; CONSTRUCTION</b>	<b>2,441,190</b>	<b>558,519</b>	<b>338,963</b>	<b>196,232</b>	<b>7,250,001</b>	<b>1,196,251</b>	<b>1,220,176</b>	<b>1,244,824</b>
4000 - FACILITIES ACQ & CONSTRUCTION	2,441,190	558,519	338,963	196,232	7,250,001	1,196,251	1,220,176	1,244,824
<b>5000 - LONG- AND SHORT-TERM DEBT</b>	<b>1,146,519</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
5100 - PRINCIPAL	1,125,970	0	0	0	0	0	0	0
5200 - INTEREST	20,549	0	0	0	0	0	0	0
5300 - OTHER DEBT RELATED FEES	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>148,593,061</b>	<b>150,985,778</b>	<b>163,629,983</b>	<b>166,446,713</b>	<b>185,545,706</b>	<b>177,618,740</b>	<b>182,705,915</b>	<b>187,789,495</b>

### **Explanation of Major Shifts from Current Year**

**Function 1000 – Instruction.** The increase in *Function 1000-Instruction* expenditures reflects compensation increases for all district staff and to maintain student to staff ratios.

**Function 2000 – Support Services.** The increase in *Function 2000-Support Services* expenditures reflects compensation increases for all district staff maintain student to staff ratios.

**Function 3000 – Community Services.** The increase in *Function 3000-Community Services* expenditures is due to the anticipated increased costs associated with an increase in participation in district community-based programs, including pre-school, school-aged child care, and Community Education.

**Function 4000 – Facility Acquisition and Construction.** The increase in *Function 4000-Facility Acquisition and Construction* is due to a shift in capital improvement projects from operating funds to bond funds. Bond funds are not classified as operating funds and do not appear within this table.

**Function 5000 – Long- and Short-Term Debt.** No change is anticipated in *Function 5000-Long- and Short-Term Debt* expenditures

### **Definition of Functions**

**1000 - Instruction.** Instruction includes the activities dealing directly with the teaching of pupils, or the interaction between teachers and pupils. Teaching may be provided for pupils in a school classroom, in another location such as in a home or hospital, and in other learning situations such as those involving co-curricular activities. Instruction may also be provided through some other approved medium such as television, radio, telephone, and correspondence. Included here are the activities of aides or assistants of any type (clerks, graders, teaching machines, etc.) that assist in the instructional process.

1100-Regular Programs. Instructional activities that provide pupils in grades K-12 with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers; and are contrasted with programs designed to improve or overcome physical, mental, social, and/or emotional handicaps.

1200-Special Programs. Instructional activities designed primarily to deal with pupil exceptionalities. The Special Program service area includes pre-kindergarten, kindergarten, elementary and secondary service for the (1) Gifted and Talented; (2) Mentally Retarded; (3) Physically Handicapped; (4) Socially and/or Emotionally Handicapped; (5) Culturally Disadvantaged; (6) Pupils with Learning Disabilities; (7) Bilingual Education; and (8) Other Special Programs for other types of students.

1300-Career Education Programs. Learning experiences which will provide individuals with the opportunity to develop the necessary knowledge, skills, and attitudes needed for employment in an occupational area.

1400-Student Activities. Direct and personal services for public school pupils, such as entertainment, publications, clubs, band and orchestra, that are managed or operated by the student body under the guidance and direction of an adult, and are not a part of the regular instructional program. These activities are characterized by being not-for-credit, other than school hours, interests of students and partially or wholly self-sustaining via dues and admissions. Codes may be incremented sequentially by one to cover the various activities individually. Contracted non-route transportation expenses incurred transporting students to and from activity or field trips are included here.

1900-Payments to Other Districts. Conduit-type payments to the district generally for tuition for services rendered to pupils residing in the paying district. (These are not counted in state totals of expenditures.)

**2000 - Support Services.** Support Services are those services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction, and to a lesser degree, community services. Support Services exist as adjuncts for the fulfillment of the objectives of instruction, rather than as entities within themselves.

2100-Support Pupils. Activities which are designed to assess and improve the well-being of pupils and to supplement the teaching process.

2200-Support Instructional Staff. Activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils.

2300-Support General Administration. Activities concerned with establishing and administering policy for operating the local education agency.

2400-Support Building Level Administration. Those activities concerned with overall administrative responsibility for a single school or a group of schools.

2500-Business Support Services. Activities concerned with purchasing, paying, transporting, exchanging, and maintaining goods and services for the district. Included are the fiscal services, property and accounting services, operation and maintenance services, and internal services for operating all schools. This code series is not meant to imply an organizational structure or administrative flow for the district.

2600-Support Services Central Office. Activities, other than general administration, which support each of the other instructional and supporting services programs. These activities include planning, research, development, evaluation, information, staff, statistical, and data processing services.

2900-Other Supporting Services.

**3000 - Community Services.** Community Services consist of those activities that do not directly relate to providing education for pupils in the LEA. These include services provided by the LEA for the community or some segment of the community and community welfare activities.

3100- Community Services. Activities concerned with directing, managing, and supervising Community Services.

3200-Community Recreation Services. Activities concerned with directing, managing, and supervising Community Recreation Services.

3500-Early Childhood Program. Activities providing programs for Parents as Teachers and for three and four-year-old children, outside of a regular classroom setting, by screening, and through parent education. Direct instruction programs should be in Function 1101, Early Childhood, or Function 1281, Special Education.

3600-Welfare Activities Services.

3700-Non-Public School Pupils' Services. Activities concerned with directing, managing, and supervising non-public school services.

3800-Custody/Care of Children Services. Activities concerned with directing, managing, and supervising custody and care of children services.

3900-Other Community Services. Activities concerned with directing, managing, and supervising other Community Services.

**4000 - Facilities Acquisition and Construction.** Those activities concerned with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation and extensions of service systems and other built-in equipment; and improvements to sites. Costs of these items are charged here within the Capital Projects Fund.

4000-Facilities Acquisition and Construction. Activities concerned with directing, managing, and supervising facility acquisition and construction services.

**5000 - Long- and Short-Term Debt.** Activities servicing the debt of the LEA. Categories of debt services are listed under objects.

5100-Principal. Amounts paid for bonded indebtedness incurred by the school district, energy loans or other principal payments.

5200-Interest. Interest paid by the school district.

5300-Other Debt Related Fees. Fees associated with the repayment of debt.

## FUND BALANCES (OPERATING FUNDS)

The closing balances (June 30) fund balances in each Park Hill School District fund appears below. Subfunds are defined on page 104.

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
101-OPERATING	29,304,503	28,622,375	32,934,527	32,596,069	29,618,052	28,319,286	28,783,259	29,109,787
105-STUDENT ACTIVITIES	2,249,473	2,316,122	2,159,434	1,991,845	1,992,155	1,997,931	2,004,066	2,010,729
107-FOOD SERVICE	(265,236)	(280,562)	(903,053)	(963,865)	(722,708)	(478,569)	(228,335)	28,172
111-COMMUNITY SERVICES	530,475	1,024,316	1,717,584	1,168,665	1,312,264	1,312,265	1,312,263	1,312,265
202-SPECIAL REVENUE (TEACHERS)	0	0	0	0	0	0	0	0
404-REGULAR CAPITAL OUTLAY	12,766,805	14,842,660	13,381,752	12,759,429	3,500,000	6,500,006	5,853,053	5,197,141
<b>Grand Total</b>	<b>44,586,019</b>	<b>46,524,911</b>	<b>49,290,245</b>	<b>47,552,144</b>	<b>35,699,764</b>	<b>37,650,920</b>	<b>37,724,307</b>	<b>37,658,095</b>

## SIGNIFICANT CHANGES IN FUND BALANCES

**Subfund 101 – Operating.** The drop in the *Subfund 101-Operating* fund balance has been planned for a number of years in preparation of taking on additional operating expenses with the opening of two new schools (Walden Middle School and Hopewell Elementary) in 2019-2020. The Board of Education has established a guideline of maintaining a July 1 operating fund balance between 18 to 22% of prior year operating expenditures. The budgeted fund balance at the conclusion of the 2020-2021 school year is projected to be 19.0% of the prior years' operating expenditures. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 105 – Student Activities.** The fund balance in *Subfund 105-Student Activities* is expected to increase primarily as a function of increased enrollment. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 107 – Food Service.** The fund balance in *Subfund 107-Food Service* is expected to decrease from prior years as the district plans for this fund to zero-out on an annual basis. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 111 – Community Services.** A balance in *Subfund 111* will be used in future years to offset program costs and capital improvements that support the community programs (i.e. School-Aged Child Care, Pre-School, Aquatic Center, Community Education). The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 202 – Special Revenue (Teachers).** This subfund has no balance as it is zeroed out at the end of each fiscal year via a state-approved transfer between Fund 101 and 202.

**Subfund 404 – Regular Capital Outlay.** The district utilizes the balance in this subfund to renovate and update school facilities per the district's annual capital improvement plan. The district Financial Focus Area Collaborative Team (FACT), a team made up of district staff and key stakeholders, has established a target for capital fund balance between 65

and 85% of the average of the prior three-years capital expenditures. This fund balance allows the district to address the planned capital needs without revenues from the sale of general obligation bonds. The capital needs of the district vary greatly from year to year as maintenance cycles for facility upkeep (i.e. school roofs, flooring, parking lots) converge with technology maintenance cycles (i.e. laptops, technology equipment replacements), and other one-time capital needs (playground upkeep).

The reduction of the capital subfund balance has been planned as the district addresses capital needs as described in the district's capital improvement plan (page 165). The projected balance at the conclusion of the 2020-2021 school year is 30.2% of prior year capital (non-bond) expenditures. This percentage falls outside of the Board target and will result in a strategic plan to rebuild the balance in subsequent years.

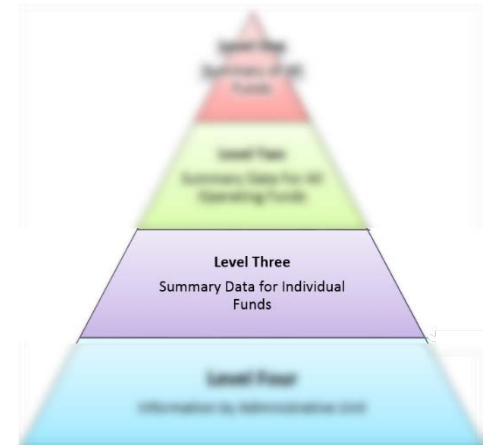


## LEVEL THREE -SUMMARY DATA FOR INDIVIDUAL FUNDS

Level Three of the pyramid approach presents all district funds by individual fund. This includes the revenues and expenditures for all fund types. To assist the reader, the data is organized by Revenue by Source, and Expenditures by Object, and Expenditures by Function.

### REVENUE BY SOURCE (INDIVIDUAL DISTRICT FUNDS) (ALL FUNDS)

In addition to District Fund, the Park Hill School District accounts for revenue by source. Sources specify the origin of the revenue, such as local, county, state, federal or other sources (noted as "Non-Current"). Subfunds are defined on page 87. Revenue sources are defined on page 121.



SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
<b>101-OPERATING</b>	<b>85,429,467</b>	<b>88,443,491</b>	<b>99,500,723</b>	<b>99,071,099</b>	<b>104,213,055</b>	<b>105,889,149</b>	<b>107,533,759</b>	<b>110,812,919</b>
5100 - REVENUES FROM LOCAL SOURCES	74,343,504	77,024,913	86,242,841	85,776,190	90,858,502	92,321,186	93,630,731	96,566,177
5200 - REVENUE FROM COUNTY SOURCES	2,985,240	4,163,888	4,007,263	4,127,869	4,231,066	4,336,842	4,445,263	4,556,395
5300 - REVENUE FROM STATE SOURCES	4,190,640	4,480,742	4,614,922	4,830,917	5,253,840	5,356,137	5,503,608	5,655,215
5400 - REVENUE FROM FEDERAL SOURCES	3,910,084	2,773,947	4,635,697	4,334,848	3,868,334	3,873,632	3,952,764	4,033,697
5600 - NON-CURRENT REVENUE	0	0	0	1,275	1,313	1,352	1,393	1,435
<b>105-STUDENT ACTIVITIES</b>	<b>2,160,259</b>	<b>2,227,627</b>	<b>2,042,424</b>	<b>1,548,621</b>	<b>2,407,276</b>	<b>2,469,662</b>	<b>2,535,811</b>	<b>2,608,020</b>
5100 - REVENUES FROM LOCAL SOURCES	2,160,259	2,227,627	2,042,424	1,548,621	2,407,276	2,469,662	2,535,811	2,608,020
<b>107-FOOD SERVICE</b>	<b>5,765,683</b>	<b>5,765,608</b>	<b>5,883,145</b>	<b>5,624,407</b>	<b>6,275,322</b>	<b>6,450,455</b>	<b>6,630,513</b>	<b>6,815,640</b>
5100 - REVENUES FROM LOCAL SOURCES	3,505,927	3,544,689	3,632,865	3,000,000	3,650,000	3,759,501	3,872,284	3,988,455
5300 - REVENUE FROM STATE SOURCES	46,819	46,896	43,614	45,085	46,000	47,150	48,329	49,537
5400 - REVENUE FROM FEDERAL SOURCES	2,212,936	2,174,023	2,206,666	2,579,322	2,579,322	2,643,804	2,709,900	2,777,648
<b>111-COMMUNITY SERVICES</b>	<b>4,196,189</b>	<b>4,367,973</b>	<b>4,581,926</b>	<b>3,380,035</b>	<b>4,485,901</b>	<b>4,620,478</b>	<b>4,759,092</b>	<b>4,901,866</b>
5100 - REVENUES FROM LOCAL SOURCES	4,196,189	4,367,973	4,581,926	3,380,035	4,485,901	4,620,478	4,759,092	4,901,866
5400 - REVENUE FROM FEDERAL SOURCES	0	0	0	0	0	0	0	0
<b>202-SPECIAL REVENUE (TEACHERS)</b>	<b>44,957,696</b>	<b>46,947,816</b>	<b>48,855,599</b>	<b>48,834,430</b>	<b>49,769,462</b>	<b>53,440,316</b>	<b>54,500,011</b>	<b>55,584,967</b>
5100 - REVENUES FROM LOCAL SOURCES	10,861,902	11,051,672	11,366,788	10,993,516	11,402,932	11,802,034	12,215,105	12,642,634
5200 - REVENUE FROM COUNTY SOURCES	715,736	737,518	755,946	560,657	600,000	630,000	661,500	694,575
5300 - REVENUE FROM STATE SOURCES	33,380,059	35,158,626	36,732,865	37,280,257	37,766,530	41,008,282	41,623,406	42,247,758
5400 - REVENUE FROM FEDERAL SOURCES	0	0	0	0	0	0	0	0
<b>303-DEBT SERVICE</b>	<b>19,573,451</b>	<b>10,782,106</b>	<b>11,935,675</b>	<b>13,730,556</b>	<b>49,576,271</b>	<b>14,926,859</b>	<b>15,143,308</b>	<b>15,616,248</b>
5100 - REVENUES FROM LOCAL SOURCES	10,253,171	10,104,387	11,282,138	12,971,620	13,758,362	14,129,502	14,326,017	14,778,525
5200 - REVENUE FROM COUNTY SOURCES	490,281	677,720	653,537	758,936	777,909	797,357	817,291	837,723

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
5600 - NON-CURRENT REVENUE	8,830,000	0	0	0	35,040,000	0	0	0
<b>404-REGULAR CAPITAL OUTLAY</b>	<b>9,112,953</b>	<b>5,172,155</b>	<b>5,531,500</b>	<b>6,250,020</b>	<b>6,542,310</b>	<b>6,699,836</b>	<b>6,820,116</b>	<b>6,999,871</b>
5100 - REVENUES FROM LOCAL SOURCES	6,629,790	4,849,448	5,194,377	5,102,049	5,381,832	5,526,611	5,633,901	5,800,414
5200 - REVENUE FROM COUNTY SOURCES	227,717	287,370	268,205	267,384	274,068	280,920	287,943	295,142
5300 - REVENUE FROM STATE SOURCES	2,209,413	0	0	0	0	0	0	0
5400 - REVENUE FROM FEDERAL SOURCES	0	0	2,995	0	0	0	0	0
5600 - NON-CURRENT REVENUE	46,033	35,337	65,922	880,587	886,410	892,305	898,272	904,315
<b>408-BOND PROCEEDS' CAPITAL OUTLAY</b>	<b>12,923</b>	<b>90,995,926</b>	<b>26,814,300</b>	<b>702,651</b>	<b>2,905</b>	<b>0</b>	<b>0</b>	<b>0</b>
5100 - REVENUES FROM LOCAL SOURCES	12,923	3,280,926	3,529,300	702,651	2,905	0	0	0
5600 - NON-CURRENT REVENUE	0	87,715,000	23,285,000	0	0	0	0	0
<b>Grand Total</b>	<b>171,208,623</b>	<b>254,702,702</b>	<b>205,145,292</b>	<b>179,141,819</b>	<b>223,272,502</b>	<b>194,496,755</b>	<b>197,922,610</b>	<b>203,339,531</b>

#### Explanation of Major Shifts from Current Year

**Subfund 101-Operating.** The 5.2% increase in revenue is budgeted in *Subfund 101-Operating* primarily due to a \$2.1 million increase in delinquent taxes. Approximately \$3.8 million of protested/delinquent tax payments originally due in January 2020 were not paid through June 30, 2020 and are now budgeted to be received in the 2020-2021 budget year.

Omitting delinquent taxes from the formula, revenue within *Fund 100-General (Incidental)* is budgeted to increase by 5.2% or \$5.6 million. This increase is largely driven by an anticipated increase in aggregate assessed valuation of 2.5% which drives a similar increase in current property taxes.

The tax in Fund 100-General (Incidental) (tax rate is currently \$4.5227 per \$100 of assessed valuation), \$4.5227 is placed in *Subfund 101-Operating*.

**Subfund 105-Student Activities.** The 55.4% increase in *Subfund 105-Student Activities* results from lower revenue in 2019-2020 when revenues in student activities were negatively impacted due to the COVID shutdown in March through May 2020. The 2020-2021 budgeted revenue of \$2,407,276 is more consistent with a complete school year of student activities.

**Subfund 107-Food Service.** The 11.6% increase in *Subfund 107-Food Service* results from lower revenue in 2019-2020 when revenues in the district's Nutrition Services program were negatively impacted due to the COVID shutdown in March through May 2020. The 2020-2021 budgeted revenue of \$6,275,322 is more consistent with a complete school year of the district's school breakfast and lunch program. Increased revenues are also planned due to the estimated 1.6% growth in student enrollment.

**Subfund 111-Community Services.** This subfund includes revenues from the district's school-aged day care program (Adventure Club), Pre-School program for 3 to 5 year old children, Community Education program and activities at the District Aquatic Center.

The 2.0% increase in revenue in *Subfund 111-Community Services* results from lower revenue in 2019-2020 when revenues in the district's Community Services programs were negatively impacted due to the COVID shutdown in March through May 2020. The 2020-2021 budgeted revenue of \$4,485,901 is more consistent with a complete school year of activity in the community service programs (listed above). Increased revenues are also planned due to the estimated 1.6% growth in student enrollment.

**Subfund 202-Special Revenue (Teachers).** The 1.9% increase (\$935,000) in *Fund 200-Special Revenue (Teachers)* for the 2020-2021 school year occurs primarily due the impact of anticipated K-12 enrollment growth (1.6%) and the impact of the enrollment growth on the State Foundation Formula and Missouri Proposition C sales tax calculations. The 1.9% increase occurs despite a 4% reduction in these calculations from "full funding" based on feedback from Missouri officials on the impact of the COVID shutdown on the state economy.

**Subfund 303-Debt Service.** The 261.1% budgeted increase (\$35.8 million) in *Fund 300-Debt Service* is due to a refinance action of \$34 million in bonds (Series 2012) planned in the fall 2020. It is projected that the refinance could save district taxpayers up to \$2.0 million in future interest payments.

A small portion of the increase in *Fund 300-Debt Service* is due to a budgeted \$2.5 million in assessed valuation growth.

**Subfund 404-Regular Capital Outlay.** The 4.7% increase in the *Subfund 404-Regular Capital Outlay* is the result of (1) a planned 2.5% increase in assessed valuation, and (2) an increase in the collection of delinquent and protested taxes over prior years.

The tax in Fund 400-Capital Projects (tax rate is currently \$0.1600 per \$100 of assessed valuation) is placed in *Subfund 404- Regular Capital Outlay*.

**Subfund 408-Bond Proceeds' Capital Outlay.** The \$2,905 budgeted revenue is interest earning on the remaining balances of bond funds. The significant decrease in revenue in *Subfund 408-Bond Proceeds' Capital Outlay* is exclusively the result of a complete spend of bond funds collected in prior years with minimal balances in which to earn interest.

## EXPENDITURES BY OBJECT (INDIVIDUAL DISTRICT FUNDS) (ALL FUNDS)

In addition to District Funds, the Park Hill School District also accounts for expenditures by object. An expenditure's object identifies the service or commodity obtained, such as salaries, employee benefits, purchased services, supplies and materials, capital outlay and long- and short-term debt. Subfunds are defined on page 87. Expenditure Objects are defined on page 123.

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
<b>101-OPERATING</b>	<b>47,552,722</b>	<b>52,864,060</b>	<b>53,265,475</b>	<b>55,777,611</b>	<b>61,002,919</b>	<b>59,343,021</b>	<b>61,025,398</b>	<b>62,678,469</b>
6100 - SALARIES	20,791,950	21,455,636	20,151,929	21,599,779	22,036,508	22,553,462	23,154,111	23,774,656
6200 - EMPLOYEE BENEFITS	6,036,499	6,316,683	5,758,433	6,302,946	6,748,599	6,923,737	7,111,265	7,305,726
6300 - PURCHASED SERVICES	14,887,389	14,609,623	15,414,071	16,332,495	18,069,445	17,272,512	17,774,654	18,293,643
6400 - SUPPLIES AND MATERIALS	6,428,087	11,096,253	13,103,606	11,542,391	14,148,367	12,593,310	12,985,368	13,304,444
6500 - CAPITAL OUTLAY	-591,203	-614,134	-1,162,564	0	0	0	0	0
6600 - LONG- AND SHORT-TERM DEBT	0	0	0	0	0	0	0	0
<b>105-STUDENT ACTIVITIES</b>	<b>2,302,081</b>	<b>2,160,978</b>	<b>2,199,112</b>	<b>1,716,210</b>	<b>2,406,966</b>	<b>2,463,886</b>	<b>2,529,676</b>	<b>2,601,357</b>
6100 - SALARIES	37,584	41,313	39,342	70,927	36,459	37,320	38,318	39,403
6200 - EMPLOYEE BENEFITS	-40,041	9,815	4,993	-142,033	5,527	5,656	5,809	5,973
6300 - PURCHASED SERVICES	1,097,219	865,556	855,821	518,086	674,573	690,528	708,961	729,050
6400 - SUPPLIES AND MATERIALS	1,118,862	1,219,857	1,236,081	1,240,317	1,674,429	1,714,027	1,759,796	1,809,662
6500 - CAPITAL OUTLAY	88,456	24,438	62,874	28,913	15,978	16,355	16,792	17,269
<b>107-FOOD SERVICE</b>	<b>5,672,419</b>	<b>5,780,934</b>	<b>6,505,637</b>	<b>5,685,219</b>	<b>6,034,165</b>	<b>6,206,316</b>	<b>6,380,279</b>	<b>6,559,133</b>
6100 - SALARIES	2,164,294	2,284,446	2,256,741	2,407,896	2,638,976	2,713,484	2,789,537	2,867,739
6200 - EMPLOYEE BENEFITS	632,820	670,584	665,030	744,289	891,324	916,957	942,659	969,085
6300 - PURCHASED SERVICES	33,176	36,368	46,987	36,604	37,300	38,372	39,456	40,556
6400 - SUPPLIES AND MATERIALS	2,346,502	2,200,463	2,437,189	2,431,719	2,384,465	2,453,041	2,521,799	2,592,492
6500 - CAPITAL OUTLAY	495,628	589,073	1,099,690	64,711	82,100	84,462	86,828	89,261
<b>111-COMMUNITY SERVICES</b>	<b>3,967,129</b>	<b>3,874,132</b>	<b>3,888,657</b>	<b>3,928,954</b>	<b>4,342,302</b>	<b>4,620,477</b>	<b>4,759,094</b>	<b>4,901,864</b>
6100 - SALARIES	2,643,649	2,592,183	2,544,041	2,566,588	2,880,610	3,065,146	3,157,102	3,251,814
6200 - EMPLOYEE BENEFITS	634,341	621,374	647,031	701,909	741,705	789,220	812,897	837,281
6300 - PURCHASED SERVICES	386,626	350,889	340,951	319,081	347,087	369,322	380,402	391,815
6400 - SUPPLIES AND MATERIALS	295,396	309,063	356,634	341,376	372,900	396,789	408,693	420,954
6500 - CAPITAL OUTLAY	7,118	623	0	0	0	0	0	0
6600 - LONG- AND SHORT-TERM DEBT	0	0	0	0	0	0	0	0
<b>202-SPECIAL REVENUE (TEACHERS)</b>	<b>77,096,832</b>	<b>80,019,374</b>	<b>85,799,727</b>	<b>92,466,376</b>	<b>95,799,154</b>	<b>97,817,553</b>	<b>100,544,399</b>	<b>103,392,889</b>
6100 - SALARIES	59,950,905	62,073,687	66,393,852	71,233,584	73,921,688	75,558,227	77,697,937	79,921,790
6200 - EMPLOYEE BENEFITS	16,138,337	16,943,112	18,461,245	20,188,006	20,900,723	21,408,002	21,982,239	22,593,655

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
6300 - PURCHASED SERVICES	1,007,590	1,002,576	944,630	1,044,786	976,743	851,324	864,223	877,444
<b>303-DEBT SERVICE</b>	<b>11,407,901</b>	<b>12,908,279</b>	<b>20,661,199</b>	<b>12,212,893</b>	<b>46,189,000</b>	<b>11,082,825</b>	<b>11,249,463</b>	<b>11,446,513</b>
6600 – LONG- AND SHORT-TERM DEBT	11,407,901	12,908,279	20,661,199	12,212,893	46,189,000	11,082,825	11,249,463	11,446,513
<b>404-REGULAR CAPITAL OUTLAY</b>	<b>12,001,877</b>	<b>6,286,299</b>	<b>11,971,375</b>	<b>6,872,343</b>	<b>15,960,200</b>	<b>7,167,487</b>	<b>7,467,069</b>	<b>7,655,783</b>
6500 - CAPITAL OUTLAY	10,855,357	6,286,299	11,971,375	6,872,343	15,960,200	7,167,487	7,467,069	7,655,783
6600 – LONG- AND SHORT-TERM DEBT	1,146,519	0	0	0	0	0	0	0
<b>408-BOND PROCEEDS' CAPITAL OUTLAY</b>	<b>5,523,704</b>	<b>13,775,677</b>	<b>44,649,637</b>	<b>54,058,316</b>	<b>6,032,151</b>	<b>0</b>	<b>0</b>	<b>0</b>
6300 - PURCHASED SERVICES	0	0	0	0	0	0	0	0
6500 - CAPITAL OUTLAY	5,523,318	13,717,741	44,604,957	54,056,867	6,032,151	0	0	0
6600 – LONG- AND SHORT-TERM DEBT	386	57,936	44,681	1,449	0	0	0	0
<b>Grand Total</b>	<b>165,524,666</b>	<b>177,669,734</b>	<b>228,940,820</b>	<b>232,717,922</b>	<b>237,766,857</b>	<b>188,701,565</b>	<b>193,955,378</b>	<b>199,236,008</b>

#### Explanation of Major Shifts from Current Year

**Subfund 101-Operating.** The 9.4% increase in *Subfund 101-Operating* expenditures is due to planned increase in the following budget items

- salaries and benefits for classified employees as well as an increase in FTE to fill positions needed to address student enrollment growth and appropriate staff ratios.
- projected increases in utility costs such as water and sewer and trash removal.
- a projected reduction in student transportation costs (\$300,000) from the prior year due to changes in school start times, the completion of the District-owned Support and Transportation Services Center, the rebid of the contract, and a pilot to replace taxi cabs with shuttles.
- a projected reduction in facility lease costs that have been eliminated with the construction of the district's Support and Transportation Services Center, and the LEAD Innovation Studio. The annual savings is estimated to be approximately \$740,000.
- an increase in utilities and fuel due to anticipated rate increases for electric, gas, water and diesel fuel (for buses).
- an increase in general supplies, classroom technology and textbooks due to student enrollment growth.
- an increase in technology-related supplies where approximately \$1.8 million in student and staff laptops that were ordered in the prior year were delayed (COVID) and these expenditures have been moved to the 2020-2021 school/fiscal year.
- an increase in textbook costs due to a larger-than-normal textbook adoption/replacement cycle.

**Subfund 105-Student Activities.** The 40.2% budgeted increase in student activity funds is based upon planned student activities outlined at each school. The increase is magnified due to lower expenditures in 2019-2020 due to the COVID shutdown from March through May 2020.

**Subfund 107-Food Service.** The 6.1% budgeted increase in *Subfund 107-Food Service* expenditures is largely due to a budgeted increase in accounts for increased participation of students within the school lunch program, resulting in higher food, supply and labor costs. Revenue to support these expenditures are generated from Nutrition Services sources, including school lunch prices, and federal revenue generated through participation in the National School Lunch Program.

**Subfund 111-Community Services.** The 10.5% budgeted increase in *Subfund 111-Community Services* is to cover anticipated increase in costs associated with additional students in pre-school, Adventure Club, and Community Education. The increase also includes compensation increases (+2.4%) for employees in these programs.

**Subfund 202-Special Revenue (Teachers).** The budgeted increase in expenditures in *Fund 200-Special Revenue (Teachers)* of 3.6% are due to increased certified staffing to support increases address enrollment growth as well as a 2.4% average compensation increase for the 2020-2021 school year.

**Subfund 303-Debt Service.** The 278.2% increase in debt expenditures budgeted in 2020-2021 reflects plans to refinance \$34 million in bonds (Series 2012) in the fall 2020. It is projected that the refinance could save district taxpayers up to \$2.0 million in future interest payments. If approved by the Board of Education, this refinance action results in \$34 million in revenue and expenditures to repay existing debt with refinance bonds.

**Subfund 404-Regular Capital Outlay.** The 132.2% increase in the *Subfund 404-Regular Capital Outlay* reflects a capital improvement plan larger in scope than in the prior year. The capital plan includes expenditures related to

- \$3.5 million of capital fund balance to complete the third floor of the LEAD Innovation Studio.
- an additional \$3.5 million for contingency for bond project completion and possible COVID-related shortfalls,

**Subfund 408-Bond Proceeds' Capital Outlay.** The decrease in expenditures in Subfund 408-Bond Proceeds' Capital Outlay coincides with the completion of the bond projects outlined in the district's April 2017 Bond Issue. Expenditures during 2020-2021 will result in 100% of the bond funds spent.

## EXPENDITURES BY FUNCTION (INDIVIDUAL FUNDS) (ALL FUNDS)

In addition to District Funds, the Park Hill School District also accounts for expenditures by function. Expenditures by function describe the action, purpose or program in which activities are performed such as special education services. Functions are defined on page 136.

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
<b>101-OPERATING</b>	<b>47,552,722</b>	<b>52,864,060</b>	<b>53,265,475</b>	<b>55,777,611</b>	<b>61,002,919</b>	<b>59,343,021</b>	<b>61,025,398</b>	<b>62,678,469</b>
1000 - INSTRUCTION	8,186,082	11,440,809	9,934,034	6,528,689	8,054,693	6,943,529	7,087,077	7,147,833
2000 - SUPPORT SERVICES	39,209,175	41,207,994	43,174,231	49,058,398	52,726,056	52,197,559	53,732,464	55,320,725
3000 - COMMUNITY SERVICES	157,465	215,257	157,211	190,524	222,170	201,933	205,857	209,911
5000 - LONG- AND SHORT-TERM DEBT	0	0	0	0	0	0	0	0
<b>105-STUDENT ACTIVITIES</b>	<b>2,302,081</b>	<b>2,160,978</b>	<b>2,199,112</b>	<b>1,716,210</b>	<b>2,406,966</b>	<b>2,463,886</b>	<b>2,529,676</b>	<b>2,601,357</b>
1000 - INSTRUCTION	2,015,537	2,010,557	2,012,278	1,675,192	2,246,535	2,299,662	2,361,065	2,427,968
2000 - SUPPORT SERVICES	273,506	138,199	157,073	-27,753	140,962	144,296	148,149	152,347
3000 - COMMUNITY SERVICES	13,038	12,221	29,761	68,771	19,469	19,928	20,462	21,042
<b>107-FOOD SERVICE</b>	<b>5,672,419</b>	<b>5,780,934</b>	<b>6,505,637</b>	<b>5,685,219</b>	<b>6,034,165</b>	<b>6,206,316</b>	<b>6,380,279</b>	<b>6,559,133</b>
2000 - SUPPORT SERVICES	5,672,419	5,780,934	6,505,637	5,685,219	6,034,165	6,206,316	6,380,279	6,559,133
<b>111-COMMUNITY SERVICE</b>	<b>3,967,129</b>	<b>3,874,132</b>	<b>3,888,657</b>	<b>3,928,954</b>	<b>4,342,302</b>	<b>4,620,477</b>	<b>4,759,094</b>	<b>4,901,864</b>
2000 - SUPPORT SERVICES	61,100	57,545	56,116	35,016	62,000	65,972	67,951	69,990
3000 - COMMUNITY SERVICES	3,906,029	3,816,587	3,832,541	3,893,938	4,280,302	4,554,505	4,691,143	4,831,874
4000 - FACILITIES ACQ & CONSTRUCTION	0	0	0	0	0	0	0	0
<b>202-SPECIAL REVENUE (TEACHERS)</b>	<b>77,096,832</b>	<b>80,019,374</b>	<b>85,799,727</b>	<b>92,466,376</b>	<b>95,799,154</b>	<b>97,817,553</b>	<b>100,544,399</b>	<b>103,392,889</b>
1000 - INSTRUCTION	64,117,727	66,575,592	68,864,799	74,691,281	76,521,878	78,522,011	80,777,273	83,133,976
2000 - SUPPORT SERVICES	12,816,659	13,271,218	16,626,464	17,460,934	18,876,028	18,882,625	19,342,091	19,821,266
3000 - COMMUNITY SERVICES	162,447	172,564	308,464	314,161	401,248	412,917	425,035	437,647
<b>303-DEBT SERVICE</b>	<b>11,407,901</b>	<b>12,908,279</b>	<b>20,661,199</b>	<b>12,212,893</b>	<b>46,189,000</b>	<b>11,082,825</b>	<b>11,249,463</b>	<b>11,446,513</b>
5000 - LONG- AND SHORT-TERM DEBT	11,407,901	12,908,279	20,661,199	12,212,893	46,189,000	11,082,825	11,249,463	11,446,513
<b>404-REGULAR CAPITAL OUTLAY</b>	<b>12,001,877</b>	<b>6,286,299</b>	<b>11,971,375</b>	<b>6,872,343</b>	<b>15,960,200</b>	<b>7,167,487</b>	<b>7,467,069</b>	<b>7,655,783</b>
1000 - INSTRUCTION	775,507	267,006	980,065	533,528	341,870	202,946	206,348	209,870
2000 - SUPPORT SERVICES	7,630,895	5,460,151	10,645,854	6,117,926	8,362,329	5,764,288	6,036,463	6,196,925
3000 - COMMUNITY SERVICES	7,766	623	6,492	24,657	6,000	4,002	4,082	4,164
4000 - FACILITIES ACQ & CONSTRUCTION	2,441,190	558,519	338,963	196,232	7,250,001	1,196,251	1,220,176	1,244,824
5000 - LONG- AND SHORT-TERM DEBT	1,146,519	0	0	0	0	0	0	0
<b>408-BOND PROCEEDS' CAPITAL OUTLAY</b>	<b>5,523,704</b>	<b>13,775,677</b>	<b>44,649,637</b>	<b>54,058,316</b>	<b>6,032,151</b>	<b>0</b>	<b>0</b>	<b>0</b>
1000 - INSTRUCTION	0	137,107	754,700	2,529,151	0	0	0	0
2000 - SUPPORT SERVICES	0	0	1,795,885	2,592,655	0	0	0	0
4000 - FACILITIES ACQ & CONSTRUCTION	5,523,318	13,580,635	42,054,371	48,935,061	6,032,151	0	0	0

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
5000 – LONG- AND SHORT-TERM DEBT	386	57,936	44,681	1,449	0	0	0	0
<b>Grand Total</b>	<b>165,524,666</b>	<b>177,669,734</b>	<b>228,940,820</b>	<b>232,717,922</b>	<b>237,766,857</b>	<b>188,701,565</b>	<b>193,955,378</b>	<b>199,236,008</b>

#### **Explanation of Major Shifts from Current Year**

**Subfund 101-Operating.** The 9.4% increase in *Subfund 101-Operating* expenditures is due to planned increase in the following budget items

- salaries and benefits for classified employees as well as an increase in FTE to fill positions needed to address student enrollment growth and appropriate staff ratios.
- projected increases in utility costs such as water and sewer and trash removal.
- a projected reduction in student transportation costs (\$300,000) from the prior year due to changes in school start times, the completion of the District-owned Support and Transportation Services Center, the rebid of the contract, and a pilot to replace taxi cabs with shuttles.
- a projected reduction in facility lease costs that have been eliminated with the construction of the district's Support and Transportation Services Center, and the LEAD Innovation Studio. The annual savings is estimated to be approximately \$740,000.
- an increase in utilities and fuel due to anticipated rate increases for electric, gas, water and diesel fuel (for buses).
- an increase in general supplies, classroom technology and textbooks due to student enrollment growth.
- an increase in technology-related supplies where approximately \$1.8 million in student and staff laptops that were ordered in the prior year were delayed (COVID) and these expenditures have been moved to the 2020-2021 school/fiscal year.
- an increase in textbook costs due to a larger-than-normal textbook adoption/replacement cycle.

**Subfund 105-Student Activities.** The 40.2% budgeted increase in student activity funds is based upon planned student activities outlined at each school. The increase is magnified due to lower expenditures in 2019-2020 due to the COVID shutdown from March through May 2020.

**Subfund 107-Food Service.** The 6.1% budgeted increase in *Subfund 107-Food Service* expenditures is largely due to a budgeted increase in accounts for increased participation of students within the school lunch program, resulting in higher food, supply and labor costs. Revenue to support these expenditures are generated from Nutrition Services sources, including school lunch prices, and federal revenue generated through participation in the National School Lunch Program.

**Subfund 111-Community Services.** The 10.5% budgeted increase in *Subfund 111-Community Services* is to cover anticipated increase in costs associated with additional students in pre-school, Adventure Club, and Community Education. The increase also includes compensation increases (+2.4%) for employees in these programs.

**Subfund 202-Special Revenue (Teachers).** The budgeted increase in expenditures in *Fund 200-Special Revenue (Teachers)* of 3.6% are due to increased certified staffing to support increases address enrollment growth as well as a 2.4% average compensation increase for the 2020-2021 school year.



**Subfund 303-Debt Service.** The 278.2% increase in debt expenditures budgeted in 2020-2021 reflects plans to refinance \$34 million in bonds (Series 2012) in the fall 2020. It is projected that the refinance could save district taxpayers up to \$2.0 million in future interest payments. If approved by the Board of Education, this refinance action results in \$34 million in revenue and expenditures to repay existing debt with refinance bonds.

**Subfund 404-Regular Capital Outlay.** The 132.2% increase in the *Subfund 404-Regular Capital Outlay* reflects a capital improvement plan larger in scope than in the prior year. The capital plan includes expenditures related to

- \$3.5 million of capital fund balance to complete the third floor of the LEAD Innovation Studio.
- an additional \$3.5 million for contingency for bond project completion and possible COVID-related shortfalls.

**Subfund 408-Bond Proceeds' Capital Outlay.** The decrease in expenditures in Subfund 408-Bond Proceeds' Capital Outlay coincides with the completion of the bond projects outlined in the district's April 2017 Bond Issue. Expenditures during 2020-2021 will result in 100% of the bond funds spent.

## FUND BALANCES (ALL FUNDS)

The closing balances (June 30) fund balances in each Park Hill School District fund appears below.

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
101-OPERATING	29,304,503	28,622,375	32,934,527	32,596,069	29,618,052	28,319,286	28,783,259	29,109,787
105-STUDENT ACTIVITIES	2,249,473	2,316,122	2,159,434	1,991,845	1,992,155	1,997,931	2,004,066	2,010,729
107-FOOD SERVICE	(265,236)	(280,562)	(903,053)	(963,865)	(722,708)	(478,569)	(228,335)	28,172
111-COMMUNITY SERVICES	530,475	1,024,316	1,717,584	1,168,665	1,312,264	1,312,265	1,312,263	1,312,265
202-SPECIAL REVENUE (TEACHERS)	0	0	(0)	(0)	(0)	(0)	(0)	(0)
303-DEBT SERVICE	20,837,412	18,711,239	9,985,715	11,503,378	14,890,649	18,734,683	22,628,528	26,798,263
404-REGULAR CAPITAL OUTLAY	12,766,805	14,842,660	13,381,752	12,759,429	3,500,000	6,500,006	5,853,053	5,197,141
408-BOND PROCEEDS' CAPITAL OUTLAY	0	77,220,249	59,384,911	6,029,246	0	0	0	0
<b>Grand Total</b>	<b>65,423,431</b>	<b>142,456,399</b>	<b>118,660,871</b>	<b>65,084,768</b>	<b>50,590,413</b>	<b>56,385,603</b>	<b>60,352,835</b>	<b>64,456,358</b>

## SIGNIFICANT CHANGES IN FUND BALANCES

**Subfund 101 – Operating.** The drop in the *Subfund 101-Operating* fund balance has been planned for a number of years in preparation of taking on additional operating expenses with the opening of two new schools (Walden Middle School and Hopewell Elementary) in 2019-2020. The Board of Education has established a guideline of maintaining a July 1 operating fund balance between 18 to 22% of prior year operating expenditures. The budgeted fund balance at the conclusion of the 2020-2021 school year is projected to be 19.0% of the prior years' operating expenditures. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 105 – Student Activities.** The fund balance in *Subfund 105-Student Activities* is expected to increase primarily as a function of increased enrollment. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 107 – Food Service.** The fund balance in *Subfund 107-Food Service* is expected to decrease from prior years as the district plans for this fund to zero-out on an annual basis. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 111 – Community Services.** A balance in *Subfund 111* will be used in future years to offset program costs and capital improvements that support the community programs (i.e. School-Aged Child Care, Pre-School, Aquatic Center, Community Education). The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 202 – Special Revenue (Teachers).** This subfund has no balance as it is zeroed out at the end of each fiscal year via a state-approved transfer between Fund 101 and 202.

**Subfund 303 – Debt Service.** The balances in this subfund may only be used to pay debt and may not be transferred from this subfund to any other subfund. The district is planning for the repayment of debt through 2037-2038 school year.

**Subfund 404 – Regular Capital Outlay.** The district utilizes the balance in this subfund to renovate and update school facilities per the district’s annual capital improvement plan. The district Financial Focus Area Collaborative Team (FACT), a team made up of district staff and key stakeholders, has established a target for capital fund balance between 65 and 85% of the average of the prior three-years capital expenditures. This fund balance allows the district to address the planned capital needs without revenues from the sale of general obligation bonds. The capital needs of the district vary greatly from year to year as maintenance cycles for facility upkeep (i.e. school roofs, flooring, parking lots) converge with technology maintenance cycles (i.e. laptop, technology equipment replacements), and other one-time capital needs (playground upkeep).

The reduction of the capital subfund balance has been planned as the district addresses capital needs as described in the district’s capital improvement plan (page 165). The projected balance at the conclusion of the 2020-2021 school year is 30.2% of prior year capital (non-bond) expenditures. This percentage falls outside of the Board target and will result in a strategic plan to rebuild the balance in subsequent years.

**Subfund 408 – Bond Proceeds’ Capital Outlay.** This subfund shows no balance in forecasted years based upon a plan to complete projects outlined within the bond program detail within the April, 2017 No-Tax-Increase Bond Issue.

## LEVEL FOUR - INFORMATION BY ADMINISTRATIVE UNIT

Level Four of the pyramid approach presents a summary of all funds by Administrative Unit. Administrative Units within the district accounting practices are known as “Projects” and have unique five-digit codes that assist in grouping these expenditures. Expenditure Administrative Units/Projects are utilized to identify the program or school in which the expenditure is being made and approved. This section is organized by Revenue by Source and Administrative Unit Project, and Expenditures by Location and Object.



## REVENUE BY SOURCE AND ADMINISTRATIVE UNIT PROJECT (ALL FUNDS)

SOURCE	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
<b>5100 - REVENUES FROM LOCAL SOURCES</b>	<b>111,963,664</b>	<b>116,451,634</b>	<b>127,872,659</b>	<b>123,474,682</b>	<b>131,947,710</b>	<b>134,628,974</b>	<b>136,972,941</b>	<b>141,286,091</b>
00000 - GENERAL	99,998,487	100,859,616	111,475,436	111,884,984	117,611,935	120,880,654	122,843,286	126,759,915
01020 - LEAD INNOVATION STUDIO	0	3,432	5,127	7,727	9,250	9,578	10,013	10,654
01050 - PARK HILL HIGH SCHOOL	949,766	980,368	843,361	721,076	1,002,544	1,027,610	1,053,297	1,079,631
01051 - PARK HILL HIGH SCHOOL ATHLETICS...	0	0	94,659	72,642	90,121	92,825	95,609	98,477
01080 - PARK HILL SOUTH HIGH SCHOOL	1,041,609	941,443	774,166	519,999	878,627	902,694	929,476	961,138
01081 - PARK HILL SOUTH ATHLETICS & INT...	0	0	92,569	77,471	95,946	98,824	101,788	104,843
03000 - LAKEVIEW MIDDLE SCHOOL	51,504	63,766	49,316	27,283	37,900	38,848	39,819	40,814
03001 - LAKEVIEW MIDDLE SCHOOL ATHLETIC...	0	0	4,989	4,178	5,234	5,390	5,552	5,719
03030 - CONGRESS MIDDLE SCHOOL	60,208	55,172	34,942	34,449	39,280	40,262	41,269	42,300
03031 - CONGRESS MIDDLE SCHOOL ATHLETIC...	0	0	5,105	3,369	4,212	4,338	4,468	4,603
03032 - CONGRESS MIDDLE SCHOOL INTRAMUR...	0	0	0	0	0	0	0	0
03050 - PLAZA MIDDLE SCHOOL	46,078	47,767	34,005	27,770	36,159	37,063	37,990	38,939
03051 - PLAZA MIDDLE SCHOOL ATHLETICS	0	0	0	3,206	4,015	4,135	4,259	4,387
03060 - WALDEN MIDDLE SCHOOL	0	0	12,500	33,662	34,400	35,260	36,142	37,045
03061 - WALDEN MIDDLE SCHOOL ATHLETICS	0	0	0	3,892	4,854	5,000	5,150	5,304
04020 - CHINN ELEMENTARY	21,407	19,790	23,695	22,275	24,735	25,353	25,987	26,637
04040 - GRADEN ELEMENTARY	49,820	55,751	49,195	32,491	55,000	56,375	57,784	59,229

SOURCE	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
04060 - LINE CREEK ELEMENTARY	11,019	16,402	31,913	10,174	22,000	22,550	23,114	23,692
04080 - RENNER ELEMENTARY	23,399	19,514	24,179	18,178	24,771	25,390	26,025	26,676
05000 - SOUTHEAST ELEMENTARY	23,412	32,325	20,383	13,296	26,900	27,572	28,262	28,968
05020 - UNION CHAPEL ELEMENTARY	33,795	39,392	25,672	17,106	43,391	44,476	45,588	46,727
05040 - ENGLISH LANDING ELEMENTARY	59,963	50,192	31,068	21,214	29,945	30,694	31,461	32,247
05060 - PRAIRIE POINT ELEMENTARY	28,978	34,042	28,868	20,845	30,530	31,293	32,076	32,877
05080 - HAWTHORN ELEMENTARY	29,369	43,074	36,239	19,327	29,665	30,407	31,167	31,946
05090 - TIFFANY RIDGE ELEMENTARY	32,966	33,618	22,676	15,066	20,064	20,566	21,080	21,607
05095 - HOPEWELL ELEMENTARY SCHOOL	0	0	8,000	10,764	13,000	13,325	13,658	14,000
07500 - GERNER EARLY CHILDHOOD EDUCATIO...	17,072	19,479	12,654	14,000	7,500	7,688	7,880	8,077
09000 - DISTRICT OFFICE	1,532	2,062	514	246	488	501	513	526
11001 - BUSINESS SERVICES	360,402	315,190	493,765	490,459	585,480	595,485	605,664	616,018
11002 - OPERATIONS	223,737	290,501	242,500	313,663	322,947	331,672	340,635	349,841
11004 - DISTRICT TECHNOLOGY OPERATIONS	874,211	742,119	625,318	547,725	1,545,426	646,937	663,110	679,688
11005 - NUTRITION SERVICES	3,505,927	3,544,689	3,632,865	3,000,000	3,650,000	3,759,501	3,872,284	3,988,455
11006 - EMPLOYEE BENEFITS	4,100	3,710	5,100	4,600	5,200	5,330	5,463	5,600
11011 - SCHOOL AGE CHILD CARE (SACC)	2,614,403	2,677,507	2,862,301	2,135,152	2,811,381	2,895,722	2,982,594	3,072,072
11012 - COMMUNITY EDUCATION	183,069	195,301	194,949	162,642	205,000	211,150	217,484	224,009
11013 - AQUATIC CENTER	106,509	121,701	108,549	67,346	131,920	135,878	139,954	144,153
11014 - BOND PROJECTS	12,923	3,280,926	3,529,300	702,651	2,905	0	0	0
12001 - ACADEMIC SERVICES	0	0	0	0	0	0	0	0
12012 - STAFF DEVELOPMENT	0	0	0	0	0	0	0	0
12024 - PROFESSIONAL STUDIES	100,000	0	65,400	0	75,000	75,000	75,000	75,000
12025 - ONLINE LEARNING	0	0	0	0	0	0	0	0
12026 - TALENTED/GIFTED	0	0	0	1,055	1,000	1,000	1,000	1,000
12051 - MEDIA & TEXTBOOKS	3,797	3,861	3,622	2,448	3,443	3,529	3,617	3,707
12101 - PRESCHOOL	1,331,149	1,415,650	1,455,067	1,054,419	1,376,540	1,417,836	1,460,371	1,504,183
12210 - SPECIAL EDUCATION (PAID WITH ST...	4,061	11,100	15,671	20,390	25,150	25,150	25,150	25,150
12211 - RUSSELL JONES EDUCATION CENTER	360	1,725	1,752	952	1,400	1,435	1,471	1,508
13001 - HUMAN RESOURCES	19,550	26,107	30,877	7,000	7,123	7,302	7,484	7,671
13003 - EMPLOYEE FITNESS CENTER	19,567	20,869	20,786	15,723	21,853	22,400	22,960	23,534
13004 - EMPLOYEE WELLNESS	110,507	381,624	719,390	1,163,499	802,971	823,046	843,622	864,712

SOURCE	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
14003 - HEALTH SERVICES	7,000	7,000	0	0	0	0	0	0
14004 - PUBLIC INFORMATION	1,149	86,301	82,155	0	0	0	0	0
14005 - PARK HILL TELEVISION	860	8,274	2,268	69	1,500	1,538	1,576	1,615
15002 - LEGAL SERVICES	0	276	361	625	505	517	530	544
91000 - MILES OF SMILES GRANT	0	0	8,933	16,134	22,500	22,875	23,259	23,653
91030 - PCHD GRANT	0	0	7,000	7,000	7,000	7,000	7,000	7,000
91050 - KAUFFMAN GRANT - GERNER	0	0	0	30,940	24,000	0	0	0
91060 - KAUFFMAN GRANT - PROFESSIONAL ST	0	0	0	70,000	75,000	75,000	75,000	75,000
95040 - RIVERSIDE BEYOND THE BELL GRANT	0	0	23,500	23,500	60,000	45,000	45,000	45,000
<b>5200 - REVENUE FROM COUNTY SOURCES</b>	<b>4,418,974</b>	<b>5,866,496</b>	<b>5,684,951</b>	<b>5,714,846</b>	<b>5,883,043</b>	<b>6,045,119</b>	<b>6,211,997</b>	<b>6,383,835</b>
00000 - GENERAL	4,418,974	5,866,496	5,684,951	5,714,846	5,883,043	6,045,119	6,211,997	6,383,835
<b>5300 - REVENUE FROM STATE SOURCES</b>	<b>39,826,931</b>	<b>39,686,265</b>	<b>41,391,401</b>	<b>42,156,259</b>	<b>43,066,370</b>	<b>46,411,569</b>	<b>47,175,343</b>	<b>47,952,510</b>
00000 - GENERAL	36,602,547	36,298,344	37,959,665	38,485,325	39,453,625	42,695,377	43,352,679	44,020,262
11001 - BUSINESS SERVICES	0	0	0	0	0	0	0	0
11005 - NUTRITION SERVICES	46,819	46,896	43,614	45,085	46,000	47,150	48,329	49,537
12005 - SCHOOL SOCIAL WORKER	12,050	1,205	10,845	0	0	0	0	0
12210 - SPECIAL EDUCATION (PAID WITH ST...	0	377,691	266,584	355,801	364,696	373,813	383,159	392,738
12810 - EARLY CHILDHOOD SPECIAL EDUCATI...	2,665,560	2,855,824	2,998,322	3,156,153	3,050,885	3,142,412	3,236,684	3,333,785
32400 - EDUCATIONAL AND SCREENING PROGR...	57,158	106,304	98,450	75,000	111,849	112,967	114,097	115,238
33203 - CTE BASE AND PERFORMANCE GRANT	0	0	13,637	25,963	26,376	26,904	27,442	27,990
33204 - CTE BASE AND PERFORMANCE GRANT	0	0	284	340	347	354	361	368
44100 - IDEA ENTITLEMENT FUNDS, PART B ...	442,797	0	0	0	0	0	0	0
91010 - DSS GRANT	0	0	0	12,592	12,592	12,592	12,592	12,592
<b>5400 - REVENUE FROM FEDERAL SOURCES</b>	<b>6,123,020</b>	<b>4,947,970</b>	<b>6,845,358</b>	<b>6,914,170</b>	<b>6,447,656</b>	<b>6,517,436</b>	<b>6,662,664</b>	<b>6,811,345</b>
00000 - GENERAL	878	0	0	656,580	0	0	0	0
11001 - BUSINESS SERVICES	0	0	0	0	0	0	0	0
11005 - NUTRITION SERVICES	2,212,936	2,174,023	2,206,666	2,579,322	2,579,322	2,643,804	2,709,900	2,777,648
12001 - ACADEMIC SERVICES	57,406	55,230	0	0	0	0	0	0
43703 - SPECIAL EDUCATION HIGH NEED FUN...	32,572	8,035	7,568	22,173	22,727	23,295	23,878	24,474
44100 - IDEA ENTITLEMENT FUNDS, PART B ...	2,125,214	1,360,280	2,575,527	2,059,805	2,158,690	2,212,657	2,267,974	2,324,673
44200 - ECSE FED 611 - 44200 - XXXA	390,600	309,756	291,220	172,162	254,502	262,137	270,001	278,101
44201 - ECSE FED 619 - 44201 - 84173A	0	88,687	51,022	53,886	54,360	55,991	57,671	59,401

SOURCE	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
45100 - TITLE I	965,903	712,790	1,195,777	1,105,828	884,617	892,613	901,535	910,552
46100 - TITLE IV.A STUDENT SUPPORT AND ...	0	3,988	65,715	34,385	88,000	60,724	61,331	61,945
46200 - TITLE III LEP	82,882	71,900	70,300	78,951	78,476	62,170	62,799	63,403
46201 - TITLE III IMMIGRANT	18,913	17,349	24,491	3,807	0	0	0	0
46500 - TITLE IIA	235,716	145,932	293,635	52,271	230,537	206,174	208,236	210,318
47201 - SCHOOL AGE COMMUNITY/AFTERSCHOO...	0	0	0	0	0	0	0	0
91020 - MEDICAID	0	0	63,437	95,000	96,425	97,871	99,339	100,830
<b>5600 - NON-CURRENT REVENUE</b>	<b>8,876,033</b>	<b>87,750,337</b>	<b>23,350,922</b>	<b>881,862</b>	<b>35,927,723</b>	<b>893,657</b>	<b>899,665</b>	<b>905,750</b>
00000 - GENERAL	8,876,033	35,337	65,922	881,862	35,927,723	893,657	899,665	905,750
11014 - BOND PROJECTS	0	87,715,000	23,285,000	0	0	0	0	0
<b>Grand Total</b>	<b>171,208,623</b>	<b>254,702,702</b>	<b>205,145,292</b>	<b>179,141,819</b>	<b>223,272,502</b>	<b>194,496,755</b>	<b>197,922,610</b>	<b>203,339,531</b>

#### Explanation of Major Shifts from Current Year

**Source 5100-Revenue From Local Sources.** Current and delinquent taxes make up most revenue from local sources. The 2020-2021 budget includes \$5.2 million in increase current and delinquent taxes which comes from an anticipated 2.5% growth in assessed valuation, and the collection of delinquent/protested taxes from prior years.

Also impacting the revenue from local sources is the reduction in earnings from temporary deposits (interest) as the district decreases the balance of bond funds.

Revenue Increases are also expected from 2019-2020 based on full revenue years in the Nutrition Services program, Student Activity subfund, and Community Services fund all impacted negatively in 2019-2020 by the COVID shutdown in March through May 2020.

Other factors impacting revenue from local sources include:

- an increase (+2.9%) in School District Trust Fund (Prop C) sales tax revenue distributed by the State based upon an anticipated increase in student enrollment count. The growth in enrollment will be slightly offset by an anticipated decrease in Prop C revenues due to the detrimental effects of COVID on the economic activity within the state.
- increase in E-rate funding (+\$900,000) based upon the results of an FCC appeal won by the school district during the 2019-2020 school year.

**Source 5200-Revenue From County Sources.** The 2.9% budgeted increase in revenue from county sources is expected because of planned increases in county fines and revenue from state assessed railroad and utility taxes.

**Source 5300-Revenue From State Sources.** State operating revenue, which makes up approximately 24.7% of all operating revenue, is anticipated to increase by 2.2% (\$910,111) primarily due to

- a minimal increase in Basic Formula, Classroom Trust Fund and Transportation monies due to increased student enrollment and an increase in reimbursable transportation expenses (construction of District Transportation Center). A small increase is expected despite planned withholdings from the state due to budget shortfalls related to COVID. Budgeted values for the State Foundation Formula and Classroom Trust Fund include a 4% reduction or “proration” due to the negative economic impact of the COVID shutdown in March – May 2020.
- an increase in Early Childhood (3 & 4-Year-Old) Special Education (ECSE) revenue based upon the state of Missouri fully funding the 2019-2020 ECSE program (revenue is based upon actual expenditures and is received the year following).

**Source 5400-Revenue From Federal Sources.** Federal operating revenue, which makes up 3.7% of all operating revenue, is anticipated to decrease by 6.7% (\$466,514) primarily due to

- an abnormally high amount received in 2019-2020 due to ESSR CARES Act monies distributed by the federal government to the states to support local school districts.
- a decrease in Title I funds due to a decreased allocation and lack of carryover revenue from the Federal government.

**Source 5600-Non-Current Revenue.** Non-Current operating revenue, which makes up 0.5% (\$5,861) of all operating revenue, is anticipated to increase by 4074.1%. This budgeted increase is due the plan to refinance \$34 million in debt, which requires the sale of new bonds which is reflected in this revenue total.



## EXPENDITURES BY LOCATION AND OBJECT (ALL FUNDS)

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
<b>0000 - DISTRICT</b>	<b>80,512,490</b>	<b>84,074,862</b>	<b>113,829,520</b>	<b>115,371,734</b>	<b>118,322,067</b>	<b>68,357,878</b>	<b>70,304,705</b>	<b>72,221,760</b>
6100 - SALARIES	26,803,231	27,946,074	16,146,768	18,652,592	20,432,961	20,999,493	21,561,776	22,141,426
6200 - EMPLOYEE BENEFITS	6,699,651	7,179,270	4,883,854	5,676,680	6,444,680	6,620,123	6,790,823	6,967,677
6300 - PURCHASED SERVICES	13,628,286	13,122,822	12,268,541	13,161,419	14,766,261	14,292,010	14,728,617	15,180,076
6400 - SUPPLIES AND MATERIALS	6,212,901	10,326,369	6,140,403	7,798,228	8,836,684	8,396,828	8,711,190	9,037,981
6500 - CAPITAL OUTLAY	14,613,616	12,534,112	53,684,074	57,868,473	21,652,481	6,966,599	7,262,836	7,448,087
6600 - LONG AND SHORT TERM DEBT	12,554,806	12,966,215	20,705,880	12,214,342	46,189,000	11,082,825	11,249,463	11,446,513
<b>1000 - DISTRICT OFFICE</b>	<b>1,424</b>	<b>625</b>	<b>1,504</b>	<b>2,129</b>	<b>2,000</b>	<b>2,047</b>	<b>2,102</b>	<b>2,162</b>
6300 - PURCHASED SERVICES	148	0	0	0	0	0	0	0
6400 - SUPPLIES AND MATERIALS	1,276	625	1,504	2,129	2,000	2,047	2,102	2,162
<b>1020 - LEAD INNOVATION STUDIO</b>	<b>1,229,881</b>	<b>2,647,654</b>	<b>4,249,683</b>	<b>5,420,368</b>	<b>6,551,529</b>	<b>6,088,102</b>	<b>6,251,559</b>	<b>6,421,598</b>
6100 - SALARIES	61,545	1,080,447	2,091,385	2,880,690	4,257,978	3,956,624	4,070,893	4,189,683
6200 - EMPLOYEE BENEFITS	17,438	296,021	563,473	817,352	1,064,747	1,029,465	1,057,377	1,087,108
6300 - PURCHASED SERVICES	1,123,106	1,125,685	1,346,546	1,274,773	887,124	866,296	882,127	898,393
6400 - SUPPLIES AND MATERIALS	19,181	134,682	171,302	311,456	325,115	235,717	241,162	246,414
6500 - CAPITAL OUTLAY	8,611	10,820	76,978	136,097	16,565	0	0	0
<b>1050 - PARK HILL HIGH SCHOOL</b>	<b>13,708,887</b>	<b>14,417,981</b>	<b>18,398,687</b>	<b>16,192,905</b>	<b>17,136,235</b>	<b>17,047,485</b>	<b>17,511,782</b>	<b>17,971,528</b>
6100 - SALARIES	9,067,925	9,253,682	11,436,943	10,975,683	11,051,114	11,357,290	11,681,856	12,019,198
6200 - EMPLOYEE BENEFITS	2,703,461	2,761,781	3,112,816	3,009,411	3,043,613	3,128,353	3,214,048	3,305,151
6300 - PURCHASED SERVICES	774,034	662,232	1,027,224	942,868	1,065,313	853,007	872,827	893,794
6400 - SUPPLIES AND MATERIALS	985,829	1,133,600	2,599,899	1,070,619	1,877,939	1,681,597	1,715,102	1,724,689
6500 - CAPITAL OUTLAY	177,637	606,685	221,805	194,324	98,256	27,238	27,949	28,696
<b>1080 - PARK HILL SOUTH</b>	<b>13,110,644</b>	<b>12,797,303</b>	<b>17,446,745</b>	<b>14,929,975</b>	<b>15,844,726</b>	<b>15,921,211</b>	<b>16,348,770</b>	<b>16,770,035</b>
6100 - SALARIES	8,908,438	8,629,996	10,069,413	10,346,212	10,205,518	10,485,837	10,784,063	11,094,006
6200 - EMPLOYEE BENEFITS	2,491,730	2,471,554	2,721,432	2,728,774	2,746,348	2,822,747	2,899,986	2,982,179
6300 - PURCHASED SERVICES	789,270	801,819	860,004	675,622	864,355	803,392	820,473	838,447
6400 - SUPPLIES AND MATERIALS	759,809	824,760	2,142,505	1,048,994	1,887,188	1,696,927	1,730,759	1,740,691
6500 - CAPITAL OUTLAY	161,397	69,174	1,653,391	130,373	141,317	112,308	113,489	114,712
<b>3000 - LAKEVIEW MIDDLE SCHOOL</b>	<b>5,899,764</b>	<b>5,615,074</b>	<b>7,730,113</b>	<b>6,237,083</b>	<b>6,464,691</b>	<b>6,579,707</b>	<b>6,763,890</b>	<b>6,955,555</b>
6100 - SALARIES	4,240,393	4,045,597	5,105,656	4,413,470	4,610,598	4,737,496	4,872,873	5,013,580
6200 - EMPLOYEE BENEFITS	1,228,033	1,189,608	1,450,505	1,268,980	1,309,231	1,345,771	1,382,835	1,422,200
6300 - PURCHASED SERVICES	119,537	89,002	176,751	160,133	206,198	179,475	183,348	187,354

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
6400 - SUPPLIES AND MATERIALS	236,118	266,914	972,098	303,998	315,854	293,493	300,691	307,587
6500 - CAPITAL OUTLAY	75,682	23,953	25,104	90,502	22,810	23,472	24,143	24,834
<b>3030 - CONGRESS MIDDLE SCHOOL</b>	<b>6,131,228</b>	<b>5,944,927</b>	<b>7,955,714</b>	<b>6,385,853</b>	<b>6,734,945</b>	<b>6,863,722</b>	<b>7,056,501</b>	<b>7,257,176</b>
6100 - SALARIES	4,350,138	4,318,526	5,267,496	4,615,360	4,858,227	4,993,655	5,136,722	5,285,437
6200 - EMPLOYEE BENEFITS	1,233,771	1,225,616	1,438,834	1,300,930	1,351,517	1,389,265	1,427,467	1,468,081
6300 - PURCHASED SERVICES	124,772	108,279	162,694	160,250	192,099	166,646	170,355	174,173
6400 - SUPPLIES AND MATERIALS	279,824	261,551	1,038,768	302,428	317,302	301,076	308,542	315,722
6500 - CAPITAL OUTLAY	142,722	30,955	47,922	6,885	15,800	13,080	13,415	13,763
<b>3050 - PLAZA MIDDLE SCHOOL</b>	<b>5,470,014</b>	<b>5,826,584</b>	<b>7,932,019</b>	<b>6,063,771</b>	<b>6,165,750</b>	<b>6,276,562</b>	<b>6,452,370</b>	<b>6,635,358</b>
6100 - SALARIES	4,036,814	4,293,054	5,302,064	4,362,907	4,414,780	4,537,140	4,666,879	4,801,762
6200 - EMPLOYEE BENEFITS	1,119,156	1,194,897	1,414,496	1,193,616	1,242,885	1,277,525	1,312,581	1,349,863
6300 - PURCHASED SERVICES	48,334	39,033	149,589	162,317	192,535	164,466	168,077	171,800
6400 - SUPPLIES AND MATERIALS	245,912	284,288	1,046,741	308,571	301,550	283,556	290,547	297,221
6500 - CAPITAL OUTLAY	19,798	15,312	19,128	36,360	14,000	13,875	14,286	14,712
<b>3060 - WALDEN MIDDLE SCHOOL</b>	<b>538,811</b>	<b>6,663,677</b>	<b>634,937</b>	<b>7,703,096</b>	<b>6,096,476</b>	<b>6,200,874</b>	<b>6,375,818</b>	<b>6,557,924</b>
6100 - SALARIES	0	0	1,400	4,316,135	4,367,549	4,489,804	4,619,731	4,754,798
6200 - EMPLOYEE BENEFITS	0	0	203	1,211,616	1,236,813	1,271,253	1,306,133	1,343,240
6300 - PURCHASED SERVICES	0	0	16,014	110,841	196,077	164,904	168,366	171,941
6400 - SUPPLIES AND MATERIALS	0	0	104,520	549,142	292,037	270,793	277,344	283,571
6500 - CAPITAL OUTLAY	538,811	6,663,677	512,801	1,515,362	4,000	4,120	4,244	4,374
<b>4020 - THOMAS B. CHINN ELEMENTARY</b>	<b>3,293,890</b>	<b>3,333,304</b>	<b>4,575,287</b>	<b>4,834,200</b>	<b>5,111,574</b>	<b>5,117,259</b>	<b>5,256,369</b>	<b>5,398,409</b>
6100 - SALARIES	2,446,962	2,494,279	3,387,448	3,428,178	3,555,897	3,651,309	3,751,695	3,855,982
6200 - EMPLOYEE BENEFITS	666,816	702,668	884,820	970,346	1,010,814	1,038,663	1,066,809	1,096,636
6300 - PURCHASED SERVICES	11,945	12,568	69,620	81,234	91,345	91,071	93,064	95,118
6400 - SUPPLIES AND MATERIALS	120,202	123,788	230,899	338,441	453,518	336,216	344,801	350,673
6500 - CAPITAL OUTLAY	47,965	0	2,499	16,001	0	0	0	0
<b>4040 - GRADEN ELEMENTARY</b>	<b>3,262,430</b>	<b>3,250,101</b>	<b>4,040,194</b>	<b>3,833,096</b>	<b>3,746,909</b>	<b>3,803,240</b>	<b>3,908,036</b>	<b>4,014,412</b>
6100 - SALARIES	2,392,369	2,395,502	2,906,515	2,687,729	2,599,774	2,671,021	2,745,932	2,823,758
6200 - EMPLOYEE BENEFITS	677,777	681,995	801,107	755,404	716,991	735,836	755,878	777,193
6300 - PURCHASED SERVICES	33,346	16,838	67,807	56,993	68,748	65,998	67,409	68,910
6400 - SUPPLIES AND MATERIALS	137,034	151,818	262,266	332,970	356,896	325,779	334,088	339,687
6500 - CAPITAL OUTLAY	21,905	3,949	2,499	0	4,500	4,606	4,729	4,864
<b>4060 - LINE CREEK ELEMENTARY</b>	<b>3,080,172</b>	<b>3,230,751</b>	<b>4,207,755</b>	<b>3,992,910</b>	<b>4,082,824</b>	<b>4,148,893</b>	<b>4,260,515</b>	<b>4,373,843</b>
6100 - SALARIES	2,286,793	2,396,144	3,042,245	2,819,721	2,807,589	2,882,643	2,961,152	3,042,673
6200 - EMPLOYEE BENEFITS	634,361	675,593	834,944	791,268	827,282	849,866	872,704	896,877
6300 - PURCHASED SERVICES	15,046	19,092	74,206	44,146	89,986	89,743	91,702	93,734

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
6400 - SUPPLIES AND MATERIALS	114,880	134,043	243,109	311,309	357,967	326,641	334,957	340,559
6500 - CAPITAL OUTLAY	29,092	5,879	13,251	26,466	0	0	0	0
<b>4080 - ALFRED L. RENNER ELEMENTARY</b>	<b>3,574,877</b>	<b>3,627,186</b>	<b>4,786,828</b>	<b>4,403,417</b>	<b>4,554,695</b>	<b>4,626,780</b>	<b>4,752,237</b>	<b>4,880,063</b>
6100 - SALARIES	2,652,498	2,684,282	3,415,789	3,117,410	3,137,964	3,223,695	3,312,900	3,405,568
6200 - EMPLOYEE BENEFITS	786,560	799,164	972,254	913,648	921,416	946,675	972,163	999,199
6300 - PURCHASED SERVICES	13,896	13,633	153,333	74,023	99,940	99,501	101,382	103,329
6400 - SUPPLIES AND MATERIALS	109,276	119,640	245,453	298,336	377,875	345,237	353,886	359,821
6500 - CAPITAL OUTLAY	12,647	10,467	0	0	17,500	11,672	11,906	12,146
<b>5000 - SOUTHEAST ELEMENTARY</b>	<b>3,263,790</b>	<b>2,891,873</b>	<b>3,949,695</b>	<b>4,146,933</b>	<b>4,183,436</b>	<b>4,247,545</b>	<b>4,362,056</b>	<b>4,478,428</b>
6100 - SALARIES	2,200,379	2,145,294	2,876,926	2,874,014	2,885,020	2,962,955	3,044,297	3,128,773
6200 - EMPLOYEE BENEFITS	604,598	586,383	771,127	781,539	830,791	853,440	876,279	900,498
6300 - PURCHASED SERVICES	10,198	16,521	68,500	154,642	82,838	77,168	78,489	79,858
6400 - SUPPLIES AND MATERIALS	117,771	143,675	233,142	319,454	382,787	351,924	360,876	367,125
6500 - CAPITAL OUTLAY	330,844	0	0	17,284	2,000	2,058	2,115	2,174
<b>5020 - UNION CHAPEL ELEMENTARY</b>	<b>3,271,068</b>	<b>3,336,206</b>	<b>4,085,381</b>	<b>4,139,765</b>	<b>4,424,235</b>	<b>4,496,539</b>	<b>4,622,000</b>	<b>4,749,913</b>
6100 - SALARIES	2,371,993	2,477,854	3,013,667	2,966,752	3,068,738	3,153,141	3,242,819	3,336,019
6200 - EMPLOYEE BENEFITS	667,349	683,882	805,419	833,180	864,159	888,244	912,551	938,381
6300 - PURCHASED SERVICES	9,908	12,082	37,762	45,760	49,098	46,490	47,395	48,345
6400 - SUPPLIES AND MATERIALS	132,858	155,640	227,882	294,073	383,240	347,967	356,837	363,021
6500 - CAPITAL OUTLAY	88,960	6,748	651	0	59,000	60,697	62,398	64,147
<b>5040 - ENGLISH LANDING ELEMENTARY</b>	<b>2,881,801</b>	<b>2,993,777</b>	<b>3,995,893</b>	<b>4,117,339</b>	<b>4,221,967</b>	<b>4,289,819</b>	<b>4,406,796</b>	<b>4,525,809</b>
6100 - SALARIES	2,096,298	2,207,597	2,903,089	2,919,218	2,939,522	3,020,083	3,104,322	3,191,836
6200 - EMPLOYEE BENEFITS	589,529	616,542	770,902	807,236	817,748	840,168	862,729	886,696
6300 - PURCHASED SERVICES	16,131	14,485	74,301	61,972	81,040	79,891	81,257	82,670
6400 - SUPPLIES AND MATERIALS	137,157	148,276	245,819	320,405	376,957	344,317	353,004	358,990
6500 - CAPITAL OUTLAY	42,686	6,876	1,782	8,508	6,700	5,360	5,484	5,617
<b>5060 - PRAIRIE POINT ELEMENTARY</b>	<b>2,986,630</b>	<b>3,333,822</b>	<b>4,157,677</b>	<b>4,163,489</b>	<b>4,296,100</b>	<b>4,361,812</b>	<b>4,481,941</b>	<b>4,604,227</b>
6100 - SALARIES	2,236,060	2,479,088	2,981,368	2,966,396	2,982,117	3,064,458	3,150,650	3,240,204
6200 - EMPLOYEE BENEFITS	606,813	707,192	841,377	832,418	852,230	875,731	899,438	924,579
6300 - PURCHASED SERVICES	14,628	18,081	91,249	62,882	80,686	79,632	81,243	82,912
6400 - SUPPLIES AND MATERIALS	117,206	126,594	238,585	301,793	354,567	323,773	332,016	337,549
6500 - CAPITAL OUTLAY	11,923	2,868	5,098	0	26,500	18,218	18,594	18,983
<b>5080 - HAWTHORN ELEMENTARY</b>	<b>3,586,386</b>	<b>3,509,596</b>	<b>4,599,346</b>	<b>4,468,587</b>	<b>4,550,830</b>	<b>4,633,069</b>	<b>4,761,721</b>	<b>4,892,918</b>
6100 - SALARIES	2,701,749	2,619,383	3,345,817	3,183,448	3,221,079	3,311,822	3,405,056	3,501,921
6200 - EMPLOYEE BENEFITS	728,253	733,727	900,161	883,204	917,792	943,657	969,739	997,413
6300 - PURCHASED SERVICES	13,476	17,495	50,544	78,622	43,614	40,720	41,465	42,239

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
6400 - SUPPLIES AND MATERIALS	122,011	137,758	261,017	315,023	368,345	336,870	345,461	351,345
6500 - CAPITAL OUTLAY	20,896	1,234	41,808	8,290	0	0	0	0
<b>5090 - TIFFANY RIDGE ELEMENTARY</b>	<b>3,599,860</b>	<b>3,847,498</b>	<b>4,827,241</b>	<b>4,455,992</b>	<b>4,171,814</b>	<b>4,243,112</b>	<b>4,361,416</b>	<b>4,481,840</b>
6100 - SALARIES	2,684,496	2,879,378	3,486,876	3,223,675	2,919,821	3,001,125	3,086,576	3,175,380
6200 - EMPLOYEE BENEFITS	720,723	781,487	958,122	855,010	827,003	850,107	873,360	898,056
6300 - PURCHASED SERVICES	16,524	15,201	62,977	54,378	56,172	54,931	55,967	57,037
6400 - SUPPLIES AND MATERIALS	154,127	162,703	279,517	322,929	368,818	336,949	345,513	351,367
6500 - CAPITAL OUTLAY	23,990	8,728	39,750	0	0	0	0	0
<b>5095 - HOPEWELL ELEMENTARY</b>	<b>0</b>	<b>0</b>	<b>346,712</b>	<b>4,715,808</b>	<b>3,728,996</b>	<b>3,785,006</b>	<b>3,886,796</b>	<b>3,989,902</b>
6100 - SALARIES	0	0	1,954	2,548,642	2,574,420	2,642,719	2,715,169	2,790,399
6200 - EMPLOYEE BENEFITS	0	0	281	711,564	721,764	741,458	761,275	782,318
6300 - PURCHASED SERVICES	0	0	4,905	45,762	72,916	71,909	73,109	74,347
6400 - SUPPLIES AND MATERIALS	0	0	123,115	457,385	359,896	328,920	337,243	342,838
6500 - CAPITAL OUTLAY	0	0	216,455	952,455	0	0	0	0
<b>6000 - RUSSELL JONES EDUCATION CENTER</b>	<b>1,355,427</b>	<b>1,467,922</b>	<b>1,908,922</b>	<b>1,898,120</b>	<b>1,658,023</b>	<b>1,695,228</b>	<b>1,740,768</b>	<b>1,787,857</b>
6100 - SALARIES	1,013,236	1,093,941	1,352,000	1,307,706	1,152,052	1,183,712	1,216,655	1,250,874
6200 - EMPLOYEE BENEFITS	313,910	346,252	395,585	399,569	357,848	367,813	377,979	388,713
6300 - PURCHASED SERVICES	3,410	3,783	103,142	149,081	112,917	113,764	115,597	117,476
6400 - SUPPLIES AND MATERIALS	17,574	21,343	53,353	28,918	29,206	26,939	27,477	27,672
6500 - CAPITAL OUTLAY	7,297	2,603	4,842	12,846	6,000	3,000	3,060	3,122
<b>7500 - GERNER FAMILY EARLY EDUCATION CENTER</b>	<b>4,765,192</b>	<b>4,859,013</b>	<b>5,280,965</b>	<b>5,241,352</b>	<b>5,717,035</b>	<b>5,915,675</b>	<b>6,087,230</b>	<b>6,265,291</b>
6100 - SALARIES	3,037,064	3,007,148	3,251,089	3,272,836	3,471,523	3,601,617	3,704,989	3,812,125
6200 - EMPLOYEE BENEFITS	912,026	927,936	1,015,021	1,053,372	1,182,206	1,227,412	1,262,715	1,299,662
6300 - PURCHASED SERVICES	646,006	756,361	736,750	693,334	805,886	821,044	845,427	870,555
6400 - SUPPLIES AND MATERIALS	167,902	167,568	271,613	219,202	254,420	263,601	272,058	280,867
6500 - CAPITAL OUTLAY	2,195	0	6,492	2,608	3,000	2,001	2,041	2,082
<b>Grand Total</b>	<b>165,524,666</b>	<b>177,669,734</b>	<b>228,940,820</b>	<b>232,717,922</b>	<b>237,766,857</b>	<b>188,701,565</b>	<b>193,955,378</b>	<b>199,236,008</b>

#### Explanation of Major Shifts from Current Year

**Object 6100-Salaries.** Employee salaries make up approximately 55% of all operating expenditures and are expected to increase by 3.7% (\$3.6 million) primarily due to

- a projected increase of 28.9 Full Time Equivalent (FTE) positions to address student enrollment growth, fill unfilled positions in the Technology and Operations Department, and to maintain class size and other staffing ratios.
- budgeted average compensation increases of 2.4% for returning staff members.
- continuity planning occurring in June – August 2020 where teachers produce online ready content for each K-12 course in order to prepare for the potential of a future COVID shutdown and for Alternative Methods of Instruction (AMI) for future snow days. The budgeted cost to prepare the continuity plan is \$500,000.

**Object 6200-Employee Benefits.** Employee benefits make up approximately 16% of all operating expenditures and are expected to increase by 5.4% (\$1.4 million) primarily due to

- a projected increase of 28.9 Full Time Equivalent (FTE) positions to address student enrollment growth, fill unfilled positions in the Technology and Operations Department, and to maintain class size and other staffing ratios.
- a budgeted increase to insurance benefits of 2.5%.
- an increase in the district's contribution to retirement due to the increase in wages and FTE.

**Object 6300-Purchased Services.** Purchased services make up 11.0% of all operating expenditures and are expected to increase by 10.2% (\$1.8 million) primarily due to the net effect of the following

- projected increases in utility costs such as water and sewer and trash removal.
- a projected reduction in student transportation costs (\$300,000) from the prior year due to changes in school start times, the completion of the District-owned Support and Transportation Services Center, the rebid of the contract, and a pilot to replace taxi cabs with shuttles.
- a projected reduction in facility lease costs that have been eliminated with the construction of the district's Support and Transportation Services Center, and the LEAD Innovation Studio. The annual savings is estimated to be approximately \$740,000.

**Object 6400-Supplies and Materials.** Supplies and materials make up 10% of all operating expenditures and are expected to increase by 19.4% (\$3.0 million) primarily due to

- an increase in utilities and fuel due to anticipated rate increases for electric, gas, water and diesel fuel (for buses).
- an increase in general supplies, classroom technology and textbooks due to student enrollment growth.
- an increase in technology-related supplies where approximately \$1.8 million in student and staff laptops that were ordered in the prior year were delayed (COVID) and these expenditures have been moved to the 2020-2021 school/fiscal year.
- an increase in textbook costs due to a larger-than-normal textbook adoption/replacement cycle.

**Object 6500-Capital Outlay.** Capital Outlay makes up 8.7% of all operating expenditures and are expected to decrease by 130.5% (\$9.0 million) primarily due to

- a capital improvement plan larger in scope from the prior year but that incorporates bond funds (not included as a "operating" funds). Planned expenditures outlined in the district's Capital Improvement Plan (page 165).
- \$3.5 million of capital fund balance to complete the third floor of the LEAD Innovation Studio.
- an additional \$3.5 million for contingency for bond project completion and possible COVID-related shortfalls

**Object 6600-Long- and Short-Term Debt.** The 278.2% increase in debt expenditures budgeted in 2020-2021 reflects plans to refinance \$34 million in bonds (Series 2012) in the fall 2020. It is projected that the refinance could save district taxpayers up to \$2.0 million in future interest payments. If approved by the Board of Education, this refinance action results in \$34 million in revenue and expenditures to repay existing debt with refinance bonds.

## FUND BALANCES (ALL FUNDS)

The closing balances (June 30) fund balances in each Park Hill School District fund appears below.

SUBFUND	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
101-OPERATING	29,304,503	28,622,375	32,934,527	32,596,069	29,618,052	28,319,286	28,783,259	29,109,787
105-STUDENT ACTIVITIES	2,249,473	2,316,122	2,159,434	1,991,845	1,992,155	1,997,931	2,004,066	2,010,729
107-FOOD SERVICE	(265,236)	(280,562)	(903,053)	(963,865)	(722,708)	(478,569)	(228,335)	28,172
111-COMMUNITY SERVICES	530,475	1,024,316	1,717,584	1,168,665	1,312,264	1,312,265	1,312,263	1,312,265
202-SPECIAL REVENUE (TEACHERS)	0	0	0	0	0	0	0	0
303-DEBT SERVICE	20,837,412	18,711,239	9,985,715	11,503,378	14,890,649	18,734,683	22,628,528	26,798,263
404-REGULAR CAPITAL OUTLAY	12,766,805	14,842,660	13,381,752	12,759,429	3,500,000	6,500,006	5,853,053	5,197,141
408-BOND PROCEEDS' CAPITAL OUTLAY	0	77,220,249	59,384,911	6,029,246	0	0	0	0
<b>Grand Total</b>	<b>65,423,431</b>	<b>142,456,399</b>	<b>118,660,871</b>	<b>65,084,768</b>	<b>50,590,413</b>	<b>56,385,603</b>	<b>60,352,835</b>	<b>64,456,358</b>

## SIGNIFICANT CHANGES IN FUND BALANCES

**Subfund 101 – Operating.** The drop in the *Subfund 101-Operating* fund balance has been planned for a number of years in preparation of taking on additional operating expenses with the opening of two new schools (Walden Middle School and Hopewell Elementary) in 2019-2020. The Board of Education has established a guideline of maintaining a July 1 operating fund balance between 18 to 22% of prior year operating expenditures. The budgeted fund balance at the conclusion of the 2020-2021 school year is projected to be 19.0% of the prior years' operating expenditures. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 105 – Student Activities.** The fund balance in *Subfund 105-Student Activities* is expected to increase primarily as a function of increased enrollment. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 107 – Food Service.** The fund balance in *Subfund 107-Food Service* is expected to decrease from prior years as the district plans for this fund to zero-out on an annual basis. The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 111 – Community Services.** A balance in *Subfund 111* will be used in future years to offset program costs and capital improvements that support the community programs (i.e. School-Aged Child Care, Pre-School, Aquatic Center, Community Education). The balance in this subfund is merged with the 100 - General (Incidental) Fund for state reporting purposes.

**Subfund 202 – Special Revenue (Teachers).** This subfund has no balance as it is zeroed out at the end of each fiscal year via a state-approved transfer between Fund 101 and 202.

**Subfund 303 – Debt Service.** The balances in this subfund may only be used to pay debt and may not be transferred from this subfund to any other subfund. The district is planning for the repayment of debt through 2037-2038 school year.

**Subfund 404 – Regular Capital Outlay.** The district utilizes the balance in this subfund to renovate and update school facilities per the district’s annual capital improvement plan. The district Financial Focus Area Collaborative Team (FACT), a team made up of district staff and key stakeholders, has established a target for capital fund balance between 65 and 85% of the average of the prior three-years capital expenditures. This fund balance allows the district to address the planned capital needs without revenues from the sale of general obligation bonds. The capital needs of the district vary greatly from year to year as maintenance cycles for facility upkeep (i.e. school roofs, flooring, parking lots) converge with technology maintenance cycles (i.e. laptop, technology equipment replacements), and other one-time capital needs (playground upkeep).

The reduction of the capital subfund balance has been planned as the district addresses capital needs as described in the district’s capital improvement plan (page 165). The projected balance at the conclusion of the 2020-2021 school year is 30.2% of prior year capital (non-bond) expenditures. This percentage falls outside of the Board target and will result in a strategic plan to rebuild the balance in subsequent years.

**Subfund 408 – Bond Proceeds’ Capital Outlay.** This subfund shows no balance in forecasted years based upon a plan to complete projects outlined within the bond program detail within the April, 2017 No-Tax-Increase Bond Issue.

## REVENUE DISCUSSION

Total revenues for the Park Hill School District are budgeted to increase in 2020-2021 by \$44 million. The largest portion of this increase is from a refinance of debt of \$34 million in bonds (Series 2012) planned in the fall 2020. It is projected that the refinance could save district taxpayers up to \$2.0 million in future interest payments. The remaining increase is driven by the following factors:

- a 2.5 % budgeted increase in assessed valuation;
- the collection of delinquent/protested taxes expected in prior years but not received in those years;
- increases from 2019-2020 collected revenue in Nutrition Services, Student Activities, and Community Services where revenues were negatively impacted due to the COVID shutdown in March through May 2020.
- A 1.6% budgeted growth in student enrollment, which is a key variable in the State Foundation Formula, state transportation funding, and Prop C Sales tax calculation.

The 2020-2021 revenue budget includes anticipated reductions in state revenues brought on by the decrease in state economic activity due to COVID.

## EXPENDITURE DISCUSSION

Total expenditures are expected to increase in 2020-2021 by approximately \$2.2 million. While in 2019-2020, the large expenditure of bond funds drove this total expenditure budget to \$232.7 million, the 2020-2021 reflects a significant drop in bond expenditures (via the completion of bond projects) but a \$34 million expenditure to fund a debt refinance that will save taxpayers up to \$2.0 million in future interest payments.

Other significant expenditure changes planned within the 2020-2021 budget are projected to cover expenditures related to an estimated 1.6% K-12 enrollment growth, as well as

- a projected increase of 28.9 Full Time Equivalent (FTE) positions to address student enrollment growth, fill unfilled positions in the Technology and Operations Department, and to maintain class size and other staffing ratios.
- budgeted average compensation increases of 2.4% for returning staff members.
- continuity planning occurring in June – August 2020 where teachers produce online ready content for each K-12 course in order to prepare for the potential of a future COVID shutdown and for Alternative Methods of Instruction (AMI) for future snow days. The budgeted cost to prepare the continuity plan is \$500,000.
- projected increases in utility costs such as water and sewer and trash removal.
- a projected reduction in student transportation costs (\$300,000) from the prior year due to changes in school start times, the completion of the District-owned Support and Transportation Services Center, the rebid of the contract, and a pilot to replace taxi cabs with shuttles.
- a projected reduction in facility lease costs that have been eliminated with the construction of the district's Support and Transportation Services Center, and the LEAD Innovation Studio. The annual savings is estimated to be approximately \$740,000.
- an increase in utilities and fuel due to anticipated rate increases for electric, gas, water and diesel fuel (for buses).
- an increase in general supplies, classroom technology and textbooks due to student enrollment growth.



- an increase in technology-related supplies where approximately \$1.8 million in student and staff laptops that were ordered in the prior year were delayed (COVID) and these expenditures have been moved to the 2020-2021 school/fiscal year.
- an increase in textbook costs due to a larger-than-normal textbook adoption/replacement cycle.
- a capital improvement plan larger in scope from the prior year but that incorporates bond funds (not included as a “operating” funds). Planned expenditures outlined in the district’s Capital Improvement Plan (page 165).
- \$3.5 million of capital fund balance to complete the third floor of the LEAD Innovation Studio.
- an additional \$3.5 million for contingency for bond project completion and possible COVID-related shortfalls.

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## CAPITAL EXPENDITURES AND CAPITAL PLANNING

The district utilizes a capital planning process that includes a committee of staff to prioritize major capital projects. For the 2020-2021 school year, the approved capital plan includes the completion of the LEAD Innovation Studio, planned to open August 2020.

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## REVENUE SOURCES FOR CAPITAL PROJECTS

There are two major revenue sources for an annual capital plan: proceeds from the sale of general obligation bonds (Subfund 408 – Bond Proceeds’ Capital Outlay), and revenue generated from the capital fund tax (Subfund 404 – Regular Capital Outlay).

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## SUBFUND 408 - BOND PROCEEDS’ CAPITAL OUTLAY

In April, 2017, district taxpayers overwhelmingly passed (83.9%) a \$110.0 million bond issue for the purpose of acquiring, constructing, renovating, improving, furnishing and equipping school facilities. More specifically, the projects within this bond included (a) constructing, furnishing and equipping a new middle school, (b) constructing, furnishing and equipping a new elementary school, (c) constructing, furnishing and equipping a facility for use by high school students, (d) constructing and equipping a facility for school support services, and (e) improvements and renovations to various school buildings.

The strategic sale of revenue bonds over time supports (a) the cash flow necessary to construct the facilities within the timelines above; and (b) structure the debt over time as to maintain the district’s current \$0.6107 debt service levy per \$100 of the assessed valuation of real and personal property, resulting in no tax increase for district taxpayers.

The district sold \$87.7 million of the bonds in fall, 2017 to support these projects. The remainder of the bonds, \$23.3 million) were sold in the fall, 2018. At each sale, the district sold the bonds at a “premium” where an additional amount was received when the sale of bonds was higher than the par value of the bonds. For example, if the bond par value is \$1,000, and the bonds sale for \$1,010, there is a \$10 premium. The premium received during the 2017 and 2018 bond sale was approximately \$4.6 million. These additional funds are used to support the projects outlined in the bond program.

Bond project expenditures (i.e. construction costs) often lag the receipt of the bond proceeds. As these funds are spent down, the district earns interest on the balance using state-approved investment strategies. Crossing multiple fiscal years, the district anticipates earning \$2.9 million in interest within Subfund 408. These additional funds are used to support the projects outlined in the bond program.

Finally, during the 2018 bond sale, the district sold an additional \$1.0 million in bonds authorized by voters during the April, 2011 bond issue.

Crossing fiscal years 2017-2022, the total amount of bond funds received to support bond projects is anticipated to be \$118.5 million.

#### SUBFUND 404 – REGULAR CAPITAL OUTLAY

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Within the 2020-2021 budget, the district plans for \$6.5 million in capital funds to be generated into Subfund 404- Regular Capital Outlay by the \$0.1600 capital fund tax rate, and other local/county sources.

State regulations also allow for limited transfers from Fund 101 to Fund 404 via the “Greater of \$162,326 or 7% x SAT x Prior Year WADA” transfer, which allows the district to transfer nearly \$5.0 million annually from the operational fund to the capital projects fund. The district is budgeting for no transfer into Subund 404 at the conclusion of the 2019-2020 school year.

The district plans to open the 2020-2021 fiscal year with a \$12.7 million balance in Subfund 404- Regular Capital Outlay. During the year the district is budgeting for \$6.5 million in revenue into this fund, and budgeting \$15.9 million in expenditures to support annual capital improvement plan (detailed on the following pages). Based on budgeted balances, revenue and expenditures, the district is budgeting for a \$3.5 million fund balance in this subfund at the conclusion of the 2020-2021 school year.

### CAPITAL PLAN EXPENDITURES

The 2020-2021 capital plan is budgeted to cost \$22.0 million. For budget year 2020-2021, capital expenditures are budgeted in Subfunds 404 and 408, and Object 6500 – Capital Outlay account codes. A summary of the capital expenditures by object detail code follows:

	2020-2021
<b>6500 - Capital Outlay</b>	<b>22,090,429</b>
<b>6511 - Land</b> Expenditures for the purchase of land.	1
<b>6521 - Buildings</b> Expenditures for acquiring buildings and additions, either existing or to be constructed. Included are expenditures for the final installment or lease purchase payments (except interest) that have an ending date resulting in the acquisition of buildings including mobile units. This excludes payments to public school housing authorities or similar agencies. Expenditures for major permanent structural alterations and the initial or additional installation of heating and ventilating systems, electrical systems, plumbing systems, fire protection systems and other service systems in existing buildings are included as well as professional fees (architect, engineer, etc.) considered as a part of a particular project. Bond issuance costs on new issues used to fund the acquisition or construction of new buildings or additions should be coded to this object code if the district intends to capitalize these costs (otherwise, bond issuance costs are coded to object code 6631, Fees).	16,887,731
<b>6531 - Improvements Other Than Buildings</b> Expenditures for the initial and additional improvement of sites and adjacent ways after acquisition by the LEA, consisting of such work as grading, landscaping, seeding and planting of shrubs and trees; constructing new sidewalks, roadways, retaining walls, sewers and storm drains; installing hydrants; initial surfacing and oil treatment of athletic fields and tennis courts; furnishing and installing for the first time fixed playground apparatus, flagpoles, gateways, fences and underground storage tanks, which are not part of building service systems; and demolition work. Special assessments against the LEA for capital improvements such as streets, curbs and drains are also recorded here.	1,615,000
<b>6541 - Regular Equipment</b> Expenditures for the initial, additional and replacement of equipment items, such as furniture and machinery. This includes expenditures for two-way radios, satellite dishes and cellular phones. In order to differentiate between initial or additional equipment purchases and replacement equipment purchase, it is recommended that subaccounts be established with those titles.	531,827
<b>6542 - Equipment - Classroom Instructional Apparatus</b> Expenditures for classroom instructional apparatus other than furniture (includes the lease purchase of musical instruments).	76,231
<b>6543 - Technology-Related Hardware</b> Expenditures for technology-related equipment and technology infrastructure. These costs include those associated with the purchase of network equipment, servers, PCs, printers, other peripherals and devices. Technology-related supplies should be coded to 6412.	2,618,429
<b>6544 - Technology Software</b> Expenditures for purchased software used for the educational or administrative purposes that exceed the capitalization threshold. Expenditures for software that meet the standards for classification as a supply should be coded to 6412.	117,210
<b>6551 - Vehicles - Except School Buses</b> Expenditures for the purchase of vehicles to transport persons or objects.	174,000
<b>6591 - Other Capital Outlay</b>	70,000

## 2020-2021 CAPITAL PROJECTS

For capital needs outside of school construction and renovation, the school district utilizes a committee to prioritize requests from each school and budget leader. Capital requests for items such as playground repairs and updates, maintenance cycle items such as roofs, HVAC, technology, furniture, and other capital requests are reviewed by the *Capital Request Prioritization Process* described below. Highest priority items are incorporated into future budgets as needed.

The table below outlines the specific projects recommended by the committee and that are included in the 2020-2021 budget. The projects are organized by school/facility.

LOCATION / PROJECT / CAPITAL TYPE	404-REGULAR CAPITAL OUTLAY	408-BOND PROCEEDS' CAPITAL OUTLAY	TOTAL
<b>0000 - DISTRICT</b>			
<b>11001 - BUSINESS SERVICES</b>			
<b>6510 - LAND</b>			
Placeholder for potential land acquisition.	1		1
<b>6540 - EQUIPMENT</b>			
Contingency for enrollment adjustments	5,227		5,227
Equipment for Board of Education	2,500		2,500
Replacement items that fall in the deductible category	2,000		2,000
<b>11002 - OPERATIONS</b>			
<b>6520 - BUILDINGS</b>			
Conduct annual door replacement at selected schools district-wide (external doors)	150,000		150,000
Conduct maintenance cycle for various building improvements	300,000		300,000
Conduct masonry restoration at Chinn Elementary School.	10,000		10,000
Install epoxy floors in Art and other rooms at Park Hill High School.	50,000		50,000
Completion of LEAD Innovation Studio 3rd Floor	3,500,000		3,500,000
Contingency for potential bond project overages and COVID contingency.	3,750,000		3,750,000
Move Park Hill High School Broadcast Journalism classroom from District Office to Park Hill High School; reconfigure existing space at District Office for office space for Communications Team (Director + 4 to 5 staff members).	500,000		500,000
Replace HVAC equipment per maintenance cycle at Hawthorn Elementary. The existing units contain R-22 coolant systems that are being phased out of the industry.	432,000		432,000
Replace and repair roof at Hawthorn Elementary.	310,000		310,000
Replace carpet in the auditorium at Park Hill High School.	60,000		60,000
Replace floor in the cafeteria and art room at Southeast Elementary School.	50,000		50,000
Replace hard surface flooring in selected rooms at Gerner Early Education Center.	255,000		255,000
Replace hard surface flooring in selected rooms at Graden Elementary.	45,000		45,000

LOCATION / PROJECT / CAPITAL TYPE	404-REGULAR CAPITAL OUTLAY	408-BOND PROCEEDS' CAPITAL OUTLAY	TOTAL
Replace hard surface flooring in selected rooms at Line Creek Elementary.	27,000		27,000
Replace hard surface flooring in selected rooms at Park Hill High School.	245,000		245,000
Replace hard surface flooring in selected rooms at Park Hill South.	280,000		280,000
Replace hard surface flooring in selected rooms at Prairie Point Elementary.	9,500		9,500
Replace hard surface flooring in selected rooms at Russell Jones Education Center (nurse's office).	9,000		9,000
Replace pole vault and high jump pits (includes CMS track students).	15,000		15,000
Update locker room lighting, lockers, flooring and fixtures at Congress Middle School.	400,000		400,000
Update locker room lighting, lockers, flooring and fixtures at Lakeview Middle School.	100,000		100,000
<b>6530 - IMPROVEMENTS OTHER THAN BUILDINGS</b>			
Add storage shed to Lakeview Middle School for outdoor equipment.	250,000		250,000
Add storage shed to Walden Middle School for outdoor equipment.	215,000		215,000
Asphalt repairs and striping	20,000		20,000
Conduct annual asphalt and concrete replacement and repair district-wide.	350,000		350,000
Conduct maintenance cycle for grounds improvements.	250,000		250,000
Coordinate with City/County on curb cutout and approach for potential second entry off Northwood to Southeast Elementary.	50,000		50,000
Enclose Graden Elementary playground with fencing and a gate.	15,000		15,000
Replace the flagpole at Renner Elementary School.	15,000		15,000
Resurface and repair tennis courts (on existing city site) at Barry Park. Matching funds provided by the City of Kansas City.	450,000		450,000
<b>6540 - EQUIPMENT</b>			
Conduct maintenance cycle for custodial equipment.	30,000		30,000
Conduct maintenance cycle for furniture replacement.	150,000		150,000
Conduct maintenance cycle for grounds equipment/mowers.	60,000		60,000
SchoolDude Programs	41,000		41,000
<b>6550 - VEHICLES</b>			
Conduct replacement cycle for maintenance vehicles.	174,000		174,000
<b>11004 - DISTRICT TECHNOLOGY OPERATIONS</b>			
<b>6520 - BUILDINGS</b>			
Install audio/visual system in one large space (gymnasium or cafeteria) at Lakeview Middle School.	49,520		49,520
Install audio/visual system in one large space (gymnasium or cafeteria) at Line Creek Elementary.	49,520		49,520

LOCATION / PROJECT / CAPITAL TYPE	404-REGULAR CAPITAL OUTLAY	408-BOND PROCEEDS' CAPITAL OUTLAY	TOTAL
Install audio/visual system in one large space (gymnasium or cafeteria) at Renner Elementary.	49,520		49,520
Install audio/visual system in one large space (gymnasium or cafeteria) at Southeast Elementary School.	49,520		49,520
Upgrade the intercom and crisis response system at Park Hill High School.	160,000		160,000
<b>6540 - EQUIPMENT</b>			
Alio Annual Software	41,710		41,710
Budget/Supply Software	22,500		22,500
Conduct network switching equipment replacement	485,000		485,000
Copier and Printer Hardware	30,812		30,812
Copier replacement	450,000		450,000
Datacenter server computing replacement	470,000		470,000
Datacenter Storage Hardware Netapp	560,000		560,000
Digital Signage	35,000		35,000
Elementary Classroom Audio/Visual Upgrades	450,000		450,000
Replace district Internet Content Filter	100,000		100,000
<b>11005 - NUTRITION SERVICES</b>			
<b>6540 - EQUIPMENT</b>			
Computers/Screens/Pin Pads	2,000		2,000
<b>11011 - SCHOOL AGE CHILD CARE (SACC)</b>			
<b>6540 - EQUIPMENT</b>			
Milk Coolers	6,000		6,000
<b>11014 - BOND PROJECTS</b>			
<b>6520 - BUILDINGS</b>			
2020-2021 Architectural and engineering services for LEAD Innovation Studio.		500,000	500,000
2020-2021 architectural and engineering services for Support Services and Transportation Center.		50,000	50,000
2020-2021 Construction of Support and Transportation Services facility.		1,000,000	1,000,000
2020-2021 Construction of the LEAD Innovation Studio (new facility).		4,482,151	4,435,913
<b>13004 - EMPLOYEE WELLNESS</b>			
<b>6540 - EQUIPMENT</b>			
Maintenance Cycle - Employee Wellness Equipment	20,000		20,000
<b>14004 - PUBLIC INFORMATION</b>			
<b>6540 - EQUIPMENT</b>			
Software Capitalized - Bang the Table (annual license)	12,000		12,000
<b>1020 - LEAD INNOVATION STUDIO</b>			
<b>01020 - LEAD INNOVATION STUDIO</b>			
<b>6540 - EQUIPMENT</b>			
Instructional Equipment LEAD Innovation Studio	16,565		16,565

LOCATION / PROJECT / CAPITAL TYPE	404-REGULAR CAPITAL OUTLAY	408-BOND PROCEEDS' CAPITAL OUTLAY	TOTAL
<b>1050 - PARK HILL HIGH SCHOOL</b>			
<b>01050 - PARK HILL HIGH SCHOOL</b>			
6540 - EQUIPMENT			
General - Technology Equipment	9,372		9,372
Maintenance cycle for Musical Instruments	18,713		18,713
<b>01051 - PARK HILL HIGH SCHOOL ATHLETICS...</b>			
6540 - EQUIPMENT			
Maintenance Cycle - Athletic equipment	68,171		68,171
<b>11002 - OPERATIONS</b>			
6540 - EQUIPMENT			
Purchase tables for FACS classroom at Park Hill High School.	2,000		2,000
<b>1080 - PARK HILL SOUTH</b>			
<b>01080 - PARK HILL SOUTH HIGH SCHOOL</b>			
6540 - EQUIPMENT			
Replacement of Broadcast Journalism related equipment	2,966		2,966
General equipment/furniture	50,000		50,000
6590 - OTHER CAPITAL OUTLAY			
Replace band uniforms	70,000		70,000
<b>01081 - PARK HILL SOUTH ATHLETICS &amp; INT...</b>			
6540 - EQUIPMENT			
2020 Carryover for Video Scoreboards	18,351		18,351
<b>3000 - LAKEVIEW MIDDLE SCHOOL</b>			
<b>03000 - LAKEVIEW MIDDLE SCHOOL</b>			
6540 - EQUIPMENT			
Maintenance Cycle - Musical Instruments	5,210		5,210
<b>11005 - NUTRITION SERVICES</b>			
6540 - EQUIPMENT			
Maintenance Cycle - Instructional Equipment	17,600		17,600
<b>3030 - CONGRESS MIDDLE SCHOOL</b>			
<b>03030 - CONGRESS MIDDLE SCHOOL</b>			
6540 - EQUIPMENT			
Maintenance Cycle - Musical Instruments	7,000		7,000
<b>11002 - OPERATIONS</b>			
6540 - EQUIPMENT			
Update desks in the administration offices (Principal and Assistant Principal).	8,800		8,800
<b>3050 - PLAZA MIDDLE SCHOOL</b>			
<b>03050 - PLAZA MIDDLE SCHOOL</b>			
6540 - EQUIPMENT			

LOCATION / PROJECT / CAPITAL TYPE	404-REGULAR CAPITAL OUTLAY	408-BOND PROCEEDS' CAPITAL OUTLAY	TOTAL
Maintenance Cycle - Musical Instruments	14,000		14,000
<b>3060 - WALDEN MIDDLE SCHOOL</b>			
<b>03060 - WALDEN MIDDLE SCHOOL</b>			
<i>6540 - EQUIPMENT</i>			
Maintenance Cycle - Musical Instruments	4,000		4,000
<b>4040 - GRADEN ELEMENTARY</b>			
<b>04040 - GRADEN ELEMENTARY</b>			
<i>6540 - EQUIPMENT</i>			
Maintenance Cycle - Instructional Equipment	4,500		4,500
<b>4080 - ALFRED L. RENNER ELEMENTARY</b>			
<b>11002 - OPERATIONS</b>			
<i>6540 - EQUIPMENT</i>			
Replace furniture in office at Renner Elementary School.	17,500		17,500
<b>5000 - SOUTHEAST ELEMENTARY</b>			
<b>11005 - NUTRITION SERVICES</b>			
<i>6540 - EQUIPMENT</i>			
Maintenance Cycle - Nutrition Services Equipment	2,000		2,000
<b>5020 - UNION CHAPEL ELEMENTARY</b>			
<b>11005 - NUTRITION SERVICES</b>			
<i>6540 - EQUIPMENT</i>			
Maintenance Cycle - Nutrition Services Equipment	59,000		59,000
<b>5040 - ENGLISH LANDING ELEMENTARY</b>			
<b>05040 - ENGLISH LANDING ELEMENTARY</b>			
<i>6540 - EQUIPMENT</i>			
Maintenance Cycle - Instructional Equipment	6,700		6,700
<b>5060 - PRAIRIE POINT ELEMENTARY</b>			
<b>11002 - OPERATIONS</b>			
<i>6540 - EQUIPMENT</i>			
Replace library tables at Prairie Point Elementary.	25,000		25,000
<b>11005 - NUTRITION SERVICES</b>			
<i>6540 - EQUIPMENT</i>			
Maintenance Cycle - Nutrition Services Equipment	1,500		1,500
<b>6000 - RUSSELL JONES EDUCATION CENTER</b>			
<b>12210 - SPECIAL EDUCATION (PAID WITH ST...</b>			
<i>6540 - EQUIPMENT</i>			
Maintenance Cycle - Instructional Equipment	6,000		6,000



LOCATION / PROJECT / CAPITAL TYPE	404-REGULAR CAPITAL OUTLAY	408-BOND PROCEEDS' CAPITAL OUTLAY	TOTAL
<b>7500 - GERNER FAMILY EARLY EDUCATION CENTER</b>			
<b>12810 - EARLY CHILDHOOD SPECIAL ED</b>			
<i>6540 - EQUIPMENT</i>			
Maintenance Cycle - Instructional Equipment	3,000		3,000
<b>TOTAL</b>	<b>16,058,278</b>	<b>6,032,151</b>	<b>22,090,429</b>

## FUTURE CAPITAL PROJECTS & BUDGET ALLOCATIONS

As a part of a rolling three-year capital improvement plan, the following projects have been prioritized by the capital planning committee for consideration in future budgets. These projects will be reviewed and the list will be revised based upon an annual review of projects and budget process.

Budget allocations for the capital plan in future years are forecasted in the table below.

### SUBFUND 404-REGULAR CAPITAL OUTLAY

SOURCE/PROJECT	ACTUAL 2016-2017	ACTUAL 2017-2018	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023	FORECAST 2023-2024
6511 - LAND	1,051,458	0	0	0	1	1	1	1
6521 - BUILDINGS	5,228,125	3,664,011	6,224,169	1,399,999	10,855,580	2,060,435	2,105,871	2,152,438
6531 - IMPROVEMENTS OTHER THAN BUILDINGS	1,558,562	867,877	2,482,488	3,000,001	1,615,000	2,099,500	2,256,963	2,300,974
6541 - REGULAR EQUIPMENT	1,233,088	353,434	1,219,201	576,072	439,249	237,269	242,015	246,901
6542 - EQUIPMENT - CLASSROOM INSTRUCTIONAL APPARATUS	495,963	102,819	147,598	153,007	75,231	65,348	67,327	69,388
6543 - TECHNOLOGY-RELATED HARDWARE	1,068,047	1,004,604	1,077,117	986,971	2,613,929	2,380,686	2,458,775	2,537,477
6544 - TECHNOLOGY SOFTWARE	4,181	224,050	518,199	346,032	117,210	71,478	74,050	76,676
6551 - VEHICLES - EXCEPT SCHOOL BUSES	215,935	69,505	302,602	347,401	174,000	182,700	191,926	201,716
6591 - OTHER CAPITAL OUTLAY	0	0	0	62,860	70,000	70,070	70,141	70,212
<b>Grand Total</b>	<b>10,855,357</b>	<b>6,286,299</b>	<b>11,971,375</b>	<b>6,872,343</b>	<b>15,960,200</b>	<b>7,167,487</b>	<b>7,467,069</b>	<b>7,655,783</b>

## SUBFUND 408 – BOND PROCEEDS' CAPITAL OUTLAY

It is anticipated that all proceeds from the Series 2017 and Series 2018 Bond sales will be spent at by 2020-2021. The district will plan to utilize funds within Subfund 404-Regular Capital Outlay for future capital improvements.

SOURCE/PROJECT	ACTUAL 2015-2016	ACTUAL 2016-2017	ACTUAL 2018-2019	ESTIMATED 2019-2020	BUDGET 2020-2021	FORECAST 2020-2021	FORECAST 2021-2022	FORECAST 2022-2023
6511 - LAND	5,523,318	2,512	0	0	0	0	0	0
6521 - BUILDINGS	0	13,481,966	43,599,852	50,564,066	6,032,151	0	0	0
6531 - IMPROVEMENTS OTHER THAN BUILDINGS	0	96,157	47,570	117,399	0	0	0	0
6541 - REGULAR EQUIPMENT	0	137,107	957,534	2,967,944	0	0	0	0
6542 - EQUIPMENT - CLASSROOM INSTRUCTIONAL APPARATUS	0	0	0	0	0	0	0	0
6543 - TECHNOLOGY-RELATED HARDWARE	0	0	0	378,490	0	0	0	0
6544 - TECHNOLOGY SOFTWARE	0	0	0	28,968	0	0	0	0
<b>Grand Total</b>	<b>5,523,318</b>	<b>13,717,741</b>	<b>44,604,957</b>	<b>54,056,867</b>	<b>6,032,151</b>	<b>0</b>	<b>0</b>	<b>0</b>

## SUMMARY OF 2020-2021 BUDGET

## 2020-2021 TOTAL REVENUES AND EXPENDITURES

The following is a summary of the budgeted revenue and expenditure activity by fund for 2020-2021.

FUND	REVENUE 2020-2021	EXPENDITURES 2020-2021	FISCAL YEAR BALANCE 2020-2021
100-GENERAL (INCIDENTAL)	117,381,554	-73,786,352	+43,595,202
200-SPECIAL REVENUE (TEACHERS)	49,769,462	-95,799,154	-46,029,692
300-DEBT SERVICE	49,576,271	-46,189,000	+3,387,271
400-CAPITAL PROJECTS	6,545,215	-21,992,351	-15,447,136
<b>Grand Total</b>	<b>223,272,502</b>	<b>-237,766,857</b>	<b>-14,494,355</b>

The fiscal year-end balance of \$43.6 million in *Fund 100-General (Incidental)* is typical as most district revenue (i.e. local taxes) is placed in Fund 100; the district maintains a fund balance of approximately 18 to 22%. State regulations allow for transfers from Fund 100 to Fund 200 via the “Zero Teachers Fund Balance Transfer” to avoid deficits in Fund 200. A transfer of \$46.0 million from Fund 100 to Fund 200 (which will include fund balance) will zero out Fund 200 at fiscal year-end. It is anticipated that Fund 100 will open 2020-2021 with a \$34.7 million balance and end the year with a \$32.1 million balance (19.0% of prior year expenditures). This ending fund balance falls within the Board desired range of 18 to 22%.

Fund balance in *Fund 300-Debt Service* will be used to offset the negative year-end balance.

The fund balance in *Fund 400-Capital Projects* will drop with the spend out of bond funds. It is anticipated that the fund balance of this fund at the end of the 2020-2021 school year will be approximately \$3.5 million.

The use of fund balance in all funds is both strategic and planned, and each use contributes to ending the 2020-2021 school year within acceptable operating, debt service and capital fund balances.

State regulations also allow for limited transfers from Fund 100 to Fund 400 via the “Greater of \$162,326 or 7% x SAT x Prior Year WADA” transfer, which allows the district to transfer over \$4.0 million dollars annually from the *Fund 100-General Incidental* to *Fund 400-Capital Projects*. The district also will utilize existing fund balances within Fund 400 to cover capital costs.

## OPERATING REVENUE AND EXPENDITURES

FUND	REVENUE	EXPENDITURES	BALANCE
	2020-2021	2020-2021	2020-2021
100-GENERAL (INCIDENTAL)	117,381,554	-73,786,352	43,595,202
200-SPECIAL REVENUE (TEACHERS)	50,421,521	-95,799,154	-45,377,633
400-CAPITAL PROJECTS	5,518,250	-15,960,200	-10,441,950
<b>Grand Total</b>	<b>173,321,325</b>	<b>-185,545,706</b>	<b>-12,224,381</b>

The fiscal year-end balance of \$43.6 million in *Fund 100-General (Incidental)* is typical as most district revenue (i.e. local taxes) is placed in Fund 100; the district maintains a fund balance of approximately 18 to 22%. State regulations allow for transfers from Fund 100 to Fund 200 via the “Zero Teachers Fund Balance Transfer” to avoid deficits in Fund 200. A transfer of \$46.0 million from Fund 100 to Fund 200 (which will include fund balance) will zero out Fund 200 at fiscal year-end. It is anticipated that Fund 100 will open 2020-2021 with a \$34.7 million balance and end the year with a \$32.1 million balance (19.0% of prior year expenditures). This ending fund balance falls within the Board desired range of 18 to 22%.

The fund balance in *Fund 400-Capital Projects* will drop with the spend out of bond funds. It is anticipated that the fund balance of this fund at the end of the 2020-2021 school year will be approximately \$3.5 million.

The use of fund balance in all funds is both strategic and planned, and each use contributes to ending the 2020-2021 school year within acceptable operating, debt service and capital fund balances.

State regulations also allow for limited transfers from Fund 100 to Fund 400 via the “Greater of \$162,326 or 7% x SAT x Prior Year WADA” transfer, which allows the district to transfer over \$4.0 million dollars annually from the *Fund 100-General Incidental* to *Fund 400-Capital Projects*. The district also will utilize existing fund balances within Fund 400 to cover capital costs.

## 2020-2021 OPENING & ENDING FUND BALANCES

The table below shows opening and ending fund balances for all funds and subfunds. The revenue, expenditures and transfers reflect budgeted amounts within the 2020-2021 budget.

Row Labels	3111 - OPENING BALANCE	5899 - TOTAL REVENUE	9999 - EXPENDITURES	5510/6710 - TRANSFERS	3112 - ENDING FUND BALANCES	3412 - ENDING RESTRICTED FUND BALANCE
<b>100-GENERAL (INCIDENTAL)</b>	<b>34,792,714.73</b>	<b>117,381,554.00</b>	<b>(73,786,352.00)</b>	<b>(46,188,152.78)</b>	<b>32,199,763.95</b>	
101-OPERATING	32,596,069.22	104,213,055.00	(61,002,919.00)	(46,188,152.78)	29,618,052.44	
105-STUDENT ACTIVITIES	1,991,845.21	2,407,276.00	(2,406,966.00)		1,992,155.21	
107-FOOD SERVICE	(963,865.00)	6,275,322.00	(6,034,165.00)		(722,708.00)	
111-COMMUNITY SERVICES	1,168,665.30	4,485,901.00	(4,342,302.00)		1,312,264.30	
<b>200-SPECIAL REVENUE (TEACHERS)</b>	<b>(0.00)</b>	<b>49,769,462.00</b>	<b>(95,799,154.00)</b>	<b>46,029,692.00</b>	<b>(0.00)</b>	
202-SPECIAL REVENUE (TEACHERS)	(0.00)	49,769,462.00	(95,799,154.00)	46,029,692.00	(0.00)	
<b>300-DEBT SERVICE</b>	<b>11,503,378.23</b>	<b>49,576,271.00</b>	<b>(46,189,000.00)</b>		<b>14,890,649.23</b>	
303-DEBT SERVICE	11,503,378.23	49,576,271.00	(46,189,000.00)		14,890,649.23	
<b>400-CAPITAL PROJECTS</b>	<b>18,788,675.25</b>	<b>6,545,215.00</b>	<b>(21,992,351.03)</b>	<b>158,460.78</b>	<b>3,500,000.00</b>	<b>0.00</b>
404-REGULAR CAPITAL OUTLAY	12,759,429.22	6,542,310.00	(15,960,200.00)	158,460.78	3,500,000.00	
408-BOND PROCEEDS' CAPITAL OUTLAY	6,029,246.03	2,905.00	(6,032,151.03)		0.00	0.00
<b>Grand Total</b>	<b>65,084,768.21</b>	<b>223,272,502.00</b>	<b>(237,766,857.03)</b>	<b>46,188,152.78</b>	<b>50,590,413.18</b>	<b>0.00</b>

## DISTRICT DEBT

## DEBT

## LEGAL DEBT CAPACITY

Under Article VI, Section 26(b) of the Constitution of Missouri, the District may incur indebtedness for authorized school purposes not to exceed 15% of the valuation of taxable tangible property in the District according to the last completed assessment upon the approval of four-sevenths of the qualified voters in the District voting on the proposition at any municipal, primary or general election or two-thirds voter approval on any other election date. The current legal debt limitation and debt margin of the District are as follows:

**Legal Debt Limitation and Debt Margin**

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2019 assessed valuation)	\$294,884,272 <sup>(1)</sup>
General Obligation Bonds Outstanding	(161,540,000 )
Legal Debt Margin under Article VI, Sections 26(b)	\$ <u>133,344,272</u>

*(1) Includes assessed valuation in the amount of \$87,941,922 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District.*

The District's legal debt limit and debt margin would be higher if (1) the amount in the Debt Service Fund available to pay principal of the bonds, and (2) the valuation of state assessed railroad and utility property that is physically located within the bounds of the District were both taken into account. Neither amount was included in the calculations of debt limit or debt margin. Because of the manner in which tax collections are distributed to school districts from assessments of state assessed railroad and utility property, the cumbersome task of determining the valuation of such property physically located within a school district is not normally undertaken unless, without the value of such property included in the calculation, the district would exceed its legal debt limit.

## DEBT HISTORY

The Park Hill School District aggressively expanded instructional classroom capacity to deal with the increasing student enrollment over the last 25 years. In that time, the district has grown from 8,652 students to 11,709. During this time frame the district has constructed and opened five elementary schools (English Landing, Prairie Point, Hawthorn, Tiffany Ridge and Hopewell), remodeled Congress Hall, converting it to Congress Middle School, added a fourth Middle School (Walden), opened a second high school (Park Hill South High School). Additionally, the district expanded and remodeled Park Hill High School and Plaza Middle School.

In December 2005, the Board of Education adopted a resolution to fund major components of the plan with a \$33,000,000 bond, requiring a vote of the district patrons. In April 2006, district voters passed the bond issue with 77% approval. The proceeds of the bond have been spent for the Gerner Family Early Education Center (which opened in June, 2008), Russell Jones Education Center (opened in January, 2009), improved traffic flow and parking at selected campuses, remodeling outdoor facilities at the two high schools, front entrance remodels at selected schools, improved technology access, safety improvements and other capital projects.

The district completed an 18-month capital planning process in the fall, 2010 and presented a five and 10-year capital plan to the Board of Education. The Board of Education approved a recommendation for a \$49.5 million bond issue in April, 2011 which voters passed by 80%. The proceeds of this bond were spent on a multitude of projects, including (a) constructing, furnishing and equipping Tiffany Ridge Elementary School, (b) constructing additional classroom space at Park Hill High School, Park Hill South High School and Congress Middle School, (c) improvements and renovations to various school buildings including technology infrastructure, fire alarm and security systems, lighting, roofing, parking, pavement, building access, electrical and restroom improvements and (d) the purchase of land. The district expensed all of these funds at the conclusion of the 2016-2017 school year.

As the bond financing rates improved since the late 1990's, the district aggressively refinanced and restructured debt. The refinancing and refunding has resulted in long-term savings of over \$1,000,000 to the taxpayers of the Park Hill School District.

In April, 2017, district taxpayers overwhelmingly passed (83.9%) a \$110.0 million bond issue for the purpose of acquiring, constructing, renovating, improving, furnishing and equipping school facilities. More specifically, the projects within this bond included (a) constructing, furnishing and equipping a new middle school, (b) constructing, furnishing and equipping a new elementary school, (c) constructing, furnishing and equipping a facility for use by high school students, (d) constructing and equipping a facility for school support services, and (e) improvements and renovations to various school buildings. Construction of the Walden Middle School and Hopewell Elementary opened in the fall, 2019 (2020-2021 school year). A high school facility, LEAD Innovation Studio, is planned to move from a leased facility to a permanent facility in August 2020. A new Support and Transportation Services Center was constructed and opened in March 2020.

The first series of bonds authorized by voters in April, 2017 were sold in the fall, 2017 (\$87.7 million) to support these projects over a three-year period. The remaining bonds, \$23.3 million, were sold in fall, 2018.

The strategic sale of revenue bonds over time supports (a) the cash flow necessary to construct the facilities within the timelines above; and (b) structure the debt over time as to maintain the district's current \$0.6107 debt service levy per \$100 of the assessed valuation of real and personal property, resulting in no tax increase for district taxpayers.

The district's current debt service tax is the lowest in the greater Kansas City area. District staff and financial advisors also consider assessed valuation growth, the bond market, interest rates, and interest rate risk when monitoring a plan of finance for future and refinanced bonds.

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## DEBT SERVICE FUND

The Debt Service Fund (Fund 303) ending balance on June 30, 2020 is expected to be approximately \$11.5 million.

During 2020-2021, the district anticipates debt service revenue to be \$49.5 million and debt service expenditures to be \$46.1 million. The fiscal year-end fund balance in Fund 303 will be used to pay off future debt. The 2020-2021 budget includes the potential of a refinance of existing bonds (Series 2012) in the amount of \$34 million. It is projected that the refinance could save district taxpayers up to \$2.0 million in future interest payments. In addition, \$34 million has been included as both non-operating revenue and expenditures which impacts the 2020-2021 total revenue and expenditure figures.



The district has managed debt strategically over the last decade, resulting in the ability to issue \$49.5 million in General Obligation Bonds after voter approval in April, 2011 without an increase to the existing debt service levy. Also, in April, 2017 voters approved the sale of \$110 million in bonds, again with no tax increase to the debt service levy.

The tables on the following pages summarize the district's current outstanding debt, including principal (\$161.5 million) and anticipated interest (\$62.5 million). The total debt to be paid, including interest, is \$224.0 million to be paid through the 2037-2038 school year.

#### PARK HILL BOND ISSUE HISTORY

The district's bond history for current debt is summarized in the following table. This includes the sale of General Obligation bonds as well as several refinancing actions on prior debt. All voter approved issues have been sold.

Bond Issue	Election	Authorized	Amount	Debt Remaining (Principal)	Debt Remaining (Interest)	Debt Retired
<b>Series 2018</b>	No Election	N/A	\$23,285,000	\$23,285,000	\$14,795,700	March, 2038
Second series of bonds from the April 4, 2017 bond issue.						
<b>Series 2017</b>	4/4/2017	\$110,000,000	\$87,715,000	\$87,715,000	\$38,286,501	March, 2037
First series of bonds to be sold in fall, 2017. Amount to be determined based on market variables. Purpose of Bonds: (a) constructing, furnishing and equipping a new middle school, (b) constructing, furnishing and equipping a new elementary school, (c) constructing, furnishing and equipping a facility for use by high school students, (d) constructing and equipping a facility for school support services, and (e) improvements and renovations to various school buildings.						
<b>Series 2016</b>	No Election	N/A	\$8,795,000	\$8,830,000	\$1,563,950	March, 2030
Purpose of Bonds: Refinance of a portion of 2011 bonds (see below).						
<b>Series 2015</b>	No Election	N/A	\$20,110,000	\$2,100,000	\$145,862	March, 2025
Purpose of Bonds: Refinance of a portion of 2004 bonds (see below).						
<b>Series 2013</b>	No Election	N/A	\$13,575,000	\$2,000,000	\$40,000	March, 2021
Purpose of Bonds: Refinance of a portion of 2004 bonds (see below).						
<b>Series 2012</b>	4/5/2011	\$49,500,000	\$39,500,000	\$36,565,000	\$7,617,925	March, 2030
Purpose of Bonds: Remaining \$39.5 million of approved \$49.5 million (April, 2011). General Obligation Bonds. Construction of 10th Elementary School, additions to High Schools and Congress Middle School, front entrance remodels, technology, safety improvements, other capital improvements.						
<b>Series 2011</b>	4/5/2011	\$49,500,000	\$10,000,000	\$1,045,000	\$83,725	March, 2023

Bond Issue	Election	Authorized	Amount	Debt Remaining (Principal)	Debt Remaining (Interest)	Debt Retired
Purpose of Bonds: \$10 million of approved \$49.5 million. General Obligation Bonds. Construction of 10th Elementary School, additions to High Schools and Congress Middle School, front entrance remodels, technology, safety improvements, other capital improvements.						

### BOND AMORTIZATION SCHEDULE (SUMMARY)

The table below summarizes the total principal and interest payments due by fiscal year. Revenue generated from the debt service levy of \$0.7128 is used in making these annual payments.

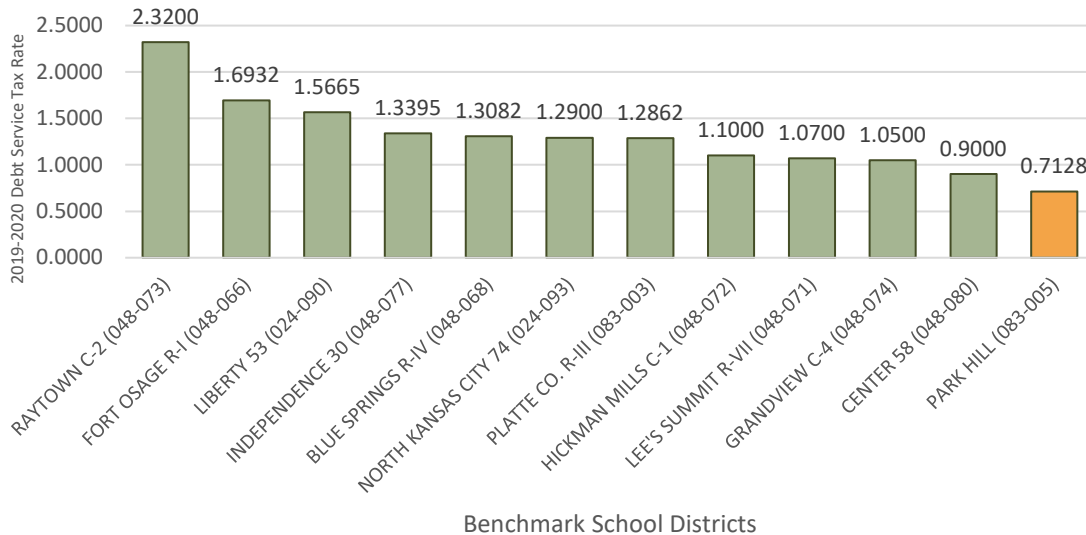
Year	Principal	Interest	Total Debt Service (Principal + Interest)
<b>2020-2021</b>	5,195,000	5,693,455	10,888,455
<b>2021-2022</b>	5,520,000	5,555,205	11,075,205
<b>2022-2023</b>	5,875,000	5,366,843	11,241,843
<b>2023-2024</b>	6,275,000	5,163,893	11,438,893
<b>2024-2025</b>	6,725,000	4,895,686	11,620,686
<b>2025-2026</b>	7,165,000	4,604,449	11,769,449
<b>2026-2027</b>	7,615,000	4,353,299	11,968,299
<b>2027-2028</b>	8,060,000	4,049,299	12,109,299
<b>2028-2029</b>	8,500,000	3,810,299	12,310,299
<b>2029-2030</b>	8,980,000	3,514,649	12,494,649
<b>2030-2031</b>	9,500,000	3,218,336	12,718,336
<b>2031-2032</b>	10,035,000	2,832,086	12,867,086
<b>2032-2033</b>	10,545,000	2,517,936	13,062,936
<b>2033-2034</b>	11,090,000	2,187,986	13,277,986
<b>2034-2035</b>	11,665,000	1,815,049	13,480,049
<b>2035-2036</b>	12,275,000	1,417,439	13,692,439
<b>2036-2037</b>	12,910,000	993,356	13,903,356
<b>2037-2038</b>	13,610,000	544,400	14,154,400
Grand Total	<b>161,540,000</b>	<b>62,533,664</b>	<b>224,073,664</b>

Further detail on bond amortization and scheduled payments can be found on page 213 of this document.

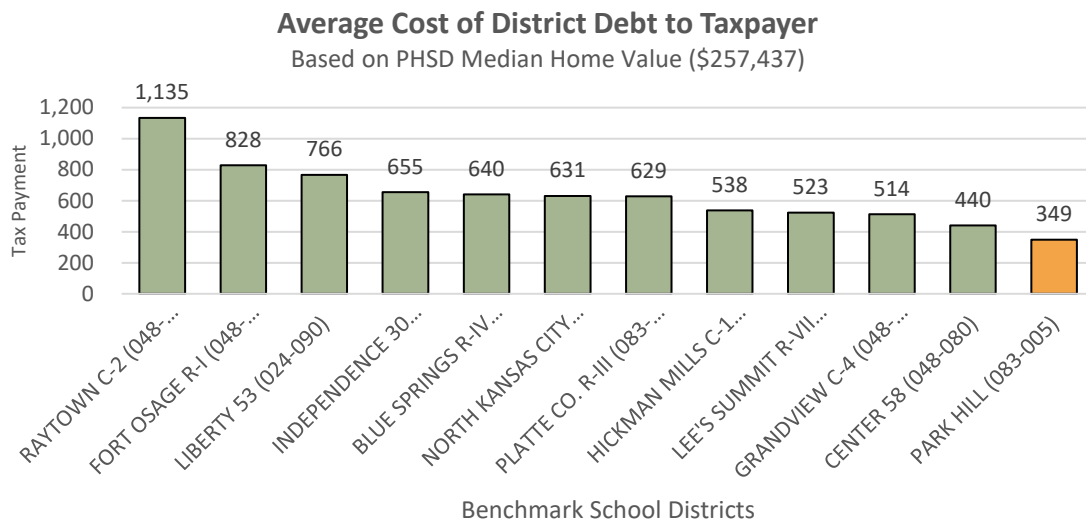
## DEBT SERVICE LEVY DISCUSSION

The debt service tax comprises a portion of a school district's total tax. The debt service tax can only be used to repay principal and interest on general obligation bonds sold in prior years.

Of twelve greater Kansas City, Missouri suburban school districts, Park Hill School District currently has the lowest debt service tax rate.



The impact of the debt service tax on the average homeowner results in a lower tax bill. The 2019 median home value in the Park Hill School District is estimated to be \$257,437. For a homeowner of a \$257,437 home in each school district, Park Hill School District has the lowest property tax bill (\$349), more than half the cost of similar sized school districts in the Northland (Liberty, North Kansas City).



## OTHER OBLIGATIONS

### PENSION AND EMPLOYEE RETIREMENT PLANS

The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (i) The Public School Retirement System of Missouri (“**PSRS**”), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of school districts and certain other educational entities in Missouri and employees of certain related employers; and (ii) The Public Education Employee Retirement System of Missouri (“**PEERS**”), which provides retirement and disability benefits to employees of school districts and certain other educational entities in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169 of the Revised Statutes of Missouri, as amended. The statutes assign responsibility for the administration of both plans to a seven member Board of Trustees of PSRS (the “**PSRS Board**”). PSRS and PEERS had 534 and 530 contributing employers, respectively, during the fiscal year ended June 30, 2017.

PSRS and PEERS issue a publicly available financial report that includes financial statements and required supplementary information. The PSRS/PEERS Comprehensive Annual Financial Report (CAFR) is available at [www.psr-peers.org/Investments/Annual-Report](http://www.psr-peers.org/Investments/Annual-Report). The PSRS/PEERS CAFR provides detailed information about PSRS and PEERS, including their respective financial positions, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plans.

### PSRS AND PEERS CONTRIBUTIONS

Employees who contribute to PSRS are not eligible to make Social Security contributions, except in limited circumstances. For the fiscal years ended June 30, 2019 and June 30, 2020, PSRS contributing employees were required to contribute 14.5% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 14.5% of each contributing employee’s covered salary.

The District will be required to contribute 14.5% of covered payroll for PSRS contributing employees during the 2020-2021 year. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year.

Employees who contribute to PEERS are eligible to make Social Security contributions. For the fiscal years ended June 30, 2019 and June 30, 2020, PEERS contributing employees were required to contribute 6.86% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 6.86% of each contributing employee’s covered salary.

The District will be required to contribute 6.86% of covered payroll for PEERS contributing employees during the 2020-2021 year. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 0.5% in aggregate of PEERS contributing member covered pay of the previous year.

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## PSRS AND PEERS LIABILITIES

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### PENSION LIABILITIES AND PENSION EXPENSE - PSRS

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At June 30, 2019, the District had a liability of \$101,157,868 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2018, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$9,476,757 paid to PSRS for the year ended June 30, 2018, relative to the actual contributions of \$697,214,371 from all participating employers. At June 30, 2018, the District's proportionate share was 1.3592%.

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### PENSION LIABILITIES AND PENSION EXPENSE - PEERS

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At June 30, 2019, the District had a liability of \$12,426,669 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2018 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$1,835,218 paid to PEERS for the year ended June 30, 2018, relative to the actual contributions of \$114,141,743 from all participating employers. At June 30, 2018, the District's proportionate share was 1.6078%.

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## OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described above, the District allows employees who retire from the District to participate in the District's health, dental and vision insurance plans. Upon meeting the retirement requirements per PSRS or PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single-blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post-employment benefit. The District has not established an irrevocable trust fund to accumulate resources for future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. A stand-alone financial report is not available for the plan. During the year, 429 retirees participated in the District's insurance plans and paid premiums totaling \$1,373,749.39. There were 4 people who participated in COBRA for the year ended June 30, 2019, and paid premiums totaling \$28,022.33.

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## PARTICIPATION IN A PUBLIC ENTITY RISK POOL (MUSIC)

Participation in Public Entity Risk Pools – The District is exposed to various risks of loss due to torts; theft to, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with approximately 475 other Missouri public school districts and Missouri Junior Colleges to form the Missouri United School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance program.

The District does not pay premiums to purchase insurance policies, but it pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The calendar year 2019 assessment was \$1,457,457.

For the four previous years, the settlements did not exceed the insurance coverage provided by commercial insurance. There has been no significant reduction in insurance coverage from the preceding year.

The pooling agreement requires the pool to be self-sustaining. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District.

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## LEASES

Included in the 2020-2021 budget are lease agreements for 7 mobile units (14 classrooms) at selected schools.

## FUND BALANCES

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### OVERVIEW OF FUND BALANCES

On the following pages are tables detailing the statement of revenue, expenditures and changes in fund equity for 2016-2017 through 2023-2024. The values for revenue, expenditures, and transfers for 2019-2020 and 2020-2021 are estimates. The balances and fund balance percentage for June 30, 2020 and beyond are estimates based upon these projections. Actual values for 2019-2020 will become known after the close of the fiscal year on June 30, 2020. Actual values for 2020-2021 will become known in June 2021.

Operating fund balance is calculated at the end of a fiscal year by dividing the sum of unrestricted balances in Fund 001 and Fund 002 by the sum of expenditures in Fund 001 and Fund 002 for that same fiscal year.

The projected ending operating fund balance for 2019-2020 is approximately 21.8% or 10 weeks operating cash. Per a commitment to the district community in 2002, the operating fund balance has grown over the last ten years and allows the district to meet cash flow demands throughout the school year, as well as contributes to the exemplary bond rating given the district, and monies for contingencies. Fund balance also allows for economic stability for the district. The Park Hill Board of Education has established an expected range for operational fund balance at 18 to 22%. In years leading up to 2019-2020, the Board of Education has strategically built balances beyond this range in order to prepare for deficit budgets in future years, specifically in support of expenses related to the increased technology for students.

## FUND BALANCES 2016-2017 THROUGH 2023-2024

The values for balances, revenue, expenditures, and transfers for 2016-2017 through 2018-2019 are based on actual data. 2019-2020 values are estimates. 2020-2021 values reflect the budgeted amounts. 2021-2022 through 2023-2024 are projected values.

	101-OPERATING	105-STUDENT ACTIVITIES	107-FOOD SERVICE	111-COMMUNITY SERVICES	202-SPECIAL REVENUE (TEACHERS)	303-DEBT SERVICE	404-REGULAR CAPITAL OUTLAY	408-BOND PROCEEDS' CAPITAL OUTLAY	TOTAL ALL SUBFUNDS
<b>2016-2017</b>									
3111 - Opening Balance	28,264,693.18	2,261,294.93	(358,499.50)	301,414.81	-	12,671,861.28	11,087,928.22	5,510,780.78	59,739,473.70
5899 - Total Revenue	85,429,467.25	2,160,258.79	5,765,682.90	4,196,189.30	44,957,696.42	19,573,451.37	9,112,953.30	12,923.44	171,208,622.77
5999 - Total Revenue and Balances	113,694,160.43	4,421,553.72	5,407,183.40	4,497,604.11	44,957,696.42	32,245,312.65	20,200,881.52	5,523,704.22	230,948,096.47
5510 - Transferred To	-	130,000.00	-	-	32,139,136.05	-	4,567,800.00	-	36,836,936.05
6710 - Transferred From	(36,836,936.05)	-	-	-	-	-	-	-	(36,836,936.05)
9999 - Expenditures	(47,552,721.77)	(2,302,081.17)	(5,672,419.34)	(3,967,129.44)	(77,096,832.47)	(11,407,900.93)	(12,001,876.56)	(5,523,704.22)	(165,524,665.90)
<b>3112 - Ending Fund Balances</b>	<b>29,304,502.61</b>	<b>2,249,472.55</b>	<b>(265,235.94)</b>	<b>530,474.67</b>	<b>-</b>	<b>20,837,411.72</b>	<b>12,766,804.96</b>	<b>-</b>	<b>65,423,430.57</b>
3412 - Ending Restricted Fund Balance	-	-	-	-	-	9,255,101.00	-	-	9,255,101.00
Unrestricted Ending Fund Balance (Incidental + Teachers Funds) ✓		23.3%							
Unrestricted Capital Fund Balance ✓		101.3%							
<b>2017-2018</b>									
3111 - Opening Balance	29,304,502.61	2,249,472.55	(265,235.94)	530,474.67	-	20,837,411.72	12,766,804.96	-	65,423,430.57
5899 - Total Revenue	88,443,490.55	2,227,627.11	5,765,608.49	4,367,973.03	46,947,816.37	10,782,106.34	5,172,154.68	90,995,925.66	254,702,702.23
5999 - Total Revenue and Balances	117,747,993.16	4,477,099.66	5,500,372.55	4,898,447.70	46,947,816.37	31,619,518.06	17,938,959.64	90,995,925.66	320,126,132.80
5510 - Transferred To	-	-	-	-	33,071,557.97	-	3,190,000.00	-	36,261,557.97
6710 - Transferred From	(36,261,557.97)	-	-	-	-	-	-	-	(36,261,557.97)
9999 - Expenditures	(52,864,060.47)	(2,160,977.63)	(5,780,934.38)	(3,874,131.70)	(80,019,374.34)	(12,908,279.14)	(6,286,299.47)	(13,775,676.80)	(177,669,733.93)
<b>3112 - Ending Fund Balances</b>	<b>28,622,374.72</b>	<b>2,316,122.03</b>	<b>(280,561.83)</b>	<b>1,024,316.00</b>	<b>-</b>	<b>18,711,238.92</b>	<b>14,842,660.17</b>	<b>77,220,248.86</b>	<b>142,456,398.87</b>
3412 - Ending Restricted Fund Balance	-	-	-	-	-	9,105,667.00	-	77,220,248.86	86,325,915.86
Unrestricted Ending Fund Balance (Incidental + Teachers Funds) ✓		21.9%							
Unrestricted Capital Fund Balance ✓		138.2%							
<b>2018-2019</b>									
3111 - Opening Balance	28,622,374.72	2,316,122.03	(280,561.83)	1,024,316.00	-	18,711,238.92	14,842,660.17	77,220,248.86	142,456,398.87
5899 - Total Revenue	99,500,723.46	2,042,424.11	5,883,145.46	4,581,925.50	48,855,598.95	11,935,675.08	5,531,499.74	26,814,299.56	205,145,291.86
5999 - Total Revenue and Balances	128,123,098.18	4,358,546.14	5,602,583.63	5,606,241.50	48,855,598.95	30,646,914.00	20,374,159.91	104,034,548.42	347,601,690.73
5510 - Transferred To	-	-	-	-	36,944,128.50	-	4,978,967.00	-	41,923,095.50
6710 - Transferred From	(41,923,095.50)	-	-	-	-	-	-	-	(41,923,095.50)
9999 - Expenditures	(53,265,475.46)	(2,199,111.93)	(6,505,636.63)	(3,888,657.20)	(85,799,727.45)	(20,661,198.77)	(11,971,374.69)	(44,649,637.39)	(228,940,819.52)
<b>3112 - Ending Fund Balances</b>	<b>32,934,527.22</b>	<b>2,159,434.21</b>	<b>(903,053.00)</b>	<b>1,717,584.30</b>	<b>(0.00)</b>	<b>9,985,715.23</b>	<b>13,381,752.22</b>	<b>59,384,911.03</b>	<b>118,660,871.21</b>
3412 - Ending Restricted Fund Balance	-	-	-	-	-	-	-	59,384,911.03	59,384,911.03
Unrestricted Ending Fund Balance (Incidental + Teachers Funds) ✓		23.7%							
Unrestricted Capital Fund Balance ✓		132.7%							



	101-OPERATING	105-STUDENT ACTIVITIES	107-FOOD SERVICE	111-COMMUNITY SERVICES	202-SPECIAL REVENUE (TEACHERS)	303-DEBT SERVICE	404-REGULAR CAPITAL OUTLAY	408-BOND PROCEEDS' CAPITAL OUTLAY	TOTAL ALL SUBFUNDS
<b>2019-2020</b>									
3111 - Opening Balance	32,934,527.22	2,159,434.21	(903,053.00)	1,717,584.30	(0.00)	9,985,715.23	13,381,752.22	59,384,911.03	118,660,871.21
5899 - Total Revenue	99,071,099.00	1,548,621.00	5,624,407.00	3,380,035.00	48,834,430.00	13,730,556.00	6,250,020.00	702,651.00	179,141,819.00
5999 - Total Revenue and Balances	132,005,626.22	3,708,055.21	4,721,354.00	5,097,619.30	48,834,430.00	23,716,271.23	19,631,772.22	60,087,562.03	297,802,690.21
5510 - Transferred To	-	-	-	-	43,631,946.00	-	-	-	43,631,946.00
6710 - Transferred From	(43,631,946.00)	-	-	-	-	-	-	-	(43,631,946.00)
9999 - Expenditures	(55,777,611.00)	(1,716,210.00)	(5,685,219.00)	(3,928,954.00)	(92,466,376.00)	(12,212,893.00)	(6,872,343.00)	(54,058,316.00)	(232,717,922.00)
<b>3112 - Ending Fund Balances</b>	<b>32,596,069.22</b>	<b>1,991,845.21</b>	<b>(963,865.00)</b>	<b>1,168,665.30</b>	<b>(0.00)</b>	<b>11,503,378.23</b>	<b>12,759,429.22</b>	<b>6,029,246.03</b>	<b>65,084,768.21</b>
3412 - Ending Restricted Fund Balance	-	-	-	-	-	-	-	6,029,246.03	6,029,246.03
Unrestricted Ending Fund Balance (Incidental + Teachers Funds)	✓	21.8%							
Unrestricted Capital Fund Balance	✓	152.3%							
<b>2020-2021</b>									
3111 - Opening Balance	32,596,069.22	1,991,845.21	(963,865.00)	1,168,665.30	(0.00)	11,503,378.23	12,759,429.22	6,029,246.03	65,084,768.21
5899 - Total Revenue	104,213,055.00	2,407,276.00	6,275,322.00	4,485,901.00	49,769,462.00	49,576,271.00	6,542,310.00	2,905.00	223,272,502.00
5999 - Total Revenue and Balances	136,809,124.22	4,399,121.21	5,311,457.00	5,654,566.30	49,769,462.00	61,079,649.23	19,301,739.22	6,032,151.03	288,357,270.21
5510 - Transferred To	-	-	-	-	46,029,692.00	-	158,460.78	-	46,188,152.78
6710 - Transferred From	(46,188,152.78)	-	-	-	-	-	-	-	(46,188,152.78)
9999 - Expenditures	(61,002,919.00)	(2,406,966.00)	(6,034,165.00)	(4,342,302.00)	(95,799,154.00)	(46,189,000.00)	(15,960,200.00)	(6,032,151.03)	(237,766,857.03)
<b>3112 - Ending Fund Balances</b>	<b>29,618,052.44</b>	<b>1,992,155.21</b>	<b>(722,708.00)</b>	<b>1,312,264.30</b>	<b>(0.00)</b>	<b>14,890,649.23</b>	<b>3,500,000.00</b>	<b>0.00</b>	<b>50,590,413.18</b>
3412 - Ending Restricted Fund Balance	-	-	-	-	-	-	-	0.00	0.00
Unrestricted Ending Fund Balance (Incidental + Teachers Funds)	✓	19.0%							
Unrestricted Capital Fund Balance	✗	30.2%							
<b>2021-2022</b>									
3111 - Opening Balance	29,618,052.44	1,992,155.21	(722,708.00)	1,312,264.30	(0.00)	14,890,649.23	3,500,000.00	0.00	50,590,413.18
5899 - Total Revenue	105,889,149.00	2,469,662.00	6,450,455.00	4,620,478.00	53,440,316.00	14,926,859.00	6,699,836.00	-	194,496,755.00
5999 - Total Revenue and Balances	135,507,201.44	4,461,817.21	5,727,747.00	5,932,742.30	53,440,316.00	29,817,508.23	10,199,836.00	0.00	245,087,168.18
5510 - Transferred To	-	-	-	-	44,377,237.00	-	3,467,657.50	-	47,844,894.50
6710 - Transferred From	(47,844,894.50)	-	-	-	-	-	-	-	(47,844,894.50)
9999 - Expenditures	(59,343,021.00)	(2,463,886.00)	(6,206,316.00)	(4,620,477.00)	(97,817,553.00)	(11,082,825.00)	(7,167,487.00)	-	(188,701,565.00)
<b>3112 - Ending Fund Balances</b>	<b>28,319,285.94</b>	<b>1,997,931.21</b>	<b>(478,569.00)</b>	<b>1,312,265.30</b>	<b>(0.00)</b>	<b>18,734,683.23</b>	<b>6,500,006.50</b>	<b>0.00</b>	<b>56,385,603.18</b>
3412 - Ending Restricted Fund Balance	-	-	-	-	-	-	-	0.00	0.00
Unrestricted Ending Fund Balance (Incidental + Teachers Funds)	✓	18.3%							
Unrestricted Capital Fund Balance	⚠	65.0%							

	101-OPERATING	105-STUDENT ACTIVITIES	107-FOOD SERVICE	111-COMMUNITY SERVICES	202-SPECIAL REVENUE (TEACHERS)	303-DEBT SERVICE	404-REGULAR CAPITAL OUTLAY	408-BOND PROCEEDS' CAPITAL OUTLAY	TOTAL ALL SUBFUNDS
2022-2023									
3111 - Opening Balance	28,319,285.94	1,997,931.21	(478,569.00)	1,312,265.30	(0.00)	18,734,683.23	6,500,006.50	0.00	56,385,603.18
5899 - Total Revenue	107,533,759.00	2,535,811.00	6,630,513.00	4,759,092.00	54,500,011.00	15,143,308.00	6,820,116.00	-	197,922,610.00
5999 - Total Revenue and Balances	135,853,044.94	4,533,742.21	6,151,944.00	6,071,357.30	54,500,011.00	33,877,991.23	13,320,122.50	0.00	254,308,213.18
5510 - Transferred To	-	-	-	-	46,044,388.00	-	-	-	46,044,388.00
6710 - Transferred From	(46,044,388.00)	-	-	-	-	-	-	-	(46,044,388.00)
9999 - Expenditures	(61,025,398.00)	(2,529,676.00)	(6,380,279.00)	(4,759,094.00)	(100,544,399.00)	(11,249,463.00)	(7,467,069.00)	-	(193,955,378.00)
3112 - Ending Fund Balances	28,783,258.94	2,004,066.21	(228,335.00)	1,312,263.30	(0.00)	22,628,528.23	5,853,053.50	0.00	60,352,835.18
3412 - Ending Restricted Fund Balance	-	-	-	-	-	-	-	0.00	0.00
Unrestricted Ending Fund Balance (Incidental + Teachers Funds)	18.2%								
Unrestricted Capital Fund Balance	57.4%								
2023-2024									
3111 - Opening Balance	28,783,258.94	2,004,066.21	(228,335.00)	1,312,263.30	(0.00)	22,628,528.23	5,853,053.50	0.00	60,352,835.18
5899 - Total Revenue	110,812,919.00	2,608,020.00	6,815,640.00	4,901,866.00	55,584,967.00	15,616,248.00	6,999,871.00	-	203,339,531.00
5999 - Total Revenue and Balances	139,596,177.94	4,612,086.21	6,587,305.00	6,214,129.30	55,584,967.00	38,244,776.23	12,852,924.50	0.00	263,692,366.18
5510 - Transferred To	-	-	-	-	47,807,922.00	-	-	-	47,807,922.00
6710 - Transferred From	(47,807,922.00)	-	-	-	-	-	-	-	(47,807,922.00)
9999 - Expenditures	(62,678,469.00)	(2,601,357.00)	(6,559,133.00)	(4,901,864.00)	(103,392,889.00)	(11,446,513.00)	(7,655,783.00)	-	(199,236,008.00)
3112 - Ending Fund Balances	29,109,786.94	2,010,729.21	28,172.00	1,312,265.30	(0.00)	26,798,263.23	5,197,141.50	0.00	64,456,358.18
3412 - Ending Restricted Fund Balance	-	-	-	-	-	-	-	0.00	0.00
Unrestricted Ending Fund Balance (Incidental + Teachers Funds)	18.0%								
Unrestricted Capital Fund Balance	69.9%								

Under GASB 54 classifications, balances in Fund 003 are restricted for debt payments in future years. All other balances are unrestricted but must be spent per legal guidelines imposed upon each fund.

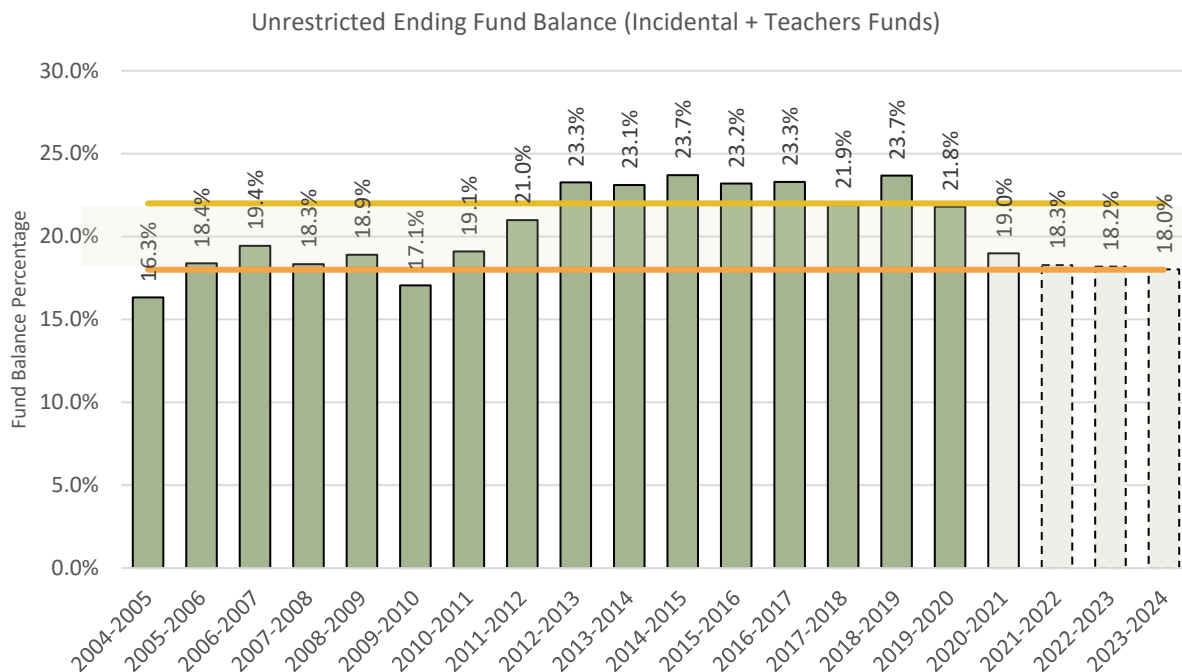
## SIGNIFICANT FUND BALANCE TRENDS, EVENTS AND INITIATIVES

### OPERATING FUND BALANCE

Operational fund balance is calculated as the balance in Fund 100 divided by the prior year's expenditures in Funds 100 and 200. As a part of a pledge to voters in April, 2002, the district increased the operational fund balance from 9.6% of operating expenditures to 23.7% at the end of 2018-2019.

It is anticipated that the district's unrestricted operating fund balance will decrease from \$34.7 million (on July 1, 2020) to \$32.2 million at the completion of the 2020-2021 school year (June 30, 2021). This reflects an operational fund balance decrease from 21.8% to 19.0% (the percentage is a function of prior year expenditures). The strategic use of fund balance has been a long-standing tradition of the Park Hill School District Board of Education.

The graph below depicts the districts history and forecasts of operating fund balance through the school year 2023-2024. As they have done in prior years, the Board of Education will develop a proactive long-range financial plan to address any future shortfalls in operating fund balance.



### CAPTIAL FUND BALANCE

The Park Hill School District also closely monitors capital funds annually and capital fund balances. To assist the district in annual and ongoing capital projects, the district maintains a capital fund balance. The district Financial Focus Area Collaborative Team (FACT), a team made up of district staff and key stakeholders, has established a target

for capital fund balance between 65 and 85% of the average of the prior three-years actual capital expenditures. This fund balance allows the District to address the planned capital needs without revenues from the sale of general obligation bonds. The capital needs of the District vary greatly from year to year as maintenance cycles for facility upkeep (i.e. school roofs, flooring, parking lots) converge with technology maintenance cycles (i.e. laptop, technology equipment replacements), and other one-time capital needs (playground upkeep).

*Ending Capital Fund Balance Percentage* is calculated by dividing the amount of remaining non-restricted capital funds at the end of each fiscal year by the capital expenditures for that year. For example, if on June 30 the district had a capital fund balance of \$5 million and had \$10 million in capital expenditures that year, the *Ending Capital Fund Balance* is 50%.

As they have done in prior years, the Board of Education will develop a proactive long-range financial plan to address any future shortfalls in capital fund balance.

