

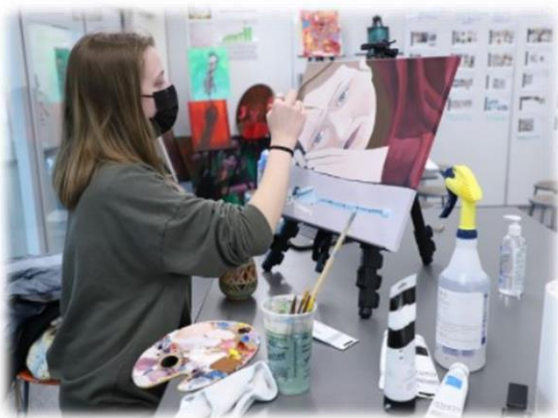
ORGANIZATIONAL SECTION

The Organizational Section of the school budget document describes the district's organizational and management structure as well as the policies and procedures governing its administrative and financial operations. In many ways, this section describes the district's mission and how it is achieved.



DESIGNER MASKS: Students in the advanced fashion class at Park Hill South High School worked in teams to design their own mask line, and then they made commercials to market them.

THE POPULIST PARTY: Juniors Charlie Brook and Louis Williams (left, right) learned about populism in the late 1800s during American history class at Park Hill High School.



PORTFOLIO WORK: During art and design class at PH LEAD Innovation Studio, Katherine Etheridge painted a piece for her portfolio. Each student's portfolio follows a theme of their choosing.

PARK HILL SCHOOL DISTRICT

7703 NW Barry Road
Kansas City, Missouri 64153
(816) 359-4000
www.parkhill.k12.mo.us



Park Hill School District

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PARK HILL SCHOOL DISTRICT OVERVIEW

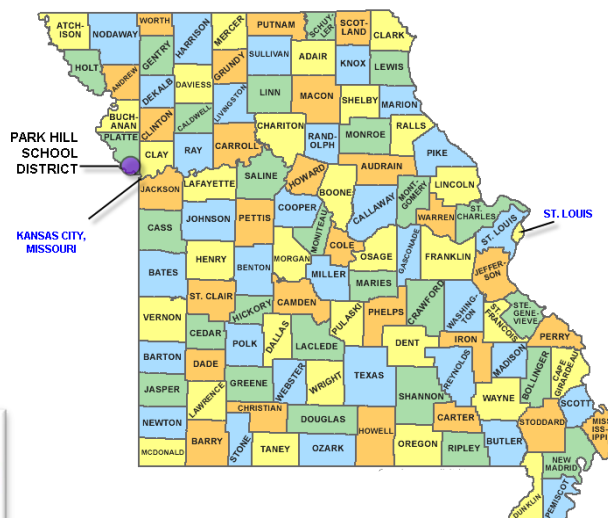
INTRODUCTION TO THE PARK HILL SCHOOL DISTRICT

The Park Hill School District is a place where students, parents, teachers, administrators, staff, and community members are *Building Successful Futures • Each Student • Every Day!*

The Park Hill School District was established under the Statutes of the State of Missouri. The district operates as a “seven director” district (with seven members of the Board of Education), as described in the Revised Statutes of Missouri (RSMo), Chapter 162. Park Hill School District operates as fiscally independent of the State of Missouri or any other jurisdiction in the county or local townships in which it operates. The district is a legal corporate body and a political subdivision of the State of Missouri and may levy and collect taxes within the guidelines and limitations of Missouri state statutes.

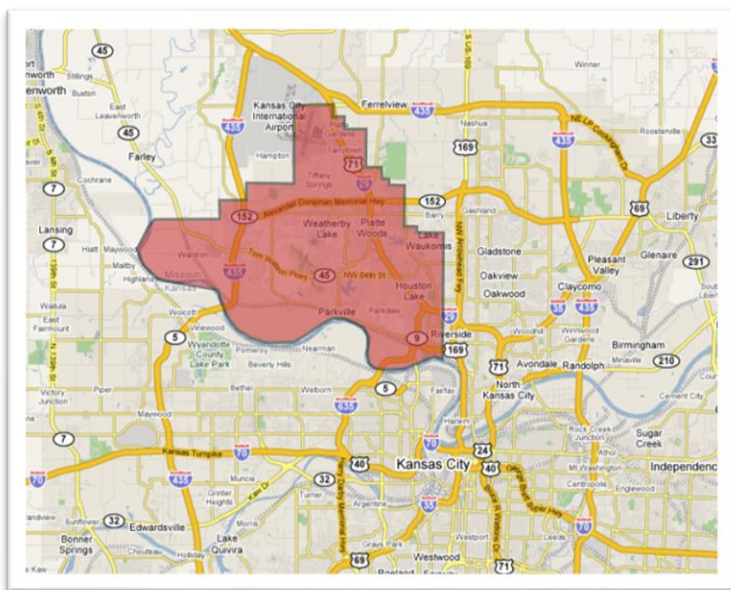
The Park Hill School District, formally organized in 1951 under the provisions of Missouri's School Reorganization Statute of 1948, encompasses 71 square miles located in the southern third of Platte County, located just north of downtown Kansas City, Missouri. Park Hill is a public school district, with pre-kindergarten (pre-K) programs through grade 12. As of the spring of 2021, the district includes eleven K–5 elementary schools, four 6–8 middle schools, two high schools, the LEAD Innovation Studio, a day treatment school (Russell Jones Education Center), and the Gerner Family Early Education Center. Other support facilities include a District Aquatic Center, Support & Transportation Service Center, and the district office.

Predominantly rural-oriented in the past, Park Hill has steadily changed to a more suburban district, blending both residential and commercial growth. Approximately 43% of the school district lies within the city limits of Kansas City, Missouri. There are seven other incorporated



communities—Riverside, Parkville, Houston Lake, Lake Waukomis, Weatherby Lake, Platte Woods, and Northmoor—in addition to the unincorporated communities of Waldron and Platte County.

The Missouri River forms the southern and western boundaries of the district and delineates the state line between Missouri and Kansas. The northern boundary meanders in stair-step fashion from Northwest 76th Street and the Clay County line to Northwest 120th Street, the northernmost point of the district. The northern boundary



divides the Kansas City International Airport, with one of the three airport terminals lying within district boundaries, and the remaining portions of the airport lying within the Platte County R-3 School District, the neighboring district to the north.

GENERAL AND DEMOGRAPHIC INFORMATION

COMMERCE

Platte County, Missouri is the home of one of the general purpose foreign trade zones in the Kansas City, Missouri area. A foreign trade zone encourages international commerce by permitting foreign goods to be held duty-free and quote-free in a specific area. Goods brought into a zone may be stored, manipulated, mixed with domestic and/or foreign materials, used in the manufacturing process, or exhibited for sale without paying the duty.

MEDICAL AND HEALTH FACILITIES

There are many general practitioners and specialists who provide medical care in the area served by the district. St. Luke's Northland Hospital – Barry Road Campus is located in Platte County. District residents have access to all the medical and health facilities in metropolitan Kansas City. These include, among others, St. Luke's Northland Hospital – Smithville Campus, Liberty Hospital and North Kansas City Hospital, which are located in Clay County, Missouri near the District.

RECREATIONAL, CULTURAL AND RELIGIOUS FACILITIES

Many recreational facilities are easily accessible to residents of the district, including several lakes, parks and athletic facilities. District residents have access to all the cultural activities in metropolitan Kansas City. Nearly every major religious organization is represented in or near the district.

MUNICIPAL SERVICES AND UTILITIES

Various cities within the District provide municipal services to the District. City-owned utilities consist of the water and sewer systems, except in Parkville, Missouri and Riverside, Missouri where water is provided by Missouri American Water Company. Electricity is provided by Evergy. Natural gas service is provided by Spire.

TRANSPORTATION AND COMMUNICATION FACILITIES

Residents have access to all transportation systems serving Kansas City. This includes Amtrak Railroad and the Kansas City International Airport. A portion of the airport is located within the district. Rail service in Platte County is provided by The Burlington Northern and Santa Fe Railroad. The District has excellent access to the interstate highway system, with I-29 and I-435 connecting it to all parts of the Kansas City area and thereby allowing access to the major north/south I-35 and I-29 and the major east/west I-70.

POPULATION AND OTHER STATISTICS

The United States Census Bureau has provided actual population counts for the Park Hill School District for the past four decades as well as population estimates for 2020.

Year	School District	Platte County	State of Missouri
2020	69,693	106,718	6,154,913
2010	62,261	89,322	5,988,927
2000	54,359	76,781	5,595,211
1990	41,814	57,867	5,117,073
1980	32,476	46,341	4,916,685

Source: US Census Bureau; and US Census Bureau – American Community Survey – 2019 5-Year Estimates.

INCOME STATISTICS

The following table sets forth income statistics for the district, Platte County, and the State of Missouri:

Area	Per Capita	Median Family
School District	\$41,419	\$97,846
Platte County	\$39,649	\$98,059
State of Missouri	\$30,810	\$70,398

Source: US Census Bureau – American Community Survey Profile Report: 2019 (5-year estimates).

EMPLOYMENT IN PLATTE COUNTY

The Park Hill School District is the largest employer in Platte County, Missouri. Listed below are the major employers located in Platte County and the number employed by each:

Major Employers	Type of Business	Employees
Park Hill School District	Education	1,868
Adient	Automobile supplier, interiors	810
Argosy Casino Hotel & Spa	Casino	712
Saint Luke's Northland Hospital	Health services	667
Platte County R-3 School District	Education	583
Kansas City Aviation Department	Transportation	520
Park University	Higher Education	500
Yanfeng USA Automotive Trim Systems	Auto interior manufacturing	500
Johnson Controls, Inc.	Fire and security services	450
Kansas City Manufacturing	Auto parts manufacturing	450

Source: Platte County Economic Development Council.

DISTRICT SCHOOLS & FACILITIES 2022-2023

The Park Hill School District provides comprehensive educational services for students in pre-K through grade 12. Specifically, two district high schools and one additional facility that houses the LEAD Innovation Studio provide comprehensive educational services for students in grades 9–12. Four district middle schools provide comprehensive educational services for students in grades 6–8. Eleven district elementary schools provide comprehensive educational services for students in grades K–5. Park Hill School District’s Gerner Family Early Education Center provides educational services for pre-K students (ages three through five), early childhood special education (Bright Beginnings) students, and English Language Development (ELD), and it supports Parents as Teachers (PAT). The district’s Adventure Club program provides before- and after-school day care services. The Russell Jones Education Center provides educational services in a day treatment setting for K–12 students with special needs.

The district projects a K–12 enrollment of 11,782 students in 2022-2023, which will make the Park Hill School District the 16th largest school district in the state of Missouri (522 school districts total).

ELEMENTARY SCHOOLS

Thomas B. Chinn Elementary School

Principal, Dr. Andrew Hargis
7100 N. Chatham Road
Kansas City, MO 64151
2022–2023 Projected Enrollment (K–5): 448



English Landing Elementary School

Principal, Angela Doss
6500 NW Klamm Drive
Kansas City, MO 64151
2022–2023 Projected Enrollment (K–5): 453



Graden Elementary School

Principal, Vanna Easley
8804 NW 45 Highway
Parkville, MO 64152
2022–2023 Projected Enrollment (K–5): 470



Hawthorn Elementary School

Principal, Brooke Renton
8200 N. Chariton
Kansas City, MO 64152
2022–2023 Projected Enrollment (K–5): 456



Hopewell Elementary School

Principal, Dr. Melissa Hensley
6801 Line Creek Parkway
Kansas City, MO 64151
2022–2023 Projected Enrollment (K–5): 490



Line Creek Elementary School

Principal, Robin Davis
5801 NW Waukomis
Kansas City, MO 64151
2022–2023 Projected Enrollment (K–5): 360



Prairie Point Elementary School

Principal, Dr. Danny Todtfeld
8101 NW Belvidere Parkway
Kansas City, MO 64151
2022–2023 Projected Enrollment (K–5): 427



Alfred E. Renner Elementary School

Principal, Sasha Kalis
7401 NW Barry Road
Kansas City, MO 64152
2022–2023 Projected Enrollment (K–5): 425



Southeast Elementary School

Principal, Jason Pope
5701 NW Northwood
Kansas City, MO 64151
2022–2023 Projected Enrollment (K–5): 520



Tiffany Ridge Elementary School

Principal, Dr. Desiree Rios
5301 NW Old Tiffany Springs Road
Kansas City, MO 64154
2022–2023 Projected Enrollment (K–5): 506



Union Chapel Elementary School

Principal, Dr. Steven Archer

7100 NW Hampton Road

Kansas City, MO 64152

2022–2023 Projected Enrollment (K–5): 623



MIDDLE SCHOOLS

Congress Middle School

Principal, Dr. Ryan Smith

8150 N. Congress

Kansas City, MO 64152

2022–2023 Projected Enrollment (6–8): 691

**Lakeview Middle School**

Principal, Kirsten Clemons

6720 NW 64th Street

Kansas City, MO 64151

2022–2023 Projected Enrollment (6–8): 665

**Plaza Middle School**

Principal, Dr. Adrian Singletary

6501 NW 72nd Street

Kansas City, MO 64151

2022–2023 Projected Enrollment (6–8): 705

**Walden Middle School**

Principal, Melissa DeDonder

4701 NW 56th Street

Kansas City, MO 64151

2022–2023 Projected Enrollment (6–8): 727



HIGH SCHOOLS

Park Hill High School

Principal, Dr. Brad Kincheloe

7701 NW Barry Road

Kansas City, MO 64153

2022–2023 Projected Enrollment (9–12): 1,537

**Park Hill South High School**

Principal, Dr. Kerrie Herren

4500 NW River Park Drive

Kansas City, MO 64150

2022–2023 Projected Enrollment (9–12): 1,564

**LEAD Innovation Studio**

Principal, Dr. Chris Early

7201 N. Line Creek Parkway,

Kansas City, Missouri 64151

2022–2023 Projected Enrollment (9–12): 664



OTHER SCHOOLS AND FACILITIES

Russell Jones Education Center

Principal, Dr. Tara Kalis
7642 N. Green Hills Road
Kansas City, MO 64151
2022–2023 Projected Enrollment (K–12): 51

**Gerner Family Early Education Center**

Principal, Dr. Rachel Ward
8100 N. Congress
Kansas City, MO 64151
2022–2023 Projected Enrollment (Pre-K): 450

**District Office**

7703 NW Barry Road
Kansas City, MO 64153

**Community Services**

7703 NW Barry Road
Kansas City, MO 64153

**Support Services & Transportation Center**

9501 N. Seymour
Kansas City, MO 64153

**Aquatic Center**

8152 N. Congress
Kansas City, MO 64152

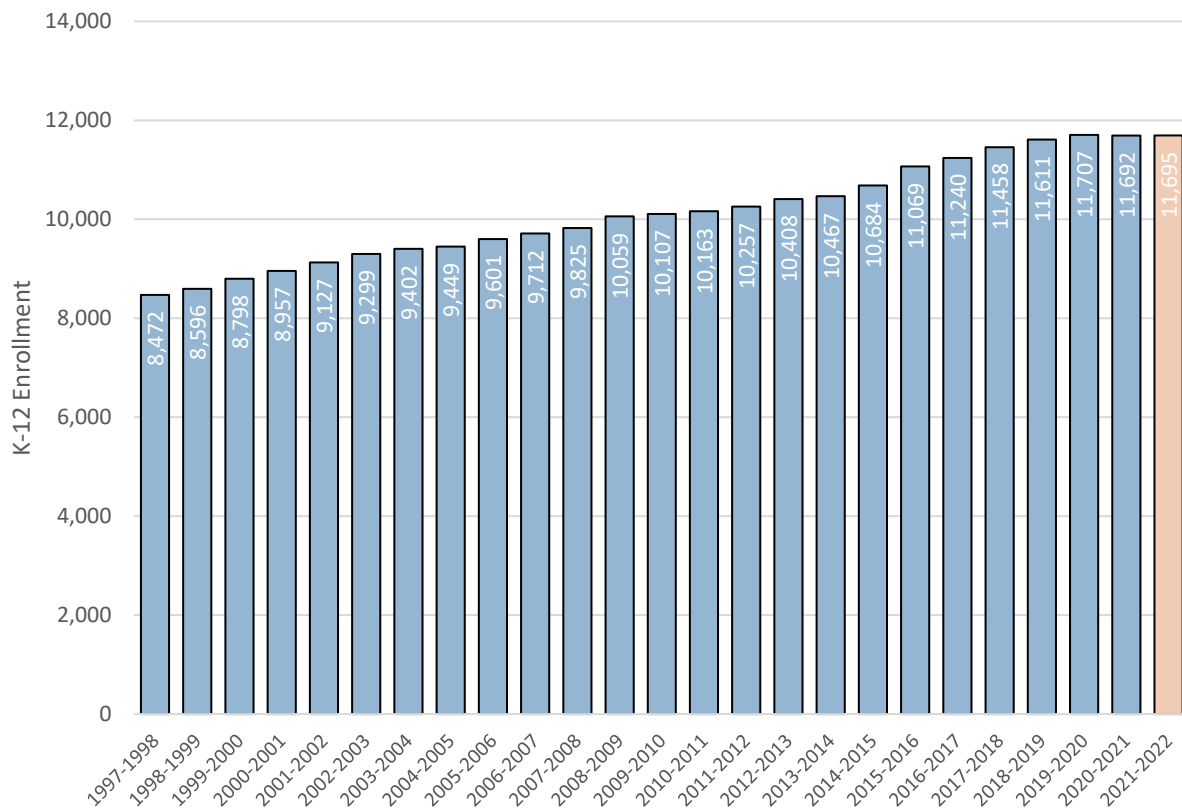


PARK HILL STUDENT ENROLLMENT

The Missouri Department of Elementary and Secondary Education (DESE) has established the annual official enrollment count as the number of students in grades K–12 enrolled on the last Wednesday in September of each year. The enrollment information throughout the budget document uses this value to represent annual enrollment.

HISTORICAL ENROLLMENT GROWTH (GRAPH)

The following graph depicts the 25-year enrollment history of the Park Hill School District and the budgeted enrollment for 2022-2023. The district has seen steady enrollment growth over three decades, at a rate of about 1.5% annually. The 2021-2022 K-12 enrollment for the district was 11,695 students. The district also hosts preschool programs with an additional 450 students.



GOVERNANCE STRUCTURE

PARK HILL BOARD OF EDUCATION

The Park Hill School District is a reorganized school district formed pursuant to Chapter 162 of the Revised Statutes of Missouri, as amended (RSMo). Park Hill School District operates as fiscally independent of the State of Missouri or any other jurisdiction in the county or local townships in which it operates. The district is a legal corporate body and a political subdivision of the State of Missouri and may levy and collect taxes within the guidelines and limitations of Missouri state statutes.

The district is governed by a seven-member Board of Education. The members of the board are elected by the voters of the district for three-year staggered terms. All board members are elected at large and serve without compensation. The board is responsible for all policy decisions. The president of the board is elected by the board from among its members for a term of one year and has no regular administrative duties. The secretary and treasurer are appointed by the board and may or may not be members of the board.

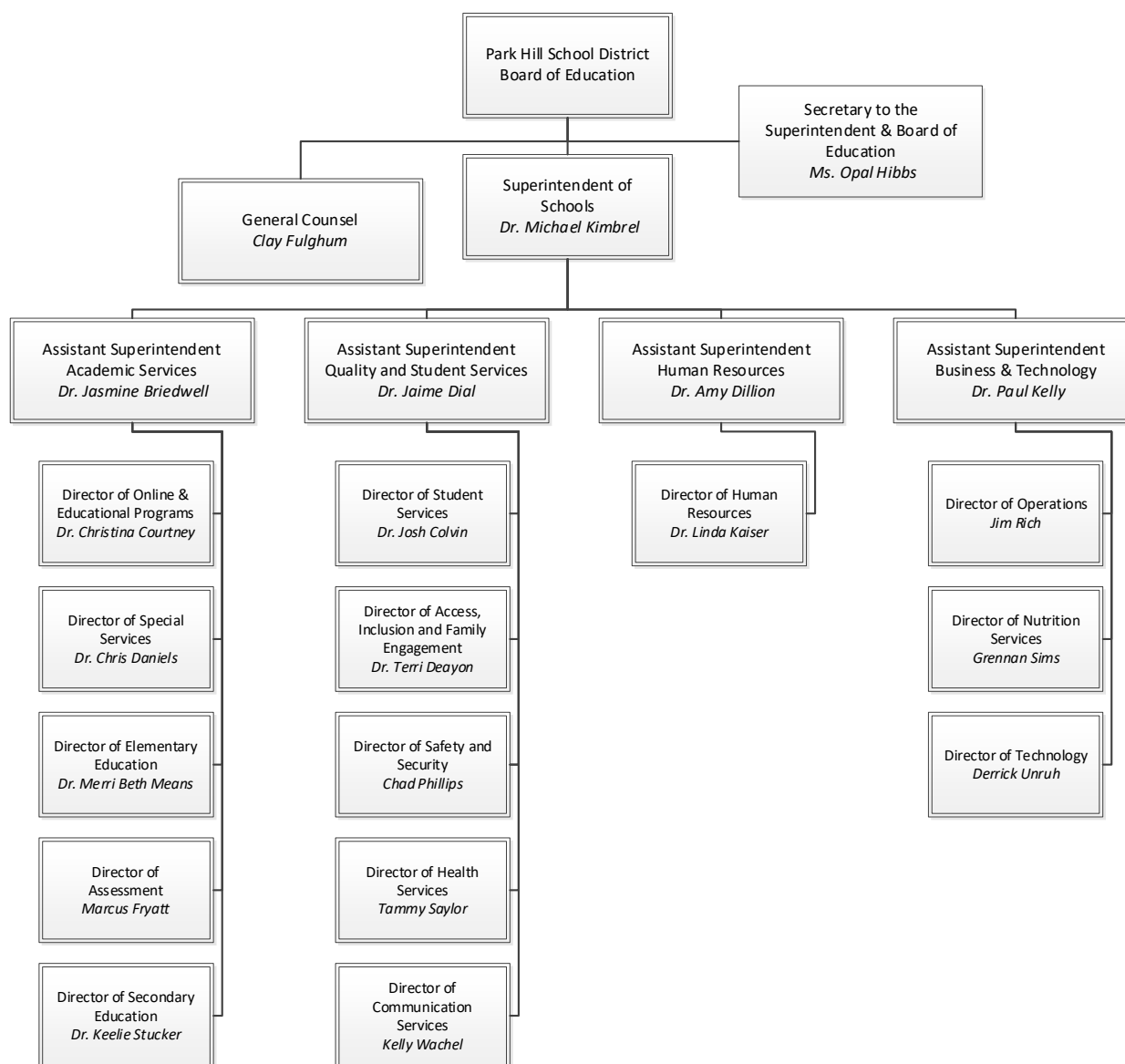
A listing of the current Board of Education follows; photographs are available on page 9.

Name	Position	Term Ends
Janice Bolin	President and Member	2023
Kimberlee Ried	Vice President and Member	2024
Brandy Woodley	Treasurer and Member	2024
Shereka Barnes	Member	2025
Bart Klein	Member	2023
Scott Monsees	Member	2023
Daryl Terwilleger	Member	2025
Opal Hibbs	Board Secretary	2023

ADMINISTRATIVE STAFF

The Board of Education appoints the superintendent of schools, who is the chief administrative officer of the district responsible for carrying out the policies set by the board. Additional members of the administrative staff are appointed by the Board of Education upon recommendation by the superintendent.

The organizational structure for the district operations effective July 1, 2022, appears below. This organizational chart lists the district level administrative staff by position and title.



MISSION AND GOALS OF THE ORGANIZATION

MISSION, VISION, AND VALUES

Park Hill School District’s culture of high expectations and continuous improvement is guided by the tenets of a professional learning community with a shared vision, mission, and values. The district focuses upon identified strategic focus areas and articulated goals within a five-year strategic plan that are aligned with student and stakeholder requirements/expectations. Staff members utilize collective inquiry, collaborative teams, and an action orientation to accomplish the goals of the district.

The Board of Education and senior leaders have defined the vision, mission, and values of the school district.

The vision of the district is:

Building Successful Futures • Each Student • Every Day

The mission is:

Through the expertise of an engaged staff, the Park Hill School District provides a relevant education in a safe, caring environment to prepare each student for success in life.

These are the values of the district:

**Student Focus
Integrity
High Expectations
Continuous Improvement
Visionary Leadership
Equity**

The Missouri DESE requires a five-year strategic plan for each public school district in Missouri. These plans are called Comprehensive School Improvement Plans (CSIPs). The current five-year plan was adopted by the Board of Education in Spring 2018 with goals, objectives, and actions to take place through the 2022–2023 school year. The goals of the 2018–2023 CSIP are monitored biannually by the Board of Education with revisions occurring because of input from the CSIP team based on results or progress toward goals.

The 2018–2023 CSIP (strategic planning) process included a review of the current vision, mission, values, and strategic perspectives of the Park Hill School District; a review of stakeholders’ needs and expectations; an evaluation of current performance; an examination of environmental shifts; a strengths, weaknesses, opportunities, and threats (SWOT) analysis; the articulation of strategic focus area goals and objectives; and the completion of district action plans to achieve the goals and objectives.

STRATEGIC PERSPECTIVES

During the 2016–2017 academic year, the Park Hill School District administered the Key Requirements Survey to parents, students, and stakeholders. Survey participants were asked about a variety of items and how critical they were for the school to provide. Participants could respond whether they thought the item was critical, very important, important, or nice to have. Respondents were then asked to prioritize and choose their first choice, second choice, and third choice in order of importance.

The Board of Education also participated in a similar process to identify key requirements they felt were important for the district to consider and include in the CSIP.

Additionally, feedback from school personnel, the Platte County Economic Development Council, the National Association for College Admissions Counseling, and the Regional Workforce Intelligence Network of Greater Kansas City survey results of soft skills and workplace competencies were used to identify key student and stakeholder needs. Following the identification of key student and stakeholder needs, the superintendent’s cabinet (superintendent and assistant superintendents) articulated key performance indicators.

The Park Hill School District Balanced Scorecard tracks key performance indicators and associated measures in the following strategic perspectives:

Group	Key Requirements
Students (customer)	Provide a Safe Environment Readiness Respectful Environment Caring Environment
Parents (customer)	Safe and Orderly Environment Well-Qualified Teachers Caring Environment Readiness
Stakeholders	Well-Qualified Teachers Safe and Orderly Environment Caring Environment Financial Responsibility and Integrity

Following the identification of organizationally wide goal areas, teams identified a variety of activities that could be utilized to accomplish the objectives. An effort/benefit matrix and other forced-choice ranking processes were used to prioritize each activity based on the benefit provided and the effort (people, time, and money) needed to accomplish the activity. This process of prioritization enhances the district’s long-term organizational stability and ability to execute the strategic plan.

STRATEGIC ADVANTAGES

- Strong Financial Condition
- Continuous Improvement
- Culture High Expectations
- Academic Performance
- Well-Qualified Staff

- Engaged Staff
- Rigorous Curriculum
- Community Support

In previous versions of the CSIP, strategic focus areas were determined (Financial – Academic – Climate – Employee) with goals and objectives for each. Using a Strength, Weakness, Opportunity, Threat (SWOT) analysis, strategic advantages, and strategic challenges, the team moved to a more integrated model. Thus, all strategic perspectives are working on the same organizationally wide goals. Further, this was built on the integration of the vision statement: Building Successful Futures · Each Student · Every Day.

ACTION PLANS

Each district action plan includes the following element:

- Park Hill CSIP Goal: Organizational-wide goal
- Objective: A measurable indicator of progress (specific, measurable, attainable, realistic, and timely).
- Annual Targets: Benchmarks used to gauge annual progress
- Description of Strategy: A succinct description of why the proposed actions/activities are relevant
- Completion Date: The date the action/activity is scheduled to be completed
- Description of Action/Activity (Long- and Short-Term): A succinct statement of an action/activity used to enhance the identified objective

MAJOR GOALS AND OBJECTIVES

Goals of the 2018–2023 CSIP have been identified as follows:

COLLEGE, CAREER, and LIFE READINESS: All students will graduate college, career, and life ready.

ACCESS and OPPORTUNITY: Ensure success for all students, regardless of background.

KEYS TO EXCELLENCE: Park Hill School District will leverage its Keys to Excellence for sustainability into the future.

Objectives, annual targets, description of strategies, completion dates, and descriptions of action and activities are detailed within the CSIP posted and updated on the district’s website at <https://www.parkhill.k12.mo.us/>.

FINANCIAL GOALS AND OBJECTIVES

The 2018–2023 CSIP includes the following financial and resource strategies that directly support the organization-wide goals of the district. The financial strategies are highlighted here. (Other non-financial strategies have not been detailed in this list which causes the numbering of the strategies to appear incomplete.)

1.0. GOAL. Each student will graduate college, career, and life ready.

1.1. OBJECTIVE. 80% of Park Hill students will meet readiness benchmarks as measured by the College and Career Readiness (CCR) Index.

1.1.6. ORGANIZATIONAL STRATEGY. Ensure adequate resources and evaluate cost/return on investment (ROI) to assure students are college, career, and life ready.

1.2. OBJECTIVE. Park Hill students will meet Social Emotional Learning (SEL) benchmarks as measured by the SEL Index.

1.2.4. ORGANIZATIONAL STRATEGY. Ensure adequate resources and evaluate cost/ROI to assure students have afforded mental health supports to promote college, career, and life readiness.

1.3. OBJECTIVE. 80% of Park Hill students will be proficient or advanced on the 21st Century Skills Assessment.

1.3.6. ORGANIZATIONAL STRATEGY. Ensure adequate resources and evaluate cost/ROI to assure students are afforded 21st Century/Professional skills to promote college, career, and life readiness.

2.0. GOAL. Ensure success for all students, regardless of background.

2.1. OBJECTIVE. Decrease the access and opportunity gap as measured by the Access and Opportunity Index.

1.2.4. ORGANIZATIONAL STRATEGY. Ensure adequate resources and evaluate cost/ROI to assure students in every demographic group have access and opportunity.

2.2. OBJECTIVE. Decrease the CCR Index gap between student demographic groups to 15%.

2.2.8. ORGANIZATIONAL STRATEGY. Ensure adequate resources and evaluate cost/ROI to assure students in every demographic group are college, career, and life ready.

3.0 GOAL. Park Hill School District will leverage its Keys to Excellence for sustainability into the future.

3.4. OBJECTIVE. Strategic resource allocation.

3.4.1. ORGANIZATIONAL STRATEGY. Facility planning through deployment of the long-range facility plan and annual capital improvement plan.

The capital improvement plan is detailed on page 128 of this budget document.

The district's CSIP and the goals, objectives, and activities within it serve as the foundation for the financial budget document. As evidenced within the district's values and goals, the Park Hill School District has created an expectation of continuous improvement throughout the organization; improvement is expected from individual students, classrooms, schools, programs/departments, and the district via a comprehensive evaluation and improvement planning process. Funds are included to support the work necessary to review and enhance school and program improvement plans, school-site allocations, and professional development needs.

FIDUCIARY AND BUDGETARY GOALS

The Financial Focus Area Collaborative Team (FACT) has developed the District Financial Scorecard (DFS) to track 12 key financial measures outlined in the CSIP on a biannual basis. The DFS is a management tool to guide the actions of the FACT toward the targets established by the Board of Education and FACT team representatives.

A snapshot of the DFS appears on the following page with quantitative scores and targets assigned to 12 criteria.

Park Hill School District Financial Scorecard (January, 2022)

ID	Metric	Frequency	Last Update	Target Minimum	Target Maximum	Status	Score	Value
1	Debt Management	Annual/September	7/1/2021	0% of Legal Limit	< 90% of Legal Limit	✓	48.1%	1.0/1.0
2	Operating Fund Balance	Annual/September	7/1/2021	18% of prior year operating expenditures	22% of prior year operating expenditures	✓	21.9%	1.0/1.0
3	Unrestricted Capital Fund Balance	Annual/September	7/1/2021	65% of the Average of Prior 3-Year Actual Fund 4 Expenditures	85% of the Average of Prior 3-Year Actual Fund 4 Expenditures	✓	83.8%	1.0/1.0
4	Operating Revenue (Actual to Budget)	Annual/September	6/30/2021	> 97.5% of budgeted	< 102.5% of budgeted revenue	✓	99.3%	1.0/1.0
5	Budgeted Expenditures (Actual to Budget) (No Amendments) (All PHSD Funds)	Annual/September	6/30/2021	Scoring matrix of 15/20 measures	Scoring matrix of 20/20 measures	✓	18/20	1.0/1.0
6	Cash Flow (December 31)	Annual/March	12/31/2022	10% of July 1 Operating Balance	60% of July 1 Operating Balance	✓	41.5%	1.0/1.0
7	Expenditure to Budget Ratios	Annual/September	6/30/2021	Scoring matrix of 12/16 measures	Scoring matrix of 16/16 measures	✓	15/16	1.0/1.0
8	Bond/Credit Rating	Annual/March	10/1/2021	Moody's Aa3 S&P AA-	Moody's Aaa S&P AAA	✓	S&P AA+ & AA Underlying	1.0/1.0
9	Audit Findings	Annual/March	11/1/2021	No repeated audit findings	No repeated audit findings	✓	0	1.0/1.0
10	Value (Tax Levy Rank)	Annual/March	10/1/2021	Low Third of 12 KC Suburban School District	Middle third of 12 KC Suburban Districts	✓	10/12	1.0/1.0
11	3 Year Projected Operating Fund Balance (2023-2024)	Annual/September	7/1/2021	18% of prior year operating expenditures	22% of prior year operating expenditures	✓	18.0%	1.0/1.0
12	3 Year Projected Capital Fund Balance (2023-2024)	Annual/September	7/1/2021	65% of the Average of Prior 3-Year Actual Fund 4 Expenditures	85% of the Average of Prior 3-Year Actual Fund 4 Expenditures	✓	69.9%	1.0/1.0

SCORECARD TOTAL 12.0/12
100.0%

GOAL COSTS

During the budget review process, budget leaders may request additional allocations or a change in allocation, if necessary, to support the goals and vision of the school and school district. The requests are reviewed by district senior leaders and may become integrated into “budget assumptions” in the winter of each school year. The budget assumptions are presented to the Board of Education as a roadmap for the development of the next fiscal year’s budget.

Through the spring of each year, budget assumptions become integrated into the financial and staffing plans and are detailed within the district’s budget system. This budget is presented to the Board of Education periodically through the spring to ensure board support of the district’s direction and match with the mission of the school district. The board is asked to officially approve the next fiscal year’s budget at the last public board meeting in June of each year.

DISTRICT OPERATING EXPENDITURES BY FUNCTION

Because the district’s goals and activities are integrated into the daily work of all staff and are embedded throughout the curriculum, the district does not track costs by CSIP goal. In lieu of goal costs, the table below depicts the district’s budgeted operating expenditures by function and the percentage of these expenditures relative to the overall operating expenditure budget. A function describes the activity for which a service or material object is acquired and serves as a proxy for costing goals for the school district.

DISTRICT FUNCTION	BUDGET 2022-2023	% OF OPERATING EXPENDITURES
1000 - Instruction	93,397,118	46.0%
1100 - Regular Programs	66,789,689	32.9%
1200 - Special Programs	20,353,069	10.0%
1300 - Career Education Programs	175,562	0.1%
1400 - Student Activities	4,890,878	2.4%
1900 - Tuition to Other Districts	1,187,920	0.6%
2000 - Support Services	104,507,395	51.5%
2100 - Support Services -Pupils	12,568,958	6.2%
2200 - Support Services -Instructional Staff	6,270,589	3.1%
2300 - Support Services -General Administration	21,701,414	10.7%
2400 - Support Services –Building Level Administration	10,619,569	5.2%
2500 - Business Support Services	49,184,736	24.2%
2600 - Support Services -Central Office	3,860,030	1.9%
2900 - Other Supporting Services	302,099	0.1%
3000 - Community Services	5,012,818	2.5%
3100 - Community Services	616,673	0.3%
3200 - Community Recreation Services	310,559	0.2%
3500 - Early Childhood Program	2,316,565	1.1%
3700 - Non-Public School Pupils’ Services	18,856	0.0%
3800 - Custody and Care of Children Services and Afterschool Academic Instruction	1,684,330	0.8%
3900 - Other Community Services	65,835	0.0%

DISTRICT FUNCTION	BUDGET 2022-2023	% OF OPERATING EXPENDITURES
4000 - Facilities Acquisition and Construction Services	150,001	0.1%
TOTAL	203,067,332	100.0%

SIGNIFICANT BUDGET AND FINANCIAL COMPONENTS

BUDGET POLICIES AND PROCEDURES

The Park Hill School District Board of Education has adopted the policies that govern the financial management of the school district. These policies are modeled after the Missouri School Board Association's policy manual and are reviewed and edited by the district policy committee prior to review by the Board of Education. Each policy and corresponding regulations and forms can be viewed by the public by accessing the district web site at <https://boepublic.parkhill.k12.mo.us/>.

CODE	POLICY TITLE
DA	Fiscal Responsibility
DB	Annual Budget
DBB	Fiscal Year
DC	Taxing and Borrowing Authority/Limitations
DCB	Political Campaigns
DD	Grants
DEA	Revenue from Tax Sources
DFA	Revenue from Investments/Use of Surplus Funds
DG	Depository of Funds
DGA	Authorized Signatures
DH	Bonded Employees and Officers
DI	Fiscal Accounting and Reporting/Accounting System
DIE	Audits
DJB	Petty Cash Accounts
DJF	Purchasing
DJFA	Federal Programs and Projects
DK	Payment Process
DLB	Salary Deductions
DLC	Expense Reimbursements
DLCA	Travel Expenses
DN	Surplus District Property

Policies are updated by the district policy committee and Board of Education on a regular basis. Specific budget policies are provided below; any changes and corresponding regulations can be accessed via the school district website at <https://boepublic.parkhill.k12.mo.us/>.

BOARD POLICY DB – ANNUAL BUDGET

One of the primary responsibilities of the Park Hill Board of Education is to secure adequate funds to conduct a quality program of education in the school district. The annual school budget represents a written document presenting the board's plan for allocation of the available financial resources into an explicit expenditure plan to sustain and improve the educational function of the school district. It is a legal document describing the programs to be conducted during the fiscal year and is the basis for the establishment of tax rates for the district.

The planning and preparation of the budget is an ongoing process. It must involve a number of people who have knowledge of the educational needs of the community and who can provide accurate data in regard to the financial potential of the district. Members of the board, citizens, students, and professional and support staff members should be involved in the planning process, which culminates in the preparation of the budget document. The superintendent will establish procedures that seek input from the appropriate people on budgetary needs and who consider the priorities established by the board.

The board designates the superintendent to serve as the budget officer of the district. As budget officer, the superintendent will direct the planning and preparation of the budget and will submit it to the board for approval. The superintendent will present a tentative budget proposal to the board for the following year and will present the final budget proposal before the new fiscal year begins, as provided by law.

The board may revise the items contained therein and will, at that meeting, adopt the portion of the budget dealing with the salary schedule and the needed tax rate for the district. Should the adopted budget require an increase in the tax levy rate above the authorized level that the board may levy, the tax levy rate increase shall be presented to the voters for approval. The budget shall be appropriately adjusted if the voters fail to pass the tax levy rate increase. The board will conduct at least one public hearing regarding the proposed budget and taxation rate. The annual budget document shall present a completed financial plan for the ensuing fiscal year and shall include at least the following statutory requirements:

- A budget message describing the important features of the budget and major changes from the preceding year.
- Estimated revenues to be received from all sources for the fiscal year, with a comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, and source
- Proposed expenditures for each department, office, and other classification for the fiscal year, with a comparative statement of actual or estimated expenditures for the two years preceding, itemized by year, fund, activity, and object
- The amount required for the payment of interest, amortization, and redemption charges on the debt of the school district
- A general budget summary

In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unassigned balance or less any deficit estimated for the beginning of the fiscal year. Upon the recommendation of the superintendent, the board will approve a system of internal accounting to ensure proper financial accounting of revenues and expenditures.

The adopted budget of the Park Hill School District serves as the control to direct and limit expenditures in the district. Overall responsibility for assuring control rests with the superintendent, who will establish procedures for budget control and reporting throughout the district.

The total amounts that may be expended during the fiscal year for the operation of the school district are set forth in the budget. The total budgeted expenditure for each program is the maximum amount that may be expended for that classification of expenditures during the school year unless a budget transfer is recommended by the superintendent and is approved by the board.

The board will review the financial condition of the district monthly and shall require the superintendent to prepare a monthly reconciliation statement. This statement shows the amount expended during the month, total (to date) for the fiscal year, receipts, and remaining balances in each fund. This statement is used as a guide for projected purchasing and as a guide for budget transfers.

During the fiscal year, the superintendent or their designee may transfer any unassigned balance or portion thereof from the expenditure authorization of one account to another, subject to limitations provided by state laws and approval by the board.

All monies received by the school district shall be disbursed only for the purposes for which they are levied, collected, or received.

BOARD POLICY DBB – FISCAL YEAR

The fiscal year is defined as beginning annually on the first day of July and ending on June 30 of the following year.

The district treasurer shall not draw any check or issue any order for payment that is in excess of the income and unassigned revenue of the school district for the fiscal year beginning on the first day of July and ending on June 30 of the following year.

BOARD POLICY DI – FISCAL ACCOUNTING AND REPORTING/ACCOUNTING SYSTEM

The Park Hill School District's accounting system shall conform to requirements established by state statutes, regulations of the Missouri DESE, the current version of the Missouri Financial Accounting Manual, and statements issued by the Governmental Accounting Standards Board (GASB).

The superintendent or their designee shall be responsible for receiving and properly accounting for all funds of the school district and implementing the accounting system. As specified in state law, the Park Hill Board of Education shall establish funds for the accounting of all school monies in the district. The treasurer of the district shall open an account for each fund, and all monies received by the district shall be deposited in the appropriate fund account. All financial transactions shall be recorded in the revenue and expenditure records, and appropriate entries from the adopted budget shall be made in the records for the respective funds.

The board shall receive monthly financial statements from the superintendent or their designee that show the financial condition of the district. In addition, other financial statements determined necessary by either the board or the superintendent or their designee shall be presented to the board for review. The superintendent or their

designee shall also be responsible for pupil-related accounting and shall file enrollment, attendance, nutrition services, and transportation reports, as required by DESE.

REGULATIONS THAT GOVERN THE BUDGET PROCESS – MISSOURI SCHOOL FINANCE LAWS

STATE AID

The amount of state aid for school districts in Missouri has typically been calculated using a complex formula. The impact of Senate Bill (SB) 287 was to transition the state away from a local tax rate-based formula to a formula that is primarily student needs-based. The formula was phased in over a seven-year period, which began in the 2006–2007 fiscal year and ended with the 2012–2013 school year. Since the 2013–2014 school year, state aid has been calculated solely using the student needs-based formula.

PROPERTY TAX LEVY REQUIREMENTS

The sum of a district's local property tax levies in its *100 – General (Incidental) Fund* and *200 – Special Revenue (Teachers) Fund* must be at least \$2.75 per \$100 assessed valuation for the district to receive increases in state aid above the level of state aid it received in the 2005–2006 fiscal year. Levy rate reductions required as a result of a Hancock rollback will not affect a district's eligibility for state aid increases.

THE FORMULA

A district's state aid is determined by first multiplying the district's weighted average daily attendance (Weighted ADA) by the state adequacy target (State Adequacy Target). This figure may be adjusted upward by a dollar value modifier (DVM). The product of the Weighted ADA multiplied by the State Adequacy Target multiplied by the DVM is then reduced by a district's local effort (Local Effort) to calculate a district's final state aid amount. The state aid amount is distributed to the districts on a monthly basis.

WEIGHTED ADA

Weighted ADA is based on regular term ADA plus summer school ADA, with additional weight assigned in certain circumstances for students who qualify for free and reduced-price lunch (FRL), receive special education services Individualized Education Program (IEP), or possess Limited English language proficiency (LEP). These FRL, IEP, and LEP students are weighted to the extent they exceed certain thresholds (based on the percentage of students in each of the categories in certain high-performing districts (Performance Districts), and these thresholds can change every two years. For fiscal years 2017 and 2018, DESE has revised the thresholds downward as required under SB 586, which modified the definition of State Adequacy Target to require that a future recalculation of the State Adequacy Target never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018. This lowering of the thresholds means more FRL, IEP, and LEP students are included in Weighted ADA. The District's state aid revenues would be adversely affected by decreases in its Weighted ADA resulting from decreased enrollment generally and, specifically, decreased enrollment of FRL, IEP, and LEP students. For fiscal years 2019 and 2020 the State Adequacy Target has been recalculated, as discussed below.

STATE ADEQUACY TARGET

The State Aid formula requires DESE to calculate a State Adequacy Target, which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE's calculation of the State Adequacy Target is based on amounts spent, excluding federal and state transportation revenues, by Performance Districts. Every two years, using the most current list of Performance Districts, DESE will recalculate the State Adequacy Target. The recalculation can never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018 and any State Adequacy Target figure calculated subsequent to fiscal year 2018.

DOLLAR VALUE MODIFIER

The DVM is an index of the relative purchasing power of a dollar in different areas of the state. The DVM is calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.000. DESE revises the DVM for each district on an annual basis.

LOCAL EFFORT

For the 2006–2007 fiscal year, the Local Effort figure utilized in a district's state aid calculation was the amount of locally generated revenue that the district would have received in the 2004–2005 fiscal year if its operating levy rate were set at \$3.43. The \$3.43 amount is called the performance levy. For all years subsequent to the 2006–2007 fiscal year, a district's Local Effort amount has been frozen at the 2006–2007 amount, except for adjustments due to increased locally collected fines or decreased assessed valuation in the district. Growth in assessed valuation and operating rate increases will result in additional local revenue to the district without affecting state aid payments.

CATEGORICAL-SOURCE ADD-ONS

In addition to state aid distributed pursuant to the formula as described above, the formula provides for the distribution of certain categorical sources of state aid to school districts. These include (1) 75% of allowable transportation costs, (2) the vocational education entitlement, and (3) educational and screening program entitlements.

CLASSROOM TRUST FUND (GAMBLING REVENUE) DISTRIBUTION

A portion of the state aid received under the formula is in the form of a distribution from the Classroom Trust Fund, a fund in the state treasury containing a portion of the state's gambling revenues. This money is distributed to school districts on the basis of ADA (versus Weighted ADA, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and may be spent at the discretion of the local school district except that, beginning with the 2010–2011 fiscal year, all proceeds of the Classroom Trust Fund in excess of amounts received in the 2009–2010 fiscal year must be placed in the Teachers' or Incidental Funds. Classroom Trust Fund dollars do not increase the amount of state aid.

MANDATORY DEPOSIT AND EXPENDITURES OF CERTAIN AMOUNTS IN THE TEACHERS' FUND

The following state and local revenues must be deposited in the Teachers' Fund: (1) 75% of basic formula state aid, excluding state aid distributed from the Classroom Trust Fund (gambling revenues); (2) 75% of one-half of the district's local share of Proposition C revenues; (3) 100% of the career ladder state matching payments; and (4) 100% of local revenue from fines and escheats based on violations or abandoned property within the district's boundaries.

In addition to these mandatory deposits, school districts are also required to spend for certificated staff compensation and tuition expenditures each year the amounts described in clauses 1 and 2 of the preceding paragraph. Since the 2007–2008 fiscal year, school districts are further required to spend for certificated staff compensation and tuition expenditures each year, per the second preceding year's Weighted ADA, as much as was spent in the previous year from local and county tax revenues deposited in the Teachers' Fund plus the amount of any transfers from the Incidental Fund to the Teachers' Fund that are calculated to be local and county tax sources. This amount is to be determined by dividing local and county tax sources in the Incidental Fund by total revenue in the Incidental Fund. Commencing with the 2006–2007 fiscal year, the formula provides that certificated staff compensation now includes the costs of public-school retirement and Medicare for those staff members. These items were previously paid from the Incidental Fund.

Failure to satisfy the deposit and expenditure requirements applicable to the Teachers' Fund will result in a deduction of the amount of the expenditure shortfall from a district's basic formula state aid for the following year unless the district receives an exemption from the State Board of Education.

A school board may transfer any portion of the unassigned balance remaining in the Incidental Fund to the Teachers' Fund. Any district that uses a transfer from the Incidental Fund to pay for more than 25% of the annual certificated compensation obligation of the district and has an Incidental Fund balance on June 30 in any year in excess of 50% of the combined Incidental and Teachers' Fund expenditures for the fiscal year just ended is required to transfer the excess from the Incidental Fund to the Teachers' Fund.

LIMITED SOURCES OF FUNDS FOR CAPITAL EXPENDITURES

School districts may only pay for capital outlays from the Capital Projects Fund. Sources of revenues in the Capital Projects Fund are limited to (1) proceeds of general obligation bonds such as the bonds that are repaid from a Debt Service Fund levy and lease financings, (2) revenue from the school district's local property tax levy for the Capital Projects Fund, (3) certain permitted transfers from the Incidental Fund, and (4) a portion of the funds distributed to school districts from the Classroom Trust Fund.

CAPITAL PROJECTS FUND LEVY

Prior to setting tax rates for the Teachers' and Incidental Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except the tax rate set for the Capital Projects Fund may not be an amount that would result in the reduction of the equalized combined tax rates for the Teachers' and Incidental Funds to an amount below \$2.75.

TRANSFERS FROM THE INCIDENTAL FUND TO THE CAPITAL PROJECTS FUND

In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes, including (1) the amount to be expended for transportation equipment that is considered an allowable cost under the state Board of Education rules for transportation reimbursements during the current year; (2) the amount necessary to satisfy obligations of the Capital Projects Fund for state-approved area vocational-technical schools; (3) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (4) the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) \$162,326 or (b) 7% of the State Adequacy Target (which the DESE calculated at \$6,375 for 2019–2020 and \$6,375 for 2020–2021; but see "State Adequacy Target" above) times a school district's Weighted ADA.

TRANSFERS FROM INCIDENTAL FUND TO DEBT SERVICE FUND AND/OR CAPITAL PROJECTS FUND

If a school district is not using the 7% or the \$162,326 transfer discussed in parts (5)(a) and (5)(b) of the prior paragraph and is not making payments on lease purchases pursuant to Section 177.088, RSMo, then the school district may transfer from the Incidental Fund to the Debt Service and/or the Capital Projects Fund the greater of (1) the state aid received in the 2005-2006 school year as a result of no more than 18 cents of the sum of the Debt Service Fund levy and Capital Projects Fund levy used in the foundation formula and placed in the Capital Projects Fund or Debt Service Fund or (2) 5% of the State Adequacy Target (which the DESE calculated at \$6,375 for 2020–2021 and \$6,375 for 2021–2022; but see "State Adequacy Target" above) times the district's Weighted ADA. Because the district typically makes a transfer under the provision discussed in the prior paragraph, the district is not eligible to make a transfer under this provision during the 2020–2021 or 2021–2022 school year.

The 2022-2023 budget does not include a transfer made under this provision.

APPLICABLE FUND TYPES AND TITLES

Chapter 165, RSMo, provides that all school monies must be accounted for within a framework of four funds:

- 100 - Incidental Fund
- 200 - Teachers Fund
- 300 - Debt Service Fund
- 400 - Capital Projects Fund

GASB AND GAAP

The GASB statement of principle on fund accounting systems states, “Governmental accounting systems should be organized and operated on a fund basis.” A fund is an independent fiscal and accounting entity with its own assets, liabilities, and fund balance that are segregated to account for all financial transactions of specific activities of a local education agency’s (LEA’s) operations in accordance with special regulations, restrictions, or limitations. A fund type or account group may include many subfunds that are restricted in use to a specific phase of the activities. When subfunds are used, the revenue, expenditure, and fund balance accounts within the fund type are divided by subfund to provide the separate accountability necessary to comply with the legal requirements of the various subfunds. Effective accounting control of a subfund does not require use of separate bank accounts.

Under Missouri statutes and Generally Accepted Accounting Principles (GAAP), fund accounting does not require school districts to maintain separate bank accounts for each fund. However, Section 165.011, RSMo, requires the Debt Service Fund to be maintained in a separate bank account. Other funds’ accounting records must be constructed to demonstrate the propriety of segregated fund transactions.

In determining the number of funds appropriate for public school operations, the purposes and legal requirements of the various activities must be considered. GAAP recommends the minimum number of funds to be consistent with legal requirements because of the necessity of identifying expenditures with revenues for the various activities.

Through GASB, GAAP recognizes three types of funds: Governmental, Proprietary, and Fiduciary. Within the Governmental Funds are a General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund, and Permanent Fund.

In order to comply with GAAP, Missouri statutory funds are incorporated within this structure as follows:

Governmental Fund Types:

- General Fund
 - Incidental Fund
- Special Revenue Fund
 - Teachers Fund
- Debt Service Fund
- Capital Projects Fund
- Permanent Fund

Proprietary Fund Types are used to account for a government’s ongoing organizations and activities that are like businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis.

- School Nutrition Services (potentially)

Fiduciary Fund Types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

- Student Activities (potentially)
- Scholarship Funds

FUND DESCRIPTIONS

The General (Incidental) Fund is used to account for all financial resources except those required to be accounted for in another fund. This fund accounts for transactions involving local taxes; Foundation Program payments such as Basic Formula, Transportation, Early Childhood Special Education, Career Ladder, Educational Screening Entitlement/PAT, and Vocational/At-Risk; and various other transactions associated with federal projects.

The Special Revenue (Teachers) Fund is used to account for revenue sources legally restricted to expenditures for the purpose of teachers' salaries and benefits and tuition payments to other school districts.

The Capital Projects Fund is used to account for all facility acquisition, construction, lease purchase principal, and interest payments and other capital outlay expenditures.

Expenditures for ordinary repairs to school property will not be made from the Capital Projects Fund. Capital expenditures are defined as expenses paid or incurred for the acquisition or repair of assets that will remain useful for more than one year. Examples of these expenditures would be the cost of acquisition, construction, or erection of buildings; remodeling or reconstruction of buildings and the furnishing thereof; and similar property having a useful life substantially beyond the current fiscal year. Expenses in this fund shall be capitalized, and Internal Revenue Service guidelines are used to determine the appropriateness of specific expense items in the Capital Projects Fund.

Examples of expenditures not allowed to be paid from the Capital Projects Fund include the costs of mending leaks, painting, plastering, custodian salaries, maintenance supplies, and employee benefits.

Revenue placed in the Capital Projects Fund may come from the following sources:

- Tax rate set in the Capital Projects Fund
- Money received from Basic Formula Classroom Trust Fund
- Bond sale proceeds
- Net insurance recoupment for a capital loss
- Money received from the sale of capital assets including real estate, schoolhouses, other buildings, furniture, and equipment
- Interfund transfers
- Money received from any other source for buildings, equipment, lease purchase obligations, or other capital purposes

The Debt Service Fund is used to account for the resources accumulated for and the payment of long-term debt. Amounts in the Debt Service Fund are generated from the Debt Service Fund tax levy and are used solely to retire bonded debt. While paying agent fees is always a legitimate expense of the Debt Service Fund, other expenses

associated with the issuance of bonds are paid from the various funds (depending on whether the bond issue is a new issue or a refunding issue).

The following bond-related fees may be paid from either the Capital Projects Fund or the General (Incidental) Fund for a new bond issue. For a refunding general obligation bond issue, these fees may be paid from the General (Incidental) Fund (bond proceeds may not be placed in the General [Incidental] Fund) or from the refunding bond proceeds in the Debt Service Fund per Section 108.140, RSMo:

- Bonding attorney costs
- Costs of bond sales
- Registration fees
- Bond printing costs
- Other costs associated with issuing the bonds

A Fiduciary (Student Activities) Fund is used to account for monies held by the LEA in a trustee capacity for individual student groups. The school board is responsible for all student activity funds in the district. The primary criterion for determining how these funds should be classified should be “Who determines how the money is spent?” Thus, athletic funds would generally be classified as governmental funds, while funds for clubs and class activities would generally be included in fiduciary funds. Any student activity funds classified as governmental funds should be budgeted and controlled in the same manner as other governmental funds. To generate useful and complete management information for use at the local level, the number of subfunds should be limited where possible. The number of subfunds a school district may use is not restricted to the funds specified. School districts may utilize more funds than the minimum outlined above for local accounting requirements or to comply with GAAP. State reporting will typically consolidate these other funds into the General (Incidental) Fund for year-end reporting purposes. Examples of these subfunds include the School Food Service Fund and Student Activities Fund. School administrators and other personnel assigned duties pertaining to school finance should become familiar with Chapter 165, RSMo.

The multiple fund-type system should be operated as a centralized system even though the financial transactions are recorded in separate funds. Although the identity of the assets making up each subfund is kept separate and distinct, only one system of books is needed to account for all fund types. It is important to remember that a fund is not synonymous with a bank account.

FUND CODING

The overall account code structure is designed to standardize account coding across all district/charter schools. It creates a common language for use in controlling, recording, accumulating, and reporting the activities of the school districts/charter schools and allows for a common uniform record system to allow reporting of financial data in the Annual Secretary of the Board Report (ASBR).

The prescribed manner to numerically code funds follows:

100 - General (Incidental) Fund. The purpose of this fund is to account for all transactions having to do with the operations of the school district’s/charter schools’ regular programs, except those required to be accounted for in another fund.

200 - Special Revenue (Teachers) Fund. The purpose of this fund is to account for revenue sources legally restricted for expenditures for salaries and benefits for teachers and tuition payments to other districts/charter schools, private schools, etc.

300 - Debt Service Fund. The purpose of this fund is to account for all transactions affecting the value of the unpaid principal of bond issues, value of cash on deposit in the fund, the value of any temporary investments, the amount of current interest, and principal requirements of long-term debt and paying agent fees.

400 - Capital Projects Fund. The purpose of this fund is to account for all facility acquisition, construction, lease purchase principal, and interest payments as well as all other capital outlay expenditures.

INTERFUND TRANSACTIONS (TRANSFERS)

An area of special concern in a multiple fund system is the interfund transactions that necessarily result in such a system. Five important principles should be observed in relation to interfund transactions:

- Interfund transactions should be limited.
- Interfund payables and receivables should not be built up when there is no intent or ability to settle such interfund obligations.
- Interfund transactions between two or more funds must be recorded by a balanced entry to each fund. Because each subfund is a separate set of balanced accounts, a debit to an account of one subfund cannot be balanced by a credit to an account of another subfund. In cases where two funds owe each other money, the receivable and payable within each fund should not be offset without more entries to both subfunds to remove the full amount of the payables and receivables from the statements.
- Interfund receivables and payables should not be viewed in the same manner as a receivable due from or to a source external to the LEA. The collection of the receivable from or payment of the payable to another subfund will not improve the overall cash position of the LEA.
- Interfund transactions are limited to those set forth in Section 165.011, RSMo, and the Missouri DESE administrative policy. These are the allowed transfers:
 - Teachers Fund
 - Debt Service Balance
 - Transportation Calculated Cost
 - Area Vocational-Technical Schools
 - Grant Match
 - Department of Natural Resources (DNR) Energy Conservation Loan
 - Food Services
 - Student Activities
 - \$162,326 or 7% x SAT x WADA
 - Capital Projects Fund Interest
 - Unspent Bond Proceeds
 - Capital Projects Committed Funds
 - FY06 Designated Levy or 5% SAT x WADA
 - Lease Purchase Prior to January 1, 1997
 - Guaranteed Energy Performance Savings Contract
 - Excess Incidental Fund Balance

OTHER REQUIREMENTS

Chapter 162, RSMo, pertains to school districts in general but specifically deals with the following:

- Duties of the secretary and the treasurer of a Board of Education
- Bonding requirements for the secretary and the treasurer
- Reporting requirements for the treasurer and the secretary
- Compensation for the treasurer and the secretary
- Requirements for providing special educational services

Chapter 163, RSMo, pertains to issues relating to the calculation of state aid (definitions, requirements, eligibility, categorical, hold harmless, federal lands, Division of Youth Services) as well as correction of apportionment errors, Proposition C, transportation aid, and minimum teacher salary. This chapter has a significant impact upon the fiscal affairs of a school district.

Chapter 164, RSMo, also has a great impact on school finance. Legal limitations of tax levies for operation of educational programs, requirements for voting levies, duties of district personnel concerning bond elections, limitations placed upon districts concerning maximum amount of bonded indebtedness, and various requirements concerning the issuance of revenue bonds, all of which have major implications for the fiscal operations of public schools, are delineated.

PARK HILL SCHOOL DISTRICT FUNDS AND SUBFUNDS

The Park Hill School District accounts for revenues and expenditures in eight specific subfunds, which collapse into the four major funds listed below. The fund names and their numeric codes used within district accounting reports are described below:

100 - General (Incidental) Fund

- **Subfund 101 - Operating.** This subfund comprises the bulk of the school district/charter school revenues and expenditures in the General (Incidental) Fund and includes all transactions not addressed within one of the separate subfunds. This subfund is merged with the *100 - General (Incidental) Fund* for state reporting purposes.
- **Subfund 105 - Student Activities.** This is an interim fund only and includes all student activity transactions not identified in other funds and all athletic activities that are not a part of the regular instructional program. This subfund is merged with the *100 - General (Incidental) Fund* for state reporting purposes.
- **Subfund 107 - Food Service.** This fund is an interim fund only for those districts/charter schools operating a federally funded school lunch program consisting of local meal receipts, state matching money, and federal food service funds. This is an enterprise activity with a unique set of general ledger accounts designed to determine profit and loss in a manner like commercial enterprises. This fund may require support from the General (Incidental) Fund. This subfund is merged with the *100 - General (Incidental) Fund* for state reporting purposes.
- **Subfund 111 - Community Services.** This is an enterprise activity with a unique set of general ledger accounts designed to determine profit and loss in a manner like commercial enterprises. The Park Hill School District uses this fund to track activity of the preschool program, school-aged childcare, community education, and activities associated with the District Aquatic Center (natatorium). This fund

may require support from the General (Incidental) Fund. This subfund is merged with the *100 - General (Incidental) Fund* for state reporting purposes.

200 - Special Revenue (Teachers) Fund

- **Subfund 202 - Special Revenue (Teachers).** The purpose of this subfund is to account for revenue sources legally restricted for expenditures for salaries and benefits for teachers and tuition payments to other districts/charter schools, private schools, etc. This fund is merged with the *200 - Special Revenue (Teachers) Fund* for state reporting purposes.

300 - Debt Service Fund

- **Subfund 303 - Debt Service.** The purpose of this subfund is to account for all transactions affecting the value of the unpaid principal of bond issues, value of cash on deposit in the fund, the value of any temporary investments, the amount of current interest and principal requirements of long-term debt and paying agent fees. This fund is merged with the *300 - Debt Service Fund* for state reporting purposes.

400 - Capital Projects Fund

- **Subfund 404 - Regular Capital Outlay.** This subfund comprises the bulk of a school district's/charter schools' annual capital outlay transactions, whether for routine capital outlay purchases, lease purchase principal and interest payments, or facility acquisition and construction paid from annual revenues and/or fund balances. This fund is merged with the *400 - Capital Projects Fund* for state reporting purposes.
- **Subfund 408 - Bond Proceeds' Capital Outlay.** This subfund comprises a school district's capital outlay expenditures paid for with proceeds from the sale of bonds. This fund is merged with the *400 - Capital Projects Fund* for state reporting purposes.

OPERATING BUDGET

Of the subfunds, only the following allow the district flexibility to control revenue and expenditures and are grouped together throughout this document and labeled as operating funds and as a part of the operating budget.

- Subfund 101 - Operating
- Subfund 105 - Student Activities
- Subfund 107 - Food Service
- Subfund 111 - Community Services
- Subfund 202 - Special Revenue (Teachers)
- Subfund 404 - Regular Capital Outlay

TOTAL BUDGET

All subfunds are included when the district reports total funds, total expenditures, total revenue, and total budget.

CLASSIFICATION OF REVENUES AND EXPENDITURES

REVENUES

District revenues are received by fund and are also reported by fund and by source. Revenue sources include local, county, state, federal, and other or non-current sources. Account codes are used to uniquely identify each revenue by its source.

SOURCES OF REVENUE

The district finances its operations through the local property tax levy, state sales tax, state aid (as defined below), federal grant programs, and miscellaneous sources, including, without limitation, state aid for transportation, a state sales tax on cigarettes, and a pro rata share of interest income from the counties in which each school district operates. Debt service on general obligation bonds is paid from amounts in the district's Debt Service Fund. The primary source of money in the Debt Service Fund is local property taxes derived from a debt service levy. As discussed below, the Debt Service Fund may, however, also contain money derived from transfers from the Incidental Fund, from state aid in the Classroom Trust Fund, and from certain other taxes or payments in lieu of taxes that may be placed in the Debt Service Fund at the discretion of the Board.

State and federal revenue as well as Proposition C sales tax revenue (included in the Local Revenue), are received on a continuous monthly basis throughout the fiscal year. Local taxes, however, are received primarily in January, more than six months into a district's fiscal year. Districts that receive a smaller percentage of revenue from state and federal aid and depend more on local revenues will typically carry a larger fund balance than other districts that may be receiving a larger percent of its revenue from state and federal aid amounts rather than local taxes.

LOCAL REVENUE

The primary sources of local revenue are (1) taxes on real and personal property within a district, excluding railroad and utility property taxes, which are more fully described below, and (2) receipts from a 1% state sales tax (commonly referred to as "Proposition C revenues") approved by the voters in 1982.

Proposition C revenues are deemed to be local revenues for school district accounting purposes.

COUNTY REVENUE

For school taxation purposes, all state-assessed railroad and utility property within a county is taxed uniformly at a rate determined by averaging the tax rates of all school districts in the county. No determination is made of the assessed value of the railroad and utility property that is physically located within the boundaries of each school district. Such tax collections for each county are distributed to the school districts within that county according to a formula based in part on total student enrollments in each district and in part on the taxes levied by each district. County revenue also includes certain fines and forfeitures collected with respect to violations within the boundaries of the school district.

STATE REVENUE

The primary source of state revenue or state aid is provided under a formula enacted under Chapter 163, RSMo. In its 2005 regular session, the Missouri General Assembly approved significant changes to the formula by adoption of SB 287, which became effective July 1, 2006.

FEDERAL REVENUE

School districts receive certain grants and other revenue from the federal government that are required to be used for the specified purposes of the grant or funding program.

The federal No Child Left Behind law required that every public-school student must score at a proficient level or higher in math and reading by 2014. Each state establishes its own proficiency levels. Federal sanctions for school districts that fail to meet established proficiency standards include providing parents and students from underperforming schools within a district the right to request a transfer to a school within the district that meets proficiency standards. In addition, schools that continue to fail to meet proficiency standards must, in addition to transfers and tutoring, make additional changes in staffing, curriculum, and management. Federal sanctions apply only to public schools that receive Title I federal money.

In July of 2012, the State earned a waiver from the No Child Left Behind law when the United States Department of Education (DOE) approved the State's proposed accountability system, aimed at replacing the existing accountability measures of the No Child Left Behind law. This waiver expired August 1, 2016. The State's proposed system, Top 10 by 20, outlines a plan for the State to be in the top 10 states by 2020, with a focus on students becoming college and career ready by graduation.

The federal Every Student Succeeds Act (ESSA), which replaced the No Child Left Behind Act, was signed into law on December 10, 2015. Each state education agency must develop a state accountability plan (ESSA Plan) that incorporates testing based on challenging academic standards. The ESSA Plans were to be submitted to the DOE by either April 3 or September 18, 2017. Under ESSA, states can decide how much weight to give standardized tests in their accountability systems and determine what consequences, if any, should attach to poor performance. However, at least 95% of eligible students are required to take the state-chosen standardized test and federal funding can be withheld if states fall below the 95% threshold. The transition to new ESSA Plans began during the 2016–2017 school year, with full implementation expected in the 2018–2019 school year after a state's ESSA Plan was approved by the DOE. If a state's ESSA Plan was not approved prior to the 2018–2019 school year, that state was permitted to delay implementation of certain aspects of the ESSA Plan until the 2019–2020 school year.

The State of Missouri designed an accountability system that met the parameters outlined in ESSA. The State of Missouri planned to submit its plan to the DOE by the September 18, 2017, deadline. Under ESSA, the State will continue to test students through the Missouri Assessment Program (MAP).

OTHER/NON-CURRENT REVENUE SOURCES

The primary sources of non-current revenue are (1) the sale of bonds, (2) compensation or insurance recoveries for loss of school property, and (3) the sale of property.

EXPENDITURES

Expenditures are approved by the Board of Education by fund and are reported by fund, function, object, and operational unit. Expenditures by function describe the action, purpose, or program in which activities are performed, such as special education services. An expenditure's object identifies the service or commodity obtained, such as salaries, employee benefits, purchased services, supplies, or capital projects. Expenditure units are used to identify the program or school in which the expenditure is being made and approved.

Unique account codes are established to identify funds, functions, objects, and units within the district accounting system.

FUND BALANCE POLICIES

Financial statements prepared for school districts include the General/Incidental Fund, Special Revenue Fund, Debt Service Fund, and the Capital Projects Fund.

100 - GENERAL/INCIDENTAL FUND BALANCE

The General/Incidental and Special Revenue Funds are used for the day-to-day operation of the school district. The combined fund balance carried in these funds is the primary indicator of a district's financial viability and stability. Fund balances will appropriately fluctuate based on an individual school district's primary source of revenue. Some school districts receive 70% of their revenue from state and federal sources and 30% from local sources. Other districts are just the reverse, with 70% from local sources and 30% from state and federal sources. Because state and federal revenues are received on a monthly basis throughout the fiscal year and local taxes are received primarily in January, the timing of a district's receipts is important when evaluating its fund balance. According to state law, a school district shall not issue a check unless there is sufficient money in the treasury and in the proper fund (Section 165.021(4), RSMo). At a minimum, a school district should carry a combined fund balance in the General/Incidental and Special Revenue Funds sufficient to make it through December without going negative on a fund balance basis. School districts have the option of borrowing money by entering into a tax anticipation note, which provides operating cash pending receipt of tax revenue.

200 - SPECIAL REVENUE FUND BALANCE

The Special Revenue Fund is intentionally zeroed out at the end of every fiscal year with a state-approved transfer from the General/Incidental Fund. The district does not carry a fund balance in the Special Revenue Fund based on the ability to freely move funds between the General/Incidental Fund and the Special Revenue Fund.

300 - DEBT SERVICE FUND BALANCE

The balance in the Debt Service Fund is highly predictable because expenditures usually consist of only two items, principal, and interest, and are known in advance. Debt Service Fund monies are to be placed in a separate bank account and are not to be commingled with the district's operating (General, Special Revenue, and Capital Projects Funds) monies. The State Auditor's office monitors the fund balance in the Debt Service Fund when calculating the maximum annual Debt Service Fund levy. For these reasons, the Debt Service Fund balance has been excluded from the fund balance analysis.

400 - CAPITAL PROJECTS FUND BALANCE

The Capital Projects Fund balance analysis has also been excluded because this fund is highly restricted in terms of its usage and derivation. Capital Projects Fund money may be spent only for the erection of buildings or additions to buildings, remodeling or reconstruction of buildings, furnishings for buildings, payment of lease purchase obligations, purchases of real estate, and other capital outlay expenditures. Any expenditure for equipment that has a unit cost of \$1,000 or more and a useful life estimated at more than one year should be made from the Capital Projects Fund. Current operating expenses (repairs, supplies, etc.) cannot be paid from the Capital Projects Fund.

BASIS OF ACCOUNTING FOR FINANCIAL REPORTING

The district presents its governmental activities in fund financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States, in conformity with the requirements of Missouri law and DESE. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from modified cash transactions.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. District resources are allocated to and accounted for individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. Transactions have been recorded in the following funds for the accounting of all district funds:

- **100 - General (Incidental) Fund:** The General Fund is the primary operating fund of the district. It is used to account for general activities of the district, including expenditures for noncertified employees, pupil transportation costs, plant operation, fringe benefits, student body activities, community services, nutrition services, and any expenditures not required or permitted to be accounted for in other funds.
- **200 - Special Revenue Fund:** This fund accounts for expenditures for certificated employees involved in administration and instruction. It includes revenues restricted by the state and the local tax levy for the payment of teacher salaries and certain employee benefits.
- **300 - Debt Service Fund:** This fund accounts for the accumulation of resources for and the payment of principal, interest, and paying agent charges on long-term debt.
- **400 - Capital Projects Fund:** This fund accounts for resources restricted for the acquisition or construction of specific capital projects or items. It accounts for the proceeds of long-term debt, taxes, and other

receipts, including bond proceeds designated for construction of major capital assets and all other capital outlay.

The treasurer of the district is responsible for handling all monies of the district and administering the above funds. All monies received by the district from whatever source are credited to the appropriate fund. Monies may be disbursed from such funds by the treasurer only for the purpose for which they are levied, collected, or received and only upon checks drawn by the treasurer pursuant to orders of the board or upon orders for payment issued by the treasurer pursuant to orders of the board.

The financial records of the district are audited annually by an independent public accountant according to the modified cash basis of accounting. The most recent annual audit was performed by Daniel Jones & Associates, P.C., Certified Public Accountants, Arnold, Missouri. The audited financial statements of the district for the fiscal year that ended June 30, 2021, together with the independent auditor's report thereon, are available on the district's website. A summary of the district's significant accounting policies is contained in the notes accompanying the financial statements. The audited financial statements for earlier years with reports by the certified public accountants are available for examination in the district office.

GENERAL ACCOUNTING POLICIES

A. Fund Accounting. The accounts of the district are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts that include assets, liabilities, and fund balances arising from revenues and expenditures. The following funds are used by the district: General/Incidental Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund.

B. Basis of Accounting. The measurement focus and basis of accounting determine the accounting and financial reporting treatment applied to a fund. The district's policy is to operate its financial statements on the cash basis of accounting. Revenues are recognized in the accounting period in which the revenue is received. Expenditures are recognized when the related fund liability is incurred and payment is made. Debt service resources are provided during the current year for payment of general long-term debt principal and interest; therefore, the expenditures and related liabilities are recognized in the Debt Service Fund.

C. Budgets and Budgetary Accounting. The district follows the procedures below in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Chapter 67, RSMo, the district adopts a budget for each fund of the political subdivision.
- 2) Prior to July, the assistant superintendent for business and technology, who serves as the budget officer, submits to the Board of Education a proposed cash basis budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all district funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
- 3) In June, the budget is legally enacted by a vote of the Board of Education.
- 4) Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote. Adjustments made during the year are reflected in the

budget information included in the general purpose financial statements. Budgeted amounts are finally amended by the Board of Education.

D. Post-Employment Benefits. *COBRA Benefits:* Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the district provides health-care benefits to eligible former employees and their eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the first day of each month for the actual month covered. This program is offered for the duration of 18 to 36 months after the termination date. There is no associated cost to the district under this program.

Retiree Benefits: Professional and support staff members participate in the Public-School Retirement System (PSRS) of the State of Missouri or in the Public Education Employee Retirement System (PEERS) as allowed by law. Retired employees participating in PSRS or PEERS as well as their dependents, surviving spouse, and children are allowed to remain or become members in district health benefit programs. Certain requirements are outlined by the state government for this coverage. The premium is paid in full by the insured on or before the first day of each month for the actual month covered. There is no associated accrued obligation or cost to the district under either program. The district prepares the initial COBRA or retiree enrollment forms, and the former employee makes the premium payment for the insurance carrier to the district. It is then remitted to the insurance company with the district's payment for active employees.

E. Compensated Absences. District 12-month employees earn vacation time throughout the fiscal year and can only accumulate a maximum of 40 days at the end of a fiscal year. Unused vacation beyond 40 days at the end of a fiscal year is forfeited by the employee.

In addition, employees qualifying for sick leave are awarded between 9 and 12 days per year based on their employee classification. The days are earned throughout the fiscal year. Unused days may roll over to the following year and may accumulate up to a defined amount based on employee classification. Unused days are paid into some employee groups on an annual basis. Remaining unused sick leave is payable to the employee upon termination of employment at rates based on formulas utilizing years of service with the district.

F. Teachers' Salaries. Payroll checks are written and dated in May for July and August payrolls and are included in the financial statements as an expenditure paid in the month of May. This practice has been consistently followed in previous years and is consistent with other Missouri school districts.

CASH AND TEMPORARY INVESTMENTS

Pooled Cash. Certain cash resources of the General, Special Revenue, and Capital Projects funds are combined to form a pool of cash and investments, which is managed by the Board Treasurer. The pooled accounts consist primarily of the bank checking account, bank money market accounts, and US Government agency securities.

Cash and Investments. Cash resources of the individual funds are combined to form a pool of cash and temporary investments (except the Debt Service Fund). State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the district. Each fund's portion of this pool is displayed on the combined balance sheet under each fund's caption.

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 30. All unpaid taxes become delinquent January 1 of the following year. The county collects the property taxes and remits them to the district monthly.

LONG-TERM DEBT

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation of a district (including state-assessed railroad and utilities).

REFUNDED DEBT

Proceeds from Issues 2003, 2004, 2010, 2013, 2016, and 2020 General Obligation Refunding Bonds were used for the refunding and refinancing of Issues 1997, 1999, 2001, 2004, 2006, 2011, and 2012 General Obligation Bonds.

LEASES

The district currently has lease agreements (expenditures) for various mobile classrooms at selected schools. In addition, the district leases a portion of the Gerner Family Early Education Center to Head Start for preschool services.

PENSION PLANS

The Park Hill School District contributes to the PSRS, a cost sharing multiple employer-defined benefit pension plan. PSRS provides retirement and disability benefits to certificated employees and death benefits to members and beneficiaries. Positions covered by the PSRS are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010.141 of the Missouri Revised Statutes.

Effective July 1, 2011, PSRS members were required to contribute 14.5% of their annual covered salary, and the Park Hill School District was required to contribute a matching amount. The contribution requirements of members and the Park Hill School District are established and may be amended by the PSRS Board of Trustees.

The Park Hill School District also contributes to PEERS, a cost sharing multiple employer-defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the district who work 20 or more hours per week and who do not contribute to the PSRS of Missouri. Certain part-time certified employees may be covered by this plan. Benefit provisions are set forth in Chapter 169.600.715 of the Missouri Revised Statutes.

Effective July 1, 2011, PEERS members were required to contribute 6.86% of their annual covered salary, and the Park Hill School District was required to contribute a matching amount. The contribution requirements of members and the Park Hill School District are established and may be amended by the PEERS Board of Trustees.

DEFERRED COMPENSATION PLANS

The district offers its employees a choice of deferred contribution plans created in accordance with Internal Revenue Code Sections 403(b) and 457. These plans available to district employees permit them to defer a portion of their salary for future years.

Under the 403(b) and 457 plans, all amounts of compensation deferred; all property and rights purchased with those amounts; and all income attributable to those amounts, property, or rights are solely the property of the contributor and are not subject to the creditors of the district, whereas under the 457 plan, the amounts (until paid or made available to the employee or other beneficiary) are solely the property and subject to the rights of the district. All amounts being deferred are required to be held in a tax-exempt trust or custodial account of an annuity contract insulating such amounts from the district's creditors.

The district has no liability for losses under either plan, but under the 457 plan, the district does have the duty of due care that would be required of any ordinary prudent investor.

EMPLOYEE INSURANCE BENEFITS

The district uses Blue Cross Blue Shield of Kansas City for health and dental benefits, Vision Service Plan for vision care benefits, Minnesota Life for life insurance benefits, and One America for long-term disability benefits to participating employees and their families. The participating employees cover costs associated with families through payroll deductions based on their coverage election. The district's maximum liability for each employee and in the aggregate for a one-year period is limited by insurance coverage specifications.

DISTRICT INSURANCE PROGRAM

The district participates in a public entity self-insured risk pool for insurance coverage. Workers' Compensation, Property, Liability, Umbrella Liability, Cyber Liability, Pollution Liability, School Board Liability, and Treasurer's Bond coverage is provided by the Missouri United School Insurance Council (MUSIC). Deposits are made to the pool by the district to cover anticipated losses. These deposits are reported as an insurance expense. The pool purchases reinsurance to further protect against large losses. In the event the deposited amounts and reinsurance proceeds are insufficient to pay claims, the district can be assessed for additional amounts. No provision has been made for this contingency because it appears improbable that assessments would be needed. All deposits are charged to insurance expenses when made.

CONTINGENCIES

Should any claims or lawsuits be filed against the district, it is the opinion of district management that the potential loss on such claims and lawsuits would not be significant to the district's financial statements taken as a whole, and most if not all would be covered by the district's Errors and Omission insurance policy.

BUDGET DEVELOPMENT PROCESS

BUDGET PROCESS AND TIMELINE

The 2022-2023 budget has been developed over a 10-month period with input from staff, community, the administration, and the Board of Education.

As in previous years, school-based decision recommendations were incorporated into the financial planning process. Schools and programs are provided an allocation, which includes a previous year's breakdown, a forecast of 2022-2023 enrollment by school/program, and new allocations for each building. The school principal then allocates the amounts to specific departments based on feedback from faculty members, either directly or through a representative such as a grade-level department chairperson and/or faculty advisory committee.

During the budget review process, budget leaders request additional allocations, if necessary, to support the goals and vision of the school and school district. In addition, capital improvement and maintenance requests are submitted at this time. All budget allocations and requests for each school and program are maintained in an electronic budget system.

Staff salaries and benefits, which account for over 70% of the operating expenditures of the district, are budgeted based on current staffing combined with anticipated staff additions. School board policy regarding class size plays a significant role in anticipating staff additions, and each school and class cohort are analyzed for the possibility of increase or decrease in staff for the following year. This provides Park Hill School District with a salary and benefit budget closely aligned with the actual expenditures, allowing more accurate salary projections for future years.

Capital budgeting takes place throughout the school year as inventories are reviewed, growth issues defined, and specific building needs are presented. Upon review of building specific needs and staff input, the building/program administrator presents a prioritized capital expenditure proposal to the assistant superintendent for business and technology for review and approval. This process usually takes place during budget reviews in January and February of each year. Unfunded capital requests are forwarded to the district's Long-Range Capital Planning Committee for future consideration.

BUDGET CALENDAR

A district budget calendar for the formation of the 2022-2023 budget appears below. It includes a review of the prior year (2020-2021) actuals, performance to budget for the current school year (2021-2022), and the process of formulating the budget year (2022-2023) budget.

The district's fiscal year begins each year on July 1.

Date/Range	Budget Development Activity
July 2021–June 2022	Monthly Treasurer's Reports are presented to Board of Education and public for evaluation of current year (2021-2022) performance to budget for district revenue and expenditures.
September–December 2021	District staff reviews prior budgets to assess equity and adequacy of current year (2021-2022) budgets.
October 2021	Approval of prior year (2020-2021) audit by Board of Education during public meeting. Discussion of opportunities for improvements. Plans for corrective actions for future budgets are implemented.
November–January 2022	Budget year (2022-2023) Budget Manual for District Administrators is developed by the business department.
December 2021	Projected student enrollments are made by school and grade level (impacted by redistricting).
January 2022	Board of Education reviews budget year (2022-2023) Budget Assumptions and Budget Calendar with district staff at public meeting.
	Budget year (2022-2023) Budget Manual for district administrators and budget allocations are distributed to district principals and directors.
January–March 2022	District budget leaders (administrators and budget committees) review building/program needs. Input is solicited from faculty members, either directly or through a representative such as a grade-level department chairperson and/or faculty advisory committee.
February–March 2022	Initial budget year (2022-2023) budget proposals are reviewed for each school and program with the assistant superintendent for business and technology and assistant superintendent for human resources. Proposed school/program budgets, staffing requests, and a prioritized list of capital project expenditure proposals are presented for consideration.
March–June 2022	Board of Education reviews the district's 2022-2023 capital improvement plan.
	Ongoing budget year (2022-2023) reviews for each school and program are conducted with the assistant superintendent for business and technology.
	The assistant superintendent for business and technology meets with the superintendent and senior leaders to review and revise proposed budget year (2022-2023) budgets.
March 2022	Presentation to Board of Education: Current year (2022-2023) <i>Student Demographic Profile and Enrollment Projections</i> .
April 2022	Presentation to Board of Education: Budget year (2022-2023) budget Information (Revenue Focus).
May 2022	Presentation to Board of Education: Budget year (2022-2023) budget Information. (Expenditure and Fund Balance Focus).

Date/Range	Budget Development Activity
June 2022	Presentation to Board of Education: Current year (2021-2022) <i>Budget Amendment</i> and recommendation/approval of budget year (2022-2023) budget.
August 2022	Submit pro forma review of tax rate calculation to the Missouri State Auditor's office for review.
	Board of Education approves budget year (2022-2023) tax rate at public tax rate hearing.

BUDGET ADOPTION, IMPLEMENTATION, AND EVALUATION

The preliminary budget of the district for the next fiscal year is presented at the March through June Board of Education meetings. The Board of Education annually considers the budget during March through June, with long-range planning occurring well before the first presentation of the budget.

Final passage of the budget occurs at the last meeting of the Board of Education in June. The implementation of the approved financial plan occurs throughout the school year, with monthly updates presented to the Board of Education and public during monthly public board meetings via the Treasurer's Report.

Budget leaders are responsible for specific line-item balances. Monthly accounting reports are provided to reconcile expenditures and revenues. The final step in the budget process is the evaluation of the financial plan. The results of operations for the fiscal year are set forth annually in the district's annual budget.

BUDGET ADMINISTRATION AND MANAGEMENT PROCESS

Throughout the fiscal year, communication is maintained between the Business Department and the various budget leaders. Knowing that needs may change throughout the year, budget leaders will periodically need to adjust a budget item. When this occurs, the budget leader's unit/function is analyzed to see whether efficiencies in one area of the operation could cover the cost of the requested increase.

If it is determined there are excess budgeted amounts within the unit/function, the budget leader is typically authorized to overspend in one account to the extent that the entire unit/function remains at or under budget. If it is determined that the administrator's unit/function has no excess budget amount, other functions are reviewed for excess budget amounts. Finally, if these reviews reveal no excess budgeted amounts, a budget modification request would be discussed with the Board of Education for their approval. Such a request would occur during the monthly Treasurer's Report, where the board is shown indicators of actual performance compared to budget for the entire district.

Past practice in the Park Hill School District has been that official budget amendments occur at the end of the fiscal year. It is anticipated that this practice will continue in future years.

OTHER SUSTAINING LOCAL REVENUE SOURCES

The Park Hill School District has other sustaining local revenue sources including:

- Individual programs such as preschool and Adventure Club (before/after school care) generate revenue through tuition to attend these programs. Adventure Club generates approximately \$1.8 million in revenue annually. Pre-School generates approximately \$960,000 in revenue annually.
- The district offers a Community Education program for adults and children. The program offers individual courses in a variety of subject matters and interests. The Community Education program generates approximately \$100,000 annually through course fees.
- The district has an annual lease agreement with Young Men’s Christian Association of Greater Kansas City (YMCA) for use of classroom space to host Head Start.
- The district has an annual use agreement with Northland United Swim Team, LLC (NLU) for use of the District Aquatic Center.
- The district collects connection fees from the Platte County Sewer district for the individual connections to a sewer line constructed near Union Chapel Elementary School.
- The school district does not offer K-12 school services to students living outside the district boundaries. Therefore, there is no revenue generated by tuition to the K-12 program.