

BUDGET MESSAGE

June 15, 2024

The 2024-2025 budget represents a longstanding tradition of sound financial management and long-range planning by the Park Hill Board of Education and district staff. The budget document is an excellent source of information that provides a better understanding of the financial plan and results of the district. This document has been prepared and presented to the Board of Education and public as a basis for the high-quality educational services the Park Hill School District patrons have come to expect. In short, the budget provides the framework by which resources are allocated to accomplish the mission of the Park Hill School District and serves to guide Park Hill in a fiscally sound, responsible, and sustainable direction for the 2024-2025 fiscal year and years beyond.

Park Hill is an award-winning school district with a bond rating amongst the highest in the state (Aa2 from Moody's) and with the highest recognition provided by Missouri for academic achievement. In fall 2022, the Park Hill School District was named the Quality Texas Foundation Regional Program (QTFRP) Highest Level of Quality Award winner. The award recognizes the Park Hill School District as a role model organization, demonstrating a strong dedication to quality, continuous improvement, and high performance, along with exceptional performance in all areas of organizational management. In addition, the Park Hill School District has received the Association of School Business Officials' (ASBO's) prestigious Meritorious Budget Award (MBA) for 17 consecutive years.

During the 2022-2023 school year, a team comprised of students, staff, and community came together to update the district's strategic plan, or Comprehensive School Improvement Plan (CSIP). During this process, the CSIP team identified "financial responsibility and integrity" as a parent/stakeholder key requirement. In addition, the CSIP identified "financial stability" as a strategic advantage toward accomplishing the strategic goals and objectives identified by the Board of Education and the community. The strategic goal of the 2023-2028 CSIP is to build successful futures for Park Hill students of all backgrounds. Three objectives to support this goal are

ACADEMICS: Implement the Park Hill teaching and learning model where students learn through experiences and inquiry.

CULTURE: Create an environment where all members of the Park Hill community feel a sense of belonging.

SYSTEMS: Maximize Park Hill human and financial resources and address aging facilities in order to remove barriers to learning.

The district's CSIP drives the budget by outlining the long-term vision and goals of the school district. The budget is created to allocate resources towards achieving these goals, prioritizing spending on initiatives that directly support the strategic plan's key objectives.

This budget document provides the foundation for public transparency and serves as the focal point for the communication of the district's financial processes and condition to the community.

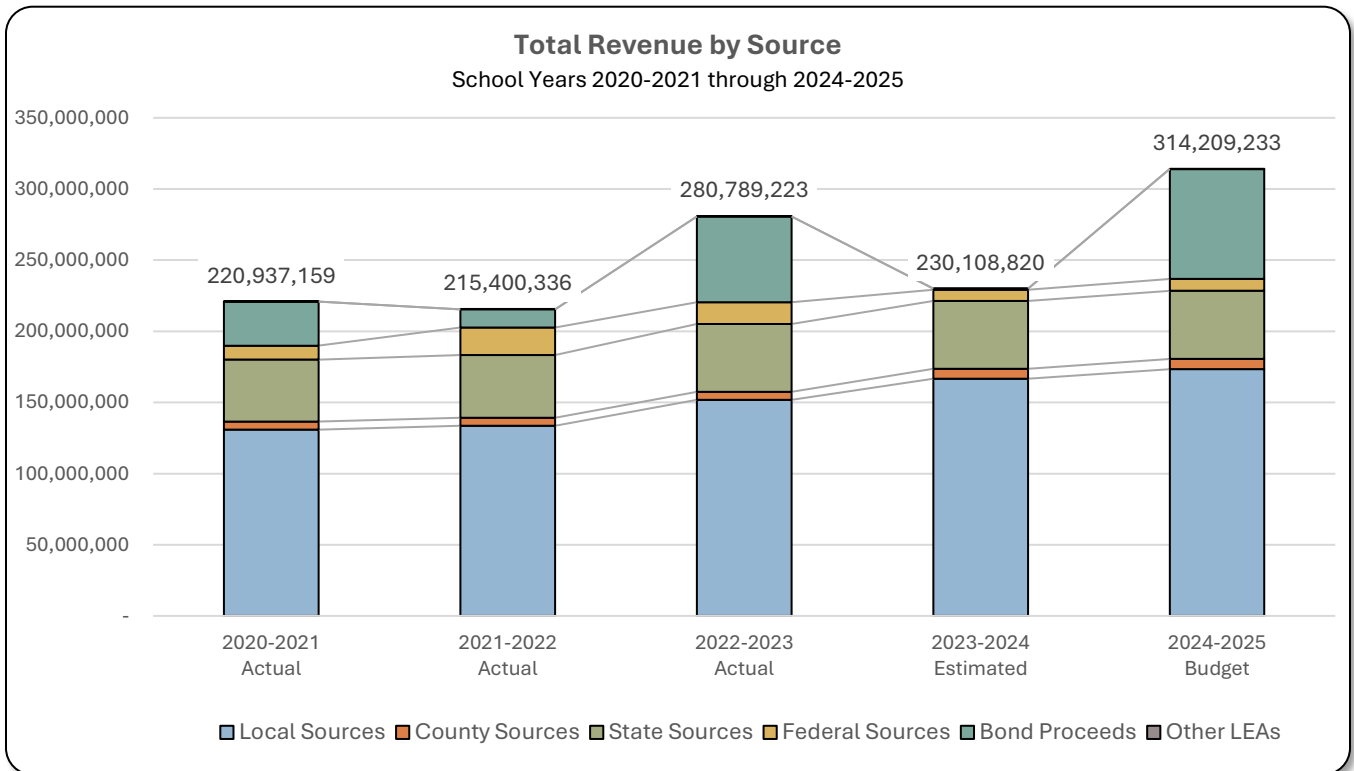
MAJOR CHANGES FROM THE PRECEDING YEAR

Key changes seen in the 2024-2025 budget are driven primarily from voter approval of an initiative in April 2022. In April 2022, district voters passed Proposition I which authorizes the Board of Education to sell \$137 million in general obligation bonds to support the construction of a twelfth elementary school (Angeline Washington Elementary) and support facility additions and improvements over five years.

Expenditures related to the bond projects will grow in 2024-2025 as the construction phase of the projects continues. This expenditure growth in bond projects accounts for the sizeable increase in expenditures budgeted in 2024-2025.

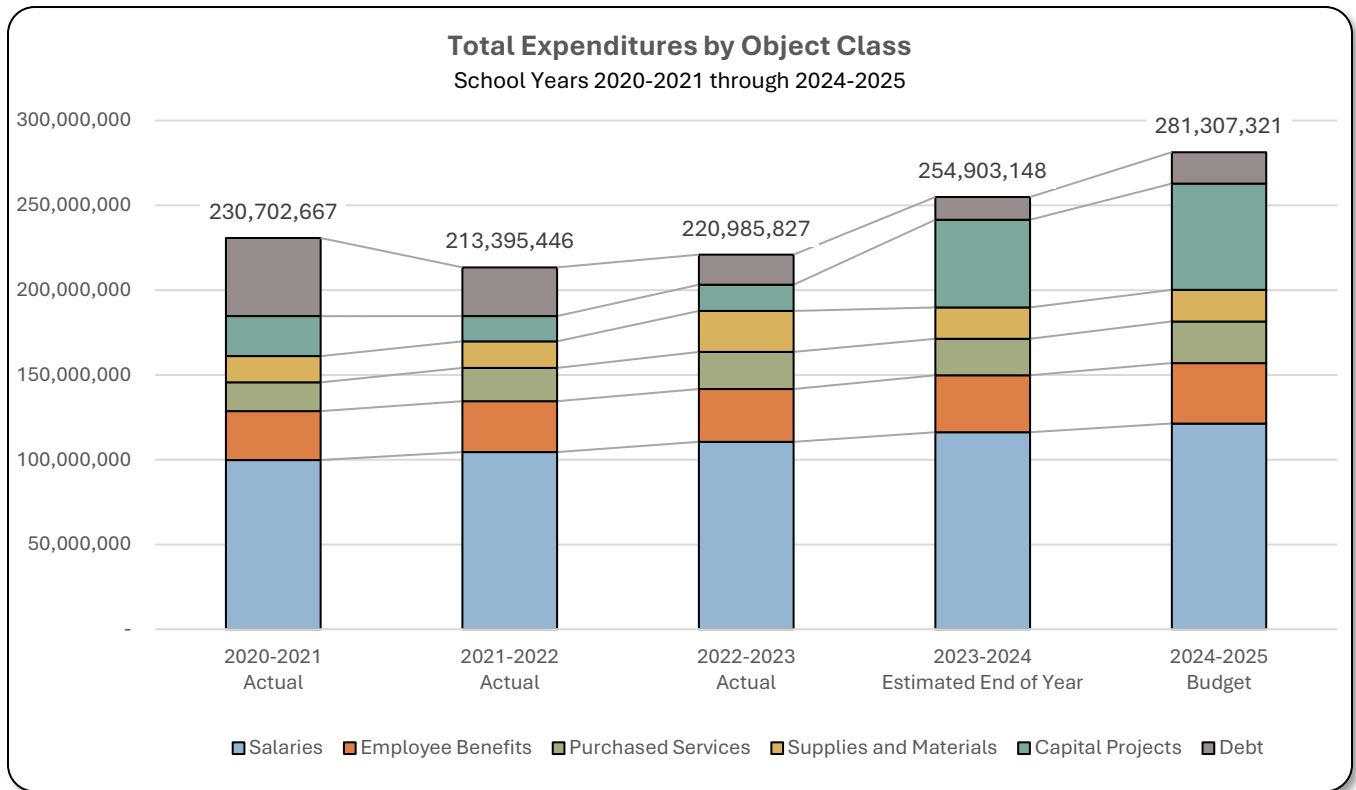
REVENUE

The chart below shows total revenue over the last four years, and the 2024-2025 budgeted revenue. The most significant change in revenue from the prior school year is in Bond Proceeds. The district sold a portion of the approved bonds, \$60 million, during the 2022-2023 school year. The district anticipates that the remaining bonds, \$77 million, will be sold in the 2024-2025 school year and will increase total revenue significantly from the prior year.



EXPENDITURES

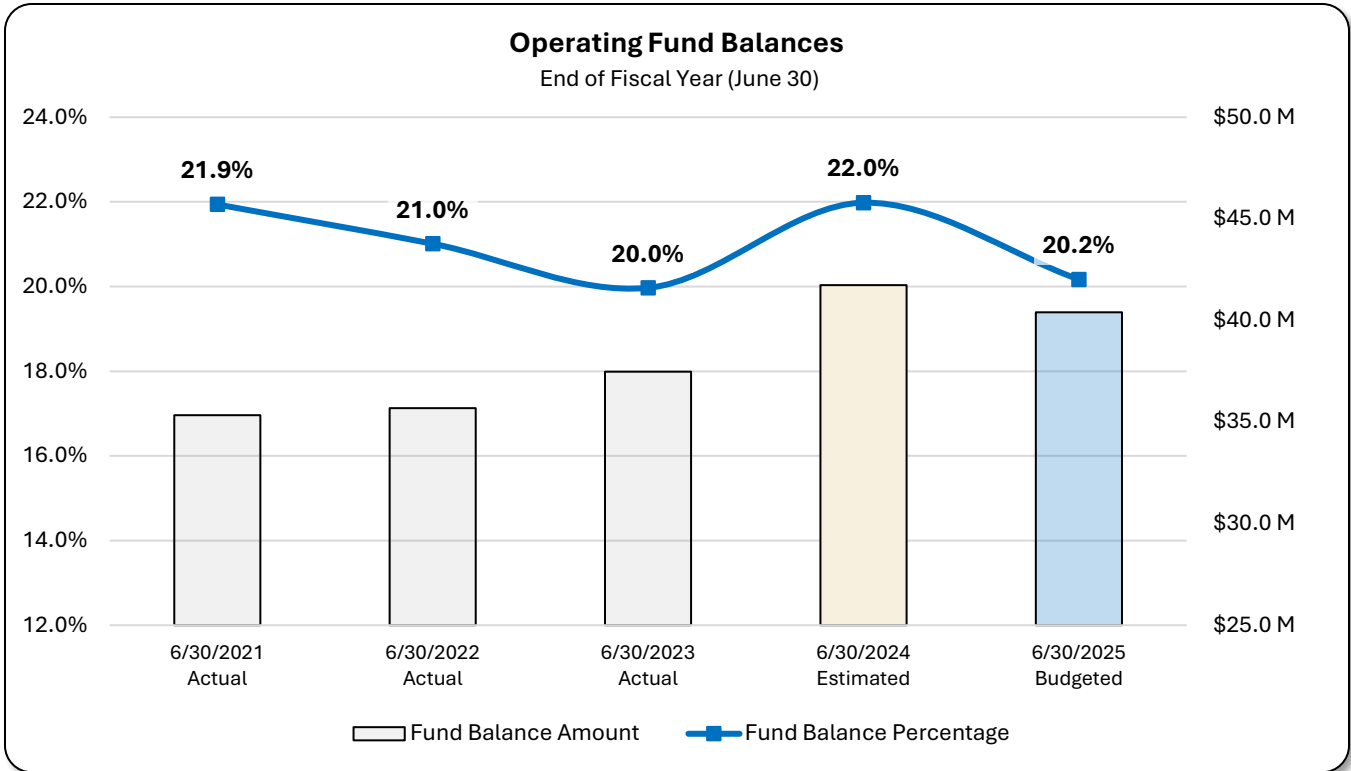
The following chart shows expenditures over the last four years and the 2024–2025 budgeted expenditures. The most significant change in expenditures from the prior school year (2023–2024) is in Capital Projects. The change in capital outlay expenditures budgeted in 2024–2025 reflects the continuation of the construction phase of several capital improvement projects outlined in Proposition I, approved by voters in April 2022. These projects positively contribute to the CSIP goals by maximizing Park Hill financial resources to address aging facilities and remove barriers to learning.



OPERATING FUND BALANCE

The Park Hill School District has established key performance indicators (KPIs) tied to balances in each fund to monitor financial performance and condition. The district evaluates budget performance by these KPIs and includes forecasts for three fiscal years beyond the budget year to detail both short and long-term financial sustainability.

While the State of Missouri does not regulate fund balances for public school districts, the Park Hill School District Board of Education has established guidelines for fund balances that demonstrate sound financial stewardship and long-term sustainability for district taxpayers. For the district Operating Fund (100 - General (Incidental) Fund), the Board of Education has established a guideline to maintain a fund balance of 18% to 22% of previous year's operating expenditures at the end of the school year.



The preceding chart shows the Operating Fund Balances over the last four school years, and the budgeted operating fund balance for the 2024-2025 school year (ending June 30, 2025). The June 30, 2024 value is estimated based on projected values for fiscal year end revenues, expenditures and transfers.

The district has guidelines for fund balances in two other funds, Debt Service and Capital Outlay, that are monitored to ensure adequate balances in future years to support district expenditures.

BUDGET DEVELOPMENT

This budget is developed with the best and most recent information available to school district officials. Anticipated expenditures and revenue are estimated projections based on this information. Budget revisions may be made during the budget year to reflect unforeseen circumstances.

The information included in the budget document is structured to meet the requirements of the MBA established by the ASBO. The MBA is the highest form of recognition in budgeting for school entities. Its attainment represents a significant accomplishment by a school entity and its management. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium. In addition, the district must demonstrate a core value, continuous improvement, to receive the MBA. The district is proud to have received the MBA for the past 17 consecutive fiscal years.

The preparation of this report could not have been accomplished without the diligent and dedicated services of the business office and the many district administrative assistants involved in the budgeting processes. We would also like to express our appreciation to the administrators for striving to maintain a tradition of educational excellence in a fiscally responsible manner. Our sincere appreciation also goes to the Park Hill School District Board of Education and

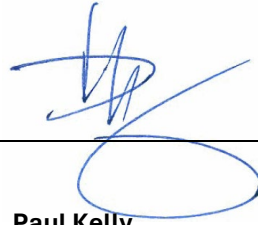
our community for providing the fiscal support needed to develop, implement, and maintain the high quality of educational programs that has allowed the district to focus on our vision to “Build successful futures, each student, every day.”

We are truly hopeful this document will provide information that will allow the reader to understand the district’s financial operations as well as its goals and objectives and how they relate to our education programs and services for the 2024-2025 fiscal year and beyond.

Respectfully submitted,



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Park Hill School District



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