

BUDGET MESSAGE

June 15, 2025

The 2025–2026 budget reflects the Park Hill School District’s continued commitment to responsible financial stewardship and strategic long-term planning. Developed through collaboration between district leadership and the Board of Education, this document serves as a comprehensive financial roadmap that supports the high standards of academic excellence our community expects. It outlines how resources will be prioritized and invested to fulfill the District’s mission, while maintaining fiscal responsibility and sustainability. Presented to both the Board and the public, the budget is intended to enhance transparency, inform decision-making, and ensure the success of Park Hill students now and in the future.

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 (QTRP) 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 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 serves as a public-facing financial plan that enhances transparency and demonstrates the district’s accountability in resource allocation.

MAJOR CHANGES FROM THE PRECEDING YEAR

Key changes seen in the 2025-2026 budget are driven primarily from voter approval of two propositions in April 2025 – Proposition G and Proposition O. Both propositions support the district’s Systems objective within the strategic plan.

Proposition G. As part of our continued investment in recruiting and retaining staff, the 2025–2026 budget reflects new revenue from Proposition G, the operating tax levy increase approved by voters in April 2025. This measure authorizes a 10-cent increase per \$100 of assessed property valuation and is projected to generate approximately \$6 million annually. These additional funds are dedicated to improving compensation for teachers and staff, allowing Park Hill to move into the top five districts in the Kansas City metro area for beginning teacher salaries and into the top three for overall average teacher pay. For a homeowner with a property valued at \$300,000, this represents an estimated increase of approximately \$57 per year on their property tax bill.

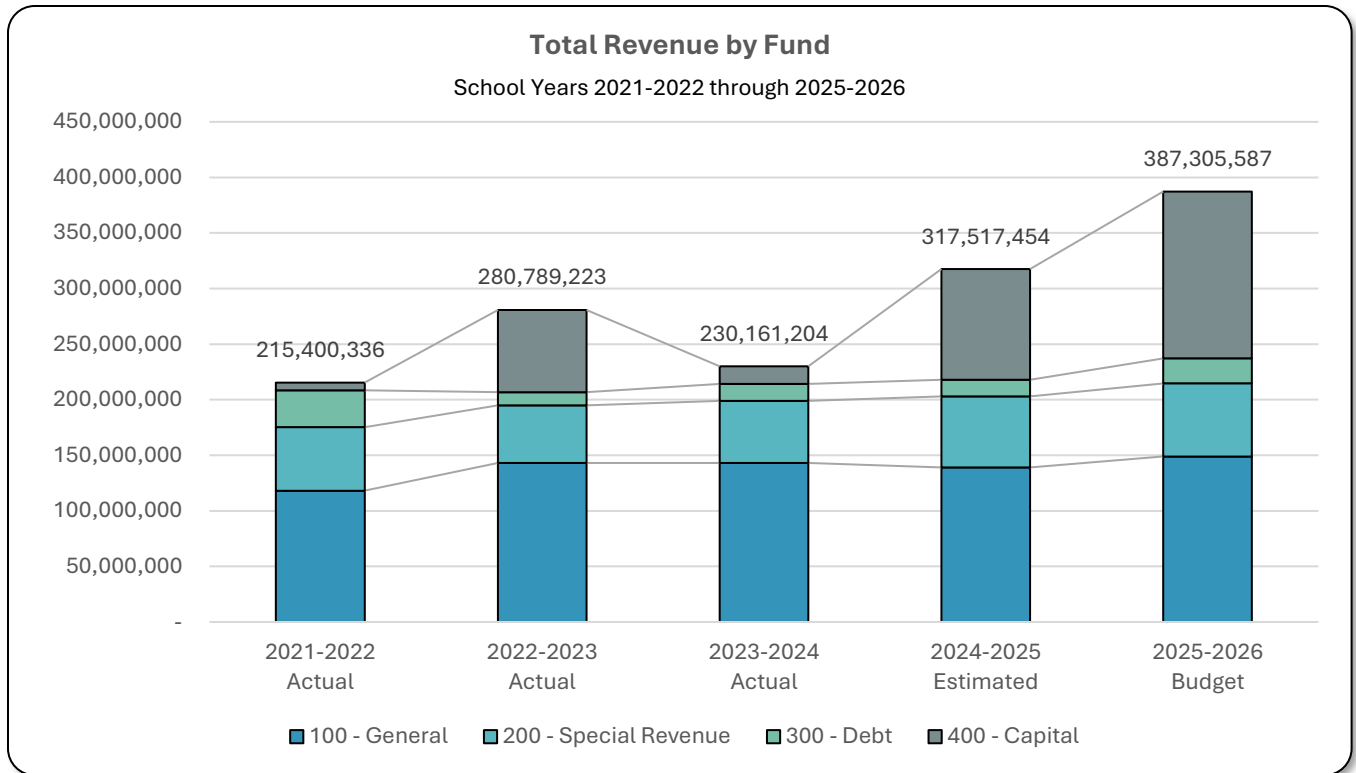


Proposition O. The 2025–2026 budget also incorporates funding from Proposition O, the capital improvements bond measure overwhelmingly approved by Park Hill voters in April 2025. This proposition increased the district’s debt service levy by \$0.3000 per \$100 of assessed valuation, raising it from \$0.7000 to \$1.0000. The approval of Proposition O enables the issuance of \$128 million in general obligation bonds, which will fund a series of major capital projects across the district. These include the Phase 1 replacement of Park Hill High School, including the relocation of the stadium and baseball field; field and stadium upgrades at Park Hill South High School; and classroom additions at Chinn, Line Creek, and Southeast Elementary Schools. In addition, the bond supports district-wide safety and security enhancements and provides for strategic land acquisition to support future growth. These projects are slated for completion for the 2028-2029 school year and will impact budgets beginning with the 2025-2026 budget.

For a home valued at \$300,000, this equates to an estimated tax increase of approximately \$171 per year.

REVENUE

The following chart shows total revenue over the last four years, and the 2025–2026 budgeted revenue. The most significant change in revenue from the prior school year is in Bond Proceeds.



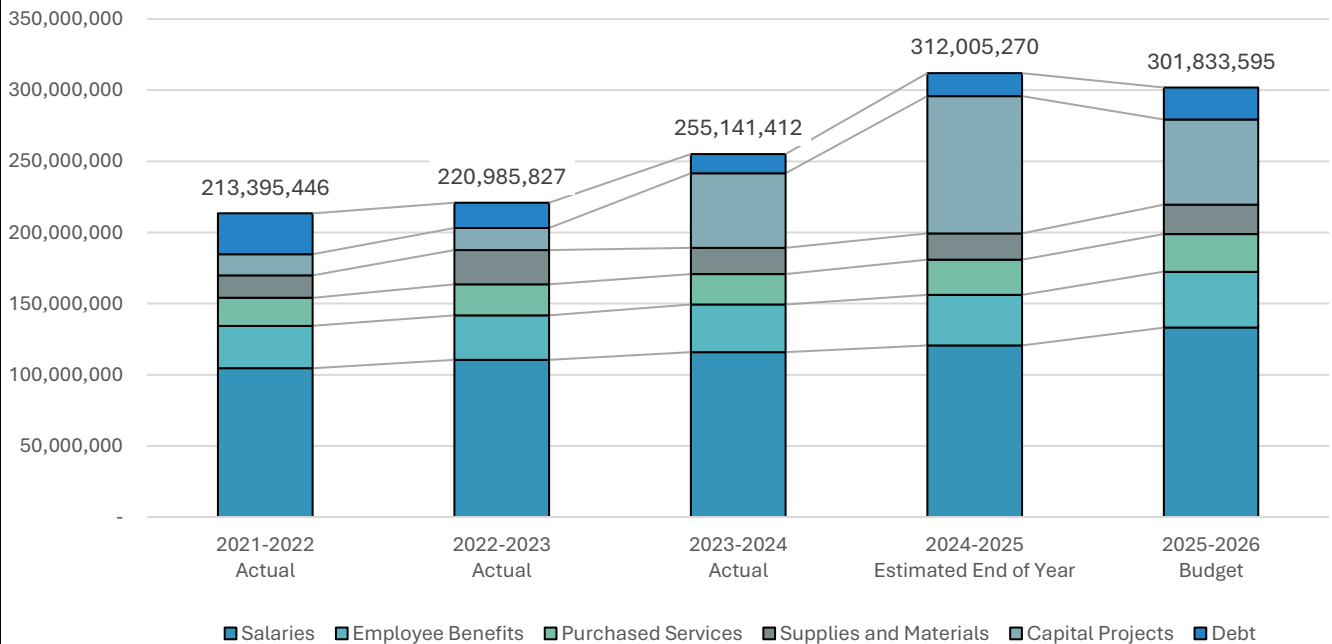
The chart illustrates the Park Hill School District’s total revenue by source from 2021–2022 through the 2025–2026 budget year. For 2025–2026, total revenue is projected at approximately \$387.3 million, the highest in the five-year period. This substantial increase is primarily driven by \$128 million in bond proceeds, following the voter-approved issuance of general obligation bonds under Proposition O.

Local sources remain the district’s largest and most consistent revenue stream, supported by Proposition G, which added a 10-cent increase to the operating tax levy. State and federal sources show modest year-over-year increases, while revenue from county and other Local Education Agencies (LEA) sources holds steady. The 2025–2026 budget reflects continued investment in staff compensation and capital improvements, made possible by strong community backing at the ballot box.

EXPENDITURES

The following chart shows expenditures over the last four years and the 2025–2026 budgeted expenditures. The most notable change from the prior school year (2024–2025) is a decrease in Capital Projects expenditures. This reduction reflects the completion of major construction phases associated with the capital improvement projects funded through Proposition I, which was approved by voters in April 2022. These projects included the construction of Angeline Washington Elementary School, additions at the high schools, and districtwide enhancements to classrooms and learning environments. While Proposition O, approved in April 2025, authorized funding for the next phase of capital improvements, most expenditures related to those projects are anticipated to occur in the years following 2025–2026.

Total Expenditures by Object Class School Years 2021-2022 through 2025-2026



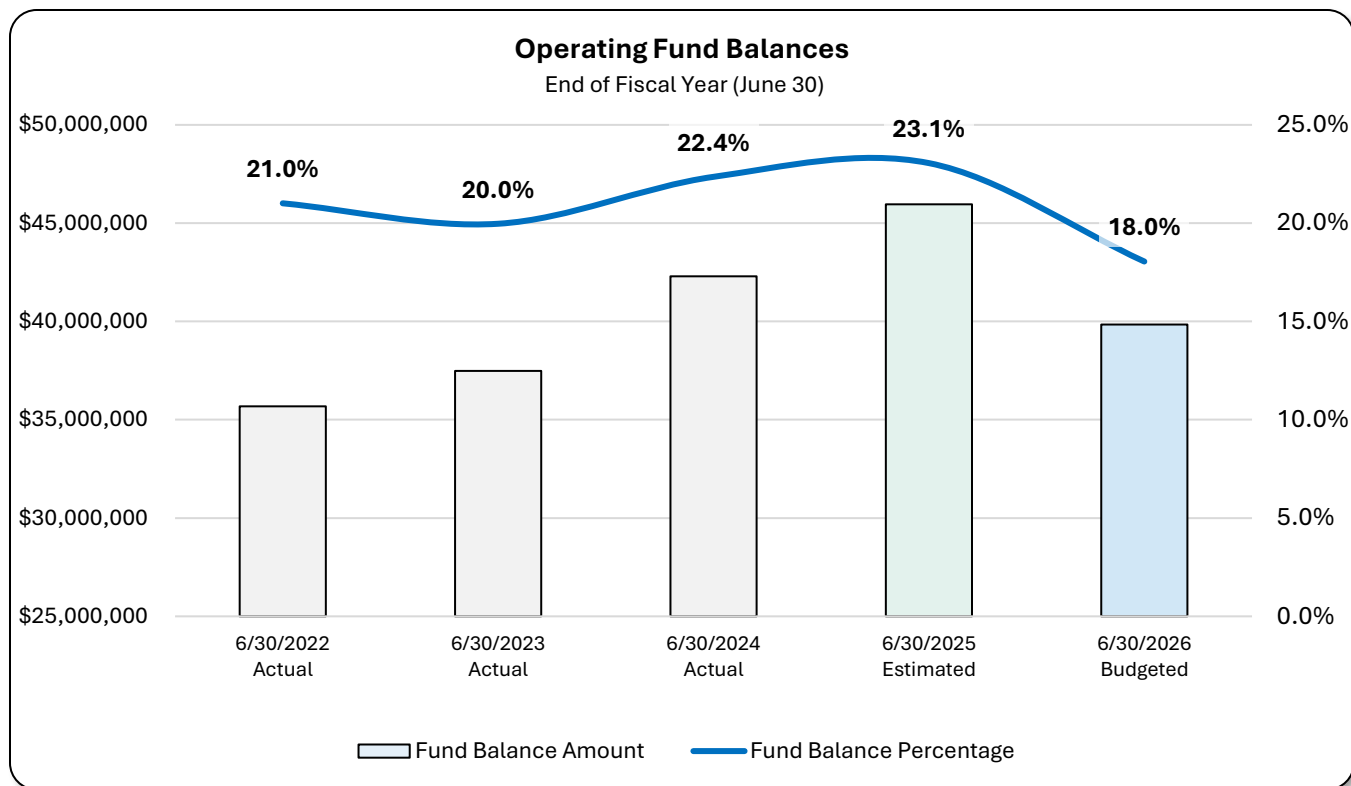
The chart displays total expenditures by object class from 2021–2022 through the 2025–2026 budget year. For 2025–2026, total expenditures are budgeted at approximately \$301.8 million, reflecting a slight decrease from the estimated \$312.0 million in 2024–2025. The most notable change is a reduction in Capital Projects, indicating the near completion of major initiatives funded through Proposition I, including Angeline Washington Elementary and various high school additions.

Salaries and Employee Benefits remain the largest expenditure categories, underscoring the district’s commitment to competitive compensation following the passage of Proposition G. Other areas—such as Purchased Services, Supplies and Materials, and Debt—remain steady or show modest increases. Overall, the 2025–2026 budget reflects a shift from major capital construction to a focus on sustaining operational excellence and supporting long-term investments in staff and student success.

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 chart displays Park Hill School District’s Operating Fund balances from 2021–2022 through the 2025–2026 budget year. For 2025–2026, the projected fund balance is approximately \$40 million, or 18.6% of the prior year’s operating expenditures. While this is a decrease from the 24.1% peak in 2024–2025, it remains within the Board of Education’s target range of 18% to 22% and reflects a strategic and intentional use of reserves. The decline is primarily attributed to planned expenditures tied to the completion of Proposition I capital projects, including Angeline Washington Elementary and high school facility upgrades.

The district continues to prioritize staffing and operational investments, particularly following the approval of Proposition G, which supported competitive compensation. Although the fund balance percentage decreases, the 2025–2026 budget remains consistent with Board guidelines and demonstrates the district’s ongoing commitment to responsible fiscal stewardship and strategic financial planning.

The district also maintains fund balance targets for Debt Service and Capital Outlay, which are monitored to ensure sufficient reserves are available in future years to support long-term infrastructure and operational needs.

BUDGET DEVELOPMENT

This budget has been developed using the most current and reliable information available to district leadership. Revenue and expenditure projections reflect thoughtful analysis of known factors at the time of preparation. As with any financial plan, adjustments may be necessary throughout the fiscal year to account for unforeseen developments or changes in funding.

The structure and content of this document are designed to meet the standards set forth by the Meritorious Budget Award (MBA), administered by the Association of School Business Officials (ASBO). The MBA represents the highest

form of recognition in school budgeting, honoring budget documents that function effectively as a policy guide, operations manual, financial plan, and communications tool. Earning this award also reflects a demonstrated commitment to the core value of continuous improvement. Park Hill is proud to have received the MBA for 18 consecutive fiscal years, a testament to the district's dedication to excellence in financial stewardship.

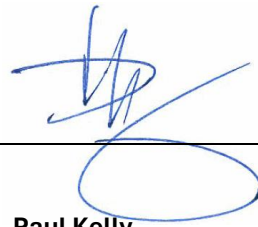
This document is the result of the dedicated efforts of our business office team, administrative assistants, and district leaders, whose professionalism and commitment to fiscal integrity make this work possible. We extend our gratitude to the Board of Education and our community for their ongoing support, which allows us to deliver high-quality educational programs aligned with our vision to "Build successful futures — each student, every day."

We hope this budget provides readers with clear insights into the district's financial planning, operational goals, and strategic priorities for the 2025–2026 fiscal year and beyond.

Respectfully submitted,



Dr. Michael Kimbrel
Superintendent of Schools
Park Hill School District



Dr. Paul Kelly
Assistant Superintendent – Business Services
Park Hill School District