

Park Hill School District

Basic Financial Statements
Year Ended June 30, 2025



Table of Contents

Independent Auditors' Report	3
Basic Financial Statements	
Statement of Net Position – Modified Cash Basis	7
Statement of Activities – Modified Cash Basis.....	8
Statement of Assets and Fund Balances – Governmental Funds – Modified Cash Basis	10
Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis.....	11
Notes to the Financial Statements.....	12
Supplementary Information	
Schedule of Receipts by Source	25
Schedule of Disbursements by Object	27
Schedule of Transportation Costs Eligible for State Aid	28
Other Information	
Budgetary Comparison Schedule – General Fund– Modified Cash Basis	30
Budgetary Comparison Schedule – Special Revenue Fund– Modified Cash Basis.....	31
Budgetary Comparison Schedule – Debt Service Fund– Modified Cash Basis.....	32
Budgetary Comparison Schedule – Capital Projects Fund– Modified Cash Basis.....	33
Notes to the Budgetary Comparison Schedules	34
Other Reporting Requirements	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36
Supplementary State Information	
Independent Accountants' Report.....	39
Schedule of Selected Statistics.....	40



Independent Auditors' Report

Board of Education
Park Hill School District
Kansas City, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Park Hill School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Park Hill School District, as of June 30, 2025, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Park Hill School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

As described in Note 1 of the financial statements, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; which includes the determination that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the budgetary comparison schedules but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025, on our consideration of Park Hill School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Park Hill School District's internal control over financial reporting and compliance.



KPM CPAs, PC
Springfield, Missouri
November 5, 2025

Government-Wide Financial Statements

Park Hill School District

Statement of Net Position – Modified Cash Basis

June 30, 2025

	Governmental Activities
Assets	
Cash and investments	\$ 99,674,498
Total Assets	<u><u>\$ 99,674,498</u></u>
Net Position	
Restricted for debt service	\$ 12,719,872
Restricted for student activities	2,126,932
Restricted for food service	3,313,639
Restricted for unspent bond proceeds	21,770,052
Unrestricted	<u>59,744,003</u>
Total Net Position	<u><u>\$ 99,674,498</u></u>

See accompanying Notes to the Financial Statements

Park Hill School District

Statement of Activities – Modified Cash Basis

Year Ended June 30, 2025

		Program Cash Receipts			Net
			Operating	Capital	(Disbursements)
	Cash	Charges for	Grants and	Grants and	Receipts and
	Disbursements	Services	Contributions	Contributions	Changes in
					Net Position
Governmental Activities					
Instruction	\$ (99,797,364)	\$ 1,994,418	\$ 5,618,194	\$ -	\$ (92,184,752)
Student services	(14,415,103)	-	1,006,045	-	(13,409,058)
Instructional staff support	(7,038,878)	-	895,986	-	(6,142,892)
Building administration	(11,617,611)	-	-	-	(11,617,611)
General administration	(21,771,500)	-	261,090	-	(21,510,410)
Operation of plant	(27,290,807)	-	234,970	-	(27,055,837)
Transportation	(14,257,078)	409,138	6,280,994	-	(7,566,946)
Food service	(7,025,956)	3,786,038	2,973,165	-	(266,753)
Community services	(4,267,094)	3,477,678	169,193	-	(620,223)
Facilities acquisition and construction	(89,296,050)	-	-	-	(89,296,050)
Debt service	(16,156,969)	-	-	-	(16,156,969)
Net Program					
(Disbursements) Receipts	<u>\$ (312,934,410)</u>	<u>\$ 9,667,272</u>	<u>\$ 17,439,637</u>	<u>\$ -</u>	(285,827,501)
General Receipts					
Ad valorem tax receipts					128,778,906
Prop C sales tax receipts					17,022,708
Other tax receipts					1,731,143
County receipts					6,957,003
State receipts					41,429,166
Interest receipts					7,247,202
Other receipts					2,653,524
Total General Receipts					<u>205,819,652</u>
Special Items					
Sale of bonds					77,000,000
Premium on bonds sold					7,275,355
Total Special Items					<u>84,275,355</u>
<i>Change in Net Position</i>					4,267,506
Net Position - Beginning of year					95,406,992
Net Position - End of year					<u>\$ 99,674,498</u>

See accompanying Notes to the Financial Statements

Fund Financial Statements

Park Hill School District

Statement of Assets and Fund Balances – Governmental Funds - Modified Cash Basis

June 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets					
Cash and investments	\$ 44,958,484	\$ -	\$ 12,719,872	\$ 41,996,142	\$ 99,674,498
Total Assets	<u>\$ 44,958,484</u>	<u>\$ -</u>	<u>\$ 12,719,872</u>	<u>\$ 41,996,142</u>	<u>\$ 99,674,498</u>
Fund Balances					
Restricted for					
Debt service	\$ -	\$ -	\$ 12,719,872	\$ -	\$ 12,719,872
Student activities	2,126,932	-	-	-	2,126,932
Food service	3,313,639	-	-	-	3,313,639
Unspent bond proceeds	-	-	-	21,770,052	21,770,052
Committed to capital outlay	-	-	-	20,226,090	20,226,090
Unassigned	39,517,913	-	-	-	39,517,913
Total Fund Balances	<u>\$ 44,958,484</u>	<u>\$ -</u>	<u>\$ 12,719,872</u>	<u>\$ 41,996,142</u>	<u>\$ 99,674,498</u>

See accompanying Notes to the Financial Statements

Park Hill School District

Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Receipts					
Local	\$ 120,888,826	\$ 17,027,332	\$ 13,983,261	\$ 14,502,682	\$ 166,402,101
County	4,949,898	505,730	823,149	678,226	6,957,003
State	8,615,951	41,780,497	-	-	50,396,448
Federal	3,653,927	4,818,428	-	-	8,472,355
Other	409,138	-	-	-	409,138
Total Receipts	<u>138,517,740</u>	<u>64,131,987</u>	<u>14,806,410</u>	<u>15,180,908</u>	<u>232,637,045</u>
Disbursements					
Instruction	9,609,736	89,916,177	-	271,451	99,797,364
Student services	7,368,865	7,046,238	-	-	14,415,103
Instructional staff support	2,231,946	4,798,106	-	8,826	7,038,878
Building administration	4,011,906	7,605,705	-	-	11,617,611
General administration	17,117,336	2,841,902	-	1,812,262	21,771,500
Operation of plant	21,700,186	-	-	5,590,621	27,290,807
Transportation	14,155,280	101,798	-	-	14,257,078
Food service	7,020,236	-	-	5,720	7,025,956
Community services	3,912,516	354,578	-	-	4,267,094
Facilities acquisition and construction	-	-	-	89,296,050	89,296,050
Debt service	-	-	16,156,619	350	16,156,969
Total Disbursements	<u>87,128,007</u>	<u>112,664,504</u>	<u>16,156,619</u>	<u>96,985,280</u>	<u>312,934,410</u>
<i>Excess (Deficit) of Receipts over Disbursements</i>	51,389,733	(48,532,517)	(1,350,209)	(81,804,372)	(80,297,365)
Other Financing Sources (Uses)					
Sale of bonds	-	-	-	77,000,000	77,000,000
Net insurance recovery	22,359	-	-	45,000	67,359
Sale of other property	197,345	-	-	24,812	222,157
Premium on bonds sold	-	-	-	7,275,355	7,275,355
Operating transfers in	-	48,532,517	-	-	48,532,517
Operating transfers (out)	(48,532,517)	-	-	-	(48,532,517)
Total Other Financing Sources (Uses)	<u>(48,312,813)</u>	<u>48,532,517</u>	<u>-</u>	<u>84,345,167</u>	<u>84,564,871</u>
<i>Net Change in Fund Balances</i>	3,076,920	-	(1,350,209)	2,540,795	4,267,506
Fund Balance, Beginning of Year	41,881,564	-	14,070,081	39,455,347	95,406,992
Fund Balance, End of Year	<u><u>\$ 44,958,484</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,719,872</u></u>	<u><u>\$ 41,996,142</u></u>	<u><u>\$ 99,674,498</u></u>

See accompanying Notes to the Financial Statements

Park Hill School District

Notes to the Financial Statements

June 30, 2025

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Park Hill School District (the “District”) is organized under the laws of the State of Missouri and is a primary government governed by an elected seven-member board. The District provides educational services to children of the District, early childhood through twelfth grade.

The District has developed criteria to determine whether outside agencies with activities that benefit the citizens of the District should be included within its financial reporting entity. The criterion includes, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District’s financial statements. In addition, the District is not a component unit of any other primary governmental entity.

Basis of Presentation

The District’s financial statements are presented on the modified cash basis of accounting, which is characteristic of local governmental units of this type.

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements present governmental activities generally financed through taxes, intergovernmental receipts, and other non-exchange transactions.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund equity, receipts and disbursements. The governmental funds of the District are all considered major funds by the Department of Elementary and Secondary Education.

The funds presented in the accompanying financial statements include all funds established under Missouri Revised Statutes and controlled by the Board of Education. The purpose of each fund is:

General Fund: Accounts for disbursements for noncertified employees, school transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any disbursements not accounted for in other funds.

Special Revenue Fund: Accounts for receipts for certified employees involved in administration and instruction, and includes receipts restricted by the State for the payment of teacher salaries and taxes allocated to this fund based on the District’s tax levy.

Debt Service Fund: Accounts for receipts restricted, committed, or assigned for the retirement of principal and interest on the District’s general obligation bonds.

Park Hill School District

Notes to the Financial Statements

June 30, 2025

Capital Projects Fund: Accounts for taxes and other receipts restricted, committed, or assigned for acquisition or construction of major capital assets and other capital outlay as defined by State of Missouri statutes.

Basis of Accounting

In the government-wide Statement of Net Position, Statement of Activities, and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. The modification relates to the presentation of investments. This basis recognizes assets, net position/fund balance, receipts and disbursements when they result from cash transactions. This basis is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America, as a result, these financial statements may not be suitable for another purpose.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements except for the recording of investments.

If the District used the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting and the government-wide financial statements would be presented on the accrual basis of accounting.

Capital Outlay

Capital outlay is recorded as disbursements in the Capital Projects Fund at the time the goods received are purchased.

Compensated Absences

Employees earn sick, vacation, and business leave throughout the year. Leave time taken is considered as disbursements in the year paid. Certain amounts unused that are vested in the employee are payable upon termination at varying rates depending on length of service within the District.

Long-Term Debt

Long-term debt arising from cash transactions of the governmental funds is not reported in the government-wide financial statements or the fund financial statements, which is consistent with the modified cash basis of accounting. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as disbursements.

Teachers' Salaries

The salary payment schedule of the District for the 2024-2025 school year requires the payment of salaries for a twelve-month period. Consequently, the July and August 2025 payroll checks are included in the financial statements as a disbursement in the month of May. This practice has been consistently followed in previous years.

Pooled Cash and Investments

Cash resources of the individuals funds are combined to form a pool of cash which is managed by the District's Treasurer. The Debt Service Fund holds deposits in a separate account as required by Missouri State Statutes. Investments are carried at cost, which is consistent with the modified cash basis of accounting. Some investments are held in pooled accounts and investment earnings are allocated to each fund based on weighted average balance.

Park Hill School District

Notes to the Financial Statements

June 30, 2025

Inventories

Inventories are valued at cost and consist of food and educational materials. The cost is recorded as a disbursement at the time inventory is purchased.

Equity Classification

In the government-wide financial statements, net position is classified in two components as follows:

Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position: All other net position that does not meet the definition of “restricted.”

It is the District’s policy to first use restricted net position prior to the use of unrestricted net position when disbursements are made for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance: This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance: This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Board of Education – the District’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance: This classification reflects the amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Program Receipts

Amounts reported as program receipts include 1) charges to students or others for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental receipts are reported as general. All taxes are classified as general receipts even if restricted for a specific purpose.

Park Hill School District

Notes to the Financial Statements

June 30, 2025

2. Cash and Investments

State statutes require that the District's deposits be insured or collateralized in the name of the District by the trust department of a bank that does not hold the collateralized deposits. As of June 30, 2025, all bank balances on deposit are entirely insured or collateralized with securities.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that in the event of a failure of a depository financial institution, the District's deposits may not be returned, or the District will not be able to recover collateral securities in the possession of an outside party. As of June 30, 2025, the District's deposits were not exposed to custodial credit risk.

Custodial Credit Risk – Investments

Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by a party who sold the security to the District or its agent, but not in the government's name. The District does not have a policy for custodial credit risk relating to investments. As of June 30, 2025, all investments held by the District are registered in the name of the District or of a type that is not exposed to custodial credit risk. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Interest Rate Risk

Interest rate risk is the risk that changes in the market may adversely affect the fair value of an investment. The District does not have a formal investment policy, however, all investments are invested in compliance with those permitted in accordance with Section 165.051 of the Missouri Revised Statutes.

Investments

The District's investments at June 30, 2025, are as follows:

Investment Type	Maturity	Amount	Rating
Pro-rata shares of investment contracts with BOK Financial through the Missouri School District			
Direct Deposit Program	N/A	\$ 6,097,783	N/A
Local Government Investment Pool - MOSIP	N/A	8,653,984	AAAm S&P
Local Government Investment Pool - MOCAAT	N/A	4,874,557	AAAm S&P
U.S. Treasury notes and bills - MOCAAT	7/15/2025-8/31/2026	16,415,267	N/A
STRIPS - MOCAAT	5/15/2026	399,796	N/A
Money market instruments - UBS	7/14/2025-10/16/2025	49,668,138	AA+ S&P
Treasury Notes - UBS	2/15/2026-9/30/2027	1,759,482	AA+ S&P
Certificates of deposit - UBS	8/21/2025-5/15/2028	3,185,000	N/A
		<u>\$ 91,054,007</u>	

Funds on deposit with BOK Financial are invested in investment contracts in which the District has a pro-rata share of the investment contract. The investment contracts are in accordance with Section 165.051 and Section 360 of the Missouri Revised Statutes through the Missouri School District Direct Deposit Program. The investment contracts are with credit

Park Hill School District

Notes to the Financial Statements

June 30, 2025

providers whose unsecured long-term debt is rated at the time of such agreement in either of the two highest rating categories by a nationally recognized rating service.

3. Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District.

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year unless the voters have approved a waiver of the rollback provision. The District has voted a waiver of the rollback provision.

The assessed valuation of the tangible taxable property for the calendar year 2024 for purposes of local taxation was:

Real estate	\$1,962,135,631
Personal property	450,367,943
	<u>\$2,412,503,574</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2024 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 4.4671	\$ 4.4671
Debt Service Fund	0.5601	0.5601
Capital Project Fund	0.3683	0.3683
	<u>\$ 5.3955</u>	<u>\$ 5.3955</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2025, aggregated approximately 99 percent of the current assessment computed on the basis of the levy as shown above.

4. Interfund Transfers

Transfers between funds of the District for the year ended June 30, 2025, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 48,532,517
Special Revenue Fund	48,532,517	-
	<u>\$ 48,532,517</u>	<u>\$ 48,532,517</u>

The District is required to make a transfer from the General Fund to the Special Revenue Fund to cover the excess of disbursements over receipts each year. Additionally, the District is allowed to make transfers from the General Fund to the Capital Projects Fund to cover excess disbursements and to build balances.

Park Hill School District

Notes to the Financial Statements

June 30, 2025

5. General Obligation Bonds

Outstanding general obligation bonds at June 30, 2025, consist of:

Series 2016 general obligation refunding bonds - \$8,830,000 dated November 1, 2016, due in varying annual installments through March 1, 2030; interest at 2.00% to 5.00%.	\$ 6,975,000
Series 2017 general obligation improvement bonds - \$87,715,000 dated October 12, 2017, due in varying annual installments through March 1, 2037; interest at 3.00% to 5.00%.	70,580,000
Series 2018 general obligation improvement bonds - \$23,285,000 dated September 25, 2018, due in varying annual installments through March 1, 2038; interest at 3.00% to 5.00%.	21,395,000
Series 2020 general obligation refunding bonds - \$30,725,000 dated December 1, 2020, due in varying annual installments through March 1, 2030; interest at 2.00% to 5.00%.	19,040,000
Series 2023 general obligation improvement bonds - \$60,000,000 dated January 26, 2023, due in varying annual installments through March 1, 2042; interest at 4.00% to 5.00%.	58,720,000
Series 2024 general obligation bonds - \$77,000,000 dated October 10, 2024, due in varying annual installments through March 1, 2044; interest at 4.50% to 5.00%.	77,000,000
	<u>\$ 253,710,000</u>

The following is a summary of bond transactions for the year ended June 30, 2025:

Bonds outstanding, Beginning of Year	\$ 184,275,000
Bonds issued	77,000,000
Bonds retired	(7,565,000)
Bonds outstanding, End of Year	<u><u>\$ 253,710,000</u></u>

Debt service requirements are:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 7,775,000	\$ 10,459,699	\$ 18,234,699
2027	7,925,000	10,104,849	18,029,849
2028	8,750,000	9,746,249	18,496,249
2029	9,430,000	9,389,349	18,819,349
2030	10,205,000	9,125,798	19,330,798
2031-2035	64,045,000	39,625,706	103,670,706
2036-2040	83,230,000	25,381,075	108,611,075
2041-2044	62,350,000	6,629,763	68,979,763
	<u><u>\$ 253,710,000</u></u>	<u><u>\$ 120,462,488</u></u>	<u><u>\$ 374,172,488</u></u>

Park Hill School District

Notes to the Financial Statements

June 30, 2025

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of the district. The legal debt margin (excluding state assessed railroad and utility) of the District at June 30, 2025, was:

Constitutional debt limit	\$ 361,875,536
General obligation bonds outstanding	(253,710,000)
Amount available in Debt Service Fund	12,719,872
Legal Debt Margin	<u>\$ 120,885,408</u>

6. Other Long-term Obligations

The District has entered into a lease agreement for the right-to-use office space through fiscal year 2028. The amount paid in rental fees during the current year was \$184,778.

Future minimum payments due under this agreement are as follows:

<u>Year Ending June 30,</u>	<u>Office Lease</u>
2026	\$ 184,778
2027	189,772
2028	194,766
	<u>\$ 569,316</u>

7. Debt Defeasance

On November 4, 2021, the District established an irrevocable trust in order to advance refund \$12,095,000 of outstanding principal, together with accumulated interest, of the Series 2017 General Obligation Bonds with a maturity date of March 1, 2037. The advance refunding will occur on March 1, 2026. At June 30, 2025, the amount held in the irrevocable trust was \$12,142,839.

8. Retirement Plans

Public School Retirement System of Missouri and Public Education Employee Retirement System of Missouri

Summary of Significant Accounting Policies

The District participates in the Public School Retirement System and the Public Education Employee Retirement System (PSRS and PEERS, also referred to as the Systems). The financial statements of the District were prepared using the modified cash basis of accounting. Therefore, member and employer contributions are recognized when paid and the District's net pension liability, deferred outflows and inflows of resources related to pensions are not recorded in these financial statements.

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of

Park Hill School District

Notes to the Financial Statements

June 30, 2025

PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Sections 169.070 (9) RSMo, known as the "two-thirds statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

Plan Description. PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certificated public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of the Systems who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560 - 169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Members who retire with 32 or more years of service will have their benefit calculated using a 2.55% benefit factor. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Benefits Provided. PEERS is a defined benefit plan providing retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with 5 to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Cost-of-Living Adjustments (COLA). The Board of Trustees has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI is greater than 5.00%. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after

Park Hill School District

Notes to the Financial Statements

June 30, 2025

commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2025. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2025. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$12,508,699 and \$2,859,341, respectively, for the year ended June 30, 2025.

Summary Plan descriptions detailing the provisions of the plans as well as additional information regarding the District's net pension liability and deferred inflows and outflows of resources can be found on the Systems' website at www.psrs-peers.org.

9. Compensated Absences Liability

Teachers of the District who have been employed by the District for at least the last 10 years receive compensation for unused sick leave days at the rate of \$50 per day up to a maximum of 110 days and retirement pay based on the number of years of service divided by 10 and multiplied by one-ninth of the last completed contract, per stipulations contained in the teacher agreement. Support staff of the District will be paid all of their unused vacation leave at their current rate of pay, up to a maximum number of 40 days. Support staff also receive compensation for unused sick and personal business leave at their current rate of pay for one-half of a maximum of 150 days. Administrators receive compensation for unused vacation days, up to 40 at their daily rate of pay upon separation. Administrators with more than 10 years of service at the District immediately prior to retirement are compensated for unused sick leave at the rate of one-half of the accumulated sick leave days, up to 200 days, times the daily rate of salary; and receives two additional accumulated sick leave days at full compensation for each year over 10.

The maximum liability for the earned, but unused, leave balances at June 30, 2025 was \$9,968,469.

10. Claims & Adjustments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulation, the District may be required to reimburse the grantor government. As of June 30, 2025, disbursements have not been audited by grantor governments, but the District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

Park Hill School District

Notes to the Financial Statements

June 30, 2025

11. Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with over 490 other Missouri public school and college districts to form the Missouri United School Insurance Council (MUSIC). MUSIC is a public entity risk pool operating for the purpose of providing broad property and casualty coverages under one comprehensive plan for all participating members of the risk-sharing group.

The District does not pay premiums to purchase insurance policies, but it pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The calendar year 2025 assessment was \$2,821,058.

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

12. Post-Employment Benefits

In addition to the pension benefits described in Note 8, the District makes available post-retirement healthcare benefits to all employees who retire from the District. Participation by retirees in the District health plan is subject to terms and conditions set forth in the Board policy. The cost of the coverage is charged to the retiree at a blended rate for all employees. The District has not made a formal evaluation or projection on the future cost of the existing health care benefit plan in relation to retirees.

13. Commitments

The District had the following commitments as of June 30, 2025:

Project	Contract Amount	Remaining Amount
Aging Facilities	\$ 11,011,116	\$ 9,165,665
Park Hill High School and Athletic Field Additions and Renovations	\$ 21,717,514	\$ 4,411,523
Park Hill High South School and Athletic Field Additions and Renovations	\$ 18,572,112	\$ 2,175,563
New Angeline Washington Elementary School	\$ 22,478,707	\$ 1,297,034
Boiler Replacements	\$ 352,258	\$ 224,807
Electric Renovations	\$ 1,684,891	\$ 90,064
HVAC Projects	\$ 214,931	\$ 137,556

14. Subsequent Event

On April 8, 2025, the voters of the District approved the issuance of \$128,000,000 in general obligation bonds. On September 11, 2025, the Board approved to issue and sell the general obligation bonds, Series 2025, for the full amount.

Park Hill School District

Notes to the Financial Statements

June 30, 2025

15. Tax Abatements

As of June 30, 2025, the District did not provide tax abatements to any businesses. However, the District's taxes were reduced by agreements entered into by other governments through the following programs: the Urban Redevelopment Corporation Law (Chapter 353), the Enhanced Enterprise Zone, the Chapter 100 Industrial Development Act, and, the Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing).

The Urban Redevelopment Corporation Law, or Chapter 353, is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo., the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. Payments in lieu of taxes (PILOTs) may be imposed on the Urban Redevelopment Corporation by the city in order to replace all or part of the real estate taxes abated. The PILOTs must be allocated based on a proportionate share to each taxing district.

The Missouri Department of Economic Development and various Enhanced Enterprise Zone (EEZ) boards administer the Missouri Works/EEZ program to assist in establishing quality jobs and investment by providing state income tax retention or state income tax credits and local property tax abatements to new or expanding eligible businesses per Sections 135.207-135.210 RSMo. Businesses must engage in assembling, distribution, manufacturing, warehousing, or other uses permitted by statute in order to be eligible. Eligible businesses must create two new jobs and invest at least \$100,000 within two years. The program typically abates 50% of property taxes resulting from improvements made to real property for a period of 10 years after the incentive is granted.

The Chapter 100 Industrial Development Act allow cities or counties to purchase or construct certain types of projects with bond proceeds and lease the project to a company under Sections 100.010-100.200, RSMo. Eligible projects include the purchase, construction, extension and improvement of warehouses, distributions facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants. Since the city or county owns the property and leases it to the company, an amount of the property taxes can be abated for a term agreed on by the city or county issuer and the company. Cities and counties are allowed to require the company to make payments in lieu of taxes (PILOTs) for a portion of the taxes it would have otherwise been required to pay.

Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation. The increased assessed valuation resulting from the redevelopment is referred to as payments in lieu of taxes (PILOT). PILOTs for each TIF district are collected by the county collector and distributed to the cities that authorized the TIF, these funds are then distributed to a TIF special allocation fund or other political subdivisions.

Park Hill School District

Notes to the Financial Statements

June 30, 2025

Information relevant to disclosure of these programs for the year ended June 30, 2025, is as follows:

Government Entering into Agreement	Tax Abatement Program	Amount of Taxes Abated
City of Kansas City, Missouri	Ad-valorem taxes	
	Chapter 353	\$ 184,386
	Enhanced Enterprise Zone	40,202
City of Parkville, Missouri	Ad-valorem taxes	
	Tax Increment Financing	373,011
	Chapter 353	110,785
	Chapter 100	726,456
City of Riverside, Missouri	Ad-valorem taxes	
	Tax Increment Financing	5,764,412
		<u>\$ 7,199,252</u>

Payments received in lieu of taxes as a result of these tax abatements were \$56,626 from the City of Kansas City, Missouri, and \$52,536 from the City of Parkville, Missouri.

Supplementary Information

Park Hill School District

Schedule of Receipts by Source

Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Local					
Current taxes	\$ 104,884,489	\$ -	\$ 13,150,655	\$ 8,647,388	\$ 126,682,532
Delinquent taxes	1,735,652	-	217,622	143,100	2,096,374
School district trust fund (Prop C)	-	17,022,708	-	-	17,022,708
Financial institution tax	-	-	-	76,461	76,461
M&M surtax	-	-	-	978,264	978,264
In lieu of tax	-	-	-	676,418	676,418
Earnings from temporary deposits	3,108,938	4,624	614,984	3,518,656	7,247,202
Premium on bonds sold	-	-	-	7,275,355	7,275,355
Sales to pupils-reimbursable meals	2,930,713	-	-	-	2,930,713
Sales to adults for adult meals-non-program	66,161	-	-	-	66,161
Nonreimbursable meal sales - non-program	789,164	-	-	-	789,164
Admissions - student activities	123,459	-	-	-	123,459
Student organization membership dues and fees	62,128	-	-	-	62,128
Revenue from enterprise activities	1,808,831	-	-	-	1,808,831
Community services	2,021,194	-	-	-	2,021,194
PK tuition from parents	1,456,484	-	-	-	1,456,484
Rentals	28,200	-	-	179,414	207,614
Gifts	241,374	-	-	-	241,374
Prior period adjustment	315,649	-	-	249,700	565,349
Miscellaneous local revenue	1,316,390	-	-	33,281	1,349,671
Total Local	120,888,826	17,027,332	13,983,261	21,778,037	173,677,456
County					
Fines, escheats, etc.	-	505,730	-	-	505,730
State assessed utilities	4,942,898	-	823,149	678,226	6,444,273
Other - county	7,000	-	-	-	7,000
Total County	4,949,898	505,730	823,149	678,226	6,957,003
State					
Basic formula - state monies	-	35,133,102	-	-	35,133,102
Transportation	5,760,446	-	-	-	5,760,446
Early childhood special education	2,523,296	-	-	-	2,523,296
Basic formula - classroom trust fund	-	6,647,395	-	-	6,647,395
Educational screening program/PAT	104,994	-	-	-	104,994
Career education	31,106	-	-	-	31,106
Food service - state	41,794	-	-	-	41,794
High need fund - special education	136,445	-	-	-	136,445
Other - state	17,870	-	-	-	17,870
Total State	8,615,951	41,780,497	-	-	50,396,448

The above presentation is in the form of the Annual Secretary of the Board Report (ASBR)

Park Hill School District

Schedule of Receipts by Source

Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Federal					
Medicaid	169,882	-	-	-	169,882
ARP - ESSER III	19,332	181,369	-	-	200,701
IDEA Grants	10,164	-	-	-	10,164
IDEA entitlement funds, part B IDEA	-	2,659,558	-	-	2,659,558
Early childhood special education - federal	-	273,525	-	-	273,525
National school lunch program	2,404,160	-	-	-	2,404,160
School breakfast program	520,853	-	-	-	520,853
After school snack program	6,358	-	-	-	6,358
Title I - ESEA	26,008	1,531,798	-	-	1,557,806
Title IV.A student support and academic enrichment	84,938	-	-	-	84,938
Title III, ESEA - English language acquisition	40,249	12,836	-	-	53,085
Title II, part A&B, ESEA - teacher and principal training	354,921	159,342	-	-	514,263
ARP-Homeless children and youth II	16,862	-	-	-	16,862
Other - federal	200	-	-	-	200
Total Federal	<u>3,653,927</u>	<u>4,818,428</u>	<u>-</u>	<u>-</u>	<u>8,472,355</u>
Other Sources					
Sale of bonds	-	-	-	77,000,000	77,000,000
Net insurance recovery	22,359	-	-	45,000	67,359
Sale of other property	197,345	-	-	24,812	222,157
Transportation from other LEAs for non- disabled routes	409,138	-	-	-	409,138
Total Other Sources	<u>628,842</u>	<u>-</u>	<u>-</u>	<u>77,069,812</u>	<u>77,698,654</u>
Total Receipts	<u>\$ 138,737,444</u>	<u>\$ 64,131,987</u>	<u>\$ 14,806,410</u>	<u>\$ 99,526,075</u>	<u>\$ 317,201,916</u>

The above presentation is in the form of the Annual Secretary of the Board Report (ASBR)

Park Hill School District

Schedule of Disbursements by Object

Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Salaries	\$ 34,205,417	\$ 86,271,294	\$ -	\$ -	\$ 120,476,711
Employee benefits	10,236,748	25,479,547	-	-	35,716,295
Purchased services	24,472,714	913,663	-	-	25,386,377
Supplies	18,213,128	-	-	-	18,213,128
Capital outlay	-	-	-	96,984,930	96,984,930
Other objects	-	-	16,156,619	350	16,156,969
Total Disbursements	\$ 87,128,007	\$ 112,664,504	\$ 16,156,619	\$ 96,985,280	\$ 312,934,410

The above presentation is in the form of the Annual Secretary of the Board Report (ASBR)

Park Hill School District

Schedule of Transportation Costs Eligible for State Aid

Year Ended June 30, 2025

	Contracted	District Operated	Contracted Disabled	Total
Certificated salaries	\$ 58,314	\$ -	\$ 16,216	\$ 74,530
Non-certificated salaries	198,049	-	55,073	253,122
Employee benefits	75,128	-	20,892	96,020
Purchased services	9,941,556	73,802	2,785,061	12,800,419
Supplies	369,236	-	114,009	483,245
Depreciation	-	403,968	-	403,968
	<u>\$ 10,642,283</u>	<u>\$ 477,770</u>	<u>\$ 2,991,251</u>	<u>\$ 14,111,304</u>

The above presentation is in the form of the Annual Secretary of the Board Report (ASBR)

Other Information

Park Hill School District

Budgetary Comparison Schedule – General Fund– Modified Cash Basis

Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 122,782,289	\$ 119,895,466	\$ 120,888,826	\$ 993,360
County	5,556,909	4,926,785	4,949,898	23,113
State	9,038,696	8,573,902	8,615,951	42,049
Federal	4,467,981	3,509,558	3,653,927	144,369
Other	168,000	407,228	409,138	1,910
Total Receipts	<u>142,013,875</u>	<u>137,312,939</u>	<u>138,517,740</u>	<u>1,204,801</u>
Disbursements				
Instruction	9,097,086	9,330,435	9,609,736	(279,301)
Student services	7,441,243	7,441,243	7,368,865	72,378
Instructional staff support	2,462,473	2,452,037	2,231,946	220,091
Building administration	4,220,035	4,220,035	4,011,906	208,129
General administration	17,805,338	17,809,285	17,117,336	691,949
Operation of plant	22,874,687	22,874,824	21,700,186	1,174,638
Transportation	11,993,260	12,020,089	14,155,280	(2,135,191)
Food service	7,274,228	7,274,228	7,020,236	253,992
Community services	3,991,738	3,937,912	3,912,516	25,396
Total Disbursements	<u>87,160,088</u>	<u>87,360,088</u>	<u>87,128,007</u>	<u>232,081</u>
<i>Excess (Deficit) of Receipts over Disbursements</i>	54,853,787	49,952,851	51,389,733	1,436,882
Other Financing Sources (Uses)				
Net insurance recovery	17,176	22,255	22,359	104
Sale of other property	175,000	196,424	197,345	921
Operating transfers (out)	(56,382,683)	(49,034,320)	(48,532,517)	501,803
Total Other Financing Sources (Uses)	<u>(56,190,507)</u>	<u>(48,815,641)</u>	<u>(48,312,813)</u>	<u>502,828</u>
<i>Net Change in Fund Balance</i>	(1,336,720)	1,137,210	3,076,920	1,939,710
Fund Balance, Beginning of Year	41,735,675	42,296,213	41,881,564	(414,649)
Fund Balance, End of Year	<u>\$ 40,398,955</u>	<u>\$ 43,433,423</u>	<u>\$ 44,958,484</u>	<u>\$ 1,525,061</u>

See accompanying Notes to the Budgetary Comparison Schedules

Park Hill School District

Budgetary Comparison Schedule – Special Revenue Fund– Modified Cash Basis

Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 18,224,739	\$ 17,027,332	\$ 17,027,332	\$ -
County	575,000	505,730	505,730	-
State	35,341,093	41,780,497	41,780,497	-
Federal	3,892,793	4,818,429	4,818,428	(1)
Total Receipts	<u>58,033,625</u>	<u>64,131,988</u>	<u>64,131,987</u>	<u>(1)</u>
Disbursements				
Instruction	90,949,744	90,949,744	89,916,177	1,033,567
Student services	6,832,226	6,832,226	7,046,238	(214,012)
Instructional staff support	4,644,569	4,644,569	4,798,106	(153,537)
Building administration	7,596,883	7,596,883	7,605,705	(8,822)
General administration	2,782,167	2,782,167	2,841,902	(59,735)
Transportation	-	-	101,798	(101,798)
Community services	360,719	360,719	354,578	6,141
Total Disbursements	<u>113,166,308</u>	<u>113,166,308</u>	<u>112,664,504</u>	<u>501,804</u>
<i>Excess (Deficit) of Receipts over Disbursements</i>	(55,132,683)	(49,034,320)	(48,532,517)	501,803
Other Financing Sources				
Operating transfers in	<u>55,132,683</u>	<u>49,034,320</u>	<u>48,532,517</u>	<u>(501,803)</u>
<i>Net Change in Fund Balance</i>	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Budgetary Comparison Schedules

Park Hill School District

Budgetary Comparison Schedule – Debt Service Fund– Modified Cash Basis

Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 17,526,066	\$ 13,981,170	\$ 13,983,261	\$ 2,091
County	685,524	823,026	823,149	123
Total Receipts	<u>18,211,590</u>	<u>14,804,196</u>	<u>14,806,410</u>	<u>2,214</u>
Disbursements				
Debt service	<u>18,500,000</u>	<u>18,500,000</u>	<u>16,156,619</u>	<u>2,343,381</u>
<i>Excess (Deficit) of Receipts over Disbursements</i>	(288,410)	(3,695,804)	(1,350,209)	2,345,595
Fund Balance, Beginning of Year	<u>13,802,303</u>	<u>13,922,938</u>	<u>14,070,081</u>	-
Fund Balance, End of Year	<u><u>\$ 13,513,893</u></u>	<u><u>\$ 10,227,134</u></u>	<u><u>\$ 12,719,872</u></u>	<u><u>\$ 2,345,595</u></u>

See accompanying Notes to the Budgetary Comparison Schedules

Park Hill School District

Budgetary Comparison Schedule – Capital Projects Fund– Modified Cash Basis

Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Local	\$ 14,823,220	\$ 14,605,068	\$ 14,502,682	\$ (102,386)
County	367,114	683,954	678,226	(5,728)
State	3,491,089	-	-	-
Total Receipts	<u>18,681,423</u>	<u>15,289,022</u>	<u>15,180,908</u>	<u>(108,114)</u>
Disbursements				
Instruction	351,994	351,994	271,451	80,543
Student services	2,100	2,100	-	2,100
Instructional staff support	43,289	43,289	8,826	34,463
General administration	2,711,568	2,711,568	1,812,262	899,306
Operation of plant	9,940,924	9,940,924	5,590,621	4,350,303
Food service	-	-	5,720	(5,720)
Community services	1,460	1,460	-	1,460
Facilities acquisition and construction	49,429,590	89,429,240	89,296,050	133,190
Debt service	-	350	350	-
Total Disbursements	<u>62,480,925</u>	<u>102,480,925</u>	<u>96,985,280</u>	<u>5,495,645</u>
<i>Excess (Deficit) of Receipts over Disbursements</i>	(43,799,502)	(87,191,903)	(81,804,372)	5,387,531
Other Financing Sources				
Operating transfers in	1,250,000	-	-	-
Sale of bonds	77,000,000	76,968,847	77,000,000	31,153
Net insurance recovery	35,065	45,380	45,000	(380)
Sale of other property	41,479	25,021	24,812	(209)
Premium on bonds sold	-	7,272,411	7,275,355	2,944
Total Other Financing Sources	<u>78,326,544</u>	<u>84,311,659</u>	<u>84,345,167</u>	<u>33,508</u>
<i>Net Change in Fund Balance</i>	34,527,042	(2,880,244)	2,540,795	5,421,039
Fund Balance, Beginning of Year	<u>39,499,141</u>	<u>39,187,841</u>	<u>39,455,347</u>	<u>267,506</u>
Fund Balance, End of Year	<u><u>\$ 74,026,183</u></u>	<u><u>\$ 36,307,597</u></u>	<u><u>\$ 41,996,142</u></u>	<u><u>\$ 5,688,545</u></u>

See accompanying Notes to the Budgetary Comparison Schedules

Park Hill School District

Notes to the Budgetary Comparison Schedules

Year Ended June 30, 2025

Budgets and Budgetary Accounting

The District follows these procedures 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.
2. Prior to July, the superintendent, who serves as the Budget Officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The budget includes estimated receipts and proposed disbursements for all District funds. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. 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 of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements. Budgeted amounts are as originally adopted, or as amended by the Board of Education. Individual amendments were not material to the original appropriations, which were amended.
6. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis), which is consistent with the basis of accounting used for the financial statements.

Other Reporting Requirements



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education
Park Hill School District
Kansas City, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities and each major fund of the Park Hill School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Park Hill School District's basic modified cash basis financial statements, and have issued our report thereon dated November 5, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Park Hill School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park Hill School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitation, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Park Hill School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 5, 2025

Supplementary State Information

KPM
CPAS & ADVISORS
Independent Accountants' Report

Board of Education
Park Hill School District
Kansas City, Missouri

We have examined Park Hill School District's compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure of the District's attendance records of average daily attendance, standard day length, resident membership on the last Wednesday of September and January, pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and other statutory requirements as listed in the Schedule of Selected Statistics during the year ended June 30, 2025. Park Hill School District's management is responsible for it's the District's compliance with the specified requirements. Our responsibility is to express an opinion on Park Hill School District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Park Hill School District complied, in all material respects, with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination engagement does not provide a legal determination on Park Hill School District's compliance with the specified requirements.

In our opinion, Park Hill School District complied in all material respects, with the aforementioned requirements for the year ended June 30, 2025.

This report is intended solely for the information and use of the Board of Education, District management, and the Missouri Department of Elementary and Secondary Education and is not intended to be, and should not be, used by anyone other than these specified parties.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
November 5, 2025

Park Hill School District

Schedule of Selected Statistics

Year Ended June 30, 2025

1. Calendar (Sections 160.041, 171.029, 171.031, and 171.033 RSMo)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
	K	5		6.5833	169.00	1,107.2861
	6	8		6.7000	169.00	1,126.9500
	9	12		6.7167	169.00	1,129.7639
6000	K	12		6.2500	169.00	1,051.1250
7500	PK	PK	A	3.1000	168.00	524.2986
7500	PK	PK	P	3.1000	168.00	524.2986

2. Attendance Hours

Report the total attendance hours of PK-12 students allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
1050	9-12	1,930,838.56	1,080.28	-	2,347.10	96,666.03	2,030,931.97
1080	9-12	1,866,976.91	2,363.28	-	-	-	1,869,340.19
3000	6-8	683,887.95	31.73	-	2,313.48	29,143.40	715,376.56
3030	6-8	632,143.89	31.72	-	892.90	25,477.22	658,545.73
3050	6-8	705,136.33	2,176.67	-	-	-	707,313.00
3060	6-8	755,066.32	95.18	-	-	13,523.97	768,685.47
4020	K-5	467,178.63	1,078.44	-	1,964.96	96,461.32	566,683.35
4040	K-5	427,678.92	574.95	-	-	-	428,253.87
4060	K-5	324,619.41	1,047.96	-	617.83	14,623.77	340,908.97
4080	K-5	422,028.68	-	-	-	-	422,028.68
5000	K-5	560,020.48	61.39	-	515.17	29,765.43	590,362.47
5020	K-5	632,750.98	140.49	-	-	-	632,891.47
5040	K-5	455,545.28	4,203.39	-	482.82	39,666.05	499,897.54
5060	K-5	454,334.82	401.17	-	-	-	454,735.99
5080	K-5	469,517.91	-	-	660.42	51,730.28	521,908.61
5090	K-5	513,681.96	63.45	-	665.42	48,818.93	563,229.76
5095	K-5	505,001.31	1,089.68	-	867.64	29,278.48	536,237.11
6000	K-12	-	-	-	-	-	-
7500	PK	16,817.58	-	-	-	-	16,817.58
Grand Total	K-12	11,823,225.92	14,439.78	-	11,327.74	475,154.88	12,324,148.32

Park Hill School District

Schedule of Selected Statistics

Year Ended June 30, 2025

3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should include all PK students. If possible, note the number of PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File (example: 102 (20 claimed for SA)).

School Code	Grade Level	Full-Time	Part-Time	Other	Total
	PK	392.00	-	-	392.00
	K	777.00	0.41	-	777.41
	1	813.00	0.03	-	813.03
	2	832.00	0.63	-	832.63
	3	881.00	0.19	-	881.19
	4	870.00	0.06	-	870.06
	5	863.00	0.03	-	863.03
	6	864.00	0.06	-	864.06
	7	905.00	0.28	-	905.28
	8	879.00	0.48	-	879.48
	9	970.00	-	-	970.00
	10	989.00	1.52	-	990.52
	11	957.00	0.50	-	957.50
	12	916.00	1.64	-	917.64
Grand Total	K-12	11,908.00	5.83	-	11,913.83

Notes:	PK in the table above includes all PK students. The District identified 74 PK students as being eligible to be claimed for state aid in the October MOSIS Student Core Files

Park Hill School District

Schedule of Selected Statistics

Year Ended June 30, 2025

4. January Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in January who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should include all PK students. If possible, note the number of PK students marked as being eligible to be claimed for state aid in the February MOSIS Student Core File (example: 102 (20 claimed for SA)).

School Code	Grade Level	Full-Time	Part-Time	Other	Total
	PK	420.00	-	-	420.00
	K	792.00	0.12	-	792.12
	1	803.00	0.95	-	803.95
	2	838.00	0.63	-	838.63
	3	879.00	0.19	-	879.19
	4	869.00	0.06	-	869.06
	5	857.00	0.03	-	857.03
	6	860.00	0.03	-	860.03
	7	900.00	0.28	-	900.28
	8	878.00	0.03	-	878.03
	9	967.00	-	-	967.00
	10	982.00	1.52	-	983.52
	11	933.00	0.50	-	933.50
	12	776.00	1.00	-	777.00
Grand Total	K-12	11,754.00	5.34	-	11,759.34

Notes:	PK in the table above includes all PK students. The District identified 70 PK students as being eligible to be claimed for state aid in the February MOSIS Student Core Files

Park Hill School District

Schedule of Selected Statistics

Year Ended June 30, 2025

5. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	DESEG In Free	DESEG In Reduced	Total
1050	328.00	139.00	-	-	467.00
1080	334.00	75.00	-	-	409.00
3000	93.00	33.00	-	-	126.00
3030	128.00	44.00	-	-	172.00
3050	173.03	51.00	-	-	224.03
3060	165.00	37.00	-	-	202.00
4020	162.92	33.00	-	-	195.92
4040	64.00	30.00	-	-	94.00
4060	120.00	12.00	-	-	132.00
4080	127.00	41.00	-	-	168.00
5000	132.00	33.00	-	-	165.00
5020	71.00	17.00	-	-	88.00
5040	97.00	23.00	-	-	120.00
5060	108.00	37.00	-	-	145.00
5080	78.00	22.00	-	-	100.00
5090	127.00	27.00	-	-	154.00
5095	110.00	35.00	-	-	145.00
Grand Total	2,417.95	689.00	-	-	3,106.95

Park Hill School District

Schedule of Selected Statistics

Year Ended June 30, 2025

6. Finance

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
6.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
6.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation and reporting by category of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	True
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	N/A
6.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
6.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
6.5	As required by Section 162.401, RSMo, a bond was purchased for the district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	\$50,000
6.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual	True

Park Hill School District

Schedule of Selected Statistics

Year Ended June 30, 2025

6.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
6.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	True
6.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
6.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
6.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. (Not applicable to charter schools.)	True
6.12	The amount spent for approved professional development committee plan activities was:	\$361,139
6.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

Finding:	There were no findings noted above.
Management Letter Comment:	N/A

Park Hill School District

Schedule of Selected Statistics

Year Ended June 30, 2025

7. Transportation (Section 163.161, RSMo)

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
7.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
7.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
7.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	5,848.0
	Ineligible ADT	750.0
7.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
7.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	1,915,747
7.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	1,560,181
	Ineligible Miles (Non-Route/Disapproved)	355,566
7.7	Number of days the district/charter school operated the school transportation system during the regular school year:	164

Finding:	There were no findings noted above.
Management Letter Comment:	N/A