

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

**NEW ISSUE
BOOK-ENTRY-ONLY**

**PROGRAM RATING: S&P: "AA+"
UNDERLYING RATING: S&P: "AA"
See "MISCELLANEOUS – Bond Ratings" herein.**

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds is included in gross income for federal income tax purposes, and is not exempt from income taxation by the State of Missouri. See "TAX MATTERS" in this Official Statement.

OFFICIAL STATEMENT

**\$12,150,000
PARK HILL SCHOOL DISTRICT OF PLATTE COUNTY, MISSOURI
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2021**

Dated: Date of Delivery

**Due: March 1, as shown
on the inside cover page**

The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in authorized denominations. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the bonds, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Bonds.

The Bonds will be issued in the denomination of \$5,000 or any integral multiple thereof. Semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2022. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the payment office of Security Bank of Kansas City, Kansas City, Kansas, the Paying Agent. Interest will be payable by check or draft of the Paying Agent mailed (or by electronic transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day of the month preceding the interest payment date. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner. DTC is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Bonds are not subject to redemption prior to maturity.

The Bonds and the interest thereon will constitute general obligations of the District, payable from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

An investment in the Bonds involves risk. Prospective purchasers should be able to evaluate the risks and merits of an investment in the Bonds before considering a purchase of the Bonds. See "RISK FACTORS" herein.

The Bonds are offered when, as and if issued by the District, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Certain legal matters related to the Official Statement will be passed upon by Gilmore & Bell, P.C., Kansas City, Missouri. It is expected that the Bonds will be available for delivery at The Depository Trust Company in New York, New York, on or about November 4, 2021.



The date of this Official Statement is October 18, 2021.

\$12,150,000
PARK HILL SCHOOL DISTRICT OF PLATTE COUNTY, MISSOURI
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2021

MATURITY SCHEDULE

SERIAL BONDS

<u>Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
2022	\$4,820,000	0.100%	100.000%	0.100%
2023	7,330,000	0.300	100.000	0.300

**PARK HILL SCHOOL DISTRICT
OF PLATTE COUNTY, MISSOURI**

7703 NW Barry Road
Kansas City, MO 64153-1731
(816) 359-4000

BOARD OF EDUCATION

Janice Bolin, President and Member
Bart Klein, Vice President and Member
Kimberlee Ried, Treasurer and Member
Todd Fane, Member
Scott Monsees, Member
Susan Newburger, Member
Brandy Woodley, Member

ADMINISTRATIVE OFFICERS

Dr. Jeanette Cowherd, Superintendent
Dr. Mike Kimbrel, Assistant Superintendent, Academic Services
Dr. Paul Kelly, Assistant Superintendent, Business and Technology
Dr. Bill Redinger, Human Resources

Secretary of the Board of Education

Opal Hibbs

MUNICIPAL ADVISOR

Piper Sandler & Co.
Leawood, Kansas

BOND COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

CERTIFIED PUBLIC ACCOUNTANTS

Daniel Jones & Associates, P.C.
Arnold, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of this information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "projected," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE DISTRICT NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR OR DO NOT OCCUR.

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OFFICIAL STATEMENT

\$12,150,000

**PARK HILL SCHOOL DISTRICT OF PLATTE COUNTY, MISSOURI
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2021**

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the Park Hill School District of Platte County, Missouri (the “District”), and (2) the District’s Taxable General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2021 (the “Bonds”), dated their date of delivery, to be issued in the principal amount of \$12,150,000.

The District

The District is a school district and political subdivision organized and existing under the laws of the State of Missouri. See the caption “**THE DISTRICT**” herein.

The Bonds

The Bonds are being issued pursuant to a resolution (the “Bond Resolution”) adopted by the governing body of the District for the purpose of providing funds to advance refund a portion of the principal of and interest on the District’s outstanding General Obligations Bonds (Missouri Direct Deposit Program), Series 2017 (the “Series 2017 Bonds” as further described below under “**PLAN OF FINANCING – Refunding of Refunded Bonds**”) maturing in 2037 (the principal amount of the Series 2017 Bonds being refunded being the “Refunded Bonds”) in the principal amount of \$12,095,000, and the District is authorized under the provisions of the Refunding Bond Law (as defined below) to refund, extend and unify the whole or part of its valid general obligation indebtedness. See the caption “**THE BONDS**” herein.

Security and Source of Payment

The Bonds will be general obligations of the District and will be payable from ad valorem taxes that may be levied without limitation as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” herein.

Financial Statements

Audited financial statements of the District, as of and for the year ended June 30, 2020, are included in *Appendix B* to this Official Statement. These financial statements have been audited by Daniel Jones & Associates, P.C., independent certified public accountants, Arnold, Missouri, to the extent and for the periods indicated in their report, which is also included in *Appendix B*.

Continuing Disclosure

The District will undertake, pursuant to a continuing disclosure certificate, to provide certain financial information and notices of the occurrence of certain events. A description of this undertaking is set forth in the section “CONTINUING DISCLOSURE” herein.

THE DISTRICT

The District is a school district and political subdivision organized and existing under the laws of the State of Missouri. The District is located in the northwest portion of Kansas City, Missouri. The District encompasses approximately 73.5 square miles and has a population of 62,261 based on the 2010 Census. The District had a 2020-2021 enrollment of 11,707 students with an estimated average daily attendance for the 2020-2021 academic year of 11,347. The District had a 2019-2020 enrollment of 11,611 students with an estimated average daily attendance for the 2019-2020 academic year of 11,158. The District had 2018-2019 enrollment of 11,458 students. See “APPENDIX A: THE DISTRICT” and “APPENDIX B: ACCOUNTANT’S REPORT AND AUDITED FINANCIAL STATEMENTS.”

PLAN OF FINANCING

Authorization of the Bonds

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Sections 26 and 28 of the Missouri Constitution and Chapters 164 and 108 of the Revised Statutes of Missouri, as amended.

Refunding of Refunded Bonds

The Bonds are being issued to advance refund the principal of and interest on the Refunded Bonds. The maturity and principal amount of the Refunded Bonds are as follows:

Refunded Bonds*

<u>Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>
2037	\$12,095,000

* The Refunded Bonds consists of a portion of the Series 2017 Bonds, which will be called for redemption on March 1, 2026 (the “Series 2017 Redemption Date”).

The District will transfer \$12,055,102.78 of the proceeds of the Bonds, together with \$1,300,000.00 of District funds, to Security Bank of Kansas City, Kansas City, Kansas, as escrow agent (the “Escrow Agent”) for deposit in the escrow fund (the “Escrow Fund”) established under an Escrow Trust Agreement (the “Escrow Agreement”) between the District and the Escrow Agent. Such moneys deposited with the Escrow Agent will be used to purchase direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the “Escrowed Securities”) and to establish an initial cash balance in the Escrow Fund. The Escrowed Securities will mature in such amounts and at such times as shall be sufficient, together with the interest to accrue thereon and the cash on deposit in the Escrow Fund, to pay the principal of and interest on the Refunded Bonds when due and when called for redemption on March 1, 2026.

After the issuance of the Bonds and the deposit of the proceeds (together with funds contributed by the District) thereof with the Escrow Agent pursuant to the Escrow Agreement, the interest on the Refunded Bonds scheduled to become due prior to and including March 1, 2026 and the principal amount of the Refunded Bonds remaining outstanding on March 1, 2026, to be redeemed and paid on March 1, 2026, shall be payable from the maturing principal of the Escrowed Securities, together with the earnings thereon and the cash held for such purpose by the Escrow Agent. Under the Escrow Agreement, the Escrowed Securities and the moneys held by the Escrow Agent are irrevocably pledged to the payment of the Refunded Bonds and may be applied only to such payment.

Robert Thomas CPA, LLC, Shawnee Mission, Kansas, a firm of independent certified public accountants, will give an opinion to the effect that the principal of and interest income on the Escrowed Securities will provide sufficient moneys, together with the moneys held uninvested by the Escrow Agent, to make the required payments in accordance with the District’s refunding plan as set forth herein. See the section captioned “**MISCELLANEOUS - Verification of Mathematical Computations**” herein.

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Sources and Uses of Funds

The following table summarizes the estimated sources of funds and the expected uses of such funds, in connection with the plan of financing:

Sources of Funds:

Principal Amount of the Bonds	\$12,150,000.00
District Contribution	<u>1,300,000.00</u>
Total.....	<u>\$13,450,000.00</u>

Uses of Funds:

Deposit to Escrow Fund	\$13,355,102.78
Costs of Issuance including Underwriter's Discount.....	<u>94,897.22</u>
Total.....	<u>\$13,450,000.00</u>

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Bond Resolution for the detailed terms and provisions thereof.

General Description

The Bonds will be issued in the principal amounts stated on the inside cover page of this Official Statement, will be dated their date of delivery, and will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds will mature, subject to redemption as described below, on March 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2022. Principal will be payable upon presentation and surrender of the Bonds by the Registered Owners thereof at the payment office of Security Bank of Kansas City, Kansas City, Kansas, as paying agent (the "Paying Agent"). Interest shall be paid to the Registered Owners of the Bonds as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Registered Owners shown on the Bond Register, (b) at such other address as is furnished to the Paying Agent in writing by any Registered Owner or (c) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), ABA routing number, account name and account number to which such Registered Owner wishes to have such transfer directed.

Redemption Provisions

The Bonds are not subject to optional redemption prior to maturity.

Registration, Transfer and Exchange of Bonds

Each Bond when issued shall be registered by the Paying Agent in the name of the owner thereof on the Bond Register. Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Bond Resolution and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligations

The Bonds will constitute general obligations of the District and will be payable as to both principal and interest from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

Direct Deposit Agreement

Pursuant to Sections 360.106 and 360.111 to 360.118 of the Revised Statutes of Missouri and related statutes (the "Deposit Law"), the State of Missouri (the "State") and the District may agree to transfer to a Missouri bank, as direct deposit trustee (the "Deposit Trustee"), a portion of the District's State aid payments and distributions normally used for operational purposes ("State Aid") in order to provide for payment of debt service on the Bonds. On the date of issuance of the Bonds, the District will enter into a Direct Deposit Agreement (the "Deposit Agreement") with the office of the Treasurer of the State of Missouri ("Treasurer's Office"), the Department of Elementary and Secondary Education of the State of Missouri ("DESE"), the Health and Educational Facilities Authority of the State of Missouri (the "Authority") and the Deposit Trustee. Under the Deposit Agreement, the District will pledge a portion of its State Aid to the payment of the Bonds. The Deposit Agreement will provide for payment of one-third (1/3) of the debt service due during the bond year ending March 1, 2022 to be paid in each of the three (3) months of December 2021 through February 2022, and one-tenth (1/10) of the annual debt service in the bond year ending March 1, 2023 to be paid in each of the ten (10) months of March 2022 through September 2022 and December 2022 through February 2023. Amounts of State Aid to the District in excess of the monthly deposit will not be deposited with the Deposit Trustee but will be transferred directly to the District as has historically been the case with all State Aid.

Each month, pursuant to the terms of the Deposit Agreement, DESE will advise the Treasurer's Office of the amount of the District's State Aid to be deposited with the Deposit Trustee for the purpose of paying the Bonds, as specified in the Deposit Agreement. If there is a shortfall in a monthly payment, it is to be made up in the succeeding monthly payment of State Aid. Following receipt of the deposits, the Deposit Trustee will invest the amounts for the benefit of the District. The Deposit Trustee will transfer to the Paying Agent the amount necessary for payment of debt service on the Bonds not later than the business day prior to each payment date with respect to the Bonds. The District remains obligated to provide funds to the Paying Agent for debt service on the Bonds if the amounts of State Aid transferred are not sufficient to pay the Bonds when due.

Nothing in the Deposit Law or the Deposit Agreement relieves the District of its obligation to make payments of principal of and interest on the Bonds, or to impose a debt service levy sufficient to retire the Bonds. Moneys of the District that would otherwise be used to pay the Bonds on each payment date may be transferred to the District's operational funds to replace State Aid funds used to pay the Bonds. The State has not committed pursuant to the Deposit Law, the Deposit Agreement or otherwise to maintain any particular level of State Aid on behalf of the District, and the State is not obligated in any manner, contractually or morally, to make payments of debt service on the Bonds, other than its obligation to make transfers to the Deposit Trustee as described above. No assurance can be made that the amount of annual State Aid to the District will not in the future drop below that of the annual debt service requirements on the Bonds.

The Bond Resolution

Pledge of Full Faith and Credit. The full faith, credit and resources of the District are irrevocably pledged under the Bond Resolution for the prompt payment of the Bonds as the same become due.

Levy and Collection of Annual Tax. Under the Bond Resolution, there is levied upon all of the taxable tangible property within the District a direct annual tax sufficient to produce the amounts necessary for the payment of the principal of and interest on the Bonds as the same become due and payable in each year. Such taxes shall be extended upon the taxrolls in each year, and shall be levied and collected at the same time and in the same manner

as the other ad valorem taxes of the District are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the District and shall be used for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent.

All references herein to the Bond Resolution are qualified in their entirety by reference to the Bond Resolution. Copies of the Bond Resolution and the Official Statement may be viewed at the office of Piper Sandler & Co., 11635 Rosewood St., Leawood, Kansas 66211, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

RISK FACTORS

The following is a discussion of certain risks that could affect the payments to be made by the District with respect to the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including its appendices) in order to make a judgment as to whether the Bonds are an appropriate investment. Prospective purchasers of the Bonds should consider carefully all possible factors that may result in a default in the payment of the Bonds, the redemption of the Bonds prior to maturity, or that may affect the market price or liquidity of the Bonds. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

Ad Valorem Property Taxes

The Bond Resolution levies a direct annual tax on all taxable tangible property within the District sufficient to produce amounts necessary for the payment of the principal of and interest on the Bonds each year. Declining property values in the District, whether caused by national or global financial crises, natural disasters, local economic downturns, or other reasons, may require higher levy rates, which may increase the burden on local taxpayers and affect certain taxpayers' willingness or ability to continue timely paying property taxes. See "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – History of Property Valuations**" in *Appendix A* of this Official Statement. In addition, the issuance of additional general obligation bonds by the District or by other political subdivisions in the District would increase the tax burden on taxpayers in the District. See "**DEBT STRUCTURE – Overlapping Indebtedness**" in *Appendix A* of this Official Statement. Missouri law limits the amount of general obligation debt issuable by the District to 15% of the assessed valuation of taxable tangible property in the District. See "**DEBT STRUCTURE – Legal Debt Capacity**" in *Appendix A* of this Official Statement. Other political subdivisions in the District are subject to similar limitations on general obligation debt imposed by Missouri law, including cities, counties, and certain other political subdivisions, which are limited to general obligation debt of 20%, 10% and 5% of assessed valuation of taxable tangible property, respectively.

Concentration of property ownership in the District would expose the District's ability to collect ad valorem property taxes to the financial strength and ability and willingness of major taxpayers to pay property taxes. See "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – Current Assessed Valuation**" and "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Major Property Taxpayers**" in *Appendix A* of this Official Statement.

Secondary Market Prices and Liquidity

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance is given that any secondary market will develop following the completion of the offering of the Bonds and no assurance is given that the initial offering price for the Bonds will continue for any period of time.

Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operating performance or tax collection patterns of issuers. Particularly, prices of outstanding municipal securities should be expected to decline if prevailing

market interest rates rise. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's or the issuer's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

No Reserve Fund or Credit Enhancement

No debt service reserve fund will be funded and no financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to ensure payment of the Bonds. Accordingly, any potential purchaser of the Bonds should consider the financial ability of the District to pay the Bonds. As described under “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – The Bond Resolution**” in this Official Statement, the District has irrevocably pledged its full faith, credit and resources for the prompt payment of the Bonds and levied a direct annual tax, without limitation, sufficient to pay principal and interest on the Bonds on all taxable tangible property in the District.

Ratings

A rating agencies have assigned the Bonds the program ratings, and the District the underlying rating, set forth under “**MISCELLANEOUS – Bond Ratings**” in this Official Statement. Such ratings reflect only the views of such rating agencies, and an explanation of the significance of such ratings may be obtained therefrom. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely, by said rating agencies if, in their judgment, circumstances warrant. Any such downward revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

Bankruptcy

In addition to the limitations on remedies contained in the Bond Resolution, the rights and remedies provided by the Bonds may be limited by and are subject to (i) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, (ii) the application of equitable principles, and (iii) the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against political subdivisions in the State of Missouri. Section 108.180 of the Revised Statutes of Missouri, as amended, requires that any interest and sinking fund moneys only be used to pay principal and interest on the Bonds. The District, like all other Missouri political subdivisions, is specifically authorized by Missouri law to institute proceedings under Chapter 9 of the Federal Bankruptcy Code. Such proceedings, if commenced, are likely to have an adverse effect on the market price of the Bonds.

Pensions and Other Postemployment Benefits

The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (i) The Public School Retirement System of Missouri and (ii) The Public Education Employee Retirement System of Missouri. See “**FINANCIAL INFORMATION CONCERNING THE SCHOOL DISTRICT – Pension and Employee Retirement Plans**” in *Appendix A* of this Official Statement. The District also provides other postemployment benefits as part of the total compensation offered to attract and retain the services of qualified employees. See “**FINANCIAL INFORMATION CONCERNING THE SCHOOL DISTRICT – Other Postemployment Benefits**” in *Appendix A* of this Official Statement. Future required contribution increases beyond the current fiscal year may require the District to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the District's operations or limit the District's ability to generate additional revenues in the future.

State Aid and Direct Deposit Agreement

Approximately 23.1% of the District's revenue for the fiscal year ended June 30, 2020 was derived from moneys provided by the State of Missouri as State Aid. See “**FINANCIAL INFORMATION CONCERNING THE SCHOOL DISTRICT – State Revenue**” and “**– Missouri School Finance Laws**” in *Appendix A* of this Official Statement. A portion of the District's State Aid is currently pledged to the payment of the Bonds and will be directly deposited by the State with the Deposit Trustee for payment of the Bonds. See “**SECURITY AND**

SOURCES OF PAYMENT FOR THE BONDS – Direct Deposit Agreement” in this Official Statement. Reductions in State Aid could occur in the future if, for example, the State of Missouri faces fiscal problems in the future or the District experiences a decline in enrollment. Reductions in State Aid could force the District to make budget cuts or operational adjustments and may adversely affect the rating on the Bonds or the market price of the Bonds.

Enrollment

Significant portions of the revenue the District receives are directly affected by the District’s enrollment. A significant decrease in enrollment could reduce the amount of future revenue the District receives, which may adversely affect the District’s financial position and results of operations. No assurance can be given that economic, social and other factors beyond the control of the District will not negatively impact student enrollment and revenues dependent thereon. Increased competition from other educational facilities, including virtual facilities, which may offer comparable programs at lower prices, could adversely affect the ability of the District to maintain enrollment, or could adversely affect the ability of the District to attract faculty and other staff. Under the Missouri Course Access and Virtual School Program, eligible students may enroll in virtual courses, and the school district will have to pay for that course if certain criteria are met. For information about the historical enrollment of the District, see **“EDUCATIONAL FACILITIES AND ENROLLMENT”** in *Appendix A* of this Official Statement.

Amendment of the Bond Resolution

Certain amendments, effected by resolution of the District, to the Bonds and the Bond Resolution may be made with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then outstanding. Such amendments may adversely affect the security of the owners of the Bonds; provided that, no amendments may (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) alter the optional redemption provisions of any Bond; (c) effect a reduction in the amount which the District is required to pay as principal of or interest on any Bond; (d) permit preference or priority of any Bond over any other Bond; or (e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Resolution without the written consent of the Registered Owners of all of the Bonds at the time outstanding. The District may also amend or supplement the Bond Resolution, without notice to or the consent of any Registered Owners, for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein that is not materially adverse to the security of the Registered Owners.

Loss of Premium from Redemption

Any person who purchases the Bonds at a price in excess of their principal amount or who holds such Bonds trading at a price in excess of par should consider the fact that the Bonds are subject to redemption prior to maturity at the redemption prices described herein in the event such Bonds are redeemed prior to maturity. See **“THE BONDS – Redemption Provisions”** in this Official Statement.

Defeasance Risks

When all Bonds are deemed paid and discharged as provided in the Bond Resolution, the requirements contained in the Bond Resolution and the pledge of the District’s faith and credit thereunder and all other rights granted thereby will terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company moneys and/or Defeasance Obligations (defined in the Bond Resolution) that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the Bonds to the stated maturity or prior redemption date. There is no legal requirement in the Bond Resolution that Defeasance Obligations be rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets, and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

Cybersecurity Risks

The District relies on its information systems to provide security for processing, transmission and storage of confidential personal, health-related, credit and other information. It is possible that the District's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the District and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the District may incur significant costs to remediate possible injury to the affected persons, and the District may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the District's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Potential Risks Relating to COVID-19

In December 2019, a novel strain of coronavirus (which leads to the disease known as "COVID-19"), was discovered in Wuhan, China. Since that date, the virus has spread throughout the world and has been characterized by the World Health Organization as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy has been broad based and has negatively impact national, state and local economies.

In response to such expectations, the President of the United States on March 13, 2020, declared a "national emergency," which, among other effects, allowed the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 13, 2020, the Governor of the State signed an Executive Order declaring a state of emergency in the State in response to COVID-19. The state of emergency in the State has been extended and continued by subsequent Executive Orders of the Governor, the latest being Executive Order 21-07, which extended the state of emergency in the State through August 31, 2021. The stated purpose of the Executive Orders is to allow more flexibility in utilizing resources and deploying them around the State where they are most appropriate, including allowing the Governor to waive certain State laws and regulations where necessary for further assist COVID-19 recovery efforts. The Executive Orders have expired.

On April 3, 2020, the Governor issued a "stay at home order," which began on April 6, 2020, and ended on May 4, 2020, requiring all Missourians to avoid leaving their residences unless necessary and to practice social distancing when travel outside their residences was necessary. Although the "stay at home order" required all school districts in the State to remain closed through the duration of the "stay at home order," the Governor announced on April 9, 2020 that all school districts in the State, including the District, were required to remain closed through the remainder of the 2019-2020 school year. On April 27, 2020, the Missouri Department of Health and Senior Services ("DHS") issued the "Show Me Strong Recovery Order," which went into effect on May 4, 2020 and ended on May 31, 2020. On May 28, 2020, DHS issued the "Economic Reopening Order," which went into effect on June 1, 2020 and ended on June 15, 2020. Both DHS orders provide guidelines for individuals and businesses in the State to gradually reopen economic and social activity. The DHS order issued on May 28, 2020 permitted school districts to proceed with summer school and other on-campus activities under guidelines set forth by the Missouri Department of Elementary and Secondary Education ("DESE"). The DHS orders expired on June 16, 2020. The State was to remain under a "State of Emergency" through August 31, 2021 per Executive Order 21-07; however, on August 27, 2021, the Governor signed Executive Order 21-09 and ended the State of Emergency. The State is not currently under a statewide public health order. Despite the expiration of statewide orders, cities and counties have the ability, and continue, to impose local public health orders restricting certain economic activities within the State.

On March 13, 2020, DESE released a memorandum to all Missouri school administrators which stated that the timing of a school district's State Aid payments was not expected to be affected by closure of a school or interruption of state employees' operations. On March 27, 2020, DESE released an additional memorandum to all Missouri school district administrators to address how school district closures resulting from the COVID-

19 outbreak may impact student attendance reporting and the average daily attendance and weighted average daily attendance metrics used to calculate the distribution of Proposition C revenues (as defined in *Appendix A* to this Official Statement), Classroom Trust Fund moneys (as defined in *Appendix A* to this Official Statement) and State Aid to each school district. See the also the sections captioned “**FINANCIAL INFORMATION CONCERNING THE DISTRICT - Local Revenue**” and “**- State Revenue – Weighted ADA,**” “**-State Adequacy Target**” and “**-Classroom Trust Fund (Gambling Revenues) Distributions**” in *Appendix A* to this Official Statement for further details on the possible impact COVID-19 may have on the District’s State Aid payment calculations and distributions of Proposition C revenues and Classroom Trust Fund moneys.

On June 1, 2020, the Governor of Missouri announced a total of \$131.3 million in restrictions for State Aid distributions to school districts in June 2020. Additionally, due to further State revenue declines resulting from COVID-19, on June 30, 2020, the Governor of Missouri announced \$123.4 million in restrictions for State Aid foundation formula payments to school districts for the current 2020-2021 fiscal year, which would have resulted in a decrease from the \$3,553,211,885 in foundation formula State Aid payments originally budgeted and approved by the Missouri General Assembly for the 2020-2021 fiscal year to approximately \$3,429,853,210 in foundation formula State Aid payments for the 2020-2021 fiscal year. However, due to the State’s stronger than anticipated projected financial position, on March 1, 2021, the Governor announced the release of the remaining \$123.4 million of previously restricted State Aid foundation formula payments. According to the April 2021 School Finance Memo from DESE, the release of the remaining \$123.3 million of previously restricted State Aid foundation formula payments was spread over the March 2021 and April 2021 payments (resulting in no proration percentage for the April 2021 payment) and should result in school districts receiving the full State Adequacy Target (defined in *Appendix A* to this Official Statement) of \$6,375 per pupil through the June 2021 State Aid payment. However, the COVID-19 pandemic may adversely affect the State’s revenues in the future which could negatively impact the availability of State Aid distributed to the District for payment of debt service on the Bonds under the Deposit Agreement and may impact the amount of property tax revenues available to fund the District’s operations if the economic ramifications resulting from the COVID-19 pandemic have a lasting impact on the economy in and around the State or the District.

Other developments regarding COVID-19 continue to occur and the extent to which COVID-19 will impact the District in the future is highly uncertain and cannot be predicted. Factors impacting the calculation of State Aid, including the previous restrictions for the 2020-2021 fiscal year State Aid payments that were recently released by the Governor of the State, and adjustment of the District’s property tax rates are discussed in the following sections of Appendix A to this Official Statement: “**FINANCIAL INFORMATION CONCERNING THE DISTRICT**” and “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates.**” Also see the section of this Official Statement captioned, “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Direct Deposit of State Aid Payments.**” It should be noted that the District remains obligated to provide funds to the Paying Agent for debt service on the Bonds if the amounts of State Aid transferred are not sufficient to pay the Bonds when due.

For this school year, the District’s students are in a full face-to-face learning environment. The District has offered families a completely virtual option. The District has budgeted for additional costs associated with COVID-19. The District anticipates \$6.5 million in funding for these expenses. They will use those funds for virtual teaching salaries, math interventionists, counselors and social workers and expanded summer school programs. In fiscal year 2021, the District received \$2.8 million in CARES Act monies, which will be expended on PPE, wages for staff who drafted curriculum for the District’s virtual and hybrid learning, and summer school transportation. The District anticipates receiving \$2.95 million in additional funds for Kindergarten teacher salaries.

THE BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus

Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or redemption price of and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC. The District, the Municipal Advisor and the Underwriter take no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Transfer Outside Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply. The Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for other Bonds of any denomination authorized by the Bond Resolution in the same aggregate principal amount, series, payment date and interest rate, upon presentation to the Paying Agent, subject to the terms, conditions and limitations and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the District or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or that might affect the District's ability to meet its obligations to pay the Bonds.

Approval of Legality

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Bonds:

No Federal and Missouri Tax Exemption. The interest on the Bonds is included in gross income for federal income tax purposes, in accordance with an owner's normal method of accounting, and is not exempt from income taxation by the State of Missouri. Bond Counsel is expressing no opinion regarding federal, state or local tax consequences arising with respect to the Bonds. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

No Other Opinions. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, except as expressly provided herein. Purchasers of the Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

Other Tax Consequences

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange, legal defeasance or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange, legal defeasance or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange, legal defeasance or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or

other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

The District is executing a Continuing Disclosure Certificate, in substantially the form provided in *Appendix D* to this Official Statement, for the benefit of the owners and Beneficial Owners of the Bonds in order to comply with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The District is the only "obligated person" with responsibility for continuing disclosure.

The District has engaged in undertakings similar to the Continuing Disclosure Certificate with respect to several series of bonds previously issued by the District to provide to the national information repositories (presently, only the MSRB) the audited financial statements of the District and updates of certain operating data of the District. Over the last five years (i.e., for the fiscal years ended June 30, 2016 through June 30, 2020), the District has substantially complied with its prior undertakings. The District has engaged the law firm of Gilmore & Bell, P.C. to promote its compliance with the District's obligations under the Continuing Disclosure Certificate and the District's prior undertaking with respect prior undertakings with respect to the timeliness and content of its Annual Reports.

Electronic Municipal Market Access System (EMMA)

All Annual Reports and notices of Material Events required to be filed by the District pursuant to the Continuing Disclosure Certificate must be submitted to the MSRB through the MSRB's Electronic Municipal Market Access system ("EMMA"). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the District or the Bonds is incorporated by reference in this Official Statement.

MISCELLANEOUS

Verification of Mathematical Computations

Upon delivery of the Bonds, Robert Thomas CPA, LLC, Shawnee Mission, Kansas, a firm of independent certified public accountants, will deliver to the Underwriter a report verifying the mathematical accuracy of certain computations relating to the adequacy of the maturing principal amount of the securities held in the Escrow Fund, interest earned thereon and certain uninvested cash to pay the amounts required as described under the section captioned "**PLAN OF FINANCING - Refunding of Refunded Bonds.**" Such verification of the accuracy of the computations will be based upon information supplied by the Underwriter.

Bond Ratings

S&P Global Ratings have given the Bonds a program rating of "AA+," conditioned upon the execution and delivery of the Direct Deposit Agreement described under the caption "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**" of this Official Statement. S&P Global Ratings has assigned the Bonds an

underlying rating of “AA” that reflects its evaluation of the investment quality of the Bonds without regard to the Direct Deposit Agreement. Such ratings reflect only the views of such rating agency, and an explanation of the significance of such ratings may be obtained therefrom. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely, by said rating agency if, in its judgment, circumstances warrant. Any such downward revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

The District has furnished the rating agency with certain information and materials relating to the Bonds and the District that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the ratings of the Bonds or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Certificate, the District is required to bring to the attention of the holders of the Bonds any revision or withdrawal of the ratings of the Bonds but has not undertaken any responsibility to oppose any such revision or withdrawal. See the section herein captioned “**CONTINUING DISCLOSURE**” Any such revision or withdrawal of the ratings could have an adverse effect on the market price and marketability of the Bonds.

Municipal Advisor

Piper Sandler & Co. (the “Municipal Advisor”) has acted as Municipal Advisor to the District in connection with the sale of the Bonds. The Municipal Advisor has assisted the District in matters relating to the planning, structuring and issuance of the Bonds and various other debt related matters. The Municipal Advisor will not be a manager or a member of any purchasing group submitting a proposal for the purchase of the Bonds.

Underwriting

Based on the bids received by the District on October 18, 2021 pursuant to the Notice of Sale dated October 8, 2021, the Bonds were awarded to Fifth Third Securities, Inc. (the “Underwriter”). The Bonds are being purchased for reoffering by the Underwriter. The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the District at a price of \$12,136,595.00 (equal to the principal amount of the Bonds, minus an underwriting discount of \$13,405.00). The Underwriter is purchasing the Bonds from the District for resale in the normal course of the Underwriter’s business activities. The Underwriter may sell certain of the Bonds at a price greater than such purchase price, as shown on the cover hereof. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

Certification and Other Matters Regarding Official Statement

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the District, certified public accountants, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized. The descriptions contained in this Official Statement of the Bonds and the Bond Resolution do not purport to be complete and are qualified in their entirety by reference thereto.

The Preliminary Official Statement has been “deemed final” by the District except for the omission of certain information as provided by Securities and Exchange Commission Rule 15c2-12. Simultaneously with the delivery of the Bonds, the President of the Board of Education of the District, acting on behalf of the District, will furnish to the Underwriter a certificate that shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and

as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by the District. Neither the District nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the District or the District's ability to make payments required of it; and further, neither the District nor any of its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the District by the Bond Resolution.

**PARK HILL SCHOOL DISTRICT
OF PLATTE COUNTY, MISSOURI**

By: /s/ Janice Bolin
President of the Board of Education

APPENDIX A

THE DISTRICT

**APPENDIX A
PARK HILL SCHOOL DISTRICT OF PLATTE COUNTY, MISSOURI**

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APPENDIX A

PARK HILL SCHOOL DISTRICT OF PLATTE COUNTY, MISSOURI

GENERAL AND ECONOMIC INFORMATION

Government and Organization

The District is a reorganized school district formed pursuant to Chapter 162 of the Revised Statutes of Missouri, as amended (“RSMo”). The District is governed by a seven-member Board of Education (the “Board”). The members of the Board are elected by the voters of the District for three-year staggered terms. All Board members are elected at-large and serve without compensation. The Board is responsible for all policy decisions. The President of the Board is elected by the Board from among its members for a term of one year and has no regular administrative duties. The Secretary and Treasurer are appointed by the Board and may or may not be members of the Board.

The Board of Education appoints the Superintendent who is the chief administrative officer of the District responsible for carrying out the policies set by the Board. Additional members of the administrative staff are appointed by the Board of Education upon recommendation by the Superintendent. The District has a total of 1,959 employees, including 67 administrative personnel, 959 teachers and 933 classified employees.

Board of Education

The current members and officers of the Board are:

<u>Name</u>	<u>Position</u>	<u>Term Ends</u>
Janice Bolin	President and Member	2023
Bart Klein	Vice President and Member	2023
Kimberlee Ried	Treasurer and Member	2024
Todd Fane	Member	2022
Scott Monsees	Member	2023
Susan Newburger	Member	2022
Brandy Woodley	Member	2024

District Administration

Superintendent. Dr. Jeanette Cowherd became superintendent in December 2015. Before serving as superintendent, Dr. Cowherd had been in the District for 11 years, previously serving as the assistant superintendent for school improvement (with duties that included strategic planning, K-12 principal supervision and leadership development), a building administrator and assistant to the superintendent. Before entering school administration, she was an instrumental music teacher in southwest Missouri and the Shawnee Mission School District in the State of Kansas. During her tenure with the District, Dr. Cowherd led the development of the District’s strategic plan, has been influential in the development of the Smart Start early literacy program and earned recognition throughout the state for her leadership in online learning. Dr. Cowherd has received the March of Dimes Teacher of the Year award, the Shawnee Mission West Teacher of the Year award and the Influential Educator award from the Missouri Scholars Academy.

Assistant Superintendent for Business and Technology. Dr. Paul Kelly is responsible for budgeting, financial planning, capital planning, construction, facility operations, maintenance, transportation, food services, payroll, employee benefits, district liability, workers' compensation, technology and data processing. Dr. Paul Kelly has earned Bachelors, Masters, Specialist and Doctorate degrees. Dr. Kelly has been the Assistant Superintendent for Business and Technology of the District since July 1, 2005. Dr. Kelly has been with the District since 1992, serving as Assistant to the Superintendent, Director of Instructional Technology and as a high school science instructor.

Assistant Superintendent for Academic Services. Dr. Mike Kimbrel is responsible for curriculum, assessment, instruction, professional development, special services programs and support service programs. He was hired by the District in 2010 as the director of research, evaluation and assessment, and was appointed Assistant Superintendent on July 1, 2020.

Assistant Superintendent for Human Resources. Dr. Bill Redinger is responsible for employment and labor issues, calendars and employee wellness programs. He was hired by the District in July 2012. Dr. Redinger was previously the superintendent of the Lone Jack C-6 School District, superintendent of the East Lynne 40 School District, principal and coordinator of school improvement in the Pleasant Hope R-6 School District, assistant principal and athletic director in the Blue Valley School District and a teacher and assistant principal in the Harrisonville R-9 School District. In 2010, the Missouri Association of School Administrators named Dr. Redinger its New Superintendent of the Year for its west central region.

School Rating and Accreditation

The Missouri Department of Elementary and Secondary Education (“DESE”) administers the Missouri School Improvement Program (“MSIP”), the state’s school accountability system for reviewing and accrediting public school districts in Missouri. Since MSIP was established in 1990, four review cycles have been completed, each cycle lasting from five to six years. The sixth cycle, referred to as MSIP 6, began in the 2020-2021 school year.

DESE computes an Annual Performance Report (APR) for every public school district and charter local education agency and for each school. This overall score is comprised of scores for each of the MSIP 5 performance standards: (1) Academic Achievement (percent proficient or advanced in English language arts, mathematics, science and social studies), (2) Subgroup Achievement (percent proficient or advanced in English language arts, mathematics, science and social studies for students in certain super subgroups (Hispanic, Black, FRL (free/reduced price lunch eligible), IEP (Individualized Education Program for child with disability), ELL (English Language Learners)), (3) High School Readiness (K-8 districts) or College and Career Readiness (K-12 districts) based on certain test scores, (4) Attendance Rate, and (5) Graduation Rate (K-12 districts). Status, progress and growth (where applicable) are used to calculate a comprehensive score used to determine the accreditation level of a school district.

Under MSIP 5, there are four levels of school accreditation: (1) Accredited With Distinction, for districts with equal to or greater than 90% of the points possible on the APR and meeting other criteria yet to be determined by the State Board of Education (a resolution to adopt criteria was considered but withdrawn in September 2014 and no further attempt to adopt criteria has been made making the achievement of the status Accredited with Distinction impossible until criteria have been adopted), (2) Accredited, for districts with scoring equal to or greater than 70% of the points possible on the APR, (3) Provisional, for districts with equal to or greater than 50% but less than 70% of the points possible on the APR, and (4) Unaccredited, for districts scoring less than 50% of the points possible on the APR.

In the District's 2020 APR, the District earned 98.3% of the points possible, placing the District in the "Accredited" category (as stated above, no placement in the Accredited with Distinction Category is currently possible).

The MSIP classification is not a bond or debt rating, but is solely an evaluation made by DESE.

General and Demographic Information

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

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

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

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

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

Employment

Listed below are the major employers located in Platte County and the number employed by each:

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

Source: Platte County Economic Development Council.

The following table sets forth employment figures for Platte County and the State of Missouri:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021*</u>
<i>Platte County</i>					
Total Labor Force	57,741	57,812	58,805	58,458	59,960
Unemployed	1,839	1,482	1,566	3,183	2,538
Unemployment Rate	3.2%	2.6%	2.7%	5.4%	4.2%
<i>State of Missouri</i>					
Total Labor Force	3,061,441	3,052,386	3,083,245	3,052,700	3,081,827
Unemployed	115,101	97,578	101,557	185,538	142,623
Unemployment Rate	3.8%	3.2%	3.3%	6.1%	4.6%

Source: Missouri Economic Research and Information Center, Missouri Department of Economic Development.

* Average of January through July 2021.

Population

<u>Year</u>	<u>District</u>	<u>Platte County</u>	<u>Missouri</u>
2020	69,693*	106,718	6,154,913
2010	62,261	89,322	5,988,927
2000	54,359	73,781	5,595,211
1990	41,814	57,867	5,117,073
1980	32,476	46,341	4,916,685

Source: U.S. Census Bureau.

*U.S. Census Bureau – American Community Survey – 2019 5-Year Estimates.

Estimated Population Distribution by Age (2019 Estimate)

<u>Age</u>	<u>District</u>	<u>Platte County</u>	<u>State of Missouri</u>
Under 5	4,499	6,117	371,570
5-19 years	13,875	20,002	1,168,897
20-44 years	23,851	33,381	1,965,984
45-64 years	18,278	26,799	1,591,734
65 and older	<u>9,190</u>	<u>14,383</u>	<u>1,006,725</u>
Total	<u>69,693</u>	<u>100,682</u>	<u>6,104,910</u>
Median Age	37.3	38.2	38.6

Source: U.S. Census Bureau – American Community Survey – 2019 5-Year Estimates.

Housing

The following table presents the median value of owner-occupied housing units in the District, Platte County and the State of Missouri:

	<u>Number of Owner- Occupied Units</u>	<u>Median Home Value</u>
District	17,696	\$224,700
Platte County	25,905	226,500
State of Missouri	1,611,986	157,200

Source: U.S. Census Bureau – American Community Survey – 2019 5-Year Estimates.

Income Statistics

The following table sets forth income statistics for the District and related areas, according to the U.S. Census Bureau – American Community Survey Profile Report: 2019 (5-year estimates):

	<u>Per Capita</u>	<u>Median Family</u>
District	\$41,919	\$97,846
Platte County	39,649	98,059
State of Missouri	30,810	70,398

EDUCATIONAL FACILITIES AND ENROLLMENT

Educational Facilities

The District currently operates seventeen schools, including eleven elementary schools, four middle schools, two high schools, a day treatment center for students from kindergarten through 12th grade with special needs that cannot be met at their home schools, and one preschool, as shown below.

<u>Elementary</u>	<u>Middle School</u>	<u>Other</u>
Chinn Elementary	Congress Middle School	Gerner Family
English Landing Elementary	Lakeview Middle School	Early Education Center
Graden Elementary	Plaza Middle School	Russell Jones
Hawthorn Elementary	Walden Middle School	Education Center
Line Creek Elementary		District Office
Prairie Point Elementary	<u>High School</u>	Support Services Facility
Renner Elementary	Park Hill High School	
Southeast Elementary	Park Hill South High School	
Tiffany Ridge Elementary	LEAD Innovation Studio	
Union Chapel Elementary		
Hopewell Elementary		

Enrollment

Listed below are the District's fall enrollment figures for the last five school years.

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
Elementary (K-5)	5,040	5,145	5,244	5,272	5,283
Middle School (6-8)	2,589	2,572	2,592	2,673	2,790
High School (9-12)	<u>5,145</u>	<u>3565</u>	<u>3,622</u>	<u>3,666</u>	<u>3,634</u>
Total	<u>11,111</u>	<u>11,282</u>	<u>11,458</u>	<u>11,611</u>	<u>11,707</u>

The average daily attendance in the District for the 2020-2021 academic year was 11,347 and for the 2019-2020 academic year was 11,158. The overall student/teacher ratio for the 2020-2021 academic year was 13:1. The cost of instruction in the District was approximately \$12,340 per pupil for the 2020-2021 academic year.

DEBT STRUCTURE

Current Long-Term General Obligation Indebtedness

The following table sets forth as of October 1, 2021, all of the outstanding general obligation indebtedness of the District:

<u>Category</u> <u>Indebtedness</u>	<u>Date of</u> <u>Indebtedness</u>	<u>Amount</u> <u>Issued</u>	<u>Amount</u> <u>Outstanding</u>
GO Refunding Bonds	September 24, 2015	\$20,110,000	\$2,100,000
GO Refunding Bonds	November 1, 2016	8,830,000	8,830,000
General Obligation Bonds	October 12, 2017	87,715,000	87,715,000
General Obligation Bonds	October 16, 2018	23,285,000	23,165,000
GO Refunding Bonds	December 1, 2020	30,725,000	<u>30,725,000</u>
			<u>\$152,535,000</u>

History of General Obligation Indebtedness

The District has never defaulted on the payment of any of its debt obligations.

The following table shows the outstanding general obligation debt of the District for each of the last five fiscal years.

<u>As of June 30</u>	<u>Total Outstanding Debt</u>	<u>Assessed Valuation</u> ⁽¹⁾	<u>Debt as % of Assessed Valuation</u> ⁽²⁾
2021	\$152,535,000	\$1,883,954,871	8.1%
2020	161,540,000	1,881,727,803	8.6
2019	167,910,000	1,754,560,476	9.6
2018	150,680,000	1,698,107,954	8.9
2017	72,210,000	1,589,710,997	4.5

Source: The District.

⁽¹⁾ The assessed valuation used is the assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown. Assessed valuation excludes state assessed railroad and utility property and incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District.

⁽²⁾ If state assessed railroad and utility property and the incremental increase in the assessed value of property within TIF Redevelopment Areas were taken into account, the debt as a percentage of total assessed valuation would be lower than the percentages shown. For more information, see “**DEBT STRUCTURE – Legal Debt Capacity.**”

Debt Summary
(as of October 1, 2021, unless otherwise noted)

2021 Assessed Valuation ⁽¹⁾	\$2,113,247,733
2021 Estimated Actual Valuation:	\$9,241,547,067
2019 Estimated Population of District ⁽²⁾	69,693
Total Outstanding General Obligation Debt: ⁽³⁾	\$152,590,000
Overlapping Debt:	\$57,132,115
Direct and Overlapping General Obligation Debt:	\$209,722,115
Ratio of General Obligation Debt to Assessed Valuation:	7.22%
Ratio of General Obligation Debt to Estimated Actual Valuation:	1.65%
Per Capita General Obligation Debt:	\$2,189.46
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation:	9.92%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Valuation:	2.27%
Per Capita Direct and Overlapping General Obligation Debt:	\$3,009.23

⁽¹⁾ Excludes State assessed valuation.

⁽²⁾ See “GENERAL AND ECONOMIC INFORMATION – Population.”

⁽³⁾ Includes the Bonds, but excludes the Refunded Bonds.

Overlapping Indebtedness

The following table sets forth the approximate overlapping general obligation indebtedness of political subdivisions with boundaries overlapping the District as of October 1, 2021, and the percent attributable (on the basis of assessed valuation) to the District. The table was compiled from information furnished by the State Auditor’s office, and the District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional obligations, the amounts of which cannot be determined at this time.

<u>Taxing Jurisdiction</u>	<u>Outstanding Obligations</u>	<u>Estimated % Applicable to District</u>	<u>Amount Applicable to District</u>
Platte County	\$8,550,000 ⁽¹⁾	63.8%	\$5,454,900
Southern Platte Fire Protection District	3,515,000	89.1	3,131,865
City of Parkville	6,725,000 ⁽¹⁾	100.0	6,725,000
Kansas City	380,185,000 ⁽²⁾	11.0	<u>41,820,350</u>
Total			<u>\$57,132,115</u>

Source: Platte County Assessor’s Office; Platte County Clerk; State Auditor of Missouri – Bond Registration Reports; Office of Missouri State Auditor, Property Tax Rates; Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system.

⁽¹⁾ Consists of neighborhood improvement district bonds.

⁽²⁾ As of April 30, 2021. For a more complete understanding, see Appendix C of the Official Statement printed with respect to the City of Kansas City, Missouri, General Obligation Refunding and Improvement Bonds, Series 2021A (the “Series 2021A Bonds”) which document is not included by reference herein and is available at www.emma.msrb.org; total also includes the outstanding principal amount of Series 2021A Bonds, but excludes the City of Kansas City, Missouri General Obligation Improvement and Refunding Bonds, Series 2011A (the “Refunded Bonds”).

Legal Debt Capacity

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

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2021 assessed valuation)	\$316,987,160
General Obligation Bonds Outstanding	\$152,590,000 ⁽¹⁾
Legal Debt Margin under Article VI, Sections 26(b)	\$164,397,160

⁽¹⁾ Includes the Bonds, but excludes the Refunded Bonds.

The District's legal debt limit and debt margin would be higher if (1) the amount in the Debt Service Fund available to pay principal of the bonds, and (2) the valuation of state assessed railroad and utility property that is physically located within the bounds of the District were both taken into account. Neither amount was included in the calculations of debt limit or debt margin.

Because of the manner in which tax collections are distributed to school districts from assessments of state assessed railroad and utility property (see "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – Current Assessed Valuation**"), the cumbersome task of determining the valuation of such property physically located within a school district is not normally undertaken unless, without the value of such property included in the calculation, the district would exceed its legal debt limit.

Other Financings

The District does not have other long-term obligations outstanding at this time.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

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

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

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

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

An annual budget of estimated receipts and disbursements for the coming fiscal year is prepared by the Superintendent and is presented to the Board prior to July 1 for approval. The District’s fiscal year is July 1 through June 30. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes and includes a statement of the rate of levy per hundred dollars of assessed valuation required to raise each amount shown on the budget as coming from District property taxes.

The financial records of the District are audited annually by an independent public accountant according to the modified cash basis of accounting. The most recent annual audit has been performed by Daniel Jones & Associates, P.C., Certified Public Accountants, Arnold, Missouri. The audited financial statements of the District for the fiscal year ended June 30, 2020, together with the independent auditor’s report thereon, are included in this Official Statement at *Appendix B*. A summary of significant accounting policies of the District is contained in the notes accompanying the financial statements in *Appendix B*. The audited financial statements for earlier years with reports by the certified public accountants are available for examination in the District’s office.

Sources of Revenue

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

State and federal revenue, as well as “Proposition C” sales tax revenue (included in the “Local Revenue” category below), are received on a continuous monthly basis throughout the fiscal year. Local taxes, however, are received primarily in January, over six months into a district’s fiscal year. Districts that receive a smaller

percentage of revenue from state and federal aid and depend more on local revenues will typically carry a larger fund balance than other districts that may be receiving a larger percent of its revenue from state and federal aid amounts rather than local taxes.

Current. For the 2019-2020 fiscal year, the District’s sources of revenue were as follows:

<u>Source</u>	<u>Amount</u>	<u>%</u>
Local Revenue:		
Property Taxes	\$96,831,930	54.9%
Proposition C Sales Tax	11,400,831	6.5
Other	14,900,796	8.5
County Revenue:		
Railroad & Utility Property Taxes	5,154,189	2.9
Fines, Forfeitures & Other	494,384	0.3
Other	7,000	0.0
State Revenue	40,758,672	23.1
Federal & Other Revenue ⁽¹⁾	<u>6,805,893</u>	<u>3.9</u>
Total Revenue	<u>\$176,353,694</u>	<u>100.0%</u>

Source: District’s Annual Secretary of the Board Report for fiscal year ended June 30, 2020.

(1) Excludes revenue consisting of bond proceeds and proceeds from the sale of property.

Local Revenue

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

Proposition C revenues are deemed to be “local” revenues for school district accounting purposes. Proposition C revenues are distributed to each school district based on the district’s weighted average daily attendance (see “*Weighted ADA*” under “State Revenue” below). Proposition C payments vary each month due to cash availability, which is based on sales taxes paid during the second preceding month. For the 2019-2020 fiscal year, each school district was expected to receive approximately \$1,036 per pupil from Proposition C revenues based upon each district’s 2018-2019 Weighted ADA; however, due to the impact the COVID-19 public health crises on sales tax collections beginning March 2020 (as further discussed below), the Proposition C revenues did not reach appropriated levels. As a result, according to DESE’s June 2020 School Finance Memo, each school district received approximately \$1,005 per pupil from Proposition C revenues for the final June 2020 payment of the 2019-2020 fiscal year.

For the 2020-2021 fiscal year, each school district received \$1,046 per pupil from Proposition C revenues based upon each district’s 2019-2020 Weighted ADA. According to DESE’s June 2021 Finance Memo, for the 2021-2022 fiscal year, each school district is expected to receive \$1,047 per pupil from Proposition C revenues; however, this is also a preliminary estimate and subject to change.

The outbreak of COVID-19 caused all school districts in the State, including the District, to discontinue in-person classes for the remainder of the 2019-2020 school year and caused numerous counties and municipalities across the State to enact “stay-in-place” orders, requiring individuals in those areas to remain in their residences, except to procure “essential services,” and businesses in those areas, other than those deemed to be “essential businesses,” to cease operations. The COVID-19 pandemic and the restrictions imposed by the State and various local governmental entities across the State to combat the spread of COVID-19 have negatively impacted the State economy and resulted in decreases of Proposition C revenues, Classroom Trust Fund moneys and State Aid distributed to school districts, and may result in a decrease in such revenues, moneys and State Aid in future fiscal years. See the section below captioned “**State Revenue.**”

On March 27, 2020, DESE released Administrative Memo FAS-20-002 (the “Administrative Memo”) to address how school district closures resulting from the COVID-19 outbreak may impact student attendance reporting and the average daily attendance (“ADA”) and Weighted ADA metrics used to calculate the distribution of Proposition C revenues, Classroom Trust Fund moneys and State Aid to each school district. According to the Administrative Memo, DESE will not require school districts to make up school hours lost during the 2019-2020 fiscal year due to school district closures caused by COVID-19. DESE will consider those lost school hours as “not-in-session” hours, so no “attendance” hours or “absent” hours will be reported for that time. As a result, the District’s Weighted ADA for the 2019-2020 fiscal year, which was used in calculating the distribution of Proposition C revenues to the District for the 2020-2021 fiscal year, was not significantly reduced as a result of the COVID-19 outbreak. However, in the Administrative Memo, DESE reminded school districts that, if a school district’s ADA for any fiscal year is substantially reduced for an extended period, “whenever there has existed within the school district an infectious disease, contagion, epidemic, plague or similar condition” (like COVID-19), Section 163.021, RSMo, allows the apportionment of school funds and all other distribution of school moneys, such as Proposition C revenues, to be made on the basis of the school district’s ADA (or Weighted ADA) for the next preceding fiscal year in which such condition existed.

Nonetheless, in the Administrative Memo, DESE has urged school districts to exercise extreme caution as they move forward with their budgeting process for the 2020-2021 fiscal year and to anticipate a reduction in the State’s Proposition C revenues available for distribution to school districts due to the negative impact COVID-19 is expected to have on the State’s economy. See also the captions “*Weighted ADA*,” “*State Adequacy Target*” and “*Classroom Trust Fund (Gambling Revenue) Distribution*” under “*State Revenue*” for a further discussion on the potential impact the COVID-19 pandemic may have on the Weighted ADA and State Adequacy Target metrics used in calculating the District’s future State Aid payments and the State’s future distribution of Classroom Trust Fund (gambling revenue) moneys to the District.

County Revenue

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

State Revenue

The primary source of state revenue or “State Aid” is provided under a formula enacted under Chapter 163, RSMo. The amount of State Aid for school districts in Missouri is calculated using a formula that is primarily student-needs-based. Due to the economic impact resulting from the COVID-19 pandemic, the State experienced a revenue shortfall toward the end of the State’s fiscal year ended June 30, 2020. As a result, on June 1, 2020, the Governor announced a total of \$131.3 million in restrictions for State Aid distributions to school districts in June 2020. Additionally, due to further State revenue declines resulting from COVID-19, on June 30, 2020, the Governor announced \$123.4 million in restrictions for State Aid foundation formula payments to school districts for the 2020-2021 fiscal year. However, due to the State’s stronger than anticipated projected financial position, on March 1, 2021, the Governor announced the release of the \$123.4 million of previously restricted State Aid foundation formula payments. See the caption “State Revenue - The Formula” for a further discussion relating to the previously restricted State Aid foundation formula payments that have now been released and the expected financial impact on school districts.

Property Tax Levy Requirements. The sum of a district’s local property tax levies in its Incidental and Teachers’ Funds must be at least \$2.75 per \$100 assessed valuation in order for the district to receive increases in State Aid above the level of State Aid it received in the 2005-2006 fiscal year. Levy reductions required as a

result of a “Hancock rollback” (See “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates – Operating Levy**” below) will not affect a district’s eligibility for State Aid increases.

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

On June 1, 2020, the Governor announced a total of \$131.3 million in restrictions for State Aid distributions to school districts in June 2020. Additionally, due to further State revenue declines resulting from COVID-19, on June 30, 2020, the Governor announced \$123.4 million in restrictions for State Aid foundation formula payments to school districts for the 2020-2021 fiscal year. As a result, school districts received reduced payments of State Aid from July 2020 to February 2021. On March 1, 2021, the Governor announced that, due to state revenues being stronger than previously expected, the \$123.4 million spending restriction was being released and that school districts would receive the full State Adequacy Target of \$6,375 per pupil by the June 2021 State Aid payment.

Weighted ADA. Weighted ADA is based upon regular term ADA plus summer school ADA, with additional weight assigned in certain circumstances for students who qualify for free and reduced price lunch (“FRL”), receive special education services (“IEP”), or possess limited English language proficiency (“LEP”). These FRL, IEP and LEP students are weighted to the extent they exceed certain thresholds (based on the percentage of students in each of the categories in certain high performing districts (“Performance Districts”), which thresholds can change every two years. For fiscal years 2017 and 2018, DESE revised the thresholds downward as required under SB 586, which modified the definition of State Adequacy Target to require that a future recalculation of the State Adequacy Target never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018. For fiscal years 2019 and 2020, DESE revised the thresholds downward for FRL and IEP and upward for LEP. Beginning with the 2018-2019 fiscal year, certain school districts who operate early childhood education programs will also be able to claim a portion of their pre-kindergarten FRL students in their calculation of ADA; however, the portion of pre-kindergarten FRL students included in the calculation of ADA cannot exceed 4% of the total number FRL students between the ages of 5 to 18 who are included in the school district’s calculation of ADA. The District’s State Aid revenues would be adversely affected by decreases in its Weighted ADA resulting from decreased enrollment generally and, specifically, decreased enrollment of FRL, IEP and LEP students. However, in the event that the District’s Weighted ADA is substantially reduced for any current fiscal year, the District may use the higher of the District’s Weighted ADA for the immediately preceding fiscal year or the second preceding fiscal year. This process is designed to absorb a one-year attendance irregularity.

School districts were not required to make up school hours lost during the 2019-2020 fiscal year due to school district closures caused by COVID-19. As a result, the District’s Weighted ADA for the 2019-2020 fiscal year, which was used in calculating the District’s State Aid payment for the 2020-2021 fiscal year, was not significantly reduced.

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

For the fiscal year ended June 30, 2020, the State Adequacy Target was expected to be \$6,375 per pupil; however, due to the economic impact resulting from the COVID-19 pandemic, the State experienced a dramatic revenue shortfall. On June 1, 2020, the Governor announced a total of \$131.3 million in restrictions for State Aid distributions to school districts in June 2020. This restriction of funds, together with other restrictions announced earlier, resulted in school districts receiving approximately 95.2% of State Aid based on the formula requirements for the fiscal year ended June 30, 2020, based on a full State Adequacy Target of \$6,375. For the fiscal year ending June 30, 2021, the State Adequacy Target was \$6,375 per pupil.

According to DESE's June 2021 Finance Memo, the budget estimate for the State Adequacy Target for fiscal year ending June 30, 2022, is expected to be \$6,375 per pupil; however, this is also a preliminary estimate and subject to change.

Dollar Value Modifier. The DVM is an index of the relative purchasing power of a dollar in different areas of the state. The DVM is calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.000. DESE revises the DVM for each district on an annual basis. The DVM for the District for 2019-2020 and 2020-2021 was 1.030 and 1.029, respectively. The DVM for the District for 2021-2022 is 1.028.

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

Categorical-Source Add-Ons. In addition to State Aid distributed pursuant to the formula as described above, the formula provides for the distribution of certain categorical sources of State Aid to school districts. These include (1) 75% of allowable transportation costs, (2) the career ladder entitlement, (3) the vocational education entitlement and (4) educational and screening program entitlements. On June 1, 2020, the Governor announced a total of \$131.3 million in restrictions for State Aid distributions to school districts in June 2020. According to DESE's dated June 2020 School Finance Memo, school districts received approximately 13% less transportation funding than was originally appropriated for the fiscal year ended June 30, 2020.

Classroom Trust Fund (Gambling Revenue) Distribution. A portion of the State Aid received under the formula will be in the form of a distribution from the "Classroom Trust Fund," a fund in the state treasury containing a portion of the state's gambling revenues. This money is distributed to school districts on the basis of ADA (versus Weighted ADA, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and may be spent at the discretion of the local school district except that, beginning with the 2010-2011 fiscal year, all proceeds of the Classroom Trust Fund in excess of amounts received in the 2009-2010 fiscal year must be placed in the Teachers' or Incidental Funds. For the 2018-2019 fiscal year, each school district received approximately \$413 per pupil based on its 2017-2018 ADA.

For the 2019-2020 fiscal year, each school district was expected to receive approximately \$409 per pupil based on its 2018-2019 ADA; however, according to a May 2020 School Finance Memo released by DESE, there was no Classroom Trust Fund payment to school districts in May 2020 due to casino closures caused by the outbreak of COVID-19. This resulted in a final Classroom Trust Fund payment for such fiscal year of approximately \$327 per pupil.

For the 2020-2021 fiscal year, each school district received \$415 per pupil based on its 2019-2020 ADA based on its 2019-2020 ADA. According to DESE's June 2021 Finance Memo, the budget estimate for fiscal

year ending June 30, 2022, is expected to be \$422 per pupil; however, this is also a preliminary estimate and subject to change.

Classroom Trust Fund dollars do not increase the amount of State Aid.

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

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

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

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

Federal Revenue

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

The federal "No Child Left Behind" law required that every public school student score at a "proficient" level or higher in math and reading by 2014. Each state established its own proficiency levels. Federal sanctions for school districts that failed to meet established proficiency standards included allowing parents and students in underperforming schools within a district to request a transfer to a school within the district that met proficiency standards. In addition, schools that continued to fail to meet proficiency standards were required to make additional changes in staffing, curriculum and management. Federal sanctions applied only to public schools that received Title I federal money.

The federal "Every Student Succeeds Act" ("ESSA") was signed into law on December 10, 2015. ESSA replaces the "No Child Left Behind Act." Each state education agency must develop a state accountability plan ("ESSA Plan") that incorporates testing based on challenging academic standards. The ESSA Plans were required to be submitted to the United States Department of Education (the "DOE") in 2017. Under ESSA, states can decide how much weight to give standardized tests in their accountability systems and determine what consequences, if any, should attach to poor performance. However, at least 95% of eligible students are required to take the state-chosen standardized tests, and federal funding can be withheld if states fall below the 95% threshold.

The State submitted its plan to the DOE on September 13, 2017 in order to meet the September 18, 2017 deadline. The DOE approved the State's plan on January 16, 2018. Under ESSA, the State will continue to test students through the Missouri Assessment Program.

Certain Permitted Fund Transfers

Limited Sources of Funds for Capital Expenditures. School districts may only pay for capital outlays from the Capital Projects Fund. Sources of revenues in the Capital Projects Fund are limited to: (i) proceeds of general obligation bonds such as the Bonds (which are repaid from a Debt Service Fund levy) and lease financings; (ii) revenue from the school district's local property tax levy for the Capital Projects Fund; (iii) certain permitted transfers from the Incidental Fund; and (iv) a portion of the funds distributed to school districts from the Classroom Trust Fund.

Capital Projects Fund Levy. Prior to setting tax rates for the Teachers' and Incidental Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Teachers' and Incidental Funds to an amount below \$2.75. For the current fiscal year ending June 30, 2022, the District's Capital Projects Fund levy is \$0.2000 per \$100 of assessed valuation

Transfers from the Incidental Fund to the Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes, including: (1) the amount to be expended for transportation equipment that is considered an allowable cost under the state board of education rules for transportation reimbursements during the current year; (2) the amount necessary to satisfy obligations of the Capital Projects Fund for state-approved area vocational-technical schools; (3) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (4) the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) \$162,326 or (b) seven percent (7%) of the State Adequacy Target (see "State Adequacy Target" above) times a school district's Weighted ADA. The District made a \$5,145,362.00 transfer from the Incidental Fund to the Capital Projects Fund under this provision during the 2020-2021 fiscal year.

Transfers from Incidental Fund to Debt Service Fund and/or Capital Projects Fund. If a school district is not using the seven percent (7%) or the \$162,326 transfer discussed in parts (5)(a) and (5)(b) of the prior paragraph and is not making payments on lease purchases pursuant to Section 177.088, RSMo, then the school district may transfer from the Incidental Fund to the Debt Service and/or the Capital Projects Fund the greater of (1) the State Aid received in the 2005-2006 school year as a result of no more than eighteen (18) cents of the sum of the Debt Service Fund levy and Capital Projects Fund levy used in the foundation formula and placed in the Capital Projects Fund or Debt Service Fund or (2) Five percent (5%) of the State Adequacy Target (see "State Adequacy Target" above) times the district's Weighted ADA. The District made no transfer from the Incidental Fund to the Debt Service Fund or the Capital Projects Fund under this provision during the 2020-2021 fiscal year.

Risk Management

The District is exposed to various risks of loss from, among things, tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains several policies of insurance, providing coverage that includes casualties to the District's facilities and general liability insurance, which policies are subject to certain deductible clauses. The District also maintains a fully

insured medical health care plan covering substantially all of its employees. There has been no significant reduction in insurance coverage from the previous year.

Pension and Employee Retirement Plans

The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (i) The Public School Retirement System of Missouri (“**PSRS**”), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of school districts and certain other educational entities in Missouri and employees of certain related employers; and (ii) The Public Education Employee Retirement System of Missouri (“**PEERS**”), which provides retirement and disability benefits to employees of school districts and certain other educational entities in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169 of the Revised Statutes of Missouri, as amended. The statutes assign responsibility for the administration of both plans to a seven member Board of Trustees of PSRS (the “**PSRS Board**”). PSRS and PEERS had 533 and 530 contributing employers, respectively, during the fiscal year ended June 30, 2020.

PSRS and PEERS issue a publicly available financial report that includes financial statements and required supplementary information. The PSRS/PEERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020 (the “**2020 PSRS/PEERS Annual Financial Report**”), the comprehensive financial report for the plans, is available at <https://www.psr-peers.org/About-Us/Resources/Annual-Report>. The link to the 2020 PSRS/PEERS Annual Financial Report is provided for general background information only, and the information in the 2020 PSRS/PEERS Annual Financial Report is not incorporated by reference herein. The 2020 PSRS/PEERS Annual Financial Report provides detailed information about PSRS and PEERS, including their respective financial positions, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plans.

PSRS and PEERS Contributions. Employees who contribute to PSRS are not eligible to make Social Security contributions, except in limited circumstances. For the fiscal year ended June 30, 2020, PSRS contributing employees were required to contribute 14.5% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 14.5% of each contributing employee’s covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year.

Employees who contribute to PEERS are eligible to make Social Security contributions. For the fiscal year ended June 30, 2020, PEERS contributing employees were required to contribute 6.86% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 6.86% of each contributing employee’s covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 0.5% in aggregate of PEERS contributing member covered pay of the previous year.

PSRS and PEERS Funded Status. PSRS and PEERS reported funded ratios of 84.4% and 86.4%, respectively, as of June 30, 2020, according to the 2020 PSRS/PEERS Annual Financial Report. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan’s actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a level percentage of payrolls, along with certain actuarial assumptions based on an experience study conducted in 2016. PSRS and PEERS amortize unfunded actuarial liabilities using a closed 30-year method. Additional assumptions and methods used to determine the actuarial funded status of PSRS and PEERS are set forth in the

Actuarial Section of the 2020 PSRS/PEERS Annual Financial Report. The funding objective of each plan, as stated in each plan's Actuarial Funding Policy, is to achieve a funded ratio of 100% over a closed 30-year period.

The following provides a historical comparison of actual employer contributions to actuarially determined contributions and the historical funded status for the plans for the years shown:

Schedule of Employer Contributions

Year Ended June 30,	PSRS			PEERS		
	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)*	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)*
2020	\$679,495,757	\$724,995,473	\$45,499,716	\$119,461,270	\$124,544,728	\$5,083,458
2019	628,513,916	712,545,096	84,031,180	113,567,475	120,042,046	6,474,571
2018	533,062,186	696,970,397	163,908,211	97,653,104	115,103,143	17,450,039
2017	642,821,624	684,857,718	42,036,094	108,807,233	111,239,585	2,432,352
2016	643,155,536	669,953,683	26,798,147	104,011,593	106,654,638	2,643,045

Source: "Schedules of Employer Contributions" in the Financial Section of the 2020 PSRS/PEERS CAFR.

* The annual statutory increase in the total contribution rate may not exceed 1% of pay for PSRS and 0.5% of pay for PEERS. The limitation on contribution increases resulted in a deficiency for some of the years presented. Contributions were funded to the maximum statutory limit each year.

Schedule of Funding Progress
(Dollar amounts in thousands)

Year Ended June 30,	PSRS			PEERS		
	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio
2020	\$41,705,059	\$49,641,020	84.0%	\$5,257,847	\$6,089,401	86.3%
2019	40,498,479	47,973,829	84.4	5,019,868	5,809,485	86.4
2018	39,211,452	46,702,002	84.0	4,774,780	5,452,478	86.1
2017	37,373,740	44,501,771	84.0	4,470,270	5,209,369	85.8
2016	35,419,278	41,744,619	84.8	4,157,427	4,809,666	86.4

Source: "Schedule of Funding Progress" in the Actuarial Section of the 2020 PSRS/PEERS Annual Report.

As stated in the District’s audited financial statements and the GASB 68 footnote disclosure prepared by PSRS and PEERS and provided to the District, the District’s contributions to PSRS and PEERS for the years shown were as follows:

District Contributions to PSRS and PEERS

Year Ended June 30,	PSRS		PEERS	
	Annual Contribution ⁽¹⁾	Contribution (% of Payroll)	Annual Contribution ⁽¹⁾	Contribution (% of Payroll)
2020	\$10,557,587	14.5%	\$2,084,698	6.86%
2019	9,857,688	14.39%	1,914,537	6.86
2018	9,476,757	14.39	1,835,218	6.86
2017	9,183,348	14.39	1,783,248	6.86
2016	8,752,688	14.39	1,661,201	6.86

Source: Audited financial statements of the District for fiscal years ended June 30, 2016 through 2020.

⁽¹⁾ The annual contributions equaled the amounts required by the PSRS Board for each year.

The District’s contribution to PSRS and PEERS during the fiscal year ended June 30, 2020 constituted approximately 6.0% of the District’s total expenditures during the fiscal year. The District will be required to contribute 14.5% of covered payroll for PSRS contributing employees and 6.86% of covered payroll for PEERS contributing employees during the fiscal years ending June 30, 2022, equal to the contribution percentages for the fiscal year ended June 30, 2020 and the fiscal year ending June 30, 2021.

Estimated Proportionate Share of PSRS/PEERS Liability. The District has not implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27, because the District’s financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. PSRS and PEERS, however, have implemented GASB Statement No. 67, Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25. Accordingly, PSRS and PEERS are required annually to provide each contributing Missouri school district reports estimating each district’s proportionate share of the net pension liability of PSRS and PEERS as of the end of the prior fiscal year. The estimate is computed for each district by multiplying the net pension liability of a plan (calculated by determining the difference between the plan’s total pension liability and fiduciary net position) by a percentage reflecting the district’s proportionate share of contributions to the plan during the fiscal year (calculated by dividing the District’s actual contributions by the actual contributions of all participating employers for PSRS and PEERS, respectively, for the fiscal year ended June 30, 2020). At June 30, 2021 (measured as of June 30, 2020), the District’s proportionate share of the net pension liability of PSRS and PEERS was \$101,859,731 and \$12,755,038, respectively, as determined by PSRS and PEERS on an accrual basis of accounting. At June 30, 2020, the District’s contribution to PSRS and PEERS represented 1.3802% and 1.6126%, respectively, of the overall contributions to PSRS and PEERS during the fiscal year. In addition, for the year ended June 30, 2020, the district recognized pension expense of \$9,823,418 for PSRS and \$1,920,285 for PEERS, its proportionate share of the total pension expense. Detailed information about the calculation of the net pension liability of the plans, including information about the assumptions used, is available in the 2020 PSRS/PEERS Annual Report.

The net pension liability of PSRS and PEERS is based on a 7.5% discount rate, which was also the assumed investment rate of return for the plans effective for the fiscal year ending June 30, 2021. PSRS and PEERS further advised the District that its proportionate share of the net pension liability using a 1% higher or lower discount rate at June 30, 2021 (measured as of June 30, 2020) would be as follows:

Proportionate Share of Net Pension Liability Sensitivity

	1.0% Decrease (6.5%)	Current Discount Rate (7.5%)	1.0% Increase (8.5%)
District’s proportionate share of PSRS net pension liability	\$185,300,673	\$101,859,731	\$32,503,280
District’s proportionate share of PEERS net pension liability / (asset)	\$24,221,406	\$12,755,038	\$3,137,604

For additional information regarding the District’s pensions and employee retirement plans, see *Note VI* to the District’s financial statements for fiscal year ended June 30, 2020, included in *Appendix B* to this Official Statement. For additional information regarding PSRS and PEERS, see the 2020 PSRS/PEERS Annual Financial Report.

Other Postemployment Benefits

In addition to pensions, many state and local governments, including the District, provide other postemployment benefits (“OPEB”) as part of the total compensation offered to attract and retain the services of qualified employees. For information specific to the District’s OPEB obligations, including the District’s past contributions relative to its required contributions, its assumptions as to future healthcare and other costs and its unfunded actuarial accrued liability, see the Other Post-Employment Benefits section in the District’s financial statements included in Appendix B to this Official Statement.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

Assessment Procedure. All taxable real and personal property within the District is assessed annually by the County Assessor. Missouri law requires that personal property be assessed at various levels up to 33-1/3% of true value and that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986. On January 1 in every odd-numbered year, the County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation. The following table shows the total locally assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District) according to the assessment for calendar year 2021 for property owned as of January 1, 2021.

<u>Type of Property</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>	<u>% of Est. Actual Valuation</u>
Real:				
Residential	\$1,249,200,118	19.00%	\$6,574,737,463	71.14%
Agricultural	2,702,187	12.00%	22,518,225	0.24
Commercial ⁽¹⁾	<u>482,040,758</u>	32.00%	<u>1,506,377,369</u>	<u>16.30</u>
Total Real	\$1,733,943,063		\$8,103,633,057	87.69
Personal⁽¹⁾	<u>379,304,670</u>	33.33% ⁽²⁾	<u>1,137,914,010</u>	<u>12.31</u>
Total Real & Personal	<u>\$2,113,247,733</u>		<u>\$9,241,547,067</u>	<u>100.0%</u>

Source: Platte County Clerk.

(1) Includes locally assessed railroad and utility property.

(2) Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See “*Assessment Procedure*” discussed above.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District) according to the assessments of January 1, as adjusted through December, in each of the following years has been as follows:

<u>Calendar Year</u>	<u>Assessed Valuation</u>	<u>% Change</u>
2021	\$2,113,247,733	12.17%*
2020	1,883,954,871	0.1
2019	1,881,727,803	7.3
2018	1,754,560,476	3.3
2017	1,698,107,954	6.8

Source: District’s 2016-2017 through 2019-2020 Annual Reports of the County Clerk to the State Board of Education; Platte County Clerk.

* Significant increase due to an increase in residential market values in a reassessment year.

Property Tax Levies and Collections

Generally. Property taxes are levied and collected for the District by the County, for which the County receives a collection fee of 1.5% of the gross tax collections made.

The District is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the District’s debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. As required under SB 711 (discussed below), the District must informally project nonbinding tax levies for the year and return such projected tax levies to the County Clerk no later than April 8th. The District must fix its ad valorem property tax rates and certify them to

the County Clerk no later than September 1st for entry in the tax books. Taxes are levied at the District's tax rate per \$100 of assessed valuation. The Missouri State Auditor is responsible for reviewing the rate of tax to insure that it does not exceed constitutional rate limits.

Real property within the District is assessed by the County Assessor. The County Assessor is responsible for preparing the tax rolls each year and for submitting tax rolls to the Board of Equalization of the County. The Board of Equalization has the authority to question and determine the proper value of property and then adjust and equalize individual properties appearing on the taxrolls. After local appeal procedures have been completed, the books are finalized and sent to the County Collector. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December.

The County Collector is required to make disbursements of collected taxes to the District each month. Because of the tax collection procedure described above, the District receives the bulk of its moneys from local property taxes in the months of December, January and February.

District's Rights in Event of Tax Delinquency. Taxes are due by December 31st and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of 18% of each year's delinquency. Taxes on real estate become delinquent on January 1 and the County Collector is required to enforce the state's lien by offering the property for sale on the fourth Monday in August. If the offering does not produce a bid equal to the delinquent taxes plus interest, penalty, and costs, the property is offered for sale again the following year. If the second offering also does not produce a bid adequate to cover the amount due, the property is sold the following year to the highest bidder. Tax sales at the first or second offerings are subject to the owner's redemption rights. Delinquent personal property taxes constitute a debt of the person assessed with the taxes, and a personal judgment can be rendered for such taxes against the debtor. Personal property taxes become delinquent on January 1. Collection suits may be commenced on or after February 1 and must be commenced within three years.

The County Collector is required to make disbursements of collected taxes to the District each month. Because of the tax collection procedure described above, the District receives the bulk of its moneys from local property taxes in the months of December, January and February.

Tax Abatement

Under state law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be "blighted." The Land Clearance for Redevelopment Authority Law authorizes ten-year tax abatement pursuant to Sections 99.700 to 99.715, RSMo. In lieu of ten-year tax abatement, a redeveloper that is an urban redevelopment corporation formed pursuant to Chapter 353, RSMo, may seek real property tax abatement for a total period of 25 years. In addition, Chapter 100, RSMo and Article VI Section 27(b) of the Missouri Constitution authorize real and personal property tax abatement for corporations for certain projects.

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city or county to be a "blighted area," "conservation area" or "economic development area," each as defined in such statute.

Currently, certain portions of the District are located in tax increment financing redevelopment areas ("**TIF Redevelopment Areas**"). Tax increment financing does not diminish the amount of property tax revenues collected by the District in an affected area compared to prior to the establishment of a TIF Redevelopment Area but instead acts to freeze such revenues at current levels (the "**Base**") and deprives the District and other taxing districts of all or part of future increases in ad valorem real property tax revenues that otherwise would have resulted from increases in assessed valuation above the Base (the "**TIF Increment**"). The TIF Increment is

captured by the TIF Redevelopment Areas until the tax increment financing obligations issued are repaid or the tax increment financing period terminates.

According to the County Assessor's office, the assessed valuation of the property within the TIF Redevelopment Areas within the District was approximately \$100,022,221 for the 2021 tax year. See **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – Current Assessed Valuation"** and **"–History of Property Valuations."**

Tax Rates

Debt Service Levy. The District's debt service levy for the 2021-2022 fiscal year will be \$0.9909 per \$100 of assessed valuation. Once indebtedness has been approved by the requisite number of voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The operating tax levy of a school district (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the "tax rate ceiling" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy that, when charged against the district's assessed valuation for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by the lesser of actual assessment growth, 5% or the Consumer Price Index. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment, more fully explained below).

Under Article X, Section 11(b) of the Missouri Constitution, a school district may increase its operating levy up to \$2.75 per \$100 assessed valuation without voter approval. Any increase above \$2.75, however, must be approved by a majority of the voters voting on the proposition. Further, pursuant to Article X, Section 11(c) of the Missouri Constitution, any increase above \$6.00 must be approved by two-thirds of the voters voting on the proposition. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment and SB 711, more fully explained below). The tax levy for debt service on a school district's general obligation bonds is exempt from these limitations upon the tax rate ceiling.

Article X, Section 22(a) of the Missouri Constitution (commonly known as the "Hancock Amendment"), approved in 1980, places limitations on total state revenues and the levying or increasing of taxes without voter approval. The Missouri Supreme Court has interpreted the definition of "total state revenues" to exclude voter-approved tax increases. The Hancock Amendment also includes provisions for rolling back tax rates. If the assessed valuation of property, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the Consumer Price Index from the previous year (or 5%, if greater), the maximum authorized current levy must be reduced to yield the same gross revenue from existing property, adjusted for changes in the Consumer Price Index, as could have been collected at the existing authorized levy on the prior assessed value. This reduction is often referred to as a "Hancock rollback." The limitation on local governmental units does not apply to taxes levied in the Debt Service Fund for the payment of principal and interest on general obligation bonds.

In 2008, through the enactment of Senate Bill 711 ("SB 711"), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of a district's *actual* operating tax levy if its current tax levy was less than its current tax levy *ceiling*, due to the district's voluntary rollback from the maximum authorized tax levy. Under SB 711, in reassessment years (odd-numbered years),

the Hancock rollback is applied to a district’s *actual* operating tax levy, regardless of whether that levy is at the district’s tax levy *ceiling*. This further reduction is sometimes referred to as an “SB 711 rollback.” In non-reassessment years (even-numbered years), the operating levy may be increased to the district’s tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

Under the provisions of an initiative petition adopted by the voters of Missouri on November 2, 1982, commonly known as “Proposition C,” revenues generated by a 1% state sales tax are credited to a special trust fund for school districts and are deemed to be “local” revenues for school district accounting purposes. Proposition C revenues are distributed to each school district within the state on the basis of eligible pupils. Under Proposition C, after determining its budget and the levy rate needed to produce required revenues to fund the budget, a school district must reduce the operating levy by an amount sufficient to decrease the revenues it would have received therefrom by an amount equal to 50% of the revenues received through Proposition C during the prior year. School districts may submit propositions to voters to forgo all or a part of the reduction in the operating levy that would otherwise be required under terms of Proposition C. The District’s voters approved a proposition to forgo all of the reduction in the operating levy which would otherwise be required under terms of Proposition C which allows the District to levy up to its tax rate ceiling.

For fiscal year 2021-2022, the District’s operating levy (all funds except the debt service fund levy) is \$4.4046 per \$100 of assessed valuation, which is equal to the District’s tax rate ceiling for said fiscal year.

The tax levy for debt service on the District’s general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling.

History of Tax Levies

The following table shows the District’s tax levies (per \$100 of assessed valuation) for the current fiscal year and each of the last five years:

<u>Fiscal Year ending June 30</u>	<u>Incidental Fund</u>	<u>Teachers Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Levy</u>
2022	\$4.2046	\$0.00	\$0.2000	\$0.9909	\$5.3955
2021	4.6108	0.00	0.1500	0.6347	5.3955
2020	4.6048	0.00	0.1800	0.6107	5.3955
2019	4.6048	0.00	0.1800	0.6107	5.3955
2018	4.6128	0.00	0.1800	0.6107	5.4035
2017	4.6183	0.00	0.3000	0.6107	5.5290

* District’s Annual Secretary of the Board Report for fiscal year ended June 30, 2017 through 2020; District.

Tax Collection Record

The following table sets forth tax collection information for the District for the last five fiscal years.

Fiscal Year Ended June 30	Total Levy (per \$100 of Assessed Value)	Assessed Valuation⁽¹⁾	Total Taxes Levied⁽²⁾	Current Taxes Collected		Current and Delinquent Taxes Collected⁽³⁾	
				Amount	%	Amount	%
2021	\$5.3955	\$1,883,954,871	\$101,648,785	\$100,402,604	98.8%	\$103,570,909	101.9%
2020	5.3955	1,881,727,803	101,528,624	95,511,720	94.1	96,831,930	95.4
2019	5.3955	1,754,560,476	94,667,310	94,667,316	100.0	99,437,177	105.0
2018	5.4035	1,698,107,954	91,757,263	85,172,566	92.8	87,287,516	95.1
2017	5.5290	1,589,710,997	87,895,121	84,571,653	96.2	86,167,916	98.0

Source: District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2017 through 2020; the District.

(1) The assessed valuation used is the assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown. Excludes assessed valuation attributable to TIF Redevelopment Areas located within the District. See the explanation under the caption "Tax Abatement and Tax Increment Financing."

(2) Total Taxes Levied is calculated by dividing Assessed Valuation by 100 and multiplying by the Total Levy.

(3) Delinquent taxes are shown in the year payment is actually received, which may cause the percentage of Current and Delinquent Taxes Collected to exceed 100%.

Major Property Taxpayers

The following table sets forth the ten largest property taxpayers in the District for the year 2021 according to the records of Platte County.

	Firm	Local Assessed Valuation	% of Total Local Assessed Valuation
1.	GLP Capital	\$34,744,602	1.84%
2.	BES Altitude 970 Fund XII LLC & Etal	10,111,601	0.51
3.	1115 N Airworld Dr LLC	9,600,000	0.44
4.	Horizons Industrial V LLC	8,534,494	0.43
5.	MAA Burlington Creek LLC	8,075,000	0.43
6.	Tiffany Woods Apartments LLC	8,048,343	0.42
7.	Barrywoods Holdings LLC	7,936,000	0.42
8.	WOP Riverstone LLC	7,695,000	0.41
9.	Tustin Compadres LLC	7,554,064	0.40
10.	LCP-BV KCI Hotels LLC	7,111,909	0.40

Source: Assessor's Office, Platte County, Missouri.

APPENDIX B

ACCOUNTANT'S REPORT AND AUDITED FINANCIAL STATEMENTS

PARK HILL SCHOOL DISTRICT
KANSAS CITY, MISSOURI
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2020

PARK HILL SCHOOL DISTRICT
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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Park Hill School District

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Park Hill School District ("District"), Missouri, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note I; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 the District as of June 30, 2020, and the respective changes in modified cash-basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note I.

Basis of Accounting

We draw attention to Note I of the financial statements, which describes the basis of accounting. 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 opinions are not modified with respect to this matter.

Other Matters

Report on Supplementary and Other 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 management's discussion and analysis, budgetary comparison schedules and the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules presented on pages 36 through 40 and the schedule of expenditures of federal awards presented on page 55 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 budgetary comparison schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The management's discussion and analysis on pages 3 through 10 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2020, on our consideration of the 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 the District's internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

October 29, 2020

PARK HILL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Park Hill School District
7703 NW Barry Road
Kansas City, Missouri 64153
816-359-4000
<http://www.parkhill.k12.mo.us>

The Management's Discussion and Analysis (MD&A) of the Park Hill School District ("District") provides an overview and analysis of the District's modified cash basis financial activities for the fiscal year ended June 30, 2020. The intent of the MD&A is to look at the District's modified cash basis financial performance as a whole. Readers should also review the modified cash basis financial statements found in the Financial Section starting on page 11 and the notes thereto to enhance their understanding of the District's modified cash basis financial performance.

The financial statements of the District have been prepared on the modified cash basis of accounting, as applied to local governmental units, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Differences in the modified cash basis of accounting and accounting principles generally accepted in the United States of America arise in the recognition of revenue when it is received, rather than when earned, and the presentation of expenditures when they are paid versus when incurred. Additional information of the District's modified cash basis of accounting can be found in note I on page 17.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in 1999. Certain comparative information between the current year, 2019-2020 (FY2020), and the prior year, 2018-2019 (FY2019), is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2020, include the following:

The governmental activities net assets and governmental funds ending balances (modified cash basis) were \$68,344,422.99 as compared to \$118,660,871.21 the previous year. The decrease in these fund balances is primarily due to (1) spending of bond proceeds on construction of a new support services building, transportation center and LEAD Innovation Studio and (2) loss of revenue during the shutdown due to COVID-19.

The school district collected \$22,493,200.44 in program revenues, which made up 12.75% of the total revenues collected for the year ended June 30, 2020. This is compared to 12.9% the previous fiscal year. These program revenues covered 10% of the program expenditures paid leaving 90%, to be covered by general revenues collected and fund balances. This is compared to 12% of the program expenditures paid leaving 88% to be covered by general revenues collected and fund balances the previous year ended June 30, 2019.

PARK HILL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Using the Basic Financial Statements

The District’s basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the modified cash basis operations of the District as a whole (i.e., an entire operating entity). The “Basic Financial Statements” section includes government-wide financial statements, fund financial statements and notes to financial statements.

The government-wide financial statements, consisting of the Statement of Net Position - Modified Cash Basis and the Statement of Activities - Modified Cash Basis (see pages 11 and 12), provide highly consolidated modified cash basis financial information and render a government-wide perspective of the District’s modified cash basis financial condition. They present an aggregate view of the District’s modified cash basis finances. These statements seek to answer the question, “How did the District do financially during the 2019-2020 fiscal year?” In short, is the District better financially this year, or is it worse than the prior year? These statements include all cash and investments using the modified cash basis of accounting.

By showing the change in net position (modified cash basis) for the year, the reader may ascertain whether the District’s modified cash basis financial condition has improved or deteriorated. The changes which are discussed in this MD&A may be financial or non-financial in nature. Non-financial factors which may have an impact on the District’s financial condition include increases in or erosion of the property tax base within the District, facilities maintenance and condition, mandated educational programs for which little or no funding is provided, or other external factors.

To provide more in depth reporting of the District’s modified cash basis financial position and changes in cash basis financial position, fund financial information is presented in the ‘Fund Financial Statements’ section beginning on page 11. These fund financial statements, which should be familiar to those who have read previous governmental financial statements, report governmental activities on a current cash basis, indicating modified cash basis sources and uses of funding.

Fund financial statements also provide more in-depth data on the District’s most significant funds, its General Fund, Special Revenue Fund, Debt Service Fund and Capital Fund. These funds are considered “major funds” under GASB Statement No. 34. The relationship between governmental activities reported in the government-wide financial statements and the governmental funds reported in the fund financial statements is reconciled in the financial statements on pages 13 and 14.

Government – Wide Financial Analysis

Net Assets of the District in the amount of \$68,334,422.99 reflect the District’s total assets of cash and investments net of payroll liabilities at June 30, 2020. Net assets of the District consist of the following:

<u>Net Assets</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Restricted Cap Proj	\$ 8,794,926.45	\$ 59,384,911.03
Restricted DebtSvc	11,514,463.69	9,985,715.23
Unrestricted	48,035,032.85	49,290,244.95
<u>Total Net Assets</u>	<u>\$ 68,334,422.99</u>	<u>\$ 118,660,871.21</u>

PARK HILL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Government – Wide Financial Analysis (concluded)

The restricted net assets are restricted for payment of principal and interest on general obligation bonds and capital projects.

Governmental Activities

\$68,344,422.99 in net assets at June 30, 2020, reflect a decrease of \$50,316,448.22 from the net asset balance of \$118,660,871.21 at June 30, 2019. Key elements of this decrease consist of the following:

Revenues Collected	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<i>Program Revenues Collected</i>		
Charges for Services	\$ 8,138,416.98	\$ 10,491,891.92
Operating Grants and Contributions	14,354,783.46	16,074,960.80
Capital Grants and Contributions	-	-
<i>General Revenues Collected</i>		
Property and Other Local Taxes	109,850,069.60	109,275,741.86
Federal, State and County Taxes Not Restricted to Specific Purposes	40,744,484.25	40,406,886.65
Interest and Investment Earnings	2,440,360.60	5,567,813.92
Bond Issuance	-	23,285,000.00
Refunding Bonds	-	-
Sale of Property	825,579.43	42,996.71
Total Revenues Collected	\$ 176,353,694.32	\$ 205,145,291.86
 Expenses Paid		
Instruction	\$ 84,216,528.46	\$ 82,544,372.34
Support Services	79,135,106.61	78,962,764.10
Community Service	4,270,732.46	4,334,469.27
Facilities Acquisition, Construction	46,833,404.16	42,393,334.26
Capital Principal, Interest, Fees	1,478.33	44,680.78
Debt Svc Principal, Interest, Fees	12,212,892.52	20,661,198.77
Total Expenses Paid	\$ 226,670,142.54	\$ 228,940,819.52
 Change in Net Assets	 \$ (50,316,448.22)	 \$ (23,795,527.66)

June 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Assets	\$ 68,344,422.99	\$ 118,660,871.21	\$ 142,456,398.87

PARK HILL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Governmental Activities (concluded)

As reflected on the previous page, the expenses paid of the District's governmental activities for the fiscal years ending June 30, 2020 and 2019 of \$226,670,142.54 and \$228,940,819.52 respectively are not all borne by the taxpayers of the District. Of these amounts \$8,138,416.98 and \$10,491,891.92 were paid by those who benefited from the services rendered (e.g., charges for school lunches) and \$14,354,783.46 and \$16,074,960.80 were paid through federal and state operating grants and contributions.

Consequently, the net costs of \$204,176,942.10 and \$202,373,966.80, after taking into consideration these fees and grants, were paid from other general revenues, which include property taxes paid by the taxpayers of the District as well as other taxes, additional state funding and fund balances.

The next table shows the total cost of programs and the net cost of these programs (after deducting charges for services) and grants and contributions revenue collected of the various categories of expenses paid for the years ended June 30, 2020 and 2019. The net cost presentation allows the taxpayers of the District to determine the remaining cost of the various categories which were borne by them or paid from other general revenues and fund balances, and allows them the opportunity to assess the cost of these functions in comparison to the benefits received.

	<u>June 30, 2020</u>		<u>June 30, 2019</u>	
	Total Cost of Programs	Net Cost of Programs	Total Cost of Programs	Net Cost of Programs
Instruction	\$ 84,216,528.46	71,698,056.00	\$ 82,544,372.34	67,975,695.70
Attendance	2,358,055.48	2,358,055.48	1,782,503.34	1,782,503.34
Guidance	3,014,788.77	3,014,788.77	2,780,481.76	2,780,481.76
Health, Psych Speech and Audio	5,509,182.76	5,509,182.76	4,737,554.99	4,737,554.99
Improvement of Instruction	2,752,978.07	2,543,543.66	2,947,200.69	2,653,565.25
Professional Development	321,053.57	321,053.57	345,494.67	345,494.67
Educational Media Services	2,364,153.77	2,364,153.77	1,841,238.15	1,841,238.15
Board of Education Services	969,368.74	969,368.74	945,893.63	945,893.63
Executive Administration	9,805,050.87	9,805,050.87	10,416,080.63	10,416,080.63
Building Level Administration	8,914,661.79	8,914,661.79	8,381,870.93	8,381,870.93
Business Support Service	1,233,266.95	1,233,266.95	1,346,647.65	1,346,647.65
Operation of Plant	22,777,042.34	22,777,042.34	23,374,925.11	23,374,925.11
Security Services	1,114,829.54	1,114,829.54	1,102,890.80	1,102,890.80
Student Transportation	9,135,006.18	7,919,412.48	9,121,469.52	7,894,669.52
Food Services	5,507,567.79	396,340.05	6,505,636.63	622,491.17
District Office Support Services	3,358,099.99	3,358,099.99	3,332,875.60	3,332,875.60
Community Services	4,270,732.46	832,260.33	4,334,469.27	(260,125.91)
Capital Outlay	46,833,404.16	46,833,404.16	42,393,334.26	42,393,334.26
Capital Principal, Interest, Fees	1,478.33	1,478.33	44,680.78	44,680.78
Debt Service:				
Principal Retirement	6,370,000.00	6,370,000.00	15,010,000.00	15,010,000.00
Interest/Fiscal Fees	5,842,892.52	5,842,892.52	5,651,198.77	5,651,198.77
Total	\$ 226,670,142.54	204,176,942.10	\$ 228,940,819.52	202,373,966.80

PARK HILL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Governmental Funds Financial Analysis

The District uses funds to control and manage money for particular purposes (e.g., dedicated taxes and bond proceeds). The fund basis financial statements allow the District to demonstrate its stewardship over and accountability for modified cash basis resources provided by the taxpayers and other entities.

These statements also allow the reader to obtain more insight into the modified cash basis financial workings of the District and assess further the District's modified cash basis financial health. The District completed the fiscal year ended June 30, 2020 with a combined modified cash basis fund balance for Governmental funds (as presented in the Balance Sheet - Modified Cash Basis (on page 13) of \$68,344,422.99 as compared to a combined fund balance of \$118,660,871.21 on June 30, 2019, a decrease of \$50,316,448.22. The decrease in these fund balances is primarily due to (1) spending of bond proceeds on construction of a new support services building, transportation center and LEAD Innovation Studio and (2) loss of revenue during the district shutdown due to COVID-19.

The fund balance of the operating funds (General and Special Revenue) decreased by \$1,595,837.77 as compared to an increase of \$4,226,241.81 the previous year. The current year decrease is the result of revenue lost due to the COVID-19 shutdown. In addition, a transfer of \$848,768.00 was made from operating funds to the Capital Projects Fund during 2019-2020 (FY2020).

The fund balance of the Debt Service Fund increased by \$1,528,748.46 in 2019-2020 (FY2020). A year prior, the Debt Service Fund balance decreased by \$8,725,523.69 as the result of a large payment of principal that was being held in escrow. The \$11,514,463.69 balance of the Debt Service Fund is legally restricted for payment of bond principal, bond escrow, interest and related fees.

The fund balance of the Capital Fund decreased by \$50,249,358.91 in 2019-2020 (FY2020) as compared to a decrease of \$19,296,245.78 the previous year. The decrease in Capital Fund was primarily due to the increase in expenditures for completing a support services and transportation center and building the LEAD Innovation Studio that will open this next school year.

The district received \$123,133,556.99 in revenue from local sources. The major source of revenue for operations and debt service is local property taxes amounting to \$96,831,929.89. This is derived from the District's 2019-2020 operating levy of \$4.6827 and the debt service levy of \$.7128 for a total levy of \$5.3955. Other significant local revenues are \$11,400,830.76 from sales tax, \$2,440,360.60 from interest and earnings on investments, \$2,927,506.47 from food service, \$3,438,472.13 from community services and \$1,761,912.68 from student activities.

County revenues are derived from state assessed utility property, \$5,154,188.60, county fines of \$494,384.14 and a \$7,000 grant from the county health department which total \$5,655,572.74.

State funding decreased \$632,728.99, from \$41,391,400.79 in 2018-2019 (FY2019) to \$40,758,671.80 in 2019-2020 (FY2020). The state of Missouri experienced a drastic revenue shortfall due to COVID-19 which caused a reduction in funding to the foundation formula – classroom trust and transportation. The State Foundation Formula for Basic State Aid was \$32,308,712.26, a slight increase of \$146,913.89 from the prior year mainly due to increased enrollment. State revenues collected are:

PARK HILL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Governmental Funds Financial Analysis (continued)

	June 30, 2020	June 30, 2019
Basic Formula	\$ 32,308,712.26	\$ 32,161,798.37
Classroom Trust Fund	3,652,026.91	4,571,066.55
Transportation	1,205,068.00	1,226,800.00
Early Childhood Special Education	3,066,668.54	2,998,321.79
Other	526,196.09	433,414.08
Total State Revenue	\$ <u>40,758,671.80</u>	\$ <u>41,391,400.79</u>

Federal funding decreased from \$6,845,358.38 the previous year to \$5,904,823.92 in 2019-20 (FY2020). The decrease of \$940,534.46 is mainly due to the timing of receipts for reimbursements of IDEA Entitlement and Title funds in the current and prior fiscal year. The CARES Act that was signed into law on March 27, 2020 included ESSER (The Elementary and Secondary School Emergency Relief) Funds to state education departments. Missouri Department of Elementary and Secondary Education distributed funds to local school districts based on the FY19 Title I formula. We were able to request 75% of our ESSER allocation this fiscal year and will request the remainder in FY21. The CARES School Lunch and Breakfast funding replaced our normal funding from the USDA since we continued to provide meals for our families during the COVID-19 shutdown. Federal revenues collected are:

	June 30, 2020	June 30, 2019
IDEA Entitlement Funds, Part B	1,759,911.78	2,583,095.12
Early Childhood Special Education	293,409.56	342,242.00
School Lunch, Breakfast, and Snack	1,805,525.47	2,206,666.19
Title I	747,395.79	1,195,776.63
Title II A	209,434.41	293,635.44
Title III	64,786.94	94,791.08
Title IV	36,268.77	65,715.12
Medicaid	134,749.33	63,436.80
CARES – ESSER Funds	523,432.50	0.00
CARES – School Lunch and Breakfast	329,584.00	0.00
Other	325.37	0.00
Total Federal Revenue	\$ <u>5,904,823.92</u>	\$ <u>6,845,358.38</u>

The General Fund accounts for \$64,108,679.49 or 28.3% of the total expenditures. The Special Revenue (Teachers) Fund accounts for \$92,284,460.30 or 40.7% of total expenditures and consists of certificated teachers' and administrators' salaries and insurance benefits. Debt Service Fund expenditures of \$12,212,892.52 or 5.4% of total expenditures are for principal and interest on general obligation bonds and refunding. Capital Fund expenditures of \$58,064,110.23 or 25.6% of total expenditures are for construction projects, facility repairs and equipment.

The following tables summarize the governmental fund revenues collected and expenditures paid for the fiscal years ending June 30, 2020 and 2019.

PARK HILL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Governmental Funds Financial Analysis (concluded)

	<u>June 30, 2020</u>	<u>%</u>		<u>June 30, 2019</u>	<u>%</u>
Local	\$ 123,133,556.99	69.8	\$	127,872,658.96	62.3
County	5,655,572.74	3.2		5,684,951.38	2.8
State	40,758,671.80	23.1		41,391,400.79	20.2
Federal	5,904,823.92	3.3		6,845,358.38	3.3
Sale of Bonds	-	0.0		23,285,000.00	11.4
Sale of Other Property	825,579.43	0.5		42,996.71	0.0
Other Income	75,489.44	0.1		22,925.64	0.0
Total Revenues Collected	\$ <u>176,353,694.32</u>	100.0	\$	<u>205,145,291.86</u>	100.0

	<u>June 30, 2020</u>	<u>%</u>		<u>June 30, 2019</u>	<u>%</u>
Instruction	\$ 84,216,528.46	37.1	\$	82,544,372.34	36.1
Support Services	79,135,106.61	34.9		78,962,764.10	34.5
Debt Service	12,212,892.52	5.4		20,661,198.77	9.0
Capital Outlay/Bond	46,834,882.49	20.7		42,438,015.04	18.5
Community Services	4,270,732.46	1.9		4,334,469.27	1.9
Total Expenditures	\$ <u>226,670,142.54</u>	100.0	\$	<u>228,940,819.52</u>	100.0

Budgetary Highlights

Over the course of the year, the Board of Education revised the District's budget to take into consideration expected changes in revenues collected or expenditures paid. Missouri statutes for public school finance, Section 67.010, RSMo requires a budget amendment if anticipated expenditures are in excess of budgetary goals. The original budget was adopted on June 20, 2019, and the final budget amendment was adopted on June 25, 2020.

Statements comparing fund modified cash basis revenues and expenditures to the original and final budgets are provided in the auditor's report on pages 36-40. General revenues fell short of the original budgets reflecting decreases in budgeted values for food service, community services, student activities and state funding due to the COVID-19 shutdown.

PARK HILL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

The District operates under the modified cash basis of accounting; therefore, capital asset purchases are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements.

Long-Term Debt

At June 30, 2020, the District had outstanding general obligation bonds of \$161,540,000. No new bonds or refinance of a prior bond issue took place and principal payments of \$6,370,000 were made during the year. The bonds are due in annual installments through 2038.

State statutes limit the amount of general obligation debt a school district may issue to 15% of the assessed valuation. The debt limitation is \$282,259,170 at June 30, 2020, based on the December 31, 2019 assessed values.

The District operates on the modified cash basis of accounting, therefore, payments on long-term debt are recorded as expenditures. Long-term debt is not reflected in the financial statements. Commitments for long-term debt and other obligations are disclosed in the notes to the financial statements in Note IV.

Economic Factors

During the year ended June 30, 2020 the District was impacted by national and state-wide economic factors that resulted in reduction in revenues below previously expected levels, and expenditures increasing due to continued enrollment growth within the school district. Property tax revenues were impacted positively this year due to an increase in assessed valuation. Sales tax revenues have been negatively impacted due to the COVID shutdown which caused the state to withhold funding.

The District responded to the funding uncertainties that it was faced with by reducing planned expenditures where it could be done without adversely impacting students in the classrooms. The District is in a good position and proactively planning for the increased expenditures that come with ongoing enrollment growth as well as the uncertainties pertaining to the COVID pandemic.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of Park Hill School District finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report, please contact Dr. Paul Kelly, Assistant Superintendent – Business & Technology or Susan Bartlett, Accounting Coordinator at 816-359-4000.

BASIC FINANCIAL STATEMENTS

**PARK HILL SCHOOL DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
AS OF JUNE 30, 2020**

	Governmental Activities
Assets	
Current assets:	
Cash and Cash Equivalents (Note II)	\$ 10,998,548.15
Investments	25,737,150.89
Total Current Assets	36,735,699.04
Restricted assets:	
Cash and Cash Equivalents	
Debt Service	3,494,548.25
Capital Projects	8,794,926.45
Benefits	-
Investments	
Debt Service	8,019,915.44
Capital Projects	11,299,333.81
Total Restricted Assets	31,608,723.95
Total Assets	68,344,422.99
Net Position	
Restricted for:	
Debt Service	11,514,463.69
Capital Projects	8,794,926.45
Benefits	-
Unrestricted	48,035,032.85
Total Net Position	\$ 68,344,422.99

The notes to the financial statements are an integral part of this statement.

**PARK HILL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					Governmental Activities
Instruction	\$ 84,216,528.46	\$ 1,761,912.68	\$ 10,756,559.78	\$ -	\$ (71,698,056.00)
Attendance	2,358,055.48	-	-	-	(2,358,055.48)
Guidance	3,014,788.77	-	-	-	(3,014,788.77)
Health, Psych, Speech and Audio	5,509,182.76	-	-	-	(5,509,182.76)
Improvement of Instruction	2,752,978.07	-	209,434.41	-	(2,543,543.66)
Professional Development	321,053.57	-	-	-	(321,053.57)
Media Services (Library)	2,364,153.77	-	-	-	(2,364,153.77)
Board of Education Services	969,368.74	-	-	-	(969,368.74)
Executive Administration	9,805,050.87	-	-	-	(9,805,050.87)
Building Level Administration	8,914,661.79	-	-	-	(8,914,661.79)
Business Central Service	1,233,266.95	-	-	-	(1,233,266.95)
Operation of Plant	22,777,042.34	-	-	-	(22,777,042.34)
Security Services	1,114,829.54	-	-	-	(1,114,829.54)
Pupil Transportation	9,135,006.18	10,525.70	1,205,068.00	-	(7,919,412.48)
Food Services	5,507,567.79	2,927,506.47	2,183,721.27	-	(396,340.05)
Central Office Support Services	3,278,890.96	-	-	-	(3,278,890.96)
Other Supporting Services	79,209.03	-	-	-	(79,209.03)
Adult Education	-	-	-	-	-
Community Services	4,270,732.46	3,438,472.13	-	-	(832,260.33)
Capital Outlay	46,833,404.16	-	-	-	(46,833,404.16)
Capital Principal, Interest, Fees	1,478.33	-	-	-	(1,478.33)
Debt Service:					
Principal Retirement	6,370,000.00	-	-	-	(6,370,000.00)
Interest and Fiscal Charges	5,842,892.52	-	-	-	(5,842,892.52)
Total Governmental Activities	<u>\$ 226,670,142.54</u>	<u>\$ 8,138,416.98</u>	<u>\$ 14,354,783.46</u>	<u>\$ -</u>	<u>(\$204,176,942.10)</u>
General revenues:					
Property taxes, levied for gen purposes					84,811,921.25
Property taxes, levied for debt service					12,792,475.15
Other taxes					779,878.70
Prop C - Sales tax					11,400,830.76
Federal, State, County Aid not restricted to specific purposes					40,744,484.25
Interest and investment earnings					2,440,360.60
Sale of Property					825,579.43
Miscellaneous					64,963.74
Subtotal, general revenues					<u>153,860,493.88</u>
Change in net position					(50,316,448.22)
Net position July 1, 2019					<u>118,660,871.21</u>
Net position June 30, 2020					<u>\$ 68,344,422.99</u>

The notes to the financial statements are an integral part of this statement.

**PARK HILL SCHOOL DISTRICT
BALANCE SHEET - MODIFIED CASH BASIS
ALL GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents (Note II)	\$ 8,575,504.07	\$ -	\$ -	\$ 2,423,044.08	\$ 10,998,548.15
Investments	25,737,150.89	-	-	-	25,737,150.89
Restricted Assets:					
Cash and Cash Equivalents	-	-	3,494,548.25	8,794,926.45	12,289,474.70
Investments	-	-	8,019,915.44	11,299,333.81	19,319,249.25
Total Assets	<u>\$ 34,312,654.96</u>	<u>\$ -</u>	<u>\$ 11,514,463.69</u>	<u>\$ 22,517,304.34</u>	<u>\$ 68,344,422.99</u>
FUND BALANCES					
Fund Balances (Note I):					
Restricted for:					
Debt Service	-	-	11,514,463.69	-	11,514,463.69
Capital Projects	-	-	-	8,794,926.45	8,794,926.45
Benefits	-	-	-	-	-
Assigned to:					
Capital Projects	-	-	-	13,722,377.89	13,722,377.89
Unrestricted	34,312,654.96	-	-	-	34,312,654.96
Total Fund Balances	<u>\$ 34,312,654.96</u>	<u>\$ -</u>	<u>\$ 11,514,463.69</u>	<u>\$ 22,517,304.34</u>	<u>\$ 68,344,422.99</u>

The notes to the financial statements are an integral part of this statement.

PARK HILL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Local Sources	\$ 92,930,743.44	\$ 11,403,839.55	\$ 12,982,704.93	\$ 5,816,269.07	\$ 123,133,556.99
County Sources	4,134,868.84	494,384.14	758,936.05	267,383.71	5,655,572.74
State Sources	4,797,932.63	35,960,739.17	-	-	40,758,671.80
Federal Sources	5,904,823.92	-	-	-	5,904,823.92
TOTAL REVENUES	107,768,368.83	47,858,962.86	13,741,640.98	6,083,652.78	175,452,625.45
Expenditures					
Current					
Regular Instruction	7,366,227.40	74,155,775.84	-	2,694,525.22	84,216,528.46
Attendance	2,358,055.48	-	-	-	2,358,055.48
Guidance	253,123.83	2,761,664.94	-	-	3,014,788.77
Health, Psych, Speech & Audio	2,744,556.50	2,763,126.26	-	1,500.00	5,509,182.76
Improvement of Instruction	596,013.06	2,156,965.01	-	-	2,752,978.07
Professional Development	9,173.98	311,879.59	-	-	321,053.57
Media Services	925,266.59	1,438,887.18	-	-	2,364,153.77
Board of Education Services	969,368.74	-	-	-	969,368.74
Executive Administration	7,196,623.73	1,041,879.19	-	1,566,547.95	9,805,050.87
Building Level Administration	2,797,477.64	6,117,184.15	-	-	8,914,661.79
Business Central Services	975,221.33	246,668.79	-	11,376.83	1,233,266.95
Operation of Plant	15,830,719.75	109,346.94	-	6,836,975.65	22,777,042.34
Security Services	1,014,080.71	75,747.42	-	25,001.41	1,114,829.54
Pupil Transportation	9,135,006.18	-	-	-	9,135,006.18
Food Service	5,442,857.11	-	-	64,710.68	5,507,567.79
Central Office Support Services	2,479,344.00	787,546.96	-	12,000.00	3,278,890.96
Other Supporting Services	79,209.03	-	-	-	79,209.03
Community Services	3,936,354.43	317,788.03	-	16,590.00	4,270,732.46
Capital Outlay	-	-	-	46,833,404.16	46,833,404.16
Debt Service:					
Principal	-	-	6,370,000.00	-	6,370,000.00
Interest and Charges	-	-	5,842,892.52	1,478.33	5,844,370.85
Total Expenditures	64,108,679.49	92,284,460.30	12,212,892.52	58,064,110.23	226,670,142.54
Excess (deficiency) of revenues over expenditures	43,659,689.34	(44,425,497.44)	1,528,748.46	(51,980,457.45)	(51,217,517.09)
Other Financing Sources (Uses):					
Transfers	(45,274,265.44)	44,425,497.44	-	848,768.00	-
Sale of Bonds	-	-	-	-	-
Net Insurance Recovery	8,212.63	-	-	56,751.11	64,963.74
Sale of Other Property	-	-	-	825,579.43	825,579.43
Refunding Bonds	-	-	-	-	-
Tuition from other Districts	-	-	-	-	-
Area Voc Fees from Other LEAS	-	-	-	-	-
Contracted Educational Services	-	-	-	-	-
Trans from other LEAS Non-Handi	10,525.70	-	-	-	10,525.70
Trans from other LEAS for Handi	-	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-	-
Total Other Financing Sources (Uses)	(45,255,527.11)	44,425,497.44	-	1,731,098.54	901,068.87
NET CHANGE IN FUND BALANCES	(1,595,837.77)	-	1,528,748.46	(50,249,358.91)	(50,316,448.22)
Fund Balances, July 1, 2019	35,908,492.73	-	9,985,715.23	72,766,663.25	118,660,871.21
Fund Balances, June 30, 2020	\$ 34,312,654.96	\$ -	\$ 11,514,463.69	\$ 22,517,304.34	\$ 68,344,422.99

The notes to the financial statements are an integral part of this statement.

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Park Hill School District ("District") operates under the regulations pursuant to Section RSMo Chapter 162.092 of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services.

The financial statements of Park Hill School District have been prepared on the prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Principles Used to Determine Scope of Entity

The District's reporting entity includes the District's governing board and all related organizations that exercise oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities that benefit the citizens of the District, including joint agreements that serve pupils from numerous districts, 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 matter), scope of public service, and special financing relationships.

Excluded from the reporting entity:

Public School Retirement System of Missouri, Public Education Employee Retirement System, and Missouri United School Insurance Council (MUSIC). The participating School District's governing bodies have appointed these potential component units jointly. These are independent units that select management staff, set user charges, establish budgets and control all aspects of its daily activity.

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 aware of any entity that would exercise such oversight, which would result in the District being considered a component unit of the entity.

B. Basis of Presentation – Fund Accounting

The District's accounts are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund's operations are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance, revenues, and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District on the modified cash basis of accounting.

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation – Fund Accounting (Concluded)

The School District reports the following major funds and fund types in this report:

Governmental Funds:

General (Incidental) Fund: Accounts for general activities of the District, including student activities, food service, and community education, which are not required to be accounted for in another fund.

Special Revenue (Teachers') Fund: Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State and local tax levy for the payment of teacher salaries and certain employee benefits.

Capital Projects Fund: Accounts for the proceeds of long-term debt, taxes and other revenues restricted for acquisition or construction of major capital assets.

Debt Service Fund: Accounts for the accumulation of resources for, and the payment of, principal, interest and finance charges on general long-term debt.

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements:

Statement of Net Position: Presents the financial condition of the government at year-end.

Statement of Activities: Presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department, and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to support a particular program. Revenues, which are not classified as program revenues, are presented as the District's general revenues with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or drawing from the District's general revenues.

Fund Financial Statements: During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present the District's financial information at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if applicable, are aggregated and presented in a single column.

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves modifications to the cash basis of accounting to report in the Statement of Net Position or Balance Sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and post-employment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

D. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments that is managed by the District Treasurer. Investments of the pooled accounts consist of certificates of deposit, U.S. Agency Securities and MOSIP investments, carried at cost, which approximates market. Interest income earned is allocated to contributing funds based on cash and temporary investment balances.

E. Property and Equipment

Capital assets are recorded as expenditures in the General (Incidental) Fund and the Capital Projects (Building) Fund at the time the expenditures are paid. No depreciation is provided for property and equipment.

F. Compensated Absences

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Amounts that are unpaid and vested in the employee are payable upon termination. Total vested and unpaid vacation and sick leave at June 30, 2020, amounted to approximately \$4,985,699.56. These estimates have not been subjected to auditing procedures.

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Teachers' Salaries

The District's salary payment schedule for the 2019-2020 school year requires paying salaries over a 12-month period. Consequently, the July and August 2020 payroll checks are included in the financial statements as an expenditure paid in the month of May. This practice has been consistently followed in previous years.

H. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must remain intact. The District did not have nonspendable resources as of June 30, 2020.
- Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District-held bonds and are restricted through debt covenants.
- Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority which is the Board of Education. Formal action must be taken prior to the end of the fiscal year, such as a vote from the Board of Education. The same formal action must be taken to remove or change the limitations placed on the funds.
- Assigned Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority, which is the Board of Education, or a body or official, such as the Superintendent, that has been given the authority, to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. This classification includes the remaining positive fund balance of all governmental funds except for the General Fund.
- Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The District would typically use Restricted Fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer using these other classified funds.

PARK HILL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

H. Fund Balance Classification (Concluded)

As of June 30, 2020, fund balance components other than unassigned fund balances consist of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund	\$ -	\$ -	\$ -	\$ -
Special Revenue (Teachers) Fund	-	-	-	-
Debt Service Fund	-	11,514,463.69	-	-
Capital Projects Fund	-	8,794,926.45	-	13,722,377.89
	<u>-</u>	<u>8,794,926.45</u>	<u>-</u>	<u>13,722,377.89</u>
Total	\$ <u>-</u>	\$ <u>20,309,390.14</u>	\$ <u>-</u>	\$ <u>13,722,377.89</u>

I. Interfund Activity

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

J. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

K. Inventories

The District does not maintain inventory cost records. Inventory is deemed to be immaterial and accounted for using the purchase method in which supplies are charged to expenditures when purchased.

II. CASH AND INVESTMENTS

The District maintains a cash and temporary investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents and Investments" under each fund's caption.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2020, the carrying amount of the District's pooled deposits and investments was \$68,344,422.99, and the bank balance was \$78,882,675.45. As of June 30, 2020, 100% of the District's investments were guaranteed by the U.S. Government through pledged securities and FDIC insurance.

PARK HILL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

II. CASH AND INVESTMENTS (CONTINUED)

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at June 30, 2020, as follows:

Included in the following fund financial statement captions:

Balance Sheet – Governmental Funds

Unrestricted Deposits	\$ 8,575,504.07
Unrestricted Investments	25,737,150.89
Deposits Restricted for Debt	3,494,548.25
Investments Restricted for Debt	8,019,915.44
Deposits Restricted for Capital Projects	8,794,926.45
Investments Restricted for Capital Projects	11,299,333.81
Deposits Assigned for Capital Projects	<u>2,423,044.08</u>
Total	\$ <u>68,344,422.99</u>

As of June 30, 2020, the District's investments were as follows:

BALANCE AT JUNE 30, 2020

Fund	Type	Maturities	Cost
General	CD	1-2 Years	\$ 1,715,000.00
General	FHLB	Less than One Year	24,022,150.89
Capital Projects	Freddie Mac	Less than One Year	8,299,714.60
Capital Projects	FHLMC	Less than One Year	2,999,619.21
Debt Service	Freddie Mac	Less than One Year	3,658,265.71
Debt Service	MOHEFA	N/A	4,361,649.73
Total Investments			<u>\$ 45,056,400.14</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy does not include custodial credit risk requirements. The District's deposits were not exposed to custodial credit risk at year end.

PARK HILL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

II. CASH AND INVESTMENTS (CONCLUDED)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by the 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. All investments, evidenced by individual securities, are registered in the name of the District or of a type not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, however they do follow the Missouri State Treasurer Investment Policy.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the District for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The District has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The District’s deposits were not exposed to concentration of investment credit risk for the year ended June 30, 2020.

III. TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are 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 it is remitted based on a prior year weighted average attendance. The assessed valuation of the tangible taxable property for the calendar year 2019, for purposes of local taxation, was:

Assessed Valuation	2019 \$ 1,881,727,803
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The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2019, for the purposes of local taxation, was:

	Unadjusted	Adjusted
General (Incidental) Fund	\$ 4.5227	\$ 4.5227
Special Revenue Fund	0.0000	0.0000
Debt Service Fund	0.7128	0.7128
Capital Projects Fund	0.1600	0.1600
Total	\$ 5.3955	\$ 5.3955

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2020, aggregated approximately 94.07% of the current assessment computed on the basis of the levy as shown above.

PARK HILL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

IV. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	GENERAL OBLIGATION BONDS	TOTAL
Long-Term Debt – July 1, 2019	\$167,910,000.00	\$167,910,000.00
Add-issued	-	-
Less-Payments	(6,370,000.00)	(6,370,000.00)
Long-Term Debt June 30, 2020	\$161,540,000.00	\$161,540,000.00

General Obligation Bonds

Bonds payable at June 30, 2020, consist of:

On December 20, 2010, the District issued \$4,595,000 in General Obligation Refunding Bonds, Series 2010. The issue was used to return \$4,635,000 of Series 2001 General Obligation Bonds at March 1, 2011. Series 2010 bonds are due in annual installments through 2020 with interest rates between 2.375% and 4%. Paid off during the fiscal year.	\$ -
On June 14, 2011, the District issued \$10,000,000 in General Obligation Building Bonds, Series 2011. These bonds are due in annual installments through 2030 with interest rates between 2.75% and 3.75%.	1,045,000.00
On April 12, 2012, the District issued \$38,500,000 in General Obligation Bonds, Series 2012. The bonds are due in annual installments through 2030 with interest being paid semiannually at rates between 3.00% and 4.00%.	36,565,000.00
On January 24, 2013, the District issued \$13,575,000 in General Obligation Refunding Bonds, Series 2013. The bonds will be used to refund the 2004 G.O. bonds. The bonds are due in annual installments through 2021 with interest being paid semiannually at rates between 1.25% and 2.00%.	2,000,000.00
On September 24, 2015, the District issued \$20,110,000 in General Obligation Refunding Bonds, Series 2015. The bonds will be used to refund the 2006 G.O. bonds. The bonds are due in annual installments through 2025 with interest being paid semiannually at rates between 2.00% and 3.00%.	2,100,000.00

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

IV. CHANGES IN LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

On November 1, 2016, the District issued \$8,830,000 in General Obligation Refunding Bonds, Series 2017. The issue was used for the purpose of providing funds to crossover advance refund a portion of the District’s outstanding General Obligation Bonds Series 2011 (the “Series 2011 Bonds” callable on March 1, 2019) maturing in 2024 in the principal amount of \$8,955,000. The bonds are due in annual installments through 2030 with interest being paid semiannually at rates between 2.00% and 5.00%. 8,830,000.00

On September 28, 2017, the District issued \$87,715,000 in General Obligation Bonds, Series 2017. The issue is being used for the purpose of providing funds to acquire, construct, renovate, improve, furnish and equip the District’s school facilities including but not limited to (a) constructing, furnishing and equipping a new middle school, (b) constructing, furnishing and equipping a new elementary school, (c) constructing, furnishing and equipping a facility for use by high school students, (d) constructing and equipping a facility for school support services, and (e) improvements and renovations to various school buildings, all as authorized at an election of April 4, 2017 (the “Project”). The Series 2017 bonds are due in annual installments through 2037 with interest being paid semiannually at rates between 3.00% and 5.00%. 87,715,000.00

On September 25, 2018, the District issued \$23,285,000 in General Obligation Bonds, Series 2018. The issue is being used for the purpose of providing funds for acquiring, constructing, renovating, improving, furnishing and equipping the District’s school facilities. The Series 2018 bonds are due in annual installments through 2038 with interest paid semiannually at rates between 4.00% and 5.00%. 23,285,000.00

\$ 161,540,000.00

The annual requirements to amortize all bonds outstanding as of June 30, 2020, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 5,195,000.00	\$ 5,693,455.02	\$ 10,888,455.02
2022	5,520,000.00	5,555,205.02	11,075,205.02
2023	5,875,000.00	5,366,842.52	11,241,842.52
2024	6,275,000.00	5,163,892.52	11,438,892.52
2025	6,725,000.00	4,895,686.26	11,620,686.26
2026-2030	40,320,000.00	20,331,993.80	60,651,993.80
2031-2035	52,835,000.00	12,571,393.80	65,406,393.80
2036-2038	38,795,000.00	2,955,195.02	41,750,195.02
Totals	<u>\$ 161,540,000.00</u>	<u>\$ 62,533,663.96</u>	<u>\$ 224,073,663.96</u>

PARK HILL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

IV. CHANGES IN LONG-TERM DEBT (CONCLUDED)

General Obligation Bonds (Concluded)

The principal and interest payments for the Bonds are paid out of the Debt Service Fund.

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized General Obligation Bonds of a district to 15% of the assessed valuation of the district (including state-assessed railroad and utilities). The District did not exceed the legal debt margin at June 30, 2020.

V. OPERATING LEASES

Operating Leases

On April 1, 2012, the District renewed the lease with Park College for space in the Parkville Commercial Underground Facility. The District utilizes the leased facility for office space and warehousing maintenance through June 30, 2019. On June 29, 2018, the lease was extended to December 31, 2019. Payments are paid monthly in the amount of \$12,800.00.

On July 17, 2015, the District entered into an operating lease with Southern Services Co. to rent ice machines throughout the District. Monthly rent for the ice machines is \$513.57 and the lease continues as long as the District has the machines.

On February 12, 2016, the District entered into an operating lease with Prairie View Properties, LLC to rent 4,800 square feet of space at the 7751 NW Prairie View Road Building. The District utilizes the leased facility through December 31, 2019. Payments are paid monthly in the amount of \$4,000.00 per month or \$48,000.00 per year.

On July 15, 2016, the District entered into an operating lease with Williams Scotsman, Inc. to rent 7 classroom trailers at \$887 per month for 36 months. During the 2019 Fiscal year the District entered into an additional lease for another trailer with a monthly payment of \$1,040.50 for 1 year.

On December 21, 2016, the District entered into an operating lease with CBRE for the LEAD center located at the Tiffany I and II complex. The lease requires monthly rent payments that vary from \$40,562.50 to \$44,687.50 for a term of 43 months. The District extended the lease for 3 additional months in March 2020.

The annual requirements to amortize the operating leases outstanding as of June 30, 2020, including interest payments, are as follows:

Fiscal Year Ending June 30,	LEAD Center Lease	Ice Machines
2021	\$ 134,062.56	\$ \$ 6,162.84
2022	-	6,162.84
Totals	\$ 134,062.56	\$ \$ 12,325.68

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

VI. RETIREMENT PLAN

Summary of Significant Accounting Policies

Financial reporting information pertaining to the District's participation in the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS, also referred to as the Systems) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statements No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

The fiduciary net position, as well as additions to and deductions from fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by the Systems. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Systems. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the District's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psrs-peers.org.

General Information about the Pension Plan - PSRS

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 PSRS, 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 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 Section 169.070 (9) RSMo, known as the "2/3's 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.

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 5 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. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. 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.

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

VI. RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan – PSRS (Concluded)

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2018, 2019 and 2020. 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 for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS were \$10,557,587.31 for the year ended June 30, 2020.

General Information about the Pension Plan - PEERS

Plan Description. PEERS is a mandatory cost-sharing multiple employer retirement system for all 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 the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS 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 the Public School Retirement System of Missouri.

Benefits Provided. PEERS is a defined benefit plan providing service retirement and disability 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 .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five 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. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2018, 2019 and 2020. 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.

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

VI. RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan – PEERS (Concluded)

The District's contributions to PEERS were \$2,084,698.76 for the year ended June 30, 2020.

General Information about the Pension Plan – PSRS and PEERS

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- 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 commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Pension Liabilities and Pension Expense - PSRS

At June 30, 2020, the District has a liability of \$101,859,731 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2019, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$9,823,418 paid to PSRS for the year ended June 30, 2019, relative to the actual contributions of \$711,760,160 from all participating employers. At June 30, 2019, the District's proportionate share was 1.3802%.

Pension Liabilities and Pension Expense - PEERS

At June 30, 2020, the District has a liability of \$12,755,038 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2019, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$1,920,285 paid to PEERS for the year ended June 30, 2019, relative to the actual contributions of \$119,080,046 from all participating employers. At June 30, 2019, the District's proportionate share was 1.6126%.

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

VI. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions – PSRS and PEERS (Continued)

- Cost-of-Living Increases – Both The annual COLA assumed in the valuation increases from 1.30% to 1.65% over seven years, beginning January 1, 2021. The COLA reflected for January 1, 2020 is 0.00%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.90% to a normative inflation assumption of 2.25% over seven years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.

- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.

- If the CPI decreases, no COLA is provided.

The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

- Mortality Assumption

Actives - PSRS:

RP 2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.

Actives - PEERS:

RP 2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

VI. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions – PSRS and PEERS (Concluded)

Non-Disabled Retirees,

Beneficiaries and Survivors - PSRS: RP 2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

Non-Disabled Retirees,

Beneficiaries and Survivors - PEERS: RP 2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

Disabled Retirees - Both:

RP 2006 Disabled Retiree Mortality Tables with static projection using the 2014 SSA Improvement Scale.

Changes in Actuarial Assumptions and Methods

PSRS & PEERS:

There have been no assumption changes since the June 30, 2018 valuations.

Fiduciary Net Position

The Systems issues a publicly available financial report (CAFR) that can be obtained at www.psr-peers.org.

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2019, are summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cash flows.

PARK HILL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

VI. RETIREMENT PLAN (CONTINUED)

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis	Weighted Long-term Expected Real Return Arithmetic Basis
U.S. Public Equity	27.0%	5.16%	1.39%
Public Credit	7.0%	2.17%	0.15%
Hedged Assets	6.0%	4.42%	0.27%
Non-U.S. Public Equity	15.0%	6.01%	0.90%
U.S. Treasuries	16.0%	0.96%	0.15%
U.S. TIPS	4.0%	0.80%	0.03%
Private Credit	4.0%	5.60%	0.22%
Private Equity	12.0%	9.86%	1.18%
Private Real Estate	9.0%	3.56%	0.32%
Total	<u>100.0%</u>		<u>4.61%</u>
Inflation			<u>2.25%</u>
Long-term arithmetical nominal return			<u>6.86%</u>
Effect of coverage matrix			<u>0.64%</u>
Long-term expected geometric return			<u>7.50%</u>

- Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.50% as of June, 30, 2019, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% effective with June 30, 2016, valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.6% effective with the June 30, 2017, valuation, and to 7.5% effective with the June 30, 2018 valuation. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

PARK HILL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

VI. RETIREMENT PLAN (CONTINUED)

Expected Rate of Return (Concluded)

- Discount Rate Sensitivity

The sensitivity of the District's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the discount rate of 7.50% is presented as well as the net pension liability using a discount rate that is 1.0% lower (6.50%) or 1.0% higher (8.50%) than the current rate.

Discount Rate	<u>1% Decrease (6.50%)</u>	<u>Current Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
PSRS Proportionate share of the Net Pension			
Liability / (Asset)	\$185,300,673	\$101,859,731	\$32,503,280
PEERS Proportionate share of the Net Pension			
Liability / (Asset)	\$24,221,406	\$12,755,038	\$3,137,604

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PSRS

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share Of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/14	1.3167%	\$54,018,610	\$58,988,768	91.57%	89.34%
6/30/15	1.3088%	\$75,555,193	\$59,778,882	126.39%	85.78%
6/30/16	1.3066%	\$97,219,518	\$60,820,167	159.85%	82.18%
6/30/17	1.3424%	\$96,941,755	\$63,796,513	151.95%	83.77%
6/30/18	1.3592%	\$101,157,868	\$65,839,761	153.64%	84.06%
6/30/19	1.3802%	\$101,859,731	\$68,188,501	149.38%	84.62%

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PEERS

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share Of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/14	1.4959%	\$5,462,157	\$21,813,912	25.04%	91.33%
6/30/15	1.4722%	\$7,786,556	\$22,075,754	35.27%	88.28%
6/30/16	1.5681%	\$12,581,420	\$24,215,761	51.96%	83.32%
6/30/17	1.6175%	\$12,340,730	\$25,994,867	47.47%	85.35%
6/30/18	1.6078%	\$12,423,669	\$26,752,450	46.44%	86.06%
6/30/19	1.6126%	\$12,755,038	\$27,946,390	45.64%	86.38%

PARK HILL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

VI. RETIREMENT PLAN (CONCLUDED)

Schedule of Employer Contributions - PSRS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/13	\$8,109,502	\$8,109,502	\$ -	\$56,414,177	14.37%
6/30/14	8,478,966	8,478,966	-	58,988,768	14.37%
6/30/15	8,593,182	8,593,182	-	59,778,882	14.37%
6/30/16	8,752,688	8,752,688	-	60,820,167	14.39%
6/30/17	9,183,348	9,183,348	-	63,796,513	14.39%
6/30/18	9,476,757	9,476,757	-	65,839,761	14.39%
6/30/19	9,823,418	9,823,418	-	68,188,501	14.41%

Schedule of Employer Contributions - PEERS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/13	\$1,380,975	\$1,380,975	\$ -	\$20,130,825	6.86%
6/30/14	1,496,434	1,496,434	-	21,813,912	6.86%
6/30/15	1,514,397	1,514,397	-	22,075,754	6.86%
6/30/16	1,661,201	1,661,201	-	24,215,761	6.86%
6/30/17	1,783,248	1,783,248	-	25,994,867	6.86%
6/30/18	1,835,218	1,835,218	-	26,752,450	6.86%
6/30/19	1,920,285	1,920,285	-	27,946,390	6.87%

VII. PARTICIPATION IN A PUBLIC ENTITY RISK POOL (MUSIC)

Participation in Public Entity Risk Pools – The District is exposed to various risks of loss due to torts; theft to, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with approximately 477 other Missouri public school districts and Missouri Junior Colleges to form the Missouri United School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance program.

The District does not pay premiums to purchase insurance policies, but it pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The calendar year 2020 assessment was \$1,665,035.

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

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

PARK HILL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

VIII. CONTINGENCIES

The District receives federal grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding future funding for disallowed expenditures or other noncompliance with terms of grants and State funding. The District is not aware of any noncompliance with Federal or State provisions that might require the District to provide reimbursement.

The District is involved in pending lawsuits at June 30, 2020. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. District management believes that such litigation and claims will ultimately be resolved without material financial liability, if any, to the District.

IX. INTERFUND TRANSFERS

During 2020, transfers were made to the Capital Projects Fund and Special Revenue Fund from the General Fund. The transfer to the Capital Projects Fund consists of \$848,768.00 for a 7% \times SAT \times WADA transfer. The maximum allowable transfer is the greater of the prior year guaranteed tax base or 9% of the prior June 30 line one entitlement. A transfer of \$44,425,497.44 was made to the Special Revenue Fund in order to achieve a zero balance in the account.

The following is a summary of interfund transfers for the year ended June 30, 2020.

Transfers From	Transfers To		Total
	Special Revenue (Teachers') Fund	Capital Projects Fund	
General (Incidental) Fund	\$ 44,425,497.44	\$ 848,768.00	\$ 45,274,265.44
	<u>\$ 44,425,497.44</u>	<u>\$ 848,768.00</u>	<u>\$ 45,274,265.44</u>

X. SUBSEQUENT EVENTS

There were no subsequent events to report for the year ended June 30, 2020.

PARK HILL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

XI. TAX ABATEMENT

The District is involved, through the City of Riverside, in a tax abatement agreement with local businesses, pursuant to Article VI, section 27(b) of the Missouri Constitution, as amended, Sections 100.010 to 100.200, inclusive of the Missouri Revised Statutes, as amended. Under this program, localities may grant property tax abatements of up to 100% of a business' property tax and/or personal property tax bill for the purpose of providing local business expansions.

The District requested tax abatement information from the City of Riverside but the information was unavailable as of the audit report date.

The District requested the tax abatement information from the City of Kansas City but the information was unavailable as of the audit report date.

SUPPLEMENTARY INFORMATION

PARK HILL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Actual Over (Under) Final Budget
Revenues				
Local Sources	\$ 95,982,551.00	\$ 92,960,094.00	\$ 92,930,743.44	\$ (29,350.56)
County Sources	4,107,338.00	4,128,862.00	4,134,868.84	6,006.84
State Sources	4,959,461.00	4,799,086.00	4,797,932.63	(1,153.37)
Federal Sources	6,066,138.00	5,906,244.00	5,904,823.92	(1,420.08)
TOTAL REVENUES	111,115,488.00	107,794,286.00	107,768,368.83	(25,917.17)
Expenditures				
Current				
1000-Instruction	8,731,169.00	7,406,951.00	7,366,227.40	(40,723.60)
2000-Attendance	2,319,942.00	2,371,092.00	2,358,055.48	(13,036.52)
2120-Guidance	399,885.00	254,523.00	253,123.83	(1,399.17)
2100-Health, Psych Speech & Audio	2,199,120.00	2,759,729.00	2,744,556.50	(15,172.50)
2210-Improvement of Instruction	775,130.00	599,308.00	596,013.06	(3,294.94)
2214-Professional Development	17,240.00	9,225.00	9,173.98	(51.02)
2220-Media Services	896,190.00	930,382.00	925,266.59	(5,115.41)
2310-Board of Education Services	1,047,112.00	974,728.00	969,368.74	(5,359.26)
2320-Executive Administration	9,859,031.00	7,236,410.00	7,196,623.73	(39,786.27)
2400-Building Level Administration	2,852,292.00	2,812,943.00	2,797,477.64	(15,465.36)
2510-Business Central Services	986,621.00	954,402.00	975,221.33	20,819.33
2540-Operation of Plant	18,130,319.00	15,944,449.00	15,830,719.75	(113,729.25)
2546-Security Services	1,161,001.00	1,019,687.00	1,014,080.71	(5,606.29)
2550-Pupil Transportation	10,248,244.00	9,185,508.00	9,135,006.18	(50,501.82)
2561-Food Service	5,851,362.00	5,472,947.00	5,442,857.11	(30,089.89)
2600-Central Office Support Services	2,530,727.00	2,493,051.00	2,479,344.00	(13,707.00)
2900-Other Supporting Services	59,347.00	79,647.00	79,209.03	(437.97)
3000-Community Services	4,275,981.00	3,958,116.00	3,936,354.43	(21,761.57)
4000-Capital Outlay	-	-	-	-
Debt Service:				
5100-Principal	-	-	-	-
5200-Interest and Charges	-	-	-	-
Total Expenditures	72,340,713.00	64,463,098.00	64,108,679.49	(354,418.51)
Revenues Over (Under)				
Expenditures	38,774,775.00	43,331,188.00	43,659,689.34	328,501.34
Other Financing Sources (Uses)				
Transfers	(41,184,586.00)	(44,475,497.00)	(45,274,265.44)	(798,768.44)
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	8,215.00	8,212.63	(2.37)
Tuition from other Districts	-	-	-	-
Transportation From Other LEA's	-	10,528.00	10,525.70	(2.30)
Sale of Other Property/Net Insur Rec	-	-	-	-
Sources (Uses)	(41,184,586.00)	(44,456,754.00)	(45,255,527.11)	(798,773.11)
NET CHANGE IN FUND BALANCE	(2,409,811.00)	(1,125,566.00)	(1,595,837.77)	(470,271.77)
Fund Balance, July 1, 2019	35,908,492.73	35,908,492.73	35,908,492.73	-
Fund Balance, June 30, 2020	\$ 33,498,681.73	\$ 34,782,926.73	\$ 34,312,654.96	\$ (470,271.77)

PARK HILL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Actual Over (Under) Final Budget</u>
Revenues				
Local Sources	\$ 11,775,738.00	\$ 11,403,840.00	\$ 11,403,839.55	\$ (0.45)
County Sources	735,698.00	494,384.00	494,384.14	0.14
State Sources	37,910,085.00	35,960,739.00	35,960,739.17	0.17
Federal Sources	-	-	-	-
TOTAL REVENUES	50,421,521.00	47,858,963.00	47,858,962.86	(0.14)
Expenditures				
Current				
1000-Instruction	74,191,541.00	74,199,149.00	74,155,775.84	(43,373.16)
2000-Attendance	-	-	-	-
2120-Guidance	2,585,734.00	2,763,161.00	2,761,664.94	(1,496.06)
2130-Health, Psych Speech & Audio	2,553,697.00	2,764,623.00	2,763,126.26	(1,496.74)
2210-Improvement of Instruction	2,351,767.00	2,158,134.00	2,156,965.01	(1,168.99)
2214-Professional Development	77,859.00	312,049.00	311,879.59	(169.41)
2220-Media Services	1,360,307.00	1,439,667.00	1,438,887.18	(779.82)
2310-Board of Education Services	-	-	-	-
2320-Executive Administration	917,682.00	1,042,444.00	1,041,879.19	(564.81)
2400-Building Level Administration	6,221,873.00	6,120,498.00	6,117,184.15	(3,313.85)
2510-Business Central Services	224,026.00	246,802.00	246,668.79	(133.21)
2540-Operation of Plant	89,368.00	109,406.00	109,346.94	(59.06)
2546-Security Services	25,069.00	75,788.00	75,747.42	(40.58)
2550-Pupil Transportation	-	-	-	-
2561-Food Service	-	-	-	-
2600-Central Office Support Services	768,750.00	787,974.00	787,546.96	(427.04)
2900-Other Supporting Services	-	-	-	-
3000-Community Services	238,434.00	314,765.00	317,788.03	3,023.03
4000-Capital Outlay	-	-	-	-
Debt Service:				
5100-Principal	-	-	-	-
5200-Interest and Charges	-	-	-	-
Total Expenditures	91,606,107.00	92,334,460.00	92,284,460.30	(49,999.70)
Revenues Over (Under)				
Expenditures	(41,184,586.00)	(44,475,497.00)	(44,425,497.44)	49,999.56
Other Financing Sources (Uses)				
Transfers	41,184,586.00	44,475,497.00	44,425,497.44	(49,999.56)
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	-	-	-
Tuition from other Districts	-	-	-	-
Sale of Other Property/Net Insur Rec	-	-	-	-
Sources (Uses)	41,184,586.00	44,475,497.00	44,425,497.44	(49,999.56)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance, July 1, 2019	-	-	-	-
Fund Balance, June 30, 2020	\$ -	\$ -	\$ -	\$ -

PARK HILL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Actual Over (Under) Final Budget</u>
Revenues				
Local Sources	\$ 11,171,670.00	\$ 12,982,907.00	\$ 12,982,704.93	\$ (202.07)
County Sources	669,858.00	758,948.00	758,936.05	(11.95)
State Sources	-	-	-	-
Federal Sources	-	-	-	-
TOTAL REVENUES	11,841,528.00	13,741,855.00	13,741,640.98	(214.02)
Expenditures				
Current				
1000-Instruction	-	-	-	-
2000-Attendance	-	-	-	-
2120-Guidance	-	-	-	-
2130-Health, Psych Speech & Audio	-	-	-	-
2210-Improvement of Instruction	-	-	-	-
2214-Professional Development	-	-	-	-
2220-Media Services	-	-	-	-
2310-Board of Education Services	-	-	-	-
2320-Executive Administration	-	-	-	-
2400-Building Level Administration	-	-	-	-
2510-Business Central Services	-	-	-	-
2540-Operation of Plant	-	-	-	-
2546-Security Services	-	-	-	-
2550-Pupil Transportation	-	-	-	-
2561-Food Service	-	-	-	-
2600-Central Office Support Services	-	-	-	-
2900-Other Supporting Services	-	-	-	-
3000-Community Services	-	-	-	-
4000-Capital Outlay	-	-	-	-
Debt Service:				
5100-Principal	6,370,000.00	6,370,000.00	6,370,000.00	-
5200-Interest and Charges	5,842,618.00	5,847,893.00	5,842,892.52	(5,000.48)
Total Expenditures	12,212,618.00	12,217,893.00	12,212,892.52	(5,000.48)
Revenues Over (Under)				
Expenditures	(371,090.00)	1,523,962.00	1,528,748.46	4,786.46
Other Financing Sources (Uses)				
Transfers	-	-	-	-
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	-	-	-
Tuition from other Districts	-	-	-	-
Sale of Other Property/Net Insur Rec	-	-	-	-
Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	(371,090.00)	1,523,962.00	1,528,748.46	4,786.46
Fund Balance, July 1, 2019	9,985,715.23	9,985,715.23	9,985,715.23	-
Fund Balance, June 30, 2020	\$ 9,614,625.23	\$ 11,509,677.23	\$ 11,514,463.69	\$ 4,786.46

PARK HILL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Actual Over (Under) Final Budget</u>
Revenues				
Local Sources	\$ 5,933,914.00	\$ 5,769,273.00	\$ 5,816,269.07	\$ 46,996.07
County Sources	274,903.00	265,223.00	267,383.71	2,160.71
State Sources	-	-	-	-
Federal Sources	3,055.00	-	-	-
TOTAL REVENUES	6,211,872.00	6,034,496.00	6,083,652.78	49,156.78
Expenditures				
Current				
1000-Instruction	1,051,792.00	2,698,634.00	2,694,525.22	(4,108.78)
2000-Attendance	-	-	-	-
2120-Guidance	-	-	-	-
2130-Health, Psych Speech & Audio	4,000.00	1,502.00	1,500.00	(2.00)
2210-Improvement of Instruction	5,100.00	-	-	-
2214-Professional Development	-	-	-	-
2220-Media Services	-	-	-	-
2310-Board of Education Services	2,500.00	-	-	-
2320-Executive Administration	3,345,070.00	1,568,936.00	1,566,547.95	(2,388.05)
2400-Building Level Administration	-	-	-	-
2510-Business Central Services	14,000.00	11,394.00	11,376.83	(17.17)
2540-Operation of Plant	5,256,612.00	6,847,400.00	6,836,975.65	(10,424.35)
2546-Security Services	314,780.00	25,040.00	25,001.41	(38.59)
2550-Pupil Transportation	-	-	-	-
2561-Food Service	-	64,809.00	64,710.68	(98.32)
2600-Central Office Support Services	-	12,018.00	12,000.00	(18.00)
2900-Other Supporting Services	-	-	-	-
3000-Community Services	-	16,615.00	16,590.00	(25.00)
4000-Capital Outlay	59,467,525.00	46,904,809.00	46,833,404.16	(71,404.84)
Debt Service:				
5100-Principal	-	-	-	-
5200-Interest and Charges	-	1,481.00	1,478.33	(2.67)
Total Expenditures	69,461,379.00	58,152,638.00	58,064,110.23	(88,527.77)
Revenues Over (Under)				
Expenditures	(63,249,507.00)	(52,118,142.00)	(51,980,457.45)	137,684.55
Other Financing Sources (Uses)				
Transfers	-	-	848,768.00	848,768.00
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	56,292.00	56,751.11	459.11
Tuition from other Districts	-	-	-	-
Sale of Other Property/Net Insur Rec	46,378.00	818,909.00	825,579.43	6,670.43
Sources (Uses)	46,378.00	875,201.00	1,731,098.54	855,897.54
NET CHANGE IN FUND BALANCE	(63,203,129.00)	(51,242,941.00)	(50,249,358.91)	993,582.09
Fund Balance, July 1, 2019	72,766,663.25	72,766,663.25	72,766,663.25	-
Fund Balance, June 30, 2020	\$ 9,563,534.25	\$ 21,523,722.25	\$ 22,517,304.34	\$ 993,582.09

PARK HILL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Actual Over (Under) Final Budget
Revenues				
Local Sources	\$ 124,863,873.00	\$ 123,116,114.00	\$ 123,133,556.99	\$ 17,442.99
County Sources	5,787,797.00	5,647,417.00	5,655,572.74	8,155.74
State Sources	42,869,546.00	40,759,825.00	40,758,671.80	(1,153.20)
Federal Sources	6,069,193.00	5,906,244.00	5,904,823.92	(1,420.08)
TOTAL REVENUES	179,590,409.00	175,429,600.00	175,452,625.45	23,025.45
Expenditures				
Current				
1000-Instruction	83,974,502.00	84,304,734.00	84,216,528.46	(88,205.54)
2000-Attendance	2,319,942.00	2,371,092.00	2,358,055.48	(13,036.52)
2120-Guidance	2,985,619.00	3,017,684.00	3,014,788.77	(2,895.23)
2130-Health, Psych Speech & Audio	4,756,817.00	5,525,854.00	5,509,182.76	(16,671.24)
2210-Improvement of Instruction	3,131,997.00	2,757,442.00	2,752,978.07	(4,463.93)
2214-Professional Development	95,099.00	321,274.00	321,053.57	(220.43)
2220-Media Services	2,256,497.00	2,370,049.00	2,364,153.77	(5,895.23)
2310-Board of Education Services	1,049,612.00	974,728.00	969,368.74	(5,359.26)
2320-Executive Administration	14,121,783.00	9,847,790.00	9,805,050.87	(42,739.13)
2400-Building Level Administration	9,074,165.00	8,933,441.00	8,914,661.79	(18,779.21)
2510-Business Central Services	1,224,647.00	1,212,598.00	1,233,266.95	20,668.95
2540-Operation of Plant	23,476,299.00	22,901,255.00	22,777,042.34	(124,212.66)
2546-Security Services	1,500,850.00	1,120,515.00	1,114,829.54	(5,685.46)
2550-Pupil Transportation	10,248,244.00	9,185,508.00	9,135,006.18	(50,501.82)
2561-Food Service	5,851,362.00	5,537,756.00	5,507,567.79	(30,188.21)
2600-Central Office Support Services	3,299,477.00	3,293,043.00	3,278,890.96	(14,152.04)
2900-Other Supporting Services	59,347.00	79,647.00	79,209.03	(437.97)
3000-Community Services	4,514,415.00	4,289,496.00	4,270,732.46	(18,763.54)
4000-Capital Outlay	59,467,525.00	46,904,809.00	46,833,404.16	(71,404.84)
Debt Service:				
5100-Principal	6,370,000.00	6,370,000.00	6,370,000.00	-
5200-Interest and Charges	5,842,618.00	5,849,374.00	5,844,370.85	(5,003.15)
Total Expenditures	245,620,817.00	227,168,089.00	226,670,142.54	(497,946.46)
Revenues Over (Under)				
Expenditures	(66,030,408.00)	(51,738,489.00)	(51,217,517.09)	520,971.91
Other Financing Sources (Uses)				
Transfers	-	-	-	-
Sale of Bonds	-	-	-	-
Net Insurance Recovery	-	64,507.00	64,963.74	456.74
Tuition from other Districts	-	-	-	-
Transportation From Other LEA's	-	10,528.00	10,525.70	(2.30)
Sale of Other Property/Net Insur Rec	46,378.00	818,909.00	825,579.43	6,670.43
Sources (Uses)	46,378.00	893,944.00	901,068.87	7,124.87
NET CHANGE IN FUND BALANCES	(65,984,030.00)	(50,844,545.00)	(50,316,448.22)	528,096.78
Fund Balances, July 1, 2019	120,827,133.00	118,660,871.21	118,660,871.21	-
Fund Balances, June 30, 2020	\$ 54,843,103.00	\$ 67,816,326.21	\$ 68,344,422.99	\$ 528,096.78

PARK HILL SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
YEAR ENDED JUNE 30, 2020

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 of the political subdivision.
- 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 July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
- 3) 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) On June 20, 2019, the budget was legally enacted by 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.
- 6) Budgets for District funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.

PARK HILL SCHOOL DISTRICT
OTHER POST-EMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2020

POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note VI, page 25, the District allows employees who retire from the District to participate in the District's health, dental and vision insurance plans. Upon meeting the retirement requirements per PSRS or PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single-blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post-employment benefit. The District has not established an irrevocable trust fund to accumulate resources for future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. A stand-alone financial report is not available for the plan. During the year, 437 retirees participated in the District's insurance plans and paid premiums totaling \$1,375,227.45. There were 4 people who participated in COBRA for the year ended June 30, 2020, and paid premiums totaling \$15,878.30.

STATE COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

**INDEPENDENT AUDITOR'S REPORT ON MANAGEMENT'S ASSERTIONS
ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF
MISSOURI STATE LAWS AND REGULATIONS**

To the Members of the Board of Education
Park Hill School District

Report on Compliance with State Requirements

We have examined management's assertions that the Park Hill School District ("District") complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's records of average daily attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2020.

Management's Responsibility

Management is responsible for the District's compliance with the aforementioned requirements.

Auditor's Responsibility

Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination. Our examination was made in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

Opinion on Compliance with State Requirements

In our opinion, management's assertions that the Park Hill School District complied with the aforementioned requirements for the year ended June 30, 2020, are fairly stated, in all material respects.

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

October 29, 2020

PARK HILL SCHOOL DISTRICT
DISTRICT COUNTY NUMBER 083-005
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2020

I. CALENDAR (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	-	6.4167	129	804.3376
	6	8	-	6.5333	129	839.2624
1020	9	12	-	6.7167	129	839.3018
1050	9	12	-	6.7167	129	839.3018
1080	9	12	-	6.7167	129	839.3018
3030	6	8	-	6.5333	128	831.2291
6000	K	12	-	6.2500	129	803.0000

II. ATTENDANCE HOURS

Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total Hours
K	651,078.8795	1,210.0315	-	-	58,776.6161	711,065.5271
1	629,096.1720	651.4187	-	-	58,703.1321	688,450.7228
2	665,433.6567	3,007.4554	-	-	57,211.7649	725,652.8770
3	646,274.8692	846.3988	-	-	48,045.1329	695,166.4009
4	703,178.8954	421.3589	-	-	43,163.7335	746,763.9878
5	700,655.0050	1,941.4857	-	-	38,990.2155	741,586.7062
6	748,778.6199	1,285.7060	-	-	36,584.9077	786,649.2336
7	731,810.8742	1,608.6432	-	-	17,096.6829	750,516.2003
8	712,200.6618	1,567.3244	-	-	37,669.5006	751,437.4868
9	718,347.8428	1,244.0982	-	-	10,506.7591	730,098.7001
10	713,500.5049	1,486.8999	-	-	17,992.0865	732,979.4913
11	712,580.5636	1,459.1592	-	-	14,384.1937	728,423.9165
12	623,476.3610	2,825.9913	-	-	14,323.3592	640,625.7115
Grand Total	8,956,412.9060	19,555.9712	-	-	453,448.0847	9,429,416.9619

PARK HILL SCHOOL DISTRICT
DISTRICT COUNTY NUMBER 083-005
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2020

III. SEPTEMBER MEMBERSHIP

School Code	Grade Level	Full-Time	Part-Time	Other	Total
1050	9-12	1,899.00	4.20	-	1,903.20
1080	9-12	1,720.00	3.00	-	1,723.00
3000	6-8	686.00	1.04	-	687.04
3030	6-8	695.00	0.09	-	695.09
3050	6-8	707.00	0.10	-	707.10
3060	6-8	693.00	0.03	-	693.03
4020	K-5	448.00	0.69	-	448.69
4040	K-5	505.00	0.26	-	505.26
4060	K-5	394.00	0.03	-	394.03
4080	K-5	453.00	0.60	-	453.60
5000	K-5	506.00	0.24	-	506.24
5020	K-5	550.00	0.09	-	550.09
5040	K-5	467.00	-	-	467.00
5060	K-5	430.00	1.03	-	431.03
5080	K-5	521.00	-	-	521.00
5090	K-5	512.00	0.03	-	512.03
5095	K-5	472.00	-	-	472.00
Grand Total		11,658.00	11.43	-	11,669.43

PARK HILL SCHOOL DISTRICT
DISTRICT COUNTY NUMBER 083-005
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2020

IV. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMo)

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
RES II	1.00	-	-	-	1.00
1050	335.00	115.50	-	-	450.50
1080	306.00	85.00	-	-	391.00
3000	145.00	51.00	-	-	196.00
3030	120.54	52.00	-	-	172.54
3050	168.00	51.00	-	-	219.00
3060	184.00	34.00	-	-	218.00
4020	135.60	33.00	-	-	168.60
4040	69.00	31.00	-	-	100.00
4060	114.48	25.00	-	-	139.48
4080	140.06	46.00	-	-	186.06
5000	154.00	29.00	-	-	183.00
5020	70.00	15.00	-	-	85.00
5040	108.00	36.00	-	-	144.00
5060	87.50	38.00	-	-	125.50
5080	71.00	24.00	-	-	95.00
5090	89.40	30.00	-	-	119.40
5095	110.00	34.00	-	-	144.00
Grand Total	2,408.58	729.50	-	-	3,138.08

PARK HILL SCHOOL DISTRICT
DISTRICT COUNTY NUMBER 083-005
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2020

V. FINANCE

5.1	The district maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	<u>TRUE</u>
5.2	The district maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	<u>TRUE</u>
	Academic Programs Off-Campus	<u>N/A</u>
	Career Exploration Program – Off Campus	<u>TRUE</u>
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	<u>N/A</u>
	Dual enrollment	<u>TRUE</u>
	Homebound instruction	<u>TRUE</u>
	Missouri Options	<u>N/A</u>
	Prekindergarten eligible to be claimed for state aid	<u>N/A</u>
	Remediation	<u>N/A</u>
	Sheltered Workshop participation	<u>N/A</u>
	Students participating in the school flex plan	<u>N/A</u>
	Traditional instruction (full and part-time students)	<u>TRUE</u>
	Virtual instruction (MOCAP or other option)	<u>TRUE</u>
	Work Experience for Students with Disabilities	<u>N/A</u>
5.3	The district 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.	<u>TRUE</u>
5.4	The district 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.	<u>TRUE</u>
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district’s treasurer in the amount of:	<u>\$50,000</u>

PARK HILL SCHOOL DISTRICT
DISTRICT COUNTY NUMBER 083-005
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2020

V. FINANCE (Concluded)

5.6	The district's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	<u>TRUE</u>
5.7	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)	<u>TRUE</u>
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	<u>TRUE</u>
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made 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.	<u>TRUE</u>
5.10	The district 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.	<u>TRUE</u>
5.11	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. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost.	<u>TRUE</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$321,053.57</u>
5.13	The district has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursements 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.	<u>TRUE</u>

PARK HILL SCHOOL DISTRICT
DISTRICT COUNTY NUMBER 083-005
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2020

VI. TRANSPORTATION

6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.....	<u>TRUE</u>
6.2	The district's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	<u>TRUE</u>
6.3	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	<u>5,872.50</u>
	• Ineligible ADT.....	<u>1,509.50</u>
6.4	The district'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.....	<u>TRUE</u>
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	<u>1,181,234</u>
6.6	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	<u>1,004,069</u>
	• Ineligible Miles (Non-Route/Disapproved).....	<u>177,165</u>
6.7	Number of days the District operated the school transportation system during the regular school year:	<u>129</u>

PARK HILL SCHOOL DISTRICT
SCHEDULE OF STATE FINDINGS
YEAR ENDED JUNE 30, 2020

I. Chapter 67 RSMO (Budget Statute)

Chapter 67 RSMo requires that each political subdivision of the State of Missouri adopts an annual budget, itemized by fund. It further requires that in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

There were no state budget findings for the year ended June

II. Other State Findings

There were no other state findings for the year ended June 30, 2020.

FEDERAL COMPLIANCE SECTION



**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**

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Park Hill School District

We have audited, in accordance with the 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 financial statements of the governmental activities and each major fund of Park Hill School District ("District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 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 District'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 limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 District'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.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

October 29, 2020



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
Park Hill School District

Report on Compliance for Each Major Federal Program

We have audited Park Hill School District's ("District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

October 29, 2020

**PARK HILL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor/Pass-Through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>Cash Federal Expenditures</u>				
U.S. Department of Education:				
<i>Passed through Missouri Department of Elementary and Secondary Education:</i>				
Special Education Cluster				
Special Education Cluster Grants to States - IDEA	84.027	083-005	\$ -	\$ 2,056,923.24
Special Education High Need Fund	84.027	083-005	-	22,172.64
ECSE Preschool Grants 611	84.027	083-005	-	258,440.57
ECSE Preschool Grants 619	84.173	083-005	-	53,886.00
Total Special Education Cluster			-	2,391,422.45
CARES ESSER Funds	84.425	083-005	-	523,432.50
Assessment Substitute Payment - Federal	84.369	083-005		325.37
Title I Grants to Local Education Agencies	84.010	083-005	-	1,115,673.93
Title II-A, ESEA - Teacher & Principal Quality	84.367	083-005	-	45,571.71
Title III English Language Acq Grants	84.365	083-005	-	80,432.73
Title IV Student Support, Academic Enrichment	84.424	083-005	-	34,385.26
Total U.S. Department of Education			-	4,191,243.95
U.S. Department of Agriculture:				
<i>Passed through Missouri Department of Elementary and Secondary Education:</i>				
Child Nutrition Cluster				
National School Lunch Program	10.555	083-005	-	1,772,105.39
School Breakfast Program	10.553	083-005	-	359,415.72
After School Snack Program	10.555	083-005	-	3,588.36
			-	2,135,109.47
<u>Non - Cash Proceeds</u>				
Food Distribution - Commodities	10.555	083-005	-	396,183.06
Total Child Nutrition Cluster/U.S. Department of Agriculture			-	2,531,292.53
Total Schedule of Expenditures of Federal Awards			\$ -	\$ 6,722,536.48

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

PARK HILL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Park Hill School District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - RELATIONSHIP TO ACCOMPANYING FINANCIAL STATEMENTS

Federal awards are reported in the District's accompanying financial statements as follows:

<u>Federal Sources</u>	
General Fund	\$5,904,823.92
Special Revenue Fund	-
Capital Projects Fund	-
Total	<u>\$5,904,823.92</u>

NOTE 5 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with the Modified Cash Basis of Accounting.

NOTE 6 –MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 7 – NON-CASH PROGRAMS

The commodities received, which are non-cash revenues, are valued using prices provided by the United States Department of Agriculture.

NOTE 8 – SUBRECIPIENTS

The District provided no federal awards to subrecipients during the year ended June 30, 2020.

PARK HILL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Modified Cash Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? Yes No
 - b. Significant deficiency(ies) identified? Yes None Reported
3. Noncompliance material to financial statements noted? Yes No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? Yes No
 - b. Significant deficiency(ies) identified? Yes None Reported
2. Type of auditor's report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No
4. Identification of major federal programs:

CFDA Number(s):	Name of Federal Program or Cluster:
84.425	CARES ESSER Funds
10.555, 10.553	Child Nutrition Cluster
5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000
6. Auditee qualified as low-risk auditee? Yes No

PARK HILL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

II. FINANCIAL STATEMENT FINDINGS

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to the basic financial statements for the year ended June 30, 2020.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings related to internal control, compliance, questioned costs, or fraud related to federal awards for the year ended June 30, 2020.

PARK HILL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

I. FINANCIAL STATEMENTS FINDINGS - PRIOR YEAR

There were no audit findings related to internal control, compliance, questioned costs, or fraud that related to the basic financial statements for the year ended June 30, 2019.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no audit findings related to internal control, compliance, questioned costs, or fraud related to federal awards for the year ended June 30, 2019.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Park Hill School District
of Platte County, Missouri
Kansas City, Missouri

Underwriter

Re: Park Hill School District of Platte County, Missouri, Taxable General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2021

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Park Hill School District of Platte County, Missouri (the "District"), of the above-captioned bonds (the "Bonds").

In this capacity, we have examined the law and such certified proceedings, certifications and other documents that we deem necessary to render this opinion. Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the District and are valid and legally binding general obligations of the District, payable as to both principal and interest from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

2. The Bonds are payable as to both principal and interest from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District. The District is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

Dated as of November 1, 2021

By

PARK HILL SCHOOL DISTRICT OF PLATTE COUNTY, MISSOURI

relating to

\$12,150,000

**PARK HILL SCHOOL DISTRICT OF PLATTE COUNTY, MISSOURI
TAXABLE GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2021**

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of November 1, 2021 (the “**Continuing Disclosure Certificate**”), is executed and delivered by **PARK HILL SCHOOL DISTRICT OF PLATTE COUNTY, MISSOURI** (the “**Issuer**”).

RECITALS

1. This Continuing Disclosure Certificate is executed and delivered by the Issuer in connection with the issuance by the Issuer of \$12,150,000 original principal amount of Taxable General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2021 (the “**Bonds**”), pursuant to a resolution adopted by the governing body of the Issuer on October 14, 2021 (the “**Resolution**”).

2. The Issuer is entering into this Continuing Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The Issuer is the only “**obligated person**” (as defined by the Rule) with responsibility for continuing disclosure hereunder.

In consideration of the covenants and agreements herein and in the Bond Purchase Agreement, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Continuing Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report filed by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Certificate.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“**Material Events**” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Certificate.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

- (a) The Issuer shall, not later than **six months** days after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending June 30, 2021, provide to the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):
- (1) The audited financial statements of the Issuer for the prior Fiscal Year. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “**obligated person**” (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be filed as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be filed separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

Section 3. Reporting of Material Events. No later than 10 business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“**Material Events**”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

If the Issuer has not filed the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Certificate are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Certificate in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Designated Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Certificate, and may discharge any such agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice

or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Certificate. If the Issuer shall ever fail to comply with its obligations to file an Annual Report or to report the occurrence of a Material Event, the Issuer shall appoint and retain a Dissemination Agent.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Certificate, the Issuer may amend this Continuing Disclosure Certificate and any provision of this Continuing Disclosure Certificate may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Certificate.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Certificate, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Certificate, the Issuer shall have no obligation under this Continuing Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Certificate, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Certificate. A default under this Continuing Disclosure Certificate shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Certificate in the event of any failure of the Issuer to comply with this Continuing Disclosure Certificate shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Certificate, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored, received or delivered by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 13. Counterparts. This Continuing Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**PARK HILL SCHOOL DISTRICT OF
PLATTE COUNTY, MISSOURI**

By: _____
Title: President of the Board of Education

EXHIBIT A

**FINANCIAL INFORMATION AND OPERATING DATA TO BE
INCLUDED IN ANNUAL REPORT**

The tables located under the following sections of Appendix A to the final Official Statement:

DEBT STRUCTURE

Current Long-Term General Obligation Indebtedness

Legal Debt Capacity

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Sources of Revenue

Current

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

History of Property Valuations

History of Tax Levies

Tax Collection Record