



Platte County

TRADITION. PRIDE. VISION.

2019-20 Budget

June 2019



Platte County R-3 School District
998 Platte Falls Road
Platte City, MO 64079

www.plattecountyschooldistrict.com

BUDGET SUMMARY

1. EXECUTIVE SUMMARY

1a. Organizational

The Platte County R-3 School District (PCSD or District) is a district with a **tradition** of excellence. We **pride** ourselves on our accomplishments. Our commitment to continuous improvement has created a **vision** for the future. The District has repeatedly been recognized by the Department of Elementary and Secondary Education (DESE) as fully accredited with an Annual Performance Report score well over 90%. Strong financial management allows Platte County R-3 School District to maintain our tradition, establish points of pride, and create an ambitious vision.



The PCSD budget is a fluid document published by the District to provide the Board of Education and the community insight into the budget process from the early stages of development to eventual approval. In summary, the budget provides a financial framework by which resources are allocated to accomplish the mission of PCSD while being mindful of tax stewardship.

The vision, mission, and values depicted in **Figure 1a-1** guided the development of the Platte County R-3 School District's Comprehensive Strategic Improvement Plan (CSIP).

Major Goals and Objectives

This plan includes three strategic plan focus areas: Academics, Business, and Community (Students, Staff, Parents & Members). The overall goal and indicators of success are shown in **Figure 1a-2**. The overall goals reflect the top priorities of the District over the next five years and support the meeting of the strategic challenges of the District. The goals and indicators of success were developed and are refined during the plan phase of the strategic plan process. PCSD annually publishes the results of the core measures and any identified refinement in the plan phase of the CSIP cycle.

Figure 1a-1 Strategic Plan On-A-Page.

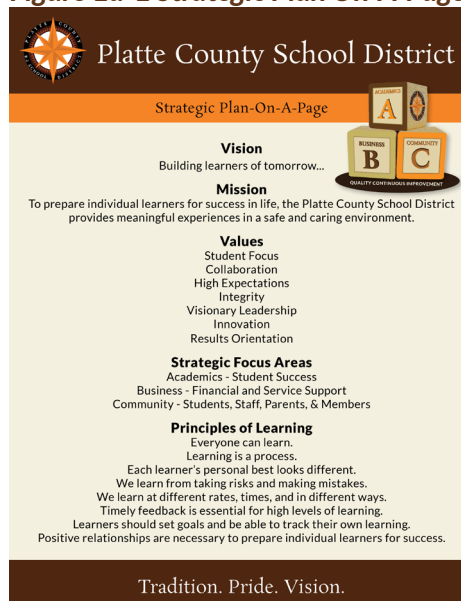


Figure 1a-2 Strategic Plan Focus Areas, Goals, Indicators of Success.

Strategic Focus Area	CSIP Goal	Indicators of Success
Academics	<i>Develop and enhance quality educational/ instructional programs to improve overall and individual student academic performance</i>	Assessment performance, survey data, observation data, applicable Missouri School Improvement Program (MSIP) measures, compliance measures
Business	<i>Proactively and responsibly manage district growth, finances, and support services to improve student achievement</i>	Fund balances, bonding capacity, bond rating, survey data, observation data, non-academic performance data
Community-Students	<i>Provide each student with a relevant education in a safe and caring environment</i>	Safe and caring performance data, survey data



Strategic Focus Area	CSIP Goal	Indicators of Success
Community-Staff	<i>Attract, retain, and develop a high quality staff</i>	Staff performance, survey data
Community - Internal and External Stakeholders	<i>Improve internal and external stakeholder communication, involvement and partnership</i>	Engagement/communication performance data, survey data

Budget Process and Timeline

The 2019-20 budget was developed over a ten-month period with input from various stakeholders through a variety of mediums. Building and program needs are assessed at the site level and final allocations are determined with this information. Ultimately, building principals and program directors are provided with an allocation which takes into account stakeholder input, enrollment projections, CSIP initiatives, Board of Education goals, and preliminary revenue projections.

Throughout the year, the budget is analyzed for discrepancies such as overspending and miscoding. Unbudgeted and/or unexpected capital improvements and maintenance needs are also considered at this time.

The overall budget is primarily driven by staff salaries and benefits, which account for approximately 78% of the operating expenditures of the District. Staff salaries and benefits are determined by a combination of the following factors:

- Revenue Projections
- Department of Elementary and Secondary Education Class Size Standards (MSIP)
- Enrollment Projections
- Market Comparisons

Figure 1a-3 shows the timeline for developing the budget.

Figure 1a-3 Budget Process and Timeline.

Budget Development Timeline	
Date/Range	Budget Development Activity
September - December	Budget is analyzed to determine adequacy, assess discrepancies, and project needs by the Superintendent, Executive Director of Business Services, Cabinet and budgetary staff.
January - February 15	Administrators/Program Directors review building and program needs to achieve strategic objectives. Input is solicited from faculty members, either directly or through a representative unit. – decision matrix – building level supplies and materials will be given based on a per pupil allocation tiered for elementary / secondary with consideration given to new teacher vs. returning teacher – cap outlay will be true zero based with requests force ranked – force rank needs to be tied to strategic objectives.
February 15	Administrators/Program Directors submit technology budget requests to Technology Director and Curriculum Instruction & Assessment requests to Assistant Superintendent – Academics/Continuous Improvement. Both types of requests should be aligned to our strategic objectives.
March 1	Administrators/Program Directors submit supplies and materials, purchased services and capital outlay budget requests and rationale.
March	Current year budget/budget requests are analyzed by Superintendent, Executive Director of Business Services, Cabinet and budgetary staff.
April	Building and program budgets are communicated to Administrators/Program Directors. These allocations take into account stakeholder input, enrollment projections, Strategic Plan initiatives, Board of Education goals, and preliminary revenue projections.
May	Preliminary Expenditure Budget is presented to the Board of Education for approval.
June	Preliminary Expenditure/Revenue Budget is presented to the Board of Education for approval; Present budget amendments from the prior year to the Board of Education for approval.
July	Salaries and benefits recommendation to the Board of Education for approval.



Budget Development Timeline

August	Board of Education approves tax rate for the upcoming school year at a public tax rate hearing.
Throughout the Year	<p>Budget amendments are identified throughout the year and compiled for the Board of Education to approve at the end of the fiscal year.</p> <p>The budget is analyzed for discrepancies such as overspending and miscoding.</p> <p>Unbudgeted and/or unexpected capital improvements as well as maintenance needs are considered as they occur.</p> <p>Capital budgeting is done in accordance with a five-year facilities maintenance plan which is reviewed annually.</p> <p>Monthly review of unbudgeted facilities, other purchased services and capital outlay by Cabinet.</p>

Budget amendments are identified throughout the year and compiled for the Board of Education to approve at the end of the fiscal year.

Significant Changes and Explanation of Resources to Achieve Goals and Objectives

While developing the 2019-20 budget, a variety of issues and considerations impacted the final product. The final budget was developed balancing the characteristics of the fiscal landscape with the goals and objectives set forth by stakeholders. **Figure 1a-4** includes significant issues impacting the 2019-20 budget.

Figure 1a-4 Significant Issues Impacting the Budget.

Significant Issues Impacting the Budget	
Budget Item	Issue/Summary
Revenue: Local/County	Local Assessed Valuation. The largest portion of revenue for Platte County R-3 School District is the local property tax base which accounts for approximately 59% of the District's entire operating revenue. The District's assessed valuation increased from \$532,713,844 in FY18 to \$553,270,520 in FY19. It is anticipated the District's assessed valuation will increase by ~8% in FY20 primarily due to new residential construction and significant reassessment by both Platte and Clay counties.
	District Tax Levy: Operating Levy. The 2018-2019 adjusted operating levy of the District is \$3.3601 per \$100 of assessed valuation which reflects a decrease of \$0.0749 from FY18.
	District Tax Levy: Debt Service Levy. The District's 2018-2019 debt service levy is \$1.2406 per \$100 of assessed valuation which reflects an increase of \$0.0503 from FY18.
	District Tax Levy: Capital Improvements Levy. Voters in the Platte County R-3 School District approved a \$0.4322 capital improvements tax levy increase to fund our growth management project on April, 7, 2015. The 2018-19 capital improvements levy is \$0.4186.
	Prop C. Based upon state projections, expected Prop C revenue for 2019-2020 is expected to be \$4,029,214 which would provide an increase of approximately \$59,364.
Revenue: State	Basic Formula. The final 2019-2020 budget has been prepared with state formula revenues expected at \$15.5 million.
Revenue: Federal	Special Education and Title Programs. Title I, Title II, and Title IV revenues for 2019-2020 school year are expected to be relatively static but are always subject to withholdings at the federal and state level.
Expenditures	Salary Enhancements. Competitive salaries and benefits play a significant role in the attraction and retention of a quality work force. Additionally, our annual stakeholder survey identifies this as a top financial priority for the District. Currently, Team Platte County is working with Administration to determine market driven salary enhancements.
	Board Paid Health Insurance. FY20 premiums increased from \$5,484 in FY19 to \$5,688 annually due to claim history and market trends.
	Other Key Expenditure Increases for FY20 and Associated Goal. New bus purchase, \$263,104 (Goal 2 and 3); Increases in salaries and benefits, approximately \$900,000 (Goal 4), Math and Science instructional resources, \$165,286 (Goal 2), and Improvements to facilities, approximately \$650,000 (Goal 2).



Members of the Board of Education

Figure 1a-5 Board of Education. From top to bottom, left to right: Sharon Sherwood (President), Gary Brown (Vice President), Buffy Smith (Member), Dr. Gwendolyn Cooke (Member), Doug Doll (Member), Amy MacCuish (Member), and Alisha Elliott (Member).



First Level Administration

Figure 1a-6 First Level Administration. From left to right: Dr. Mike Reik (Superintendent of Schools), Dr. Rob Gardner (Assistant Superintendent - Personnel & Operations), Dr. Mike Brown (Assistant Superintendent - Academics & Continuous Improvement).



1b. Financial

Revenue and Expenditure Summary for All Funds

The District is financially stable with a stand-alone bond rating of “AA,” meaning “very strong capacity to meet our financial commitments.” The District has been successful in continuing an academic focus while dealing with reduced funding levels at state (modified SAT and Transportation) and federal (unfunded mandates). It would appear that local revenue has stabilized and is showing signs of improvement which is encouraging; however, our enrollment is projected to continue to increase over the next five years.

While developing the 2019-20 budget, a variety of issues and considerations impacted the final product. The final budget was developed balancing the characteristics of the fiscal landscape with the goals and objectives set forth by stakeholders. The following items are significant issues impacting the 2019-20 budget.

Revenue: Local/County, Local Assessed Valuation. The largest portion of revenue for Platte County R-3 School District is generated from the local property tax base. The District’s assessed valuation increased from \$532,713,844 in FY18 to \$553,270,520 in FY19. It is anticipated the District’s assessed valuation will increase approximately 8% in FY20 primarily due to significant reassessment in both Platte and Clay counties. New construction numbers appear to be comparable to FY19. A substantial amount of residential property is currently under construction and will be taxed upon occupancy. Trends from the last three fiscal years illustrate strong growth in assessed valuation. The District experienced two major economic developments, Menards and Costco, which are reflected in the FY18 assessed valuation numbers. FY19 continued the positive growth trend but was primarily driven by residential growth. In FY20, the District will see a major hit to the commercial real estate value due to the closing of Harley Davidson. While Harley Davidson is the District’s largest taxpayer, the combination of growth through reassessment, the Hancock amendment, and new construction, minimal impact to the budget is anticipated.

Revenue: Local/County, District Tax Levy: Operating Levy.

The 2018-2019 adjusted operating levy of the District is \$3.3601 per \$100 of assessed valuation which is \$0.0749 lower than FY18. The operating 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 which, when charged against the newly received assessed valuation of the District 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 5% or the Consumer Price Index, whichever is lower; however, the District

cannot be required to reduce its operating levy below the minimum rate required to qualify for the highest level of state aid (currently \$2.75). Without a majority of the voters voting on the proposition, the tax rate ceiling cannot, at any time, exceed the greatest of (a) the tax rate in effect in 1984, (b) the most recent voter-approved tax rate, or (c) \$2.75. Any increase in the District's operating levy above \$6.00 must be approved by two thirds of the voters voting on the proposition. The current tax rate ceiling is \$3.7136 per \$100 of assessed valuation. In spring of 2008, the Missouri legislature passed Senate Bill 711 that now works in conjunction with the Hancock Amendment and requires all taxing entities to roll back their tax rate from the current tax rate (not the tax rate ceiling) in reassessment years. Taxing entities that are voluntarily operating below their voter approved tax ceiling are unable to increase their tax rates to their voter approved ceiling without a levy election.

Revenue: Local/County, District Tax Levy: Capital Improvements Levy. Voters in the Platte County R-3 School District approved a \$0.4322 capital improvements tax levy increase to fund our growth management project on April 7, 2015. This levy is for a period of 20 years for the purpose of constructing, renovating, improving, furnishing and equipping school facilities, including the following:

- Repurposing Paxton School (which served grades 4-5 in the northern attendance area) to become part of Platte County High School,
- Building a new, approximate 700-student, Kindergarten-5th Grade Elementary school in Platte City allowing for the closure of Rising Star, and

- Expanding Pathfinder Elementary by adding 14 classrooms, a multi-purpose room, and additional parking, moving Barry School from grades 3-8 to grades 5-8.

The 2018-19 capital improvements levy is \$0.4186. It is anticipated the 2019-20 capital improvements levy will remain at \$0.4186 per \$100 of assessed valuation.

Revenue: Local/County, District Tax Levy: Debt Service Levy.

The District's 2018-2019 debt service levy is \$1.2406 per \$100 of assessed valuation which reflects an increase of \$0.0503 from FY18. Once indebtedness has been approved by the voters 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. 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.

PCSD currently has a total tax levy of \$5.0193 per \$100 of assessed valuation. This rate is composed of \$3.3601 for operating and \$1.2406 for debt service and \$0.4186 for capital improvements as described above. **Figure 1b-1** shows a history of the District's tax levy over the past 5 years.

Figure 1b-1 Tax Levy History.

Tax Levy History					
FUND	ACTUAL 2015-16	ACTUAL 2016-17	ACTUAL 2017-18	ACTUAL 2018-19	PROJECTED 2019-20
<i>Fund 001 - Operation/Incidental</i>	3.5517	3.4802	3.4350	3.3601	3.3601
<i>Fund 002 - Special/Teachers</i>	0.0000	0.0000	0.0000	0.0000	0.0000
<i>Fund 003 - Debt Service</i>	1.0600	1.1334	1.1903	1.2406	1.2406
<i>Fund 004 - Capital Fund</i>	0.4322	0.4303	0.4186	0.4186	0.4186
Total	5.0439	5.0439	5.0439	5.0193	5.0193



Revenue: Local/County, Prop C. Prop C is a sales tax generated by Proposition C in the early 1980s. This revenue is considered a local source even though it is received monthly from the state on a per pupil basis. The 2019-2020 Prop C sales tax payment is paid on the 2018-2019 weighted average daily attendance (WADA). An increase in Prop C revenue has been projected for the 2019-2020 fiscal year. Based upon state projections, Prop C revenue for 2018-2019 is expected to be \$4,029,214 which would provide an increase of approximately \$59,364.

Figure 1b-2 Prop C History.

Prop C History		
Year	Prop C WADA Payment	District Prop C Revenue
2011-2012	\$834 per WADA	\$2,838,911
2012-2013	\$835 per WADA	\$2,930,007
2013-2014	\$884 per WADA	\$3,130,478
2014-2015	\$860 per WADA	\$3,260,260
2015-2016	\$939 per WADA	\$3,302,917
2016-2017	\$950 per WADA	\$3,706,087
2017-2018	\$990 per WADA	\$3,768,786
2018-2019	\$1000 per WADA	\$3,969,850*
2019-2020	\$1025 per WADA	\$4,029,214*

*projected

Revenue: State, Basic Formula. State revenues are positively impacted by increased average daily attendance and a State Adequacy Target (SAT) that is projected to increase slightly. State revenues are dependent upon income tax and sales tax.

The final 2019-2020 budget has been prepared with state formula revenues expected at \$15.5 million, see **Figure 1b-3.**

Figure 1b-3 Formula Aid.

Formula Aid		
Year	Formula Calculation	Actual Payment
2014-2015	\$12,446,239	\$11,573,018
2015-2016	\$13,359,541	\$12,999,375
2016-2017	\$13,901,236	\$13,459,341
2017-2018	\$13,860,550	\$14,340,946
2018-2019	\$14,949,570	\$15,113,532*
2019-2020	\$15,452,030	\$15,452,030*

*projected

Revenue: State, Transportation. The DESE transportation program provides public school districts with 75% maximum reimbursement entitlement of their allowable costs eligible for state aid. While the state transportation appropriation is increased by 1%, the District is not expecting a significant variance in Transportation funding.

Revenue: Federal, Special Education and Title Programs. Title I, Title II and Title IVA revenues for 2019-2020 school year are expected to be relatively static, but are always subject to withholdings at the federal and state level.

Expenditures. This budget is developed with the best and most recent information available to school district officials and the Board of Education. As referenced, budget revisions may be made during the year to accommodate for unforeseen circumstances. The District has a long-standing tradition of fiscal stability and the Board of Education is committed to continue this level of financial excellence for the future. The District is proud to call itself a "Quality Continuous Improvement" organization. The District has been engaged in this approach since 2011 when it was used for revising the CSIP. Within the framework of "Quality," the expenditures are determined based on aligning to organizational goals and objectives which are annually revised based on cycles of learning that reveal the effectiveness of each approach.

The 2016-2017 school year resulted in a deficit budget due to a combination of higher than budgeted costs associated with operating new square footage and revenue growth lagging. This resulted in a reduction in year-end fund balances. Consequently, much focus has been devoted to increasing fund balances. The FY19 budget is projected to end with a surplus and the FY20 budget is also projecting a surplus. Although the District is expecting a budget surplus in FY19, balances are projected below the desired range of 18-22%. It is a goal of the leadership to increase fund balances to 18-22% over the next 3-5 years. To assist in rebuilding balances to the desired range, the District has heightened monitoring of expenditures and utilized five-year forecasting.

The overall goal of the Community – Staff portion of the CSIP is to attract, retain, and develop a high quality staff. Competitive salaries and benefits play a significant role in the attraction and retention of a work force from which we expect much. Over the past 6 years, increases have been lean due to budget constraints and uncertainty directly stemming from the recession. Through conservative budgeting and proactive measures, Platte County has successfully navigated the stormy recession with fiscal health firmly intact. This could only be accomplished by containing personnel costs. Lean increases have been achieved by freezing certified



staff vertical schedule movement 3 of the past 10 years. It should be noted that during the past 10 years, performance expectations for all staff have increased and they have delivered. Our student achievement trend lines are positive in most areas. In some areas, we have set the standard for improvement across the metropolitan area. This is attributable to teachers, support staff, and administrators who are making continuous improvement of student learning their top priority. Aligned to the District's Strategic Plan and Long Range Facility Plan, financial planning and budgeting will continue to strive for academic excellence while providing the patrons of the District with sound fiscal management to meet future challenges in the best interest of our students.

To continually improve our ability to attract, retain, and develop a high quality staff, it is anticipated salary enhancements will be determined based on a market analysis and a collaborative process with Team Platte County.

The District also provides board paid health insurance to interested employees. Premiums will increase slightly in FY20 due to claim history and market trends. **Figure 1b-4** shows additional factors that affected the development of this year's budget.

Figure 1b-4 Key Factors Affecting Budget.

Key Factors Affecting Budget		
Goal	Key Factor	Approximate Cost
Goal 2	Math and Science instructional resources	\$165,286
Goal 2 & 3	New bus purchase	\$263,104
Goal 4	Staff salary and benefit enhancement	~\$900,000
Goal 2	Improvements to facilities	~\$650,000

Figure 1b-5 shows the projected summary of revenues, expenditures, balances and transfers for all funds.

Figure 1b-5 Projected Summary of Fund Revenues, Expenditures, Balances, and Transfers.

Projected Summary of Fund Revenues, Expenditures, Balances, and Transfers*					
FY20	Fund 1 General	Fund 2 Special Revenue	Fund 3 Debt Service	Fund 4 Capital Projects	Total All Funds
Projected Beginning Fund Balances - July 1, 2019*	\$7,369,186	\$0	\$5,751,316	\$57,064	\$13,177,566
Revenues	\$25,479,893	\$22,166,058	\$7,205,278	\$3,020,200	\$57,871,429
Total Revenues And Balances	\$32,849,079	\$22,166,058	\$12,956,594	\$3,077,264	\$71,048,995
Transfer To	\$0	\$6,704,393	\$0	\$1,635,000	\$8,339,393
Transfer From	\$8,339,393	\$0	\$0	\$0	\$8,339,393
Expenditures	\$16,702,504	\$28,870,451	\$4,784,500	\$4,653,262	\$55,010,717
Projected Ending Fund Balances - June 30, 2020	\$7,807,183	\$0	\$8,172,094	\$59,002	\$16,038,278

*Opening balances represent projections and will be amended at the end of the fiscal year.



Fiscal Year Budget Comparisons and Forecasts

Figures 1b-6 through 1b-10 illustrate the fiscal year budget comparisons and forecasts.

Figure 1b-6 Revenue by Fund.

Revenues by Fund			
Fund	Actual 2017-18	Budgeted 2018-19	Projected 2019-20
<i>Fund 001 - Operation/Incidental</i>	\$25,307,580	\$24,726,452	\$25,479,893
<i>Fund 002 - Special/Teachers</i>	\$20,421,617	\$21,461,576	\$22,166,058
<i>Fund 003 - Debt Service</i>	\$6,770,864	\$5,925,990	\$7,205,278
<i>Fund 004 - Capital Funds</i>	\$2,610,181	\$2,764,155	\$3,020,200
Total	\$55,110,242	\$54,878,173	\$57,871,429

Figure 1b-7 Revenues by Source.

Revenues by Source			
Object Code (Source)	Actual 2017-18	Budgeted 2018-19	Projected 2019-20
<i>5100 - Local</i>	\$33,743,511	\$32,903,929	\$35,140,738
<i>5200 - County</i>	\$2,191,500	\$1,830,000	\$2,005,000
<i>5300 - State</i>	\$16,120,469	\$16,756,120	\$17,360,293
<i>5400 - Federal</i>	\$1,934,538	\$1,883,124	\$1,918,821
<i>5600 - Bonds/Non-Current</i>	\$350	\$150,000	\$0
<i>5800 - Tuition/Other</i>	\$1,119,874	\$1,355,000	\$1,446,577
Total	\$55,110,242	\$54,878,173	\$57,871,429

Figure 1b-8 Expenses by Fund.

Expenses by Fund			
Fund	Actual 2017-18	Budgeted 2018-19	Projected 2019-20
<i>Fund 001 - Operation/Incidental</i>	\$16,664,639	\$16,439,034	\$16,702,504
<i>Fund 002 - Special/Teachers</i>	\$27,105,212	\$28,153,521	\$28,870,451
<i>Fund 003 - Debt Service</i>	\$14,569,711	\$5,189,100	\$4,784,500
<i>Fund 004 - Capital Funds</i>	\$3,956,682	\$4,172,670	\$4,653,262
Total	\$62,296,244	\$53,954,325	\$55,010,717



Figure 1b-9 Expenditures by Function.

Expenditures by Function				
Function	Account Description	Actual 2017-18	Budgeted 2018-19	Projected 2019-20
1111	Elementary	\$7,221,407	\$7,312,188	\$7,492,257
1131	Middle/Junior High	\$4,659,258	\$4,693,615	\$4,702,730
1151	High School	\$5,314,891	\$5,865,112	\$5,856,830
1191	Summer School - Regular	\$200,703	\$204,689	\$211,169
1211	Gifted & Talented	\$217,903	\$223,464	\$229,482
1221	SPED & Related Services	\$2,747,501	\$2,731,669	\$2,808,571
1224	Proportionate Share Services	\$0	\$2,000	\$2,000
1251	Tilte I Supplemental Instruction	\$538,713	\$548,405	\$567,753
1271	Title III LEP Bilingual	\$177,078	\$203,064	\$223,853
1281	Early Childhood Special Education	\$620,172	\$635,015	\$622,482
1311	NCC Agricultural Education	\$72,826	\$80,652	\$87,505
1321	NCC Business Education	\$7,940	\$66,271	\$45,404
1331	NCC Family & Consumer Sciences Ed	\$190,184	\$162,402	\$165,221
1341	NCC Health Sciences Education	\$143,533	\$156,237	\$175,074
1351	NCC Marketing & Coop Education	\$101,650	\$103,572	\$106,022
1361	NCC Trade & Industrial Education	\$717,321	\$721,293	\$831,412
1371	Project Lead The Way - PLTW	\$100,587	\$104,165	\$110,056
1381	NCC Career Education Special Needs	\$118,438	\$120,794	\$25,472
1391	NCC Other Career Education	\$577,154	\$573,955	\$676,107
1411	Student Activities	\$1,028,310	\$978,345	\$939,678
1421	School-Sponsored Athletics	\$632,529	\$256,225	\$285,663
1611	NCC Adult Education	\$127,975	\$122,647	\$73,451
1671	Community Education/Life Enrichment	\$47,638	\$51,200	\$58,700
1911	Tuition to Other Districts In State	\$45,514	\$65,000	\$85,000
1921	Area Career Center Fees	\$44,750	\$170,000	\$183,793
1933	Tuition SPED Srvcs Private Agencies	\$195,050	\$131,000	\$111,000
2111	Attend & Social Work Srvs Area Dir	\$2,910	\$1,755	\$0
2112	Attendance Services	\$76,060	\$73,640	\$75,412
2113	Social Work Services	\$352,238	\$363,447	\$368,767
2119	Other Attend & Soc Wk	\$33,413	\$34,005	\$34,761
2121	Guidance Services - System Support	\$1,085,915	\$1,103,390	\$1,131,369
2131	Health Services	\$60,211	\$61,310	\$62,710
2132	Medical Services	\$306,880	\$314,188	\$332,240
2142	Psychological Testing Services	\$354,881	\$366,879	\$372,154
2152	Speech Pathology Services	\$500,972	\$515,463	\$527,056
2162	OT Services	\$103,344	\$105,220	\$81,499
2172	PT Services	\$0	\$0	\$52,225
2182	Vision Services	\$0	\$24,000	\$24,000
2211	Improvement of Instruction Services	\$310,337	\$318,211	\$328,501



Expenditures by Function				
Function	Account Description	Actual 2017-18	Budgeted 2018-19	Projected 2019-20
2212	Instruction & Curriculum Dev Svcs	\$396,436	\$341,275	\$604,756
2213	Instructional Staff Training Svcs	\$6,290	\$7,933	\$6,405
2214	Professional Development	\$272,036	\$343,679	\$356,641
2219	Other Improv of Instruction Svcs	\$8,117	\$6,639	\$6,667
2222	Library Services	\$800,379	\$815,047	\$825,334
2225	Instruction-Related Tech	\$18,261	\$0	\$208,893
2311	Board of Education Services	\$121,432	\$133,500	\$132,250
2321	Office of the Supt Services	\$1,288,778	\$1,315,782	\$1,345,372
2322	Community Relations Services	\$110,653	\$121,151	\$126,788
2329	Other Exec Administration Services	\$180,266	\$183,705	\$188,089
2331	Administrative Technology Services	\$876,402	\$1,256,563	\$964,133
2411	Office of the Principal Services	\$2,471,746	\$2,645,534	\$2,710,386
2521	Fiscal Services (Accounting)	\$268,143	\$275,749	\$281,753
2529	Other Fiscal Services	\$3,024	\$4,000	\$4,000
2541	Oper & Maint of Plant Svc Area Dir	\$3,988,691	\$3,631,662	\$3,894,502
2542	Telephone Communication	\$70,000	\$45,300	\$47,100
2543	Care & Upkeep of Grounds Services	\$0	\$0	\$130,000
2546	Security Services	\$136,232	\$163,713	\$166,539
2551	Contracted Transportation Services	\$66,337	\$40,000	\$41,000
2552	Transportation Svcs - Non-Disabled	\$1,652,989	\$2,182,117	\$2,191,918
2553	Contracted Transportation Disabled	\$39,745	\$27,000	\$27,000
2554	Transportation Services - Disabled	\$410,198	\$257,611	\$263,119
2559	ECSE Transportation Services	\$93,781	\$44,757	\$45,825
2561	Food Services	\$1,771,134	\$1,844,856	\$1,646,032
2644	PD for Classified Staff	\$1,606	\$1,638	\$1,679
3511	Early Childhood Program - PAT	\$70,934	\$70,597	\$74,351
3512	Early Childhood Instruction	\$120,076	\$122,540	\$125,379
3611	Homeless Student Svcs	\$0	\$0	\$1,000
3711	Nonpublic Services	\$0	\$5,439	\$4,444
3912	Parental Involvement	\$4,349	\$4,000	\$9,000
4021	Land Acquisition & Development Svc	\$166,587	\$31,500	\$31,500
4051	Bldg Acquisition, Const & Improv	\$1,763,087	\$1,893,500	\$2,123,000
4091	Othr Facilities Acquisition & Const	\$83,656	\$0	\$0
5111	Principal - Bonded Indebtedness	\$12,665,000	\$3,800,000	\$3,500,000
5122	Principal - Long Term Loans (DNR)	\$29,301	\$29,530	\$29,766
5131	Principal-Lease Purchase Agreement	\$0	\$0	\$244,202
5211	Interest - Bonded Indebtedness	\$1,902,361	\$1,386,100	\$1,281,500
5222	Interest - Long Term Loans (DNR)	\$1,044	\$815	\$579
5231	Interest - Lease Purchase Agreement	\$1,393,625	\$1,345,607	\$1,290,688
5311	Fees - Bonded Indebtedness	\$2,350	\$3,000	\$3,000



Expenditures by Function				
Function	Account Description	Actual 2017-18	Budgeted 2018-19	Projected 2019-20
5331	Fees - Lease Purchase Agreements	\$5,011	\$8,000	\$8,750
Total		\$62,296,244	\$53,954,325	\$55,010,717

Figure 1b-10 Expenditures by Object.

Expenditures by Object				
Object	Account Description	Actual 2017-18	Budgeted 2018-19	Projected 2019-20
6111	Certificated Regular Salaries	\$18,120,801	\$18,918,300	\$19,485,077
6112	Certificated Administrators	\$2,539,547	\$2,590,338	\$2,655,097
6121	Certificated Substitute Salaries	\$370,714	\$400,000	\$410,000
6131	Certificated Supplemental Pay	\$280,770	\$230,582	\$244,532
6141	Certificated Unused Leave/Severance	\$35,708	\$0	\$0
6151	Classified Salaries - Regular	\$6,672,959	\$6,668,298	\$6,835,005
6152	Clf'd Instructional Aide Salaries	\$0	\$0	\$0
6153	Classified Substitute Salaries	\$285	\$291	\$298
6161	Classified Salaries - Part-Time	\$149,158	\$62,133	\$63,687
6171	Classified Unused Leave/Severance	\$6,487	\$0	\$0
6211	Teachers' Retirement	\$3,312,520	\$3,401,866	\$3,497,926
6221	Non-Teacher Retirement	\$489,656	\$405,578	\$415,717
6231	Social Security - OASDI	\$433,284	\$417,750	\$428,194
6232	Medicare	\$391,975	\$414,695	\$427,081
6241	Employee Insurance	\$2,668,705	\$2,788,538	\$2,783,104
6261	Workers' Compensation Insurance	\$145,983	\$167,000	\$208,000
6271	Unemployment Compensation	\$12,062	\$11,000	\$11,000
6311	Purchased Instructional Services	\$415,550	\$499,000	\$462,793
6312	Instructional Prgm Improvmnt Svcs	\$51,636	\$50,600	\$37,450
6313	Pupil Services	\$71,171	\$24,000	\$24,000
6315	Audit Services	\$14,227	\$14,000	\$12,750
6316	Data Processing/Tech Related Svcs	\$24,274	\$424,830	\$67,680
6317	Legal Services	\$50,578	\$50,000	\$50,000
6318	Election Services	\$0	\$10,000	\$10,000
6319	Other Professional Services	\$11,267	\$10,000	\$10,000
6332	Repairs & Maintenance	\$164,954	\$160,500	\$165,000
6333	Rentals - Land & Buildings	\$232,604	\$232,604	\$232,604
6334	Rentals - Equipment	\$109,741	\$108,597	\$106,600
6335	Water and Sewer	\$98,863	\$100,000	\$137,602
6336	Trash Removal	\$56,466	\$60,000	\$100,000
6337	Tech-Related Repairs & Maintenance	\$2,740	\$0	\$25,000
6338	Rentals - Computers & Related Equip	\$270,292	\$260,792	\$0



Expenditures by Object				
Object	Account Description	Actual 2017-18	Budgeted 2018-19	Projected 2019-20
6341	Contracted Pupil Transp To/From LEA	\$106,106	\$67,000	\$68,000
6343	Travel	\$236,300	\$265,258	\$278,481
6351	Property Insurance	\$227,631	\$237,500	\$244,300
6361	Communication	\$360,837	\$81,950	\$207,350
6362	Advertising	\$11,632	\$8,600	\$10,600
6363	Printing and Binding	\$30,468	\$34,100	\$40,100
6371	Dues and Memberships	\$38,518	\$39,000	\$45,550
6391	Other Purchased Services	\$2,354,169	\$2,550,248	\$2,378,314
6398	Other Expenses - PY Adjustments	\$1,459	\$3,100	\$3,100
6411	General Supplies	\$1,901,248	\$1,836,812	\$1,845,793
6412	Supplies - Technology-Related	\$124,185	\$8,700	\$267,363
6415	HC Driver Training Sup/Mat	\$242	\$0	\$0
6418	HC Tires & Installation	\$2,935	\$0	\$0
6431	Textbooks	\$100,279	\$4,960	\$165,286
6441	Library Books	\$82,874	\$85,450	\$78,850
6451	Resource Materials	\$5,863	\$6,085	\$6,170
6481	Electric	\$691,034	\$595,000	\$730,000
6482	Gas - Natural	\$76,501	\$60,500	\$95,500
6486	Gasoline/Diesel	\$212,593	\$227,000	\$202,000
6511	Land	\$166,587	\$31,500	\$31,500
6521	Buildings	\$1,763,087	\$1,893,500	\$2,123,000
6531	Improvements Other Than Buildings	\$83,656	\$0	\$0
6541	Regular Equipment	\$342,396	\$593,718	\$370,406
6543	Technology-Related Hardware	\$50,981	\$0	\$69,673
6544	Technology Software	\$120,995	\$0	\$221,595
6552	Pupil Transp Vehicles-School Buses	\$0	\$270,000	\$263,104
6611	Principal - Bonded Indebtedness	\$12,665,000	\$3,800,000	\$3,500,000
6613	Principal-Lease Purchase Agreements	\$0	\$0	\$244,202
6614	Principal - Long Term Loans	\$29,301	\$29,530	\$29,766
6621	Interest - Bonded Indebtedness	\$1,603,761	\$1,386,100	\$1,281,500
6622	Interest - Short Term Loans	\$298,600	\$0	\$0
6623	Interest-Lease Purchase Agreements	\$1,393,625	\$1,345,607	\$1,290,688
6624	Interest - Long Term Loans	\$1,044	\$815	\$579
6631	Fees - Bonded Indebtedness	\$2,350	\$3,000	\$3,000
6633	Fees - Lease Purchase Agreements	\$5,011	\$8,000	\$8,750
Total		\$62,296,244	\$53,954,325	\$55,010,717



1c. Informational Significant Trends, Events, and Initiatives; Financial and Demographic Changes

Significant trends and issues impacting the budget are described in **Figure 1b-4**.

Enrollment Trends and Forecasts

PCSD is currently one of the smaller districts in the metro area, but is poised to see significant growth over the next several years. This growth is expected to change student demographics and customer requirements, as well as impact district financial realities.

In response, on April 7, 2015, voters in the Platte County R-3 School District approved a \$0.4322 capital improvements tax levy increase to fund our growth management project.

Projected enrollment growth has required district leadership to immediately begin planning for a future project. Projections would suggest a possible project around the year 2020-2021 and initial financial analysis would suggest this could be funded through a no-tax increase General Obligation Bond issuance.

In March of 2016, the District announced that MD Management gifted the District approximately 80 acres for two future schools. The District closed on the 80-acre property on July 27, 2017, which will allow the District to

address short-term needs, as well as prepare for a major long-term need of another high school.

Additionally, the District has listed approximately 35 acres of prime real estate for sale at a listing price of approximately \$3.1 million. This revenue may provide funding for professional fees associated with future projects, acquiring additional land, or other expenses associated with managing enrollment growth.

Elementary, middle, high school, and district level student enrollment projected for the proposed budget school year and following two years is shown in **Figure 1c-1**.

Figure 1c-1 Enrollment Data Proposed Budget Year.

Enrollment Data Forecasts				
Enrollment Year	ES	MS	HS	Total
2019-2020	1,954	1,111	1,280	4,345
2020-2021	2,008	1,111	1,315	4,434
2021-2022	2,012	1,151	1,330	4,493

Tax Base and Rate Trends

Figure 1c-2 provides current budgeted and three years forecasted figures for assessed valuation, tax rate, and collections, showing a projected stable tax rate and a slight increase in tax base.

Figure 1c-2 Current Budgeted and Three Years of Forecast for Assessed Valuation, Tax Rate, and Collections.

Current Budgeted and Forecast Assessed Valuation, Tax Rate, and Collections				
	19-20 Budget	20-21 Forecast	21-22 Forecast	22-23 Forecast
Assessed Value	\$569,868,635.60	\$581,266,008.31	\$598,703,988.56	\$610,678,068.33
Total Levy	5.0193	5.0193	5.0193	5.0193
Tax Bill	\$28,603,416.43	\$29,175,484.76	\$30,050,749.30	\$30,651,764.28
Tax Bill (less County Fees)	\$28,174,365.18	\$28,737,852.48	\$29,599,988.06	\$30,191,987.82
Projected District Tax Revenue	\$27,610,877.88	\$28,163,095.43	\$29,007,988.30	\$29,588,148.06
Collection Rate	98.00%	98.00%	98.00%	98.00%

Debt Changes

The District's sustained enrollment growth caused the District to go to its voters to get authority to issue debt to build facilities to educate our students on a regular basis. Of the total outstanding debt of \$91,878,021, all except \$49,670,000 for the Building Corporation Leasehold, the DNR loans and Chromebook leases are paid through the Debt Service Fund with proceeds from the annual Debt Service taxes (\$1.1903 per \$100 assessed valuation in 2017-2018) collected.

In 2008-2009, the District also began funding the lease purchase for the District Education Center by merging it with the Stadium Corporation.

In 2015-16 the District began funding the lease purchase for a new elementary in Platte City (Compass Elementary) which was approved by voters on April 7, 2015. This lease purchase does the following:



- Repurpose Paxton School (which served grades 4-5 in the northern attendance area) to become part of Platte County High School,
- Build a new, approximate 700-student, Kindergarten-5th Grade Elementary school in Platte City allowing for the closure of Rising Star, and
- Expand Pathfinder Elementary by adding 14 classrooms, a multi-purpose room, and additional parking, moving Barry School from grades 3-8 to grades 5-8.

The District closed on a leasehold revenue bond for an energy conservation project on June 14, 2016. The 2019-20 budget includes principal payments for this project in the amount of \$230,000.

On June 1, 2017, the District entered into a lease purchase agreement in the amount of \$313,000 with a third party to finance the cost of technology equipment for our middle schools. The lease is for three years, requiring annual lease payments of \$108,689, interest at 4.235%.

On June 20, 2019, the Board of Education was presented a lease purchase agreement for approval in the amount of \$695,025 with a third party to finance the cost of technology equipment for our high school and elementary schools effective July 1, 2019. The lease is for three years, requiring annual lease payments of \$243,626, interest at 5.128%.

Figure 1c-3 shows the District's debt obligations.

Figure 1c-3 Debt Obligations.

Debt Obligations				
Debt Obligations	FY20	FY19	FY18	FY17
2008 General Obligation Bonds	\$-*	\$-*	\$-*	\$7,950,000
2009 General Obligation Refunding Bonds	\$-***	\$-***	\$1,550,000	\$3,100,000
2010 General Obligation Refunding Bonds	\$-****	\$1,000,000	\$2,000,000	\$4,000,000
2012 General Obligation Refunding Bonds	\$5,950,000	\$8,450,000	\$9,700,000	\$9,700,000
2014 General Obligation Refunding Bonds	\$-**	\$-**	\$-**	\$1,165,000
2016 General Obligation Refunding Bonds	\$28,645,000	\$28,645,000	\$28,645,000	\$28,645,000
2008 Building Corporation Leasehold Refunding and Improvement Revenue Bonds	\$-****	\$235,000	\$450,000****	\$2,865,000
2015 Building Corporation Leasehold Revenue Bonds	\$6,625,000***	\$7,425,000***	\$25,125,000	\$25,825,000
2016 Building Corporation Leasehold Revenue Bonds	\$4,395,000	\$4,625,000	\$4,835,000	\$5,025,000
2017 Building Corporation Leasehold Revenue Bonds	\$18,930,000	\$19,110,000	\$19,260,000	
DNR Loan #1	\$33,443	\$53,620	\$73,797	\$93,974
DNR Loan #2	\$15,972	\$25,560	\$34,913	\$44,037
Chromebook Lease #1	\$-****	\$104,274	\$204,311	\$313,000
Chromebook Lease #2	\$451,399			
Total	\$65,045,813	\$69,673,454	\$91,878,021	\$88,726,011

*Series was refunded in 2016

*Series was paid off in 2017-18

***Series was paid off in 2018-19

****Partially refunded by Series 2017

*****Series will be paid off in 2019-20



Escrowed Funds. The estimated escrow balance on June 30, 2020 is \$17,473,275.61 which includes \$275.61 in cash and \$17,473,000 in escrowed securities. This escrow has two functions: 1) it pays the interest on the 2017 issue until April 1, 2022 (the date at which the Series 2015 Lease is eligible to be refinanced), and 2) on April 1, 2022, the remaining balance in the escrow will pay off the 2015 lease entirely and the District will begin to pay on the 2017 series realizing 6-figure savings annually.

This escrow structure assured that the District was able to save more than \$2,200,000 in taxpayer money through interest cost reductions by capitalizing on two key elements: 1) a beneficial rate environment featuring historically low borrowing rates, and 2) favorable tax law allowing the District to refund the lease in advance of its eligibility at tax-exempt rates (this law changed in January 2018, making this no longer an option).

Figure 1c-4 Bond Issue History.

Bond Issue History					
Bond Issue	Election	Authorized	Debt Remaining (Principal)	Debt Remaining (Interest)	Debt Retired
Series 2010	No	N/A	\$-	\$-	Mar-20
Series 2012	No	N/A	\$5,950,000	\$320,000	Mar-24
Series 2016	No	N/A	\$28,645,000	\$6,708,850	Mar-30
Total GO Debt			\$34,595,000	\$7,028,850	
2008 Building Corp	N/A	\$4,985,000	\$-	\$-	Mar-20
2015 Building Corp	Yes	\$27,425,000	\$6,625,000	\$2,762,500	Apr-29
2016 Building Corp	No	\$5,230,000	\$4,395,000	\$1,056,500	Apr-31
2017 Building Corp	No	\$19,260,000	\$18,930,000	\$5,548,630	Apr-35
DNR Loan #1	N/A	\$184,770	\$33,443	\$-	Feb-22
DNR Loan #2	N/A	\$70,289	\$15,972	\$429.18	Apr-22
Chromebook Lease #2	N/A	\$695,025	\$451,399	\$35,853.00	Jul-21
Total Other Debt			\$30,450,813	\$9,403,912	
Total Long-Term Debt			\$65,045,813	\$16,432,762	

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

Effect of Existing Debt Levels on Current and Future Budgets. Current debt levels are adequately serviced through dedicated revenue sources. Platte County maintains a debt service levy of \$1.2406. Existing debt is not anticipated to have a positive or negative effect on current and future budgets. Approximately 90% of the District's debt is scheduled to retire in the next 10 years.



Results

The following measures are used to monitor the fiscal health of Platte County School District.

Figure 1c-5 Fund Balance Reserve Ratio.

Fund Balance Reserve Ratio					
	2013-14	2014-15	2015-16	2016-17	2017-18
Reserve Ratio	21.29%	18.06%	17.46%	14.00%	15.19%

Figure 1c-6 Per Pupil Expenditure.

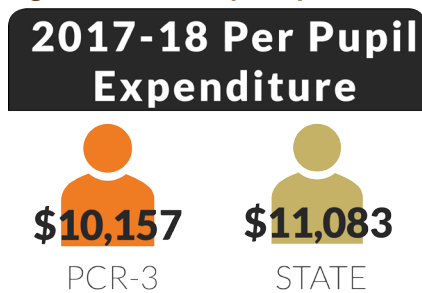


Figure 1c-9 PCR-3 Audit Findings.

PCR-3 Audit Findings		
Year	Material Weaknesses	Written Findings for Federal Programs
2013-14	0	0
2014-15	0	0
2015-16	0	0
2016-17	0	0
2017-18	0	0

Figure 1c-7 2017-18 Expenditures by Object.

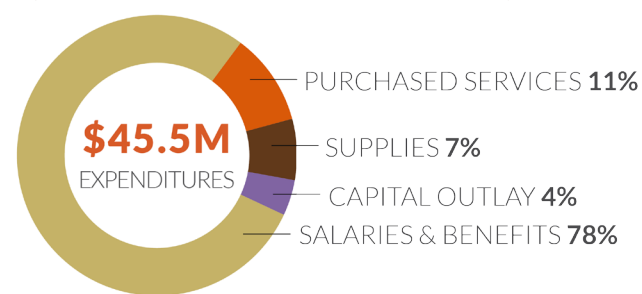


Figure 1c-8 PCR-3 Bond Ratings.

PCR-3 Bond Ratings		
Year	General Obligation Bond Rating	Leasehold Revenue Bond Rating
2013-14	AA	AA-
2014-15	AA	AA-
2015-16	AA	AA-
2016-17	AA	AA-
2017-18	AA	AA-

Figure 1c-12 Tax Levy by District.

Tax Levy by District	
Liberty	\$6.4550
North Kansas City	\$6.4280
Fort Osage	\$6.3700
Raytown	\$6.3164
Lee's Summit	\$5.8777
Independence	\$5.8010
Blue Springs	\$5.7286
Grandview	\$5.6094
Grain Valley	\$5.4255
Park Hill	\$5.4035
Kearney	\$5.3506
Smithville	\$5.2080
Excelsior Springs	\$5.1272
Platte County	\$5.0439
North Platte	\$4.7400
West Platte	\$4.1000

Source: DESE



Figure 1c-13 Parent and Staff Survey Results.

(Parents) The District uses our strategic plan to determine where tax dollars are spent.					
Cycle	Responses	Top Level(s) Percent	Neutral Percent	Bottom Level(s) Percent	Survey Performance Index (SPI)*
2015-16	1111	81.91%	12.42%	5.67%	412.78
2016-17	1031	76.62%	16.97%	6.40%	396.8
2017-18	1019	74.58%	18.06%	7.36%	392.15
2018-19	1317	74.34%	19.59%	6.07%	392.33

(Parents) The District is proactively managing student enrollment growth.					
Cycle	Responses	Top Level(s) Percent	Neutral Percent	Bottom Level(s) Percent	Survey Performance Index (SPI)*
2015-16	1114	77.83%	15.89%	6.28%	404.94
2016-17	1029	72.98%	18.27%	8.75%	389.41
2017-18	1018	66.01%	23.97%	10.02%	378
2018-19	1318	63.73%	24.89%	11.38%	369.12

(Certified Staff) The District uses our strategic plan to determine where tax dollars are spent.					
Cycle	Responses	Top Level(s) Percent	Neutral Percent	Bottom Level(s) Percent	Survey Performance Index (SPI)*
2015-16	239	64.02%	29.71%	6.28%	370.71
2016-17	285	67.02%	29.12%	3.86%	375.44
2017-18	216	68.52%	25.00%	6.48%	371.3
2018-19	254	67.32%	23.62%	9.06%	368.11

(Certified Staff) The District is proactively managing student enrollment growth.					
Cycle	Responses	Top Level(s) Percent	Neutral Percent	Bottom Level(s) Percent	Survey Performance Index (SPI)*
2015-16	238	75.63%	16.81%	7.56%	381.51
2016-17	283	75.97%	14.13%	9.89%	380.92
2017-18	216	72.22%	17.59%	10.19%	372.69
2018-19	254	53.54%	24.02%	22.44%	333.86



(Classified Staff) The District uses our strategic plan to determine where tax dollars are spent.					
Cycle	Responses	Top Level(s) Percent	Neutral Percent	Bottom Level(s) Percent	Survey Performance Index (SPI)*
2015-16	122	57.38%	36.07%	6.56%	359.84
2016-17	130	61.54%	36.92%	1.54%	374.62
2017-18	112	49.11%	45.54%	5.36%	359.82
2018-19	108	67.59%	22.22%	10.19%	369.44

(Classified Staff) The District is proactively managing student enrollment growth.					
Cycle	Responses	Top Level(s) Percent	Neutral Percent	Bottom Level(s) Percent	Survey Performance Index (SPI)*
2015-16	120	75.83%	20.00%	4.17%	387.5
2016-17	130	72.31%	23.85%	3.85%	386.15
2017-18	112	60.71%	29.46%	9.82%	364.29
2018-19	109	64.22%	23.85%	11.93%	364.22

