



Every Child, Every Day.  
The Washington Way



# School District of Washington

Washington, MO 63090

[www.washington.k12.mo.us](http://www.washington.k12.mo.us)

*Serving the Missouri counties of  
Franklin, St. Charles, and Warren*

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June 27, 2018

To the Attention of:  
The Honorable Board of Education  
School District of Washington  
220 Locust Street  
Washington, MO 63090

## EXECUTIVE SUMMARY

### Introduction

The FY19 budget keeps our mission, goals and priorities at the forefront. This budget is cognizant of our desires to prepare students for a future, that in some cases, we can't even fathom yet. The School District of Washington (hereinafter the "District") has committed to its 21<sup>st</sup> Century Learning Plan, as continuous improvement remains our focus and desire each and every day. Now, the District has committed to the development of its next 5 year comprehensive improvement plan with plans for innovation in five strategic areas: 1) Achievement, 2) Safety, Health and Well-being of Students and Staff, 3) Facilities, Learning Environments 4) Partnerships and Communication, and 5) Assets and Sustainability. The goals and action plans are currently under construction in preparation of Board approval by December 2018. As we transition from our 21<sup>st</sup> Century Learning Plan to our Innovation Plan for Learning and Improvement, we will always remain focused on producing college/career ready students who are prepared to succeed in a culturally diverse, global society. In order to achieve our goals, our financial strategies must follow suit. With strong financial backing and accountability, and a budget aligned with our strategic goals, we can ensure progress. It should also be noted that our success is a direct result of the quality teachers, leaders, and support personnel that work with our students each and every day. We understand adequate funding gives educators access to the resources they need to support students and the growing demands placed upon them. We must encourage a growth mindset in our employees and our students. It is our responsibility to ensure our actions are not just timely, but progressive and appropriate for students.

The District can be proud of many accomplishments attained in the 2017-2018 school year. The FY18 budget played a part in the proactive, responsible, and focused approach to such successes in our District. Washington has many things to be proud of as you can see from our list:

- The District completed the implementation of its 1:1 technology plan (a part of the 21<sup>st</sup> Century Learning Plan), rolling out chromebooks to eighth graders. This completed the goal of a 1:1 environment in grades 3-12.

The third Pathways for Teachers team was established and funded mainly through a state grant and Title funds. The team of 60 faculty and staff toured local industries,

model school districts, and strategically planned. The culminating event was participation in a Summer Institute complete with three days of training in Project Based Learning from the Buck Institute or business/industry externships coupled with lesson and project planning.

- A new expanded partnership was established with Mercy Hospital to launch the new Health Science Academy of Innovation. A classroom for students will be located in the hospital/doctors' building guaranteeing the most authentic learning environment possible.
- Over 300 business and community leaders visited, utilized or partnered with the District upon visiting the Confluence, a new incubator space used by our Center for Advanced Professional Studies students along with career and technical education programming.

Many other successes specific to employees and/or school buildings occurred, of which some are listed below:

- Elementary Challenge Teacher, Jana Monzyk, was named the Outstanding Launch Teacher by Project Lead the Way.
- Middle School Gifted Teacher, Stefanie Virgen, received the 2017 Emerson Excellence in Teaching Award.
- Director of Special Education, Elizabeth Makes and Washington West Elementary Kingergarten Teacher, Kelsey Scheer were both awarded the 2017 Outstanding Young Professionals award by the Washington Area Chamber of Commerce and the Missourian.
- Amanda Nilges, Washington Middle School Language Arts Teacher was awarded the South Central Advisor of the Year by the Missouri Association of Student Councils.
- Washington Middle School Language Arts Teacher, Connie Groff, was named Educator of the Year, South Central Region by the Missouri State Teachers Association.
- Christina Manolis-Strauser, Washington High School Language Arts Teacher, received the Emerging Journalism Educator Award by the Missouri Interscholastic Press Association.
- Derek Schriewer, Washington High School Boys Soccer Coach, was named All Region Coach of the Year by the Missouri Soccer Coaches Association.
- Lori VanLeer, Superintendent, was nominated for the Robert Pearce Award presented by the Missouri Association of School Administrators.
- Washington High School Science Teacher, Suzanne Pelley, was nominated for the New Biology Teacher Achievement Award presented by the National Association of Biology Teachers.
- Elizabeth Hobbs, Washington High School Science Teacher, was named Teacher of the Year by the American Chemical Society of St. Louis.
- Washington High School Language Arts Teacher, Kerri Flynn, received the Victims of Communism Fellowship from the Olga Lengyl Institute.

- Brett Hoch, Washington High School MO Options Teacher, served as the State President for the Missouri State Teachers Association.
- Melissa Feldman, Early Childhood Special Education Teacher, was named the Most Inclusive Teacher by the Adam Morgan Foundation.
- Washington High School English as a Second Language Teacher, Cassandra Suggs, was chosen as the 2017-2018 Teacher of the Year by the WHS Renaissance Club.
- Christina Manolis-Strauser, Washington High School Language Arts Teacher, Kelly Wood, Washington High School Language Arts Teacher, Jessica Fitzgerald, Washington High School Science Teacher, Carolyn Kluesner, Four Rivers Health Occupations Teacher, Jaime Opfer, Washington High School Math Teacher, Leslie Wallace, Four Rivers Health Occupations Teacher and Ed Stahl, Washington High School Social Studies Teacher, were all chosen for the ECC NEA Inspirers of Excellence Teaching Recognition.
- The Washington Board of Education was honored by the Missouri School Board Association, winning the 2018 Governance Award for promoting excellence in public school governance through professional development, leadership and advocacy.
- The Washington Board of Education was honored by the Missouri School Board Association, winning the 2018 Outstanding Board of Education.
- The class of 2018 consisted of 316 graduates, earning well over 1 million dollars in scholarships.

There are many more success stories from the past school year, but now our focus is on the year ahead. The educational needs of students is changing. With technological advancements and authentic opportunities for learning, our students are more and more eager to experience school in ways that most meet their individual needs. Our previous success and our anticipated future success can be attributed to our dedicated staff and our focus on continual improvement of instruction. The School District of Washington, through its comprehensive 21<sup>st</sup> Century Learning Plan for Innovation and Change, is implementing steps that will enhance achievement and continue our successful path. The District's 21<sup>st</sup> Century Learning Plan can be found at [www.washington.k12.mo.us](http://www.washington.k12.mo.us) for public viewing. By December, as mentioned above, the new plan will outline specific actions and strategies. Until then, we will continue working to improve in the areas below.

The 21<sup>st</sup> Century Components outlined in the District's Plan:

- Increase student engagement
- Transform learning environments
- Support innovators
- Personalize professional growth
- Enhance communication
- Collaborate to make decisions

***MOTTO***

*Every Child, Every Day.  
The Washington Way.*

1. Pursue high achievement and graduation for all students, regardless of student circumstances and abilities.
2. Cultivate and grow staff into quality, dynamic team members through an effective evaluation and support system.
3. Develop and implement effective professional development that encompasses best practices and supports all staff.
4. Analyze and restructure the organization to become more efficient, effective, and accountable to support the goals of the District.
5. Foster and enhance staff, student, parent, business, and community involvement.

The 21<sup>st</sup> Century Learning Plan was developed collaboratively using a community engagement process called, “The Washington Way.” Community engagement strategies have been executed over the past seven years with focus groups formed in the following areas:

- Budget and Financial Planning
- Increasing Student Engagement
- Learning Environments & Facility Needs
- Transforming our Learning Environments (Technology)
- Ensuring All Students Are College and Career Ready, Pathways to Success

As of late, planning teams worked through exciting changes in the areas of student advisement, course offerings, instructional strategies, as well as business community, and higher education partnerships. The conversations and feedback from our focus group work, in addition to the collaboration with our planning teams, will drive the actions on steps we employ to continue to revise and develop new strategic plans. Throughout the course of this school year, we will assess our progress, along with internal and external stakeholders, to determine the areas of our plan we wish to continue, and the new goal areas that will comprise our next five year plan. Planning teams are currently drafting goals and action steps, and will be revising them based on feedback. The data and draft plan will be reviewed by a cross section of participants from our focus groups and advisory teams. Following this collaborative process, a new innovative plan will be presented to the Board of Education for approval.

Strategic planning and budget alignment are critical to the success of the school district. Budgetarily, there are always concerns. The economy is slowly on the rebound and the revenue trend continues to struggle to keep pace with increases in expenditures. The District experienced a significant loss in assessed value during 2015-2016 and continues to work through strategies to maintain fiscal responsibility while still achieving our goals. The district passed a zero tax rate increase bond issue in August 2016 to acquire permission from the voters that



would allow for the conversion of lease debt to general obligation debt for the purposes of refinancing and payment from the debt service fund.

The District remains committed to our employees, working to maintain competitive compensation and quality benefit packages for the purposes of recruitment and sustainability of excellent staff. However, we will remain diligent as we monitor on-going costs and work toward a balanced budget, while maintaining a minimum reserve balance, as Board policy DIAA indicates. Additionally, due to shifts from local assessed value to state assessed property in the area of railroad and utility improvements, higher reserve balances are likely necessary due to the revenue fluctuations this type of activity creates from year to year. Our goal is to end each fiscal year with a balanced budget. It should be noted that the District continues to operate well despite receiving little state funding. Our tax levy remains one of the lowest of districts comparable in size, demographics, and as compared to the surrounding and metropolitan area schools.

The current national climate, lagging state revenues, slow growing property values, and insufficient funding of ancillary programs causes conservative budgeting and extensive monitoring to occur. The fiscal environment is still unsettled. School districts must be very careful as to ensure proper stewardship of taxpayer dollars. We believe our conservative budgeting over the last several years has served us well. Several years ago, major changes in processes and procedures, along with budgetary cuts, prevailed. The District had a surplus of approximately \$23,047,400 (all funds combined) and closed the 17-18 budget with a reserve balance of 36.12 percent. This large surplus was due to the crossover refunding of the district's debt that was executed during FY18. The FY19 budget reflects a deficit of \$2,646,968 (all funds combined) and an approximate 32.15 percent ending reserve balance. The current year ends with a surplus while the next fiscal year is a projected deficit. Timing of proceeds, project completion, and payments all play a role as we follow accounting rules and prepare the books. It should be noted that final assessed valuation data isn't yet available at the time of budget adoption, therefore changes in revenue projections will occur throughout the year. The Assistant Superintendent and the Director of Accounting, as directed by the Superintendent, provide the Board of Education with four to five budget revisions each fiscal year.

As with all budget years, Franklin County superintendents and district finance leaders plan their budgets after seeking information from county, state, and federal officials. In preparation of the FY19 budget, county officials signaled their local school districts to expect slight growth in assessed valuation due to slow growth in property values, personal property, and new construction. With that said, the FY19 budget assumes an average 2.0% growth in assessed value. The final assessed values will not be fully known until after the budget is adopted and approved. Changes in local effort revenue due to assessed valuation data from the county assessors will be reflected in budget revisions throughout the year.

Because the School District of Washington is largely funded through the local tax effort, it is important to understand the importance of preserving healthy reserve balances. Schools in the state of Missouri are all funded differently, with some receiving more state foundation formula funds than others. In Washington, approximately 74.45 percent of our revenue comes from our local tax effort, while only 15.11 percent comes from the state through the foundation formula, 6.0 percent from federal sources, and 3.19 percent from the counties in which we reside. Lastly, 1.25 percent of revenue is from other sources such as tuition to our career center.

Why is our reserve balance so important? Payroll and invoices exceed the monthly state payment to the District, so it is necessary for our District to maintain a healthy reserve to avoid the need to borrow money for these expenses during the months of July through December. Healthy reserve balances are also necessary to handle unforeseen circumstances such as disasters, poor economic conditions, and/or revenue stream instability. Additionally, the reserve plays a very important role in the District's bond rating. This particular rating is important to investors when school districts gain approval from the voters to issue bonds. It is important for the District to have investors who feel safe about their investments. Our bond rating continues to remain stable, and with the December 2017 bond issue we received a rating of AA+.

The review and development of the 2018-2019 budget was completed after several meetings with all school leaders who influence the budget in one way or another. Following is a detailed budget development process, complete with a timeline and budget administrator responsibilities, which serves as the developmental framework of the annual budget. The School District of Washington is very strategic about accomplishing our mission, vision, and goals. Therefore, the process of alignment exists at all levels of the budget development process. We know that without adequate alignment of resources to priorities, our mission could not be realized.

### **The Budget Process and Financial Management**

Over the course of the last several years, the School District of Washington has worked to present a school budget that not only emulates financial policies but also serves as a comprehensive document that offers patrons a transparent, purposeful, user-friendly way to become familiar with school finance and specifically the budget of the District. The school budget is an instrument that provides a definite financial policy for the direction of business operations of the District. It provides an outline of the probable expenditures and the anticipated receipts during a specified period of time. The budget is one of the most important legal documents of a school district. It is not a static document but rather a working document that changes based on Board of Education approved budget amendments throughout the year as actual financial data changes.



The Board of Education adopted a series of policies that provide direction regarding the District's budget and financial affairs that reflect the educational philosophy of the District, and that provide a framework in which the District's administration can effectively operate. The budget and finance process conform to all state and local requirements as set forth by the state constitution, state statutes, the Department of Elementary and Secondary Education rules, and Board policies.

### **Budget Preparation, Implementation and Management**

Much forecasting and historical data must be reviewed prior to the budget's development. Annually, the Superintendent of Schools is required to submit the budget to the Board of Education for consideration and adoption. The annual budget provides detailed information regarding the estimates of income and expenditures for the ensuing fiscal year. Per statutory requirements, the Board of Education is required to adopt the budget by June 30 of each year. Prior to adoption, the Board of Education may accept, reject, modify, or request revisions of the budget.

The annual budget governs the expenditures and obligations of all funds for the District. No funds may be spent which are not authorized by the annual budget. However, in the event an unanticipated need arises, the Board may approve the Superintendent of School's recommendation to either appropriate an amount sufficient to cover the needed expenditure from the unencumbered budget surplus (made from the proper funds) or revise the budget to efficiently provide funding for the expenditure.

The Assistant Superintendent and Director of Accounting, in conjunction with the Superintendent of Schools, establishes regulations, prescribes written procedures and employs the appropriate forms for handling line item transfers of appropriations. This is necessary to ensure personnel compliance, as well as to establish an audit trail of all such activities.

The Board of Education also participates in two Board Workshops each year, and holds special sessions as necessary to allocate time for budget discussions. These work sessions provide the Superintendent and her designees the time to educate the Board of Education regarding changes in law or philosophies pertaining to the scope of budget planning and its implementation. This is a good opportunity for the Board to tell the administration their preference in terms of monthly reports at regular Board meetings. In addition, the Board collaboratively sets goals with the administration so that budgetary obligations can be planned in advance of the final budget.

Managerial goals are presented to all budget administrators in the District by the Superintendent of Schools. The goals, along with the indicators found on each administrator's performance evaluation, outline the requirements of budget development, implementation, and management. Budget administrators work closely with the Finance Department throughout the

course of the fiscal year, as well as in preparation of the next budget year. The Organizational Section of the budget book further explains the management processes used to most thoroughly monitor revenue and expenditures, as well as purchasing controls the District has in place.

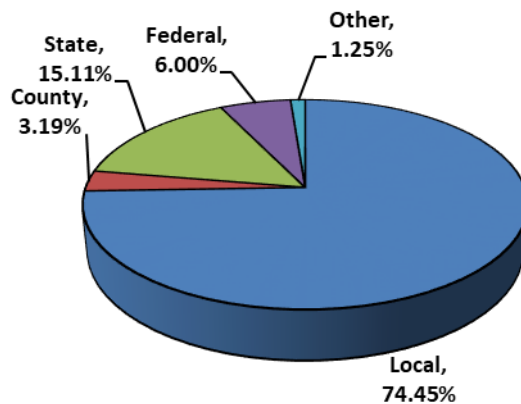
For further understanding as to the budget development, implementation, and management process, please review the following budget calendar which provides the approximate time frames and task description associated with much of the budgeting work.

| DATE      | Description   |
|-----------|---|
| July      | Board of Equalization Assessments are received for property values.   |
| August    | Annual Secretary of the Board Report is due to DESE by August 15 <sup>th</sup> . Final updated Board of Equalization numbers are received. Tax levy hearing notice is posted. Adoption of tax levy is approved by the board by August 30 <sup>th</sup> . The final approved tax levy and assessed values must be submitted to the county clerk by the last day of the month.                      |
| September | Final internal audit review. Interim audit visit by the outside auditors.   |
| October   | The first budget revision with updated approved federal grants, tax levy and salaries. Enrollment projections by building and grade are developed for the next school year and are reviewed on an ongoing basis.  |
| November  | Final preparation of the annual audit and meeting with the audit committee.   |
| December  | The final audit report is reviewed and approved by the Board of Education. The annual financial report is to be published in the newspaper within 30 days after approval of the audit. First payment of taxes collected is realized on the 15 <sup>th</sup> of the month. Final approved audit must be submitted to DESE by December 31 <sup>st</sup> .   |
| January   | During the first couple weeks of January initial meetings with budget administrators occur. Budget administrators work with their staff to develop their budgets.   |
| February  | DESE releases updated information pertaining to state funded money for the current year and expectations for the following year. The Business Office reviews final budgets from the budget administrators. The Board approves the staffing levels for the next fiscal year. The second budget revision is reviewed and approved by the Board of Education with the updated information from DESE. |
| March     | Communication meetings with county assessors to gather preliminary assessed valuation projections are scheduled.  |
| April     | The Director of Accounting and Assistant Superintendent submit initial budget numbers to the Board of Education for the upcoming school year. The third budget revision is reviewed and approved by the Board of Education with the updated information from DESE.  |
| May       | Work sessions are held on the budget with the Board of Education. The initial audit process begins for the fiscal year.   |
| June      | The fourth budget revision is reviewed and approved as all expenses are finalized for the fiscal year. The new budget for the upcoming year is approved by the Board of Education by June 30 <sup>th</sup> .  |

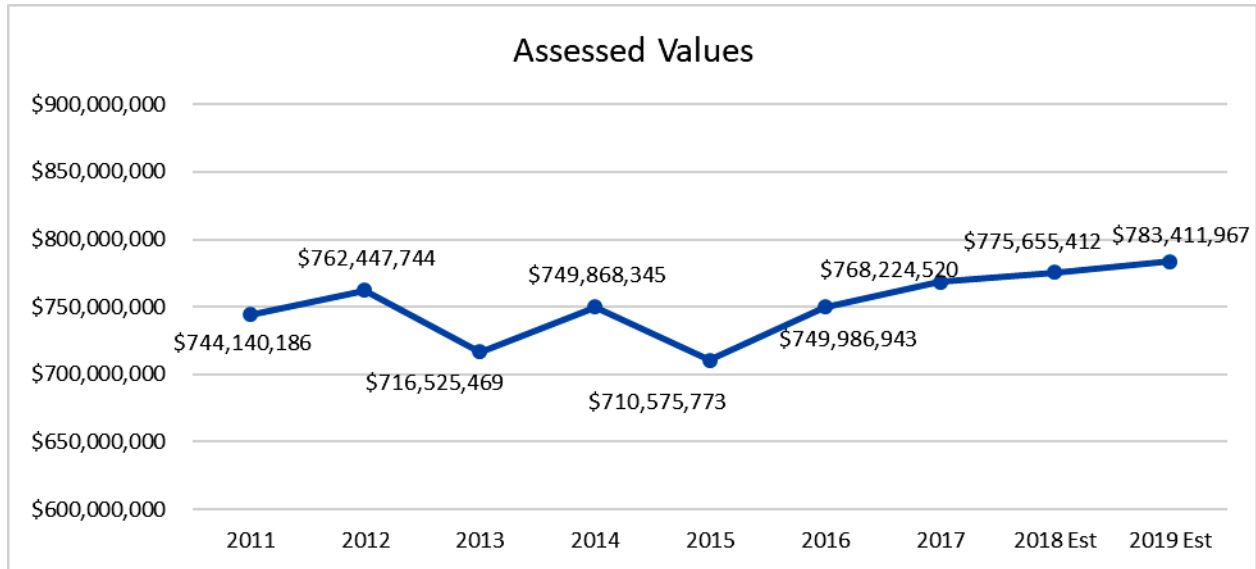
**Budgeted Revenue**

Preparing and planning the 2018-2019 budget has come with some challenges. In the last legislative session, the state foundation formula was decidedly fully funded and tax reforms also prevailed. With declining enrollment and the uncertainty associated with state revenue collection following tax reform, appropriation of state aid and allocation are two different things. The District’s revenue from the state foundation formula is budgeted to decrease by approximately \$27,000 (barring no state withholds throughout the fiscal year).

**Revenue**



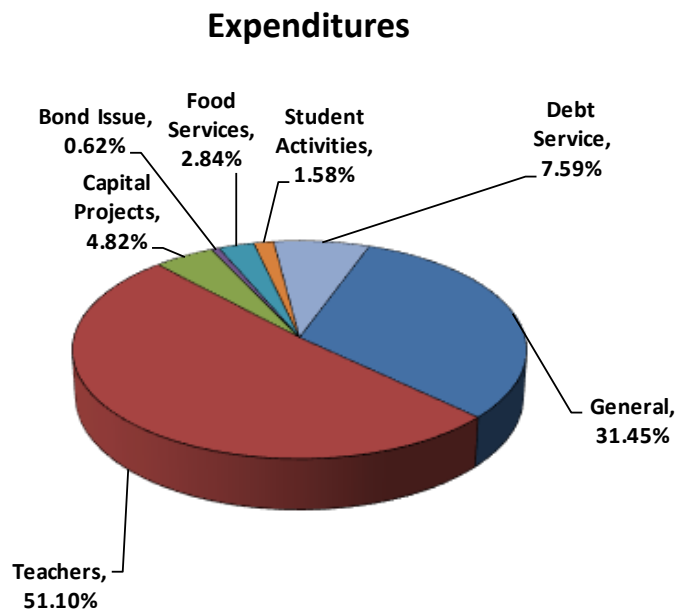
Local, state and national economic conditions play a major role in the budget development process. As local property taxes make up over 74.45 percent of the District’s total revenue, unsettled real estate markets and changes in property assessments can significantly impact the budget. Preliminary assessed property values received to date show an average increase of 2.0 percent. This is, of course, before the Board of Equalization decisions regarding protests and revisions. Final numbers will be received in the middle of August. Per Missouri law, the District tax levy will be officially set at a tax rate hearing on August 29, 2018. At this meeting, the Board of Education will decide on the tax levy rate. If changes are needed, they will be determined once final numbers are received. The District is also communicating frequently with the Franklin County Assessor and other parties regarding new construction and improvement projects that may be occurring in the Railroad and Utility industry. Due to significant shifts from locally assessed property to state assessed property as a result of projects in this industry, close monitoring and transparency should prevail to ensure proper financial planning.



**Budgeted Expenditures**

Each year the District examines efficiencies in all areas during the budget development process. Increases in the District’s contribution to health insurance, fuel and energy costs, contracted increases in transportation costs, food supplies, and other budgeted areas have caused expenditure growth to outpace revenue growth.

Transportation costs and employee benefits are expected to increase 3 percent and the budgeted figures include a 6 percent increase in utility costs.



In order to ensure equitable access to technology, the District has moved to a 1:1 environment over time. FY14 marked the beginning of our digital conversion. All teaching staff received laptop computers. In FY15, we began a phased approach to students in particular grades. In FY16 we implemented a 1:1 (one laptop to every student) environment in grades 5, 6, 9, 10, 11, and 12. In FY17 we added grade 7 to this environment. In FY18, we reached the goal of being at 1:1 computer to student ratio in grades 3-12.

### **Capital Projects Development Process**

The School District of Washington encompasses approximately 254 square miles and operates more buildings than most Districts with similar enrollment. We take pride in our District buildings and wish to provide learning environments that are clean, safe, and equipped.

The District has completed projects identified in the Long Range Facilities and Master Plan in collaboration with Hoener Associates, Inc. and our Small Facilities Review Team. A comprehensive prioritized list of facility needs is maintained, and the list includes projected improvements of existing facilities while strategically planning for long-range facilities programming. It is important to realize that our plan is a working document that provides for planning flexibility. It is designed to accommodate refinements due to maintenance requirements, educational program needs, district growth, and feedback from key stakeholders.

The categories under review each year include: Site, Building Envelope, Mechanical Systems, Electrical Systems, Fire and Safety Systems, Equipment, ADA, and Long Range Master Planning. A category report by each school is then developed and used to culminate into a District-wide priority list. Bond issue projects may then be determined (if applicable), as well as capital projects to be completed by appropriate District staff. This process assists greatly in preparation of the annual budget.

In August 2016 a no tax rate increase bond issue passed and the following projects are either completed, currently underway, or will soon be in progress:

- All Schools: Electronic access control system to monitor entry into the buildings to enhance safety.
- Augusta Elementary: Outside Building Repairs (tuck point, caulking, waterproof paint), and restoring roof section B.
- Campbellton Elementary: Lagoon renovations by 2021 and upgrade existing exterior lighting to LED.

- Clearview Elementary: Upgrade existing exterior lighting to LED.
- Four Rivers Career Center: Masonry tuck point/seal coat and cleaning/sealing concrete walls. Renovation of machine tool shop into a space to accommodate advanced professional studies (CAPS) and career/technical programs. Upgrade existing exterior lighting to LED.
- Labadie Elementary: Replace roof sections B, D, and E. Upgrade exterior lighting to LED. Added three new exterior LED light poles.
- Locust Street: Masonry repair, spot tuck point, and chimney repair.
- Marthasville Elementary: Door replacement on the north side of the building, tuck point, and seal coat. Upgrade exterior lighting to LED. Add one new exterior LED light pole.
- Middle School: Restore metal roof, replace rear doors, replace 11 original windows, replace five HVAC units, and furnish Project Lead the Way classroom. Upgrade exterior lighting to LED.
- Washington West Elementary: Roof construction above the boiler room.
- District-wide: Addition of security cameras. Renovation of some rooms for the relocation of programs.

**CORE VALUES**

*The School District of Washington believes in educating all students in a safe, nurturing learning environment that promotes the following core values:*

- **RESPECT** – *Respect yourself and others at all times.*
- **OWNSHIP** – *Show ownership over your actions.*
- **COMMITMENT** – *See things through to completion.*
- **KINDNESS** – *Everyone deserves to be treated well.*

In addition to the bond issue projects, the following projects were identified to be completed within the next two to three years as a result of the planning process mentioned above:

- All Schools: Replace the core locks on all exterior doors and update temperature control software, and replace 62 safety/security cameras.
- Augusta: Renovation of playground.
- High School: Improve the grading and repave the exterior lot on west side by the greenhouse. Replace the garage doors on the west side by the greenhouse. Refinish the main gym floor, improve the exterior gym flatwork, purchase new score boards for main gym (move current score boards to secondary gym), replace or renovate existing bleachers in the main gym, resurface the track, and renovate lower level locker rooms in the main gym.
- Four Rivers: Install block retaining wall along back driveway.



- Middle School: Renovate an existing shop for PLTW. Renovate both gym locker rooms. Replace 4 HVAC Units and replace roofs C1 & C2. Carpet replacement in Library, Band, and Choir rooms.
- Technology Center: Construct metal building for storage.
- Locust Street: Carpet replacement project.

### **Budget Consideration for FY 2018-2019**

Many District stakeholders contributed to the development of this year's budget. Each stakeholder brought issues and considerations that impacted the final outcome. The Business Office staff tried to accommodate these requests while weighing the fiscal restraints created by a limited revenue stream. The following items were relevant to the process of meeting the District's vision of being an educational leader achieving academic excellence:

1. The District is continuing the next phase of its technology plan (a part of the 21<sup>st</sup> Century Learning Plan). Washington High School moved to a 1:1 (one laptop to every student) environment in 2015-2016. At the start of 2016-2017, the incoming freshman class was added to the plan. This was possible due to the purchase of previously leased devices at a substantially lower price than that of new. The incoming grade 5 students were also added to the plan by purchasing a mixture of used and new devices. During 2017-2018, the final class (incoming 9<sup>th</sup> grade) was added to the 1:1 plan, thus completing our phased in 1:1 environment for grades 3-12 (grades 5-12 can take devices to and from school).
2. In 2016, the state legislature passed another piece of legislation with implications to the state adequacy target (SAT), Senate Bill 586. The bill reinstated a cap on the SAT growth that had been removed in 2009. The cap restricts the growth in the SAT to five percent per recalculation, thus making it possible to fully fund. The Department of Elementary and Secondary Education was then forced to recalculate the SAT. As a result, the SAT for the 2016-2017 and 2017-2018 school years was calculated at \$6,241. State statutes only allow for the SAT to increase upon recalculation of spending; however, it should be noted that the formula may be adjusted downward when the legislature has not appropriated enough money to fully fund the formula or when the new legislation is passed impacting the formula. Considering the District's formula funding rests heavily on student attendance, it should also be noted that the district's enrollment is experiencing a downward trend resulting in a lower weighted average daily attendance (WADA). For the purposes of building the budget now, the State Adequacy Target (SAT) is set at \$6,275, proration factor at 100 percent, dollar value modifier (DMV) at 1.095, and threshold percentages on free and reduced lunch (FRL), individualized and language education plans (IEP) and (LEP) as adjusted by DESE, equating to a decrease in estimated state formula revenue of \$27,000, as compared to the previous year due to declining enrollment and conservative estimations of the SAT.

3. Assessed valuation has been a real roller coaster over the last few years. It remains difficult to determine what assessed valuation will do, regardless of a reassessment year or not. With this in mind, we will continue to budget conservatively, and therefore plan for only a slight increase in revenue from this source. At the time of budget development, assessed valuation figures were not available.
4. The Project Lead the Way program was implemented in 2015-2016. Phase I began with Introduction to Engineering/Design. During 2016-2017, phase II added Biomedical Science and Principles of Engineering. During 2017-2018, phase III added Human Body Systems, Engineering Design & Development, and Computer Integrated Manufacturing (CIM) at the high school level. At the middle school level, Medical Detectives and Design and Modeling were added. During 2018-2019, phase IV will add the Health Science Academy of Innovation consisting of Medical Interventions and Biomedical Innovations. The addition of these courses have only resulted in an increase of one FTE (staff). Participation and training fees to PLTW along with most start up supplies have been paid through an in-kind donation or rebate program returns to date. A budgetary plan to sustain these programs has been budgeted and aligns with the District's strategic goals to improve STEM curriculum and student engagement.
5. As previously mentioned, the District has entered into a partnership agreement with Mercy which will allow the students in Health Occupations, and on occasion as scheduled, Medical Interventions and Biomedical Innovations, to relocate to the Mercy campus. This allows access to medical professionals and a more authentic learning experience. This relocation is at no cost to the District as Mercy is donating the space and fully engaging in the enhancement instruction pertaining to health careers currently in high demand.

### **Reflection upon 2017-2018, Looking Ahead to the Current Fiscal Year**

Much occurred in the past year that will shape our strategic plan and approach to future budgets. Below is a list of some notable changes or initiatives from the past year.

1. Upon receiving final assessed valuation numbers from Franklin County (and then all counties combined), District officials in collaboration with the Board of Education must carefully analyze new construction growth as well as construction while in progress (CWIP) to determine future shifts from local effort to the state. If new revenue growth doesn't offset loss in revenue shifts, the District must be prepared to meet its financial obligations and thus plan to strategically keep reserves healthy in both the capital projects fund as well as in operations.

2. A budget workshop was held with the Board of Education in May 2018. Financial data was shared, including expense estimations and revenue projections. Scenarios impacting the budget were simulated to inform Board members as to the progress of the developing budget for FY19.
3. Due to significant fluctuations in our assessed valuation data, decisions regarding salary schedules are extremely difficult to make at the time of budget adoption. District officials and the Board of Education have been cautious in their decisions, due to an inability to project revenue or ascertain any sensible data trends. For FY19, the Board of Education is committed to a step advancement, adding \$300 to the base salary and lateral movement for advanced degree hours (only if applicable) for all employee groups. Decisions regarding further schedule enhancement will be made in July once data is received and revenue can be solidified. A budget revision will follow any decision to further enhance schedules to remain competitive and retain quality staff.
4. Over the past five years, District enrollment has declined. This along with limited housing options for new families will require on-going monitoring and consideration.

It should also be noted that in order to sustain this high quality of service, resources must be available. Not only resources that support teaching and learning, the core of our mission, but building improvements and potential new construction needs as well. Recommendations and ideas under advisement by focus group work cannot be realized without budget reorganization or growth in revenue. We are running out of reorganization options and revenue growth is limited. It should also be clear that school districts only have three options when it comes to financing costly renovation and new construction needs. An understanding of the financing options is important to remember, especially as the District begins to embark on the strategies necessary to continue realizing a long range plan for facilities. The financing options available to districts in Missouri are as follows:

1. Pay cash. This mode of financing is most advantageous and typically can only be done when cash is on hand and project size is small.
2. Pursue leasehold certificates. This mode of financing does not require voter approval; however, payments can only be made from the operations budget which is also the side of the budget used to pay for staff salaries, educational supplies, equipment, repairs, etc. Projects typically financed this way are usually paid over a 5-10 year period.
3. Bond issues. This mode of financing requires the sale of bonds and payments must only be paid out of the debt service fund. This means that the pennies levied in the debt service levy are solely used to make principal and interest payments on bonded debt. This is usually the best option for school districts when pursuing major projects because financing is spread out over a 20 year period.

During 2015-2016, the school district underwent a restructuring of both the lease type debt and the bonded debt. Opportunities for refinancing are always explored, certificate call dates monitored, and options revisited. The portion of the tax levy that would pay for bond payments, otherwise known as the debt service levy, is currently set at 47 cents per \$100 dollars of assessed valuation. The levy amount of 47 cents is extremely low and would not be enough to fund the facilities plan of magnitude. The District's only option to increase revenue for this purpose is to increase its tax rate, thus levying more pennies in debt service. Since assessed values show a slight rebound, the debt service levy might be adequate if remaining unchanged upon setting the levy. The Board will participate in a work session discussion to analyze bonding capacity, buildings needs, and debt service levy options prior to setting the tax rate at their August hearing. At this time of budget adoption, assessed valuation figures are not fully known, but will be updated and communicated prior to the hearing date. Consideration will also be given to the recommended reserve balance in the Debt Service Fund.

### **Summary of 2018-2019 Budget Contents**

The 2018-2019 budget book is very comprehensive. The District has worked hard to positively position itself financially, and evidence of such is included in this document. The budget is comprised of five main sections:

Introductory Section: This section includes the Superintendent's message in the Executive Summary report. This summary is designed to communicate the high points of the District. It also provides a summary of the issues surrounding the budget.

21<sup>st</sup> Century Learning Plan: This section outlines the mission, vision and beliefs of the District (to be found on the District website, [www.washington.k12.mo.us](http://www.washington.k12.mo.us)). In addition, objectives and goals are summarized and a status update is provided.

Organizational Section: This section outlines the structure of the District. In addition, key information that pertains to the accounting rules and systems associated with school budgeting is included.

Financial Section: This section provides a detailed account and description of all funds, historical data, and future projections. Building and department budgets are also included in this section. Adoption of the financials is required by the Board of Education by June 30 of each year.

Informational Section: This section provides detailed information about the District in the area of tax rates and historical trends, student membership, attendance calendar, and schedules. Supplemental information is also supplied in this section.

The School District of Washington has worked diligently to produce a comprehensive and transparent budget. Our budgets are posted on our District website each year at [www.washington.k12.mo.us](http://www.washington.k12.mo.us) for patron viewing. Additionally, Board of Education work sessions, committee meetings, and regular Board meetings provide the Board of Education ample opportunity to understand the budget development process and the financials themselves. This process has helped our Superintendent determine the level of understanding, need, and clarification necessary prior to the budget adoption meeting. The annual budget document is also constructed for the purpose of providing quality information to our community. This level of transparency allows all stakeholders to develop an understanding of our mission, vision, and goals.

Each year, the budget allocation of revenues and expenditures is derived after careful consideration and thought. It represents a balance between the educational needs of students in our school systems and the ability of our local community, county, and state to provide the necessary financial support to most adequately serve them.

### **Conclusion**

Community engagement has become a way of life in our District. With the work of our latest focus group, research began as we explored the idea of career pathway opportunities for students. Business partnership opportunities and increased access to dual credit courses, teacher externships, as well as relevant work related learning opportunities for students through internship placements is becoming a way of life in our District. Project and performance based learning opportunities are expanding and will continue to be studied as we head into the 2018-2019 school year and our next five year plan. We very much look forward to shaping the future of our District with people who care deeply about the quality of education in their community. Although the economic climate continues to be of concern, due to it's slow recovery and unpredictable fluctuations, we believe our budget exemplifies our efforts. Continued monitoring of the state's budget will be a priority, so the School District of Washington can continue to monitor projections and remain proactive where possible. The careful monitoring of expenditures will also continue, especially as we work to overcome a deficit and sustain a more balanced budgeting approach. Careful analysis of our tax levy and the methods in which we levy pennies to accommodate each fund will be critical in both FY19 and FY20, as well. We will remain focused on our efforts to communicate with the public on matters that impact the school community.

The 2018-2019 budget reflects total operating revenue projections of \$48,354,594 while operating expenditures total \$49,391,778. The operating budget projects \$1,037,184 in deficit spending, and therefore an ending reserve balance of 32.15 percent. Conservative budgeting and plans to monitor and control expenses will exist in an effort to end with a nearly balanced budget. As mentioned previously, the future carries a number of question marks, all of which we will diligently monitor.

The District will work to continue our lofty goals for the good of our students, regardless of continual challenges. Should trends continue as they have in recent years, the 2019-2020 budget as well as the 2020-2021 budget could require changes to the tax levy, particularly in the Incidental and Capital Projects portions of the levy. Please know that our focus remains student centered. Ensuring that our students achieve success while under our care and upon their transition to college and career opportunities will remain our number one priority. We will remain committed to our mission and the 2018-2019 budget presented in the pages that follow reflect that commitment.

Sincerely,



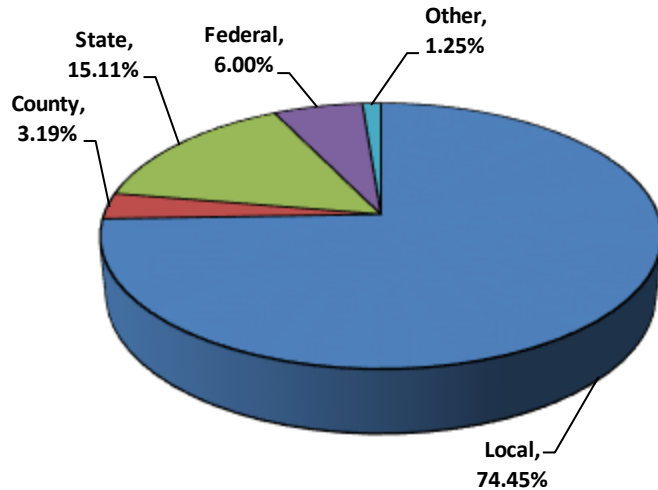
Dr. Lori VanLeer

Superintendent of Schools



**REVENUE BUDGET**

Total Revenue for FY2018-2019 is projected to be \$54,186,911. The chart to the right shows the distribution of the FY2018-2019 estimated revenue by source. The District relies heavily upon local property taxes to support its operations, as evidenced by the fact that 74.45% of its total revenue comes from local sources. The table below shows the history of the District's revenue budget. The major factor impacting the revenue increase in the budget is a one percent increase in assessed values. Total local revenues are expected to increase by \$0.25 million.



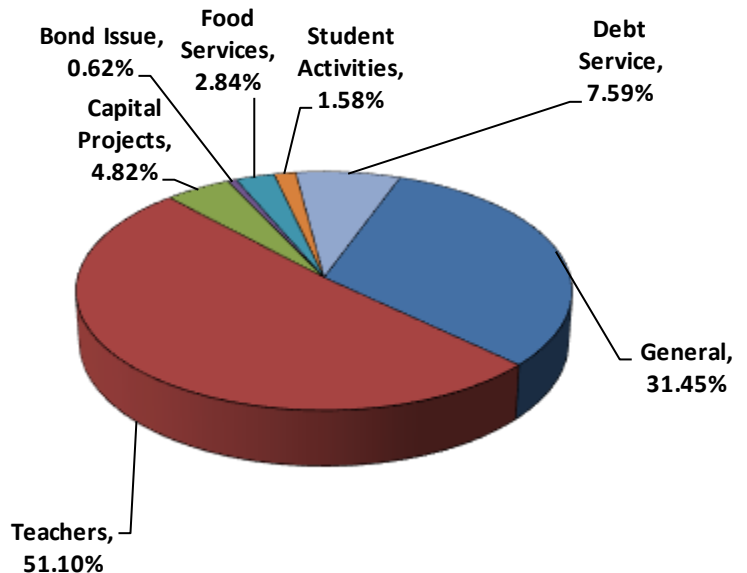
| Revenue      | 2014/2015<br>Actual  | 2015/2016<br>Actual  | 2016/2017<br>Actual  | 2017/2018<br>Budget  | 2018/2019<br>Budget  |
|--------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Local        | \$ 37,403,123        | \$ 36,021,794        | \$ 39,390,959        | \$ 40,092,657        | \$ 40,341,663        |
| County       | \$ 1,716,277         | \$ 1,748,247         | \$ 1,713,723         | \$ 1,732,548         | \$ 1,726,300         |
| State        | \$ 8,518,216         | \$ 8,822,899         | \$ 8,034,066         | \$ 8,153,156         | \$ 8,186,014         |
| Federal      | \$ 3,277,048         | \$ 3,256,966         | \$ 3,370,231         | \$ 3,782,927         | \$ 3,254,267         |
| Other        | \$ 1,365,577         | \$ 5,469,553         | \$ 16,122,985        | \$ 24,903,667        | \$ 678,667           |
| <b>Total</b> | <b>\$ 52,280,241</b> | <b>\$ 55,319,459</b> | <b>\$ 68,631,964</b> | <b>\$ 78,664,955</b> | <b>\$ 54,186,911</b> |

**Budgeted Revenue Summary by Fund 2018-2019**

| Object Code / Description                              | General Fund        | Special Revenue      | Debt Service        | Capital Projects    | Total All Funds      |
|--|---------------------|----------------------|---------------------|---------------------|----------------------|
| 5111 Current Taxes                                     | \$26,916,463        | \$ -                 | \$ 3,525,552        | \$ 897,140          | \$ 31,339,155        |
| 5112 Delinquent Taxes                                  | \$ 1,274,990        | \$ -                 | \$ 167,000          | \$ 42,496           | \$ 1,484,486         |
| 5113 Sales Tax (Prop C)                                | \$ -                | \$ 3,685,021         | \$ -                | \$ -                | \$ 3,685,021         |
| 5114 Financial Institution Tax                         | \$ 38,000           | \$ -                 | \$ 5,000            | \$ 1,200            | \$ 44,200            |
| 5115 M & M Surtax                                      | \$ 438,200          | \$ -                 | \$ -                | \$ -                | \$ 438,200           |
| 5116 In Lieu Of Tax                                    | \$ 1,200            | \$ -                 | \$ -                | \$ -                | \$ 1,200             |
| 5123 LPN Tuition                                       | \$ -                | \$ 472,500           | \$ -                | \$ -                | \$ 472,500           |
| 5140 Earnings On Investments                           | \$ 255,000          | \$ 10,000            | \$ 159,000          | \$ 32,500           | \$ 456,500           |
| 5150-5164 Food Service Program                         | \$ 625,000          | \$ -                 | \$ -                | \$ -                | \$ 625,000           |
| 5165 Food Service Non-Program                          | \$ 200,000          | \$ -                 | \$ -                | \$ -                | \$ 200,000           |
| 5170 Student Activities                                | \$ 900,000          | \$ -                 | \$ -                | \$ -                | \$ 900,000           |
| 5180 Community Services                                | \$ -                | \$ 479,400           | \$ -                | \$ -                | \$ 479,400           |
| 5190 Other Local                                       | \$ 16,000           | \$ 175,000           | \$ -                | \$ 25,000           | \$ 216,000           |
| <b>5199 Local - Subtotal</b>                           | <b>\$30,664,853</b> | <b>\$ 4,821,921</b>  | <b>\$ 3,856,552</b> | <b>\$ 998,336</b>   | <b>\$ 40,341,662</b> |
| 5211 Fines, Escheats,etc                               | \$ -                | \$ 183,000           | \$ -                | \$ -                | \$ 183,000           |
| 5221 State Assessed Utilities                          | \$ 1,238,000        | \$ -                 | \$ 262,900          | \$ 42,400           | \$ 1,543,300         |
| 5237 Other - County                                    | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                 |
| <b>5299 County - Subtotal</b>                          | <b>\$ 1,238,000</b> | <b>\$ 183,000</b>    | <b>\$ 262,900</b>   | <b>\$ 42,400</b>    | <b>\$ 1,726,300</b>  |
| 5311 Basic Formula - State Monies                      | \$ -                | \$ 3,471,046         | \$ -                | \$ -                | \$ 3,471,046         |
| 5312 Transportation                                    | \$ 571,763          | \$ -                 | \$ -                | \$ -                | \$ 571,763           |
| 5314 Early Childhood (3 & 4 Year Old) Special Educa    | \$ 620,721          | \$ 571,003           | \$ -                | \$ 225,700          | \$ 1,417,425         |
| 5319 Classroom Trust Fund                              | \$ -                | \$ 1,520,434         | \$ -                | \$ -                | \$ 1,520,434         |
| 5324 Educational Screening Prog / Pat                  | \$ -                | \$ 95,000            | \$ -                | \$ -                | \$ 95,000            |
| 5332 Vocational/Technical Aid                          | \$ 68,983           | \$ 426,435           | \$ -                | \$ 181,429          | \$ 676,847           |
| 5333 Food Service - State                              | \$ 15,000           | \$ -                 | \$ -                | \$ -                | \$ 15,000            |
| 5369 Residential Placement/Excess Cost                 | \$ -                | \$ 8,500             | \$ -                | \$ -                | \$ 8,500             |
| 5381 High Need Fund                                    | \$ -                | \$ 410,000           | \$ -                | \$ -                | \$ 410,000           |
| 5397 Other - State                                     | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                 |
| <b>5399 State - Subtotal</b>                           | <b>\$ 1,276,467</b> | <b>\$ 6,502,418</b>  | <b>\$ -</b>         | <b>\$ 407,129</b>   | <b>\$ 8,186,014</b>  |
| 5412 Medicaid  | \$ -                | \$ 20,000            | \$ -                | \$ -                | \$ 20,000            |
| 5427 Vocational Education Act-Title I, Basic Grant     | \$ 137,605          | \$ 189,790           | \$ -                | \$ -                | \$ 327,395           |
| 5437 IDEA Grants                                       | \$ -                | \$ 9,590             | \$ -                | \$ -                | \$ 9,590             |
| 5441 Ind With Disability Ed Act (IDEA)                 | \$ 50,000           | \$ 996,848           | \$ -                | \$ -                | \$ 1,046,848         |
| 5442 Early Childhood Special Education - Federal       | \$ -                | \$ 164,994           | \$ -                | \$ -                | \$ 164,994           |
| 5445 School Lunch Program                              | \$ 595,000          | \$ -                 | \$ -                | \$ -                | \$ 595,000           |
| 5446 School Breakfast Program                          | \$ 120,000          | \$ -                 | \$ -                | \$ -                | \$ 120,000           |
| 5448 After School Snack Program                        | \$ 1,050            | \$ -                 | \$ -                | \$ -                | \$ 1,050             |
| 5451 Title I, ESEA - Improving The Academic Achiev     | \$ 127,981          | \$ 422,729           | \$ -                | \$ -                | \$ 550,710           |
| 5461 Title IV - Student Support & Enrichment           | \$ 47,619           | \$ -                 | \$ -                | \$ -                | \$ 47,619            |
| 5462 Title III, Esea - English Language Acquisition Ar | \$ -                | \$ 3,098             | \$ -                | \$ -                | \$ 3,098             |
| 5465 Title II, Part A, ESEA - Teacher And Principal Qu | \$ 83,388           | \$ 34,575            | \$ -                | \$ -                | \$ 117,963           |
| 5478 Vocational Rehabilitation                         | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                 |
| 5484 Pell Grants                                       | \$ -                | \$ -                 | \$ -                | \$ -                | \$ -                 |
| 5497 Other - Federal                                   | \$ -                | \$ -                 | \$ 250,000          | \$ -                | \$ 250,000           |
| <b>5499 Federal - Subtotal</b>                         | <b>\$ 1,162,643</b> | <b>\$ 1,841,624</b>  | <b>\$ 250,000</b>   | <b>\$ -</b>         | <b>\$ 3,254,267</b>  |
| 5651 Sale Of Other Property                            | \$ -                | \$ -                 | \$ -                | \$ 15,000           | \$ 15,000            |
| <b>5699 Other Revenue Subtotal</b>                     | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>         | <b>\$ 15,000</b>    | <b>\$ 15,000</b>     |
| 5810 Tuition From Other Districts                      | \$ -                | \$ 47,600            | \$ -                | \$ -                | \$ 47,600            |
| 5820 Area Voc Fees From Other Leas                     | \$ -                | \$ 600,000           | \$ -                | \$ -                | \$ 600,000           |
| 5830 Contracted Educational Services                   | \$ -                | \$ 16,068            | \$ -                | \$ -                | \$ 16,068            |
| <b>5898 Subtotal - Receipts Other</b>                  | <b>\$ -</b>         | <b>\$ 663,668</b>    | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 663,668</b>    |
| <b>5899 Total Revenues</b>                             | <b>\$34,341,963</b> | <b>\$ 14,012,631</b> | <b>\$ 4,369,452</b> | <b>\$ 1,462,865</b> | <b>\$ 54,186,911</b> |

### EXPENDITURE BUDGET

The FY2018-2019 budget has estimated annual expenditures of \$56,833,880. The District recognizes that its teachers, principals, and support staff members are its most valuable resource. Accordingly, over half of the total budget is allocated to human resources. The chart to the right shows expenditures by fund. Below is a history of expenditures by fund.



| Expenditures              | 2014/2015 Actual     | 2015/2016 Actual     | 2016/2017 Actual     | 2017/2018 Budget     | 2018/2019 Budget     |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund              | \$ 16,697,233        | \$ 15,435,433        | \$ 14,033,871        | \$ 16,750,394        | \$ 17,869,153        |
| Teachers                  | \$ 26,307,101        | \$ 26,762,486        | \$ 27,374,160        | \$ 27,527,921        | \$ 29,042,495        |
| Capital Projects Fund     | \$ 2,534,126         | \$ 2,793,532         | \$ 446,062           | \$ 1,777,357         | \$ 2,738,507         |
| <b>Total Operational</b>  | <b>\$ 45,538,460</b> | <b>\$ 44,991,451</b> | <b>\$ 41,854,093</b> | <b>\$ 46,055,672</b> | <b>\$ 49,650,155</b> |
| Lease/Purchase Fund       | \$ 1,291,188         | \$ 1,248,721         | \$ 181,525           | \$ 6,000             | \$ 4,000             |
| Bond Issue Fund           | \$ 4,590,261         | \$ -                 | \$ 15,132,307        | \$ 1,434,957         | \$ 349,863           |
| Food Services Fund        | \$ 1,812,039         | \$ 1,690,572         | \$ 1,741,064         | \$ 1,802,982         | \$ 1,615,129         |
| Student Activities Fund   | \$ 923,744           | \$ 924,230           | \$ 1,017,716         | \$ 909,047           | \$ 900,000           |
| Debt Service Fund         | \$ 3,123,100         | \$ 7,938,363         | \$ 2,087,846         | \$ 5,100,581         | \$ 4,314,733         |
| <b>Total Other</b>        | <b>\$ 11,740,332</b> | <b>\$ 11,801,886</b> | <b>\$ 20,160,458</b> | <b>\$ 9,253,567</b>  | <b>\$ 7,183,725</b>  |
| <b>Total Expenditures</b> | <b>\$ 57,278,792</b> | <b>\$ 56,793,337</b> | <b>\$ 62,014,551</b> | <b>\$ 55,309,239</b> | <b>\$ 56,833,880</b> |

**BUDGETED EXPENDITURE SUMMARY BY FUND 2018-2019**

| Object Code / Description                       | General Fund         | Special Revenue      | Debt Service        | Capital Projects    | Total All Funds      |
|---|----------------------|----------------------|---------------------|---------------------|----------------------|
| <b>Instruction</b>                              |                      |                      |                     |                     |                      |
| 1110 Elementary                                 | \$ 535,178           | \$ 7,152,426         | \$ -                | \$ 2,000            | \$ 7,689,604         |
| 1130 Middle/Junior High                         | \$ 81,774            | \$ 2,085,271         | \$ -                | \$ 5,000            | \$ 2,172,045         |
| 1150 Senior High                                | \$ 195,432           | \$ 4,065,115         | \$ -                | \$ 8,000            | \$ 4,268,547         |
| 1191 Summer School (Regular)                    | \$ 21,000            | \$ 127,545           | \$ -                | \$ -                | \$ 148,545           |
| 1193 Alternative Education                      | \$ 62,648            | \$ 341,544           | \$ -                | \$ -                | \$ 404,192           |
| 1210 Gifted                                     | \$ 21,650            | \$ 210,129           | \$ -                | \$ 5,700            | \$ 237,479           |
| 1220 Special Education                          | \$ 538,309           | \$ 3,542,902         | \$ -                | \$ 13,125           | \$ 4,094,336         |
| 1224 Proportionate Share Services               | \$ -                 | \$ 200,581           | \$ -                | \$ -                | \$ 200,581           |
| 1250 Culturally Different                       | \$ 33,609            | \$ 378,985           | \$ -                | \$ -                | \$ 412,594           |
| 1271 Bilingual                                  | \$ -                 | \$ 242,016           | \$ -                | \$ -                | \$ 242,016           |
| 1280 Early Childhood Special Education          | \$ 143,371           | \$ 608,766           | \$ -                | \$ 2,000            | \$ 754,137           |
| 1300 Vocational Instruction                     | \$ 304,436           | \$ 1,647,219         | \$ -                | \$ 263,842          | \$ 2,215,497         |
| 1400 Student Activities                         | \$ 1,177,976         | \$ 513,223           | \$ -                | \$ -                | \$ 1,691,199         |
| 1910 Tuition to other Districts                 | \$ -                 | \$ 291,392           | \$ -                | \$ -                | \$ 291,392           |
| 1930 Tuition, Sev. Handicapped Program          | \$ -                 | \$ 500,000           | \$ -                | \$ -                | \$ 500,000           |
| <b>1999 Total Instruction (K - 12 Only)</b>     | <b>\$ 3,115,383</b>  | <b>\$ 21,907,114</b> | <b>\$ -</b>         | <b>\$ 299,667</b>   | <b>\$ 25,322,164</b> |
| <b>Support Services</b>                         |                      |                      |                     |                     |                      |
| 2110 Attendance & Social Work                   | \$ 139,405           | \$ 110,509           | \$ -                | \$ -                | \$ 249,914           |
| 2120 Guidance & Reporting                       | \$ 123,695           | \$ 1,041,118         | \$ -                | \$ -                | \$ 1,164,813         |
| 2130-90 Health, Psych Speech And Audio          | \$ 858,208           | \$ 1,514,231         | \$ -                | \$ -                | \$ 2,372,439         |
| 2210 Improvement Of Instruction                 | \$ 228,375           | \$ 475,204           | \$ -                | \$ 1,500            | \$ 705,079           |
| 2214 Professional Development                   | \$ 36,000            | \$ 14,987            | \$ -                | \$ -                | \$ 50,987            |
| 2220-90 Media Services                          | \$ 487,262           | \$ 524,978           | \$ -                | \$ 21,000           | \$ 1,033,240         |
| 2310 Board Of Education Services                | \$ 730,519           | \$ -                 | \$ -                | \$ -                | \$ 730,519           |
| 2320 Executive Administration                   | \$ 597,333           | \$ 638,733           | \$ -                | \$ 101,550          | \$ 1,337,616         |
| 2330 Technology                                 | \$ 1,540,177         | \$ -                 | \$ -                | \$ 443,340          | \$ 1,983,517         |
| 2400 Building Level Administration              | \$ 562,383           | \$ 1,857,084         | \$ -                | \$ 5,000            | \$ 2,424,467         |
| 2510 Business/Central Service                   | \$ 530,038           | \$ -                 | \$ -                | \$ -                | \$ 530,038           |
| 2540 Operation Of Plant                         | \$ 5,128,199         | \$ -                 | \$ -                | \$ 195,000          | \$ 5,323,199         |
| 2546 Security Services                          | \$ 217,392           | \$ -                 | \$ -                | \$ 14,000           | \$ 231,392           |
| 2551 Pupil Transportation Contracted            | \$ 2,054,895         | \$ -                 | \$ -                | \$ -                | \$ 2,054,895         |
| 2553 Handicapped Transportation Contra          | \$ 1,326,000         | \$ -                 | \$ -                | \$ -                | \$ 1,326,000         |
| 2559 Early Childhood Special Education T        | \$ 286,614           | \$ -                 | \$ -                | \$ -                | \$ 286,614           |
| 2560 Food Services                              | \$ 1,659,070         | \$ -                 | \$ -                | \$ 35,000           | \$ 1,694,070         |
| 2700 Warehouse & Purchasing                     | \$ 147,676           | \$ -                 | \$ -                | \$ -                | \$ 147,676           |
| 2600 Central Office Support Services            | \$ 86,005            | \$ -                 | \$ -                | \$ 1,350            | \$ 87,355            |
| 2900 Other Supporting Services                  | \$ -                 | \$ -                 | \$ -                | \$ -                | \$ -                 |
| <b>2998 Total Support Services</b>              | <b>\$ 16,739,246</b> | <b>\$ 6,176,844</b>  | <b>\$ -</b>         | <b>\$ 817,740</b>   | <b>\$ 23,733,830</b> |
| <b>2999 Total Instruction &amp; Support</b>     | <b>\$ 19,854,629</b> | <b>\$ 28,083,958</b> | <b>\$ -</b>         | <b>\$ 1,117,407</b> | <b>\$ 49,055,994</b> |
| <b>Non-Instruction/Support</b>                  |                      |                      |                     |                     |                      |
| 1600 Adult Continuing Education                 | \$ 110,550           | \$ 264,936           | \$ -                | \$ 6,100            | \$ 381,586           |
| 3000 Community Services                         | \$ 384,103           | \$ 693,601           | \$ -                | \$ -                | \$ 1,077,704         |
| 4000 Facilities Acquisition And Constr          | \$ -                 | \$ -                 | \$ -                | \$ 1,999,863        | \$ 1,999,863         |
| 5100 Principal (Exclude Debt Service Fund)      | \$ -                 | \$ -                 | \$ 1,465,000        | \$ -                | \$ 1,465,000         |
| 5200 Interest (Exclude Debt Service Fund)       | \$ -                 | \$ -                 | \$ 2,841,383        | \$ -                | \$ 2,841,383         |
| 5300 Other (Fin, Fees, Etc - Exclude Debt S     | \$ -                 | \$ -                 | \$ 8,350            | \$ 4,000            | \$ 12,350            |
| <b>9998 Subtotal Non-instructional /Support</b> | <b>\$ 494,653</b>    | <b>\$ 958,537</b>    | <b>\$ 4,314,733</b> | <b>\$ 2,009,963</b> | <b>\$ 7,777,886</b>  |
| <b>9999 Grand Total Expenditures</b>            | <b>\$ 20,349,282</b> | <b>\$ 29,042,495</b> | <b>\$ 4,314,733</b> | <b>\$ 3,127,370</b> | <b>\$ 56,833,880</b> |

## BONDING CAPACITY

Missouri statutes allow school districts to have bonded debt obligations equal to 15 percent of their district's assessed property valuation. The School District of Washington debt to assessed value is significantly less than the Missouri statute allows. During 2016, the district refunded the 2006 bond issue allowing an early payoff of \$4,945,000 on that series. During FY2016-2017, the district issued \$15,000,000 in new bonds to refinance the Lease Purchase Agreements and proceed with some capital improvements. During FY2017-2018, the district issued \$24,065,000 in new bonds as a crossover refunding of the 2010A and 2013 Series bonds. The School District of Washington's projected assessed valuation for the FY2018-2019 school year is \$789,597,273. This gives the District total bonding capacity of \$118 million during FY2018-2019. The fiscal year-end debt obligation will be approximately \$63.2 million, leaving available capacity of \$55.2 million. A one percent growth in assessed value is projected for FY2018-2019 and a one percent increase for next two fiscal years. The area is slowly realizing growth in the real estate market, so the District is hopeful there will be more than just slight increases in the future. The following table shows the District's historical ability to borrow funds.

| Fiscal Year | Total Assessed Value | Total Bonding Capacity | Total End-of-Year Debt | Available Capacity | Debt to Assessed Value |
|-------------|----------------------|------------------------|------------------------|--------------------|------------------------|
| 2002        | \$455,758,771        | \$68,363,816           | \$8,601,941            | \$59,761,875       | 1.89%                  |
| 2003        | \$473,290,713        | \$70,993,607           | \$8,458,860            | \$62,534,747       | 1.79%                  |
| 2004        | \$513,281,164        | \$76,992,175           | \$17,191,729           | \$59,800,446       | 3.35%                  |
| 2005        | \$526,145,663        | \$78,921,849           | \$16,673,217           | \$62,248,632       | 3.17%                  |
| 2006        | \$614,337,206        | \$92,150,581           | \$15,196,631           | \$76,953,950       | 2.47%                  |
| 2007        | \$630,035,040        | \$94,505,256           | \$12,336,351           | \$82,168,905       | 1.96%                  |
| 2008        | \$689,237,748        | \$103,385,662          | \$13,114,132           | \$90,271,530       | 1.90%                  |
| 2009        | \$718,658,701        | \$107,798,805          | \$12,678,358           | \$95,120,447       | 1.76%                  |
| 2010        | \$722,367,397        | \$108,355,110          | \$11,122,801           | \$97,232,309       | 1.54%                  |
| 2011        | \$743,594,360        | \$111,539,154          | \$24,390,941           | \$87,148,213       | 3.28%                  |
| 2012        | \$744,140,186        | \$111,621,028          | \$23,255,999           | \$88,365,029       | 3.13%                  |
| 2013        | \$762,447,744        | \$114,367,162          | \$30,581,735           | \$83,785,427       | 4.01%                  |
| 2014        | \$716,525,469        | \$107,478,820          | \$29,309,452           | \$78,169,368       | 4.09%                  |
| 2015        | \$749,868,345        | \$112,480,252          | \$27,336,512           | \$85,143,740       | 3.65%                  |
| 2016        | \$710,575,773        | \$106,586,366          | \$25,535,179           | \$81,051,187       | 3.59%                  |
| 2017        | \$749,986,943        | \$112,498,041          | \$43,040,000           | \$69,458,041       | 5.74%                  |
| 2018        | \$768,224,520        | \$115,233,678          | \$64,680,000           | \$50,553,678       | 8.42%                  |
| 2019 Est    | \$789,597,273        | \$118,439,591          | \$63,215,000           | \$55,224,591       | 8.01%                  |
| 2020 Est    | \$797,493,246        | \$119,623,987          | \$46,630,000           | \$72,993,987       | 5.85%                  |
| 2021 Est    | \$805,468,178        | \$120,820,227          | \$45,565,000           | \$75,255,227       | 5.66%                  |

## DEBT OBLIGATION

The School District of Washington's normal debt and interest obligations for FY2018-2019 total \$4,306,383 not including any fees budgeted. These obligations are comprised of \$1,465,000 in principal and \$2,841,383 in interest payments. The District has a designated debt service levy of \$0.47 to provide the funds for the annual payment of principal and interest. The District needs to closely monitor the debt service levy to continue to ensure it generates enough revenue to meet its obligations and maintain a one-year reasonable reserve.

| <b>Fiscal Year</b> | <b>Total Principal</b> | <b>Total Interest</b> | <b>Total Payment</b> |
|--------------------|------------------------|-----------------------|----------------------|
| 2017/2018          | \$ 2,425,000           | \$ 2,212,745          | \$ 4,637,745         |
| 2018/2019          | \$ 1,465,000           | \$ 2,841,383          | \$ 4,306,383         |
| 2019/2020          | \$ 16,585,000          | \$ 2,787,433          | \$ 19,372,433        |
| 2020/2021          | \$ 1,065,000           | \$ 1,955,933          | \$ 3,020,933         |
| 2021/2022          | \$ 1,565,000           | \$ 1,929,308          | \$ 3,494,308         |
| 2022/2023          | \$ 10,595,000          | \$ 1,868,965          | \$ 12,463,965        |
| 2023/2024          | \$ 1,610,000           | \$ 1,357,267          | \$ 2,967,267         |
| 2024/2025          | \$ 1,885,000           | \$ 1,294,820          | \$ 3,179,820         |
| 2025/2026          | \$ 1,910,000           | \$ 1,222,320          | \$ 3,132,320         |
| 2026/2027          | \$ 2,180,000           | \$ 1,148,642          | \$ 3,328,642         |
| 2027/2028          | \$ 2,200,000           | \$ 1,065,090          | \$ 3,265,090         |
| 2028/2029          | \$ 2,470,000           | \$ 980,537            | \$ 3,450,537         |
| 2029/2030          | \$ 3,240,000           | \$ 886,110            | \$ 4,126,110         |
| 2030/2031          | \$ 3,380,000           | \$ 763,985            | \$ 4,143,985         |
| 2031/2032          | \$ 3,565,000           | \$ 636,527            | \$ 4,201,527         |
| 2032/2033          | \$ 3,750,000           | \$ 502,140            | \$ 4,252,140         |
| 2033/2034          | \$ 595,000             | \$ 360,750            | \$ 955,750           |
| 2034/2035          | \$ 2,515,000           | \$ 331,000            | \$ 2,846,000         |
| 2035/2036          | \$ 4,105,000           | \$ 205,250            | \$ 4,310,250         |
| <b>Totals</b>      | <b>\$ 67,105,000</b>   | <b>\$ 24,350,205</b>  | <b>\$ 91,455,205</b> |



Bonded Debt

| Date     | 2010A         |              | 2013         |              | 2016         |            | 2016B        |              | 2017A        |              | 2017B         |              | Total Bond Debt  |                 |
|----------|---------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|---------------|--------------|------------------|-----------------|
|          | Principal     | Interest     | Principal    | Interest     | Principal    | Interest   | Principal    | Interest     | Principal    | Interest     | Principal     | Interest     | Principal        | Interest        |
| 9/1/2011 |               | \$ 584,531   |              |              |              |            |              |              |              |              |               |              | \$ -             | \$ 584,531.25   |
| 3/1/2012 |               | \$ 389,688   |              |              |              |            |              |              |              |              |               |              | \$ -             | \$ 389,687.50   |
| 9/1/2012 |               | \$ 389,688   |              |              |              |            |              |              |              |              |               |              | \$ -             | \$ 389,687.50   |
| 3/1/2013 |               | \$ 389,688   |              |              |              |            |              |              |              |              |               |              | \$ -             | \$ 389,687.50   |
| 9/1/2013 |               | \$ 389,688   |              |              |              |            |              |              |              |              |               |              | \$ -             | \$ 389,687.50   |
| 3/1/2014 |               | \$ 389,688   |              | \$ 320,000   |              |            |              |              |              |              |               |              | \$ -             | \$ 709,687.50   |
| 9/1/2014 |               | \$ 389,688   |              | \$ 225,000   |              |            |              |              |              |              |               |              | \$ -             | \$ 614,687.50   |
| 3/1/2015 |               | \$ 389,688   |              | \$ 225,000   |              |            |              |              |              |              |               |              | \$ -             | \$ 614,687.50   |
| 9/1/2015 |               | \$ 389,688   |              | \$ 225,000   |              |            |              |              |              |              |               |              | \$ -             | \$ 614,687.50   |
| 3/1/2016 |               | \$ 389,688   |              | \$ 225,000   |              |            |              |              |              |              |               |              | \$ -             | \$ 614,687.50   |
| 9/1/2016 |               | \$ 389,688   |              | \$ 225,000   |              | \$ 59,446  |              |              |              |              |               |              | \$ -             | \$ 674,133.75   |
| 3/1/2017 |               | \$ 389,688   |              | \$ 225,000   | \$ 735,000   | \$ 62,575  |              |              |              |              |               |              | \$ 735,000.00    | \$ 677,262.50   |
| 9/1/2017 |               | \$ 389,688   |              | \$ 225,000   |              | \$ 55,225  |              | \$ 301,417   | \$ 196,503   |              |               |              | \$ -             | \$ 1,167,832.63 |
| 3/1/2018 |               | \$ 389,688   |              | \$ 225,000   | \$ 925,000   | \$ 55,225  | \$ 1,500,000 | \$ 225,125   | \$ 149,875   | \$ 166,115   |               |              | \$ 2,425,000.00  | \$ 1,044,912.50 |
| 9/1/2018 |               | \$ 389,688   |              | \$ 225,000   |              | \$ 41,350  |              | \$ 187,625   | \$ 149,875   | \$ 427,154   |               |              | \$ -             | \$ 1,420,691.25 |
| 3/1/2019 |               | \$ 389,688   |              | \$ 225,000   | \$ 965,000   | \$ 41,350  | \$ 500,000   | \$ 187,625   | \$ 149,875   | \$ 427,154   |               |              | \$ 1,465,000.00  | \$ 1,420,691.25 |
| 9/1/2019 |               | \$ 389,688   |              | \$ 225,000   |              | \$ 26,875  |              | \$ 175,125   | \$ 149,875   | \$ 427,154   |               |              | \$ -             | \$ 1,393,716.25 |
| 3/1/2020 | \$ 15,000,000 | \$ 389,688   |              | \$ 225,000   | \$ 1,085,000 | \$ 26,875  | \$ 500,000   | \$ 175,125   | \$ 149,875   | \$ 427,154   |               |              | \$ 16,585,000.00 | \$ 1,393,716.25 |
| 9/1/2020 |               |              |              | \$ 225,000   |              | \$ 13,313  |              | \$ 162,625   | \$ 149,875   | \$ 427,154   |               |              | \$ 977,966.25    | \$ 977,966.25   |
| 3/1/2021 |               |              |              | \$ 225,000   | \$ 1,065,000 | \$ 13,313  | \$ -         | \$ 162,625   | \$ 149,875   | \$ 427,154   |               |              | \$ 1,065,000.00  | \$ 977,966.25   |
| 9/1/2021 |               |              |              | \$ 225,000   |              |            |              | \$ 162,625   | \$ 149,875   | \$ 427,154   |               |              | \$ 964,653.75    | \$ 964,653.75   |
| 3/1/2022 |               |              |              | \$ 225,000   |              |            | \$ 330,000   | \$ 162,625   | \$ 149,875   | \$ 1,235,000 | \$ 427,154    |              | \$ 1,565,000.00  | \$ 964,653.75   |
| 9/1/2022 |               |              |              | \$ 225,000   |              |            |              | \$ 154,375   | \$ 149,875   | \$ 405,233   |               |              | \$ 934,482.50    | \$ 934,482.50   |
| 3/1/2023 |               |              | \$ 9,000,000 | \$ 225,000   |              |            | \$ 350,000   | \$ 154,375   | \$ 149,875   | \$ 1,245,000 | \$ 405,233    |              | \$ 10,595,000.00 | \$ 934,482.50   |
| 9/1/2023 |               |              |              |              |              |            |              | \$ 145,625   | \$ 149,875   | \$ 383,134   |               |              | \$ 678,633.75    | \$ 678,633.75   |
| 3/1/2024 |               |              |              |              |              |            | \$ 365,000   | \$ 145,625   | \$ 149,875   | \$ 1,245,000 | \$ 383,134    |              | \$ 1,610,000.00  | \$ 678,633.75   |
| 9/1/2024 |               |              |              |              |              |            |              | \$ 136,500   | \$ 149,875   |              | \$ 361,035    |              | \$ 647,410.00    | \$ 647,410.00   |
| 3/1/2025 |               |              |              |              |              |            | \$ 385,000   | \$ 136,500   | \$ 149,875   | \$ 1,500,000 | \$ 361,035    |              | \$ 1,885,000.00  | \$ 647,410.00   |
| 9/1/2025 |               |              |              |              |              |            |              | \$ 126,875   | \$ 149,875   |              | \$ 334,410    |              | \$ 611,160.00    | \$ 611,160.00   |
| 3/1/2026 |               |              |              |              |              |            | \$ 405,000   | \$ 126,875   | \$ 149,875   | \$ 1,505,000 | \$ 334,410    |              | \$ 1,910,000.00  | \$ 611,160.00   |
| 9/1/2026 |               |              |              |              |              |            |              | \$ 116,750   | \$ 149,875   |              | \$ 307,696    |              | \$ 574,321.25    | \$ 574,321.25   |
| 3/1/2027 |               |              |              |              |              |            | \$ 425,000   | \$ 116,750   | \$ 149,875   | \$ 1,755,000 | \$ 307,696    |              | \$ 2,180,000.00  | \$ 574,321.25   |
| 9/1/2027 |               |              |              |              |              |            |              | \$ 106,125   | \$ 149,875   |              | \$ 276,545    |              | \$ 532,545.00    | \$ 532,545.00   |
| 3/1/2028 |               |              |              |              |              |            | \$ 445,000   | \$ 106,125   | \$ 149,875   | \$ 1,755,000 | \$ 276,545    |              | \$ 2,200,000.00  | \$ 532,545.00   |
| 9/1/2028 |               |              |              |              |              |            |              | \$ 95,000    | \$ 149,875   |              | \$ 245,394    |              | \$ 490,268.75    | \$ 490,268.75   |
| 3/1/2029 |               |              |              |              |              |            | \$ 465,000   | \$ 95,000    | \$ 149,875   | \$ 2,005,000 | \$ 245,394    |              | \$ 2,470,000.00  | \$ 490,268.75   |
| 9/1/2029 |               |              |              |              |              |            |              | \$ 83,375    | \$ 149,875   |              | \$ 209,805    |              | \$ 443,055.00    | \$ 443,055.00   |
| 3/1/2030 |               |              |              |              |              |            | \$ 490,000   | \$ 83,375    | \$ 149,875   | \$ 2,750,000 | \$ 209,805    |              | \$ 3,240,000.00  | \$ 443,055.00   |
| 9/1/2030 |               |              |              |              |              |            |              | \$ 71,125    | \$ 149,875   |              | \$ 160,993    |              | \$ 381,992.50    | \$ 381,992.50   |
| 3/1/2031 |               |              |              |              |              |            | \$ 515,000   | \$ 71,125    | \$ 149,875   | \$ 2,865,000 | \$ 160,993    |              | \$ 3,380,000.00  | \$ 381,992.50   |
| 9/1/2031 |               |              |              |              |              |            |              | \$ 58,250    | \$ 149,875   |              | \$ 110,139    |              | \$ 318,263.75    | \$ 318,263.75   |
| 3/1/2032 |               |              |              |              |              |            | \$ 540,000   | \$ 58,250    | \$ 149,875   | \$ 3,025,000 | \$ 110,139    |              | \$ 3,565,000.00  | \$ 318,263.75   |
| 9/1/2032 |               |              |              |              |              |            |              | \$ 44,750    | \$ 149,875   |              | \$ 56,445     |              | \$ 251,070.00    | \$ 251,070.00   |
| 3/1/2033 |               |              |              |              |              |            | \$ 570,000   | \$ 44,750    | \$ 149,875   | \$ 3,180,000 | \$ 56,445     |              | \$ 3,750,000.00  | \$ 251,070.00   |
| 9/1/2033 |               |              |              |              |              |            |              | \$ 30,500    | \$ 149,875   |              |               |              | \$ -             | \$ 180,375.00   |
| 3/1/2034 |               |              |              |              |              |            | \$ 595,000   | \$ 30,500    | \$ 149,875   |              |               |              | \$ 595,000.00    | \$ 180,375.00   |
| 9/1/2034 |               |              |              |              |              |            |              | \$ 15,625    | \$ 149,875   |              |               |              | \$ -             | \$ 165,500.00   |
| 3/1/2035 |               |              |              |              |              |            |              | \$ 625,000   | \$ 15,625    | \$ 1,890,000 |               |              | \$ 2,515,000.00  | \$ 165,500.00   |
| 9/1/2035 |               |              |              |              |              |            |              |              | \$ 102,625   |              |               |              | \$ -             | \$ 102,625.00   |
| 3/1/2036 |               |              |              |              |              |            |              |              | \$ 102,625   |              |               |              | \$ 4,105,000.00  | \$ 102,625.00   |
| Totals   | \$ 15,000,000 | \$ 7,209,219 | \$ 9,000,000 | \$ 4,370,000 | \$ 4,775,000 | \$ 395,546 | \$ 9,005,000 | \$ 4,272,292 | \$ 5,995,000 | \$ 5,647,378 | \$ 24,065,000 | \$ 9,285,000 | \$ 67,840,000    | \$ 31,013,320   |

**ASSESSED VALUES BY COUNTY**

|                           | <b>12/31/15</b>   | <b>12/31/16</b> | <b>5/19/17</b>  | <b>12/31/17</b> | <b>4/20/18</b>  | <b>5/20/18</b>  |
|---------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                           |                   |                 | <b>Estimate</b> |                 | <b>Estimate</b> | <b>Estimate</b> |
| Franklin Co               |                   |                 |                 |                 |                 |                 |
| Real Estate               | \$ 467,106,091.00 | \$ 485,565,396  | \$ 509,450,205  | \$ 503,194,015  | \$ 508,225,955  | \$ 520,377,900  |
| Personal Property         | \$ 135,341,445.00 | \$ 153,986,314  | \$ 156,206,140  | \$ 150,423,689  | \$ 151,509,348  | \$ 152,605,863  |
| Totals                    | \$ 602,447,536.00 | \$ 639,551,710  | \$ 665,656,345  | \$ 653,617,704  | \$ 659,735,303  | \$ 672,983,762  |
| St. Charles Co            |                   |                 |                 |                 |                 |                 |
| Real Estate               | \$ 35,984,943.00  | \$ 36,637,899   | \$ 39,193,506   | \$ 39,781,162   | \$ 40,407,920   | \$ 40,407,920   |
| Personal Property         | \$ 5,629,970.00   | \$ 6,221,083    | \$ 6,351,726    | \$ 6,172,077    | \$ 6,172,077    | \$ 6,172,077    |
| Totals                    | \$ 41,614,913.00  | \$ 42,858,982   | \$ 45,545,232   | \$ 45,953,239   | \$ 46,579,997   | \$ 46,579,997   |
| Warren                    |                   |                 |                 |                 |                 |                 |
| Real Estate               | \$ 52,902,544.00  | \$ 53,415,716   | \$ 54,537,446   | \$ 54,071,002   | \$ 54,611,712   | \$ 55,157,829   |
| Personal Property         | \$ 13,610,780.00  | \$ 14,160,535   | \$ 14,457,906   | \$ 14,582,575   | \$ 14,728,401   | \$ 14,875,685   |
|                           | \$ 66,513,324.00  | \$ 67,576,251   | \$ 68,995,352   | \$ 68,653,577   | \$ 69,340,113   | \$ 70,033,514   |
| Totals                    | \$ 710,575,773.00 | \$ 749,986,943  | \$ 780,196,929  | \$ 768,224,520  | \$ 775,655,412  | \$ 789,597,273  |
| RE                        | \$ 555,993,578.00 | \$ 575,619,011  | \$ 603,181,157  | \$ 597,046,179  | \$ 603,245,587  | \$ 615,943,649  |
| PP                        | \$ 154,582,195.00 | \$ 174,367,932  | \$ 177,015,772  | \$ 171,178,341  | \$ 172,409,825  | \$ 173,653,624  |
| Total                     | \$ 710,575,773.00 | \$ 749,986,943  | \$ 780,196,929  | \$ 768,224,520  | \$ 775,655,412  | \$ 789,597,273  |
| Franklin                  | \$ 4,982,932.00   | \$ 20,279,326   | \$ 9,181,689    | \$ 9,163,591    |                 | \$ 14,491,280   |
| St. Charles               | \$ 313,734.00     | \$ 302,719      | \$ 482,377      | \$ 565,475      | \$ 614,603      | \$ 614,603      |
| Warren                    | \$ 567,731.00     | \$ 724,167      | \$ 575,000      | \$ 551,281      |                 |                 |
| <b>Total New Construc</b> | \$ 5,864,397.00   | \$ 21,306,212   | \$ 10,239,066   | \$ 10,280,347   | \$ 614,603      | \$ 15,105,883   |
| TIF                       | \$ 4,090,066.00   | \$ 4,317,215    | \$ 4,282,735    | \$ 4,282,735    |                 |                 |
| Move to State             | \$ 40,658,788.00  | \$ 33,537,224   |                 | \$ 12,898,910   | \$ -            | \$ -            |

\*Verbal estimates from assessor. Have not received certified notice.

**SB 287 FORMULA CALCULATION ESTIMATE**

| District Name: |  | WASHINGTON            |                       |                       | District Code:        |                       | 036-139               |  | Date: |  | 4/20/2018 |  | No |
|----------------|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|-------|--|-----------|--|----|
| LINE           |  | 2015-16               | 2016-17               | 2017-18               | 2018-19               | 2019-20               | 2020-21               |  |       |  |           |  |    |
| 1.             | Formula Payment Weighted ADA   | 3,882,1770            | 3,763,2284            | 3,738,2357            | 3,698,8642            | 3,698,8642            | 3,698,8642            |  |       |  |           |  |    |
| 2.             | State Adequacy Target (SAT)  | \$6,145,826,158,666   | \$6,198,711,938,359   | \$6,241,000,000,000   | \$6,275,000,000,000   | \$6,275,000,000,000   | \$6,275,000,000,000   |  |       |  |           |  |    |
| 3.             | Payment Weighted ADA x SAT = District Total  | \$23,859,184.96       | \$23,327,168.81       | \$23,330,329.00       | \$23,210,372.86       | \$23,210,372.86       | \$23,210,372.86       |  |       |  |           |  |    |
| 4.             | District Dollar Value Modifier (DVM)   | 1.0920                | 1.0950                | 1.0940                | 1.0950                | 1.0950                | 1.0950                |  |       |  |           |  |    |
| 5.             | District Total Modified  | \$26,054,229.98       | \$25,543,249.85       | \$25,523,379.93       | \$25,415,358.28       | \$25,415,358.28       | \$25,415,358.28       |  |       |  |           |  |    |
| 6.             | Local Effort (2004-05 or as Adjusted)  | \$20,434,587.88       | \$20,423,878.72       | \$20,423,878.72       | \$20,423,878.72       | \$20,423,878.72       | \$20,423,878.72       |  |       |  |           |  |    |
| 7.             | <b>State Funding Estimate Before Phase-in or Hold Harmless</b>   | <b>\$5,619,642.10</b> | <b>\$5,119,371.13</b> | <b>\$5,099,501.21</b> | <b>\$4,991,479.56</b> | <b>\$4,991,479.56</b> | <b>\$4,991,479.56</b> |  |       |  |           |  |    |
| 8.             | 2005-2006 State Funding Total  | \$3,980,450           | \$3,980,450           | \$3,980,450           | \$3,980,450           | \$3,980,450           | \$3,980,450           |  |       |  |           |  |    |
|                | <b>Phase-In Estimate:</b>  | <b>100.00%</b>        | <b>100.00%</b>        | <b>100.00%</b>        | <b>100.00%</b>        | <b>100.00%</b>        | <b>100.00%</b>        |  |       |  |           |  |    |
|                | <b>Phase-Out Estimate (2005-06):</b>   | <b>0.00%</b>          | <b>0.00%</b>          | <b>0.00%</b>          | <b>0.00%</b>          | <b>0.00%</b>          | <b>0.00%</b>          |  |       |  |           |  |    |
| 9.             | SB 287 Formula Phase Amount (Line 7 x %)   | \$5,619,642.10        | \$5,119,371.13        | \$5,099,501.21        | \$4,991,479.56        | \$4,991,479.56        | \$4,991,479.56        |  |       |  |           |  |    |
| 10.            | 2005-2006 State Funding Phase Amount (Line 8 x %)  | \$0.00                | \$0.00                | \$0.00                | \$0.00                | \$0.00                | \$0.00                |  |       |  |           |  |    |
| 11.            | <b>Estimated Formula Phase Total (before Hold Harmless)</b>  | <b>\$5,619,642.10</b> | <b>\$5,119,371.13</b> | <b>\$5,099,501.21</b> | <b>\$4,991,479.56</b> | <b>\$4,991,479.56</b> | <b>\$4,991,479.56</b> |  |       |  |           |  |    |
|                | <b>Hold Harmless Calculation (Prior Year ADA &gt; 350)</b>   | <b>Full DVM</b>       | <b>Full DVM</b>       | <b>Full DVM</b>       | <b>Full DVM</b>       | <b>Full DVM</b>       | <b>Full DVM</b>       |  |       |  |           |  |    |
| 12.            | DVM Calculation  | 1.0920                | 1.0950                | 1.0940                | 1.0950                | 1.0950                | 1.0950                |  |       |  |           |  |    |
| 13.            | 2005-2006 State Funding Modified by DVM  | \$4,346,651.92        | \$4,358,593.28        | \$4,354,612.83        | \$4,358,593.28        | \$4,358,593.28        | \$4,358,593.28        |  |       |  |           |  |    |
| 14.            | FY06 Modified (Line 13) Per 2005-06 Weighted ADA   | \$1,098,8885          | \$1,101,9075          | \$1,100,9011          | \$1,101,9075          | \$1,101,9075          | \$1,101,9075          |  |       |  |           |  |    |
| 15.            | Est. Total (Line 11) per Payment Weighted ADA (Line 1)   | \$1,447.55            | \$1,360.37            | \$1,364.15            | \$1,349.46            | \$1,349.46            | \$1,349.46            |  |       |  |           |  |    |
|                | "On Formula/Hold Harmless" Determination   | On Formula            | On Formula            | On Formula            | On Formula            | On Formula            | On Formula            |  |       |  |           |  |    |
|                | <b>Hold Harmless Calculation (Prior Year ADA ≤ 350)</b>  | <b>Full DVM</b>       | <b>Full DVM</b>       | <b>Full DVM</b>       | <b>Full DVM</b>       | <b>Full DVM</b>       | <b>Full DVM</b>       |  |       |  |           |  |    |
| 12A.           | DVM Calculation  | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |  |       |  |           |  |    |
| 13A.           | Greater of 2004-05 and 2005-06 State Funding   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |  |       |  |           |  |    |
| 14A.           | State Funding Modified by DVM  | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |  |       |  |           |  |    |
|                | "On Formula/Hold Harmless" Determination   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   | N/A                   |  |       |  |           |  |    |
| 16.            | <b>ESTIMATED STATE FORMULA PAYMENT</b>   | <b>\$5,619,642</b>    | <b>\$5,119,371</b>    | <b>\$5,099,501</b>    | <b>\$4,991,480</b>    | <b>\$4,991,480</b>    | <b>\$4,991,480</b>    |  |       |  |           |  |    |
|                | Revenue Sources:   |                       |                       |                       |                       |                       |                       |  |       |  |           |  |    |
|                | Classroom Trust Fund - Per ADA (DESE) *  | 389,1400              | 404,9500              | 414,0000              | 414,0000              | 414,0000              | 414,0000              |  |       |  |           |  |    |
|                | Basic Formula - Classroom Trust Fund Total   | \$1,461,149           | \$1,509,352           | \$1,513,459           | \$1,520,434           | \$1,520,434           | \$1,520,434           |  |       |  |           |  |    |
|                | Basic Formula - State Monies Total   | \$4,158,494           | \$3,610,019           | \$3,586,042           | \$3,471,046           | \$3,471,046           | \$3,471,046           |  |       |  |           |  |    |
| 17.            | <b>Small School Allocation</b>   | <b>\$0</b>            | <b>\$0</b>            | <b>\$0</b>            | <b>\$0</b>            | <b>\$0</b>            | <b>\$0</b>            |  |       |  |           |  |    |
|                | Prop C Amount per WADA   | \$947.63              | \$979.01              | \$988.00              | \$997.00              | \$997.00              | \$997.00              |  |       |  |           |  |    |
|                | <b>Prop C Calculation</b>  | <b>\$3,563,393.42</b> | <b>\$3,649,034.95</b> | <b>\$3,636,629.21</b> | <b>\$3,685,021.37</b> | <b>\$3,687,767.61</b> | <b>\$3,687,767.61</b> |  |       |  |           |  |    |
|                | *Per Section 163.043.5, RSMo, "For the 2010-2011 school year and for each subsequent year, all proceeds a school district receives from the classroom trust fund in excess of the amount the district received from the classroom trust fund in the 2009-2010 school year shall be placed to the credit of the district's teachers' and incidental funds." |                       |                       |                       |                       |                       |                       |  |       |  |           |  |    |

**BUDGET SUMMARY 2018-19**

| School Year                                     | Actual<br>2015/2016 | Actual<br>2016/2017 | Budget Adopted<br>2017/2018 | Budget Rev #4<br>2017/2018 | Budget Requested<br>2018/2019 |
|---|---------------------|---------------------|-----------------------------|----------------------------|-------------------------------|
| <b>Incidental Fund</b>                          |                     |                     |                             |                            |                               |
| Ending Balance Previous Year                    | \$ 15,028,881.72    | \$ 14,886,296.61    | \$ 17,416,778.61            | \$ 17,416,778.61           | \$ 17,113,672.57              |
| Total Revenues                                  | \$ 32,901,415.19    | \$ 35,403,248.33    | \$ 36,454,366.96            | \$ 34,988,083.01           | \$ 34,341,964.60              |
| Total Expenditures                              | \$ (18,045,708.58)  | \$ (16,766,234.23)  | \$ (18,909,108.15)          | \$ (19,403,367.19)         | \$ (20,349,282.16)            |
| To Other Funds                                  | \$ (14,998,291.72)  | \$ (16,106,532.10)  | \$ (18,399,294.04)          | \$ (15,887,821.86)         | \$ (15,064,865.82)            |
| From Other Funds                                |                     |                     |                             |                            |                               |
| Cash Balance End of Year                        | \$ 14,886,296.61    | \$ 17,416,778.61    | \$ 16,562,743.38            | \$ 17,113,672.57           | \$ 16,041,489.19              |
| Committed Balance                               | \$ -                | \$ -                | \$ -                        | \$ 160,788.36              | \$ 160,788.36                 |
| <b>Teachers Fund</b>                            |                     |                     |                             |                            |                               |
| Ending Balance Previous Year                    | \$ -                | \$ -                | \$ -                        | \$ -                       | \$ -                          |
| Total Revenues                                  | \$ 11,768,825.32    | \$ 11,267,628.29    | \$ 11,164,228.18            | \$ 12,299,155.36           | \$ 14,012,629.65              |
| Total Expenditures                              | \$ (26,762,590.46)  | \$ (27,374,160.39)  | \$ (29,563,522.22)          | \$ (27,527,921.22)         | \$ (29,042,495.47)            |
| To Other Funds                                  | \$ -                | \$ -                | \$ -                        | \$ -                       | \$ -                          |
| From Other Funds                                | \$ 14,993,765.14    | \$ 16,106,532.10    | \$ 18,399,294.04            | \$ 15,228,765.86           | \$ 15,029,865.82              |
| Cash Balance End of Year                        | \$ -                | \$ -                | \$ -                        | \$ -                       | \$ -                          |
| <b>Debt Service Fund</b>                        |                     |                     |                             |                            |                               |
| Ending Balance Previous Year                    | \$ 3,049,694.77     | \$ 3,240,143.28     | \$ 4,420,037.74             | \$ 4,420,037.74            | \$ 28,943,188.23              |
| Total Revenues                                  | \$ 8,128,811.57     | \$ 3,267,740.71     | \$ 3,285,277.85             | \$ 29,623,731.05           | \$ 4,369,451.66               |
| Total Expenditures                              | \$ (7,938,363.06)   | \$ (2,087,846.25)   | \$ (4,639,595.14)           | \$ (5,100,580.56)          | \$ (4,314,732.50)             |
| To Other Funds                                  | \$ -                | \$ -                | \$ -                        | \$ -                       | \$ -                          |
| From Other Funds                                | \$ -                | \$ -                | \$ -                        | \$ -                       | \$ -                          |
| Cash Balance End of Year                        | \$ 3,240,143.28     | \$ 4,420,037.74     | \$ 3,065,720.45             | \$ 28,943,188.23           | \$ 28,997,907.39              |
| Restricted Balance                              | \$ -                | \$ -                | \$ -                        | \$ 25,065,198.74           | \$ 25,065,198.74              |
| <b>Capital Projects Fund</b>                    |                     |                     |                             |                            |                               |
| Ending Balance Previous Year                    | \$ 4,620,031.63     | \$ 3,098,185.31     | \$ 6,005,338.49             | \$ 6,005,338.49            | \$ 4,832,694.62               |
| Total Revenues                                  | \$ 2,520,406.69     | \$ 18,693,463.51    | \$ 1,396,436.57             | \$ 1,445,670.67            | \$ 1,462,865.55               |
| Total Expenditures                              | \$ (4,046,779.59)   | \$ (15,786,310.33)  | \$ (3,703,297.74)           | \$ (3,277,370.54)          | \$ (3,127,369.82)             |
| To Other Funds                                  | \$ -                | \$ -                | \$ -                        | \$ -                       | \$ -                          |
| From Other Funds                                | \$ 4,526.58         | \$ -                | \$ -                        | \$ 659,056.00              | \$ 35,000.00                  |
| Cash Balance End of Year                        | \$ 3,098,185.31     | \$ 6,005,338.49     | \$ 3,698,477.32             | \$ 4,832,694.62            | \$ 3,203,190.35               |
| Restricted Balance                              | \$ -                | \$ -                | \$ -                        | \$ -                       | \$ -                          |
| <b>Total All Funds</b>                          |                     |                     |                             |                            |                               |
| Ending Balance Previous Year                    | \$ 22,698,608.12    | \$ 21,224,625.20    | \$ 27,842,154.84            | \$ 27,842,154.84           | \$ 50,889,555.42              |
| Total Revenues                                  | \$ 55,319,458.77    | \$ 68,632,080.84    | \$ 52,300,309.56            | \$ 78,356,640.09           | \$ 54,186,911.46              |
| Total Expenditures                              | \$ (56,793,441.69)  | \$ (62,014,551.20)  | \$ (56,815,523.25)          | \$ (55,309,239.51)         | \$ (56,833,879.95)            |
| To Other Funds                                  | \$ (14,998,291.72)  | \$ (16,106,532.10)  | \$ (18,399,294.04)          | \$ (15,887,821.86)         | \$ (15,064,865.82)            |
| From Other Funds                                | \$ 14,998,291.72    | \$ 16,106,532.10    | \$ 18,399,294.04            | \$ 15,887,821.86           | \$ 15,064,865.82              |
| Cash Balance End of Year                        | \$ 21,224,625.20    | \$ 27,842,154.84    | \$ 23,326,941.15            | \$ 50,889,555.42           | \$ 48,242,586.93              |
| Total Restricted Balances                       | \$ -                | \$ -                | \$ -                        | \$ 25,065,198.74           | \$ 25,065,198.74              |
| Ending Balance Previous Year                    | \$ 15,028,881.72    | \$ 14,886,296.61    | \$ 17,416,778.61            | \$ 17,416,778.61           | \$ 17,113,672.57              |
| Less Debt Service & Capital                     |                     |                     |                             |                            |                               |
| Total Revenues                                  | \$ 44,670,240.51    | \$ 46,670,876.62    | \$ 47,618,595.14            | \$ 47,287,238.37           | \$ 48,354,594.25              |
| Total Expenditures                              | \$ (44,808,299.04)  | \$ (44,140,394.62)  | \$ (48,472,630.37)          | \$ (46,931,288.41)         | \$ (49,391,777.63)            |
| To Other Funds                                  | \$ (14,998,291.72)  | \$ (16,106,532.10)  | \$ (18,399,294.04)          | \$ (15,887,821.86)         | \$ (15,064,865.82)            |
| From Other Funds                                | \$ 14,993,765.14    | \$ 16,106,532.10    | \$ 18,399,294.04            | \$ 15,228,765.86           | \$ 15,029,865.82              |
| Cash Balance Less Debt Service/Capital Projects | \$ 14,886,296.61    | \$ 17,416,778.61    | \$ 16,562,743.38            | \$ 17,113,672.57           | \$ 16,041,489.19              |
| Total Committed Balances                        |                     |                     |                             | \$ 160,788.36              | \$ 160,788.36                 |
| Fund Balance Percentage, June 30                | 33.22%              | 39.46%              | 34.17%                      | 36.12%                     | 32.15%                        |
| Required Fund Balance per Policy DIAA (27%)     | 27.00%              | 27.00%              | 27.00%                      | 27.00%                     | 27.00%                        |
| Unrestricted Fund Balance Percentage, June 30   | 6.22%               | 12.46%              | 7.17%                       | 9.12%                      | 5.15%                         |