

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 13, 2025

**NEW ISSUE
Book-Entry Only**

**S&P RATING: "AA-"
See "BOND RATING" herein.**

In the opinion of Gilmore & Bell, P.C., as Bond Counsel to the District, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (1) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) is exempt from income taxation by the State of Missouri. The Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See the section captioned "TAX MATTERS" in this Official Statement.



\$60,000,000*
THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI
GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2025A

Dated: Date of Issuance

Due: March 1, as shown on the inside cover

The General Obligation Improvement Bonds, Series 2025A (the "Bonds"), are being issued by The School District of Kansas City, Missouri (the "District"), for the purpose of providing funds to (1) pay the costs of the Project (defined herein) and (2) pay the costs of issuing the Bonds. See the section captioned "PLAN OF FINANCING" herein.

The Bonds will be issued as fully-registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. The Bonds will be available for purchase in denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. DTC will receive all payments with respect to the Bonds from BOKF, N.A., Kansas City, Missouri, as paying agent for the Bonds. DTC is required to remit such payments to DTC Participants (defined herein) for subsequent disbursement to the beneficial owners of the Bonds. Semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2026.

The Bonds are subject to optional redemption prior to maturity. See the section captioned "THE BONDS - Redemption Provisions" herein.

THE BONDS AND INTEREST THEREON WILL CONSTITUTE GENERAL OBLIGATIONS OF THE DISTRICT, PAYABLE FROM AD VALOREM TAXES WHICH MAY BE LEVIED WITHOUT LIMITATION AS TO RATE OR AMOUNT UPON ALL OF THE TAXABLE TANGIBLE PROPERTY, REAL AND PERSONAL, WITHIN THE TERRITORIAL LIMITS OF THE DISTRICT. See the section captioned "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

See inside cover for maturities, principal amounts, interest rates, yields and CUSIP numbers.

THE BONDS ARE SUBJECT TO CERTAIN RISKS. SEE THE SECTION CAPTIONED "RISK FACTORS" IN THIS OFFICIAL STATEMENT.

The Bonds are offered when, as and if issued by the District, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, as Bond Counsel to the District. Certain legal matters related to the Official Statement will be passed upon by Gilmore & Bell, P. C., Kansas City, Missouri, as disclosure counsel to the District. Piper Sandler & Co. has been engaged by the District to serve as its financial advisor in connection with the issuance, sale and delivery of the Bonds. It is expected that the Bonds will be available for delivery in book-entry form through DTC, New York, New York on or about on or about September 16, 2025.

Bids for the Bonds will only be received electronically through PARITY electronic bid submission system until 10:00 A.M., Central Time, on August 27, 2025.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

* Preliminary, subject to change.

\$60,000,000*
THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI
GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2025A

MATURITY SCHEDULE*

Serial Bonds

Maturity March 1	Principal Amount*	Interest Rate	Yield	CUSIP⁽¹⁾
2026	\$23,020,000			
2027	12,160,000			
2028	3,275,000			
--	--	--	--	--
2036	1,030,000			
2037	1,150,000			
2038	1,425,000			
2039	1,625,000			
2040	1,955,000			
2041	2,195,000			
2042	2,600,000			
2043	2,890,000			
2044	3,190,000			
2045	3,485,000			

⁽¹⁾ CUSIP Numbers have been assigned to this issue by CUSIP Global Services managed on behalf of the American Bankers Association by FactSet Research Systems Inc. and are included solely for the convenience of the Bondowners. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

* Preliminary, subject to change.

THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI

2901 Troost Avenue
Kansas City, Missouri 64109
(816) 418-7000

Board of Directors

Rita Cortés, Chair; Director Sub-District 1
Tanisha Ford, Vice Chair; Director At-Large
Jamekia Kendrix, Treasurer; Director Sub-District 2
Tricia McGhee, Director Sub-District 3
Monica Curls, Director Sub-District 4
Brittany Foley, Director Sub-District 5
Joshua Jackaway, Director At-Large

Lisa Limberg, Board Secretary

Administration

Dr. Jennifer Collier, Superintendent
Dr. Derald Davis, Deputy Superintendent
Dr. LaTanya Franklin, Chief Academic Officer
Jordan Gordon, Chief Operations Officer
Erin Thompson, Chief Financial Officer
Scott Jones, Chief Technology Officer
Nicole Collier-White, Chief Communications Officer
Shana J. Long, Chief Legal Officer

FINANCIAL ADVISOR

Piper Sandler & Co.
Leawood, Kansas

BOND COUNSEL AND DISCLOSURE COUNSEL

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

PAYING AGENT

BOKF, N.A.
Kansas City, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

In connection with this offering, the Underwriter may overallocate or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under any state securities or "blue sky" laws. The Bonds are offered pursuant to an exemption from registration with the Securities and Exchange Commission.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect the District's current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "intend" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENTS WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE DISTRICT ON THE DATE HEREOF, AND THE DISTRICT ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS SET FORTH IN **APPENDIX C**.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
INTRODUCTION	1	CONTINUING DISCLOSURE	
General	1	UNDERTAKING	16
The District	1	MISCELLANEOUS	16
Purpose of the Bonds	1	Underwriting	16
Security and Source of Payment for the Bonds	2	Financial Advisor	16
Other Outstanding Obligations Payable	2	Certain Relationships	16
Financial Statements	2	Certification and Other Matters Regarding	
Continuing Disclosure	2	Official Statement	16
Bond Rating	3	Additional Information	17
Description of Documents	3		
THE BONDS	3	APPENDIX A:	
General	3	General, Economic and Financial Information	
Book-Entry Only System	4	concerning the District	
Registration, Transfer and Exchange of Bonds			
Upon Discontinuance of Book-Entry Only		APPENDIX B:	
System	4	Kansas City Public Schools Annual	
Redemption Provisions	4	Comprehensive Financial Report for the Fiscal	
CUSIP Numbers	6	Year Ended June 30, 2024	
SECURITY AND SOURCES OF PAYMENT		APPENDIX C:	
FOR THE BONDS	6	Form of Continuing Disclosure Undertaking	
Pledge of Full Faith and Credit	6		
Levy and Collection of Annual Tax	6	APPENDIX D:	
PLAN OF FINANCING	7	Book-Entry Only System	
Authorization and Purpose of the Bonds	7		
The Project	7		
Sources and Uses of Funds	8		
RISK FACTORS	8		
Ad Valorem Property Taxes	8		
Secondary Market Prices and Liquidity	9		
No Reserve Fund or Credit Enhancement	9		
Rating	9		
Bankruptcy	9		
Pensions and Other Postemployment Benefits	9		
Charter Schools, State Aid and Enrollment ..	10		
Amendment of the Bond Resolution	10		
Loss of Premium from Redemption	10		
Tax-Exempt Status and Risk of Audit	11		
Defeasance Risks	11		
Cybersecurity Risks	11		
Senior Property Tax Credit Program	11		
State Tax Commission Order for Jackson			
County	12		
LEGAL MATTERS	13		
Legal Proceedings	13		
Approval of Legality	13		
BOND RATING	13		
TAX MATTERS	14		
Opinion of Bond Counsel	14		
Other Tax Consequences	14		

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

District:	The School District of Kansas City, Missouri (the “ District ”).
Issues:	\$60,000,000* General Obligation Improvement Bonds, Series 2025A (the “ Bonds ”).
Dated Date:	Date of issuance of the Bonds.
Interest Payment Dates:	March 1 and September 1, commencing March 1, 2026.
Principal Due:	On March 1 in the years and amounts detailed on the inside cover page of this Official Statement.
Optional Redemption:	At the option of the District, the Bonds or portions thereof maturing on March 1, 2036, and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2035, and thereafter, in whole or in part, at any time at the Redemption Price (defined herein) of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date (defined herein). See also the section captioned “ THE BONDS - Redemption Provisions ” herein.
Authorization:	The Bonds are authorized by a resolution of the Board of Directors of the District pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Chapters 108, 160 and 164 of the Revised Statutes of Missouri, as amended, and an election duly held in the District on April 8, 2025.
Security:	The Bonds will be general obligations of the District and will be payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. See also the section captioned “ SECURITY AND SOURCES OF PAYMENT FOR THE BONDS ” herein.
Credit Rating:	S&P Global Ratings, a division of Standard & Poor’s Financial Services, LLC (“ S&P ”), has assigned the Bonds the rating shown on the cover page hereof based upon the underlying credit worthiness of the District. See also the section captioned “ BOND RATING ” herein.
Purpose:	The Bonds are being issued to provide funds (1) to pay a portion of the costs of the Project (defined herein) solely for the District utilizing \$60,000,000* of the total \$424,000,000 principal amount of general obligation bonds approved by the required number of qualified voters of the District voting on the general obligation bond question at an election held in the District on April 8, 2025, and (2) to pay the costs of issuing the Bonds. See also the section captioned “ PLAN OF FINANCING ” herein.
Tax Exemption:	Gilmore & Bell, P.C., as Bond Counsel to the District, will provide an opinion as to the tax exemption of the interest on the Bonds as discussed under the section captioned “ TAX MATTERS ” in this Official Statement.
No Bank Qualification:	The Bonds have <u>not</u> been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Paying Agent:	BOKF, N.A., Kansas City, Missouri.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“ DTC ”), New York, New York. DTC will act as securities depository of the Bonds.

* Preliminary, subject to change.

OFFICIAL STATEMENT

\$60,000,000*

THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI GENERAL OBLIGATION IMPROVEMENT BONDS SERIES 2025A

INTRODUCTION

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

General

The purpose of this Official Statement is to furnish information relating to (1) The School District of Kansas City, Missouri (the “**District**”), (2) the General Obligation Improvement Bonds, Series 2025A (the “**Bonds**”), of the District to be issued in the aggregate principal amount of \$60,000,000* and dated the date of issuance and delivery.

The District

The District is an urban school district and political subdivision organized and existing under the laws of the State of Missouri. The District is located wholly within the City of Kansas City, Missouri. For general, economic and financial information about the District, see *Appendix A* to this Official Statement.

Purpose of the Bonds

At an election held in the District on April 8, 2025 (the “**2025 Election**”), the required majority of the qualified voters of the District approved the issuance of \$474,000,000 principal amount of general obligation bonds for the purpose of constructing, repairing, improving, and equipping new and aging public school buildings, including safety and security measures, heating and cooling systems, roofs, plumbing, and other deferred maintenance (collectively, the “**Project**”), with \$50,000,000 of the total \$474,000,000 principal amount of the general obligation bonds being allocated for nine participating public charter schools located within the District as permitted by Section 160.415 of the Revised Statutes of the State of Missouri, as amended. The principal amount of the Bonds (\$60,000,000*) represents the first installment of the total \$474,000,000 of general obligation bonds authorized by voters at the 2025 Election. The District will use proceeds of the Bonds to pay a portion of the costs of the Project solely for the District and does not plan to allocate proceeds of the Bonds to any of the nine participating public charter schools located within the District as authorized at the 2025 Election.

After the issuance of the Bonds, the District will have the authority to issue the remaining \$414,000,000* aggregate principal amount of general obligation bonds approved by voters at the 2025 Election. Currently, the District anticipates issuing the remaining \$414,000,000* aggregate principal amount of voter authorized general obligation bonds from the 2025 Election as follows:

- (1) \$50,000,000* in November 2025 (anticipated to be the entire \$50,000,000 of general obligation bonds allocated to the nine participating charter schools located within the District as authorized by the 2025 Election);

* Preliminary, subject to change.

- (2) \$164,000,000* in September 2026;
- (3) \$100,000,000* in September 2027; and
- (4) \$100,000,000* in September 2028.

The estimated timeline of the District's issuance of the remaining \$414,000,000* principal amount of voter authorized general obligation bonds from the 2025 Election is preliminary and subject to change. See also the sections captioned "**PLAN OF FINANCING**" and "**THE BONDS**" herein.

The Bonds are being issued pursuant to a resolution (the "**Bond Resolution**") expected to be passed by the Board of Directors of the District on August 27, 2025. *All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Bond Resolution.*

Security and Source of Payment for the Bonds

The Bonds will constitute general obligations of the District and will be payable as to principal of and interest on the Bonds from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable tangible property, real and personal, within the territorial limits of the District. See the section captioned "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**" herein.

Other Outstanding Obligations Payable

After the Bonds are issued, the Bonds will be the District's only outstanding general obligation bonds the District is obligated to pay from ad valorem taxes. See the section captioned "**DEBT STRUCTURE OF THE DISTRICT - Current Long-Term General Obligation Indebtedness**" in *Appendix A* to this Official Statement. However, the District expects to issue the remaining \$414,000,000* principal amount of general obligations bonds authorized by the voters at the 2025 Election over the next three years. Once the remaining voter authorized general obligation bonds are issued, the District will also be obligated to pay from ad valorem taxes the principal and interest on those general obligation bonds in addition to the Bonds.

The District is also obligated on an annually renewable basis to make certain lease payments under lease purchase financings described under the section captioned "**DEBT STRUCTURE OF THE DISTRICT – Outstanding Lease Obligations**" in *Appendix A* to this Official Statement. The lease payments are payable solely from available money in the District's Capital Projects Fund and not from moneys in the District's Debt Service Fund, which is available solely to make payments on the District's general obligation bonds, such as the Bonds.

Financial Statements

The Annual Comprehensive Financial Report of the District, as of and for the fiscal year ended June 30, 2024, is included in *Appendix B* to this Official Statement. The financial statements contained therein were audited by RSM US LLP, Kansas City, Missouri, independent certified public accountants, to the extent and for the period indicated in the Independent Auditor's Report.

Continuing Disclosure

The District will enter into a Continuing Disclosure Undertaking dated as of the date of issuance of the Bonds (the "**Continuing Disclosure Undertaking**"), to provide certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events relating to the Bonds. The financial information, operating data and notice of events will be filed in compliance with

* Preliminary, subject to change.

Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the section herein captioned **“CONTINUING DISCLOSURE UNDERTAKING”** and the form of Continuing Disclosure Undertaking included as *Appendix C* hereto.

Bond Rating

The District has received the rating on the Bonds set forth on the cover page of this Official Statement from S&P Global Ratings, a division of Standard & Poor’s Financial Services, LLC (**“S&P”**), based upon S&P’s evaluation of the credit worthiness of the District. See also the section captioned **“BOND RATING”** herein.

Description of Documents

Brief descriptions of the Bonds, the security for the Bonds and certain other matters are included in this Official Statement. Such information, summaries and descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds and the Bond Resolution are qualified in their entirety by reference to such documents.

THE BONDS

General

The Bonds are being issued in the aggregate principal amount of \$60,000,000*. The Bonds are dated as of the date of original delivery of and payment for such Bonds and the principal is payable on March 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement, subject to redemption and payment prior to maturity upon the terms and conditions described under the section captioned **“Redemption Provisions”** herein. Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page of this Official Statement, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully-registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which said interest has been paid and is payable semiannually on March 1 and September 1 (each an **“Interest Payment Date”**), beginning March 1, 2026.

The interest payable on each Bond on any Interest Payment Date will be paid to the person in whose name such Bond is registered (the **“Registered Owner”** or **“Owner”**) as shown on the registration books (the **“Bond Register”**) at the close of business on the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date (the **“Record Date”**) for such interest (1) by check or draft mailed by BOKF, N.A., Kansas City, Missouri (the **“Paying Agent”**), to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner, or (2) by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest payment, containing the electronic transfer instructions including the name and address of the bank, its ABA routing number and the account number to which such Registered Owner wishes to have such transfer directed, and an acknowledgement that an electronic transfer fee may be applicable.

The principal or Redemption Price (as defined herein) of each Bond will be paid by check or draft to the Registered Owner at the Maturity thereof, upon presentation and surrender of such Bond at the principal payment office of the Paying Agent, or such other office designated by the Paying Agent.

While the Bonds remain in book-entry only form, payments to Beneficial Owners (as defined herein) are governed by the rules of DTC as described in *Appendix D* to this Official Statement. If DTC ceases to act

* Preliminary, subject to change.

as securities depository for the Bonds, payment may be made as described in the Bond Resolution. See also the caption “**Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System.**”

Book-Entry Only System

Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the “**Book-Entry Only System**”) described in *Appendix D*.

Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System

The District will cause the Bond Register to be kept at the principal payment office of the Paying Agent or such other office designated by the Paying Agent for the registration, transfer and exchange of the Bonds as provided in the Bond Resolution. Upon surrender of any Bond at the principal payment office of the Paying Agent, or at such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond as provided in the Bond Resolution.

The Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate or principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner’s duly authorized agent. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. The District shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by the Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. The District and the Paying Agent shall not be required (i) to register the transfer or exchange of any Bond after notice calling such bond or portion thereof for redemption has been mailed by the Paying Agent in accordance with the Bond Resolution and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (ii) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the District of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Bond Resolution.

Redemption Provisions

Optional Redemption. At the option of the District, the Bonds or portions thereof maturing on March 1, 2036, and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2035, and thereafter as a whole or in part at any time at the Redemption Price (as defined herein) of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date (as defined herein).

Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed from Stated Maturities selected by the District, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

In the case of a partial redemption of Bonds at the time Outstanding in denominations greater than \$5,000, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as

though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the price which such Bonds are to be redeemed (the "**Redemption Price**") and interest to the date fixed for redemption (the "**Redemption Date**") of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Notice of Redemption for Bonds. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the District by mailing a copy of an official redemption notice by first class mail at least 20 days prior to the Redemption Date to the State Auditor of Missouri and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Paying Agent on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Paying Agent receives written notice from the District that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

The failure of any Registered Owner to receive the foregoing notice or any defect therein shall not invalidate the effectiveness of the call for redemption.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified in the Bond Resolution to DTC. It is expected that DTC will, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Paying Agent, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, will not affect the validity of the redemption of such Bond.

Effect of Call for Redemption of Bonds. Official notice of redemption having been given as provided in the Bond Resolution, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the District defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as provided in the Bond Resolution for payment of interest. Upon surrender for any partial redemption of any Bond, the Paying Agent shall prepare for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided in the Bond Resolution. All Bonds that have been surrendered for redemption shall be canceled and destroyed by the Paying Agent pursuant to the Bond Resolution and shall not be reissued.

The failure of any Registered Owner to receive the foregoing notice or any immaterial defect therein shall not invalidate any redemption.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds, nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for any Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Pledge of Full Faith and Credit

The Bonds will constitute general obligations of the District and will be payable as to principal of and interest on the Bonds from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District. The full faith, credit and resources of the District are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Levy and Collection of Annual Tax

Under the Bond Resolution, there is levied upon all of the taxable tangible property within the District a direct annual tax sufficient to produce the amounts necessary for the payment of the principal of and interest on the Bonds as the same become due and payable in each year. Such taxes shall be extended upon the tax rolls in each year, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the District are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the District, and shall be used solely for the payment of the principal or Redemption Price of and interest on the Bonds as and when the same become due, taking into account scheduled mandatory redemptions, if any, and the fees and expenses of the Paying Agent.

Prior to the issuance of the Bonds, the District has not had any general obligation bonds outstanding for decades; therefore, the District has not previously been required or legally permitted to levy any debt service property tax upon all taxable tangible property within the District in recent years. After the issuance of the Bonds, the District plans to levy a separate debt service property tax upon all taxable tangible property within the District each year beginning with the current tax year ending December 31, 2025, in an amount sufficient to produce property tax revenues necessary for the payment of the principal of and interest on the Bonds, together with other general obligation bonds the District plans to issue in the future, scheduled to become due in each year.

PLAN OF FINANCING

Authorization and Purpose of the Bonds

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Chapters 108, 160 and 164 of the Revised Statutes of Missouri, as amended, and the Bond Resolution.

At the 2025 Election, the qualified voters of the District voting on the general obligation bond proposition approved by 84.92% (18,940 voting “yes” to 3,364 voting “no”) the proposition authorizing the District to issue general obligation bonds in the principal amount of \$474,000,000 for the purpose of paying costs of the Project, with \$50,000,000 of the total \$474,000,000 principal amount of the general obligation bonds being allocated for nine participating public charter schools located within the District as permitted by Section 160.415 of the Revised Statutes of the State of Missouri, as amended. The principal amount of the Bonds (\$60,000,000*) constitutes the first installment of the total \$474,000,000 of general obligation bonds authorized by voters at the 2025 Election and will be used by the District to finance a portion of the costs of the Project solely for the District. The District does not plan to allocate proceeds of the Bonds to any of the nine participating public charter schools located within the District as authorized at the 2025 Election.

After the issuance of the Bonds, the District will have the authority to issue the remaining \$414,000,000* aggregate principal amount of general obligation bonds approved by voters at the 2025 Election. Currently, the District expects to issue the remaining \$414,000,000* aggregate principal amount of general obligation bonds authorized at the 2025 Election as follows: (1) \$50,000,000* in November 2025 (anticipated to be the entire \$50,000,000 of general obligation bonds allocated to the nine participating charter schools located within the District as authorized by the 2025 Election); (2) \$164,000,000* in September 2026; (3) \$100,000,000* in September 2027; and (4) \$100,000,000* in September 2028.

The Project

The major components of the Project the District expects to finance with proceeds of the Bonds and future issuances of general obligation bonds authorized by the voters at the 2025 Election, include the following:

- Addressing deferred maintenance at District school facilities, including HVA, electrical, roof, windows, bathroom and plumbing upgrades and repairs
- Constructing, improving and renovating classrooms and learning environments at District school facilities, including collaboration spaces, STEAM labs, instrumental music spaces, gym and athletic facilities, outdoor classrooms/playground areas, and secure entry points; and
- Renovating and expanding certain District school facilities to allow the District to transition to 6-8th grade neighborhood middle schools

* Preliminary, subject to change.

Sources and Uses of Funds

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

<u>Sources of Funds</u>	
Principal Amount of Bonds	\$60,000,000.00*
[Net] Original Issue Premium	_____.
Total	<u>\$_____.</u>
 <u>Uses of Funds</u>	
Deposit to Project Fund to pay costs of Project	\$_____.
Costs of Issuance (including Underwriter’s Discount)	_____.
Total	<u>\$_____.</u>

RISK FACTORS

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

Ad Valorem Property Taxes

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

Concentration of property ownership in the District would expose the District’s ability to collect ad valorem property taxes to the financial strength and ability and willingness of major taxpayers to pay property taxes. See the section captioned **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Major Property Taxpayers”** in *Appendix A* of this Official Statement.

Secondary Market Prices and Liquidity

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

Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operating performance or tax collection patterns of issuers. Particularly, prices of outstanding municipal securities should be expected to decline if prevailing market interest rates rise. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's or the issuer's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

No Reserve Fund or Credit Enhancement

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

Rating

S&P has assigned the Bonds the rating set forth on the cover page to this Official Statement and as further reflected in under the section captioned "**BOND RATING**" in this Official Statement based upon S&P's evaluation of the creditworthiness of the District. Such rating reflects only the view of S&P, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that the rating will not be revised, either downward or upward, or withdrawn entirely, by S&P if, in their judgment, circumstances warrant. Any such downward revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Bankruptcy

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

Pensions and Other Postemployment Benefits

The District contributes to the Kansas City Public School Retirement System, a cost-sharing, multiple-employer and contributory defined benefit pension plan. See the section captioned "**FINANCIAL INFORMATION CONCERNING THE DISTRICT –Employee Retirement and Pension Plans**" in *Appendix A* to this Official Statement. The District also provides other postemployment benefits as part of the total compensation offered to attract and retain the services of qualified employees. See "**FINANCIAL**

INFORMATION CONCERNING THE DISTRICT – Other Post-Employment Benefits” in *Appendix A* to this Official Statement. Future required contribution increases beyond the current fiscal year may require the District to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the District’s operations or limit the District’s ability to generate additional revenues in the future.

Charter Schools, State Aid and Enrollment

Due to the mechanism utilized by the State of Missouri under the Charter Schools Act (defined in *Appendix A* to this Official Statement) to provide funding for charter schools within the District, the Missouri Department of Elementary and Secondary Education (“DESE”) withholds from its yearly payments of State Aid (defined in the *Appendix A* to this Official Statement) to the District in an amount equal to the per-pupil State Aid for all students attending the charter schools within the District, as well as amounts equal to a certain percentage of the District’s local property tax revenue. As a result, unlike most school districts in Missouri which may derive a significant portion of their revenue from State Aid provided by the State of Missouri, the District has received, and expects it will continue to receive, almost no revenue from the basic formula portion or the Classroom Trust Fund portion of the State Aid that would otherwise be provided to the District because said revenues are redirected by DESE to charter schools within the District in accordance with the Charter Schools Act. Instead, the majority of the District’s revenue is derived from local property taxes and Proposition C revenues (as defined in *Appendix A* to this Official Statement). Charter schools have a significant impact on the financial condition of the District, and the District cannot predict the outcome of changes in the enrollment of charter schools within the District. Future increases in charter school enrollment compared to District enrollment could further negatively impact the financial condition of the District. Accordingly, no estimate of potential loss in revenue as a result of increased charter school enrollment can be made by the District. See the sections captioned “**GENERAL INFORMATION CONCERNING THE DISTRICT – Charter Schools**” and “**FINANCIAL INFORMATION CONCERNING THE DISTRICT**” in *Appendix A* to this Official Statement for a further discussion of the funding mechanism for charter schools under the Charter Schools Act and the sources of revenue available to the District.

Amendment of the Bond Resolution

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

Loss of Premium from Redemption

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

Tax-Exempt Status and Risk of Audit

The failure of the District to comply with certain covenants set forth in the Bond Resolution could cause the interest on the Bonds to become included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bond Resolution does not provide for the payment of any additional interest, redemption premium or penalty if the interest on the Bonds becomes included in gross income for federal and Missouri income tax purposes. See the section captioned “**TAX MATTERS**” in this Official Statement.

The Internal Revenue Service (the “**IRS**”) has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, the IRS, in accordance with its current published procedures, is likely to treat the District as the taxpayer, and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Defeasance Risks

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

Cybersecurity Risks

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

Senior Property Tax Credit Program

In 2024, the Missouri General Assembly passed Senate Bill 756 (further amending Section 137.1050 of the Revised Statutes of the State of Missouri, as amended, originally enacted by the Missouri General Assembly in 2023 by Senate Bill 190), which authorizes counties to grant property tax credits to residential property owners who have attained the age of 62 years or older equal to the difference between the real property tax liability on

the homestead in the current year minus the real property tax liability on such homestead in the year in which the taxpayer became eligible to receive the tax credit (the “**Senior Property Tax Credit Program**”). Implementation of the Senior Property Tax Credit Program requires either adoption of an ordinance by the county or an initiative petition and voter approval process. Property tax bills within counties that participate in the Senior Property Tax Credit Program will reflect the tax credit on property tax bills for eligible taxpayers, thereby reducing the amount of property taxes that the eligible taxpayer would otherwise pay. In September 2023, the County Commission of Jackson County, Missouri (“**Jackson County**”), passed Ordinance No. 5787 formally implementing the Senior Property Tax Credit Program in Jackson County, which became effective for the calendar year 2024 property tax cycle.

The potential financial impact of the Senior Property Tax Credit Program on the District is not yet ascertainable. If the District’s property tax revenues are reduced in a given year as a result of the Senior Property Tax Credit Program, there will be less property tax revenues available in the District’s Debt Service Fund to pay the principal of and interest on the Bonds. In addition, the District is permitted to retain in its Debt Service Fund up to one year’s debt service payments on the District’s outstanding general obligation bonds and can increase the debt service levy for future years to address the potential decrease from implementation of the Senior Property Tax Credit Program and to ensure continued payment of the principal of and interest on the Bonds. See the section captioned “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT**” in *Appendix A* to this Official Statement.

State Tax Commission Order for Jackson County

The State Tax Commission of Missouri (the “**STC**”) issued an Order (the “**Order**”) on August 6, 2024, finding errors in Jackson County’s conduct of its biennial reassessment for 2023. The Order finds, in part, that Jackson County assessing officials failed to give proper notice to property owners and failed to perform physical inspections, as required by Section 137.115 of the Revised Statutes of Missouri, as amended, where the assessed valuation of residential real property increased by more than 15% since the last assessment. Additionally, the Order directs Jackson County assessing officials to correct the assessment roll for tax year 2023 for residential real property so that, excluding increases due to new construction or improvements, said valuations do not increase in excess of fifteen percent since the last assessment. The Order also directs Jackson County assessing officials that, in the creation of the 2024 assessment roll, residential real property shall remain at the same assessed valuations as in the 2023 assessment roll, excluding increases due to new construction or improvements.

As a result of the Order, the Jackson County Executive sent a letter (the “**County Letter**”) to each taxing jurisdiction within Jackson County identifying the estimated immediate impact to each taxing jurisdiction based on the County’s preliminary analysis of the Order. The County Letter estimated the impact to the District to be \$18,794,189, however this estimate is preliminary and subject to change.

Jackson County filed a lawsuit against the STC asserting that the Order is unlawful, void and unenforceable and that the STC overstepped its statutory authority and violated procedural requirements by failing to provide notice or hold hearings before issuing the Order. On March 31, 2025, the trial court ruled in favor of the STC on all counts.

The financial impact of the Order, future orders by the STC, any corrections (retroactive or otherwise) or changes resulting from appeals of the Order, any limitation based on or in response to the Order to assessed valuations or property taxes previously or to be levied by the District or the outcome of any appeals of the trial court’s judgment is unknown at this time and cannot be predicted.

LEGAL MATTERS

Legal Proceedings

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

Approval of Legality

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri, as bond counsel to the District ("**Bond Counsel**"), whose approving opinion will be available at the time of delivery of the Bonds. Gilmore & Bell, P.C., will also pass upon certain legal matters relating to this Official Statement, as disclosure counsel to the District.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transactions opined upon or of the future performance of parties to such transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

BOND RATING

S&P has assigned the Bonds the rating of "**AA-**" as shown on the cover page of this Official Statement based on S&P's evaluation of the creditworthiness of the District.

The District has furnished S&P with certain information and materials relating to the Bonds and the District that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. Neither the Underwriter nor the District has undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of the rating could have an adverse effect on the market price and marketability of the Bonds. Pursuant to the Continuing Disclosure Undertaking, the District is required to bring to the attention of the holders of the Bonds any change of the rating of the Bonds but has not undertaken any responsibility to oppose any such change. See the "**FORM OF CONTINUING DISCLOSURE UNDERTAKING**" attached as *Appendix C* to this Official Statement.

TAX MATTERS

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

Opinion of Bond Counsel

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

Federal and State of Missouri Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

No Bank Qualification. The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, but has reviewed the discussion under the heading “**TAX MATTERS.**”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax

purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

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

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

CONTINUING DISCLOSURE UNDERTAKING

Pursuant to the Continuing Disclosure Undertaking to be entered into by the District in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”), the District has agreed to provide to the Municipal Securities Rulemaking Board (the “**MSRB**”) via the Electronic Municipal Market Access system (“**EMMA**”), not later than **December 31st** after the end of each fiscal year, commencing with the fiscal year ended June 30, 2025, (1) the audited financial statements of the District for that fiscal year and (2) certain operating data of the District (the “**Annual Report**”). The financial statements of the District are audited by the District’s independent certified public accountants. The District has also agreed to provide prompt notice of the occurrence of certain enumerated events with respect to the Bonds. See “**FORM OF CONTINUING DISCLOSURE UNDERTAKING**” attached as *Appendix C* hereto.

The District has previously entered into similar undertakings under the Rule, and the District believes it has complied in all material respects during the past five years with its prior undertakings under the Rule.

MISCELLANEOUS

Underwriting

Based upon bids received by the District on August 27, 2025, the Bonds were awarded to [_____], as the original purchaser and underwriter of the Bonds (the “**Underwriter**”). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the District at a purchase price of \$_____ (equal to the par amount of the Bonds plus/minus a net original issue premium/discount of \$_____, less an underwriting discount of \$_____). The Underwriter is purchasing the Bonds from the District for resale in the normal course of the Underwriter’s business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

Financial Advisor

Piper Sandler & Co., Leawood, Kansas, is employed as Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing in connection with the planning, structuring and issuance of the Bonds and various other debt related matters (the “**Financial Advisor**”). The Financial Advisor will not be a manager or a member of any purchasing group submitting a proposal for the purchase of the Bonds.

Certain Relationships

Gilmore & Bell, P.C., as Bond Counsel to the District, has represented the Financial Advisor in transactions unrelated to the issuance of the Bonds, but is not representing the Financial Advisor in connection with the issuance of the Bonds.

Certification and Other Matters Regarding Official Statement

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

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

Additional Information

Additional information regarding the District or the Bonds may be obtained from the District, Attention: Erin Thompson, Chief Financial Officer, The School District of Kansas City, Missouri, 2901 Troost Avenue, Kansas City, Missouri 64109, (816) 418-7253, or from the Financial Advisor, Piper Sandler & Co., 11635 Rosewood Street, Leawood, Kansas 66211, Attention: Todd Goffoy at (913) 345-3373, Todd.Goffoy@psc.com.

[Remainder of this page intentionally left blank.]

**THE SCHOOL DISTRICT OF KANSAS CITY,
MISSOURI**

By: _____
Chair of the Board of Directors

APPENDIX A

THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI

GENERAL, ECONOMIC AND FINANCIAL INFORMATION

(THIS PAGE LEFT BLANK INTENTIONALLY)

TABLE OF CONTENTS

	<u>Page A –</u>
GENERAL INFORMATION CONCERNING THE DISTRICT.....	1
Location and Size	1
Organization and Board of Directors	1
Superintendent	2
Professional Staff, Teachers and Employees	2
Educational Facilities	2
History of Enrollment	2
Other District Statistics.....	3
District Accreditation	3
Charter Schools	4
ECONOMIC INFORMATION CONCERNING THE DISTRICT.....	6
Population.....	6
Commerce, Industry and Employment	6
Medical and Health Facilities.....	7
Recreational Facilities and Attractions	7
Municipal Services, Utilities and Public Safety	7
Transportation, Communication and Media.....	8
Income and Home Values	8
DEBT STRUCTURE OF THE DISTRICT.....	9
Overview	9
Current Long-Term General Obligation Indebtedness.....	10
General Obligation Bonds Debt Service Requirements	10
Legal Debt Capacity	11
Outstanding Lease Obligations.....	11
Overlapping or Underlying General Obligation Indebtedness	15
Future Borrowing Plans	15
FINANCIAL INFORMATION CONCERNING THE DISTRICT.....	16
Accounting, Budgeting and Auditing Procedures.....	16
Sources of Revenue	17
Revenues Received from Federal COVID-19 Legislation.....	18
Local Revenue.....	18
County Revenue	19
State Revenue.....	19
Federal Revenue.....	23
Certain Permitted Fund Transfers	23
Fund Balances Summary.....	25
Risk Management.....	26
Employee Retirement and Pension Plans	26
Other Post-Employment Benefits	30
Employee Relations.....	31
PROPERTY TAX INFORMATION CONCERNING THE DISTRICT	31
Property Valuations	31
Property Tax Levies and Collections	33
Tax Abatement and Tax Increment Financing.....	33
Tax Rates.....	34
History of Tax Levies.....	36
Tax Collection Record.....	37
Major Property Taxpayers	37

(THIS PAGE LEFT BLANK INTENTIONALLY)

GENERAL INFORMATION CONCERNING THE DISTRICT

Location and Size

The District encompasses approximately 68 square miles and is located primarily within the corporate boundaries of the City of Kansas City, Missouri (the “**Kansas City**”) in Jackson County, Missouri (*highlighted in map at right*). Kansas City is the largest city (by population) in the State of Missouri and the second largest metropolitan area (by population) in the State of Missouri. The District includes a large portion of the Kansas City corporate boundaries, including the central business district (downtown and Crown Center areas) and the County Club Plaza area, which are some of the major employment, entertainment and retail areas within the Kansas City metropolitan region.



Organization and Board of Directors

The District was originally established in 1867 and currently exists as an urban school district organized and governed by Section 162.461 of the Revised Statutes of Missouri, as amended. The District is governed by a seven-member board of directors (the “**Board of Directors**”), consisting of five directors elected by and representing five sub-districts, and two at-large directors. The five directors representing sub-districts are elected by the voters of each sub-district for staggered four-year terms. The two at-large directors are elected by the voters of the entire District for staggered four-year terms.

Each member of the Board of Directors must be a voter of the District, must have resided within the State of Missouri for one year prior to his or her election and must be at least twenty-four years old. After each biennial election, the Board of Directors elects a President, Vice President, Secretary and Treasurer, each of whom holds office for two years. The President and Vice President must be members of the Board of Directors. Members of the Board of Directors serve without compensation.

The Board of Directors is responsible for all policy decisions regarding the District. The Board of Directors appoints the Superintendent of the District who is the chief administrative officer of the District responsible for carrying out the policies set by the Board of Directors. Additional members of the administrative staff and all other employees are appointed by the Board of Directors upon recommendation by the Superintendent.

The current members and officers of the Board of Directors of the District are listed below:

<u>Name</u>	<u>Office</u>	<u>Term Began</u>	<u>Term Expires</u>
Rita Cortés	Chair; Sub-district 1	2025	2029
Tanasha Ford	Vice Chair; Member at-large	2025	2029
Jamekia Kendrix	Treasurer; Sub-district 2	2023	2027
Tricia McGhee	Sub-district 3	2025	2029
Monica Curls	Sub-district 4	2023	2027
Brittany Foley	Sub-district 5	2025	2029
Joshua Jackaway	Member at-large	2023	2027

The Board has appointed Lisa Limberg to serve as Secretary of the Board of Directors.

Superintendent

Dr. Jennifer Collier began serving as the District’s Interim Superintendent in the summer of 2022 after Dr. Mark Bedell’s resignation. Dr. Collier was officially announced as the District’s Superintendent in February 2023. Dr. Collier has served as an educator in the District for over 22 years as a teacher, assistant principal, principal, Chief Human Resource Officer and Deputy Superintendent. Dr. Collier received her bachelor’s degree from the University of Kansas, her master’s degree in education from Avila University and her educational specialist degree in educational leadership from the University of Missouri-Kansas City. Dr. Collier also received her doctoral degree in educational leadership from the University of Missouri-Kansas City in 2018.

Professional Staff, Teachers and Employees

The District has a total of 2,718 employees, including 274 administrative personnel, 1,073 teachers and 1,371 non-certificated employees. On average, teachers employed by the District have 10.6 years of teaching experience, compared to a statewide average of 13.1 years, and 51.9% of the District’s teachers hold advanced degrees. For the 2023-2024 school year, the average salary for all teaching staff was \$60,418, compared to a statewide average salary for teaching staff of \$57,794.

Educational Facilities

The District operates a total of 36 schools, including 22 elementary schools, three middle schools, six high schools, two alternative schools, two early childhood centers and one career and technical school. There are 22 Neighborhood Schools, which are open to any child who lives within their individual attendance boundaries. These are traditional and high-quality public schools that serve the families in their neighborhoods. Alternatively, there are nine Signature Schools with unique academic themes and extracurricular opportunities for students from Pre-K to 12th grade. There are Signature Schools that focus on college preparation, foreign language immersion, dual-language education, African-centered studies, the Montessori method, and fine and performing arts.

In recent years, in an effort to better utilize District resources, reduce expenses and improve educational outcomes, the District has evaluated and continues to evaluate its facilities for closure pursuant to the recommendation of the District’s Building Closure Committee and subsequent Board of Directors approval. This effort has resulted in the District consolidating certain schools and selling, disposing of or repurposing some of its facilities. The Board of Directors is authorized to direct the sale and transfer or lease of any of the District’s closed facilities.

History of Enrollment

The following table shows K-12th grade student enrollment in the District as of the last Wednesday in September for each of the last five school years.

<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
13,384	13,356	13,430	13,393	14,061

Source: The District; Missouri Department of Elementary and Secondary Education.

Other District Statistics

The following table shows additional information about the District compiled by the Missouri Department of Elementary and Secondary Education (“DESE”) for the last five completed fiscal years for which such information is available.

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Avg. Daily Attendance (ADA)	13,337.75	11,623.12	11,227.83	11,846.62	11,869.72
Proportional Attendance Rate ⁽¹⁾	73.7%	62.5%	49.6%	53.7%	45.0%
Students per Teacher	12	12	13	11	12
Students per Classroom Teacher	16	15	16	15	15

Source: Missouri Department of Elementary and Secondary Education.

⁽¹⁾ Proportional rate of attendance reflects the overall percentage of District students who had an individual attendance rate of 90% or higher.

District Accreditation

DESE administers the Missouri School Improvement Program (“MSIP”), the State of Missouri’s school accountability system for reviewing and accrediting public school districts in Missouri, which accreditation is awarded through the State Board of Education. Since MSIP was established in 1990, five review cycles have been completed, each cycle lasting from five to six years. The sixth cycle, referred to as MSIP 6 (“MSIP 6”), began in the 2020-2021 school year. The MSIP classification is not a bond or debt rating but is solely an evaluation made by DESE.

On January 11, 2022, the State Board of Education voted to classify the District as “fully accredited” based on the MSIP 6 (sixth cycle) standards accreditation review by DESE, and the District currently remains fully accredited. Prior to the District obtaining full accreditation status from the State Board of Education in January 2022, the District had been “provisionally accredited” by the State Board of Education since August 2014 under the MSIP 5 (fifth cycle) standards accreditation review by DESE. Below is a brief history of the District’s prior accreditation status awarded by the State Board of Education under DESE’s then-applicable MSIP standards since October 1999:

- In October 1999 the State Board of Education withdrew the District’s accreditation effective May 2000, due to the District’s failure to meet the required MSIP 2 (second cycle) standards during accreditation review by DESE. After a January 2002 accreditation review by DESE (applying MSIP 2 second cycle standards), the State Board of Education voted unanimously in April 2002 to grant the District “provisional accreditation” thus lifting the threat of a takeover by DESE.
- In the spring of 2008, DESE completed a full review of the District as part of DESE’s MSIP 4 (fourth cycle) standards. At that time, DESE required the District to complete a two-year accountability plan, the progress of which was reviewed quarterly by a Missouri Regional School Improvement Team. The plan was approved on January 14, 2009, and the District retained provisional accreditation.
- On September 20, 2011, the State Board of Education voted to rescind the District’s provisional accreditation effective January 1, 2012, due to the District’s failure to meet DESE’s then-applicable MSIP 4 (fourth cycle) standards. The State Board of Education noted the District’s progress but expressed their desire to provide additional support so the District could achieve the necessary points needed to achieve full accreditation under DESE’s then-applicable MSIP 4 (fourth cycle) standards. Missouri statutes at that time allowed unaccredited school districts two years within which to improve before DESE could assume

control of an unaccredited school district. The Missouri legislature made a significant change to the law in early 2013, which became effective on August 28, 2013. The new law authorized DESE to immediately exercise control over an unaccredited school district.

- In August 2013, DESE announced the District fell in the middle of the provisional accreditation range under DESE's then-applicable MSIP 5 (fifth cycle) standards. Shortly after the results were released, DESE officials announced that no school district's accreditation status would be modified until there were 3 years of data available using the MSIP 5 (fifth cycle) standards and measurements, and the District made an appeal to the State Board of Education for immediate provisional accreditation. On October 22, 2013, the State Board of Education declined to award provisional accreditation to the District. The refusal of the State Board of Education to grant provisional accreditation to the District resulted in the District being subject to a "transfer law" which allows students in unaccredited school districts to transfer to nearby fully accredited school districts. The transfer law requires unaccredited school districts to pay for transportation and tuition of any District students wishing to transfer to nearby fully accredited school districts. Despite being subject to the transfer law, few District students met the deadline to apply for transfer before the February 1, 2014, deadline.
- In early August 2014, the State Board of Education met at a special meeting and granted the District provisional accreditation. In late August 2014, DESE also announced that the District met the provisional accreditation requirements based on DESE's review of the District's performance under the MSIP 5 (fifth cycle) standards, which had been known by the State Board of Education when it voted to grant the District provisional accreditation. Provisional accreditation "mooted" the threat of the transfer law as well as the threat of a "state takeover" by DESE.
- The District remained provisionally accredited by the State Board of Education from August 2014 until the District was awarded full accreditation status by the State Board of Education in July 2022 based on DESE's review of the District's performance under the current MSIP 6 (sixth cycle) standards.

The District anticipates it will continue to retain its full accreditation status by the State Board of Education under DESE's MSIP 6 (sixth cycle) standards in future school years. However, if the District loses full accreditation status and becomes provisionally accredited or unaccredited, the District may be subject to control by DESE and the application of the "transfer law" (referenced above) that requires unaccredited districts to pay for transportation and tuition of students who choose to transfer to fully-accredited districts in Jackson County and abutting counties. As a result of the aforementioned Missouri laws and other ramifications of becoming unaccredited, the District's financial position may be negatively impacted if it becomes unaccredited in the future.

Charter Schools

In 1998, the Missouri Legislature authorized the creation of charter schools within the boundaries of the District. The first charter schools in Kansas City opened for the 1999-2000 school year. Charter schools are issued either a five- or ten-year charter by DESE, and the charters are renewable. For the current 2024-2025 school year, there are 20 charter schools operating within the boundaries of the District and approximately 12,944 K-12th grade students are enrolled in said charter schools for the current 2024-2025 school year according to DESE's preliminary 2024-2025 enrollment data. While a charter school must have a sponsor, under Missouri law, a charter school is considered an independent legal entity. For the current 2024-2025 school year, the District sponsors the following three charter schools located within the District: Allen Village (serving grades K-12th), Crossroads Charter School (serving grades Pre-K-12th) and Gordon Parks Elementary (serving grades K-4th). Other sponsors of the charter schools within the District are Saint Louis

University and the Missouri Charter Public School Commission, which was established by the Missouri legislature in 2015. The District is not financially accountable for any charter schools within its boundaries. Accordingly, the accounts of charter schools are not included in the audited financial statements of the District’s Annual Comprehensive Financial Report for fiscal year ended June 30, 2024, attached as *Appendix B* to this Official Statement.

The following table shows (1) the history of K-12th enrollment and (2) average daily attendance for the 20 charter schools currently located within District as compiled by DESE for the last five completed school years for which such information is available:

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Total Enrollment (K-12 th grade)	12,852	13,114	13,334	13,182	12,989
Average Daily Attendance (ADA)	13,154.79	12,252.39	12,611.41	12,525.86	12,489.31

Source: Missouri Department of Elementary and Secondary Education.

On July 1, 2006, the charter schools within the boundaries of the District became local education agencies (“LEAs”) under Section 160.415(4) of the Revised Statutes of Missouri, as amended (Sections 160.400 through 160.425 of the Revised Statutes of Missouri, as amended, collectively being referred to as the “**Charter Schools Act**”). Under the Charter Schools Act, the State of Missouri uses a funding mechanism whereby DESE withholds from its yearly payments of State Aid (defined herein) to the District an amount equal to the per-pupil State Aid for all students attending the charter schools within the District, as well as amounts equal to a certain percentage of the District’s local property tax revenue. In May 2022, the Missouri legislature approved House Bill 1552 (“**HB 1552**”), which further amended Section 160.415 of the Charter Schools Act, to require DESE to withhold additional funds from its yearly payments of State Aid to the District, which DESE redirects to charter schools within the District to provide charter schools a larger share of local property tax revenues charter schools within the District would otherwise receive if charter schools were permitted to levy property taxes to fund operations, like the District, under Missouri law. If the District’s yearly State Aid payments withheld by DESE are not sufficient to provide charter schools with the additional funds required by HB 1552, DESE is required to remit these additional funds to charter schools directly from State of Missouri funds.

As a result of the charter school funding mechanism under the Charter Schools Act, the District has received, and expects it will continue to receive, no revenue from the basic formula portion or the Classroom Trust Fund portion of the State Aid the District would otherwise receive from the State of Missouri, which has historically been withheld by DESE and provided to charter schools within the District in accordance with the Charter Schools Act. See also the section captioned “**FINANCIAL INFORMATION CONCERNING THE DISTRICT**” in this *Appendix A*.

Charter schools have a significant impact on the financial condition of the District. The District cannot predict the outcome of changes in the enrollment of charter schools within the District, and future increases in charter school enrollment compared to District enrollment could further negatively impact the financial condition of the District. Accordingly, no estimate of potential loss in revenue as a result of increased charter school enrollment can be made by the District.

ECONOMIC INFORMATION CONCERNING THE DISTRICT

Population

The following table shows population figures for the District, Kansas City, Jackson County and the State of Missouri from the last three decennial censuses and the latest available estimate.

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
District	240,681	194,438 ⁽¹⁾	203,319	206,474
Kansas City	445,075	459,787	508,090	510,704
Jackson County	654,880	674,158	717,204	718,560
State of Missouri	5,595,211	5,988,927	6,154,913	6,196,156

Source: U.S. Census Bureau; Small Area Income and Poverty Estimates

⁽¹⁾ As a result of a boundary change approved by the voters of both the District and The School District of the City of Independence, Missouri (the “**Independence District**”) on November 6, 2007, five elementary schools, one middle school and one high school were transferred from the District to the Independence District effective on July 24, 2008. This transfer in schools is at least partially responsible for the decrease in the District’s population from 2000 to 2010.

Commerce, Industry and Employment

Major Employers. Employment opportunities for residents of the District are available both within the District and throughout the Kansas City metropolitan area. The table below provides a list of some of the major employers located in the Kansas City metropolitan statistical area.

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Federal Government	Government	38,400
Public Schools	Education	32,753
State/County/City Governments	Government	15,328
University of Kansas Health System	Health Care Provider	14,763
HCA Midwest Health Systems	Health Care Provider	10,051
Saint Luke’s Health System	Health Care Provider	9,976
Ford Kansas City Assembly Plant	Automotive Manufacturing	9,021
Children’s Mercy Hospitals & Clinic	Health Care Provider	7,687
Honeywell Federal Manufacturing & Technologies	Manufacturing & Technology	6,637
Oracle Cerner	Health Care IT solutions	6,400
Amazon	Global Tech Company	6,000
Burns & McDonnell	Engineering, Construction & Architecture Firm	5,200
Garmin, Ltd.	Communication/Navigation Products	4,807
U.S. Postal Service	Mail Processing and Delivery	4,509
Hallmark Cards, Inc.	Greeting cards & TV Programming	4,480
University of Kansas Medical Center	Medical/Nursing/Health Professional	4,157
University Health	Academic Medical Center & Health System	4,144
T-Mobile US Inc.	Wireless Carrier/Telecommunications Company	4,000

Source: *Kansas City Business Journal 2024-25 Book of Lists*: “Private Sector Employers” as of June 2024 and “Public-Sector Employers” as of December 2024. Information on The List was obtained through Kansas City Business Journal research or supplied by individual organizations through questionnaires that KCBJ could not independently verify.

Employment Figures. The following table sets forth unofficial average employment figures for Jackson County for the calendar years indicated.

Average for Year	Total Labor Force	Employed	Unemployed	Unemployment Rate
2025 ⁽¹⁾	380,881	363,679	17,202	4.5%
2024	381,210	366,353	14,857	3.9
2023	364,674	352,361	12,313	3.4
2022	357,678	347,080	10,598	3.0
2021	356,641	338,282	18,359	5.1

Source: MERIC (Missouri Economic Research and Information Center)

⁽¹⁾ Average of January through April 2025.

Medical and Health Facilities

There are numerous medical and osteopathic physicians, chiropractors, dentists, orthodontists, and other specialists maintaining offices in the Kansas City area as well as numerous home health services, and intermediate, residential and skilled nursing facilities. Kansas City and the surrounding metropolitan area have numerous hospitals to meet the medical needs of the residents.

Recreational Facilities and Attractions

The Kansas City Parks and Recreation Department provides facilities, programs and recreational opportunities for the community. The department operates and maintains close to 12,000 acres of parkland including 220 parks, 29 lakes, over 100 miles of trails and bikeways, hundreds of athletic fields and tennis courts, 61 picnic shelters, five golf courses and four museums.

Kansas City is home to several well-known professional sports franchises, including the Kansas City Royals (Major League Baseball), the Kansas City Chiefs (National Football League), Sporting Kansas City (Major League Soccer), Kansas City Current (National Women’s Soccer League), and the Missouri Mavericks minor league hockey team.

Kansas City has many cultural, entertainment and art attractions including: The Nelson-Atkins Museum of Art, American Jazz Museum, Kauffman Center for the Performing Arts, Union Station, World War I Museum, the Sprint Center, the Kansas City Zoo and the Kemper Museum of Modern Art. Many music and cultural festivals are also held throughout the year in the Kansas City area.

Municipal Services, Utilities and Public Safety

The Kansas City Water Services Department provides water and sewer services to residents of Kansas City and the District. Utility service in the District is provided by both public and private facilities. Evergy provides electrical service to area residents and Spire Missouri provides natural gas service. The Kansas City Fire Department provides fire protection services to residents of Kansas City, the District and surrounding areas, and the Kansas City Police Department provides police protection to residents throughout the Kansas City area.

Transportation, Communication and Media

The major highways serving the Kansas City area are Interstates 29, 35, 49 and 70. Other major highways include U.S. Highways 40, 71 and 169 and Missouri State Highways 56 and 210. The Kansas City International Airport and the Charles B. Wheeler Downtown Airport provide easy access to air travel for area residents and Union Station provides Amtrak train passenger service.

There are numerous television and internet providers and a substantial number of radio stations available to District residents. The *Kansas City Star* as well as other newspapers are published within the District.

Income and Home Values

The following tables show the latest available estimated median household income and per capita personal income in the District, Kansas City, Jackson County and the State of Missouri.

	Median Household Family Income	Per Capita Personal Income⁽¹⁾
District	\$55,281	\$42,995
City of Kansas City	65,225	41,887
Jackson County	66,055	38,665
State of Missouri	68,545	38,699

Source: Missouri Census Data Center - ACS Profile Report 2023 (1-year estimates)

⁽¹⁾ Per Capita Personal Income is the annual total personal income of residents divided by resident population as of July 1. “**Personal Income**” is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income and transfer payments. “**Net Earnings**” is earnings by place of work — the sum of wage and salary disbursements (payrolls), other labor income and proprietors’ income — less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal Income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

The following table presents the estimated number of owner-occupied housing units and estimated median value of owner-occupied housing units in the District, Kansas City, Jackson County and the State of Missouri.

	Number of Owner-Occupied Housing Units	Median Home Value
District	47,824	\$198,800
City of Kansas City	128,372	243,200
Jackson County	188,271	228,100
State of Missouri	1,758,041	233,600

Source: Missouri Census Data Center - ACS Profile Report 2023 (1-year estimates)

DEBT STRUCTURE OF THE DISTRICT

Overview

The following table summarizes certain financial information concerning the District as of the date of issuance of the Bonds (September 16, 2025). This information should be reviewed in conjunction with the information contained in this section and the audited financial statements of the District for fiscal year ended June 30, 2024, included in the District’s Annual Comprehensive Financial Report attached as *Appendix B* to this Official Statement.

2025 Assessed Valuation ⁽¹⁾	\$5,649,793,685
2025 Estimated Actual Valuation ⁽²⁾	\$22,810,438,641
Outstanding General Obligation Bonds (“ Direct Debt ”) ⁽³⁾	\$60,000,000*
Outstanding Lease Obligations (“ Lease Obligations ”) ⁽⁴⁾	\$152,390,037
Total Direct Debt and Lease Obligations	\$212,390,037*
Estimated Population (as of July 1, 2023)	206,474
Per Capita Direct Debt	\$290.59*
Ratio of Direct Debt to Assessed Valuation	1.06%*
Ratio of Direct Debt to Estimated Actual Valuation	0.26%*
Ratio of Direct Debt and Lease Obligations to Assessed Valuation	3.76%*
Ratio of Direct Debt and Lease Obligations to Estimated Actual Valuation	0.93%*
Overlapping and Underlying General Obligation Debt (“ Indirect Debt ”) ⁽⁵⁾	\$194,516,490
Total Direct Debt, Lease Obligations and Indirect Debt	\$406,906,527*
Per Capita Direct Debt, Lease Obligations and Indirect Debt	\$1,970.74*
Ratio of Direct Debt, Lease Obligations and Indirect Debt to Assessed Valuation	7.20%*
Ratio of Direct Debt, Lease Obligations and Indirect Debt to Estimated Valuation	1.78%*

- ⁽¹⁾ Includes 2025 assessed value of real and personal property as reported by the Jackson County Clerk as of June 30, 2025, prior to Board of Equalization adjustments, but excludes assessed valuation in the amount of \$305,549,405 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District and excludes the assessed valuation of state assessed railroad and utility property. For further details, see the section captioned “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT.**”
- ⁽²⁾ Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios, see the section “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT.**”
- ⁽³⁾ Reflects the outstanding principal amount of the Bonds (\$60,000,000*) as of the date of issuance of the Bonds (September 16, 2025), which will be the District’s only outstanding general obligation bonds as of September 16, 2025. For further details, see the section “**DEBT STRUCTURE OF THE DISTRICT – Current Long-Term General Obligation Indebtedness.**”
- ⁽⁴⁾ Includes the outstanding principal amount of the District’s (a) Certificates of Participation, Series 2025 (\$93,740,000), (b) Leasehold Revenue Qualified School Construction Bonds (the School District of Kansas City, Missouri QSCB Project), Series 2010 (\$4,760,000), (c) Certificates of Participation, Series 2016 (\$43,645,000) and (d) Tax-Exempt Amended and Restated Equipment Lease Purchase Agreement (\$10,245,037) as of September 16, 2025, the date of issuance of the Bonds. For further details, see the section “**DEBT STRUCTURE OF THE DISTRICT – Outstanding Lease Obligations.**”
- ⁽⁵⁾ For further details, see the section “**DEBT STRUCTURE OF THE DISTRICT - Overlapping or Underlying General Obligation Indebtedness.**”

* Preliminary, subject to change.

Current Long-Term General Obligation Indebtedness

The following table sets forth all of the outstanding general obligation bond indebtedness of the District as of September 16, 2025, the date of issuance of the Bonds, which will be the District’s only outstanding general obligation bond indebtedness.

<u>Issue Name</u>	<u>Date of Indebtedness</u>	<u>Amount Originally Issued</u>	<u>Amount Outstanding</u>
General Obligation Improvement Bonds, Series 2025A	September 16, 2025	\$60,000,000*	<u>\$60,000,000*</u>
		Total Outstanding:	<u>\$60,000,000*</u>

Prior to the issuance of the Bonds, the District has not had any general obligation bond indebtedness outstanding for over 30 years.

General Obligation Bonds Debt Service Requirements

The following table shows the annual principal and interest requirements for the Bonds, which, as of September 16, 2025 (the date of issuance of the Bonds), will be the District’s only outstanding general obligation bonds.

<u>Fiscal Year Ended June 30</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total Debt Service</u>
2026	\$23,020,000.00		
2027	12,160,000.00		
2028	3,275,000.00		
2029	--		
2030	--		
2031	--		
2032	--		
2033	--		
2034	--		
2035	--		
2036	1,030,000.00		
2037	1,150,000.00		
2038	1,425,000.00		
2039	1,625,000.00		
2040	1,955,000.00		
2041	2,195,000.00		
2042	2,600,000.00		
2043	2,890,000.00		
2044	3,190,000.00		
2045	3,485,000.00		
Total Outstanding	\$60,000,000.00*		

* Preliminary, subject to change.

Legal Debt Capacity

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

The legal debt limitation and debt margin of the District as of April 8, 2025, which is the date the election was held in the District at which the required majority of the qualified voters approved the District's issuance of general obligation bonds in the principal amount of \$474,000,000 (*the Bonds being issued on September 16, 2025, in the principal amount of \$60,000,000* will utilize \$60,000,000* of the total \$474,000,000 of general obligation bonds so authorized*) was as follows:

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2024 assessed valuation of \$5,323,362,817 ⁽¹⁾)	\$798,504,423 ⁽¹⁾
General Obligation Bonds Outstanding and Authorized But Not Issued ⁽²⁾	<u>474,000,000</u> ⁽²⁾
Legal Debt Margin under Article VI, Sections 26(b)	\$324,504,423*

⁽¹⁾ Includes the 2024 assessed valuation in the amount of \$216,648,449 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas located within the District, for a total assessed valuation of \$5,323,362,817.

⁽²⁾ Includes the aggregate principal amount of the Bonds (\$60,000,000*) being issued on September 16, 2025, plus the remaining \$414,000,000* principal amount of general obligation bonds authorized by voters at the April 8, 2025, election.

The District's legal debt limit and debt margin would be higher if the valuation of state assessed railroad and utility property that is physically located within the bounds of the District was taken into account, but said amount was not included in the calculations of debt limit or debt margin.

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

Outstanding Lease Obligations

Leasehold Revenue Bonds, Series 2010. At the direction of the District, on December 9, 2010, the School District of Kansas City, Missouri, Building Corporation (the "**Corporation**") issued Leasehold Revenue Qualified School Construction Bonds (The School District of Kansas City, Missouri QSCB Project), Series 2010 (Direct Pay Bonds), in the original principal amount of \$16,274,000 (the "**Series 2010 Leasehold Revenue Bonds**") pursuant to a Trust Indenture dated as of December 1, 2009, as amended and supplemented (the "**Series 2010 Indenture**"), between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Series 2010 Trustee**"). The proceeds from the sale of the Series 2010 Leasehold Revenue Bonds were used to finance improvements to various District facilities.

Payments of principal and interest on the outstanding Series 2010 Leasehold Revenue Bonds are payable from rental payments to be made by the District, subject to annual appropriation by the District, pursuant to an annually-renewable Amendment of Lease Agreements dated as of December 1, 2009, as further

* Preliminary, subject to change.

amended and supplemented (collectively, the “**Series 2010 Lease**”), between the Corporation, as lessor, the District, as lessee, and the Series 2010 Trustee, as trustee. Pursuant to the Series 2010 Lease, the Corporation has leased certain school facilities to the District and the District has agreed to pay rental payments to the Corporation, subject to annual appropriation, sufficient to pay principal and interest on the Series 2010 Leasehold Revenue Bonds as the same become due, which the Corporation has assigned, along with other rights of the Corporation under the Series 2010 Lease, to the Series 2010 Trustee pursuant to the Series 2010 Indenture.

Such rental payments to be made by the District under the Series 2010 Lease are payable from money in the District’s Capital Projects Fund. Set forth below are the remaining rental payments to be paid by the District under the Series 2010 Lease and distributable to the owners of the Series 2010 Leasehold Revenue Bonds, which rental payments are subject to annual appropriation by the Board of Directors of the District:

Fiscal Year Ended June 30	Principal Component	Interest Component	Subsidy⁽²⁾	Total Rental Payment
2026	\$1,160,000.00	\$318,264.00	\$(226,356.78)	\$1,251,907.22
2027	1,180,000.00	235,316.00	(167,362.23)	1,247,953.77
2028	1,200,000.00	150,944.00	(107,354.91)	1,243,589.09
2029	1,220,000.00	65,148.00	(46,334.79)	1,238,813.21
Total	\$4,760,000.00	\$769,672.00	\$(547,408.71)	\$4,982,263.29
(Less 09/15/2025 Pymnt) ⁽¹⁾	--	(84,728.00)	60,260.53	(24,467.47)
Total Outstanding	\$4,760,000.00	\$684,944.00	\$(487,148.18)	\$4,957,795.82

⁽¹⁾ Reflects interest component of rental payments paid by the District on September 15, 2025, during the District’s current fiscal year ending June 30, 2026.

⁽²⁾ At the time the Series 2010 Leasehold Revenue Bonds were issued, the District expected to receive a direct-payment subsidy from the United States Treasury in each fiscal year in an amount equal to approximately 75% of each interest payment due on the Series 2010 Leasehold Revenue Bonds; however, under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, certain automatic reductions in the amounts of subsidy payments have occurred since March 1, 2013. For the federal fiscal year ending September 30, 2025, through federal fiscal year ending September 30, 2030, the subsidy payments to be received by the District will be reduced by 5.7%, as a result of automatic cuts in federal spending commonly referred to as “Sequestration.” The direct-payment subsidy payments reflected in the table above has been reduced by approximately 5.7% as of result of the Sequestration.

Certificates of Participation, Series 2016. At the direction of the District, on August 24, 2016, Certificates of Participation, Series 2016, were issued in the original principal amount of \$51,035,000 (the “**Series 2016 Certificates**”) pursuant to a Trust Indenture dated as of August 1, 2016 (the “**Series 2016 Indenture**”), entered into between BOKF, N.A., as trustee (the “**Series 2016 Trustee**”), and the District. The proceeds received from the sale of the Series 2016 Certificates were used to finance improvements to various District school facilities. The Series 2016 Certificates represent the proportionate interests of the owners thereof in rental payments to be made by the District, subject to annual appropriation by the District, pursuant to an annually-renewable Lease Purchase Agreement dated as of August 1, 2016 (the “**Series 2016 Lease**”) entered into between the Series 2016 Trustee, as lessor and trustee, and the District, as lessee. Such rental payments to be made by the District under the Series 2016 Lease and distributable to the owners of the Series 2016 Certificates are payable from money in the District’s Capital Projects Fund.

[Remainder of this page intentionally left blank.]

The table below reflects the remaining rental payments to be paid by the District under the Series 2016 Lease and distributable to the owners of the Series 2016 Certificates, which rental payments are subject to annual appropriation by the Board of Directors of the District:

Fiscal Year Ended June 30	Principal Component	Interest Component	Total Rental Payment
2026	\$3,120,000.00	\$1,395,068.76	\$4,515,068.76
2027	3,310,000.00	1,270,268.76	4,580,268.76
2028	3,440,000.00	1,204,068.76	4,644,068.76
2029	3,575,000.00	1,135,268.76	4,710,268.76
2030	3,625,000.00	1,059,300.00	4,684,300.00
2031	4,040,000.00	878,050.00	4,918,050.00
2032	4,245,000.00	676,050.00	4,921,050.00
2033	4,370,000.00	548,700.00	4,918,700.00
2034	4,505,000.00	417,600.00	4,922,600.00
2035	4,640,000.00	282,450.00	4,922,450.00
2036	4,775,000.00	143,250.00	4,918,250.00
Total Outstanding	\$43,645,000.00	\$9,010,075.04	\$52,655,075.04

2021 Equipment Lease Purchase Agreement. On September 8, 2021, the District, as lessee, entered into an annually-renewable Tax-Exempt Amended and Restated Equipment Lease/Purchase Agreement (the “**2021 Equipment Lease**”) with Banc of America Public Capital Corp., as lessor, in the original principal amount of \$18,092,878, in order to refinance an existing equipment lease purchase financing previously entered into by the District in 2015 for the purpose of financing the purchase and installation of energy savings equipment. The 2021 Equipment lease has a stated interest rate of 2.91% per annum and principal portions and interest portions of rental payments are due quarterly on March 1, June 1, September 1 and December 1, which began on December 1, 2021, and extend through June 1, 2030, subject to annual appropriation by the District. Said rental payments to be paid by the District under the 2021 Equipment Lease are payable from money in the District’s Capital Projects Fund.

The table below reflects the remaining rental payments to be paid by the District under the 2021 Equipment Lease, which rental payments are subject to annual appropriation by the Board of Directors of the District:

Fiscal Year Ended June 30	Principal Component	Interest Component	Total Rental Payment
2026	\$2,058,154.53	\$218,716.90	\$2,276,871.43
2027	2,103,599.64	173,271.80	2,276,871.44
2028	2,150,048.19	126,823.23	2,276,871.42
2029	2,197,522.36	79,349.08	2,276,871.44
2030	2,246,044.76	30,826.67	2,276,871.43
Total	\$10,755,369.48	\$628,987.68	\$11,384,357.16
(Less 09/01/2025 Pymnt) ⁽¹⁾	(510,332.21)	(58,885.65)	(569,217.86)
Total Outstanding	\$10,245,037.27	\$570,102.03	\$10,815,139.00

⁽¹⁾ Reflects the principal components and interest components of rental payments paid by the District on September 1, 2025, during the District’s current fiscal year ending June 30, 2026.

Certificates of Participation, Series 2025. At the direction of the District, on April 15, 2025, Certificates of Participation, Series 2025, were issued in the original principal amount of \$93,740,000 (the “**Series 2025 Certificates**”), pursuant to a Trust Indenture dated as of April 1, 2025 (the “**Series 2025 Indenture**”), between the District and BOKF, N.A., as trustee (the “**Series 2025 Trustee**”). The proceeds received from the sale of the Series 2025 Certificates were used to finance the costs of constructing a new King Empowerment Center and other improvements at various District facilities. The Series 2025 Certificates represent the proportionate interests of the owners thereof in rental payments to be made by the District, subject to annual appropriation by the District, pursuant to an annually-renewable Lease Purchase Agreement dated as of April 1, 2025 (the “**Series 2025 Lease**”) entered into between Series 2025 Trustee, as lessor and trustee, and the District, as lessee. Such rental payments to be made by the District under the Series 2025 Lease and distributable to the owners of the Series 2025 Certificates are payable from money in the District’s Capital Projects Fund.

The table below reflects the remaining rental payments to be paid by the District under the Series 2025 Lease and distributable to the owners of the Series 2025 Certificates, which rental payments are subject to annual appropriation by the Board of Directors of the District:

Fiscal Year Ended June 30	Principal Component	Interest Component	Total Rental Payment
2026	\$2,735,000.00	\$4,447,709.86	\$7,182,709.86
2027	2,980,000.00	4,490,925.00	7,470,925.00
2028	3,130,000.00	4,341,925.00	7,471,925.00
2029	3,290,000.00	4,185,425.00	7,475,425.00
2030	3,455,000.00	4,020,925.00	7,475,925.00
2031	3,625,000.00	3,848,175.00	7,473,175.00
2032	3,805,000.00	3,666,925.00	7,471,925.00
2033	3,995,000.00	3,476,675.00	7,471,675.00
2034	4,195,000.00	3,276,925.00	7,471,925.00
2035	4,405,000.00	3,067,175.00	7,472,175.00
2036	4,625,000.00	2,846,925.00	7,471,925.00
2037	4,860,000.00	2,615,675.00	7,475,675.00
2038	5,100,000.00	2,372,675.00	7,472,675.00
2039	5,355,000.00	2,117,675.00	7,472,675.00
2040	5,625,000.00	1,849,925.00	7,474,925.00
2041	5,905,000.00	1,568,675.00	7,473,675.00
2042	6,200,000.00	1,273,425.00	7,473,425.00
2043	6,510,000.00	963,425.00	7,473,425.00
2044	6,805,000.00	670,475.00	7,475,475.00
2045	7,140,000.00	330,225.00	7,470,225.00
Total Outstanding	\$93,740,000.00	\$55,431,884.86	\$149,171,884.86

The rental payments payable by the District under the Series 2010 Lease, Series 2016 Lease, 2021 Equipment Lease and Series 2025 Lease are payable solely from moneys available in the District’s Capital Projects Fund and are not payable from moneys on deposit in the District’s Debt Service Fund, which are available solely to make payments on the District’s general obligation bonds, such as the Bonds. See the section captioned “**FINANCIAL INFORMATION CONCERNING THE DISTRICT - Certain Permitted Fund Transfers**” herein.

Overlapping or Underlying General Obligation Indebtedness

The following table sets forth the approximate overlapping and underlying general obligation indebtedness of political subdivisions with boundaries overlapping the District as of August 1, 2025, unless otherwise noted, and the approximate percent attributable (on the basis of assessed valuation figures for calendar year 2024) to the District. The table was compiled from publicly available information furnished by the jurisdictions responsible for the general obligation debt, and the District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds or other long-term obligations such as leases, the amounts of which may be unknown to the District at this time and are not included below.

<u>Jurisdiction</u>	<u>Outstanding General Obligation Debt</u> ⁽¹⁾	<u>Percent Attributable to the District</u>	<u>Amount Attributable to the District</u>
City of Kansas City, Missouri	\$487,510,000	39.90%	\$194,516,490
		Total:	\$194,516,490

Source: Jackson County Assessor’s Office; State Auditor of Missouri – Bond Registration Reports; State Auditor of Missouri – 2024 Property Tax Rate Report; most recent information available from the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system.

(1) Excludes (1) neighborhood improvement district bonds, which are a general obligation of the issuer but are expected to be paid from special assessments and for which the issuer may not levy a general property tax without voter approval and (2) lease obligations.

Future Borrowing Plans

At an election held in the District on April 8, 2025 (the “**2025 Election**”), the required majority of the qualified voters of the District approved the issuance of \$474,000,000 principal amount of general obligation bonds for the purpose of constructing, repairing, improving, and equipping new and aging public school buildings, including safety and security measures, heating and cooling systems, roofs, plumbing, and other deferred maintenance (collectively, the “**Project**”), with \$50,000,000 of the total \$474,000,000 principal amount of the general obligation bonds being allocated for nine participating public charter schools located within the District as permitted by Section 160.415 of the Revised Statutes of the State of Missouri, as amended.

The District has not previously issued any of the total \$474,000,000 of general obligation bonds authorized by the voters at the 2025 Election, and the principal amount of the Bonds (\$60,000,000*) represents the first installment of the total \$474,000,000 principal amount of general obligation bonds authorized at the 2025 Election, which the District will use to finance a portion of the costs of the Project. After the issuance of the Bonds, the District will have \$414,000,000* in remaining voter authorized general obligation bonds from the 2025 Election that could be issued to finance remaining costs of the Project, including the \$50,000,000 the District intends to allocate for the nine participating public charter schools located within the District. Currently, the District expects to issue the remaining \$414,000,000* aggregate principal amount of general obligation bonds authorized at the 2025 Election as follows: (1) \$50,000,000* in November 2025 (anticipated to be the entire \$50,000,000 of general obligation bonds allocated to the nine participating charter schools located within the District as authorized by the 2025 Election); (2) \$164,000,000* in September 2026; (3) \$100,000,000* in September 2027; and (4) \$100,000,000* in September 2028.

* Preliminary, subject to change.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The District follows an accrual basis of accounting for its government wide financial statements and a modified accrual basis of accounting for its governmental fund financial statements, which is in accordance with accounting principles generally accepted in the United States of America and in conformity with the requirements of Missouri law and the Department of Elementary and Secondary Education of the State of Missouri. Under this basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. For further discussion of the accounting methods and principles utilized by the District, see *Note 1(c)* to the District's audited financial statements contained in the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, contained in *Appendix B* to this Official Statement. Below are the governmental funds used by the District:

- **General (Incidental) Fund** – The General Fund is the primary operating fund of the District. It used to account for general operations and activities of the District, including expenditures for noncertified employees, supplies, textbooks, repairs and maintenance, utilities and any expenditures not required or permitted to be accounted for in other funds.
- **Teachers' (Special Revenue) Fund** - The Teachers' (Special Revenue) Fund accounts for expenditures for certificated employees involved in administration and instruction. It includes revenues restricted by the State and any local property tax levied by the District for the payment of teachers' salaries and certain employee benefits.
- **Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on certain long-term general obligation debt, such as the Bonds.
- **Capital Projects Fund** - The Capital Projects Fund is used to account for the proceeds of long-term debt, including the Bonds, taxes and other revenues restricted for acquisition and/or construction of major capital projects and payments of principal and interest on lease purchase financings.
- **Non-Major Governmental Funds** - The remaining other five governmental funds are combined into a single, aggregated presentation. These funds include the *Other Special Revenue Fund* (used to account for the resources that are restricted for payment of employee compensated absences and District contributions to the retirement plan), *Child Nutritional Services Fund* (accounts for the operation and administration of the school cafeteria), the *Patron Gift Fund* (accounts for financial activities related to the use of private gifts given to a specific school or program) and the *Student Activity Fund* (accounts for fundraising activities for schools and programs).

In accordance with Chapter 67 of the Revised Statutes of Missouri, as amended, the District adopts a budget for the General Fund, Teachers' (Special Revenue) Fund, and Capital Projects Fund. A preliminary budget is presented to the Board of Directors on or before April 1, unless the deadline is modified by the Superintendent with the consent of the Board of Directors. Prior to July, the Chief Financial Officer submits to the Board of Directors a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the fiscal year. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Directors, the budget

document is available for public inspection. Prior to July 1, the budget is adopted by a vote of the Board of Directors. Subsequent to its formal approval of the budget, the Board of Directors has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.

The financial records of the District are audited annually by an independent public accounting firm in accordance with accounting principles generally accepted in the United States. The most recent annual audit has been performed by RSM US LLP, certified public accountants, Kansas City, Missouri. A copy of the Annual Comprehensive Financial Report of the District for the fiscal year ended June 30, 2024, is included in this Official Statement as *Appendix B*. A summary of significant accounting policies of the District is contained in the *Notes* accompanying the financial statements in *Appendix B*.

Sources of Revenue

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

State and federal revenue, as well as “*Proposition C*” sales tax revenue (included in the “**Local Revenue**” category below), are received on a continuous monthly basis throughout the fiscal year. Local taxes, however, are received primarily in January, over six months into a school district’s fiscal year. Districts that receive a smaller percentage of revenue from state and federal aid and depend more on local revenues, such as the District, will typically carry a larger fund balance than other districts that may be receiving a larger percent of their revenue from state and federal aid amounts rather than local taxes.

Current Sources of Revenue. For the fiscal year ended June 30, 2024, the District’s sources of revenue were as follows:

<u>Source</u>	<u>Amount</u>	<u>%</u>
Local Revenue:		
Property Taxes	\$232,954,582	57.99%
Proposition “C” Sales Tax	24,330,423	6.06
Other	32,537,818	8.01
County Revenue:		
Railroad & Utility Property Taxes	5,588,503	1.39
Fines, Forfeitures & Other	2,672,747	0.67
State Revenue	13,232,190	3.29
Federal Revenue ⁽¹⁾	90,149,863 ⁽¹⁾	22.44
Other Revenue	253,896	0.06
Total Revenue	\$401,720,022	100.00%

Source: District’s Annual Secretary of the Board Report for fiscal year ended June 30, 2024.

⁽¹⁾ Includes federal stimulus funds received by the District relating to COVID-19.

Historical Sources of Revenue. The table below shows the allocation of revenues received by the District for the past five fiscal years ended June 30, 2020, through June 30, 2024:

<u>Source</u>	<u>Fiscal Years Ended June 30</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Local Revenue	\$209,385,983	\$202,746,760	\$223,252,684	\$246,884,405	\$289,822,823
County Revenue	5,467,401	6,130,568	7,105,707	5,418,829	8,261,250
State Revenue	6,950,862	7,135,033	7,213,166	12,217,003 ⁽³⁾	13,232,190 ⁽³⁾
Federal Revenue ⁽¹⁾	37,534,830	43,578,967	69,645,820	64,737,341	90,149,863
Other Revenue ⁽²⁾	6,404,480	1,276,565	395,566	507,328	253,896
Total Revenue	\$265,743,556	\$260,867,893	\$307,612,943	\$329,764,906	\$401,720,022

Source: District’s Annual Secretary of the Board Reports for fiscal years ended June 30, 2020, through 2024.

⁽¹⁾ Includes federal stimulus funds received by the District relating to COVID-19.

⁽²⁾ Includes funds received from the sale of District property.

⁽³⁾ Increase in State Revenue during fiscal years ended June 30, 2023, and 2024 is primarily attributable to increase in State Aid for transportation provided to the District.

Revenues Received from Federal COVID-19 Legislation

To date, the District has received \$3,016,671 from the Coronavirus Relief Fund under the Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”), which can be used to pay expenses related to combating COVID-19. The District also received \$7,914,185 from the Elementary and Secondary School Emergency Relief (“**ESSER**”) under the CARES Act (known as ESSER I) and \$29,144,541 in ESSER II funds under the Coronavirus Response and Relief Supplemental Appropriations Act. The District has been allocated \$65,565,861 in ESSER III funds under the American Rescue Plan Act – State and Local Fiscal Recovery Fund, and has received all \$65,565,861 of these funds to date.

The District has spent all approximately \$105,641,258 of funds received from the CARES Act (\$3,016,671), ESSER I (\$7,914,185), ESSER II (\$29,144,541) and ESSER III (\$65,565,861) responding to COVID-19.

Local Revenue

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

Proposition C revenues are deemed to be “local” revenues for school district accounting purposes. Proposition C revenues are distributed to each school district based on the district’s weighted average daily attendance (see “**Weighted ADA**” under “**State Revenue**” below). Proposition C payments vary each month due to cash availability, which is based on sales taxes paid during the second preceding month.

The table below shows the approximate amount each school district received per pupil from Proposition C revenues for the fiscal years ended June 30, 2021, through 2025:

Fiscal Year Ended June 30	Approximate Proposition C Revenue (Per Pupil)
2025	\$1,514
2024	1,475
2023	1,287
2022	1,214
2021	1,046

Source: DESE (Missouri Department of Elementary and Secondary Education).

According to DESE’s July 2025 Finance Memo, for the current 2025-2026 fiscal year, each school district is expected to receive approximately \$1,495 per pupil from Proposition C revenues based upon each school district’s 2024-2025 Weighted ADA; however, this is a preliminary estimate and subject to change.

County Revenue

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

State Revenue

The primary source of state revenue or “**State Aid**” is provided under a formula enacted under Chapter 163, RSMo. The amount of State Aid for school districts in Missouri is calculated using a formula that is primarily student-needs-based.

Due to the mechanism utilized by the State of Missouri under the Charter Schools Act to provide funding for charter schools within the District, DESE withholds from its yearly payments of State Aid to the District an amount equal to the per-pupil State Aid for all students attending the charter schools within the District, as well as amounts equal to a certain percentage of the District’s local property tax revenue. See the section captioned “GENERAL INFORMATION CONCERNING THE DISTRICT – Charter Schools” for a further discussion of the funding mechanism for charter schools under the Charter Schools Act.

As a result, unlike most school districts in Missouri which may rely more heavily on State Aid, the District has received, and expects it will continue to receive, almost no revenue from the basic formula portion or the Classroom Trust Fund portion of the State Aid generally discussed under this section captioned “FINANCIAL INFORMATION CONCERNING THE DISTRICT – State Revenue.”

The majority of the District’s revenue is derived from local property taxes and Proposition C revenues as discussed above under the section captioned “FINANCIAL INFORMATION CONCERNING THE DISTRICT - Local Revenues” in this *Appendix A*.

Property Tax Levy Requirements. The sum of a district’s local property tax levies in its Incidental and Teachers’ Funds must be at least \$2.75 per \$100 of assessed valuation in order for the district to receive

increases in State Aid above the level of State Aid it received in the 2005-2006 fiscal year. Levy reductions required as a result of a “Hancock rollback” (See the section captioned “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates – Operating Levy**” herein) will not affect a district’s eligibility for State Aid increases.

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

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

Section 163.021 RSMo provides that “whenever there has existed within the school district an infectious disease, contagion, epidemic, plague or similar condition” (like COVID-19), the apportionment of school funds and all other distribution of school moneys, such as Proposition C revenues, shall be made on the basis of the school district’s ADA (or Weighted ADA) for the next preceding fiscal year in which such condition existed. Therefore, if the District’s ADA (or Weighted ADA) for any future fiscal year is substantially reduced as a result of an infectious disease, contagion, epidemic, plague or similar condition, the District will be allowed to base its revenue distributions on its ADA (or Weighted ADA) for the fiscal year immediately preceding the fiscal year in which the condition existed.

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

The table below shows the State Adequacy Target for the fiscal years ended June 30, 2021, through 2025:

Fiscal Year Ended <u>June 30</u>	State Adequacy <u>Target</u>
2025	\$6,760
2024	6,375
2023	6,375
2022	6,375
2021	6,375

Source: DESE (Missouri Department of Elementary and Secondary Education).

According to DESE’s July 2025 Finance Memo, the State Adequacy Target for the current 2025-2026 fiscal year is expected to be \$7,145 per pupil; however, this is a preliminary estimate and subject to change.

Dollar Value Modifier. The DVM is an index of the relative purchasing power of a dollar in different areas of the state. The DVM is calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.000. DESE revises the DVM for each district on an annual basis. The DVM for the District for the 2024-2025 fiscal year was 1.0760 and the DVM for the District for the current 2025-2026 fiscal year is 1.0750.

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

Categorical-Source Add-Ons. In addition to State Aid distributed pursuant to the formula as described above, the formula provides for the distribution of certain categorical sources of State Aid to school districts. These include (1) 75% of allowable transportation costs, (2) the career ladder entitlement, (3) the vocational education entitlement and (4) educational and screening program entitlements.

Classroom Trust Fund (Gambling Revenue) Distributions. A portion of the State Aid received under the formula will be in the form of a distribution from the “**Classroom Trust Fund,**” a fund in the state treasury containing a portion of the state’s gambling revenues. This money is distributed to school districts on the basis of ADA (versus *Weighted* ADA, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and may be spent at the discretion of the local school district except that, beginning with the 2010-2011 fiscal year, all proceeds of the Classroom Trust Fund in excess of amounts received in the 2009-2010 fiscal year must be placed in the Teachers’ or Incidental Funds. The table below shows the approximate amount each school district received per pupil on the basis of ADA from the Classroom Trust Fund for fiscal years ended June 30, 2021, through 2025:

Fiscal Year Ended June 30	Classroom Trust Fund (Per Pupil)
2025	\$601
2024	472
2023	425
2022	430
2021	435

Source: DESE (Missouri Department of Elementary and Secondary Education).

According to the July 2025 Finance Memo released by DESE, the estimated Classroom Trust Fund distributions to school districts during the current 2025-2026 fiscal year are expected to be equal to approximately \$576 per pupil based solely upon each school districts 2024-2025 ADA; however, this is a preliminary estimate and subject to change.

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

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

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

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

A school board may transfer any portion of the unrestricted balance remaining in the Incidental Fund to the Teachers’ Fund. Any district that uses a transfer from the Incidental Fund to pay for more than 25% of the annual certificated compensation obligation of the district, and has an Incidental Fund balance on June 30

in any year in excess of 50% of the combined Incidental and Teachers' Fund expenditures for the fiscal year just ended, will be required to transfer the excess from the Incidental Fund to the Teachers' Fund.

Federal Revenue

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

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

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

Certain Permitted Fund Transfers

Limited Sources of Funds for Capital Expenditures. School districts may only pay for capital outlays from the Capital Projects Fund. Sources of revenues in the Capital Projects Fund are limited to: (1) proceeds of general obligation bonds (which are repaid from a Debt Service Fund levy) and lease financings; (2) revenue from the school district's local property tax levy for the Capital Projects Fund; (3) certain permitted transfers from the Incidental Fund; and (4) a portion of the funds distributed to school districts from the Classroom Trust Fund.

Capital Projects Fund Levy. Prior to setting tax rates for the Teachers' and Incidental Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Teachers' and Incidental Funds to an amount below \$2.75. For the fiscal year ended June 30, 2025, the District's Capital Projects Fund levy was \$0.3000 per \$100 of assessed valuation.

Transfers from the Incidental Fund to the Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes, including: (1) the amount to be expended for transportation equipment that is considered an allowable cost under the State Board of Education rules for transportation reimbursements during the current year; (2) the amount necessary to satisfy obligations of the Capital Projects Fund for state-approved area vocational-technical schools; (3) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (4) the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) \$162,326 or (b) seven percent (7%) of the State Adequacy Target (see "**State Adequacy Target**" above) times the school district's Weighted ADA. According to the District's Annual Secretary of the Board Report for fiscal year ended June 30, 2024, the District transferred \$7,134,072 from the Incidental Fund to the Capital Projects Fund under this provision during the fiscal year ended June 30, 2024.

Transfers from the Incidental Fund to the Debt Service Fund and/or the Capital Projects Fund. If a school district is not using the \$162,326 or seven percent (7%) transfer discussed in parts (5)(a) and (5)(b) of the prior paragraph and is not making payments on lease purchases pursuant to Section 177.088, RSMo, then the school district may transfer from the Incidental Fund to the Debt Service and/or the Capital Projects Fund the greater of (1) the State Aid received in the 2005-2006 school year as a result of no more than eighteen (18) cents of the sum of the Debt Service Fund levy and Capital Projects Fund levy used in the foundation formula and placed in the Capital Projects Fund or Debt Service Fund, or (2) five percent (5%) of the State Adequacy Target (see “***State Adequacy Target***” above) times the district’s Weighted ADA. Because the District made a transfer under the provision discussed in the prior paragraph, the District was not eligible to make a transfer under this provision during the 2023-2024 fiscal year.

[Remainder of this page intentionally left blank.]

Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances was prepared from the District's audited financial statements and Annual Secretary of the Board Reports for the fiscal years ended June 30, 2020, through 2024. The statement set forth below should be read in conjunction with the District audited financial statements and notes included in the District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2024, included as *Appendix B* to this Official Statement and the District's audited financial statements for prior fiscal years on file at the District's office.

Summary Statement of Revenues, Expenditures and Changes in Fund Balances

Fiscal Years Ended June 30

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>General (Incidental) Fund</u>					
Balance--Beginning of Year	\$61,015,223	\$70,156,172	\$79,550,897	\$93,538,980	\$114,933,664
Revenues ⁽¹⁾	238,625,762	248,067,651	279,073,841	298,790,980	312,686,192
Expenditures	130,908,154	128,346,457	154,154,636	159,529,218	167,232,793
Transfers In (Out)	(98,576,659)	(110,326,469)	(110,931,122)	(117,867,078)	(122,814,807)
Balance--End of Year	\$70,156,172	\$79,550,897	\$93,538,980	\$114,933,664	\$137,572,256
Restricted Fund Balance	280,000	280,000	--	--	--
Unrestricted Fund Balance	\$69,876,172	\$79,270,897	\$93,538,980	\$114,933,664	\$137,572,256
<u>Special Revenue (Teachers') Fund</u>					
Balance--Beginning of Year	\$--	\$--	\$--	\$--	\$--
Revenues	7,095,237	7,107,924	9,698,151	10,123,342	10,335,058
Expenditures	105,112,324	109,635,026	113,967,369	121,063,387	125,965,103
Transfers In (Out)	98,017,087	102,527,102	104,269,218	110,940,045	115,630,045
Balance--End of Year	\$--	\$--	\$--	\$--	\$--
<u>Debt Service Fund</u>⁽²⁾					
Balance--Beginning of Year	\$--	\$--	\$--	\$--	\$--
Revenues	--	--	--	--	--
Expenditures	--	--	--	--	--
Transfers In (Out)	--	--	--	--	--
Balance--End of Year	\$--	\$--	\$--	\$--	\$--
<u>Capital Projects Fund</u>					
Balance--Beginning of Year	\$26,811,588	\$25,171,924	\$21,534,396	\$28,415,179	\$36,800,397
Revenues ⁽¹⁾	20,022,556	5,692,318	18,840,951	20,850,585	78,698,772
Expenditures	22,221,792	17,129,213	18,622,072	19,392,400	55,366,710
Transfers In (Out)	559,572	7,799,367	6,661,904	6,927,033	7,184,762
Balance--End of Year	\$25,171,924	\$21,534,396	\$28,415,179	\$36,800,397	\$67,317,221
<u>Total Governmental Funds</u>					
Balance--Beginning of Year	\$87,826,811	\$95,328,096	\$101,085,293	\$121,954,159	\$151,734,061
Revenues	265,743,555	260,867,893	307,612,943	329,764,907	401,720,022
Expenditures	258,242,270	255,110,696	286,744,077	299,985,005	348,564,606
Balance--End of Year	\$95,328,096	\$101,085,293	\$121,954,159	\$151,734,061	\$204,889,477
Restricted Fund Balances	280,000	280,000	--	--	--
Unrestricted Fund Balance	\$95,048,096	\$100,805,293	\$121,954,159	\$151,734,061	\$204,889,477
Ending Operating Fund⁽³⁾ Balances as Percent of Expenditures	29.72%	33.43%	34.89%	40.96%	46.92%

Source: District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2020, through 2024; District's Annual Comprehensive Financial Reports for fiscal years ended June 30, 2020, through 2024.

(1) Includes federal stimulus funds received by the District relating to COVID-19.

(2) The District had no general obligation bonds outstanding during the fiscal years ended June 30, 2020 through 2024; therefore, the District did not levy a separate debt service property tax which would generate revenues that would be recorded in the District's Debt Service Fund and used solely pay debt service on general obligation bonds of the District, and no debt service expenses for the payment of general obligation bonds were recorded in the Debt Service Fund.

(3) The Operating Fund is defined to be the General Fund and Special Revenue (Teachers') Fund only.

Risk Management

General. Resources are accumulated in the General Fund for workers' compensation, unemployment, and general liability claims. The District qualifies as a self-insurer under Missouri Workers' Compensation laws and maintains a reserve to cover estimated workers' compensation claims incurred before November 1, 1999. Restricted cash and investments of \$283,874 as of the District's fiscal year ended June 30, 2024, are for the self-insured portion of the workers compensation program's reserve requirement. A commercial insurance policy is purchased to cover current and future workers' compensation claims. Pursuant to Section 288.090.3(1)(a) of the Revised Statutes of Missouri, as amended, the District participates in the State Employment Security Program on a reimbursable basis and pays claims in lieu of contributions. The District maintains a general liability reserve to cover claims in excess of existing commercial insurance coverage that is funded by contributions from the General Fund.

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District purchases commercial insurance. Claim settlements have not exceeded commercial insurance coverage for each of the past three fiscal years.

Self-Insurance. The District has established self-funded benefits, which are medical and dental programs in the Internal Service Fund. The purpose of this fund is to pay the medical and dental claims of the District's employees and their covered dependents. The program is administered by a third-party administrator. As of January 1, 2021, the District is self-funded with respect to its obligations to provide health insurance for its employees. The estimated liability for payment of reported and unreported incurred but unpaid claims is recorded in the internal service fund. This liability is based on estimate provided by the third-party administrator. As of the District's fiscal year ended June 30, 2024, the total estimated liability for payment of incurred but unpaid claims for health insurance was \$1,296,900 and is included in long-term liabilities in the Internal Service Fund. Changes in self-funded claims liability as of the District's fiscal year ended June 30, 2024, were as follows:

	Self-Insurance (Health) <u>Fiscal Year Ended June 30, 2024</u>
Balance – June 30, 2024	\$2,797,101
Add: Current year claims and changes in estimate	24,687,158
Less: Claims payments	<u>(24,490,513)</u>
Balance – June 30, 2024	\$2,993,746

Source: District's Annual Comprehensive Financial Reports for fiscal year ended June 30, 2024.

Employee Retirement and Pension Plans

Plan Description. The District contributes to the Kansas City Public School Retirement System ("KCPSRS"), a cost-sharing, multiple-employer and contributory defined benefit pension plan. Substantially all full-time employees of the District, the Kansas City Public Library and charter schools are covered by the plan. The KCPSRS provides retirement, disability, and death benefits to plan members and beneficiaries. All benefit provisions are established and may be amended by the legislature of the State of Missouri. The general administration and responsibility for the proper operation of the KCPSRS rests with a board of trustees. Financial statements of the Kansas City Public School Retirement System can be obtained by writing to Kansas City Public School Retirement System, 3100 Broadway, Suite 1211, Kansas City, Missouri 64111 or by calling (816) 472-5912.

Benefits provided. KCPSRS provides retirement, disability, and death benefits. Retirement benefits are determined based on the employee's average final salary and a multiplier based on the years of service. Employees, hired prior to January 1, 2014, are eligible for full retirement at age 60 with at least 5 years of

covered employment or when the years of service plus the employee’s age equals or exceeds 75 credits. Employees, hired after January 1, 2014, are eligible for full retirement at age 62 with at least 5 years of covered employment, or when the years of service plus the employee’s age equals or exceeds 80 credits. Five years of service is required for disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Pre-retirement death benefits, at a minimum, are based on a calculation of the employee’s contributions plus interest. Post retirement death benefits, at a minimum, are based on a calculation of accumulated contributions in excess of total benefits received.

Contributions. All regular and full-time employees must become members of the KCPSRS as a condition of employment. From January 1, 1999, through December 31, 2013, members contributed 7.5% of regular annual compensation. During the 2013 Missouri legislative session, SB223 was passed allowing the KCPSRS flexibility to increase the contribution rate in 0.50% increments annually, to a maximum of 9.00%. For the District’s fiscal year ended June 30, 2024, the employee contribution rate was equal to 9.00%. For the District’s fiscal year ended June 30, 2024, the employer contribution was equal to 12.00%. The employer contribution rate may be the greater of (1) the actuarial required contribution rate less the member contribution rate or (2) 12.00% of annual covered salary, until the KCPSRS is fully funded. Once the KCPSRS is fully funded, the employer contribution rate may increase or decrease, in subsequent years, depending on valuation results and the employee contribution rate may decrease from 9.00% depending on valuation results. The contribution rate is set each year by the Board of Trustees of KCPSRS upon the recommendation of the KCPSRS’s actuary within the contribution restrictions of Section 169.350 of the Revised Statutes of Missouri, as amended. Contributions to the pension plan from the District were \$16,778,347 for the year ended June 30, 2024.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the District reported a liability of \$191,882,661 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023, rolled forward one year to December 31, 2023, using generally accepted actuarial principles and methods. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating governments. At December 31, 2023, the District’s collective proportion was 54.177031%, which was a decrease of 0.75477% from its proportion measured as of December 31, 2022.

For the fiscal year ended June 30, 2024, the District had a recognized pension expense of \$23,965,029. As of fiscal year ended June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$1,055,276	\$(1,572,238)
Net difference between projected and actual earnings on pension plan investments	22,294,206	--
Changes of assumptions	1,447,158	--
Changes in proportion	--	(2,273,837)
District contributions subsequent to the measurement date	9,900,547	--
Total:	<u>\$35,327,187</u>	<u>\$(3,846,075)</u>

Source: District’s Annual Comprehensive Financial Report for fiscal year ended June 30, 2024.

The \$9,900,547 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The deferred outflows related to the difference between expected and

actual investment earnings is being amortized over a closed 5-year period. The remaining amount of deferred outflows of resources are being amortized over a closed period equal to the average of the expected service lives of all participants as of the beginning of the measurement period. Amounts reported as deferred outflows of resources (other than contributions) and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Years</u> <u>Ending June 30</u>	<u>Pension Expense</u>
2025	\$3,349,227
2026	7,360,836
2027	12,799,302
2028	<u>(1,928,800)</u>
Total	<u>\$21,580,565</u>

Source: District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2024.

There were no non-employer contributing entities at KCPSRS.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2023, rolled forward to December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.25%
Salary increases:	3.85% to 9.50% including wage inflation
Investment rate of return:	7.25% net of investment expense and including price inflation

Source: District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2024.

Pre-retirement mortality rates were based on the Pub-2010 General Members (Below Median) Employee Mortality Table with a one-year age setback for males and a one-year age set-forward for females, projected 15 years from valuation date using Scale MP-2020. Post-retirement mortality rates for healthy retirees were based on the Pub-2010 General Members (Below Median) Retiree Mortality Table with a one-year age setback for males and a one-year age set-forward for females, projected 7 years from valuation date using Scale MP-2021. Assumptions that changed from prior year: non-disabled mortality tables were updated to reflect an additional year of mortality improvements. The actuarial assumptions used in the January 1, 2023, valuation were based on the results of the most recent experience study covering the five-year period ending December 31, 2019 (report dated October 5, 2020).

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	10.5%	6.2%
U.S. Mid Cap Equity	6.0	6.8
U.S. Small Cap Equity	6.0	7.2
International Developed Equity	12.0	7.1
Emerging Market Equity	10.0	9.0
Core Fixed Income	10.0	1.2
Global Fixed Income	5.0	1.2
High Yield Bonds	2.5	3.7
Multi-Asset Class (MACS)	13.5	4.7
Hedge Fund of Funds	5.0	3.3
Private Equity	7.5	10.4
Real Estate – Core	6.0	4.5
Real Estate – Value Add	3.0	7.0
Real Estate – Opportunistic	<u>3.0</u>	9.1
Total:	100.0%	

Source: District’s Annual Comprehensive Financial Report for fiscal year ended June 30, 2024.

Discount Rate. The discount rate used to measure the total pension liability at December 31, 2023, was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from school districts and KC Library will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
District’s proportionate share of the net pension liability	\$247,406,618	\$191,882,661	\$145,054,704

Source: District’s Annual Comprehensive Financial Report for fiscal year ended June 30, 2024.

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued KCPSRS financial report; which can be located at www.kcpsrs.org.

Payable to the pension plan at June 30, 2024. The District reported payables (within accrued salaries, benefits, and payroll taxes in the fund financial statements) to the defined benefit pension plan of \$2,619,856 for legally required employer contributions and \$1,433,551 for legally required employee contributions which had been withheld from employee wages but not yet remitted to KCPSRS.

KCPSRS Funded Status. KCPSRS reported an actuarial funded ratio of 68.50%, as of January 1, 2025, according to the KCPSRS Actuarial Valuation Report as of January 1, 2025, which is available on the KCPSRS website at www.kcpsrs.org. None of the information available at the KCPSRS website is incorporated by reference into this Official Statement. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. KCPSRS amortizes unfunded actuarial liabilities using an open 30-year method. For additional information about the actuarial methods and assumptions used to determine the actuarial funded ratio, see “**Section I: Executive Summary**” in the KCPSRS Actuarial Valuation Report as of January 1, 2025.

The following provides a historical comparison of actual contribution rates to actuarially determined contribution rates and the historical funded status of the KCPSRS plan for the years shown:

Historical Contribution Rates

Actuarial Valuation Date	Actuarial Contribution Rate	Actual Contribution Rate	Contribution Shortfall/(Margin)
1/1/2025	17.74%	21.00%	(3.26)%
1/1/2024	17.85	21.00	(3.15)
1/1/2023	18.25	21.00	(2.75)
1/1/2022	18.40	21.00	(2.60)
1/1/2021	19.49	21.00	(1.51)

Source: Table 16 of the KCPSRS Actuarial Valuation Report as of January 1, 2025.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
1/1/2025	\$706,408,237	\$1,031,257,385	\$324,849,148	68.5%	\$282,715,300	114.9%
1/1/2024	702,224,863	1,016,027,955	313,803,092	69.1	265,017,203	118.4
1/1/2023	689,114,479	1,006,764,612	317,650,133	68.4	252,084,684	126.0
1/1/2022	692,264,054	998,058,955	305,794,901	69.4	234,540,261	130.4
1/1/2021	663,210,594	997,587,405	334,376,811	66.5	228,084,635	146.6

Source: Table 15 of the KCPSRS Actuarial Valuation Report as of January 1, 2025.

For more information specific to the District’s participation in KCPSRS, see *Note 4(e) – Pension Plans and Retirement Benefits* in the Notes to Basic Financial Statements contained in the District’s Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, attached as **Appendix B** to this Official Statement.

Other Post-Employment Benefits

The Kansas City Public Schools Post-Employment Benefit Plan (the “**OPEB**”) is a single employer defined benefit health care plan administered by the District that provides medical and dental insurance benefits to eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in

paragraph 4 of GASB Statement No. 75. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

For more information on the District’s OPEB obligations, see *Note (4)(b) - Post-Employment Benefits* in the Notes to Basic Financial Statements contained in the District’s Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, attached as **Appendix B** to this Official Statement.

Employee Relations

The District successfully negotiated new Collective Bargaining Agreements dated July 1, 2023, with the Kansas City Federation of Teachers & School Related Personnel (“**KCFT & SRP**”), which represents the District’s teachers, counselors, school librarians and other full-time, certificated, non-supervisory employees of the District. The Collective Bargaining Agreement is in effect until July 1, 2026, and included a modest wage increase for District employees represented by KCFT & SRP that commenced on July 1, 2023. The relationship between KCFT & SRP and the administration of the District is cordial, with open dialogue and an overall positive approach to labor/management relations. There are no threatened work stoppages, or any known problems with teachers and District employees represented by KCFT & SRP that would negatively impact the financial condition of the District or the ability of the District to educate District students.

The Service Employees International Union (“**SEIU**”) represents the cafeteria employees/custodial/mechanical personnel of the District. Prior to 2015, the SEIU had minimal presence in the Kansas City metropolitan area, but has since added a field office and is more active in the region. The District’s administration has worked well with the SEIU in negotiating a new agreement that is also effective through July 1, 2026. Those employees represented by the SEIU received modest pay increases. There are no threatened work stoppages, or any known problems with the cafeteria employees/custodial/mechanical personnel that would negatively impact the financial condition of the District or the ability of the District to educate District students.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

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

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

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

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

Current Assessed Valuation. The following table shows the total locally assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District and \$305,549,405 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas located within the District) according to the *preliminary* assessment for calendar year 2025 for property owned as of January 1, 2025, prior to any Board of Equalization adjustments, provided by the Jackson County Clerk as of June 30, 2025.

<u>Type of Property</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>	<u>% of Actual Valuation</u>
Real:				
Residential	\$2,464,845,487	19.00%	\$12,972,870,984	61.53%
Agricultural	22,278	12.00%	185,651	0.00
Commercial ⁽¹⁾	<u>2,258,610,592</u>	32.00%	<u>7,058,158,100</u>	<u>26.34</u>
Total Real	<u>\$4,723,478,357</u>		<u>\$20,031,214,735</u>	<u>87.87%</u>
Personal	<u>926,315,328</u>	33.33% ⁽²⁾	<u>2,779,223,906</u>	<u>12.13</u>
Total Real & Personal	<u>\$5,649,793,685</u>		<u>\$22,810,438,641</u>	<u>100.00%</u>

Source: Notice of 2025 Aggregate Assessed Valuation, prior to Board of Equalization adjustments, provided by the Jackson County Clerk as of June 30, 2025. The District's 2025 assessed valuation reflected above is preliminary and subject to change after Board of Equalization adjustments are finalized.

⁽¹⁾ Includes locally assessed railroad and utility property.

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

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District and the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas located within the District) according to the assessments of January 1, as adjusted through December 31 (except for the 2025 calendar year), in each of the following years has been as follows:

<u>Calendar Year</u>	<u>Assessed Valuation</u>	<u>% Change</u>
2025	\$5,649,793,685 ⁽¹⁾⁽²⁾	10.63%
2024	5,106,714,368	(0.84)
2023	5,150,026,589 ⁽²⁾	23.68
2022	4,164,056,206	3.94
2021	4,006,402,339 ⁽²⁾	10.43

Source: For calendar year 2025, Notice of 2025 Aggregate Assessed Valuation, prior to Board of Equalization Adjustments, provided by the Jackson County Clerk as of June 30, 2025; for calendar years 2021 through 2024, the District's 2021-2022 through 2024-2025 Annual Reports of the County Clerk to the State Board of Education.

⁽¹⁾ 2025 assessed valuation is preliminary and prior to any Board of Equalization adjustments; therefore, the 2025 assessed valuation is subject to change after Board of Equalization adjustments are finalized.

⁽²⁾ Calendar years 2021, 2023 and 2025 were reassessment years in Jackson County, which resulted in a significant increase in assessed valuation for the District in 2021, 2023 and 2025.

Property Tax Levies and Collections

Generally. Property taxes are levied and collected for the District by the County, for which the County receives a collection fee.

The District is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the District's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. As required under SB 711 (discussed below), the District must informally project nonbinding tax levies for the year and return such projected tax levies to the County Clerk in April. The District must fix its ad valorem property tax rates and certify them to the County Clerk no later than October 1 for entry in the tax books. Taxes are levied at the District's tax rate per \$100 of assessed valuation. The Missouri State Auditor is responsible for reviewing the rate of tax to ensure that it does not exceed constitutional rate limits.

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

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

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

Tax Abatement and Tax Increment Financing

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

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, makes available tax increment financing for redevelopment projects in certain areas

determined by the governing body of a city or county to be a “blighted area,” “conservation area” or “economic development area,” each as defined in such statute.

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

According to the Jackson County Assessor’s office, as further reflected in the District’s Notice of 2025 Aggregate Assessed Valuation provided by the Jackson County Clerk as of June 30, 2025, the assessed valuation of the property within the TIF Redevelopment Areas within the District is approximately \$305,549,405 for the current 2025 tax year. See “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – Current Assessed Valuation**” and “– *History of Property Valuations.*” For additional information regarding tax increment financing within the District, see *Note 1(d)(12)* to the District’s Annual Comprehensive Financial Report for fiscal year ended June 30, 2024, attached as *Appendix B* to this Official Statement.

Tax Rates

Debt Service Levy. Once the issuance of general obligation bonds has been approved by the requisite number of the voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Directors may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Since the District did not have any general obligation bonds outstanding during the fiscal year ended June 30, 2025, the District did not levy a separate debt service property tax during fiscal year ended June 30, 2025. However, following the issuance of the Bonds on September 16, 2025, the District will levy a debt service property tax during the District’s current fiscal year ending June 30, 2026 (applicable to the tax year ending December 31, 2025), and will levy a debt service property tax for each fiscal year thereafter as long as the Bonds or any other general obligation bonds of the District are outstanding, which the District anticipates will generate property tax revenues in an amount sufficient to pay the interest and principal scheduled to become due on the Bonds and any other general obligation bonds of the District that may be issued and outstanding in the future. The property tax revenues generated from this separate debt service property tax levy will be deposited in the District’s Debt Service Fund and used solely to pay principal and interest on the District’s general obligation bonds, including the Bonds.

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

Under Article X, Section 11(b) of the Missouri Constitution, a school district may increase its operating levy up to \$2.75 per \$100 assessed valuation without voter approval. Any increase above \$2.75,

however, must be approved by a majority of the voters voting on the proposition. Further, pursuant to Article X, Section 11(c) of the Missouri Constitution, any increase above \$6.00 must be approved by two-thirds of the voters voting on the proposition. The tax levy for debt service on a school district's general obligation bonds is exempt from these limitations upon the tax rate ceiling.

In 1987, a federal judge ordered the District to increase its operating levy by \$1.95 (from \$2.05 to \$4.00) per \$100 of assessed valuation to fund capital improvements in the District aimed at remedying the effects of segregation in the District. Subsequent Court Orders provided that future levy amounts should be set by the District's Board of Directors, subject to reasonable limitations by the Court. In 1990, the District's Board increased the levy to \$4.96 per \$100 of assessed valuation, which was the rate in effect in 1995. In 1998, Missouri voters approved Article X, Section 11(g) of the Missouri Constitution specifically applicable to the District which provides that *"any school district whose operating levy for school purposes for the 1995 tax year was established pursuant to a federal court order may establish the District's operating levy at a rate that is lower than the court-ordered rate for the 1995 tax year. The rate so established may be changed from year to year by the Board of Directors. Approval by a majority of the voters of the District voting thereon is required for any operating levy for school purposes equal to or greater than the rate established by court order for the 1995 tax year."*

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

In 2008, through the enactment of Senate Bill 711 (**"SB 711"**), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of a district's *actual* operating tax levy if its current tax levy was less than its current tax levy *ceiling*, due to the district's voluntary rollback from the maximum authorized tax levy. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a district's *actual* operating tax levy, regardless of whether that levy is at the district's tax levy *ceiling*. This further reduction is sometimes referred to as an **"SB 711 rollback."** In non-reassessment years (even-numbered years), the operating levy may be increased to the district's tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

Under the provisions of an initiative petition adopted by the voters of Missouri on November 2, 1982, commonly known as **"Proposition C,"** revenues generated by a 1% state sales tax are credited to a special trust fund for school districts and are deemed to be "local" revenues for school district accounting purposes. Proposition C revenues are distributed to each school district within the State on the basis of per eligible pupils. Under Proposition C, after determining its budget and the levy rate needed to produce required revenues to fund the budget, a school district must reduce the operating levy by an amount sufficient to decrease the revenues it would have received therefrom by an amount equal to approximately 50% of the estimated revenues to be received through Proposition C during the year. School districts may submit propositions to voters to forego all or a part of the reduction in the operating levy which would otherwise be required under terms of Proposition C. Although the District has not submitted a proposal to voters to approve foregoing any or all of the reduction in the operating levy which would otherwise be required under terms of Proposition C, because the District's operating levy is set pursuant to a Court order, the District is not required

to reduce its operating levy due to revenue from Proposition C.

For the District’s fiscal year ended June 30, 2025, the District’s operating levy was \$4.9599 per \$100 of assessed valuation. The tax levy for debt service on the District’s general obligation bonds, including the Bonds, is exempt from the calculations of and limitations upon the tax rate ceiling.

History of Tax Levies

The following table shows the District’s tax levies per \$100 of assessed valuation for each of the last five fiscal years ended June 30, 2021, through June 30, 2025. As noted above, following the issuance of the Bonds, the District expects to levy a debt service property tax on all taxable tangible property within the District each year the Bonds or any other general obligation bonds are outstanding, as required by Article VI, Section 26(f) of the Missouri Constitution, which the District anticipates will be sufficient to pay the annual interest and principal due on the Bonds and any other general obligation bonds the District may issue and have outstanding each year.

Fiscal Year Ended June 30	General Incidental Fund	Special Revenue Teachers’ Fund	Debt Service Fund	Capital Projects Fund	Total Levy
2025	\$4.6599	\$0.0000	\$0.0000	\$0.3000	\$4.9599
2024	4.2999	0.0000	0.0000	0.6600	4.9599
2023	4.9599	0.0000	0.0000	0.0000	4.9599
2022	4.9599	0.0000	0.0000	0.0000	4.9599
2021	4.9599	0.0000	0.0000	0.0000	4.9599

Source: For the fiscal year ended June 30, 2025, State Auditor’s 2024 Property Tax Rates Report; for fiscal years ended June 30, 2020, through 2024, the District’s Annual Secretary of the Board Reports for fiscal years ended June 30, 2020 through 2024.

[Remainder of this page intentionally left blank.]

Tax Collection Record

Taxes are levied based on the assessed valuation following Board of Equalization review, which typically occurs in August. As a result of resolution of tax cases, the addition of undeclared personal property and other changes in assessment following Board of Equalization review, tax bills may be changed following the original levy and some taxpayers may be obligated to pay additional taxes or pay less taxes. The following table sets forth tax collection information for the District in each of the fiscal years ended June 30, 2020, through June 30, 2024:

Fiscal Year Ended June 30	Total Levy (per \$100 of Assessed Value)	Assessed Valuation ⁽¹⁾	Total Taxes Levied ⁽²⁾	Current Taxes Collected		Current and Delinquent Taxes Collected ⁽³⁾	
				Amount	%	Amount	%
2024	\$4.9599	\$5,150,026,589	\$255,436,169	\$224,998,962	88.1%	\$232,954,582	91.2%
2023	4.9599	4,164,056,206	206,533,024	183,336,365	88.8	195,732,157	94.8
2022	4.9599	4,006,402,339	198,713,550	165,919,413	83.5	176,580,333	88.9
2021	4.9599	3,627,969,914	179,943,680	157,782,952	87.7	162,978,671	90.6
2020	4.9599	4,002,558,478	198,522,898	159,311,840	80.2	165,934,346	83.6

Source: District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2020, through 2024.

- (1) Assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown. Excludes state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas located within the District.
- (2) Total Taxes Levied are based on assessed valuation as of December 31 of each year and are calculated by dividing Assessed Valuation by 100 and multiplying by the Total Levy. Excludes taxes against state-assessed railroads and utilities.
- (3) Delinquent taxes are shown in the year payment is actually received, which may cause the percentage of Current and Delinquent Taxes Collected to exceed 100%.

Major Property Taxpayers

The following table sets forth the largest real and personal property taxpayers in the District based on the assessed valuation of property owned as of January 1, 2024, after Board of Equalization adjustments. The District has not independently verified the accuracy or completeness of such information.

Owner	Type of Use	2024 Assessed Valuation	Percentage of District's Total 2024 Assessed Valuation
Southern Union dba MGE & Spire	Transportation/utilities	\$137,468,905	2.69%
Everygy Metro	Utilities	74,926,343	1.47
Country Club Plaza Owner LLC	Real estate investment	56,351,840	1.10
Crown Power & ReDev Corp/Hallmark	Greeting cards, hotel and retail sales	47,945,222	0.94
Federal Reserve Bank of KC	Banking	31,084,480	0.61
Bayer Crop Science	Agricultural research/manufacturing	30,566,000	0.60
Town Pavilion Holdings	Retail shopping center	29,440,990	0.58
Google Fiber Missouri LLC	Communications	28,794,003	0.56
Mars Petcare US Inc	Pet food manufacturing	27,491,600	0.54
Hawthorn Homes LLC	Real estate	18,330,848	0.36
Total:		\$482,400,231	9.45%

Source: Jackson County, Missouri Collection Department.

* * * *

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX B

THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

(THIS PAGE LEFT BLANK INTENTIONALLY)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED IN JUNE 30, 2024



KANSAS CITY
PUBLIC SCHOOLS



KANSAS CITY PUBLIC SCHOOLS
(The School District of Kansas City, Missouri)

Annual Comprehensive Financial Report

For The Fiscal Year Ended June 30, 2024

(With Independent Auditor's Report Thereon)

Prepared by

Business & Finance Division

KANSAS CITY PUBLIC SCHOOLS

Table of Contents

	Page
Introductory Section (Unaudited):	
Letter of Transmittal	i – iii
Vision and Mission of District	iv
Organizational Chart	v
List of Principal Officials	vi
Financial Section	
Independent Auditor’s Report	1 – 3
Management’s Discussion and Analysis (Unaudited)	4 – 18
Basic Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Balance Sheet—Governmental Funds	21
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Position—Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Fund Net Position—Proprietary Funds	26
Statement of Cash Flows—Proprietary Funds	27
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29
Notes to Basic Financial Statements	30– 59
Required Supplementary Information (Unaudited):	
Schedule of Budgetary Comparison—General Fund	60– 67
Note to Required Supplementary Information	68– 70
Net Pension Liability and Schedule of Employer Contributions – Pension	71
Pension Plan Required Supplementary Information	72– 73

KANSAS CITY PUBLIC SCHOOLS

Table of Contents

	Page
Supplementary Information	
Nonmajor Fund Financial Statements and Schedules	
Nonmajor Governmental Funds—Combining Balance Sheet	74
Nonmajor Governmental Funds—Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	75
Child Nutritional Services Fund—Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual	76
Capital Projects Fund—Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual	77 – 78
Schedule of Budgetary Comparison—Teachers’ Fund	79 – 81
Capital Assets Used in the Operation of Governmental Funds by Source	82
Schedule of Changes of Capital Assets Used in the Operation of Governmental Funds by Function and Activity	83
Capital Assets Used in the Operation of Governmental Funds by Function and Activity	84
Schedule of Expenditures of Federal Awards	85 – 86
Notes to Schedule of Expenditures of Federal Awards	87

Table

Statistical Section (Unaudited)

Table of contents	88
Net Position by Component—Last Ten Fiscal Years	1 89
Changes in Net Position—Last Ten Fiscal Years	2 90 – 91
Fund Balances of Governmental Funds—Last Ten Fiscal Years	3 92
Changes in Fund Balances of Governmental Funds and Debt Service Ratio — Last Ten Fiscal Years	4 93
Assessed and Estimated Actual Value of Taxable Property—Last Ten Calendar Years	5 94
Property Tax Rates—Direct and Overlapping Governments—Last Ten Fiscal Years	6 95
Principal Property Taxpayers	7 96
Property Tax Levies and Collections—Last Ten Calendar Years	8 97
Outstanding Debt by Type—Last Ten Fiscal Years	9 98
Computation of Overlapping Debt	10 99
Computation of Legal Debt Margin	11 100
Demographic Statistics—Last Ten Fiscal Years	12 101
Property Value and Construction Costs—Last Ten Fiscal Years	13 102
Per-Pupil Costs—Last Ten Fiscal Years	14 103



December 18, 2024

Board of Directors and Citizens of the District
School District of Kansas City, Missouri
2901 Troost Avenue
Kansas City, MO 64109

The Board of Directors and Citizens:

Missouri revised statute section 165.111 requires an audit to be performed at least biennially of the financial records of all funds of the Kansas City, Missouri School District (the District). This report is prepared and published to fulfill this requirement for the fiscal year ending June 30, 2024. In addition, the report provides the Department of Elementary and Secondary Education (DESE), citizens, financial institutions, grantor agencies, and other interested parties with reliable information concerning the financial condition of the District.

This letter of transmittal is designed to be read in conjunction with the Management Discussion and Analysis report, which includes financial highlights, analysis, and a discussion of the District's financial condition. The report is in the financial section after the independent auditor's report and provides an overview of the District's financial condition at the government-wide level and at the fund level. The government-wide level reports on changes in assets and liabilities or net position. The fund level reports provide a more detailed focus on all the funds of the District and demonstrative compliance with Missouri statutes.

District management is responsible for establishing and maintaining internal controls designed to ensure that District resources are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of cost and benefits requires estimates by management.

This report was prepared by the Business & Finance Division who is responsible for the accuracy of the data, completeness and fairness of the report including all disclosures. RSM US LLP, certified public accountants, has issued an unmodified opinion on the District's financial statements for the year ended June 30, 2024. The independent auditor's report is in the front of the financial section of this report. The District is also required to have performed annually an audit in compliance with *Title 2 US. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Welch & Associates, LLP, certified public accountants, performed this audit. Information related to these audits, which includes the schedule of expenditures of federal awards and related notes, the schedule of findings and questioned costs, and the independent auditors' reports on compliance and internal control over financial reporting, schedule of selected statistics and a schedule of transportation cost eligible for state aid is published under a separate cover.

DISTRICT PROFILE

Kansas City, Missouri is the central city of a growing bi-state metropolitan area with a population of approximately 2.1 million people. The bi-state area consists of 144 municipalities and approximately 4,800 square miles in seven counties of Northwest Missouri and four counties in Northeast Kansas. The District is located within the taxing jurisdiction of Jackson County with a population of approximately 203,000 people. The District covers about 68 square miles within the corporate limits of Kansas City.

The District was originally established in 1867 and currently exists as an urban school district organized and governed by Section 162.461 of the Missouri revised statutes. The District is a political subdivision of the State of Missouri and is governed by an elected seven-member Board of Directors. These financial statements include the District and a component unit described below (See note 1 (a)):

- School District of Kansas City, Missouri Building Corporation - provide financing for QSCB Bond debt service.

The District operated six high schools, one career and technical education school, two alternative schools, three middle schools, two early learning centers, one virtual academy and 21 elementary schools for school year 2023-2024. At all levels, there are comprehensive neighborhood and signature/magnet school curriculums. Among the signature/magnet theme curriculums are visual and performing arts, college preparatory, foreign languages, and Montessori. Two programs for high school students are located on the campus of Metro Community College at Penn Valley to encourage a college experience while receiving high school requirements for graduation. Those include the Early College for high school juniors and seniors who are also eligible for an associate degree and the Middle College. The Middle College is a high school diploma program for students who had previously dropped out of school or were not finding success in a traditional high school. The District serves about 13,640 K-12 and 1,085 pre-k students.

The District provides a comprehensive curriculum to meet the needs of a diverse student population. Course offerings at the high schools vary from those that are considered college preparatory to those that prepare students to enter particular careers upon graduating from high school. Approximately 11.8% of the school population is served under an Individualized Education Plan (IEP) by the Special Education Department of the District. Specially trained teachers provide services to students needing both modified programs and specialized instruction. The District has developed programs for exceptional pupils that include services for students with mental or orthopedic handicaps, speech, or language disorders, learning disabilities, autism, behavior disorders, and auditory or visual handicaps, cognitive disability, as well as services for pre-school disabled children. It is the goal of the District to provide appropriate instructional services for each child according to their individual and unique needs.

The District contracts primarily with Student Transportation of America to provide transportation to eligible students attending neighborhood and signature schools. Resident students living one-half miles or more from school will be eligible for free transportation to and from school.

The Kansas City Public Schools Education Foundation provides annual program grants to the Kansas City Public Schools through its own fundraising efforts. The Foundation is managed by a Board of Directors comprised of local supporters and a District employed Director.

An elected seven-member board governs the District. The Kansas City Public School District Board of Directors (Board) is the basic level of government that has financial accountability and control over all activities related to public school education in the District. The District is not a component unit of another reporting entity. The Board meets and adopts the annual budget prior to July 1 each year, in compliance with section 67.010 of the Missouri statute. The budget serves as the foundation for the District's financial planning and control. The budget is prepared on a modified accrual basis, and presented to the Board by fund, function, and object. As actual financial data changes, budgetary changes or amendments are recommended through the administrative chain of command to the Board for action. The Board approved two budget amendments for the year ended June 30, 2024. The Board is required to conduct at least one public hearing before adopting the budget and setting the property tax levy.

The District is committed to developing, maintaining, and improving effective management systems and controls. The District makes conscientious efforts to employ and retain highly qualified employees through active recruitment and thorough evaluations. Further, operations are continually evaluated to assure they function effectively, efficiently, and provide appropriate levels of supervision and segregation of duties.

LOCAL ECONOMIC FACTORS

Local property taxes represent approximately 62% of total revenues reported by the District. During the fiscal year, the District was entitled to receive approximately \$251 million in property taxes for tax year 2023 based on its \$4.9599 operating levy; actual current taxes collected during the fiscal year totaled approximately \$218 million. The assessed valuation of real and personal property increased to approximately \$5.150 billion (tax year 2023) from approximately \$4.164 billion (tax year 2022). The difference between billed and collected is the county retention fee of approximately 1.69%, delinquent and appealed taxes.

Within the boundaries of Kansas City, Missouri are 14 school districts. Within the Kansas City Public School District are 20 charter schools. The number of school options inside the Kansas City Public School Boundaries places pressure on available revenues. The Kansas City Missouri Public School District employs roughly 2,624 personnel in varying positions with a \$211.5 million budgeted salary and benefit expense.

Kansas City has numerous medical and research facilities as well as many insurance and financial institutions. Retail shopping and tourism and events are a major portion of a thriving downtown Kansas City. Economic development continues to thrive in the downtown and other areas of the City.

CASH MANAGEMENT

The District's investment policy is to minimize credit and market risk while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral for bank deposits is held by the Federal Reserve in the depositor's name on behalf of the District. Investments are in repurchase agreements, certificates of deposit and other federal obligations.

BLUEPRINT 2030

Blueprint 2030 (BP2030) is KCPS Academic Plan to increase Student Achievement and enhance the student experience by redirecting resources from the operations often school sites into our Academic Plan. BP2030 is a long-term plan to provide equitable educational experiences so Kansas City students thrive socially, emotionally, and academically.

ACKNOWLEDGEMENTS

We express our appreciation to the Finance staff for their dedicated efforts to prepare for the audit of our accounting records and preparation of this report. Support received from other departments of the Business & Finance Division and other departments of the District is very much appreciated.

We acknowledge the Board of Directors of the District for their leadership and governance on behalf of the District.

Yours in education,



Jennifer Collier, Ed.D.
Superintendent of Schools



Erin Thompson
Chief Financial Officer



Our Vision

The Kansas City Public Schools (KCPS) envisions its schools as places where every student will develop deep understanding of the knowledge and skills necessary to pursue higher education, obtain family-supporting employment, contribute to the civic well-being of the community, and have the opportunity for a rewarding and fulfilling life.

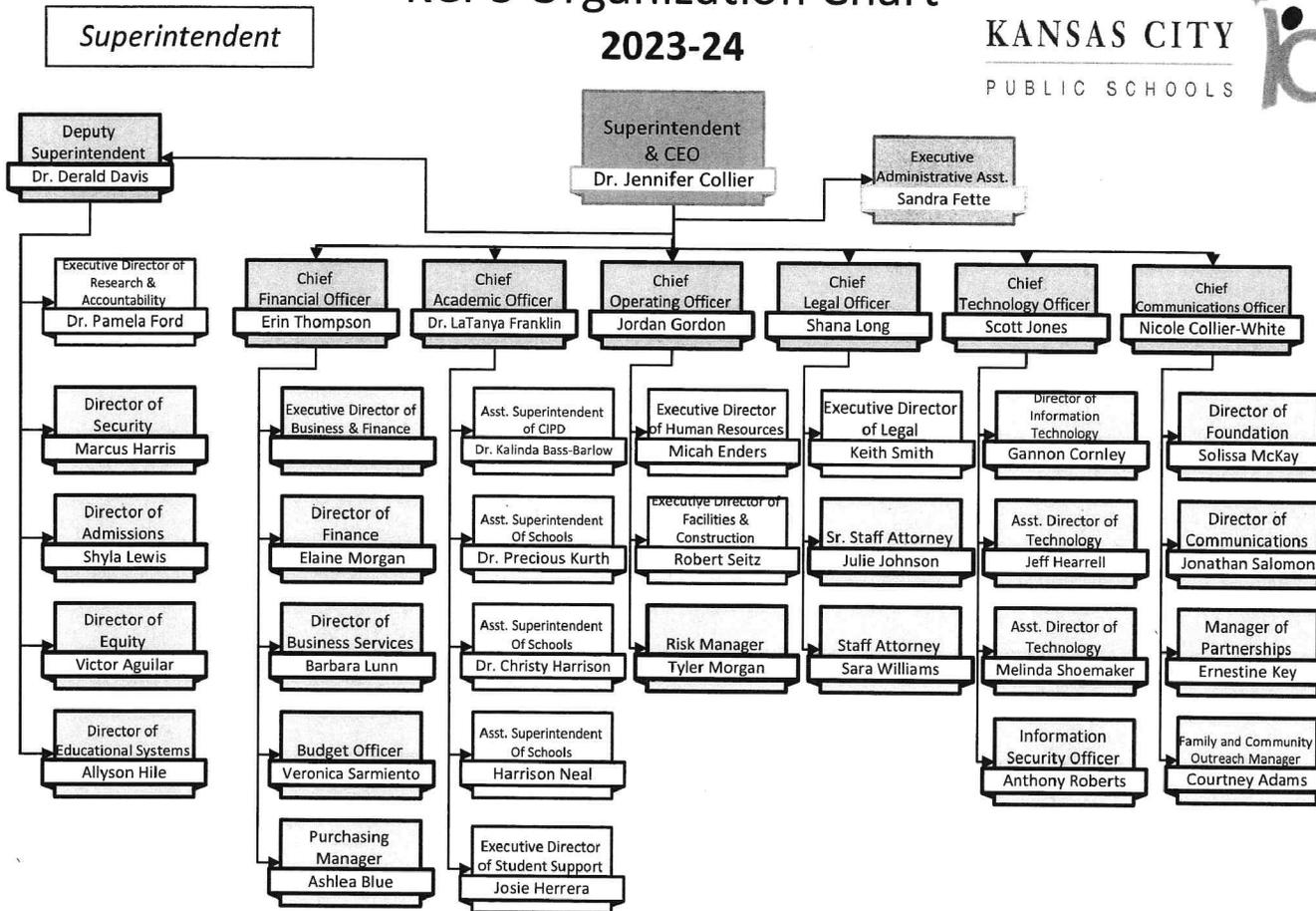
Our Mission

The mission of the Kansas City Public Schools is to achieve, in a way that is unencumbered by excuses, our vision for education by ensuring that all children benefit from teaching and learning. The school district will do this through:

- Inquiry-based instruction that involves active-learning, and is project-oriented, collaborative, and facilitated by meaningful professional development
- Successful instructional settings where teachers continually coach each child to develop deep understanding and educational proficiency, while meeting all Adequate Yearly Progress goals
- Cooperative planning among principals and teachers to ensure attainment of district goals
- Substantial autonomy to each learning community
- Accountability for executing and achieving the school district's vision, goals, and objectives articulated in the Accountability Plan.

KCPS Organization Chart 2023-24

KANSAS CITY
PUBLIC SCHOOLS



Revised 6/30/2024

Organizational Chart

LIST OF PRINCIPAL OFFICIALS

June 30, 2024

BOARD OF EDUCATION

Executive Officers

Rita Cortes, Chair

Tanesha Ford, Vice Chair

Treasurer

Jamekia Kendrix

Secretary of the Board

Lisa C. Limberg

Members

Kandace Buckner

Monica Curls

Joshua Jackaway

Robert S. Sagastume

SENIOR ADMINISTRATORS

Jennifer Collier, Ed.D., Superintendent

Derald Davis, Ed.D., Deputy Superintendent

Erin Thompson, Chief Financial and Operations Officer

Jordan Gordon, Chief Operations Officer

Nicole Collier-White, Chief Communications Officer

Shana Long, J.D., Chief Legal Counsel

Scott Jones, Chief Technology Officer



Independent Auditor's Report

RSM US LLP

Board of Directors
The School District of Kansas City, Missouri

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The School District of Kansas City, Missouri (Kansas City Public Schools) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Kansas City Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kansas City Public Schools, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Kansas City Public Schools, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kansas City Public Schools' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, and the pension and other postemployment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kansas City Public Schools' basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, and the accompanying schedule of expenditures of federal awards (SEFA), as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other schedules, and the accompanying schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

RSM US LLP

Kansas City, Missouri
December 13, 2024

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

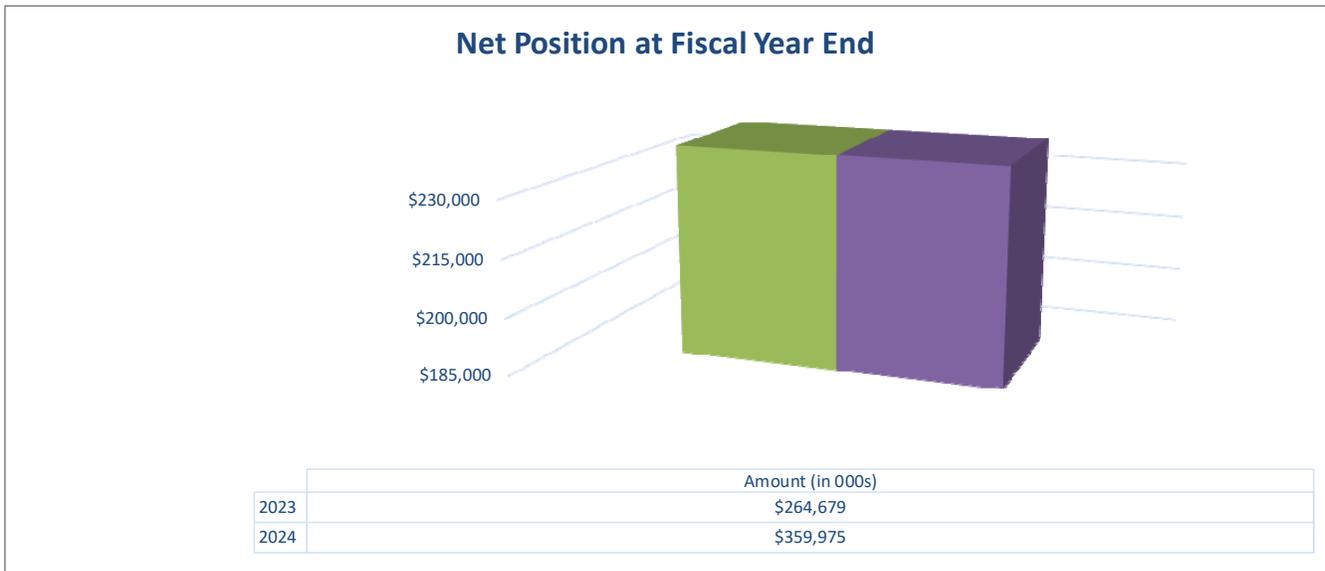
June 30, 2024

The Business and Finance Division of the Kansas City Public Schools (the District) is pleased to provide the readers of the District's annual comprehensive financial report this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

In the statement of net position for governmental activities, the District's assets and total deferred outflows of resources exceeded its liabilities and total deferred inflows of resources at the close of the fiscal year by \$359.8 million.

The graph below shows the changes in net position and indicates the District's overall financial position increased in fiscal year 2024 by 36.0% when compared to fiscal year 2023.



The District's governmental funds (summarized in Table 1 below) reported an ending total fund balance of \$207.9 million, an increase of \$53.08 million in comparison with the prior year. Approximately 60.50% of this amount, \$125.9 million, is available for spending at the District's discretion (unassigned fund balance).

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

June 30, 2024

Table 1—Summary of Governmental Fund Balances

	FY24	Percentage of total	FY23	Percentage of total	Increase (decrease)	Unassigned portion fiscal year 2024
General	\$ 130,354,328	62.64%	\$ 107,438,520	69.30%	22,915,808	125,914,713
Capital projects	67,317,220	32.35%	36,800,396	23.74%	30,516,824	-
Nonmajor funds	10,445,320	5.02%	10,800,895	6.97%	(355,575)	-
	<u>\$ 208,116,868</u>	<u>100.00%</u>	<u>\$ 155,039,811</u>	<u>100.00%</u>	<u>53,077,057</u>	<u>125,914,713</u>

Unassigned fund balance as of June 30, 2024 for the General Fund was \$125.7 million and represents 44.02% of total General Fund expenditures and transfers compared to 35.44 % for fiscal year 2023. Assigned fund balance in the General Fund for general operating encumbrances was \$3.37 million, a decrease from the \$5.1 million reserves at year-end 2023. Restricted fund balance in the General Fund for workers’ compensation was \$0.28 million for both fiscal years 2024 and 2023. Overall, governmental fund balances increased at June 30 primarily due to the current year increases in property taxes. The assessed valuation of taxable property increased 23.7%

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements in order to provide details on certain funds that may be combined in the basic financial statements.

Government-wide financial statements—The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances in a manner similar to a private-sector business.

The statement of net position represents information on all the District’s assets, liabilities, and deferred outflows/inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. See Table 2—Net Position.

The statement of activities presents information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event causing the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected property taxes and earned but unused sick and vacation leave.

Government-wide financial statements distinguish functions of the District that are principally supported by property taxes and State funding (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and reimbursements (business-type activities). See Table 3A—Changes in Net Position —Governmental Activities.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2024

The business-type activities of the District include a Community Service Fund used to account for the activities related to the community use of facilities. See Table 3B—Changes in Net Position —Business-Type Activities.

Fund financial statements—A fund is a grouping of related accounts that is used to maintain internal control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. As a result, readers of these statements may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major fund. The major fund is the General Fund. Data for the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General Fund, Teachers' Fund (a sub-fund of the General Fund), the Capital Project Fund, and Child Nutritional Services Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with statutory requirements.

Proprietary funds—Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District has two types of proprietary funds; an enterprise fund to account for the activity recorded in its Community Service Fund and an Internal Service Fund to account for the costs of the District's self-insurance program for health benefits.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Community Service Fund and Internal Service Fund, which are nonmajor funds of the District.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's K-12 educational programs. The accounting used for fiduciary

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

June 30, 2024

funds is much like that used for proprietary funds. The District’s fiduciary fund consists of the Student Scholarship Fund.

Notes to the basic financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District’s budgeted major funds.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As discussed earlier, net position may serve over time as a useful indicator of the District’s financial position. Table 2—Net Position shows a summary of the District’s assets, liabilities and deferred inflows and outflows of resources compared to the prior year.

Table 2—Net Position (Expressed in Thousands)

	Governmental activities			Business-type activities			Total	
	2024	2023	Increase (decrease)	2024	2023	Increase (decrease)	2024	2023
Assets:								
Current and other assets	\$ 539,911	475,262	64,649	1,356	1,330	26	541,267	476,592
Capital assets	371,886	349,420	22,466	—	—	—	371,886	349,420
Total assets	<u>911,797</u>	<u>824,682</u>	<u>87,115</u>	<u>1,356</u>	<u>1,330</u>	<u>26</u>	<u>913,153</u>	<u>826,012</u>
Deferred outflows of resources	38,166	45,835	(7,669)	—	—	—	38,166	45,835
Liabilities:								
Other liabilities	37,392	29,241	8,151	7	7	—	37,399	29,248
Long-term liabilities	295,633	312,759	(17,126)	—	—	—	295,633	312,759
Total liabilities	<u>333,025</u>	<u>342,000</u>	<u>(8,975)</u>	<u>7</u>	<u>7</u>	<u>—</u>	<u>333,032</u>	<u>342,007</u>
Deferred inflows of resources	256,962	263,955	(6,993)	—	—	—	256,962	263,955
Net position:								
Net investment in capital assets	304,700	275,736	28,964	—	—	—	304,700	275,736
Restricted	12,307	12,693	(386)	—	—	—	12,307	12,693
Unrestricted (deficit)	42,969	(23,869)	66,838	1,349	1,323	26	44,318	(22,546)
Total net position	<u>\$ 359,976</u>	<u>264,560</u>	<u>95,416</u>	<u>1,349</u>	<u>1,323</u>	<u>26</u>	<u>361,325</u>	<u>265,883</u>

Overall, governmental activities current and other assets increased by 13.6%; business-type activities current and other assets increased 1.95%. Long-term liabilities decreased \$17.0 million due to a decrease in the net pension liability from \$203.38 million fiscal year 2023 to \$191.88 million fiscal year 2024.

Unrestricted net position of \$43.0 million includes management commitments, assignments and unassigned fund balances.

The changes in net position for the business-type activities primarily relate to the community use of facilities reported in the Community Service Fund. The cost of this service and the reimbursements was accounted for in the Community Service Fund.

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

June 30, 2024

Table 3A—Changes in Net Position —Governmental Activities highlights the District’s revenues and expenses for the 2024 and 2023 fiscal years. The difference between revenues and expenses equals the change in net position. Revenue is divided into two major components, program revenue and general revenue. Program revenue is defined as charges for services, operating and capital grants, and contributions. General revenue is defined as the primary unrestricted funding sources, such as property taxes, sales taxes, and basic state aid.

Table 3A—Changes in Net Position—Governmental Activities (Expressed in Thousands)

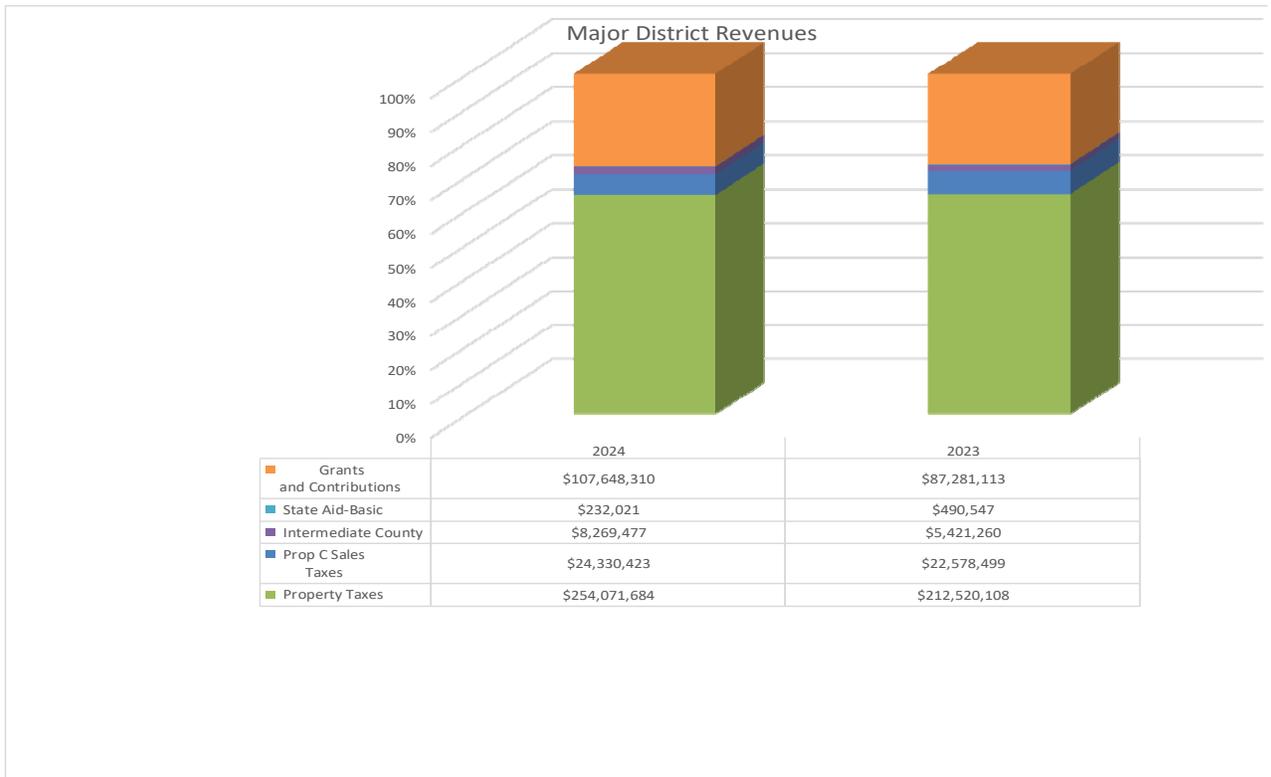
	Governmental activities			Business-type activities			Total	
	2024	2023	Increase (decrease)	2024	2023	Increase (decrease)	2024	2023
General revenues:								
Property taxes	\$ 254,072	212,520	41,552	—	—	—	254,072	212,520
Prop C sales tax	24,330	22,578	1,752	—	—	—	24,330	22,578
Other local revenues	5,308	5,738	(430)	—	—	—	5,308	5,738
Intermediate/county	8,269	5,421	2,848	—	—	—	8,269	5,421
State aid basic formula	232	491	(259)	—	—	—	232	491
Investment earnings	8,595	5,050	3,545	—	—	—	8,595	5,050
Total general revenue	<u>300,806</u>	<u>251,798</u>	<u>49,008</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>300,806</u>	<u>251,798</u>
Program revenues:								
Charges for services	1,637	5,504	(3,867)	27	25	2	1,664	5,529
Operating grants and contributions	78,931	83,520	(4,589)	—	—	—	78,931	83,520
Capital grants and contributions	28,717	3,761	24,956	—	—	—	28,717	3,761
Total program revenues	<u>109,285</u>	<u>92,785</u>	<u>16,500</u>	<u>27</u>	<u>25</u>	<u>2</u>	<u>109,312</u>	<u>3,761</u>
Expenditures								
Administration	34,823	32,322	2,501	—	—	—	34,823	32,322
Instruction	137,497	137,667	(170)	—	—	—	137,497	137,667
Support services	62,314	65,676	(3,362)	—	—	—	62,314	65,676
Operation of facilities	35,222	33,916	1,306	—	—	—	35,222	33,916
Pupil transportation	16,530	17,631	(1,101)	—	—	—	16,530	17,631
Facilities improvements and renovation	7,413	3,735	3,678	—	—	—	7,413	3,735
Community and adult services	18,300	16,566	1,734	1	2	(1)	18,301	16,568
Interest on long-term debt	2,576	2,849	(273)	—	—	—	2,576	2,849
Total expenditures	<u>314,675</u>	<u>310,362</u>	<u>4,313</u>	<u>1</u>	<u>2</u>	<u>(1)</u>	<u>314,676</u>	<u>310,364</u>
Change in net position	95,416	34,221	61,195	26	23	3	95,442	34,244
Net position—beginning	264,560	230,339	34,221	1,323	1,300	23	265,883	231,639
Net position—ending	<u>\$ 359,976</u>	<u>264,560</u>	<u>95,416</u>	<u>1,349</u>	<u>1,323</u>	<u>26</u>	<u>361,325</u>	<u>265,883</u>

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

June 30, 2024

A graph of major District government-wide revenues is shown below.



The most significant sources of **governmental activities** revenues:

Property Taxes (Local) are levied by the county assessor based on the assessed valuation of taxable property owned by taxpayers as of January 1 of each calendar year (tax lien date). Taxes are billed the following November 1 and become due on or before December 31. Property tax revenues are recognized as revenue in the fiscal year for which the taxes have been levied. Property taxes increased \$37.90 million or 17.9% from fiscal year 2023.

The total assessed valuation for tax year 2023 was approximately \$5.150 billion compared to the total assessed valuation for tax year 2022 of \$4.164 billion, an increase of approximately 23.68%.

Proposition C Sales Tax is a one-percent statewide sales tax collected and distributed to the District based on the prior year weighted average daily attendance (WADA). The District reported Proposition C sales tax revenue of approximately \$24.3 million during fiscal year 2024, an increase of approximately \$1.75M from fiscal year 2023.

Other local revenue is primarily comprised of interest on current, back and replacement taxes, taxes collected (levied on the intangible assets) from financial institutions operating within the District boundaries (FIT/Intangible tax), payments in lieu of taxes (as required by tax compliance agreements, industrial

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2024

development plans issued under Chapter 100 or other tax abatement agreements), tuition and fees and rebates. Other local revenue increased approximately \$3.3 million.

County revenue includes fines, state-assessed railroad and utility taxes and stock insurance. Fines are collected by Jackson County and distributed to the District based on the September membership (enrollment). State-assessed railroad and utility taxes are computed based on an average levy for all school Districts operating in Jackson County and applied against the total assessed valuation of railroad and utility properties as assessed by the state and distributed to the District based on the September membership. Stock insurance revenue is based on the prior year premiums collected from stock insurances companies conducting business within the county and is distributed based on the property tax levy. During fiscal year 2024, the District reported county revenue of approximately \$8.3 million compared to approximately \$5.4 million during fiscal year 2023, an increase of approximately 52.5%.

Federal revenues, approximately 23% of total revenue, discussed as reported in the government-wide statements:

- The Elementary and Secondary Education Act (ESEA) of 1965 as amended by the Every Student Succeeds Act (ESSA) (Title I. A Improving the Academic Achievement of the Disadvantaged, Title II Preparing, Training and Recruiting High Quality Teachers and Principals, and Title III Language Instruction for Limited English Proficient and Immigrant Students). ESSA federal funds reported as revenue by the District during fiscal year 2024 decreased approximately \$3.03 million from the prior year. The total fiscal year 2024 revenue was approximately \$11.86 million compared to approximately \$14.89 million during fiscal year 2023.
- The Elementary and Secondary School Emergency Relief (ESSER) Fund under the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted on March 27, 2020. The purpose of the CARES Act is to provide funding to respond to the COVID-19 pandemic. The District reported revenue of approximately \$46.7 million during fiscal year 2024 compared to approximately \$25.07 million during fiscal year 2023.
- The Individuals with Disabilities Education Act (IDEA) Part B defines students with disabilities as those children, ages three (3) to twenty-one (21), who have been properly evaluated in all areas related to the suspected disability (health, vision, hearing, social and emotional status, general intelligence, academic performance, communicative status, and motor disabilities) and who because of that disability, require special education and related services. (Includes early childhood special education – moderately and severely disabled children who are three (3) to five (5) years of age). The District reported revenue of approximately \$5.3 million from federal sources to operate its special education program during school year 2024 compared to approximately \$6.2 million during fiscal year 2023.
- Child nutrition services: The National School Lunch Program (NSLP); the School Breakfast Program (SBP); the Summer Food Service Program (SFSP) and the Child and Adult Care Food Program (CACFP). Revenue for the child nutrition program increased from approximately \$13.8 million reported during fiscal year 2023 to approximately \$14.1 million during fiscal year 2024.

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

June 30, 2024

- **Head Start** – A comprehensive child development program for pre-kindergarten children and their families. The District reported revenue of approximately \$5.8 million to operate the head start program for school year 2024, consistent with school year 2023 revenue of \$5.2 million.

The most significant changes in government-wide expenses occurred in the following areas:

The Total OPEB Liability increased from approximately \$15.98 million fiscal year 2023 to approximately \$17.12 million fiscal year 2024. The Total OPEB Liability increased due to an increased discount rate from 4.13% to 4.21% based on changes in the municipal bond yield rates. The Medical/Rx trend on claims was shifted to maintain an immediate rate of 7.00%, per recent industry surveys. These changes increased the Total OPEB Liability by approximately \$1.1 million.

The net pension liability decreased from approximately \$203.38 million as of June 30, 2023 to approximately \$191.89 million as of June 30, 2024. Total pension liability will increase or decrease because of changes in the benefit structure, actual versus expected experience, actuarial assumptions or other inputs. There were several changes in actuarial assumptions or other inputs. These changes are described in more detail in the Net Pension Liability Required Supplementary Information section of this report.

Principal on long-term debt – Principal costs increased \$0.158 million and interest costs decreased by \$0.305 million due to the required principal and interest payments pursuant to the scheduled debt service.

Sufficient reimbursements were collected and/or accrued to cover costs incurred in the Community Service Fund, as shown in Table 3B—Changes in Net Position—Business-type Activities.

Table 3B—Changes in Net Position—Business-type Activities (Expressed in Thousands)

	2024	2023	Increase (Decrease)
Community services:			
Charges for services	\$ 27	26	1
Expenses	(2)	(2)	-
Revenue over expenditures before transfers	25	24	1
Increase (decrease) in net position	\$ 25	24	1

The increase in revenue was due primarily to an increase in fees received from the community’s use of facilities.

Table 4—Cost of Services—Governmental Activities shows the cost of services for governmental activities. The total cost of services column contains all costs related to functions/programs. The net cost of services column shows how much of the total cost is not covered by program revenues. Net costs (or 65.27% of the total cost) are costs that must be covered by unrestricted state funding and local taxes. When compared to the prior year, net cost of services as a percentage of total cost decreased from the prior year percentage by 4.83%. The increase in total

KANSAS CITY PUBLIC SCHOOLS

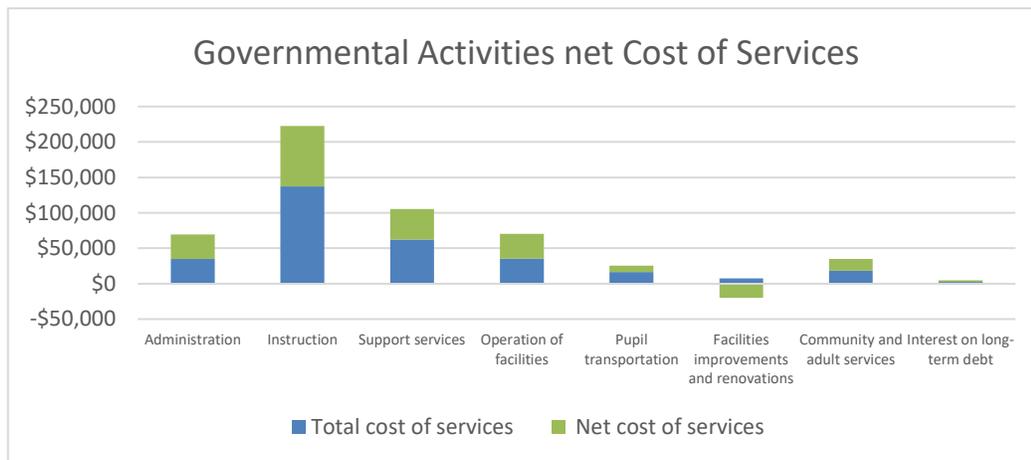
Management’s Discussion and Analysis (Unaudited)

June 30, 2024

expenditures of approximately \$4.27 million was less than the combined decrease of \$3.9 million in charges for services and the \$20.3 million increase in grants and contributions.

Table 4—Cost of Services—Governmental Activities (Expressed in Thousands)

	<u>2024</u>		<u>2023</u>	
	<u>Total cost of services</u>	<u>Net cost of services</u>	<u>Total cost of services</u>	<u>Net cost of services</u>
Administration	\$ 34,823	34,686	32,322	32,151
Instruction	137,498	85,045	137,667	80,481
Support services	62,315	42,984	65,676	39,972
Operation of facilities	35,221	34,940	33,916	33,896
Pupil transportation	16,530	9,061	17,631	9,598
Facilities improvements and renovations	7,413	(19,966)	3,735	3,735
Community and adult services	18,300	16,649	16,566	15,773
Interest on long-term debt	2,576	1,993	2,849	1,970
Total	<u>\$ 314,676</u>	<u>205,392</u>	<u>310,362</u>	<u>217,576</u>

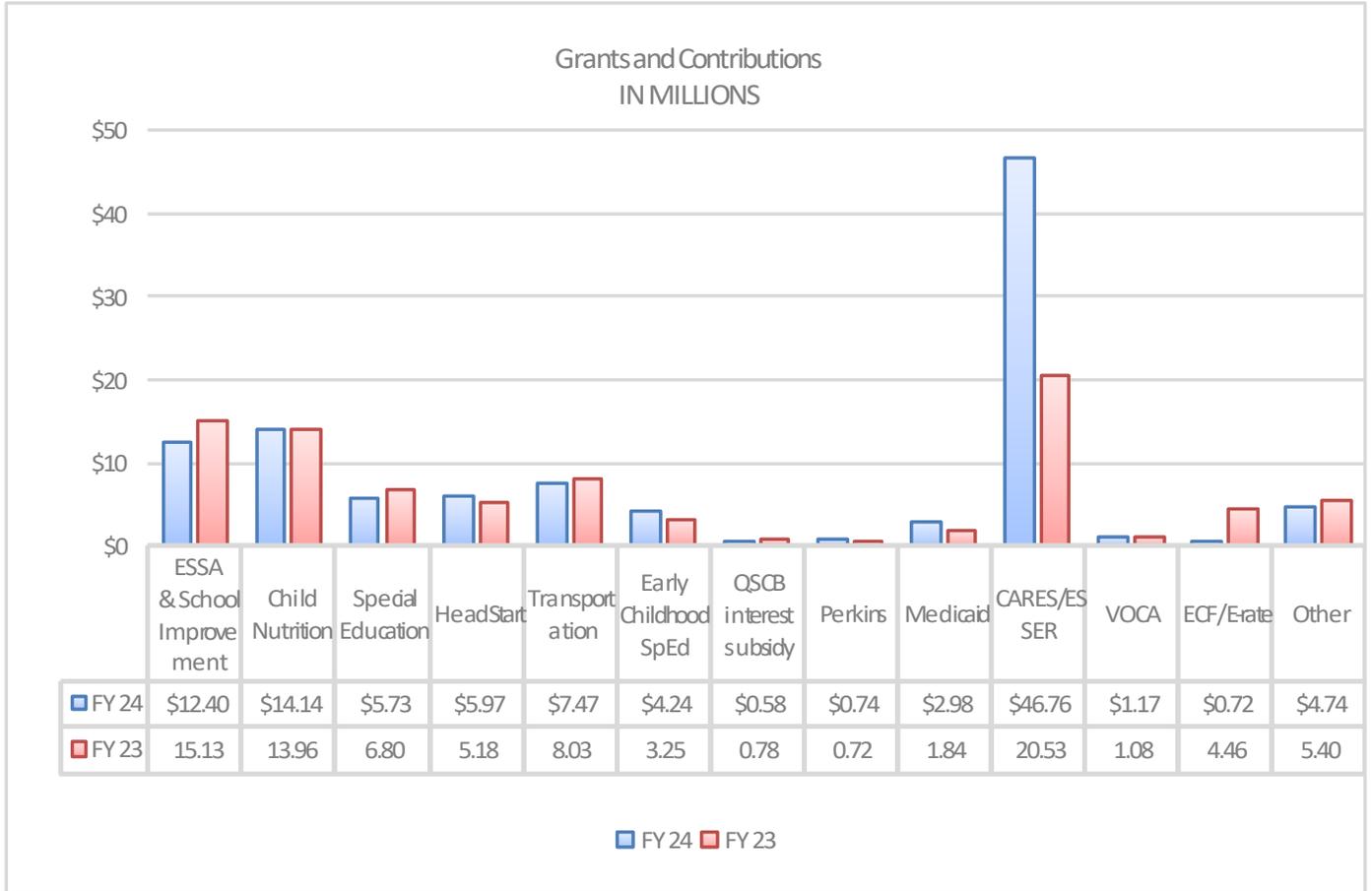


The District received program revenues specifically to offset the cost of certain functions/programs. The major source of this type of revenue is from grants and contributions (operating and capital). Of the total \$107.6 million, 84% is from federal sources. The graph below depicts the operating and capital grants, and contributions the District received that are restricted to a particular purpose.

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

June 30, 2024



Financial Analysis of the District’s Funds

Governmental funds—The focus of the District’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, the unassigned fund balance serves as a useful measure of net resources available for spending at the end of the fiscal year.

At June 30, 2024, the classifications of fund balance of the operating budget fund are shown below:

<u>Operating budget fund</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$ 784,556	283,874	3,371,185	125,914,713	130,354,328

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2024

As a measure of the operating budget liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total expenditures. The total operating fund balance represents 45.57% of total operating expenditures and transfers. The total operating fund balance increased by 21.33% when compared to fiscal year 2023 primarily due to the fiscal year 2024 increase in property taxes.

Budgetary Highlights

Table 5A- Budget Comparison shows a summary of the major changes in the current year original and final budgets. The difference in revenues between the original and the final budgets is an increase of approximately 10.83%. Projection for local revenues increased by \$9.8 million due to the property taxes, earnings on investments, and local grants. County revenue projection increased by \$1.9 million for fines, stock insurance and state assessed railroad & utility taxes. State funding projection had a net decreased of \$425,605 due to the transportation revenue and financial institution tax reduction, and an increased revenue in adult education & literacy and school safety grant. Federal grant awards of \$28.6 million received and adjusted after the original budget was approved by the board that included Head Start, Afghan Refugee, IDEA Entitlement, Title IV, Parent Reimbursement, Adult Education & Literacy, ESSER, MO Career Opportunity, and Get the Lead Out of the Water grant.

Budgeted expenditures increased by 11.38%. The increase is primarily due to additional funding needed in technology related equipment, musical instruments, E-rate funding, substitute cost, transportation cost, bond planning cost, and facilities HVAC, roofing, and King demolition capital projects. In addition, local and federal final grant awards for Head Start, E-Rate, IDEA Entitlement, Adult Education & Literacy, Title I & IV, Homeless, MO Career Opportunity Grant, School Smart KC, Kauffman Foundation, Hall Family Foundation, Rebuild KC Grant, and various local partnership grants were received after the original budget was approved.

When comparing the original budget to the final budget, there was a favorable variance of \$40.1 million for revenues and transfers in, and an unfavorable budgeted variance for expenditure and transfers out of \$39.7 million.

When compared to the prior year (see Table 5B), budgeted revenues and transfers increased by 14.17% and expenditures and transfers out increased by 9.78%.

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

June 30, 2024

Table 5A—Budget Comparison, Original to Final Budget, Fiscal Year 2024

	Revenues and Transfers In	Expenditures and Transfers Out
Original budget	\$ 369,966,789	348,672,609
Final budget	410,027,406	388,350,637
Increase	<u>\$ 40,060,617</u>	<u>39,678,028</u>

Table 5B—Budget Comparison, Current Year to Prior Year

	Revenues and transfers in	Expenditures and transfers out
Fiscal year 2024 final budget	\$ 410,027,406	388,350,637
Fiscal year 2023 final budget	364,471,874	366,046,510
Increase (decrease)	<u>\$ 45,555,532</u>	<u>22,304,127</u>
Percentage of change	12.50%	6.09%

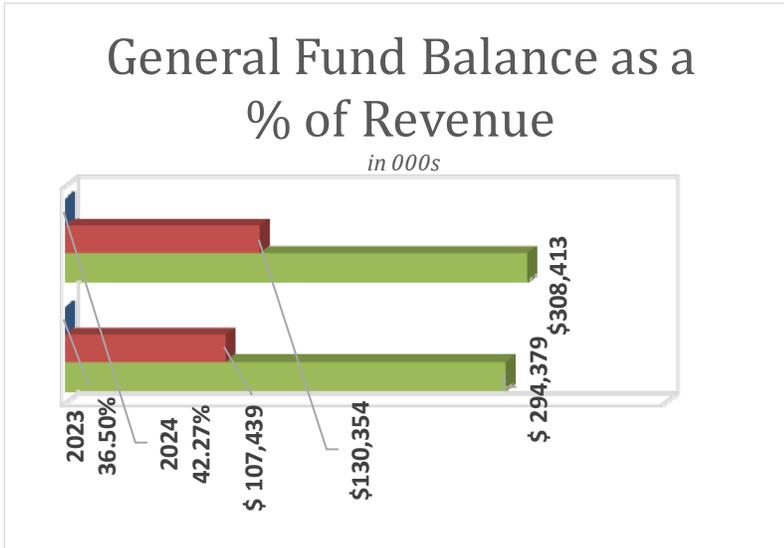
Major Funds—Financial Highlights

When compared to fiscal year 2023, General Fund revenues increased by \$13.9 million or 4.73%, and expenditures increased by \$10.55 million or 3.93%. The increase in revenue was primarily due to the increases in property taxes, Prop C sales tax, county tax insurance and investment earnings. The salaries and benefits of staff paid from the general fund increased by 5.4%. The General Fund’s ending fund balance is used to balance the operating budget. The level of fund balance in the General Fund is increased in relation to annual revenues, as shown in the graph below. This ratio is analyzed to determine if there is adequate budgetary carryover to meet unfunded emergencies and other unplanned needs.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2024



The Capital Projects Fund's revenues increased by \$58.1 million due to increased property taxes and federal grants. Expenditures increased by \$35.9 million primarily due to the increase in facility renovation projects. The 2023 property tax levy of \$4.9599 was divided to allocate \$.66 for capital project improvements.

Capital Assets and Debt Administration

Capital assets—The District's capital assets for its governmental activities as of June 30, 2024 amounts to \$371.9 million (net of accumulated depreciation). The investment in capital assets includes land, buildings, building improvements, improvements other than buildings, impaired buildings, equipment, software, fixtures, vehicles and right-to-use leased assets. Capital assets increased by approximately \$22.47 million during the fiscal year. Table 6 below shows capital asset by function for governmental activities. Also, see note 3(c) for additional information.

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

June 30, 2024

Table 6—Capital Assets, Net of Depreciation

	<u>2024</u>	<u>2023</u>
Land	\$ 28,294,090	28,322,490
Buildings	307,214,768	280,489,330
Improvements other than buildings	9,971,122	11,486,443
Equipment and furniture	4,243,424	4,264,316
Software	95,334	18,507
Vehicles	924,102	1,448,876
Buildings-impaired	7,920,582	7,920,582
Right-to-use assets	13,222,566	15,469,361
	<u>\$ 371,885,988</u>	<u>349,419,905</u>

Long-term debt— During fiscal year 2010, authorized as part of the American Recovery and Reinvestment Act of 2009, the District was awarded \$17.9 million in Qualified School Construction bonds (QSCB) as one of one hundred school districts across the country. As a result of this award, in December 2009 the Building Corporation issued on behalf of the District, \$17.88 million in leasehold revenue bonds. A portion of the interest on the QSCB is paid by the federal government in the form of a quarterly tax credit to the owners of the QSCBs. The federal tax credit rate applicable to the QSCB is 6.05 %. In addition, owners of the QSCBs are also being paid interest on the principal outstanding at an interest rate of 2.23%. During fiscal year 2011, the District was again awarded Qualified School Construction Bonds (QSCB). In December 2010, the Building Corporation issued on behalf of the District, \$16.27 million in leasehold revenue bonds at an interest rate of 7.120%. The federal government interest subsidy of 5.37%, results in a net interest rate paid by the District of 1.75%. However, as of March 1, 2013, Pursuant to the requirement of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, certain automatic reductions occurred including a reduction to refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds. The effect of the sequestration during fiscal year 2024 resulted in a 5.70% reduction. Therefore, the amount of interest subsidy for the quarterly payments was reduced to a net interest rate subsidy of 5.06% and the District’s net interest rate of 2.06%. The District is required to make lease payments to the Building Corporation in an amount sufficient to cover principal and interest payments each year.

On June 23, 2015, the District executed a lease financing agreement in the amount of \$27,789,986 to finance the purchase and installation of equipment to save energy and reduce related costs with principal and interest due quarterly until fiscal year 2030. On September 8, 2021, the District refinanced the outstanding balance at a lower interest rate of 2.19%.

On August 24, 2016, the District issued \$51,035,000 of Certificates of Participation, Series 2016. These certificates are proportionate interests of the certificate owners in the rental payments made by the District in accordance with the lease agreement with the trustee. The Series 2016 Certificates of Participation were issued to establish funds for capital improvement projects.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2024

Approximately 2.40% of total District expenditures relate to payments of principal, interest, and bond-related costs. See notes 3(f) and 3(g) for additional information.

Economic Factors That Impact Fiscal Year 2025 Budgets

- The Board approved the fiscal year 2025 comprehensive budget on May 22, 2024. Fiscal year 2025 projected current revenues of approximately \$339.9 million is a decrease of about \$70.1 million or 17.09% when compared to fiscal year 2024.
 - Local tax revenues are estimated to decrease in property taxes by \$9.6 million based on estimated 2024 assessed valuation of \$4.8 billion, a decrease of \$348.3 million from 2023 assessed valuation. The estimated decrease in assessed valuation is based on historical data and assessment protest. In addition, a net decrease of \$0.8 million is estimated in other local and county tax revenue.
 - Proposition C sales taxes increase by \$2.6 million based on district enrollment and state projected rate increases.
 - Other local revenues are projected to decrease by \$4.2 million due to the earnings on interest, catering, and grants that ended in FY24.
 - State funding has a net decrease of \$81,118 primarily due to the school safety state grant of \$0.3 million that ended in FY24.
 - Federal grants projection is a decrease of \$58.1 million. The district anticipated a decrease in ESSER funds, teacher retention grant, and MO career opportunity grant. In addition, other federal grants including Title I, IDEA Entitlement, Homeless and Head Start decreased until the actual amount of the grant is awarded by the government.
 - It is anticipated that additional local, state, and federal grants will be awarded during the fiscal year.
- Fiscal year 2025 expenditures of approximately \$339.9 million represent a decrease of about \$48.5 million or 12.48% when compared to the prior year. Budgeted expenditures decrease in facilities capital projects, ESSER funding, local, state, and federal grants.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for our citizens, taxpayers, investors, banks, and creditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kansas City Public Schools, 2901 Troost Avenue, Kansas City, Missouri 64109, Attn: Chief Financial Officer.

BASIC FINANCIAL STATEMENTS

KANSAS CITY PUBLIC SCHOOLS
Statement of Net Position
June 30, 2024

	Governmental activities	Business-type activities	Total
Assets:			
Cash and investments	\$ 219,437,904	1,354,499	220,792,403
Restricted cash and investments	8,914,555	—	8,914,555
Taxes receivable (net of allowance for uncollectibles)	274,262,511	—	274,262,511
Interest receivable	531,019	—	531,019
Due from other governmental units	33,615,304	—	33,615,304
Prepaid expenditures	164,103	—	164,103
Other receivables	846,154	1,225	847,379
Supplies inventories	559,179	—	559,179
Property held for sale	1,580,400	—	1,580,400
Capital assets (net of accumulated depreciation):			
Nondepreciable	36,214,672	—	36,214,672
Depreciable	335,671,316	—	335,671,316
Total assets	<u>911,797,117</u>	<u>1,355,724</u>	<u>913,152,841</u>
Deferred outflows of resources:			
Pension-related amounts	35,327,187	—	35,327,187
Other post employment benefits	2,838,363	—	2,838,363
Total deferred outflows of resources	<u>38,165,550</u>	<u>—</u>	<u>38,165,550</u>
Liabilities:			
Accounts payable and other	17,388,965	—	17,388,965
Accrued salaries, benefits, and payroll taxes	19,108,335	196	19,108,531
Accrued interest payable	387,225	—	387,225
Unearned revenue	507,957	6,854	514,811
Long-term liabilities:			
Due within one year:			
Compensated absences	4,623,140	—	4,623,140
Health insurance claims liability	2,993,746	—	2,993,746
Revenue bonds	3,500,000	—	3,500,000
Lease purchase agreement	2,013,691	—	2,013,691
Lease agreements	228,523	—	228,523
Certificates of participation	585,000	—	585,000
Due in more than one year:			
Compensated absences	11,680,753	—	11,680,753
Legal claims payable	143,000	—	143,000
Revenue bonds	4,760,000	—	4,760,000
Lease purchase agreement	10,755,369	—	10,755,369
Certificates of participation	43,645,000	—	43,645,000
Lease agreements	308,738	—	308,738
Premium on COP	1,390,473	—	1,390,473
Total other post-employment benefits liability	17,123,293	—	17,123,293
Net pension liability	191,882,661	—	191,882,661
Total liabilities	<u>333,025,869</u>	<u>7,050</u>	<u>333,032,919</u>
Deferred inflows of resources:			
Pension-related amounts	3,846,075	—	3,846,075
Other post employment benefits	9,083,824	—	9,083,824
Property taxes	244,031,933	—	244,031,933
Total deferred inflows of resources	<u>256,961,832</u>	<u>—</u>	<u>256,961,832</u>
Net position:			
Net investment in capital assets	304,699,195	—	304,699,195
Restricted for:			
Workers' compensation	283,874	—	283,874
Permanent fund, nonexpendable corpus	35,000	—	35,000
Patron gifts	249,914	—	249,914
Compensated absences	4,636,336	—	4,636,336
Child nutrition services	4,821,411	—	4,821,411
Property held for sale	1,580,400	—	1,580,400
Other restrictions	699,722	—	699,722
Unrestricted	42,969,114	1,348,674	44,317,788
Total net position	<u>\$ 359,974,966</u>	<u>1,348,674</u>	<u>361,323,640</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Activities

Year ended June 30, 2024

Functions/programs	Expenses	Program revenues			Net revenue (expense) and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Governmental activities:							
Administration	\$ 34,822,941	25	136,599	—	(34,686,317)	—	(34,686,317)
Instruction	137,498,319	154,952	52,125,919	172,593	(85,044,855)	—	(85,044,855)
Support services	62,315,250	579,078	18,452,210	300,000	(42,983,962)	—	(42,983,962)
Operation of facilities	35,221,800	—	—	282,175	(34,939,625)	—	(34,939,625)
Pupil transportation	16,530,075	—	7,469,128	—	(9,060,947)	—	(9,060,947)
Facilities improvements and renovation	7,413,272	—	—	27,379,318	19,966,046	—	19,966,046
Community and adult services	18,299,757	903,107	747,590	—	(16,649,060)	—	(16,649,060)
Interest on long-term debt	2,575,744	—	—	582,778	(1,992,966)	—	(1,992,966)
Total governmental activities	314,677,158	1,637,162	78,931,446	28,716,864	(205,391,686)	—	(205,391,686)
Business-type activities:							
Community services	1,690	27,438	—	—	—	25,748	25,748
Total	\$ 314,678,848	1,664,600	78,931,446	28,716,864	(205,391,686)	25,748	(205,365,938)
General revenues:							
Property taxes					254,071,684	—	254,071,684
Prop C sales tax					24,330,423	—	24,330,423
Other local revenues					5,307,898	—	5,307,898
Intermediate/county					8,269,477	—	8,269,477
State aid—basic formula					232,021	—	232,021
Investment earnings					8,595,293	—	8,595,293
Total general revenues					300,806,796	—	300,806,796
Change in net position					95,415,110	25,748	95,440,858
Net position—beginning					264,559,856	1,322,926	265,882,782
Net position—ending					\$ 359,974,966	1,348,674	361,323,640

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Balance Sheet

Governmental Funds

June 30, 2024

Assets	General	Capital projects	Nonmajor governmental funds	Total Governmental funds
Cash and investments	\$ 128,038,060	74,502,750	5,145,056	207,685,866
Restricted cash and investments	283,874	—	8,630,681	8,914,555
Taxes receivable, net of allowance for uncollectibles	271,462,053	2,800,458	—	274,262,511
Interest receivable	419,273	82,324	29,422	531,019
Supplies inventories	313,264	—	245,915	559,179
Other receivables	605,870	70,098	—	675,968
Prepaid expenditures	784,556	—	—	784,556
Due from other governments	33,120,589	—	494,715	33,615,304
Property held for sale	—	1,580,400	—	1,580,400
Total assets	<u>\$ 435,027,539</u>	<u>79,036,030</u>	<u>14,545,789</u>	<u>528,609,358</u>

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities:

Accounts payable and accrued liabilities	\$ 7,911,116	9,431,148	32,215	17,374,479
Accrued salaries, benefits, and payroll taxes	16,300,499	—	2,807,836	19,108,335
Unearned revenue	477,322	—	30,635	507,957
Compensated absences	—	—	913,102	913,102
Total liabilities	<u>24,688,937</u>	<u>9,431,148</u>	<u>3,783,788</u>	<u>37,903,873</u>

Deferred inflows of resources:

Unavailable revenue-property taxes	263,353,028	2,287,662	—	265,640,690
Unavailable revenue-grants and services	16,631,246	—	316,681	16,947,927
Total deferred inflows of resources	<u>279,984,274</u>	<u>2,287,662</u>	<u>316,681</u>	<u>282,588,617</u>

Fund balances:

Nonspendable	784,556	—	35,000	819,556
Restricted	283,874	1,580,400	10,407,383	12,271,657
Committed	—	6,065,408	—	6,065,408
Assigned	3,371,185	59,671,412	2,937	63,045,534
Unassigned	125,914,713	—	—	125,914,713
Total fund balances	<u>130,354,328</u>	<u>67,317,220</u>	<u>10,445,320</u>	<u>208,116,868</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 435,027,539</u>	<u>79,036,030</u>	<u>14,545,789</u>	<u>528,609,358</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position

Governmental Funds

June 30, 2024

Fund balances—total governmental funds	\$ 208,116,868
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	371,885,988
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund:	
Bonds payable	(8,260,000)
Certificates of participation	(44,230,000)
Lease and subscription agreement liabilities	(13,306,321)
Unamortized premium on bonds	(1,390,473)
Net pension liability	(191,882,661)
Accrued interest payable	(387,225)
Total other post-employment benefits liability	(17,123,293)
Compensated absences	(15,390,791)
Legal claims payable	(143,000)
	(292,113,764)
Receivables not collected within 60 days of year-end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds:	
Deferred inflows of resources—property taxes	21,608,757
Deferred inflows of resources—grants	16,947,928
Internal service funds are used by management to account for healthcare-related activities, the assets and liabilities are included in the governmental activities on the statement of net position	
	8,950,311
Prepaid right-to-use assets—reclassified to capital assets	
	(656,773)
Pension related and other post employment benefits deferred outflows and inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:	
Deferred inflows of resources—pension related amounts	(3,846,075)
Deferred outflows of resources—pension related amounts	35,327,187
Deferred inflows of resources—other post employment benefits	(9,083,824)
Deferred outflows of resources—other post employment benefits	2,838,363
	\$ 359,974,966

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS
Statement of Revenues, Expenditures,
and Changes in Fund Balances—Governmental Funds
Year ended June 30, 2024

	General	Capital Projects	Nonmajor governmental funds	Total governmental funds
Revenues:				
Property taxes	\$ 202,203,626	46,985,963	—	249,189,589
Prop C sales tax	23,258,852	—	1,071,571	24,330,423
Other local, including investment income	13,108,461	2,472,903	1,753,358	17,334,722
Intermediate/county	7,223,140	1,046,337	—	8,269,477
State aid—basic formula	232,021	—	—	232,021
Other state	12,647,235	300,000	1,173,093	14,120,328
Federal	49,285,540	28,134,690	12,971,103	90,391,333
Tuition	454,158	—	—	454,158
Total revenues	<u>308,413,033</u>	<u>78,939,893</u>	<u>16,969,125</u>	<u>404,322,051</u>
Expenditures:				
Current:				
Administration	32,961,115	—	—	32,961,115
Instruction	126,736,479	—	436,910	127,173,389
Support services	48,535,203	—	15,556,444	64,091,647
Operation of facilities	35,941,204	—	—	35,941,204
Pupil transportation	16,172,250	—	—	16,172,250
Community and adult services	17,003,353	—	1,287,255	18,290,608
Leases:				
Principal	966,497	—	40,245	1,006,742
Interest and fiscal charges	47,052	—	3,846	50,898
Debt service:				
Principal	—	2,610,187	3,295,000	5,905,187
Interest and fiscal charges	—	1,726,253	810,364	2,536,617
Capital outlay:				
Administration	—	150,798	—	150,798
Instruction	—	2,640,942	—	2,640,942
Support services	—	24,758	—	24,758
Operation of facilities	—	4,131,494	—	4,131,494
Pupil transportation	—	395	—	395
Community and adult services	—	31,458	—	31,458
Facilities improvement and renovation	546,928	40,135,842	—	40,682,770
Total expenditures	<u>278,910,081</u>	<u>51,452,127</u>	<u>21,430,064</u>	<u>351,792,272</u>
Revenues over (under) expenditures	<u>29,502,952</u>	<u>27,487,766</u>	<u>(4,460,939)</u>	<u>52,529,779</u>
Other financing sources (uses):				
Transfers in	—	7,134,072	4,105,364	11,239,436
Transfers out	(7,134,072)	(4,105,364)	—	(11,239,436)
Issuance of lease	546,928	—	—	546,928
Sale of capital assets	—	350	—	350
Total other financing sources (uses)	<u>(6,587,144)</u>	<u>3,029,058</u>	<u>4,105,364</u>	<u>547,278</u>
Net change in fund balances	22,915,808	30,516,824	(355,575)	53,077,057
Fund balances, beginning of year	107,438,520	36,800,396	10,800,895	155,039,811
Fund balances, end of year	<u>\$ 130,354,328</u>	<u>67,317,220</u>	<u>10,445,320</u>	<u>208,116,868</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances—total governmental funds \$ 53,077,057

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount depreciation expense exceeded capitalized capital outlays in the current period.

Capital outlay additions	42,837,326
Right-to-use leased assets additions	546,928
Depreciation expense	<u>(18,074,201)</u>
	25,310,053

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

Loss on disposal of capital assets	(2,819,850)
------------------------------------	-------------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

5,281,900

The issuance of long-term debt (e.g., bonds, COPs, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payments on certificates of participation	640,000
Principal payment on revenue bonds	3,295,000
Principal payment on leases	2,976,929
Issuance of lease, including prepayments	(546,928)
Amortization of bond premium	115,872
Accrued interest payable	<u>11,794</u>
	<u>6,492,667</u>

Internal service funds are used by management to account for healthcare-related activities. The net result of activities in internal service funds is reported with governmental activities on the statement of activities.

372,441

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in other post-employment benefits liability and related deferred outflows and inflows	429,614
Change in net pension liability and related deferred outflows and inflows	7,186,682
Compensated absences	73,546
Claims payable	<u>11,000</u>
	<u>7,700,842</u>
Change in net position of governmental activities	<u>\$ 95,415,110</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Net Position—Proprietary Funds

June 30, 2024

	Nonmajor Enterprise Fund	Internal Service Fund
	<u> </u>	<u> </u>
Assets:		
Cash	\$ 1,354,499	11,752,038
Prepaid	—	36,320
Other receivables	1,225	170,186
Total assets	<u>1,355,724</u>	<u>11,958,544</u>
Liabilities:		
Accrued salaries, benefits, and payroll taxes	196	14,487
Claims payable	—	2,993,746
Unearned revenue	6,854	—
Total liabilities	<u>7,050</u>	<u>3,008,233</u>
Net position, unrestricted	<u>\$ 1,348,674</u>	<u>8,950,311</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Revenues, Expenses, and Changes in Fund Net Position—
Proprietary Funds

Year ended June 30, 2024

	Nonmajor Enterprise Fund	Internal Service Fund
Operating revenues:		
Charges for community support services	\$ 27,438	—
Employer contributions	—	20,084,835
Employee contributions	—	3,225,294
Excess loss reimbursement	—	2,054,313
Total operating revenues	27,438	25,364,442
Operating expenses:		
Salaries, wages, and employee benefits	1,690	304,660
Claims paid	—	23,329,428
Administrative fees	—	1,133,194
Other contractual services	—	213,239
Supplies and materials	—	11,480
Total operating expenses	1,690	24,992,001
Operating income	25,748	372,441
Total net position, beginning of year	1,322,926	8,577,870
Total net position, end of year	\$ 1,348,674	8,950,311

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Cash Flows—Proprietary Funds

Year ended June 30, 2024

	Nonmajor Enterprise Fund	Internal Service Fund
	<u>Fund</u>	<u>Fund</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 26,213	—
Received from employer	—	20,084,835
Received from employees	—	3,225,294
Miscellaneous revenues	—	1,919,811
Payments to providers and suppliers	—	(24,490,696)
Payments to employees	(1,494)	(300,975)
	<u>24,719</u>	<u>438,269</u>
Net cash provided by operating activities		
	24,719	438,269
Net increase in cash and cash equivalents		
	24,719	438,269
Cash and cash equivalents, beginning of year	<u>1,329,780</u>	<u>11,313,769</u>
Cash and cash equivalents, end of year	\$ <u><u>1,354,499</u></u>	<u><u>11,752,038</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 25,748	372,441
Adjustments to reconcile operating income to net cash provided by operating activities:		
Increase in other receivable	(1,225)	(134,502)
Increase in claims payable	—	196,645
Increase in accrued salaries, benefits and payroll taxes	196	3,685
	<u>(1,029)</u>	<u>65,828</u>
Total adjustments		
	(1,029)	65,828
Net cash provided by operating activities	\$ <u><u>24,719</u></u>	<u><u>438,269</u></u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Fiduciary Net Position

June 30, 2024

	Private Purpose Trust— Student Scholarship Fund
Assets:	
Cash and investments	\$ 260,334
Interest receivable	672
Total assets	<u>261,006</u>
Liabilities:	
Accounts payable	<u>—</u>
Total liabilities	<u>—</u>
Net position:	
Net position restricted for other purposes	<u>\$ 261,006</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Private Purpose Trust— Student Scholarship Fund
Additions:	
Contributions:	
Private donations	\$ <u>56,564</u>
Total contributions	<u>56,564</u>
Investment income:	
Adjustment of investments to fair market value	<u>12,228</u>
Total investment income	<u>12,228</u>
Total additions	<u>68,792</u>
Deductions:	
Scholarship awards	<u>79,000</u>
Total deductions	<u>79,000</u>
Net decrease in fiduciary net position	(10,208)
Fiduciary net position, beginning of year	<u>271,214</u>
Fiduciary net position, end of year	\$ <u><u>261,006</u></u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The School District of Kansas City, Missouri, otherwise known as Kansas City Public Schools (the District) is a political subdivision of the State of Missouri and is governed by an elected seven-member board of directors (the Board). Accounting principles generally accepted in the United States of America (GAAP) require that the financial reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These basic financial statements include the District and its component units. The blended component unit discussed below is included in the District's reporting entity because of the significance of its operational or financial relationship with the District.

Blended Component Units—The School District of Kansas City, Missouri Building Corporation (the Building Corporation) is governed by a nine-member board of directors that is appointed by the District's Board. Although it is legally separate from the District, the Building Corporation is included as if it were a part of the primary government because its purpose is to provide financing for District capital projects and service the related debt through lease agreements with the District. The accounts of the Building Corporation as of and for the year ended June 30, 2024 are included in the basic financial statements as the Debt Service Fund. The Building Corporation does not issue separate financial statements.

Charter Schools—Charter schools are established within the boundaries of the District by state statutes as local educational agencies. Twenty charter schools were operating during fiscal year 2024. Under current Missouri statutes, charter schools are allowed to be a Local Education Agency (LEA). All charter schools are currently operating as LEA's. Accordingly, the accounts of these charter schools are not included in these financial statements.

The Kansas City Public Schools Education Foundation (the Foundation) provides annual program grants to the District through its own fundraising efforts. The Foundation is a legally separate entity and it has been excluded from the District's reporting entity as it does not meet the definition of a component unit.

(b) Government-wide and Fund Financial Statements

The District's basic financial statements consist of government-wide financial statements and governmental, proprietary, and fiduciary fund financial statements. The government-wide financial statements report information on all of the non-fiduciary activities of the District and its component units. The government-wide statements include a statement of net position and statement of activities. Governmental activities are supported by taxes, state aid, and intergovernmental revenues and are reported separate from business-type activities. The District has classified activity accounted for in the Community Service Fund as a business-type activity.

The statement of net position reports the financial condition by disclosing the assets and deferred outflows of the District, and the liabilities and deferred inflows of the District.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by recipients of the services offered by the program, grants, and contributions that are restricted to meeting the operational and capital requirements of certain programs. Property taxes, state aid, and other revenues not included among program revenues are reported as general revenues. The comparison of direct expenses to program revenues identifies the extent to which each District function is self-supporting or relies on general revenues.

The District maintains separate funds for certain functions or activities for internal accounting and financial reporting and to demonstrate compliance with state statutes. These fund financial statements are designed to present financial information at a more detailed level by identifying each major fund in a separate column and non-major funds aggregated in a single column. The fiduciary fund is reported separately.

(c) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All current and noncurrent assets, liabilities and deferred inflows/outflows are disclosed on the statement of net position. On the statement of activities, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

Governmental fund financial statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. Generally, only current assets and current liabilities, and associated deferred inflows/outflows of resources, are included on the balance sheet when reporting financial condition. When reporting operating results, only sources and uses related to the current period are disclosed. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, both measurable and available. Available means collectible within the current period, or soon enough thereafter, to pay current liabilities. Unearned revenue arises when assets are recognized before revenue criteria have been satisfied. The primary source of local revenues is property tax. Property tax revenues are recognized in the fiscal year for which the taxes have been levied. Deferred inflows of resources for property taxes arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. For property taxes, available is defined as expected to be received within 60 days of fiscal year-end. Federal, state, and local grant revenues received as reimbursement for specific purposes is recognized when the related reimbursement is received within 60 days of fiscal year-end. Grants and entitlements received prior to eligible expenditures being incurred are recorded as unearned revenue. Expenditures are generally recognized in the accounting period when the related fund liabilities are incurred. Principal and interest on long-term indebtedness, as well as expenditures related to compensated absences, pensions, other post-employment benefits, and claims and judgments, are recorded in the governmental funds when payment is due and payable.

The District has the following major governmental funds.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Capital Projects Fund* is used to account for financial resources that are restricted, committed or assigned to be used for the acquisition, construction, or renovation of capital facilities and the purchase of equipment, furniture, and fixtures.

The other governmental funds of the District are considered nonmajor. They include special revenue funds that account for the proceeds of specific revenue sources that are legally restricted for specific purposes and are described below:

The *Other Special Revenue Fund* is used to account for the resources that are restricted for payment of employee compensated absences and District contributions to the retirement plan.

The *Child Nutritional Services Fund* is used to account for the operation and administration of the school cafeterias serving children meals.

The *Patron Gift Fund* accounts for financial activities related to the use of private gifts given to a specific school or program.

The *Student Activity Fund* accounts for fundraising activities for schools and programs.

The District has one debt service fund, which is a nonmajor fund. This fund accounts for resources that are restricted for payments made for principal and interest on long-term leasehold revenue bonded debt.

The District has one permanent fund, which is a nonmajor fund. This fund accounts for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support a specific school or program.

The *Patron Endowments Fund* accounts for assets held by the District as a legal trustee in situations requiring that the principal be preserved intact and only the interest be spent as designated.

In addition, the District has the following nonmajor proprietary funds:

Internal service funds account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis. This fund was established to account for the District's self-insured medical and dental benefit programs for participating employees. The revenues received by the internal service fund represent District contributions and premiums withheld as payroll deductions from employees. Claims paid, direct insurance payments and administrative costs are expenses of this fund.

The *Community Service Fund* is an enterprise fund type and accounts for accumulation and allocation of costs associated with leased land and buildings, and event rental of facilities to the community. This fund is reported as an enterprise fund because it is financed by external parties. Operating expenses are primarily from salaries and fringe benefits.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, other government entities, and/or other funds. The District has the following fiduciary fund:

The *Student Scholarship Fund* is a private purpose trust fund and accounts for private gifts received to benefit students through scholarship awards.

Exchange transactions between funds are reported as program revenues and/or expenditures in the appropriate fund and functional activity. The effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund activity between governmental funds and the enterprise fund has not been eliminated.

(d) Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance

1. Deposits and Investments

The District maintains a cash and investment pool that is available for use by all funds except those identified as component units and the student activity fund. Each participating fund's portion of the pool is recorded on the balance sheet or statement of net position as cash and investments. Earnings from such cash and investments are allocated to the funds based on the monthly average fund balance during the year.

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less from the date of acquisition.

Investments in the U.S. Treasuries and U.S. Agency securities are recorded at fair value. Investments in certificates of deposit are recorded at amortized cost. The value of marketable securities is based on quoted market prices provided by a securities pricing company through the District's financial banking institution. The District's investment in the external investment pool is not SEC-registered and is regulated by the State of Missouri. This external investment pool is reported at amortized cost or net asset value depending on the type of investment option.

2. Restricted Cash and Investments

In compliance with Missouri Workers' Compensation laws, an escrow account is held by a trustee to cover claims processed under the District's self-insured workers' compensation program. As part of the collective bargaining agreement with employee unions, the District holds funds in the Other Special Revenue fund to pay vested unused vacation and accumulated paid time off.

3. Receivables

All trade and property tax receivables are shown net of an allowance of approximately \$5.8 million for uncollectible amounts.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. Property taxes are levied by the county assessor based on the assessed valuation of taxable property as of January 1 of each calendar year (tax lien date). Taxes are billed the following November 1 and become due on or before December 31. Tax bills not collected by December 31 are considered delinquent and the unpaid amount is subject to interest and penalties. The county is responsible for the collection and distribution of property taxes. Assessed values are established by the county's Department of Assessment and reviewed by the County Board of Equalization and the state tax commissioner. The total assessed value at January 1, 2024 for real estate, personal property, merchants and manufacturers, and railroad and utility property was approximately \$5.11 billion.

4. Inventories

Inventories are stated at cost on the first-in, first-out (FIFO) basis. When individual inventory items are purchased, they are recorded as assets. When they are consumed, they are recorded as expenditures in governmental funds.

Inventories purchased are stated at cost as determined by the first-in, first-out method. Commodity inventories are stated at USDA's assigned values, which approximate the acquisition value at the date of receipt. Expenses for food items are recorded when used. The federal government donates surplus commodities to supplement the national school lunch programs. Commodity contributions received by the District are recorded as inventory and revenue at the date of receipt and recognized as an expenditure when consumed (consumption method).

5. Capital Assets

Capital assets, which include land, buildings, building improvements, equipment, software, vehicles, and furniture and fixtures, are reported in the government-wide financial statements. Capital assets are defined as assets with an individual cost over a certain amount (see capitalization level by category) and an estimated useful life of two years or more. Capital assets are capitalized at cost or estimated historical cost. Donated fixed assets are valued at the acquisition value as of the date received. Major outlays for capital acquisitions and improvements are capitalized as projects are constructed. All capital assets over the capitalization levels are depreciated. The capitalization levels, by category, are:

Land and buildings	\$	100,000
Building improvements		100,000
Equipment, vehicles and software		5,000

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Useful life/range
Buildings	50 years
Building improvements	20 – 25 years
Improvements other than buildings	25 years
Equipment, furniture, and fixtures	5 – 10 years
Vehicles	4 years
Software	2 years

The Board of Education has two parcels of land held for sale as surplus property. Disposition of these assets will be completed in compliance with bond covenants and state statutes. The District has recorded property held for sale in the governmental funds at the lower of the carrying value of the property or the estimated fair value. The District also has declared six closed buildings as impaired, and therefore are not being depreciated. The District has recorded these buildings in the government-wide financial statements at the lower of the carrying value of the property or the estimated fair value.

6. Compensated Absences

District employees earn annual vacation leave at the following rates:

Vacation days	Years of service
10	1 year
12	2 years
14	3 years
16	4 years
18	5 years
20	over 5 years

Vested unused vacation, up to a maximum of 50 days, is payable upon the date of termination or retirement.

District employees accumulate paid time off (PTO) at the rate of one-half day per reporting period. Vested, unused PTO may be accumulated up to a maximum of 200 days. For employees hired before January 1, 2009, the value of unused PTO is payable upon termination or retirement at a rate of 3% for each year of employment up to a maximum of 200 days at 75% of total value of PTO. Employees hired after January 1, 2009 may accumulate 175 days, at a rate of 3% for each year of service up to 75% of total value of PTO.

Estimated vacation and PTO payments due to employees at June 30, 2024 of \$16.3 million have been recorded in the government-wide financial statements. Of this balance, \$0.91 million is recorded as accrued liabilities in the Other Special Revenue Fund as they are considered due, for example, as a result of employee resignations and retirements. Within the governmental funds financial statements, there is a fund balance restriction at June 30, 2024 of \$4.6 million to

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

cover these future payments. Payments of benefits to employees are made from the Other Special Revenue Fund.

7. Interfund Transactions

Within the fund financial statements, activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” or “advances to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. There were no internal balances as of June 30, 2024.

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form. There were no advances between funds as of June 30, 2024.

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental fund financial statements.

8. Deferred Inflows/Outflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualified for reporting in this category: the deferred pension related amounts and amounts related to other post-employment benefits (OPEB) reported in the government-wide statement of net position. The deferred outflow items consist of items not yet charged to pension and OPEB expense.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from two sources: property taxes and unreimbursed grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The statement of net position reports a deferred inflow of resources from property taxes levied for future years. The statement of net position also reports pension and other post-employment benefit related deferred inflows. The deferred inflow items consist of items not yet charged to pension and OPEB expense.

9. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations of the District are reported as liabilities in the governmental activities statement of net position. Premiums on bonds and deferred charge on refunding are amortized over the term of the related

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

debt using a method, which approximates the effective interest method. Bond issuance costs are recorded as an expense when incurred.

In the governmental fund financial statements, bond premiums, and issuance costs are recognized in the current period when incurred. The amount of the debt issued is recorded as other financing sources. Premiums received on debt issuances are recorded as other financing sources, while discounts are recorded as other financing uses. Bond issuance costs are recorded as debt service expenditures when incurred.

10. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas City Public School Retirement System (KCPSRS) and additions to/deductions from KCPSRS' fiduciary net position have been determined on the same basis as they are reported by KCPSRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Other Post Employment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Retiree Health Care Plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the OPEB Retiree Health Care Plan .

12. Tax Abatements

The District is subject to property and sales tax abatements through various programs implemented by the city of Kansas City, Missouri. For purposes of GASB Statement No. 77, the "tax abatement" programs include Tax Increment Financing (TIF), Enhanced Enterprise Zone, Chapter 99, Chapter 100, Chapter 353, LCRA sale/leaseback, and Port KC sale/leaseback. The financial impact of these tax abatement programs on the district during fiscal year 2024 is \$33,802,000 offset in part by PILOTs received of \$2,134,000. The financial impact of the Planned Industrial Expansion Authority (PIEA) tax abatement program is \$19,121,000 offset in part by PILOTs received of \$939,000.

13. Right-to-use agreements

The District has noncancellable agreements for the right-to-use equipment, vehicles and software. The District has recognized a liability and an intangible right-to-use asset (lease/software asset) in the government-wide financial statements. The District recognizes leases with an initial individual value of \$50,000 or more and \$75,000 for software subscriptions.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

At the commencement of the agreement, the District initially measures the liability at the present value of payments expected to be made during the contract term. Subsequently, the liability is reduced by the principal portion of lease payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the contract commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to right-to-use contracts include how the District determines the discount rate it uses to discount the expected payments to present value, contract term and payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The District monitors changes in circumstances that would require a remeasurement of its right-to-use contracts and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Right-to-use assets are reported with other capital assets and related liabilities are reported with long-term debt on the statement of net position.

14. Fund Balance and Net Position

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end.

Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated by the Board of Education to the Superintendent.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance.

The District's minimum fund balance policy is to maintain at least \$25 million of unassigned fund balance in the General Fund.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is to pay the expenditure from the restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

In the government-wide financial statements and proprietary fund financial statements, net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on its use, such as bond covenants, grantors, or laws and regulations. Restricted net position consists of assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation as reduced by recorded liabilities which are payable for those assets (except for bonds used to acquire capital assets which are presented as a reduction of net investment in capital assets).

Net position restricted through legislation, outside parties or by law through constitutional provisions consist of \$283,874 for worker's compensation, \$35,000 for nonexpendable corpus of permanent fund, \$249,914 for patron gifts, \$4,636,336 for compensated absences, \$4,821,410 for child nutrition services, \$1,580,400 for property held for sale, and \$699,723 for other restrictions.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

15. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results could differ from those estimates.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

(2) Fund Balances

The details for the District’s fund balances are as follows:

Fund Balances:	General	Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable:				
Patron gift	\$ —	—	35,000	35,000
Prepays	784,556	—	—	784,556
Total nonspendable	<u>784,556</u>	<u>—</u>	<u>35,000</u>	<u>819,556</u>
Restricted:				
Child nutritional services	—	—	4,821,411	4,821,411
Student activities	—	—	539,883	539,883
Patron gift	—	—	249,914	249,914
Property held for sale	—	1,580,400	—	1,580,400
Permanent fund	—	—	159,839	159,839
Compensated absences	—	—	4,636,336	4,636,336
Workers compensation	283,874	—	—	283,874
Total restricted	<u>283,874</u>	<u>1,580,400</u>	<u>10,407,383</u>	<u>12,271,657</u>
Committed:				
Encumbrances - capital projects	—	6,065,408	—	6,065,408
Total committed	<u>—</u>	<u>6,065,408</u>	<u>—</u>	<u>6,065,408</u>
Assigned:				
Encumbrances - purchased services and materials	3,371,185	—	2,937	3,374,122
Capital projects	—	59,671,412	—	59,671,412
Total assigned	<u>3,371,185</u>	<u>59,671,412</u>	<u>2,937</u>	<u>63,045,534</u>
Unassigned	125,914,713	—	—	125,914,713
Total fund balances	<u>\$ 130,354,328</u>	<u>67,317,220</u>	<u>10,445,320</u>	<u>208,116,868</u>

(3) Detailed Notes on All Funds

(a) Deposits and Investments

State statutes authorize the District to invest in open time deposits; certificates of deposit; bonds of the state, of the United States, or of any wholly owned corporation of the United States; and in other short-term obligations of the United States. In accordance with these statutes, the cash and investment pool is invested in certificates of deposit, United States Treasury securities, federal agency obligations, and repurchase agreements collateralized by United States Treasury securities and federal agency obligations. The investments are purchased from Securities and Exchange Commission (SEC) registered brokers, dealers, and banks.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

The Building Corporation’s investments are authorized by the applicable bond trust indentures. It is the opinion of the District and its legal counsel that such investments of the Building Corporation are not subject to state statutes regarding school districts. The Building Corporation adopted a policy substantially similar to the District’s investment policy, except in specific cases where the Building Corporation’s Board deems such policies inappropriate.

Interest rate risk—The Board approved investment policy requires that the investment portfolio be structured so that securities mature to meet cash requirements for day-to-day operations. Primarily, operating funds are invested in short-term securities with a weighted average maturity of less than 12 months and securities are held to maturity. Investments may mature within no more than 5 years from date of purchase. The policy requires the District to adopt weighted average maturity limitations that do not exceed 3 years and is consistent with the investment objectives. The weighted average maturity for the District’s portfolio is 0.34 years.

The District had the following investments in debt securities at June 30, 2024:

Investment type	Investment balance	Weighted average maturity (years)
U.S. Treasury obligations	\$ 89,022,639	0.34
U.S. Agencies	4,992,300	0.25
Total debt securities	\$ 94,014,939	
Portfolio weighted average maturity		0.34

Credit risk—Missouri statutes limits the type of investment securities that can be purchased (as disclosed in note 1(d)(1), primarily, U.S. Treasury obligations and federal agency obligations. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, the District’s investments in debt securities were rated as follows:

Investment type	Moody's Investors Service	Standard & Poor's
U. S. Treasury Obligations	Aaa	AA+
U. S. Agencies	Aaa	AA+
Local Government Investment Pool:		
MOSIP Liquid Series and MOCAAT Liquid Series	-	AAAm

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

Concentration of credit risk—The District’s investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. At the time the investments are purchased, the District seeks to follow diversification standards published by the Office of Missouri State Treasurer. Those standards allow for no more than 70% of the total investment portfolio to be in U.S. Government agencies and no more than 50% to be in U.S. Government callable agencies. Collateralized repurchase agreements are limited to 75% of the total investments. The District’s investments in U.S. Treasury obligations and local government investment pools are not subject to concentration of credit risk disclosures.

Custodial credit risk—For deposits, this is the risk that, in the event of a bank failure, the District deposits may not be returned. Collateral is required by state statute for demand deposits and certificates of deposit. The fair value of the collateral must equal 100% of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are governed by State Statutes and include United States Government agency bonds and securities; general obligation bonds of any of the 50 states; general obligation bonds of any Missouri county, certain cities, and special districts; and revenue bonds of certain Missouri agencies. For investments, there is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2024, the District had no deposits or investments exposed to custodial credit risk.

Fair value measurements—Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The District categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input—Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

Level 2 input—Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 input—Inputs that are unobservable for the asset or liability which are typically based on the District’s own assumptions as there is little, if any, related market activity.

Hierarchy—The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

Inputs—If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

	Total	Level 1	Level 2
Investments:			
Repurchase agreements	\$ 114,895,000	\$ -	\$ 114,895,000
U.S. Treasuries	89,022,639	89,022,639	-
U.S. Agencies	4,992,300	-	4,992,300
	208,909,939	\$ 89,022,639	\$ 119,887,300
Investments measured at amortized cost:			
Local government investment pool - MOCAAT	5,474,452		
Local government investment pool - MOSIP	16,207,669		
Total investments	\$ 230,592,060		

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

(b) Capital Assets

Capital asset activity as of June 30, 2024 is shown below:

	Beginning balance	Additions	Transfers/ retirements	Ending balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 28,322,490	—	(28,400)	28,294,090
Impairment- closed buildings	7,920,582	—	—	7,920,582
Total capital assets, not being depreciated	<u>36,243,072</u>	<u>—</u>	<u>(28,400)</u>	<u>36,214,672</u>
Capital assets, being depreciated:				
Buildings and improvements	557,833,604	41,329,307	(8,804,230)	590,358,681
Improvements other than buildings	49,058,248	266,490	(1,645,198)	47,679,540
Equipment and furniture	17,957,946	1,128,019	(2,577,163)	16,508,802
Software	525,797	104,000	—	629,797
Vehicles	3,423,516	9,510	—	3,433,026
Right-to-use leased assets:				
Energy savings equipment	18,085,216	—	—	18,085,216
Mobile classrooms	82,109	—	—	82,109
Vehicles	696,137	412,318	(57,824)	1,050,631
Copiers	717,789	—	—	717,789
Software - subscription asset	1,169,663	134,610	—	1,304,273
Total capital assets being depreciated	<u>649,550,025</u>	<u>43,384,254</u>	<u>(13,084,415)</u>	<u>679,849,864</u>
Less accumulated depreciation for:				
Buildings and improvements	(277,344,274)	(12,203,038)	6,403,399	(283,143,913)
Improvements other than buildings	(37,571,805)	(1,397,309)	1,260,696	(37,708,418)
Equipment and furniture	(13,693,630)	(1,148,911)	2,577,163	(12,265,378)
Software	(507,290)	(27,173)	—	(534,463)
Vehicles	(1,974,640)	(534,284)	—	(2,508,924)
Right-to-use leased assets:				
Energy savings equipment	(3,817,990)	(1,908,995)	—	(5,726,985)
Mobile classrooms	(82,109)	—	—	(82,109)
Vehicles	(479,336)	(202,542)	27,587	(654,291)
Copiers	(717,789)	—	—	(717,789)
Software - subscription asset	(184,329)	(651,949)	—	(836,278)
Total accumulated depreciation	<u>(336,373,192)</u>	<u>(18,074,201)</u>	<u>10,268,845</u>	<u>(344,178,548)</u>
Total capital assets, being depreciated, net	<u>313,176,833</u>	<u>25,310,053</u>	<u>(2,815,570)</u>	<u>335,671,316</u>
Governmental activities capital assets	<u>\$ 349,419,905</u>	<u>25,310,053</u>	<u>(2,843,970)</u>	<u>371,885,988</u>

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

Within the government-wide financial statements, depreciation expense was charged to functions/programs for governmental activities as shown below:

Office of the Superintendent Services	\$	71,865
Administrative Technology Services		173,751
Total administration		<u>245,616</u>
Elementary		5,880,165
Middle school		1,737,556
High school		6,431,486
Gifted and talented		5,375
Supplemental Instruction		6,348
Student activities		1,170
Total instruction		<u>14,062,100</u>
Visually impaired		813
Educational media services		1,952
Budgeting services		5,460
Food service		2,065
Internal service		972
Total support services		<u>11,262</u>
Early childhood insruction		853
Welfare activities services		920
Non-public school students' services		7,376
Total community and adult services		<u>9,149</u>
Operation and maintenance of plant service		265,911
Security services		67,566
Total operation of facilities		<u>333,477</u>
District operated nondisabled student trans srvcs		333,701
Total transportation		<u>333,701</u>
Facilities acquisition and construction		315,410
Total facilities improvements and renovation		<u>315,410</u>
Right-to-use leased assets:		
Equipment lease purchase energy savings		1,908,995
Vehicles		202,542
Software		651,949
Total administration		<u>2,763,486</u>
Total governmental activities depreciation expense	\$	<u><u>18,074,201</u></u>

As of June 30, 2024, the District has six buildings with a total carrying value of \$7,920,582 that are idle and considered impaired. These buildings are accounted for at the lower of carrying value or fair

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

value. Management has determined an additional six buildings with a carrying value of \$20,976,481 are considered to be temporarily impaired.

(c) Transfers

The following transfers were made during the fiscal year:

		<u>Capital Projects</u>	<u>Nonmajor governmental</u>	<u>Total</u>
Transfer from:				
General fund	\$	7,134,072	—	7,134,072
Capital project fund		—	4,105,364	4,105,364
	\$	<u>7,134,072</u>	<u>4,105,364</u>	<u>11,239,436</u>

The above fund transfers are the result of budget appropriations that required fund transfers.

(d) Accrued Salaries

School-based certified contract instructional staff are compensated over a 12-month period beginning in August. Remaining salaries and related payroll taxes for the fiscal year have been accrued at June 30, 2024.

(e) Long-term Borrowings

Bonds Payable

Revenue bonds issued by the Building Corporation are supported by the revenue derived from leases with the District in amounts sufficient to provide for estimated administrative and operating expenditures, principal and interest on the bonds, and establishment of bond reserves pursuant to the provisions of the applicable bond resolution. Certain bond issues hold land and buildings as collateral in the event of default by the District. In the event the District sells these assets, the District may be required to pay the difference between fair market value and the selling price to the bond trustee under the bond covenants. All sales of such assets require bond counsel concurrence and Board approval before the District can enter into such transactions.

The 2009 Leasehold Revenue Qualified School Construction Bonds are payable through 2025. The total principal and interest remaining on the debt is \$2,399,471 with the remaining annual requirement of \$2.36 million. For the current year, interest paid by the District was \$.089 million. The amount of tax credits issued to the bondholder from the federal government was \$.241 million.

The 2010 Leasehold Revenue Qualified School Construction Bonds are payable through 2029. The total principal and interest remaining on the debt is \$7,069,460 with annual requirements ranging from \$1.1 million to \$1.20 million. For the current year, interest paid by the District was \$.306 million. The amount of interest subsidy reimbursed to the District from the federal government was \$.341 million.

On August 24, 2016, the District issued the Series 2016 Certificates of Participation in the amount of \$51,035,000. The Certificates mature in 2036 and require annual principal payments and semi-annual

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

interest payments at a variable of 2%-5%. Proceeds were used for school renovations, rehabilitation, and other capital improvements. The total principal and interest remaining on the debt is \$54,646,845.

Bonds and certificates of participation outstanding as of June 30, 2024 are as follows:

<u>Series</u>	<u>Amount outstanding</u>	<u>Interest rate</u>	<u>Maturity year</u>
Revenue bonds:			
Series 2009	\$ 2,360,000	2.23%	2025
Series 2010	5,900,000	7.12%	2029
Certificate of participation			
Series 2016	44,230,000	2.00%	2036
	<u>\$ 52,490,000</u>		

Annual debt service requirements to maturity for leasehold revenue bonds are as follows:

	<u>Revenue Bonds</u>			<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending						
June 30:						
2025	\$ 3,500,000	439,259	3,939,259	585,000	1,406,769	1,991,769
2026	1,160,000	318,264	1,478,264	3,120,000	1,395,069	4,515,069
2027	1,180,000	235,316	1,415,316	3,310,000	1,270,269	4,580,269
2028	1,200,000	150,944	1,350,944	3,440,000	1,204,069	4,644,069
2029	1,220,000	65,148	1,285,148	3,575,000	1,135,269	4,710,269
2030-2034	—	—	—	20,785,000	3,579,700	24,364,700
2035-2037	—	—	—	9,415,000	425,700	9,840,700
Total	<u>\$ 8,260,000</u>	<u>1,208,931</u>	<u>9,468,931</u>	<u>44,230,000</u>	<u>10,416,845</u>	<u>54,646,845</u>

Equipment Lease Purchase Agreement

The equipment lease purchase agreement was executed June 23, 2015 in the amount of \$27,786,986 to finance the energy performance contract for the purpose of the purchase and installation of specified energy saving equipment and the provision of other services designed to save energy and reduce related costs for identified property and buildings owned by the District. The District recorded the liability for this agreement when eligible costs were incurred. The obligation was issued at 3.5% interest with principal and interest due quarterly through 2030. The total principal and interest remaining on the agreement is \$13,661,229. On September 8, 2021, the agreement was refinanced at 2.19% interest.

The lease is secured by the capital assets purchased. Capital assets (right-to-use leased assets -energy savings equipment), net of accumulated depreciation, relating to this lease are \$12,358,231 as of June 30, 2024.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

Aggregate maturities are as follows:

	Lease Purchase Agreement		Total
	Principal	Interest	
Year ending June 30:			
2025	\$ 2,013,691	263,180	2,276,871
2026	2,058,155	218,717	2,276,872
2027	2,103,600	173,272	2,276,872
2028	2,150,048	126,823	2,276,871
2029	2,197,522	79,349	2,276,871
2030	2,246,044	30,827	2,276,871
Total	\$ 12,769,060	892,168	13,661,228

(f) Changes in Long-term Liabilities

Long-term liability activity for the fiscal year was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Leasehold revenue bonds	\$ 11,555,000	—	(3,295,000)	8,260,000	3,500,000
Certificate of participation	44,870,000	—	(640,000)	44,230,000	585,000
Premium on COP	1,506,345	—	(115,872)	1,390,473	—
Net pension liability	203,377,570	—	(11,494,909)	191,882,661	—
Total OPEB liability	15,978,527	1,144,766	—	17,123,293	—
Compensated absences	16,768,265	3,245,665	(3,710,037)	16,303,893	4,623,140
Health ins. claims liability	2,797,101	24,687,158	(24,490,513)	2,993,746	2,993,746
Lease/subscription agreements	1,013,270	546,928	(1,022,937)	537,261	228,523
Lease purchase agreement	14,739,249	—	(1,970,189)	12,769,060	2,013,691
Long-term liabilities	\$ 312,605,327	29,624,517	(46,739,457)	295,490,387	13,944,100

Compensated absences are liquidated by the Other Special Revenue Fund. Net pension liability, total OPEB liability and the health insurance claims liability are liquidated by the General Fund.

(4) Other Information

(a) Risk Management

Resources are accumulated in the General Fund for workers' compensation, unemployment, and general liability claims. The District qualifies as a self-insurer under Missouri Workers' Compensation

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

laws and maintains a reserve to cover estimated workers’ compensation claims incurred before November 1, 1999. Restricted cash and investments of \$283,874 as of June 30, 2024 are for the self-insured portion of the workers’ compensation program’s reserve requirement. A commercial insurance policy is purchased to cover current and future workers’ compensation claims. Pursuant to 288.090:3(1)(a) of the Missouri Revised Statutes, the District participates in the State Employment Security Program on a reimbursable basis and pays claims in lieu of contributions. The District maintains a general liability reserve to cover claims in excess of existing commercial insurance coverage that is funded by contributions from the General Fund.

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District purchases commercial insurance. Claim settlements have not exceeded commercial insurance coverage for each of the past three fiscal years.

Self-Insurance

The District has established self-funded benefits, which are medical and dental programs in the Internal Service Fund. The purpose of this fund is to pay the medical and dental claims of the District’s employees and their covered dependents. The program is administered by a third-party administrator.

As of January 1, 2021, the District is self-funded with respect to its obligations to provide health insurance for its employees. The estimated liability for payment of reported and unreported incurred but unpaid claims is recorded in the internal service fund. This liability is based on estimates provided by the third-party administrator.

As of June 30, 2024, the total estimated liability for payment of incurred but unpaid claims for health insurance was \$1,296,900 and is included in long-term liabilities in the internal service fund.

Changes in self-funded claims liability at June 30, 2024 is as follows:

Self-Insurance (Health) Table

	2024	2023
Balance - June 30	\$ 2,797,101	1,200,000
Add: Current year claims and changes in estimate	24,687,158	23,638,768
Less: Claims payments	24,490,513	22,041,667
Balance - June 30	\$ 2,993,746	2,797,101

(b) Post-Employment Benefits

Kansas City Public Schools Post-Employment Benefit Plan (OPEB)

A. General Information about the OPEB Plan

Plan Description—Kansas City Public Schools benefit plan is a single employer defined benefit health care plan administered by the District that provides medical and dental insurance benefits

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

to eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided—The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms –

Membership in the OPEB comprised the following at July 1, 2022:

Active employees	1,830
Inactive employees and spouses	62

B. Total OPEB Liability

The District’s total OPEB liability of \$17,123,293 was measured as of June 30, 2024, and was determined based on an actuarial valuation prepared as of July 1, 2022 rolled forward to June 30, 2024 using generally accepted actuarial principles and methods.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary Increases	2.85 percent
Discount Rate	4.09 percent at valuation date, 4.21 percent as of measurement date, 4.13 percent as of preceding measurement date
Healthcare Cost Trend Rates	7.50 percent one year after valuation date, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent seven years after valuation date
Retirees' Share of Benefit-Related Costs	100 percent of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates were based on the Pub-2010 General (Below Median) Employee, Retiree, and Contingent Survivor Mortality Tables with a one-year setback for males and a one-year set-forward for females, projected 15 years (7 years for retired employees) from valuation date using Scale MP-2021. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2020 - June 30, 2022.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

C. Changes in the Total OPEB Liability

Balance at June 30, 2023	\$	15,978,527
Service cost		613,199
Interest		670,518
Differences between expected and actual experience		107,671
Changes in assumptions or other inputs		466,199
Benefits payments		(712,821)
Balance at June 30, 2024	\$	17,123,293

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate—The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21 percent) or 1 percentage point higher (5.21 percent) than the current discount rate:

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB Liability	\$ 19,903,266	\$ 17,123,293	\$ 14,888,168

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates—The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5 percent) or 1 percentage point higher (7.5 percent) than the current healthcare cost trend rate:

	1% Decrease (5.50%)	Healthcare Cost Trend Rates (6.50%)	1% Increase (7.50%)
Total OPEB Liability	\$ 14,475,321	\$ 17,123,293	\$ 20,496,143

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of \$283,206. At June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 91,528	(1,264,314)
Changes of assumptions	2,746,835	(7,819,510)
Total	\$ 2,838,363	(9,083,824)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount
2025	\$ (1,305,553)
2026	(1,350,135)
2027	(1,633,103)
2028	(1,355,419)
2029	(658,893)
Thereafter	57,642
Total	\$ (6,245,461)

(c) Commitments

On July 21, 2021, the board approved a three-year agreement with Z-Trip for specialized transportation services for a term of August 1, 2021 through July 31, 2024, at an estimated annual amount of \$1,500,00, with two one-year renewal options. On August 28, 2024, the board approved the first renewal for a term of August 1, 2024 through July 31, 2025 for a not to exceed amount of \$2,000,000.

On June 22, 2022, the board approved a three-year agreement with Belfonte Ice Cream Company for the supply and delivery of milk, dairy, and juice products for a not to exceed amount of \$1,100,000 for year one. The term is July 1, 2022 through July 30, 2025, with two one-year renewal options.

On December 14, 2022, the board approved a three-year agreement with Universal Construction for On-Call Project Management Services for Operations/Facilities projects not to exceed \$1,000,000. The not to exceed amount for this contract is \$1,100,000. The term is December 1, 2022 through July 30, 2025, with two one-year renewal options.

On May 28, 2023, the board approved a three-year agreement with Centegix for a crisis alert system for a not to exceed amount of \$1,084,100 (\$288,600 per year for 3 years). The term is May 26, 2023 through June 30, 2026.

On July 20, 2022, the board approved a three-year agreement with Ferrellgas for RFP C-22-19 School Bus Propane LPG (Fuel) Supply. Ferrellgas was the sole bidder. The board approved an estimated two-

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

year total of \$1,700,000 (with the third year to be negotiated). The term begins at date of signature and continues until June 30, 2025.

On May 22, 2024, the board approved a one-year renewal agreement with Alist, LLC to provide temporary staffing services for the IT Department, for a not-to-exceed amount of \$1,000,000. Alist will be the employer of the Assigned Workers for the following positions: Enterprise Applications Analyst and Technology Support Specialist. The renewal term is July 1, 2024, through June 30, 2025, with two one-year renewal options remaining.

On March 20, 2024, the board approved a three-year agreement with ZUM Student Transportation Services from July 1, 2024, through June 30, 2027. The purpose of the agreement is to provide regular and special education transportation services for an amount not to exceed \$14,064,458.

On June 26, 2024, the board approved a two-year agreement with City Year for educational retention, monitoring, and administrative support services, not-to-exceed \$1,200,000. The term is July 1, 2024 through June 30, 2026.

(d) Right-to-use agreements

The District has entered into leases for 49 vehicles and 155 copiers each with a five-year lease term, and each includes an option to terminate the lease. The terms and conditions of the equipment lease purchase agreement/energy savings contract has been disclosed in debt footnote of this report.

During fiscal year 2023, the District executed three-year software subscription agreements for a crisis alert safety solution, web filtering licenses, and musical instruction. During fiscal year 2024, the District has entered into a three-year software license agreement for elementary music curriculum.

Description - classification	Role	Net subscription asset balance	Accumulated amortization	Gross subscription asset balance
Building improvement/equipment - energy savings contract	Lessee	\$ 12,358,231	\$ (5,726,985)	\$ 18,085,216
Equipment - vehicles	Lessee	396,340	(654,291)	1,050,631
Equipment - copiers	Lessee	-	(717,789)	717,789
Equipment - mobile classrooms	Lessee	-	(82,109)	82,109
Software - subscription asset	Subscriber	467,995	(836,278)	1,304,273
Total		\$ 13,222,566	\$ (8,017,452)	\$ 21,240,018

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

	Year ended	Principal	Interest	Total
	June 30,			payment
Equipment - vehicles				
2025	\$	139,838	10,994	150,832
2026		112,814	7,609	120,423
2027		91,639	4,555	96,194
2028		86,772	1,940	88,712
2029		17,513	93	17,606
 Software - subscription				
2025		88,685	-	88,685
Total	\$	<u>537,261</u>	<u>25,191</u>	<u>562,452</u>

(e) Pension Plan and Retirement Benefits

Plan description: The District contributes to the Kansas City Public School Retirement System (KCPSRS), a cost-sharing, multiple-employer and contributory defined benefit pension plan. Substantially all full-time employees of the District, the Kansas City Public Library and charter schools are covered by the plan. The Kansas City Public School Retirement System provides retirement, disability, and death benefits to plan members and beneficiaries. All benefit provisions are established and may be amended by the legislature of the State of Missouri. The general administration and responsibility for the proper operation of the Kansas City Public School Retirement System rests with a board of trustees. Financial statements of the Kansas City Public School Retirement System can be obtained by writing to Kansas City Public School Retirement System, 3100 Broadway, Suite 1211, Kansas City, Missouri 64111 or by calling (816) 472-5912.

Benefits provided: KCPSRS provides retirement, disability, and death benefits. Retirement benefits are determined based on the employee’s average final salary and a multiplier based on the years of service. Employees, hired prior to January 1, 2014, are eligible for full retirement at age 60 with at least 5 years of covered employment or when the years of service plus the employee’s age equals or exceeds 75 credits. Employees, hired after January 1, 2014, are eligible for full retirement at age 62 with at least 5 years of covered employment, or when the years of service plus the employee’s age equals or exceeds 80 credits. Five years of service is required for disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Pre-retirement death benefits, at a minimum, are based on a calculation of the employee’s contributions plus interest. Post retirement death benefits, at a minimum, are based on a calculation of accumulated contributions in excess of total benefits received.

Contributions: All regular and full-time employees must become members of the Retirement System as a condition of employment. During the 2013 Missouri legislative session, SB223 was passed allowing the Kansas City Public School Retirement System Board (KCPSRS) flexibility to increase the contribution rate in ½% increments annually, to a maximum of 9%. The employer contribution for calendar year 2023 was 12.00%. The employer contribution rate may be the greater of (1) the actuarial

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

required contribution rate less the member contribution rate, or (2) 12.00% of annual covered salary, until the Retirement System is fully funded. Once the Retirement System is fully funded, the employer contribution rate may increase or decrease, in subsequent years, depending on valuation results and the employee contribution rate may decrease from 9% depending on valuation results. The contribution rate is set each year by the Board of the Kansas City Public School Retirement System upon the recommendation of the Retirement System’s actuary within the contribution restrictions of RSMo Section 169.350 subsections 5 and 6. Contributions to the pension plan from the District were \$16,778,347 for the year ended June 30, 2024.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability of \$191,882,661 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 rolled forward one year to December 31, 2023, using generally accepted actuarial principles and methods. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating governments. At December 31, 2023, the District’s collective proportion was 54.177031 percent, which was a decrease of .75477 percent from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$23,965,029. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,055,276	(1,572,238)
Net difference between projected and actual earnings on pension plan investments	22,924,206	-
Changes of assumptions	1,447,158	-
Changes in proportion	-	(2,273,837)
District contributions subsequent to the measurement date	9,900,547	-
Total	\$ 35,327,187	(3,846,075)

The \$9,900,547 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The deferred outflows related to the difference between expected and actual investment earnings is being amortized over a closed 5-year period. The remaining amount of deferred outflows and inflows of resources are being amortized over a closed

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

period equal to the average of the expected service lives of all participants as of the beginning of each measurement period.

Amounts reported as deferred outflows of resources (other than contributions) and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>		<u>Pension Expense</u>
2025	\$	3,349,227
2026		7,360,836
2027		12,799,302
2028		<u>(1,928,800)</u>
Total	\$	<u><u>21,580,565</u></u>

There were no non-employer contributing entities at KCPSRS.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.85 to 9.50 percent including wage inflation
Investment rate of return	7.25 percent net of investment expense and including price inflation

Pre-retirement mortality rates were based on the Pub-2010 General Members (Below Median) Employee Mortality Table with a one-year age setback for males and a one-year age set-forward for females, projected 15 years from valuation date using Scale MP-2020. Post-retirement mortality rates for healthy retirees were based on the Pub-2010 General Members (Below Median) Retiree Mortality Table with a one-year age setback for males and a one-year age set-forward for females, projected 7 years from valuation date using Scale MP-2021.

Assumptions that changed from prior year: non-disabled mortality tables were updated to reflect an additional year of mortality improvements.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of the most recent experience study covering the five-year period ending December 31, 2019 (report dated October 5, 2020).

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns,

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	10.5 %	6.20 %
U.S. Mid Cap Equity	6.0	6.80
U.S. Small Cap Equity	6.0	7.20
International Developed Equity	12.0	7.10
Emerging Market Equity	10.0	9.00
Core Fixed Income	10.0	1.20
Global Fixed Income	5.0	1.20
High Yield Bonds	2.5	3.70
Multi-Asset Class (MACS)	13.5	4.70
Hedge Fund of Funds	5.0	3.30
Private equity	7.5	10.40
Real estate - Core	6.0	4.50
Real estate - Value Add	3.0	7.00
Real estate - Opportunistic	3.0	9.10
Total	<u>100%</u>	

Discount rate (SEIR) The discount rate used to measure the total pension liability (TPL) at December 31, 2023 was 7.25 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. The Municipal Bond Index Rate was not used to determine the SEIR (7.25%).

The projection of cash flows used to determine the discount rate assumed that plan contributions from members and employers will be made as follows:

- a. Employee contribution rate: 9.00 percent of covered compensation. Effective July 1, 2021, the lesser of (1) 9.00 percent of covered compensation, or (2) half of the actuarial required contribution rate, as determined in the valuation prepared for the prior calendar year.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

- b. Employer contribution rate: 12.00 percent of covered compensation. Effective July 1, 2021, the employer contribution rate will be the greater of (1) the actuarial required contribution rate, as determined in the valuation prepared for the prior calendar year, less the member contribution rate, or (2) 12.00 percent of pay, until the pension plan is fully funded. Once the pension plan is fully funded, the employer contribution rate may increase or decrease in subsequent years, depending on the valuation results and the employee contribution rate may decrease from 9.00 percent depending on valuation results. However, such changes are subject to statutory limitations.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate: The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability \$	247,406,618	191,882,661	145,054,704

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued KCPSRS financial report, which can be located at www.kcpsrs.org.

Payable to the pension plan at June 30, 2024:

The District reported payables (within accrued salaries, benefits, and payroll taxes in the fund financial statements) to the defined benefit pension plan of \$2,619,856 for legally required employer contributions and \$1,433,551 for legally required employee contributions, which had been withheld from employee wages but not yet remitted to KCPSRS.

(f) New Pronouncements

Pending Pronouncements:

GASB Statement No. 101, *Compensated Absences*, this Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2024

GASB Statement No. 102, *Certain Risk Disclosures*, issued in December 2023, will be effective for the District beginning with its fiscal year ended June 30, 2025. The objective of Statement No. 102 is to provide users of financial statements with essential information about the reporting entity's vulnerabilities due to certain concentrations or constraints through expanded disclosures.

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued in April 2024, will be effective for the District beginning with its fiscal year ended June 30, 2026. Statement No. 103 will implement a variety of changes including revising the presentation of the management's discussion and analysis section, the government-wide and fund financial statements, including requiring the presentation of unusual or infrequent items and subsidies when applicable, and the budgetary comparison information.

The GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the District beginning with its fiscal year ended June 30, 2026. Statement No. 104 is to provide users of government financial statements with essential information about certain types of capital assets. The statement requires state and local governmental entities to separately disclose information about such assets in the notes. Types of capital assets within the scope of the new requirements include lease assets, intangible right-to-use assets, subscription assets, and other intangible assets. Additional disclosures about capital assets held for sale are also required.

The District's management has not yet determined the effect these statements will have on the District's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2024

	Original budget	Final budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 197,192,323	197,625,789	202,203,626	4,577,837
Prop C taxes	13,348,629	13,348,629	15,206,514	1,857,885
Other local	5,659,739	11,272,528	12,743,609	1,471,081
County	5,871,618	7,559,627	6,816,884	(742,743)
Basic formula	99,126	42,954	58,005	15,051
Other state	15,120,576	14,619,659	12,407,047	(2,212,612)
Federal sources	50,355,626	57,990,667	48,966,808	(9,023,859)
Tuition	108,169	201,762	454,158	252,396
Total revenues	<u>287,755,806</u>	<u>302,661,615</u>	<u>298,856,651</u>	<u>(3,804,964)</u>
Expenditures:				
Current:				
Support services - general administration:				
Board of education services:				
Salaries	65,026	65,026	72,242	(7,216)
Benefits	26,887	26,887	24,287	2,600
Purchased services	346,767	922,017	592,947	329,070
Supplies and materials	24,505	44,255	36,910	7,345
Total board of education services	<u>463,185</u>	<u>1,058,185</u>	<u>726,386</u>	<u>331,799</u>
Office of the superintendent services:				
Salaries	1,837,113	1,780,463	1,738,663	41,800
Benefits	688,380	597,353	497,637	99,716
Purchased services	2,870,750	2,985,918	1,996,689	989,229
Supplies and materials	172,641	585,996	517,784	68,212
Total office of the superintendent services	<u>5,568,884</u>	<u>5,949,730</u>	<u>4,750,773</u>	<u>1,198,957</u>
Other executive administration services:				
Salaries	280,428	252,515	255,342	(2,827)
Benefits	130,848	99,397	103,088	(3,691)
Total other executive administration services	<u>411,276</u>	<u>351,912</u>	<u>358,430</u>	<u>(6,518)</u>
Administrative technology services:				
Salaries	2,924,255	2,847,727	2,789,314	58,413
Benefits	1,186,665	1,060,224	935,421	124,803
Purchased services	4,230,556	4,179,143	3,824,197	354,946
Supplies and materials	2,280,927	2,332,340	2,704,129	(371,789)
Total administrative technology services	<u>10,622,403</u>	<u>10,419,434</u>	<u>10,253,061</u>	<u>166,373</u>
Total support services - general administration	<u>17,065,748</u>	<u>17,779,261</u>	<u>16,088,650</u>	<u>1,690,611</u>
Support services - building level administration:				
Office of principal services:				
Salaries	1,975,898	2,031,306	2,085,355	(54,049)
Benefits	970,145	984,018	882,085	101,933
Purchased services	240,967	272,180	211,076	61,104
Supplies and materials	141,268	237,635	271,579	(33,944)
Total office of principal services	<u>3,328,278</u>	<u>3,525,139</u>	<u>3,450,095</u>	<u>75,044</u>
Total support services - building level administration	<u>3,328,278</u>	<u>3,525,139</u>	<u>3,450,095</u>	<u>75,044</u>
Instruction:				
Elementary:				
Salaries	846,066	1,249,031	1,189,217	59,814
Benefits	422,170	544,684	471,736	72,948
Purchased services	4,823,940	1,062,854	913,763	149,091
Supplies and materials	2,144,630	6,150,336	3,833,038	2,317,298
Total elementary	<u>8,236,806</u>	<u>9,006,905</u>	<u>6,407,754</u>	<u>2,599,151</u>
Middle/junior high:				
Salaries	15,000	32,969	1,611	31,358
Benefits	8,499	10,934	155	10,779
Purchased services	125,602	138,384	219,756	(81,372)
Supplies and materials	93,351	280,853	248,651	32,202
Total middle/junior high	<u>242,452</u>	<u>463,140</u>	<u>470,173</u>	<u>(7,033)</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2024

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
High school:				
Salaries	\$ 327,328	333,281	366,981	(33,700)
Benefits	151,936	143,626	146,913	(3,287)
Purchased services	781,754	1,021,526	1,097,777	(76,251)
Supplies and materials	538,828	1,711,135	1,512,776	198,359
Total high school	<u>1,799,846</u>	<u>3,209,568</u>	<u>3,124,447</u>	<u>85,121</u>
Summer school:				
Salaries	198,076	140,633	160,578	(19,945)
Benefits	17,197	12,766	14,667	(1,901)
Purchased services	585,431	1,107,978	645,264	462,714
Supplies and materials	422,495	490,543	340,577	149,966
Total summer school	<u>1,223,199</u>	<u>1,751,920</u>	<u>1,161,086</u>	<u>590,834</u>
Gifted and talented:				
Purchased services	20,078	33,320	30,873	2,447
Supplies and materials	17,543	7,301	4,465	2,836
Total gifted and talented	<u>37,621</u>	<u>40,621</u>	<u>35,338</u>	<u>5,283</u>
Special education:				
Salaries	2,553,715	2,415,271	1,979,939	435,332
Benefits	1,323,144	1,118,955	925,117	193,838
Purchased services	2,155,408	2,418,371	3,669,599	(1,251,228)
Supplies and materials	410,387	449,151	403,731	45,420
Total special education	<u>6,442,654</u>	<u>6,401,748</u>	<u>6,978,386</u>	<u>(576,638)</u>
Supplemental instruction:				
Salaries	314,325	302,223	302,687	(464)
Benefits	179,439	126,403	107,597	18,806
Purchased services	1,378,836	3,206,859	2,330,785	876,074
Supplies and materials	429,688	959,453	521,669	437,784
Total supplemental instruction	<u>2,302,288</u>	<u>4,594,938</u>	<u>3,262,738</u>	<u>1,332,200</u>
Bilingual				
Salaries	1,115,141	1,047,928	967,768	80,160
Benefits	584,868	547,605	404,540	143,065
Purchased services	113,684	154,165	52,795	101,370
Supplies and materials	342,386	406,436	234,380	172,056
Total bilingual	<u>2,156,079</u>	<u>2,156,134</u>	<u>1,659,483</u>	<u>496,651</u>
Early childhood special education:				
Salaries	318,616	354,697	249,211	105,486
Benefits	145,120	129,914	114,659	15,255
Purchased services	846,630	773,500	498,240	275,260
Supplies and materials	22,000	5,000	1,404	3,596
Total early childhood special education	<u>1,332,366</u>	<u>1,263,111</u>	<u>863,514</u>	<u>399,597</u>
Other career education:				
Salaries	351,668	484,646	407,897	76,749
Benefits	128,638	125,866	107,665	18,201
Purchased services	558,835	479,909	409,578	70,331
Supplies and materials	555,000	1,080,330	763,945	316,385
Total other career education	<u>1,594,141</u>	<u>2,170,751</u>	<u>1,689,085</u>	<u>481,666</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2024

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with Final Budget
Student activities:				
Salaries	\$ 1,259,018	1,274,518	1,518,207	(243,689)
Benefits	203,350	204,721	216,291	(11,570)
Purchased services	383,306	475,056	439,756	35,300
Supplies and materials	622,587	585,041	480,295	104,746
Total student activities	<u>2,468,261</u>	<u>2,539,336</u>	<u>2,654,549</u>	<u>(115,213)</u>
Tuition to other districts:				
Purchased services	412,627	412,627	421,799	(9,172)
Total tuition to other districts	<u>412,627</u>	<u>412,627</u>	<u>421,799</u>	<u>(9,172)</u>
Tuition to private agencies:				
Purchased services	4,710,887	4,833,512	3,455,167	1,378,345
Total tuition to private agencies	<u>4,710,887</u>	<u>4,833,512</u>	<u>3,455,167</u>	<u>1,378,345</u>
Total instruction	<u>32,959,227</u>	<u>38,844,311</u>	<u>32,183,519</u>	<u>6,660,792</u>
Support services - pupils:				
Attendance and social work area:				
Salaries	1,242,376	1,112,154	1,124,338	(12,184)
Benefits	530,163	444,539	399,136	45,403
Purchased services	96,449	113,024	95,494	17,530
Supplies and materials	1,000	1,100	4,183	(3,083)
Total attendance and social work area	<u>1,869,988</u>	<u>1,670,817</u>	<u>1,623,151</u>	<u>47,666</u>
Attendance services				
Salaries	524,438	510,578	527,430	(16,852)
Benefits	217,068	183,154	185,462	(2,308)
Purchased services	23,500	29,000	20,078	8,922
Supplies and materials	167,000	60,000	72,325	(12,325)
Total attendance services	<u>932,006</u>	<u>782,732</u>	<u>805,295</u>	<u>(22,563)</u>
Social work services:				
Salaries	2,484,003	2,175,129	2,066,128	109,001
Benefits	989,068	935,239	689,455	245,784
Purchased services	2,027,074	962,105	822,223	139,882
Supplies and materials	57,500	89,208	86,915	2,293
Total social work services	<u>5,557,645</u>	<u>4,161,681</u>	<u>3,664,721</u>	<u>496,960</u>
Pupil accounting services:				
Salaries	461,534	472,542	554,011	(81,469)
Benefits	176,910	166,036	167,552	(1,516)
Purchased services	55,533	22,142	14,475	7,667
Supplies and materials	45,500	32,291	42,974	(10,683)
Total pupil accounting services	<u>739,477</u>	<u>693,011</u>	<u>779,012</u>	<u>(86,001)</u>
Guidance services-system support				
Salaries	916,575	877,829	873,883	3,946
Benefits	381,541	342,923	340,274	2,649
Purchased services	326,345	218,385	248,274	(29,889)
Supplies and materials	20,000	116,565	51,838	64,727
Total guidance services-system support	<u>1,644,461</u>	<u>1,555,702</u>	<u>1,514,269</u>	<u>41,433</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2024

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Nursing services:				
Salaries	\$ 2,387,703	2,296,130	2,304,945	(8,815)
Benefits	931,863	819,837	811,626	8,211
Purchased services	136,180	62,206	40,213	21,993
Supplies and materials	35,000	89,228	65,290	23,938
Total nursing services	<u>3,490,746</u>	<u>3,267,401</u>	<u>3,222,074</u>	<u>45,327</u>
Psychological services:				
Salaries	1,845,387	1,985,380	1,947,390	37,990
Benefits	642,277	641,006	616,607	24,399
Total psychological services	<u>2,487,664</u>	<u>2,626,386</u>	<u>2,563,997</u>	<u>62,389</u>
Speech pathology and audiology services				
Salaries	1,154,495	1,194,081	1,047,536	146,545
Benefits	396,949	367,766	330,953	36,813
Total speech pathology and audiology	<u>1,551,444</u>	<u>1,561,847</u>	<u>1,378,489</u>	<u>183,358</u>
Occupational therapy				
Salaries	770,400	684,611	644,191	40,420
Benefits	283,094	206,287	210,074	(3,787)
Total occupational therapy	<u>1,053,494</u>	<u>890,898</u>	<u>854,265</u>	<u>36,633</u>
Physical therapy:				
Salaries	106,961	106,672	108,392	(1,720)
Benefits	44,595	44,288	43,224	1,064
Total physical therapy	<u>151,556</u>	<u>150,960</u>	<u>151,616</u>	<u>(656)</u>
Other support services:				
Salaries	396,341	462,943	460,832	2,111
Benefits	150,816	170,309	167,653	2,656
Total other support services	<u>547,157</u>	<u>633,252</u>	<u>628,485</u>	<u>4,767</u>
Total support services - pupils	<u>20,025,638</u>	<u>17,994,687</u>	<u>17,185,374</u>	<u>809,313</u>
Support services instructional staff:				
Instruction and curriculum development:				
Salaries	350,545	354,380	356,447	(2,067)
Benefits	136,350	146,806	124,973	21,833
Purchased services	1,256,906	1,441,662	1,186,179	255,483
Supplies and materials	2,040,638	4,215,462	3,864,650	350,812
Total instruction and curriculum development	<u>3,784,439</u>	<u>6,158,310</u>	<u>5,532,249</u>	<u>626,061</u>
Instructional staff training services:				
Salaries	22,700	134,440	96,958	37,482
Benefits	1,776	29,103	24,220	4,883
Purchased services	861,098	800,701	669,208	131,493
Supplies and materials	68,032	53,788	45,823	7,965
Total instructional staff training services	<u>953,606</u>	<u>1,018,032</u>	<u>836,209</u>	<u>181,823</u>
Educational media services area direction:				
Salaries	—	1,000	90	910
Benefits	—	82	9	73
Purchased services	—	4,522	3,898	624
Supplies and materials	394,125	387,663	362,005	25,658
Total educational media services area direction	<u>394,125</u>	<u>393,267</u>	<u>366,002</u>	<u>27,265</u>
Total support services - instructional staff	<u>5,132,170</u>	<u>7,569,609</u>	<u>6,734,460</u>	<u>835,149</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2024

	Original budget	Final budget	Actual	Variance with Final Budget
Business support services:				
Business support services area direction:				
Salaries	\$ 128,222	128,222	131,685	(3,463)
Benefits	43,432	43,432	39,243	4,189
Total business support services area direction	<u>171,654</u>	<u>171,654</u>	<u>170,928</u>	<u>726</u>
Fiscal service area direction:				
Salaries	1,085,918	1,031,900	845,458	186,442
Benefits	451,710	445,768	663,154	(217,386)
Purchased services	165,954	159,031	149,164	9,867
Supplies and materials	15,500	18,500	19,667	(1,167)
Total fiscal service area direction	<u>1,719,082</u>	<u>1,655,199</u>	<u>1,677,443</u>	<u>(22,244)</u>
Budgeting services:				
Salaries	257,056	419,397	332,013	87,384
Benefits	159,191	159,191	108,347	50,844
Purchased services	39,572	39,572	7,560	32,012
Supplies and materials	13,785	13,785	4,085	9,700
Total budgeting services	<u>469,604</u>	<u>631,945</u>	<u>452,005</u>	<u>179,940</u>
Receiving and disbursing services:				
Salaries	143,578	143,578	174,856	(31,278)
Benefits	57,250	57,250	60,286	(3,036)
Purchased services	33,750	33,750	26,779	6,971
Supplies and materials	2,100	2,600	2,016	584
Total receiving and disbursing services	<u>236,678</u>	<u>237,178</u>	<u>263,937</u>	<u>(26,759)</u>
Payroll services:				
Salaries	326,998	326,998	333,454	(6,456)
Benefits	125,576	125,576	109,042	16,534
Purchased services	12,770	12,770	4,718	8,052
Total payroll services	<u>465,344</u>	<u>465,344</u>	<u>447,214</u>	<u>18,130</u>
Financial accounting services:				
Salaries	210,629	210,629	169,646	40,983
Benefits	85,215	85,215	58,602	26,613
Purchased services	10,867	10,367	1,150	9,217
Supplies and materials	1,000	1,000	299	701
Total financial accounting services	<u>307,711</u>	<u>307,211</u>	<u>229,697</u>	<u>77,514</u>
Property accounting services:				
Salaries	34,000	34,000	21,786	12,214
Benefits	2,830	2,830	2,416	414
Purchased services	45,600	45,600	11,345	34,255
Total property accounting services	<u>82,430</u>	<u>82,430</u>	<u>35,547</u>	<u>46,883</u>
Other fiscal services:				
Purchased services	170,000	170,000	122,380	47,620
Total other fiscal services	<u>170,000</u>	<u>170,000</u>	<u>122,380</u>	<u>47,620</u>
Operation and maintenance of plant service area direction:				
Salaries	796,025	755,062	701,982	53,080
Benefits	252,493	223,584	206,132	17,452
Purchased services	145,985	167,618	66,827	100,791
Supplies and materials	93,553	117,670	67,034	50,636
Total operation and maintenance of plant	<u>1,288,056</u>	<u>1,263,934</u>	<u>1,041,975</u>	<u>221,959</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2024

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Care and upkeep of building services:				
Salaries	\$ 9,122,758	8,499,137	8,256,609	242,528
Benefits	4,049,782	3,158,868	3,000,009	158,859
Purchased services	7,563,638	10,030,643	8,906,911	1,123,732
Supplies and materials	7,983,687	7,953,944	7,576,275	377,669
Total care and upkeep of building services	<u>28,719,865</u>	<u>29,642,592</u>	<u>27,739,804</u>	<u>1,902,788</u>
Care and upkeep of grounds services:				
Salaries	324,851	285,160	265,455	19,705
Benefits	145,350	114,818	103,159	11,659
Purchased services	455,000	615,700	403,640	212,060
Supplies and materials	69,500	59,740	12,847	46,893
Total care and upkeep of grounds services	<u>994,701</u>	<u>1,075,418</u>	<u>785,101</u>	<u>290,317</u>
Vehicle servicing and maintenance services:				
Salaries	55,000	55,000	39,684	15,316
Benefits	24,467	24,467	12,167	12,300
Purchased services	160,000	181,333	178,908	2,425
Supplies and materials	70,000	95,025	90,985	4,040
Total vehicle servicing and maintenance	<u>309,467</u>	<u>355,825</u>	<u>321,744</u>	<u>34,081</u>
Security services:				
Salaries	4,599,700	4,222,080	4,168,470	53,610
Benefits	1,942,356	1,381,677	1,300,202	81,475
Purchased services	497,621	656,946	525,557	131,389
Supplies and materials	168,528	379,798	311,220	68,578
Total security services	<u>7,208,205</u>	<u>6,640,501</u>	<u>6,305,449</u>	<u>335,052</u>
Contracted transportation services for students:				
Salaries	433,688	644,358	686,315	(41,957)
Benefits	157,544	147,422	138,517	8,905
Purchased services	12,022,911	11,174,508	8,071,598	3,102,910
Supplies and materials	779,000	781,100	702,083	79,017
Total contracted transportation services	<u>13,393,143</u>	<u>12,747,388</u>	<u>9,598,513</u>	<u>3,148,875</u>
District operated nondisabled student transportation				
Salaries	348,450	716,286	671,182	45,104
Benefits	192,460	223,337	200,569	22,768
Total district operated nondisabled student transportation	<u>540,910</u>	<u>939,623</u>	<u>871,751</u>	<u>67,872</u>
Contracted transportation services for students with disabilities:				
Purchased services	3,090,000	4,581,555	3,827,155	754,400
Supplies and materials	139,690	79,690	73,020	6,670
Total contracted transportation disabilities	<u>3,229,690</u>	<u>4,661,245</u>	<u>3,900,175</u>	<u>761,070</u>
Early childhood special education transportation:				
Purchased services	1,407,633	2,273,735	1,846,733	427,002
Total early childhood special education transportation	<u>1,407,633</u>	<u>2,273,735</u>	<u>1,846,733</u>	<u>427,002</u>
Internal service area direction				
Salaries	570,961	570,961	494,348	76,613
Benefits	226,083	226,083	175,571	50,512
Purchased services	74,792	28,633	26,579	2,054
Supplies and materials	25,500	80,582	78,343	2,239
Total internal service area direction	<u>897,336</u>	<u>906,259</u>	<u>774,841</u>	<u>131,418</u>
Warehousing and distributing services				
Salaries	201,601	164,193	156,096	8,097
Benefits	93,097	64,619	59,858	4,761
Purchased services	17,754	12,079	12,079	—
Supplies and materials	126,700	27,185	28,975	(1,790)
Total warehousing and distributing services	<u>439,152</u>	<u>268,076</u>	<u>257,008</u>	<u>11,068</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2024

	Original budget	Final budget	Actual	Variance with Final Budget
Other business support services:				
Salaries	32,056	32,056	32,672	(616)
Benefits	10,857	10,857	9,745	1,112
Purchased services	6,120	6,120	16,750	(10,630)
Total other business support services	<u>49,033</u>	<u>49,033</u>	<u>59,167</u>	<u>(10,134)</u>
Total business support services	<u>62,099,694</u>	<u>64,544,590</u>	<u>56,901,412</u>	<u>7,643,178</u>
Support services - central office:				
Planning, research, development, and evaluation services area direction:				
Salaries	815,342	669,091	643,544	25,547
Benefits	268,630	208,704	185,313	23,391
Purchased services	1,177,267	902,628	763,952	138,676
Supplies and materials	118,010	441,699	435,416	6,283
Total planning research, development, and evaluation	<u>2,379,249</u>	<u>2,222,122</u>	<u>2,028,225</u>	<u>193,897</u>
Information services area direction:				
Salaries	595,945	634,232	629,341	4,891
Benefits	215,322	239,079	205,388	33,691
Purchased services	815,860	1,089,428	599,895	489,533
Supplies and materials	268,020	269,421	254,789	14,632
Total information services area direction	<u>1,895,147</u>	<u>2,232,160</u>	<u>1,689,413</u>	<u>542,747</u>
Human resource services:				
Salaries	1,338,235	1,434,757	1,365,096	69,661
Benefits	505,729	504,346	434,862	69,484
Purchased services	658,100	863,394	1,034,830	(171,436)
Supplies and materials	169,500	480,891	464,915	15,976
Total human resource services	<u>2,671,564</u>	<u>3,283,388</u>	<u>3,299,703</u>	<u>(16,315)</u>
Other staff services				
Total support services - central office	<u>6,945,960</u>	<u>7,737,670</u>	<u>7,017,341</u>	<u>720,329</u>
Community services area direction:				
Purchased services	—	80,721	6,602	74,119
Supplies and materials	—	—	5,131	(5,131)
Total community services area direction	<u>—</u>	<u>80,721</u>	<u>11,733</u>	<u>68,988</u>
Early childhood programs:				
Early childhood program:				
Salaries	210,708	210,231	211,400	(1,169)
Benefits	55,787	51,746	51,730	16
Purchased services	39,680	38,246	28,475	9,771
Supplies and materials	4,300	15,878	18,860	(2,982)
Total early childhood program	<u>310,475</u>	<u>316,101</u>	<u>310,465</u>	<u>5,636</u>
Early childhood instruction:				
Salaries	2,681,641	4,890,283	5,238,962	(348,679)
Benefits	1,065,079	2,161,560	1,988,995	172,565
Purchased services	899,047	1,300,179	824,683	475,496
Supplies and materials	109,866	438,231	360,327	77,904
Total early childhood instruction	<u>4,755,633</u>	<u>8,790,253</u>	<u>8,412,967</u>	<u>377,286</u>
Total early childhood programs	<u>5,066,108</u>	<u>9,106,354</u>	<u>8,723,432</u>	<u>382,922</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2024

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Homeless and other disadvantaged student:				
Purchased services	57,798	817,188	692,727	124,461
Supplies and materials	40,996	59,907	40,999	18,908
Total homeless and other disadvantaged student	<u>98,794</u>	<u>877,095</u>	<u>733,726</u>	<u>143,369</u>
Non-public school student services:				
Purchased services	332,141	387,777	371,780	15,997
Supplies and materials	—	—	—	—
Total non-public school student services	<u>332,141</u>	<u>387,777</u>	<u>371,780</u>	<u>15,997</u>
Adult education:				
Supplies and materials	16,300	2,877	2,377	500
Total adult education	<u>16,300</u>	<u>2,877</u>	<u>2,377</u>	<u>500</u>
Workplace literacy:				
Supplies and materials	—	42,542	50,264	(7,722)
Total workplace literacy	<u>—</u>	<u>42,542</u>	<u>50,264</u>	<u>(7,722)</u>
English language learning:				
Salaries	—	113,796	103,890	9,906
Benefits	—	39,238	24,340	14,898
Purchased services	—	70,089	52,797	17,292
Supplies and materials	—	77,902	91,152	(13,250)
Total english language learning	<u>—</u>	<u>301,025</u>	<u>272,179</u>	<u>28,846</u>
Afterschool program:				
Purchased services	642,500	642,500	529,805	112,695
Total afterschool program	<u>642,500</u>	<u>642,500</u>	<u>529,805</u>	<u>112,695</u>
Other community service (DHSS program)				
Purchased services	185,670	105,670	70,187	35,483
Total other community service (DHSS program)	<u>185,670</u>	<u>105,670</u>	<u>70,187</u>	<u>35,483</u>
Parental involvement:				
Salaries	2,101,062	2,052,297	2,092,202	(39,905)
Benefits	1,011,529	911,434	810,759	100,675
Purchased services	68,000	82,395	77,145	5,250
Supplies and materials	66,032	135,362	65,066	70,296
Total parental involvement	<u>3,246,623</u>	<u>3,181,488</u>	<u>3,045,172</u>	<u>136,316</u>
Total expenditures	<u>157,144,851</u>	<u>172,723,316</u>	<u>153,371,506</u>	<u>19,351,810</u>
Revenues over expenditures	<u>130,610,955</u>	<u>129,938,299</u>	<u>145,485,145</u>	<u>15,546,846</u>
Other financing sources (uses):				
Transfers in	145,185	119,495	742,350	(622,855)
Transfers out	(94,348)	(348,782)	(123,506,544)	123,157,762
Total other financing sources	<u>50,837</u>	<u>(229,287)</u>	<u>(122,764,194)</u>	<u>122,534,907</u>
Revenues and other financing sources over expenditures	<u>\$ 130,661,792</u>	<u>129,709,012</u>	22,720,951	<u>(106,988,061)</u>
Reconciliation to GAAP Basis:				
Activities reported within the Teachers' Fund (a sub-fund of the General Fund):				
Total revenue			10,335,057	
Total expenditures			(125,965,185)	
Total other financing sources			115,630,128	
Total reconciling items			<u>—</u>	
Activities reported within non-budgeted funds: (sub-funds of the General Fund):				
Total revenue				
Total expenditures			247,943	
Total other financing sources			(53,086)	
Revenues and other financing sources over expenditures			<u>194,857</u>	
Total revenue			22,915,808	
Fund balance, beginning of year			107,438,520	
Fund balance, end of year			<u>\$ 130,354,328</u>	

See Note to Required Supplementary Information.

KANSAS CITY PUBLIC SCHOOLS

Note to Required Supplementary Information

Budgetary Information

Budgets are prepared using the modified accrual basis of accounting. For financial reporting purposes, expenditures related to fringe costs are disclosed within the functional expenditure categories. In the GAAP-basis statements, these costs are reclassified as transfers out. Annual budgets are prepared in accordance with Missouri state statutes, which include estimated revenues from all sources, itemized by fiscal year, fund and source and proposed expenditures itemized by fiscal year, fund, function and object. The legal level of budgetary control is at the object level. The Board adopts annual appropriations for the following funds:

Major funds:

General

Teachers' fund (a sub-fund of the General fund)

Capital Projects

Nonmajor funds:

Child Nutritional Services

In the GAAP-basis financial statements, the Teachers' Fund does not qualify as a special revenue fund, as defined by GASB Statement No. 54. Therefore, it is reported with the District's General Fund. Since the Board adopts an annual budget for the Teachers' Fund separately from the General Fund, a separate budgetary-basis schedule is presented.

Budgets are not adopted for certain other sub-funds of the District's General Fund and are noted as a reconciling item on the General Fund budgetary comparison schedule.

The capital project (life-to-date) included in the Capital Project Fund activity is not appropriated annually, but as projects are established.

Budgets are not adopted for certain other nonmajor funds that include the Debt Service, Other Special Revenue, Student Activity, Patron Gift and Patron Endowments.

Appropriations are encumbered upon issuance of a purchase order for budget compliance. At year-end, unencumbered appropriations, lapse and encumbered appropriations are generally re-appropriated in the following year. Encumbrances outstanding at year-end are reported as a reservation of fund balance in the governmental fund statements.

In the governmental fund financial statements, certain fringe benefit costs are classified as a transfer out and transfers into the Other Special Revenue Fund. In the budgetary comparison schedules, these fringe costs are recorded as expenditures.

The Board must approve expenditures in excess of appropriations at the fund level. Budgeted expenditure amendments approved by the Board during the fiscal year resulted in a 9.91% increase in the General Fund, 8% decrease in the Teachers Fund, 100.72% increase in the Capital Projects Fund and a .003% decrease in the Child Nutritional Services Fund.

KANSAS CITY PUBLIC SCHOOLS

Note to Required Supplementary Information

Schedule of Changes in the Total OPEB Liability and Related Ratios

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 613,199	602,260	1,372,316	1,173,644	978,975	909,063	1,169,924
Interest	670,518	639,955	601,092	641,611	722,530	704,433	608,874
Benefit payments	(712,821)	(616,735)	(503,703)	(1,097,731)	(983,062)	(880,141)	(1,403,849)
Differences between expected and actual	107,671	(163,342)	(188,896)	(2,791,309)	—	189	—
Changes in assumptions	466,199	(7,252,617)	(4,964,387)	5,865,604	925,921	2,016,015	(959,648)
Net change in total OPEB liability	1,144,766	(6,790,479)	(3,683,578)	3,791,819	1,644,364	2,749,559	(584,699)
Total OPEB liability—beginning	15,978,527	22,769,006	26,452,584	22,660,765	21,016,401	18,266,842	18,851,541
Total OPEB liability—ending	\$ 17,123,293	15,978,527	22,769,006	26,452,584	22,660,765	21,016,401	18,266,842
Covered payroll	\$ 135,958,029	127,969,433	129,299,161	99,436,918	120,127,775	113,148,130	107,918,134
Total OPEB liability as a percentage of covered payroll	12.59%	12.49%	17.61%	26.60%	18.86%	18.57%	16.93%

Notes to Schedule:

Note GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is completed, the District will present information for those years for which information is available.

Changes in actuarial assumptions and methods:

- June 30, 2024
 - Discount rate was increased from 4.13% to 4.21% based on changes in the municipal bond yield rates.
 - Medical/Rx trend on claims was shifted to maintain an immediate rate of 7.00%, per recent industry surveys.
- June 30, 2023
 - Discount rate increase from 4.09% to 4.13%.
 - Mortality improvement scale updated from MP2020-2021.
 - Decreased election percentage from 25%/10% to 15%/5% for pre-65/post-65 retirements, respectively.
- June 30, 2022
 - The mortality improvement scale was updated from MP-2019 to MP-2020.
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
 - Discount rate was increased from 2.18% at June 30, 2021 to 4.09% as of June 30, 2022.
- June 30, 2021
 - Discount rate was decreased from 2.66% at June 30, 2020 to 2.18% at June 30, 2021.
 - Decreased annual wage increase rate from 5.00% to 2.85%, to match most recent assumption used by PSRS of Kansas City.
 - Medical claims trend was shifted to maintain the same immediate rate of 7.50%, and trend on retiree contribution rates was changed to a constant 4.50% per year.
 - Per-capita costs were updated to reflect experience since the previous valuation.
 - Opt-out rate at age 65 was increased from 40% to 60% and participation rate for future retirees who retire on or after age 65 reduced from 15% to 10%.

KANSAS CITY PUBLIC SCHOOLS

Note to Required Supplementary Information

- Mortality, Withdrawal, and Retirement rates were updated to the assumptions used in the most recent PSRS of Kansas City Actuarial Valuation.

- June 30, 2020
 - Discount rate decreased from 3.36% to 2.66%.
 - Load on the Total OPEB Liability used to estimate the impact of future "Cadillac Taxes" has been removed as that portion of the Affordable Care Act was repealed in December 2019.
 - Mortality improvement scale was updated from Scale MP-2018 to Scale MP-2019.

- June 30, 2019
 - Decreased discount rate from 3.45% to 3.36%, per changes in the S&P Municipal Bond 20 Year High Grade Rate Index.
 - The Total OPEB Liability was increased 1% to estimate the potential impact of future excise taxes on high-cost ("Cadillac") plan benefits under the Affordable Care Act.
 - Per-capita costs were updated to reflect experience and plan changes since the previous valuation.
 - Withdrawal and Retirement assumptions were updated to reflect the changes made in the most recent KCPSRS Actuarial Valuation, per the experience study presented October 3, 2016.

KANSAS CITY PUBLIC SCHOOLS

Pension Plan Required Supplementary Information

**Schedule of Employer Contributions
Required Supplementary Information**

Fiscal Year	Statutorial required contribution	Contributions in relation to the required contribution	Contribution deficiency (excess)	Contribution as a % of district's covered payroll
2024	\$ 16,778,347	\$ 16,778,347	-	12.00%
2023	15,943,302	15,943,302	-	12.02%
2022	15,020,753	15,020,753	-	12.00%
2021	14,672,539	14,672,539	-	12.00%
2020	13,565,434	13,565,434	-	11.38%
2019	10,917,591	10,917,591	-	9.73%
2018	9,578,553	9,578,553	-	8.93%
2017	9,586,293	9,586,293	-	8.94%
2016	8,786,297	8,786,297	-	8.41%
2015	8,324,500	8,324,500	-	8.01%

**Net Pension Liability
Required Supplementary Information**

Fiscal Year	Plan fiduciary net position as a % of the total pension liability	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered payroll	District's proportionate share of the net pension liability (asset) as a % of covered payroll
2024	65.07%	54.177031%	\$ 191,882,661	\$ 139,764,375	137.29%
2023	63.06%	54.931801%	\$ 203,377,570	\$ 132,869,132	153.07%
2022	75.19%	55.584303%	\$ 138,226,534	\$ 125,207,731	110.40%
2021	69.20%	56.162697%	\$ 173,567,305	\$ 122,274,560	141.95%
2020	60.10%	56.808637%	\$ 188,568,788	\$ 119,238,315	158.14%
2019	60.10%	56.508114%	\$ 226,149,556	\$ 112,171,812	201.61%
2018	69.31%	56.744811%	\$ 172,353,704	\$ 107,243,972	160.71%
2017	70.09%	59.045964%	\$ 158,248,820	\$ 107,282,763	147.51%
2016	70.93%	60.790116%	\$ 158,472,857	\$ 104,510,704	151.63%
2015	79.44%	62.829118%	\$ 113,573,271	\$ 103,970,133	109.24%

KANSAS CITY PUBLIC SCHOOLS

Pension Plan Required Supplementary Information

Changes in actuarial assumptions and methods:

- June 30, 2024
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
- June 30, 2023
 - The mortality improvement scale was updated from MP-2020 to MP-2021.
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
- June 30, 2022
 - The mortality improvement scale was updated from MP-2019 to MP-2020.
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
- June 30, 2021
 - The investment return assumption was lowered from 7.50% to 7.25%.
 - The inflation assumption was lowered from 2.75% to 2.25%.
 - The assumed interest rate credited on employee account balances was lowered from 3.25% to 2.50%.
 - The general wage increase assumption was lowered from 3.50% to 2.85%.
 - The payroll growth assumption was lowered from 3.00% to 2.85%.
 - An explicit administrative expense load assumption based on actual prior year expenses is included in the Actuarial Determined Contribution.
 - The mortality assumption was changed to the Pub-2010 General Members (Below Median) Mortality Tables, with a one-year age setback for males and a one-year age set-forward for females. Mortality improvements are projected 7 years from the valuation date for retirees and beneficiaries and 15 years for actives, using Scale MP-2019.
 - Retirement rates were modified to partially reflect observed experience.
 - Termination rates were changed to partially reflect observed experience.
 - The salary scale was changed from 5.00% at all ages to service-based rates.
 - No longer assume any disability rates.
- June 30, 2020
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
 - The investment return assumption was lowered from 7.75% from 7.50%.
- June 30, 2019
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.

KANSAS CITY PUBLIC SCHOOLS

Pension Plan Required Supplementary Information

- June 30, 2018
 - The investment return assumption was lowered from 8.00% to 7.75%.
 - The inflation assumption was lowered from 3.00% to 2.75%.
 - The assumed interest rate credited on employee account balances was lowered from 5.00% to 3.25%.
 - The general wage increase assumption was set at 3.50%.
 - The payroll growth assumption was set at 3.00%.
 - The mortality assumption was changed to the RP-2014 Blue Collar Mortality table, with a one-year age setback for females, no adjustment for males. Mortality improvements are projected 7 years from the valuation date for retirees and beneficiaries and 15 years for actives, using Scale MP-2016.
 - Retirement rates were modified to partially reflect observed experience.
 - Termination rates were changed to be pure service-based rates.
 - Disability rates were reduced by 50%.
 - The amortization of the UAAL was changed to a “layered” approach with new pieces of UAAL amortized over a closed 20-year period beginning on the valuation date. The UAAL as of January 1, 2017 is being amortized over a closed 30-year period. Amortization payments are determined under the level percent of payroll method.
- June 30, 2017
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
- June 30, 2016
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
- June 30, 2015
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.

NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

KANSAS CITY PUBLIC SCHOOLS

Nonmajor Governmental Funds—Combining Balance Sheet

June 30, 2024

	Special revenue				Permanent fund patron endowments	Total nonmajor governmental funds
	Child nutritional services	Student activity	Patron gift	Other special revenue		
Assets						
Cash and investments	\$ 4,592,544	552,512	—	—	—	5,145,056
Restricted cash and investments	—	—	249,278	8,186,971	194,432	8,630,681
Interest receivable	—	—	636	28,379	407	29,422
Supplies inventories	245,915	—	—	—	—	245,915
Due from other governments	494,715	—	—	—	—	494,715
Total assets	<u>\$ 5,333,174</u>	<u>552,512</u>	<u>249,914</u>	<u>8,215,350</u>	<u>194,839</u>	<u>14,545,789</u>
Liabilities, Deferred Inflows of Resources and Fund Balance						
Liabilities:						
Accounts payable	\$ 22,523	9,692	—	—	—	32,215
Accrued salaries, benefits and payroll taxes	141,924	—	—	2,665,912	—	2,807,836
Unearned revenue	30,635	—	—	—	—	30,635
Compensated absences	—	—	—	913,102	—	913,102
Total liabilities	<u>195,082</u>	<u>9,692</u>	<u>—</u>	<u>3,579,014</u>	<u>—</u>	<u>3,783,788</u>
Deferred inflows of resources						
Unavailable revenue - grants and services	316,681	—	—	—	—	316,681
Total deferred inflows of resources	<u>316,681</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>316,681</u>
Fund balance:						
Nonspendable	—	—	—	—	35,000	35,000
Restricted	4,821,411	539,883	249,914	4,636,336	159,839	10,407,383
Committed	—	—	—	—	—	—
Assigned	—	2,937	—	—	—	2,937
Total fund balance	<u>4,821,411</u>	<u>542,820</u>	<u>249,914</u>	<u>4,636,336</u>	<u>194,839</u>	<u>10,445,320</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 5,333,174</u>	<u>552,512</u>	<u>249,914</u>	<u>8,215,350</u>	<u>194,839</u>	<u>14,545,789</u>

KANSAS CITY PUBLIC SCHOOLS

Nonmajor Governmental Funds—
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2024

	Special revenue					Permanent fund patron endowments	Total nonmajor governmental funds
	Debt Service	Child nutritional services	Student activity	Patron gift	Other special revenue		
Revenues:							
Prop C sales tax	\$ —	—	—	—	1,071,571	—	1,071,571
Other local, including investment income	—	654,957	486,071	12,516	591,809	8,005	1,753,358
Other state	—	1,173,093	—	—	—	—	1,173,093
Federal	—	12,971,103	—	—	—	—	12,971,103
Total revenues	—	14,799,153	486,071	12,516	1,663,380	8,005	16,969,125
Expenditures:							
Current:							
Instruction	—	—	436,910	—	—	—	436,910
Support services	—	13,623,509	—	—	1,932,935	—	15,556,444
Community and adult services	—	1,287,255	—	—	—	—	1,287,255
Leases:							
Principal	—	40,245	—	—	—	—	40,245
Interest and fiscal charges	—	3,846	—	—	—	—	3,846
Debt Service:							
Principal	3,295,000	—	—	—	—	—	3,295,000
Interest & fiscal charges	810,364	—	—	—	—	—	810,364
Total expenditures	4,105,364	14,954,855	436,910	—	1,932,935	—	21,430,064
Revenues over (under) expenditures	(4,105,364)	(155,702)	49,161	12,516	(269,555)	8,005	(4,460,939)
Other financing sources (uses):							
Transfers in	4,105,364	—	—	—	—	—	4,105,364
Total other financing sources (uses)	4,105,364	—	—	—	—	—	4,105,364
Revenues over (under) expenditures and other financing sources (uses)	—	(155,702)	49,161	12,516	(269,555)	8,005	(355,575)
Fund balances, beginning of year	—	4,977,113	493,659	237,398	4,905,891	186,834	10,800,895
Fund balances, end of year	\$ —	4,821,411	542,820	249,914	4,636,336	194,839	10,445,320

KANSAS CITY PUBLIC SCHOOLS

Child Nutritional Services Fund—
Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget and Actual

Year ended June 30, 2024

	Original budget	Final budget	Actual	Variance with Final Budget
Revenues:				
Local	\$ 469,775	871,119	689,119	(182,000)
State	—	—	1,173,093	1,173,093
Federal	17,001,507	16,600,163	11,850,943	(4,749,220)
Total revenues	17,471,282	17,471,282	13,713,155	(3,758,127)
Expenditures:				
Current:				
Food service area direction:				
Salaries	5,108,300	4,521,247	4,317,091	204,156
Benefits	2,384,638	2,008,253	1,850,530	157,723
Purchased services	602,180	700,391	570,236	130,155
Supplies and materials	7,437,000	8,153,064	5,789,919	2,363,145
Capital outlay	95,000	70,000	50,690	19,310
Total food service area direction	15,627,118	15,452,955	12,578,466	2,874,489
Other community service:				
Salaries	753,591	695,317	457,764	237,553
Benefits	265,573	186,555	143,638	42,917
Supplies and materials	825,000	1,135,955	688,989	446,966
Capital outlay	—	—	—	—
Total other community service	1,844,164	2,017,827	1,290,391	727,436
Total expenditures	17,471,282	17,470,782	13,868,857	3,601,925
Revenues under expenditures	—	500	(155,702)	(156,202)
Revenues over expenditures and other financing uses	\$ —	500	(155,702)	(156,202)
Fund balance, beginning of year			4,977,113	
Fund balance, end of year			\$ 4,821,411	

KANSAS CITY PUBLIC SCHOOLS

Capital Projects Fund—
Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget and Actual

Year ended June 30, 2024

	Original budget	Final budget	Actual	Variance with final budget
Revenues:				
Property taxes	\$ 44,122,646	46,404,122	46,985,962	581,840
Other local	1,177,061	2,332,612	2,472,903	140,291
Intermediate/County	205,010	302,527	1,046,337	743,810
State	—	300,000	300,000	—
Federal	10,379,038	31,743,004	27,893,220	(3,849,784)
Total revenues	55,883,755	81,082,265	78,698,422	(2,383,843)
Expenditures:				
Capital outlay:				
Support services - general administration				
Office of the superintendent services	11,548	79,944	34,411	45,533
Administrative technology services	175,000	175,000	116,387	58,613
Total support services - general administration	186,548	254,944	150,798	104,146
Instruction:				
Elementary	884,179	2,868,507	1,834,814	1,033,693
Senior high	30,000	333,142	271,927	61,215
Special education and related services	2,700	17,074	17,073	1
Bilingual	—	78,643	34,655	43,988
Skilled technical sciences education	—	92,713	84,796	7,917
Other career education	10,000	441,870	287,174	154,696
Student activities	53,300	111,400	110,503	897
Total instruction	980,179	3,943,349	2,640,942	1,302,407
Support services -pupils:				
Pupil accounting services	—	7,800	7,722	78
Total support services pupils	—	7,800	7,722	78
Support services - instructional staff:				
Instruction and curriculum development	14,400	117,898	13,985	103,913
Educational media services	—	1,940	1,939	1
Total support services - instructional staff	14,400	119,838	15,924	103,914
Business support services:				
Business support services	2,000	—	—	—
Budgeting services	4,000	—	—	—
Operation and maintenance of plant services	605,751	—	—	—
Care and upkeep of building services	185,000	85,886	53,757	32,129
Care and upkeep of grounds services	5,000	303,153	304,503	(1,350)
Security services	4,457,707	5,274,196	3,773,233	1,500,963
Pupil transportation vehicle-school bus	—	—	395	(395)
Warehousing and distributing services	5,000	—	—	—
Total business support services	5,264,458	5,663,235	4,131,888	1,531,347

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Capital Projects Fund— Schedule of Revenues, Expenditures, and Changes in Fund Balance— Budget and Actual

Year ended June 30, 2024

	Original budget	Final budget	Actual	Variance with final budget
Support services - central office:				
Information services	—	1,112	1,112	—
Total support services - central office	—	1,112	1,112	—
Early childhood instruction	—	55,666	31,458	24,208
Facilities acquisition and construction	20,312,000	50,682,018	40,135,844	10,546,174
Debt service:				
Principal	5,905,187	5,905,187	5,905,187	—
Interest	2,295,145	2,295,145	2,295,145	—
Total debt service	8,200,332	8,200,332	8,200,332	—
Total expenditures	34,957,917	68,928,294	55,316,020	13,612,274
Revenues under expenditures	20,925,838	12,153,971	23,382,402	11,228,431
Other financing sources (uses):				
Transfers in	—	—	7,134,072	7,134,072
Sale of capital assets	—	—	350	350
Total other financing sources	—	—	7,134,422	7,134,422
Revenues and other financing sources over expenditures and other financing sources	\$ 20,925,838	12,153,971	30,516,824	18,362,853
Fund balance, beginning of year			36,800,396	
Fund balance, end of year			67,317,220	

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—Teachers’ Fund (a sub-fund of the General fund)

Year ended June 30, 2024

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Prop C taxes	\$ 8,009,178	8,009,178	9,123,908	(1,114,730)
Local	133,429	133,429	71,957	61,472
County	104,250	277,187	406,256	(129,069)
Basic formula	297,379	128,863	174,016	(45,153)
State	—	—	240,189	(240,189)
Federal	263,287	263,287	318,731	(55,444)
Total revenues	8,807,523	8,811,944	10,335,057	(1,523,113)
Expenditures:				
Current:				
Support services - general administration:				
Office of superintendent services:				
Salaries	955,245	900,625	889,388	11,237
Benefits	307,849	254,592	249,853	4,739
Total office of superintendent services	1,263,094	1,155,217	1,139,241	15,976
Other executive administration services:				
Salaries	2,104,719	2,486,884	2,197,957	288,927
Benefits	767,863	801,519	700,176	101,343
Total other executive administration services	2,872,582	3,288,403	2,898,133	390,270
Total administrative technology services	4,135,676	4,443,620	4,037,374	406,246
Support services - building level administration:				
Office of principal services:				
Salaries	8,079,230	8,261,932	8,239,704	22,228
Benefits	2,910,156	2,613,557	2,501,219	112,338
Total office of principal services	10,989,386	10,875,489	10,740,923	134,566
Instruction:				
Elementary:				
Salaries	33,187,992	29,974,539	31,481,452	(1,506,913)
Benefits	13,075,207	11,016,567	10,585,163	431,404
Total elementary	46,263,199	40,991,106	42,066,615	(1,075,509)
Middle:				
Salaries	5,248,845	4,182,164	4,211,985	(29,821)
Benefits	2,034,732	1,571,359	1,520,128	51,231
Total middle/junior high	7,283,577	5,753,523	5,732,113	21,410
Senior high:				
Salaries	14,892,979	13,481,408	13,844,019	(362,611)
Benefits	5,711,779	4,941,476	4,754,207	187,269
Total senior high	20,604,758	18,422,884	18,598,226	(175,342)
Summer school:				
Salaries	1,950,405	1,692,020	1,703,697	(11,677)
Benefits	169,381	151,129	156,023	(4,894)
Total summer school	2,119,786	1,843,149	1,859,720	(16,571)
Gifted and talented:				
Salaries	479,072	476,072	455,116	20,956
Benefits	179,722	179,722	150,138	29,584
Total gifted and talented	658,794	655,794	605,254	50,540
Special education:				
Salaries	7,784,314	7,353,866	6,619,318	734,548
Benefits	2,631,341	2,359,574	2,176,623	182,951
Total special education	10,415,655	9,713,440	8,795,941	917,499
Proportionate share services:				
Salaries	25,000	22,003	24,352	(2,349)
Benefits	2,066	2,020	2,249	(229)
Total proportionate share services	27,066	24,023	26,601	(2,578)
Supplemental instruction:				
Salaries	4,229,894	4,080,419	3,758,092	322,327
Benefits	1,548,916	1,472,330	1,192,693	279,637
Total supplemental instruction	5,778,810	5,552,749	4,950,785	601,964

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—Teachers’ Fund (a sub-fund of the General fund)
Year ended June 30, 2024

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Bilingual				
Salaries	\$ 5,507,273	5,483,819	5,238,546	245,273
Benefits	2,085,557	2,076,111	1,733,921	342,190
Total bilingual	<u>7,592,830</u>	<u>7,559,930</u>	<u>6,972,467</u>	<u>587,463</u>
Early childhood special education:				
Salaries	873,709	566,043	492,161	73,882
Benefits	299,313	198,938	181,348	17,590
Total early childhood special education	<u>1,173,022</u>	<u>764,981</u>	<u>673,509</u>	<u>91,472</u>
Business education:				
Salaries	78,558	78,558	132,090	(53,532)
Benefits	27,960	27,960	46,726	(18,766)
Total business education	<u>106,518</u>	<u>106,518</u>	<u>178,816</u>	<u>(72,298)</u>
Family and consumer science:				
Salaries	206,202	206,202	210,334	(4,132)
Benefits	77,223	77,223	75,164	2,059
Total family and consumer science	<u>283,425</u>	<u>283,425</u>	<u>285,498</u>	<u>(2,073)</u>
Health science:				
Salaries	135,744	135,744	135,173	571
Benefits	51,091	51,091	48,548	2,543
Total health science	<u>186,835</u>	<u>186,835</u>	<u>183,721</u>	<u>3,114</u>
Skilled technical sciences education				
Salaries	350,469	350,469	309,495	40,974
Benefits	130,241	130,241	95,983	34,258
Total skilled technical sciences education	<u>480,710</u>	<u>480,710</u>	<u>405,478</u>	<u>75,232</u>
Other career education:				
Salaries	1,643,805	1,282,001	1,483,598	(201,597)
Benefits	624,483	396,770	465,966	(69,196)
Total other career education	<u>2,268,288</u>	<u>1,678,771</u>	<u>1,949,564</u>	<u>(270,793)</u>
Student activities:				
Salaries	1,061,707	1,042,857	1,310,313	(267,456)
Benefits	87,697	87,627	119,961	(32,334)
Total student activities	<u>1,149,404</u>	<u>1,130,484</u>	<u>1,430,274</u>	<u>(299,790)</u>
Adult education:				
Salaries	172,456	96,915	150,594	(53,679)
Benefits	70,823	35,477	40,295	(4,818)
Total adult education	<u>243,279</u>	<u>132,392</u>	<u>190,889</u>	<u>(58,497)</u>
Workplace literacy				
Salaries	—	60,171	54,554	5,617
Benefits	—	15,739	12,064	3,675
Total workplace literacy	<u>—</u>	<u>75,910</u>	<u>66,618</u>	<u>9,292</u>
English language learning				
Salaries	—	285,751	243,950	41,801
Benefits	—	76,137	55,565	20,572
Total english language learning	<u>—</u>	<u>361,888</u>	<u>299,515</u>	<u>62,373</u>
Total instruction	<u>106,635,956</u>	<u>95,718,512</u>	<u>95,271,604</u>	<u>446,908</u>
Support services - pupils:				
System support for guidance services:				
Salaries	3,532,506	2,817,128	2,816,926	202
Benefits	1,286,552	980,300	952,946	27,354
Total system support for guidance services	<u>4,819,058</u>	<u>3,797,428</u>	<u>3,769,872</u>	<u>27,556</u>
Speech pathology and audiology services:				
Salaries	1,074,828	851,600	890,978	(39,378)
Benefits	404,291	274,117	288,122	(14,005)
Total speech pathology and audiology services	<u>1,479,119</u>	<u>1,125,717</u>	<u>1,179,100</u>	<u>(53,383)</u>
Occupational therapy:				
Salaries	—	214,434	227,505	(13,071)
Benefits	—	64,274	66,990	(2,716)
Total occupational therapy	<u>—</u>	<u>278,708</u>	<u>294,495</u>	<u>(15,787)</u>
Total support services - pupils	<u>6,298,177</u>	<u>5,201,853</u>	<u>5,243,467</u>	<u>(41,614)</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—Teachers’ Fund (a sub-fund of the General fund)

Year ended June 30, 2024

	Original budget	Final budget	Actual	Variance with Final Budget
Support services - instructional staff:				
Instruction and curriculum development services:				
Salaries	\$ 3,509,780	3,524,404	3,437,903	86,501
Benefits	1,307,415	1,251,338	1,104,421	146,917
Total instruction and curriculum development	4,817,195	4,775,742	4,542,324	233,418
Instructional staff training services:				
Salaries	1,033,831	1,067,024	1,087,166	(20,142)
Benefits	127,248	143,182	145,696	(2,514)
Total instructional staff training services	1,161,079	1,210,206	1,232,862	(22,656)
Educational media services area direction:				
Salaries	1,782,475	2,125,969	1,636,484	489,485
Benefits	625,777	684,993	543,647	141,346
Total educational media services area direction	2,408,252	2,810,962	2,180,131	630,831
Total support services - instructional staff	8,386,526	8,796,910	7,955,317	841,593
Early childhood programs:				
Salaries	1,853,688	2,081,006	2,000,949	80,057
Benefits	779,768	833,896	715,551	118,345
Total early childhood programs	2,633,456	2,914,902	2,716,500	198,402
Total expenditures	139,079,177	127,951,286	125,965,185	1,986,101
Revenues under expenditures	(130,271,654)	(119,139,342)	(115,630,128)	(3,509,214)
Other financing sources:				
Transfers in	115,674,926	122,406,993	115,630,128	(6,776,865)
Revenues and other financing sources over (under) expenditures	(14,596,728)	3,267,651	—	—
Fund balance, beginning of year			—	
Fund balance, end of year			\$ —	

CAPITAL ASSETS

KANSAS CITY PUBLIC SCHOOLS

Capital Assets Used in the Operation of Governmental Funds by Source

June 30, 2024

	2024
Capital assets (gross):	
Land	\$ 28,294,090
Buildings	590,358,681
Improvements other than buildings	47,679,540
Impairment-closed buildings	7,920,582
Equipment, furniture, and vehicles	19,941,828
Software	629,797
Right-to-use lease assets	
Energy savings equipment	18,085,216
Mobile classrooms	82,109
Vehicles	1,050,631
Copiers	717,789
Software	1,304,273
Construction in progress	—
Total	\$ 716,064,536
Investment in capital assets by source:	
General fund	\$ 183,810
Capital projects	666,145,290
Special revenue	28,456,843
Trust and agency	13,127
Right-to-use leased assets	21,240,018
Donations	25,448
Total	\$ 716,064,536

KANSAS CITY PUBLIC SCHOOLS

Schedule of Changes of Capital Assets Used in the Operation of
Governmental Funds by Function and Activity

Year Ended June 30, 2024

<u>Classification</u>		Beginning balance July 1, 2023	Adjustments	Additions	Retirements	Ending balance June 30, 2024
High schools	\$	281,735,489	—	14,657,534	(154,354)	296,238,669
Middle schools		104,161,940	(17,250)	13,064,556	(3,263,469)	113,945,777
Elementary schools		249,412,873	—	14,299,354	(7,400,584)	256,311,643
Administration		29,731,881	17,250	815,882	(2,236,584)	28,328,429
Right-to-use leased assets		20,750,914		546,928	(57,824)	21,240,018
Total	\$	<u>685,793,097</u>	<u>—</u>	<u>43,384,254</u>	<u>(13,112,815)</u>	<u>716,064,536</u>

KANSAS CITY PUBLIC SCHOOLS

Capital Assets Used in the Operation of Governmental Funds by Function and Activity

June 30, 2024

Classification	Land	Buildings	Improvements other than buildings	Impaired assets	Equipment, furniture, vehicles	Software	Right-to-use assets	Total
High schools	\$ 9,994,919	242,487,278	34,948,964	2,219,519	6,587,989	—	—	296,238,669
Middle schools	4,304,228	105,471,720	2,856,912	—	1,312,917	—	—	113,945,777
Elementary schools	12,203,291	225,652,299	7,716,417	5,701,063	5,038,573	—	—	256,311,643
Administration	1,791,652	16,747,384	2,157,247	—	7,002,349	629,797	—	28,328,429
Right-to-use assets	—	—	—	—	—	—	21,240,018	21,240,018
Total	\$ 28,294,090	590,358,681	47,679,540	7,920,582	19,941,828	629,797	21,240,018	716,064,536

Kansas City Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Identifying Number	Expenditures
U.S. Department of Education			
Passed through Missouri Department of Elementary and Secondary Education			
Title I Grants to Local Education Agencies:			
Title I	84.010A	S010A220025 & S010A230025	\$ 8,161,349
Title I- School Improvement 1003A	84.010A	S010A230025	1,486,864
Title ID- Prevention & Intervention	84.010A	S010A210025 S010A220025	30,081
Subtotal 84.010			9,678,294
Student Support and Academic Enrichment Program - Title IV, Part A	84.424A	S424A220026	682,155
Special Education Cluster Individuals with Disabilities Education Act (IDEA):			
Special Education Grants to States:			
Entitlement	84.027A	H027A220040	4,837,790
Early Childhood Special Education (611)	84.027A	H027A220040	321,871
Subtotal 84.027			5,159,661
Special Education Preschool Grants	84.173A	H173A220103	159,886
Subtotal for Special Education Cluster (IDEA)			5,319,547
Education for Homeless Children and Youth	84.196A	S196A200026 S196A210026	185,684
Education Stabilization Fund:			
COVID-19—Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210021	45,399,218
COVID-19—Elementary and Secondary School Homeless Children and Youth I	84.425W	S25W210026	68,056
COVID-19—Immediate Responsive Services	84.425U	S425U210021	86,094
COVID-19—Elementary and Secondary Homeless Children & Youth	84.425W	S425W210026	439,528
COVID-19—Coronavirus Response and Relief Supplemental Appropriations Act Teacher Retention (GEER II)	84.425U	S425U210021	552,170
COVID-19—Coronavirus Response and Relief Supplemental Appropriations Act Parent Reimbursement (GEER II)	84.425C	S425D210016	50,503
COVID-19—Coronavirus Response and Relief Supplemental Appropriations Act CTE Equipment & Enhancement (GEER II)	84.425C	S425C210016	125,079
Subtotal 84.425			46,720,648
English Language Acquisition State Grants:			
Title III, English Language Learners	84.365A	S367A220025	465,866
Title III, Language Instruction Immigrant	84.365A	S365A210025	40,294
Subtotal 84.365			506,160
Comprehensive Literacy Development	84.371C	S371C200019	19,276
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants):			
Title II, Part A	84.367A	S367A220024 S367A230024	992,831
Migrant Education State Grant Program	84.011A	S011A210025	23,504
Career and Technical Education—Basic Grants to States:			
Title II, Part C, Improvement and Expansion	84.048A	V048A230025	856,940
Adult Education- Basic Grants to States	84.002A	V002A220026	537,096
Total U.S. Department of Education			65,522,135

(Continued)

**Kansas City Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Identifying Number	Expenditures
U.S. Department of Army			
Direct Program - ROTC Salary Grant	12.999	N/A	318,731
U.S. Department of Agriculture:			
Passed through Missouri Department of Elementary and Secondary Education:			
National School Lunch Program:			
Food Distribution (noncash) (1)	10.555	N/A	1,120,159
National School Lunch Program (1)	10.555	20210N109943 & 20221N119943	6,943,017
National School Lunch Supply Chain	10.555	2021H170343	541,483
Subtotal 10.555			<u>8,604,659</u>
National School Breakfast Program (1)	10.553	20210N109943 20221N119943	3,273,235
Fresh Fruit and Vegetable Program	10.582	2021IL160343 2022IL160343	412,435
Passed through Missouri Department of Health and Senior Services:			
Child and Adult Care Food Program	10.558	223MO305N1199	1,384,303
Child and Adult Care Food Program—Snacks	10.558	223MO305N2020	68,394
Subtotal 10.558			<u>1,452,697</u>
Summer Food Service Program for Children	10.559	213MO305N1199	348,237
Total U.S. Department of Agriculture			<u><u>14,091,263</u></u>
U.S. Department of Interior			
400 Years African American History	15.U12	AAHC221874	1,246
U.S. Department of Justice			
Passed through Missouri Department of Social Services			
Crime Victim Assistance—Victims of Crime Act	16.575	2018-V2-GX-0035 & 2019-V2-GX-0044	936,542
U.S. Department of Labor			
Passed through Full Employment Council- WOIA Cluster			
WIOA Youth activities	17.259	AA-30771-18-60-a-29	99,722
U.S. Department of Treasury			
Passed through Missouri Department of Elementary and Secondary Education:			
COVID-19—Coronavirus State and Local Fiscal Recovery Funds			
ARP—Mo Career Opportunity	21.027	SLFRP4542	297,649
Passed through Missouri Department of Health and Senior Services:			
COVID-19—Coronavirus State and Local Fiscal Recovery Funds			
Get the Lead out of School Drinking Water	21.027	SLFRP4542	92,675
Subtotal 21.027			<u>390,324</u>
U.S. Department of Health and Human Services:			
Passed through Missouri Department of Social Services:			
Environmental Public Health and Emergency Response—Asthma Education	93.070	NUE1EH001393	2,400
Passed through Missouri Department of Elementary and Secondary Education			
Substance Abuse and Mental Health Services Projects			
of Regional and National Significance	93.243	3410-0105-8977-AWF1	514,130
Temporary Assistance for Needy Families	93.558	1701MDTANF	44,303
Refugee and Entrant Assistance State/Replacement Designee			
Administered Programs			
Afghan Refugee	93.566	232MORSSS	23,004
Afghan Refugee S25	93.566	232MORSSS	263,580
Refugee Children School Impact	93.566	2102MORSSS	197,295
Subtotal 93.566			<u>483,879</u>
Passed through Mid America Regional Council - Head Start Cluster			
Early Head Start Expansion	93.600	07HP000084	327,935
Head Start	93.600	07CH7056	5,526,246
Subtotal 93.600 Head Start Cluster			<u>5,854,181</u>
Total U.S. Department of Health and Human Services			<u><u>6,991,568</u></u>
Total Expenditures of Federal Awards			<u><u>88,258,856</u></u>

See notes to schedule of expenditures of federal awards.
There were no amounts paid to subrecipients

(1) Included in Child Nutrition Cluster amount of \$12,638,566.

KANSAS CITY PUBLIC SCHOOLS
Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal activity of Kansas City Public Schools under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Kansas City Public Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows of Kansas City Public Schools.

Note 2. Significant Accounting Policies

Expenditures of federal awards are recognized under the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (food commodities) received during the year in the amount of \$1,120,159 related to the U.S. Department of Agriculture passed through the Missouri Department of Elementary and Secondary Education—ALN 10.555.

Note 4. Subrecipients

There were no federal awards passed through to subrecipients for the year ended June 30, 2024.

Note 5. Indirect Cost Rate

The Kansas City Public Schools has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

STATISTICAL SECTION

(Unaudited)

Statistical Section

This section provides detail information to enable the reader to gain a better understanding of the District's financial statements, note disclosures and required supplementary information.

Contents

Financial Trends – These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. Table 1 – Table 4

Revenue Capacity – These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax. Table 5 – Table 8

Debt Capacity – These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. Table 9 – Table 11

Demographic And Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. Table 12 – Table 13

Note: Personal income data is currently not available.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. Table 14

Sources: Unless otherwise noted, the information in these schedules comes from the annual comprehensive report for the relevant year.

Table 1

KANSAS CITY PUBLIC SCHOOLS
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

Classification	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Net investment in capital assets	\$ 304,699	\$ 275,736	\$ 283,877	\$ 286,262	\$ 291,110	\$ 304,186	\$ 302,543	\$ 317,613	\$ 318,262	\$ 313,049
Restricted	12,307	12,693	13,350	13,364	16,538	16,873	29,536	12,281	14,847	15,479
Unrestricted	42,969	(23,869)	(66,888)	(100,963)	(112,967)	(121,386)	(93,944)	(42,264)	(25,324)	2,477
Total governmental activities, net of position	\$ 359,975	\$ 264,560	\$ 230,339	\$ 198,663	\$ 194,681	\$ 199,673	\$ 238,135	\$ 287,630	\$ 307,785	\$ 331,005
Business-type activities:										
Unrestricted	\$ 1,349	\$ 1,323	\$ 1,300	\$ 1,281	\$ 1,232	\$ 1,140	\$ 823	\$ 465	\$ 433	\$ 288
Total business-type activities, net of position	\$ 1,349	\$ 1,323	\$ 1,300	\$ 1,281	\$ 1,232	\$ 1,140	\$ 823	\$ 465	\$ 433	\$ 288
Primary government:										
Net investment in capital assets	\$ 304,699	\$ 275,736	\$ 283,877	\$ 286,262	\$ 291,110	\$ 304,186	\$ 302,543	\$ 317,613	\$ 318,262	\$ 313,049
Restricted	12,307	12,693	13,350	13,364	16,538	16,873	29,536	12,281	14,847	15,479
Unrestricted	44,319	(22,546)	(65,587)	(99,681)	(111,735)	(120,245)	(93,121)	(41,799)	(24,891)	2,765
Total primary government, net of position	\$ 361,325	\$ 265,883	\$ 231,640	\$ 199,945	\$ 195,913	\$ 200,814	\$ 238,958	\$ 288,095	\$ 308,218	\$ 331,293

The District adopted GASB Statement No. 75 in 2018, which restated beginning net position of governmental activities.
 The District adopted GASB Statement No. 87 in 2022, which restated beginning net position of governmental activities.
 Prior years have not been restated.

Table 2

KANSAS CITY PUBLIC SCHOOLS
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

Classification	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities:										
Administration	\$ 34,823	\$ 32,322	\$ 29,600	\$ 28,280	\$ 31,188	\$ 17,561	\$ 16,195	\$ 16,035	\$ 17,416	\$ 16,326
Instruction	137,498	137,667	121,802	119,132	109,200	117,759	118,416	115,241	127,841	118,825
Support services	62,315	65,676	52,119	48,431	79,494	90,931	78,338	69,642	57,780	58,340
Operation of facilities	35,222	33,916	30,563	29,530	27,743	29,208	29,943	30,741	33,451	34,467
Pupil transportation	16,530	17,631	17,705	12,127	16,019	16,225	15,786	15,802	12,725	12,124
Facilities improvements and renovation	7,413	3,735	510	—	1,670	2,187	3,922	1,051	826	2,604
Community and adult services	18,300	16,566	15,177	12,232	10,063	11,053	12,125	12,222	12,353	10,347
Interest on long-term debt	2,576	2,849	2,904	3,655	3,941	4,228	4,491	5,749	3,332	2,597
Total governmental activities expenses	\$ <u>314,677</u>	\$ <u>310,362</u>	\$ <u>270,380</u>	\$ <u>253,387</u>	\$ <u>279,318</u>	\$ <u>289,152</u>	\$ <u>279,216</u>	\$ <u>266,483</u>	\$ <u>265,724</u>	\$ <u>255,630</u>
Business-type activities										
Community services	\$ <u>2</u>	\$ <u>2</u>	\$ <u>4</u>	\$ <u>1</u>	\$ <u>47</u>	\$ <u>108</u>	\$ <u>107</u>	\$ <u>116</u>	\$ <u>393</u>	\$ <u>57</u>
Total business-type activities expenses	<u>2</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>47</u>	<u>108</u>	<u>107</u>	<u>116</u>	<u>393</u>	<u>57</u>
Total primary government expenses	\$ <u>314,679</u>	\$ <u>310,364</u>	\$ <u>270,384</u>	\$ <u>253,388</u>	\$ <u>279,365</u>	\$ <u>289,260</u>	\$ <u>279,323</u>	\$ <u>266,599</u>	\$ <u>266,117</u>	\$ <u>255,687</u>
Program Revenues										
Governmental activities:										
Charges for services										
Administration	\$ —	\$ —	\$ —	\$ 2	\$ —	\$ —	\$ —	\$ 9	\$ 3	\$ —
Instruction	155	1,131	10	30	30	21	42	11	147	65
Support services	578	4,579	690	38	145	156	252	1,328	1,690	3,715
Operation of facilities	—	—	—	—	—	—	—	21	3	—
Pupil transportation	—	—	—	—	—	—	—	—	3	3
Community and adult services	903	793	188	5	163	257	245	112	151	47
Operating grants and contributions										
Administration	137	170	422	302	1,559	—	—	119	—	26
Instruction	52,126	54,172	49,367	35,281	32,244	26,423	28,743	30,901	29,015	36,633
Support services	18,452	21,124	15,620	5,894	10,704	12,822	12,219	12,895	13,572	11,863
Operation of facilities	—	20	—	—	471	14	132	2	—	2
Pupil transportation	7,469	8,033	2,673	2,535	2,605	2,931	2,634	2,117	2,708	2,668
Community and adult services	748	—	1,825	6,094	2,491	6,868	2,881	2,250	1,446	1,189
Capital grants and contributions										
Administration	—	—	4,883	1,499	676	—	—	—	—	—
Instruction	173	2,882	854	1,103	—	—	3	5	—	456
Support services	300	—	—	—	—	25	—	298	—	150
Operation of facilities	282	—	373	294	331	—	25	225	—	225
Facilities improvements and renovation	27,379	—	—	—	—	—	—	—	—	—
Community and adult services	—	—	—	—	—	—	—	—	—	5
Interest on long-term debt	583	879	1,048	1,077	1,344	1,483	1,614	1,739	1,743	2,043
Total governmental activities program revenue	<u>109,285</u>	<u>93,783</u>	<u>77,953</u>	<u>54,154</u>	<u>52,763</u>	<u>51,000</u>	<u>48,790</u>	<u>52,032</u>	<u>50,481</u>	<u>59,090</u>

Classification	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities:										
Charges for services	27	26	22	124	139	561	540	381	412	301
Total business-type activities program revenues	27	26	22	124	139	561	540	381	412	301
Total primary governmental program revenues	\$ 109,312	\$ 93,809	\$ 77,975	\$ 54,278	\$ 52,902	\$ 51,561	\$ 49,330	\$ 52,413	\$ 50,893	\$ 59,391
Net (expense)/revenue										
Governmental activities	\$ (205,392)	\$ (217,577)	\$ (192,425)	\$ (199,232)	\$ (226,552)	\$ (238,152)	\$ (230,427)	\$ (214,452)	\$ (215,243)	\$ (196,766)
Business-type activities	26	23	18	123	91	420	432	273	295	(92)
Total primary government net expense	\$ (205,366)	\$ (217,554)	\$ (192,407)	\$ (199,109)	\$ (226,461)	\$ (237,732)	\$ (229,995)	\$ (214,179)	\$ (214,948)	\$ (196,858)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 254,072	\$ 212,520	\$ 188,963	\$ 171,575	\$ 189,407	\$ 160,455	\$ 165,714	\$ 158,869	\$ 146,959	\$ 144,992
Prop C Sales tax	24,330	22,578	23,328	17,512	17,490	18,105	17,761	17,798	17,616	15,149
Other local revenues	5,188	5,738	5,363	7,130	6,785	6,975	5,119	4,341	7,705	5,559
County governmental contributions	8,270	5,421	7,106	6,131	5,469	6,763	5,907	5,672	4,964	5,284
State aid-basic formula	232	491	397	—	—	2,848	5,018	6,626	12,365	12,274
Grants and entitlements not restricted to specific programs	—	—	—	—	—	1,462	146	7	743	705
Gain (loss) on sale of capital assets	—	—	—	—	—	—	(317)	—	—	545
Investment earnings	8,595	5,050	773	177	2,408	2,980	1,884	743	1,519	1,499
Special item	—	—	—	—	—	—	—	—	—	—
Extraordinary item	—	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	74	—	102	74	242	150	120
Total governmental activities	300,687	251,798	225,930	202,599	221,559	199,690	201,306	194,298	192,021	186,127
Business-type activities:										
Transfers	—	—	(74)	—	(102)	(74)	(242)	(150)	(120)	(43)
Total business-type activities	—	—	(74)	—	(102)	(74)	(242)	(150)	(120)	(43)
Total primary government	\$ 300,687	\$ 251,798	\$ 225,856	\$ 202,599	\$ 221,457	\$ 199,616	\$ 201,064	\$ 194,148	\$ 191,901	\$ 186,084
Change in Net Position										
Governmental activities	\$ 95,295	\$ 34,221	\$ 33,505	\$ 3,367	\$ (4,993)	\$ (38,462)	\$ (29,121)	\$ (20,154)	\$ (23,222)	\$ (10,639)
Business-type activities	26	23	(56)	123	(11)	346	190	123	175	(135)
Total primary government	\$ 95,321	\$ 34,244	\$ 33,449	\$ 3,490	\$ (5,004)	\$ (38,116)	\$ (28,931)	\$ (20,031)	\$ (23,047)	\$ (10,774)

Table 3

KANSAS CITY PUBLIC SCHOOLS
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

Classification	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ 785	\$ 1,354	\$ 36	\$ —	\$ 189	\$ 146	\$ 1,193	\$ 5	\$ 5	\$ 82
Restricted	284	284	284	284	284	285	284	281	280	280
Committed	—	—	9,110	—	—	—	—	—	—	—
Assigned	3,371	5,104	5,653	4,381	5,928	3,671	3,961	3,294	2,726	751
Unassigned	125,915	100,697	80,500	69,381	56,175	49,400	53,189	55,929	54,023	56,675
Total general fund	\$ 130,355	\$ 107,439	\$ 95,583	\$ 74,046	\$ 62,576	\$ 53,502	\$ 58,627	\$ 59,509	\$ 57,034	\$ 57,788
All other governmental funds										
Nonspendable	\$ 35	\$ 35	\$ 35	\$ 35	\$ 439	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35
Restricted	11,988	12,374	13,031	13,045	16,219	16,553	29,217	16,501	17,888	18,065
Committed	6,065	10,475	3,994	2,433	1,755	3,202	193	4,411	3,847	4,811
Assigned	59,674	24,717	22,832	17,488	21,268	22,209	23,724	45,055	12,400	22,153
Total all other governmental funds	\$ 77,762	\$ 47,601	\$ 39,892	\$ 33,001	\$ 39,681	\$ 41,999	\$ 53,169	\$ 66,002	\$ 34,170	\$ 45,064

KANSAS CITY PUBLIC SCHOOLS
Changes in Fund Balances of Governmental Funds, and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

Table 4

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Property taxes	\$ 249,190	\$ 211,286	\$ 191,210	\$ 175,793	\$ 179,206	\$ 165,281	\$ 166,781	\$ 156,704	\$ 144,378	\$ 144,075
Prop C Sales tax	24,330	22,578	23,328	17,512	17,490	18,105	17,761	17,798	17,616	15,149
Other local revenues	17,215	13,978	9,717	10,264	13,882	13,348	9,748	9,706	11,600	9,519
County governmental contributions	8,269	5,421	7,106	6,131	5,469	6,763	5,907	5,672	4,964	5,284
State aid-basic formula	232	491	397	—	—	2,848	5,018	6,626	12,365	12,274
Other state	14,120	12,511	7,300	7,674	6,951	7,508	8,709	7,125	7,560	8,473
Federal	90,391	65,103	70,125	44,164	39,004	36,228	34,521	42,634	44,423	43,767
Tuition	454	276	212	35	194	278	266	168	416	362
Total revenues	404,201	331,644	309,395	261,573	262,196	250,359	248,711	246,433	243,322	238,903
Expenditures										
Administration	33,112	29,524	29,720	29,410	33,876	18,011	15,761	17,334	15,446	17,227
Instruction	129,814	124,889	118,223	109,002	104,236	104,938	105,594	103,335	109,321	108,092
Support services	64,116	62,115	56,070	50,080	50,112	58,335	55,640	57,848	53,852	51,717
Operation of facilities	40,073	35,925	33,374	31,069	29,477	29,173	30,603	31,921	32,170	34,487
Pupil transportation	16,173	18,401	17,806	12,373	16,040	16,225	15,786	15,802	12,725	12,124
Community and adult services	18,322	16,578	15,090	12,191	10,889	11,050	12,134	12,367	11,445	10,338
Facilities improvements and renovations	40,683	8,580	6,711	5,023	8,004	19,883	18,538	30,330	29,502	13,292
Leases										
Principal	1,007	596	392	—	—	—	—	—	—	—
Interest	51	19	24	—	—	—	—	—	—	—
Debt service										
Principal	5,905	5,748	5,542	5,250	5,066	3,749	4,720	5,173	3,601	2,009
Interest	2,537	2,842	3,183	3,672	3,954	5,392	4,504	5,303	3,336	2,600
Total expenditures	351,793	305,217	286,135	258,070	261,654	266,756	263,280	279,413	271,398	251,886
Excess of revenues over (under) expenditures	52,408	26,427	23,260	3,503	542	(16,397)	(14,569)	(32,980)	(28,076)	(12,983)
Other financing sources (uses)										
Transfers in	11,239	11,040	10,848	12,117	4,340	13,706	14,883	9,748	6,339	13,948
Transfers out	(11,239)	(19,935)	(10,848)	(12,043)	(4,340)	(13,604)	(14,809)	(9,506)	(6,189)	(13,828)
Issuance of lease	547	1,603	274	—	—	—	—	—	—	—
Issuance of long term debt	—	—	—	—	—	—	—	51,035	—	—
Premium on long-term debt	—	—	—	—	—	—	—	2,317	—	—
Capital leases/lease purchase agreement	—	—	—	—	—	—	—	11,640	16,147	—
Unrealized loss on surplus assets	—	—	—	—	—	—	—	—	(300)	—
Sales of capital assets	—	430	356	1,214	6,214	—	781	2,053	431	545
Total other financing sources (uses)	547	(6,862)	630	1,288	6,214	102	855	67,287	16,428	665
Net change in fund balances	\$ 52,955	\$ 19,565	\$ 23,890	\$ 4,791	\$ 6,756	\$ (16,295)	\$ (13,714)	\$ 34,307	\$ (11,648)	\$ (12,318)
Debt service as a percentage of noncapital expenditures	3.1%	3.1%	3.3%	3.5%	3.6%	3.7%	4.3%	4.3%	2.9%	1.9%

Table 5

KANSAS CITY PUBLIC SCHOOLS

Assessed and Estimated Actual Value of Taxable Property (1)

Last Ten Calendar Years

Tax levy year	Real property (2)		Personal property (2)		Total		Ratio of
	Value	Actual value	Value	Actual value	Value	Actual value	total assessed Actual value
2023	\$ 4,294,938,701	\$ 18,724,759,923	\$ 855,087,888	\$ 2,565,520,216	5,150,026,589	21,290,280,139	24 %
2022	3,286,668,983	14,292,818,739	877,387,223	2,632,424,911	4,164,056,206	16,925,243,650	25
2021	3,266,835,874	14,170,704,027	739,566,465	2,218,921,287	4,006,402,339	16,389,625,314	24
2020	3,027,920,511	12,994,793,746	707,073,560	2,121,432,823	3,734,994,071	15,116,226,569	25
2019	3,306,429,268	14,046,258,749	696,129,210	2,088,596,490	4,002,558,478	16,134,855,239	25
2018	2,459,975,479	10,673,756,937	717,661,888	2,153,200,984	3,177,637,367	12,826,957,921	25
2017	2,478,583,172	10,666,103,205	706,641,826	2,120,137,492	3,185,224,998	12,786,240,697	25
2016	2,206,661,482	9,638,832,171	692,101,904	2,076,513,363	2,898,763,386	11,715,345,534	25
2015	2,177,107,405	9,504,761,520	673,218,103	2,019,856,295	2,850,325,508	11,524,617,815	25
2014	2,097,556,838	9,145,085,488	637,913,712	1,913,932,529	2,735,470,550	11,059,018,017	25

- (1) Source: Assessed valuations were made by the Jackson County Assessment Department. Section 137.115 of the Missouri Revised Statutes classifies real property to one of three categories when assigning assessed value as a percentage of actual; Agriculture at 11%; residential at 19%; or commercial at 32%. Personal property is assessed at 33.33% of actual value.
- (2) Locally assessed railroad and utility property is included in either real or personal property; merchants' and manufacturers' equipment is included in personal property.

Table 6

KANSAS CITY PUBLIC SCHOOLS
 Property Tax Rates (1)—Direct and Overlapping Governments
 Last Ten Fiscal Years

<u>Fiscal year ended</u>	<u>City of Kansas City</u>	<u>State of Missouri</u>	<u>Jackson County</u>	<u>Metropolitan Community Colleges</u>	<u>Kansas City, Missouri Public Library</u>	<u>School District</u>	<u>Total (2)</u>
2024	\$ 1.4953	\$ 0.03	\$ 0.512	\$ 0.1780	\$ 0.4762	\$ 4.9599	\$ 7.65
2023	1.6919	0.03	0.059	0.2028	0.5543	4.9599	7.50
2022	1.6981	0.03	0.582	0.2028	0.5504	4.9599	8.02
2021	1.7529	0.03	0.611	0.2128	0.5644	4.9599	8.13
2020	1.5960	0.03	0.611	0.2047	0.5644	4.9599	7.97
2019	1.6783	0.03	0.701	0.2305	0.5065	4.9599	8.11
2018	1.6006	0.03	0.485	0.2297	0.4676	4.9599	7.77
2017	1.5906	0.03	0.503	0.2339	0.4940	4.9599	7.81
2016	1.5806	0.03	0.496	0.2343	0.4933	4.9500	7.78
2015	1.5997	0.03	0.514	0.2374	0.5000	4.9500	7.83

- (1) Source: Tax rates per \$100 assessed valuation as confirmed directly by taxing authorities.
- (2) The total is presented only as an indicator of the change in property tax rates.

Table 7

KANSAS CITY PUBLIC SCHOOLS

Principal Property Taxpayers

June 30, 2024

Taxpayers	Type of Business	Tax Year 2023			Tax Year 2014		
		Assessed value(1)	Rank	Percentage of total assessed value	Assessed value(1)	Rank	Percentage of total assessed value
Southern Union MGE and Spire	Transportation/utilities	132,065,552	1	2.56%	21,182,188	5	0.74
Country Club Plaza	Real estate investment	128,609,440	2	2.50			
Evergy Metro	Utilities	72,405,275	3	1.41	43,305,742	2	1.52
Crown Power & Hallmark	Greeting cards, hotel and retail sales	59,226,384	4	1.15	62,296,067	1	2.19
Federal Reserve Bank of KC	Banking	31,084,480	5	0.60			
Bayer Crop Science	Agricultural research and mfg	29,562,945	6	0.57	21,456,107	7	0.75
Town Pavilion Holdings	Retail shopping center	29,440,990	7	0.57	22,252,269	5	0.78
1400 Baltimore Owner LLC	Communications	23,920,000	8	0.46			
Google Fiber Missouri LLC	Communications	22,799,409	9	0.44	20,968,091	8	0.74
Hawthorne Homes LLX	Real estate	18,330,848	10	0.36			
JC Nichols & Highwoods Realty	Real estate investment				26,827,301	4	0.94
Twentieth Century Realty Inc	Real estate				14,164,528	9	0.50
1200 Chiefs Owner LLC	Real estate				12,800,000	10	0.45
AT & T Services Corp	Communications				37,028,912	3	1.30
		<u>\$ 547,445,323</u>		<u>10.63%</u>	<u>282,281,205</u>		<u>9.90%</u>

Note: Total assessed value for 2023 was \$5,150,026,589 and 2014 was \$2,850,325,508

(1) Based on calendar year ended December 31, 2023 and December 31, 2014.

Source: Jackson County, Division of Finance, Collection Department reports.

Table 8

KANSAS CITY PUBLIC SCHOOLS

Property Tax Levies and Collections (1)

Last Ten Calendar Years

Tax levy year	Current tax levy (2)	Current tax collections	Percentage of levy collected	Delinquent tax collections	Total tax collections	Total collections as a percent of current levy (3)	Outstanding delinquent taxes (4)	Outstanding delinquent taxes as a percentage of current levy
2023	\$ 246,718,280	218,501,223	88.6%	\$ 8,718,683	\$ 227,219,906	92.1%	\$ 19,321,095	8%
2022	198,897,244	181,537,636	91.3%	9,101,484	190,639,120	95.8%	15,093,830	8%
2021	190,361,028	174,580,973	91.7%	11,886,132	186,467,105	98.0%	12,873,771	7%
2020	175,845,409	160,127,997	91.1%	7,561,666	167,689,663	95.4%	14,891,956	8%
2019	190,290,846	166,860,615	87.7%	7,492,300	174,352,915	91.6%	15,131,323	8%
2018	151,811,701	147,632,343	97.2%	8,720,622	156,352,965	103.0%	11,435,855	8%
2017	152,478,548	145,810,859	95.6%	9,439,450	155,250,309	101.8%	16,341,716	11%
2016	141,314,785	130,897,819	92.6%	11,152,184	142,050,003	100.5%	16,608,841	12%
2015	138,687,992	123,114,788	88.8%	7,158,783	130,273,571	93.9%	15,573,204	11%
2014	135,405,792	130,008,627	96.0%	11,587,460	141,596,087	104.6%	5,397,165	4%

(1) Table includes General Fund, Teachers' Fund, and Capital Projects Fund. While taxes are levied on a calendar-year basis, collections are reported on a fiscal-year basis.

(2) Includes real estate and personal property, net of assessment and collection fees retained by Jackson County.

(3) Percentage includes collection of delinquent taxes.

(4) Includes protested taxes held by the county and all delinquent taxes outstanding at the end of the current tax levy year.

(5) Source: Jackson County, Division of Finance, Collection Department reports.

Table 9

KANSAS CITY PUBLIC SCHOOLS

Outstanding Debt by Type

Governmental Activities

Last Ten Fiscal Years

Fiscal year ended June 30	Leasehold Revenue Bonds	Lease Purchase Agreement	Certificates of Participation	Total Primary Government
2024	\$ 8,260,000	12,769,060	44,230,000	65,259,060
2023	11,555,000	14,739,249	44,870,000	71,164,249
2022	14,660,000	16,666,874	45,585,000	76,911,874
2021	17,590,000	18,336,601	46,335,000	82,261,601
2020	20,360,000	20,041,304	47,110,000	87,511,304
2019	22,980,000	21,687,626	47,910,000	92,577,626
2018	25,455,000	23,277,565	48,740,000	97,472,565
2017	27,805,000	24,813,052	49,575,000	102,193,052
2016	30,035,000	14,655,924	—	44,690,924
2015	32,125,000	—	—	32,125,000

Table 10

KANSAS CITY PUBLIC SCHOOLS

Computation of Overlapping Debt

June 30, 2024

<u>Jurisdiction</u>	<u>General obligation bonds outstanding (2)</u>	<u>Percentage applicable to District (1)</u>	<u>Amount applicable to District</u>
City of Kansas City, Missouri	\$ 468,050,000	100%	\$ 468,050,000

(1) Source: District boundaries are within the city limits of Kansas City, Missouri

(2) Source: City of Kansas City, Missouri Tax Administration Department.

Table 11

KANSAS CITY PUBLIC SCHOOLS

Computation of Legal Debt Margin

June 30, 2024

Total assessed value, tax levy year 2023 (1)	\$	5,150,026,589
Legal debt margin—15% of assessed value (2)		772,503,988

(1) See Table 5.

(2) The bonded indebtedness of the District is limited by Section 26(b) of the Missouri Constitution, Article VI, to 15% of the value of the taxable tangible property as shown by the last completed assessment for state and county purposes. The District had no outstanding general bonded debt at June 30, 2024.

Note: The District has not had outstanding general bonded debt for the last ten years. Therefore, the debt limit amount, total net debt applicable to the limit, legal debt margin amount and the ratio of either the legal debt margin to the debt limit or total debt applicable to the debt limit are not applicable.

Table 12

KANSAS CITY PUBLIC SCHOOLS

Demographic Statistics

Last Ten Fiscal Years

Fiscal year ended June 30	District population	September school membership	Ratio of membership to population	Regular school year average daily attendance	Ratio of attendance to membership
2024	206,084	14,702	7.13 %	11,489	78.1 %
2023	206,084	13,619	6.61	11,526	84.6
2022	206,084	13,519	6.56	11,002	81.4
2021	193,837	13,505	6.97	11,243	83.3
2020	193,837	14,384	7.42	12,972	90.2
2019	193,837	14,096	7.27	12,535	88.9
2018	193,837	14,124	7.29	12,904	91.4
2017	193,837	14,161	7.31	13,224	93.4
2016	193,837	14,662	7.56	13,273	90.5
2015	193,837	14,312	7.38	12,942	90.4

Source: Estimated District population is based on the 2020 Decennial Census.

Note: Average daily attendance includes summer school attendance. Ratio of attendance to membership reflects average daily attendance of regular school year to September school membership.

Table 13

KANSAS CITY PUBLIC SCHOOLS
 Property Value and Construction Costs
 Last Ten Fiscal Years

Fiscal year ended June 30	Estimated actual property value (1)	Nonresidential construction (in millions)	Residential construction (in millions)
2024	\$ 21,290,280,139	\$ 235.6	\$ 66.6
2023	16,925,243,650	85.6	135.6
2022	16,389,625,314	18.8	7.4
2021	15,116,226,569	201.4	110.2
2020	16,134,855,239	120.9	143.8
2019	12,826,957,921	54.5	78.3
2018	12,786,240,697	38.8	112.9
2017	11,715,345,534	26.5	46.5
2016	11,524,617,815	34.9	26.4
2015	11,059,018,017	24.7	44.8

(1) See Table 5.

Source: Assessed valuations were made by the Jackson County Assessment Department. Estimated actual property values were calculated using percentages set forth in Section 137.115 of the Missouri Revised Statutes.

Table 14

KANSAS CITY PUBLIC SCHOOLS

Per-Pupil Costs

Last Ten Fiscal Years

Fiscal year ended June 30	Average daily attendance (2)	Eligible pupils (2)	Current expenditures per eligible pupil (1)	K-12 September enrollment	Pre-K
2024	11,871	12,253	21,565	13,640	1,085
2023	11,847	12,168	20,563	13,372	1,063
2022	11,228	11,453	21,081	13,270	834
2021	11,623	12,004	18,302	13,377	782
2020	13,338	13,704	15,664	14,069	1,072
2019	13,358	13,985	15,045	13,985	1,099
2018	13,969	14,614	13,763	14,124	1,162
2017	14,210	14,871	13,744	14,161	1,104
2016	14,527	15,190	15,280	14,662	992
2015	14,028	15,114	13,305	14,312	1,030

(1) Current expenditures as defined by the State of Missouri Department of Elementary and Secondary Education.

(2) Average daily attendance and Eligible pupil counts include K-12 students.

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of September 16, 2025 (this “**Continuing Disclosure Undertaking**”), is executed and delivered by **THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI** (the “**Issuer**”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **\$60,000,000* General Obligation Improvement Bonds, Series 2025A** (the “**Bonds**”), pursuant to a Resolution adopted by the governing body of the Issuer (the “**Resolution**”).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Rule**”). The Issuer is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

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

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

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

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**Dissemination Agent**” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

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

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c)

* Preliminary, subject to change.

guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

“**Material Events**” means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

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

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

Section 2. Provision of Annual Reports.

- (a) The Issuer shall, not later than **December 31st** immediately following the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ended June 30, 2025, file with the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):
- (1) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with accounting principles described in the notes to the financial statements contained in *Appendix B* to the final Official Statement related to the Bonds. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

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

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted

separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**, and the Annual Report deadline provided above shall automatically become the last day of the sixth month after the end of the Issuer's new fiscal year.

- (b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than **10 Business Days** after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

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

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

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility

hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

**THE SCHOOL DISTRICT OF KANSAS CITY,
MISSOURI**

By: _____
Title: Chair of the Board of Directors

**EXHIBIT A
TO CONTINUING DISCLOSURE UNDERTAKING**

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

The financial information and operating data contained in the tables in the following sections in *Appendix A* of the final Official Statement relating to the Bonds:

GENERAL INFORMATION CONCERNING THE DISTRICT:

History of Enrollment

DEBT STRUCTURE OF THE DISTRICT:

Current Long-Term General Obligation Indebtedness

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT:

Property Valuations:

Current Assessed Valuation

History of Property Valuations

History of Tax Levies

Tax Collection Record

**EXHIBIT B
TO CONTINUING DISCLOSURE UNDERTAKING**

FORM OF FAILURE TO FILE NOTICE

Event Notice Pursuant to SEC Rule 15c2-12(b)(5)(C)

Issuer/Obligated Person: The School District of Kansas City, Missouri

**Issues to which this
Notice relates:** General Obligation Improvement Bonds, Series 2025A

CUSIP Numbers for Issue to which this Notice relates:

<u>Maturity Date</u>	<u>CUSIP Number</u>
----------------------	---------------------

Event Reported: Failure to Timely File Annual Financial Information/Audited Financial Statements

The Obligated Person did not timely file its operating data for the fiscal year ended June 30, 20___. Such operating data [*will be*] [*was*] filed with the MSRB through EMMA on _____, 20__.

The Obligated Person did not timely file its audited financial statements for the fiscal year ended June 30, 20___. Such audited financial statements [*will be*] [*were*] filed with the MSRB through EMMA on _____, 20__.

The information contained in this Notice has been submitted by the Obligated Person pursuant to contractual undertakings the Obligated Person made in accordance with SEC Rule 15c2-12. Nothing contained in the undertaking or this Notice is, or should be construed as, a representation by the Obligated Person that the information included in this Notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed above, or any other securities of the Obligated Person.

For additional information, contact:

Erin Thompson, Chief Financial Officer
Kansas City Public Schools
2901 Troost Avenue, Suite 144
Kansas City, Missouri 64109
(816) 418-7253

Date Submitted: [Date]

**THE SCHOOL DISTRICT OF KANSAS CITY,
MISSOURI**

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's Book-Entry Only System has been obtained from sources that the District believes to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the District, the Paying Agent or the Underwriter. The District, the Paying Agent and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

General. Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the “**Book-Entry Only System**”) maintained by The Depository Trust Company (“**DTC**”), New York, New York. DTC will act as securities depository for the Bonds. Initially, the Bonds will be issued as fully-registered securities, registered in the name of Cede & Co. (DTC'S partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. The following discussion will not apply to any Bonds issued in certificate form due to the discontinuance of the DTC Book-Entry Only System, as described below.

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

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

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

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

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

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of bonds as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bond certificates may be delivered to

Beneficial Owners in the manner described herein under the caption “**THE BONDS - Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System.**”

None of the Underwriter, the Paying Agent nor the District will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price or interest on the Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Resolution to be given to owners of the Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

(THIS PAGE LEFT BLANK INTENTIONALLY)