



ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
FOR FISCAL YEAR ENDED
JUNE 30, 2022



KANSAS CITY PUBLIC SCHOOLS

(The School District of Kansas City, Missouri)

Annual Comprehensive Financial Report

For The Fiscal Year Ended June 30, 2022

(With Independent Auditor's Report Thereon)

Prepared by

Business & Finance Division

KANSAS CITY PUBLIC SCHOOLS

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December 14, 2022

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, 2022. 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, 2022. 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 U.S. 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, and 23 elementary schools for school year 2021-2022. 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 13,270 K-12 and 834 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 12% of the school population is served under an Individualized Education Plan (IEP) by the Special Education Department of the District and approximately 21% of the student population is served by the English Language Learners Department. These percentages are among the highest in the state of Missouri and the City of Kansas City. 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 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, 2022. 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 \$190 million in property taxes for tax year 2021 based on its \$4.9599 operating levy; actual current taxes collected during the fiscal year totaled approximately \$175 million. These revenues are shared with and passed through to Kansas City Charter Schools on a per pupil basis in subsequent years based on expected revenues. The assessed valuation of real and personal property increased to approximately \$4.006 billion (tax year 2021) from approximately \$3.735 billion (tax year 2020). The difference between billed and collected is the county retention fee of approximately 1.69%, delinquent and appealed taxes.

During 2021-22, the Kansas City Public Schools Board of Directors authorized payments to area charter schools to provide for a shortfall in state funding which precluded funding of the prescribed local property taxes to charter schools. The roughly \$14 million in payments was made from the District's operating budget.

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 2,561 personnel in varying positions with a \$204 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 of ten 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.

COVID-19 EDUCATION STABILIZATION FUND

The District used the funds to address learning loss and creating a safe learning environment. This includes HVAC system improvements, water fountain system conversions and or replacements, and space renovations

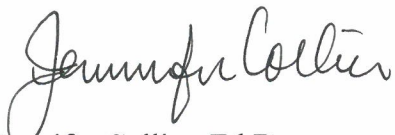
for social distancing needs. In addition, funds were used for mental health, mitigation & response support personnel, and testing supplies.

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.
Interim Superintendent of Schools



Erin Thompson
Interim Chief Financial & Operations Officer



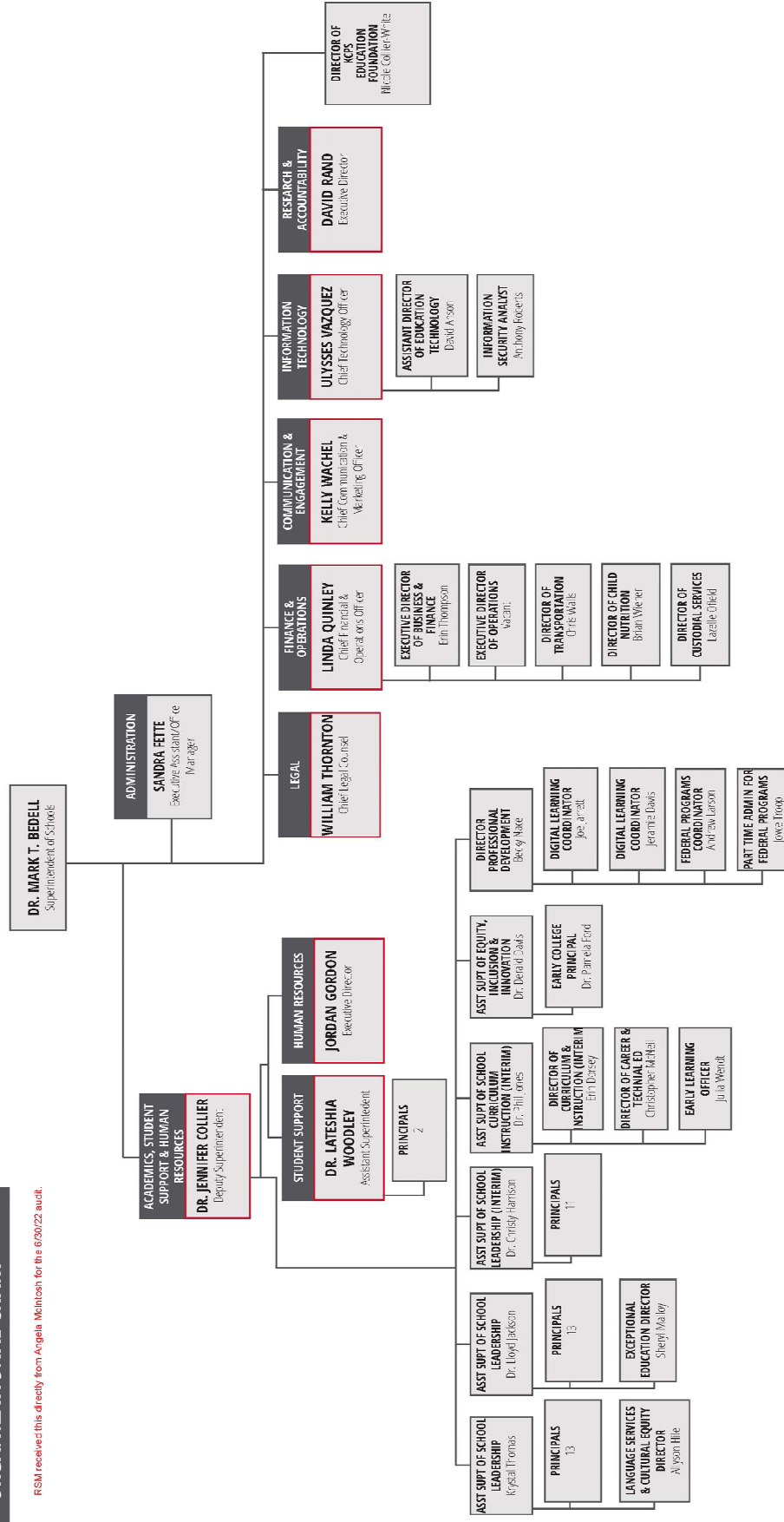
Our Vision

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.



LIST OF PRINCIPAL OFFICIALS

June 30, 2022

BOARD OF EDUCATION

Executive Officers

Nate Hogan, Chair
Jennifer Wolfsie, Vice Chair

Members

Rita M. Cortés
Marvia Jones
Tanesha Ford
Kandace Buckner

Treasurer

Manny R Abarca

Secretary of the Board

June Kolkmeier

SENIOR ADMINISTRATORS

Mark Bedell, Ed.D., Superintendent
Jennifer Collier, Ed.D., Deputy Superintendent
Linda Quinley, Chief Financial and Operations Officer
Jordan Gordon, Executive Director, Human Resources
David Rand, Executive Director, Research and Accountability
William Thornton, J.D., Chief Legal Counsel
Ulysses Vazquez, Chief Technology Officer
Lateshia Woodley, Ed.D., Assistant Superintendent, Student Support Services

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, 2022, 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, 2022, 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.

Emphasis of Matter

As discussed in Note 4(d) to the basic financial statements, Kansas City Public Schools adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Accordingly, net position of the governmental activities was restated as of July 1, 2021. Our opinion is not modified with respect to this matter.

As explained in Note 4(g) to the basic financial statements, the District restated the July 1, 2021 beginning fund balance of the General Fund and beginning net position of the governmental activities to correct errors related to health insurance reserve funds improperly presented as liabilities. The District also restated the July 1, 2021 beginning fund balance of the General Fund to remove the liability associated with incurred but not reported health care claims which are considered long-term liabilities. Our opinions are not modified with respect to this matter.

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 twelve 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 accompanying introductory and statistical sections, as listed in the table of contents, 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, 2022

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

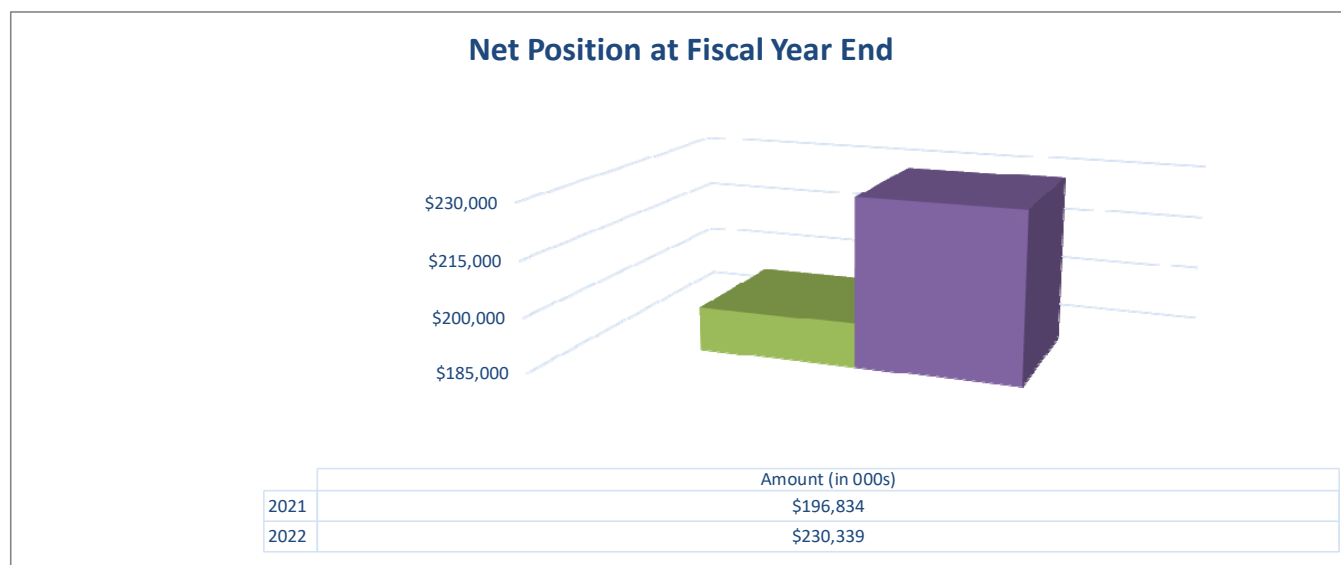
June 30, 2022

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, 2022. 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 \$230.3 million. The District implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, *Leases* during fiscal year 2022. The implementation of this standard revised certain assets and liability accounts related to leases and decreased beginning net position for governmental activities by approximately \$5.1 million.

The graph below shows the changes in net position and indicates the District's overall financial position increased in fiscal year 2022 by 17.02% when compared to fiscal year 2021.



The District's governmental funds (summarized in Table 1 below) reported an ending total fund balance of \$135.5 million, an increase of \$24.0 million in comparison with the prior year. Approximately 59.4% of this amount, \$80.5 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, 2022

Table 1—Summary of Governmental Fund Balances

	FY22	Percentage of total	FY21, as restated	Percentage of total	Increase (decrease)	Unassigned portion fiscal year 2022
General	\$ 95,583,163	70.55%	\$ 78,392,228	70.37%	17,190,935	80,499,743
Nonmajor funds	39,892,458	29.45%	33,001,066	29.63%	6,891,392	-
	<u>\$ 135,475,621</u>	<u>100.00%</u>	<u>\$ 111,393,294</u>	<u>100.00%</u>	<u>24,082,327</u>	<u>80,499,743</u>

Unassigned fund balance as of June 30, 2022 for the General Fund was \$80.5 million and represents 31.28% of total General Fund expenditures and transfers compared to 30.24 % for fiscal year 2021. Assigned fund balance in the General Fund for general operating encumbrances and insurance reserves was \$5.7 million, an increase from the \$4.4 million reserves at year-end 2021. Restricted fund balance in the General Fund for workers' compensation was \$0.28 million for both fiscal years 2022 and 2021. Overall, governmental fund balances increased at June 30 primarily due to the current year increases in property taxes and Prop C sales tax. In addition, the District recorded an adjustment to the health insurance claims liability as outlined in footnote 4(g).

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, 2022

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 uses an enterprise fund to account for the activity recorded in its Community Service Fund.

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, which is a nonmajor fund 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 funds is much like that used for proprietary funds. The District's fiduciary fund consists of the Student Scholarship Fund.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2022

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	
			Increase			Increase		
	2022	2021, as restated	(decrease)	2022	2021	(decrease)	2022	2021, as restated
Assets:								
Current and other assets	\$ 393,454	363,570	29,884	1,307	1,282	25	394,761	364,852
Capital assets	358,333	365,910	(7,577)	—	—	—	358,333	365,910
Total assets	751,787	729,480	22,307	1,307	1,282	25	753,094	730,762
Deferred outflows of resources	14,285	15,991	(1,706)	—	—	—	14,285	15,991
Liabilities:								
Other liabilities	32,511	29,030	3,481	7	1	6	32,518	29,031
Long-term liabilities	258,764	303,777	(45,013)	—	—	—	258,764	303,777
Total liabilities	291,275	332,807	(41,532)	7	1	6	291,282	332,808
Deferred inflows of resources	244,458	215,830	28,628	—	—	—	244,458	215,830
Net position:								
Net investment in capital assets	283,877	281,910	1,967	—	—	—	283,877	281,910
Restricted	13,350	13,364	(14)	—	—	—	13,350	13,364
Unrestricted (deficit)	(66,888)	(98,440)	31,552	1,300	1,281	19	(65,588)	(97,159)
Total net position	\$ 230,339	196,834	33,505	1,300	1,281	19	231,639	198,115

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2022

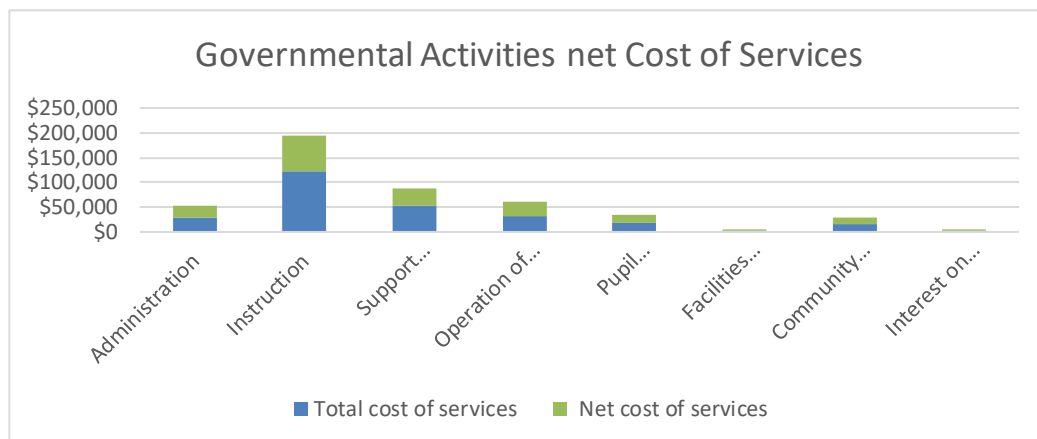
Overall, governmental activities current and other assets increased by 8.22%; business-type activities current and other assets increased 1.95%. Long-term liabilities decreased \$45.0 million due to a decrease in the net pension liability from \$173.57 million fiscal year 2021 to \$138.23 million fiscal year 2022.

Unrestricted net position (deficit) of (\$66.9) million includes management commitments, assignments and unassigned fund balances. The Board of Education has authorized management to assign funds for certain obligation that make up 12.30% of net position.

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.

Table 3A—Changes in Net Position —Governmental Activities highlights the District's revenues and expenses for the 2022 and 2021 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)

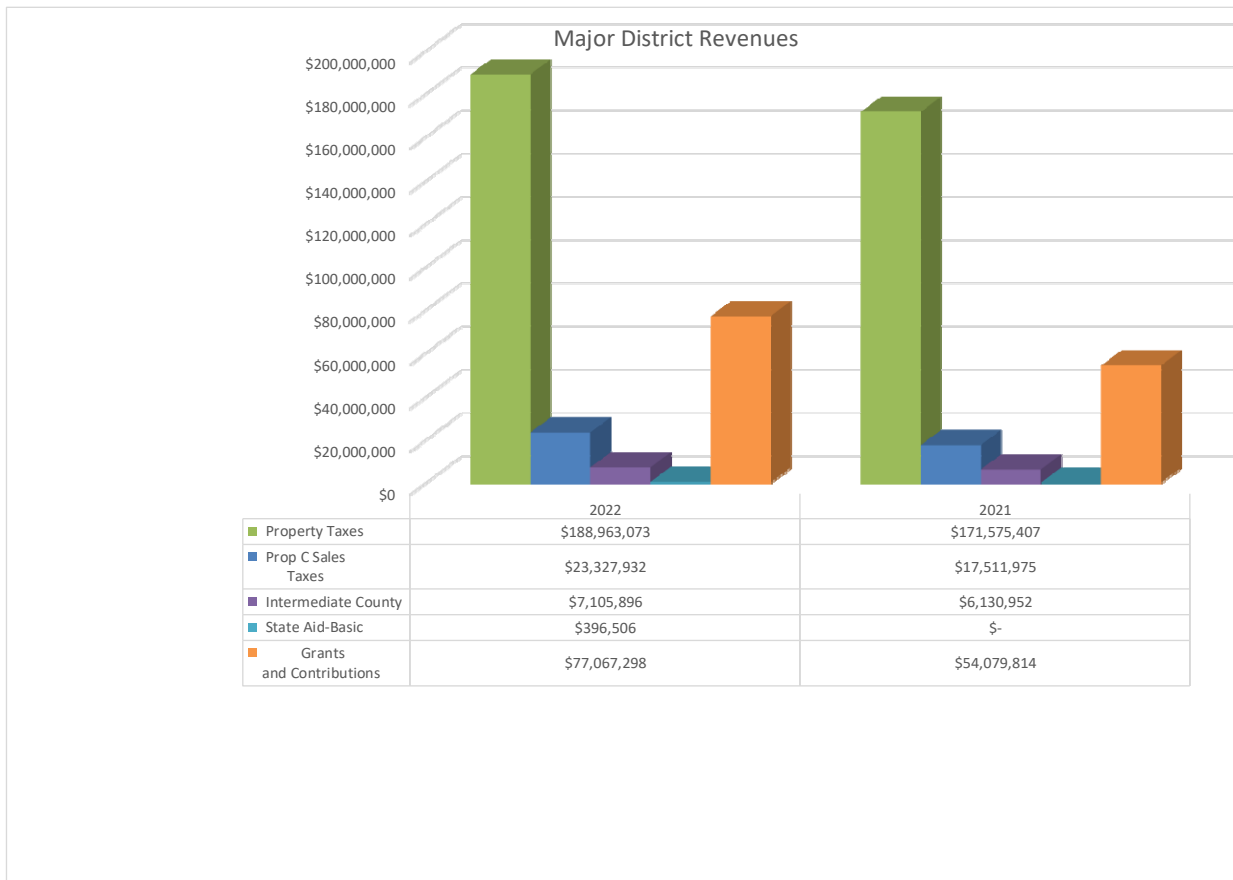


KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2022

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



The most significant sources of governmental fund 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 \$15.4 million or 8.77% from fiscal year 2021.

The total assessed valuation for tax year 2021 was approximately \$4.006 billion compared to the total assessed valuation for tax year 2020 of \$3.735 billion, an increase of approximately 7.27%.

The District voluntarily passed through approximately \$14.0 million of property tax revenue to the charter schools during fiscal year 2022 to assure the current state statute relating to sharing of local taxes was met.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2022

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 \$23.3 million during fiscal year 2022, an increase of approximately \$5.8M from fiscal year 2021.

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 development plans issued under Chapter 100 or other tax abatement agreements), tuition and fees and rebates. Other local revenue decreased approximately \$.5 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 insurance companies conducting business within the county and is distributed based on the property tax levy. During fiscal year 2022, the District reported county revenue of approximately \$7.1 million compared to approximately \$6.13 million during fiscal year 2021, an increase of approximately 15.9%.

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 2022 increased approximately \$2.6 million from the prior year. The total fiscal year 2022 revenue was approximately \$14.1 million compared to approximately \$11.5 million during fiscal year 2021.
- 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 \$25.8 million during fiscal year 2022 compared to approximately \$10.1 million during fiscal year 2021.
- 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 2022 compared to approximately \$3.1 million during fiscal year 2021.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2022

- 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 \$6.8 million reported during fiscal year 2021 to approximately \$13.97 million during fiscal year 2022.
- Head Start – A comprehensive child development program for pre-kindergarten children and their families. The District reported revenue of approximately \$5.4 million to operate the head start program for school year 2022, consistent with school year 2021.

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

The Total OPEB Liability decreased from approximately \$26.5 million fiscal year 2021 to approximately \$22.77 million fiscal year 2022. The Total OPEB Liability decreased due to lower net paid retiree claims and an increase in the discount rate to 4.09%.

The net pension liability decreased from approximately \$173.6 million as of June 30, 2021 to approximately \$138.2 million as of June 30, 2022. Total pension liability will increase or decrease as a result 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 \$0.29 million and interest costs decreased by \$0.49 million due to the required principal and interest payments pursuant to the scheduled debt service.

During September 2021, the District entered into a refinancing of the outstanding principal of the 2015 Equipment Lease Purchase Agreement for energy savings equipment to take advantage of current interest rates. This refinance resulted in \$850,000 of interest savings.

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)

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Community services:			
Charges for services	\$ 22	124	(102)
Expenses	<u>(4)</u>	<u>(1)</u>	<u>(3)</u>
Revenue over expenditures before transfers	18	123	(105)
Transfers	<u>-</u>	<u>(74)</u>	<u>74</u>
Increase (decrease) in net position	<u>\$ 18</u>	<u>49</u>	<u>(31)</u>

The decrease in revenue was due primarily to a decrease in fees received from the community's use of facilities.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2022

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 71.17% 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 7.46%. The increase in total expenditures of approximately \$17.0 million was greater than the combined increase of \$.8 million in charges for services and the \$23.0 million increase in grants and contributions.

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

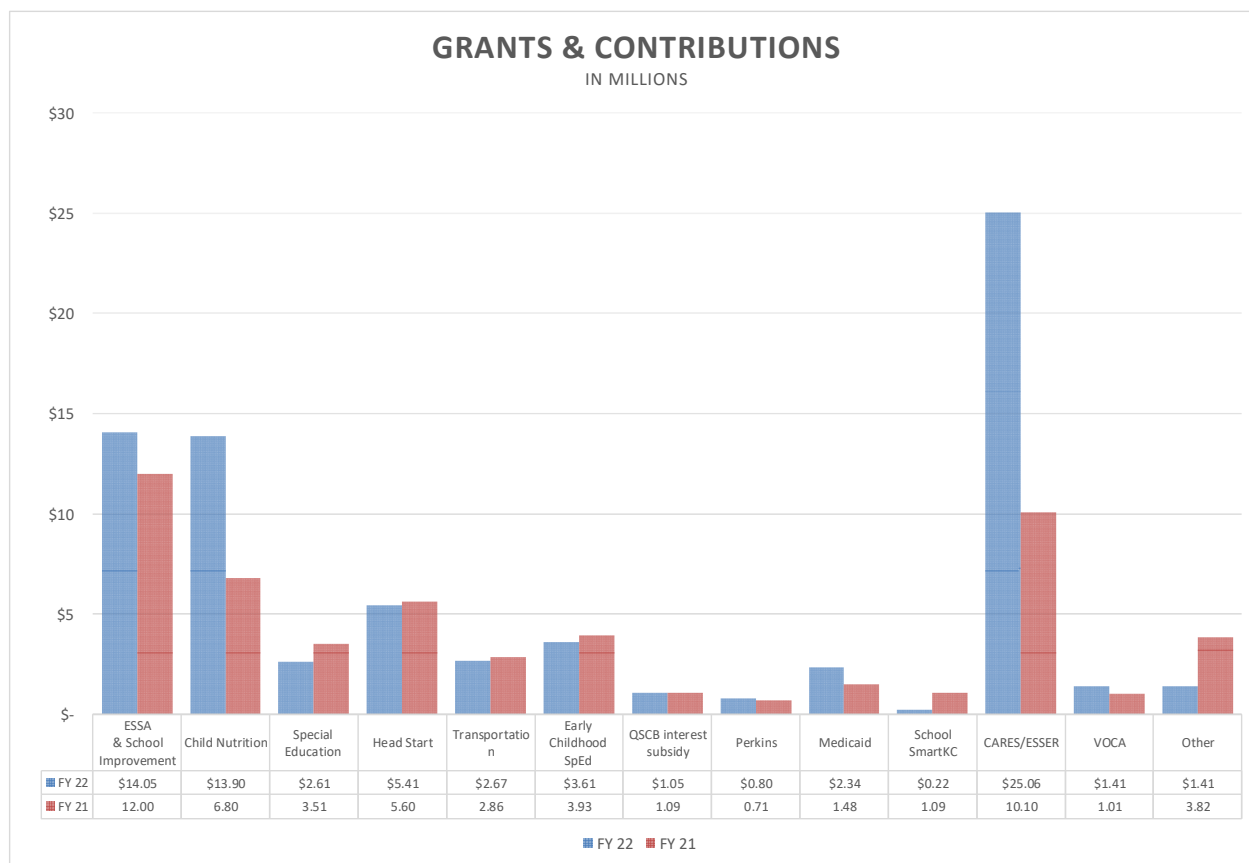
	2022		2021	
	Total cost of services	Net cost of services	Total cost of services	Net cost of services
Administration	\$ 29,600	24,295	28,280	26,476
Instruction	121,802	71,570	119,132	82,718
Support services	52,119	35,809	48,431	42,499
Operation of facilities	30,563	30,189	29,530	29,236
Pupil transportation	17,705	15,031	12,127	9,592
Facilities improvements and renovations	510	510	—	—
Community and adult services	15,177	13,164	12,232	6,132
Interest on long-term debt	2,904	1,856	3,655	2,578
Total	<u>\$ 270,380</u>	<u>192,424</u>	<u>253,387</u>	<u>199,231</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 \$77.0 million, 91% 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, 2022



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, 2022, the classifications of fund balance of the operating budget fund is shown below:

<u>Operating budget fund</u>		<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$	36,320	283,874	9,110,156	5,653,070	80,499,743	95,583,163

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 37.14% of total operating expenditures and transfers. The total operating fund balance increased by 29.09% when compared to fiscal year 2021 primarily due to the fiscal year 2022 increases in Prop C sales tax and property taxes. In addition, the District recorded an adjustment to the health insurance claims liability.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2022

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 11.53%. Projection for local including county revenues increased by \$15.7 million mainly due to the current & delinquent taxes, local railroad & utility taxes, M&M replacement tax, stock insurance tax, sales tax, and local grants. State funding decreased by \$3.6 million due to the charter schools share in local revenue distributed and deducted by DESE from KCPS basic formula entitlement. Federal grant awards of \$21.6 million received and adjusted after the original budget was approved by the board that included Head Start, Refugee, Teacher Retention, Parent Reimbursement, CTE Equipment & Expansion, Perkins, IDEA Entitlement, Title I, IA, IIA, III & IV, CNS Emergency Operating Cost, ESSER, and Cares Act grants.

Budgeted expenditures increased by \$29.8 million or 9.92%. The increase is primarily due to additional funding needed in technology supplies, substitute cost, and summer school. In addition, local and federal final grant awards for Head Start, Refugee, Teacher Retention, Parent Reimbursement, CTE Equipment & Expansion, Perkins, IDEA Entitlement, Title I, IA, IIA, III & IV, CNS Emergency Operating Cost, ESSER, Cares Act, School Smart KC, Kauffman Foundation, Bloch Family Foundation, Baum Family Foundation, 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 \$33.9 million for revenues and transfers in, and an unfavorable budgeted variance for expenditure and transfers out of \$29.8 million.

When compared to the prior year (see Table 5B), budgeted revenues and transfers increased by 18.68% and expenditures and transfers out increased by 12.14%.

Table 5A—Budget Comparison, Original to Final Budget, Fiscal Year 2022

	Revenues and Transfers In	Expenditures and Transfers Out
Original budget	\$ 294,157,396	300,664,404
Final budget	328,086,532	330,482,156
Increase	<u>\$ 33,929,136</u>	<u>29,817,752</u>

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

	Revenues and transfers in	Expenditures and transfers out
Fiscal year 2022 final budget	\$ 328,086,532	330,482,156
Fiscal year 2021 final budget	276,440,836	294,693,514
Increase (decrease)	<u>\$ 51,645,696</u>	<u>35,788,642</u>
Percentage of change	18.68%	12.14%

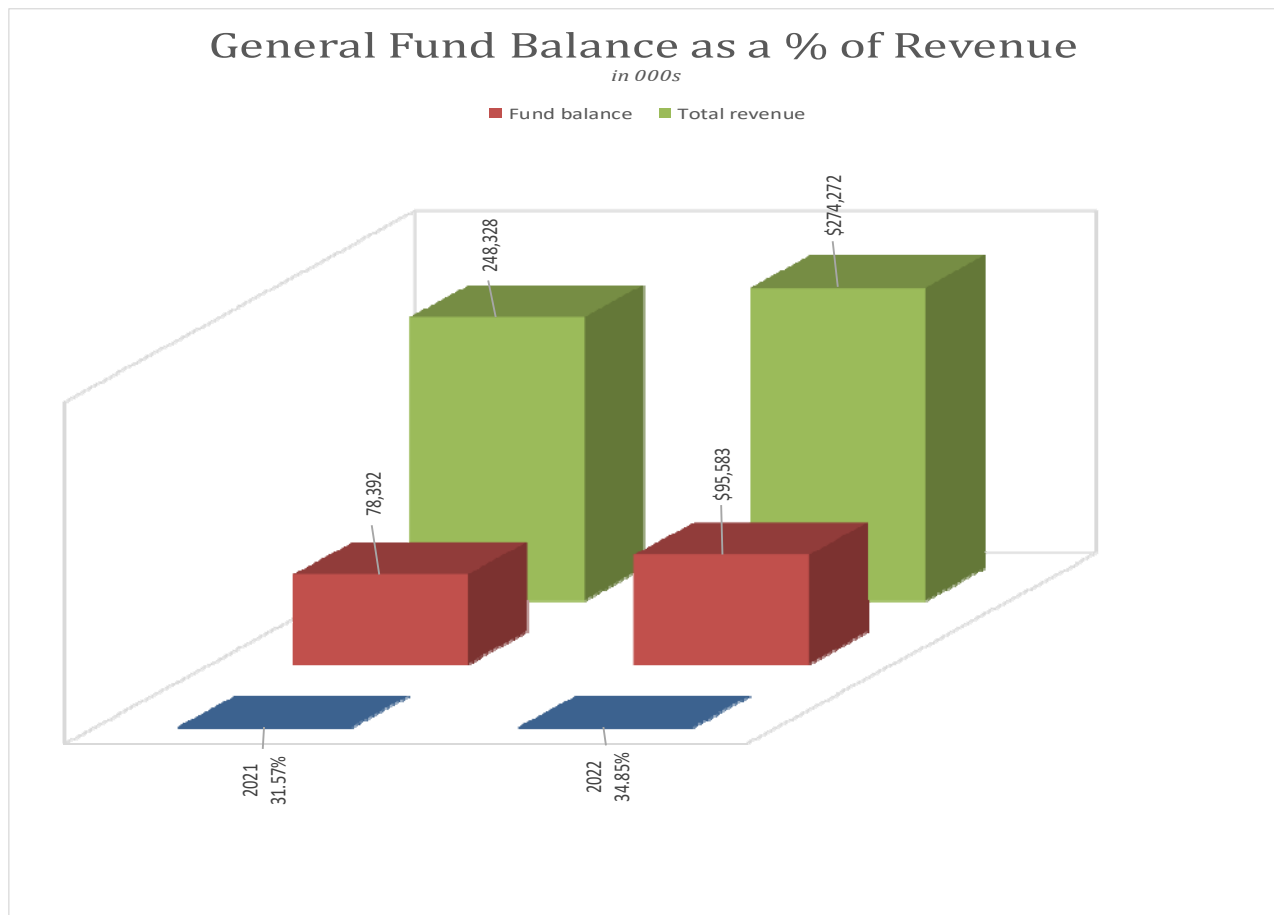
KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2022

Major Funds—Financial Highlights

When compared to fiscal year 2021, General Fund revenues increased by \$25.9 million or 10.45%, and expenditures increased by \$21.6 million or 9.41%. 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, 2022

Capital Assets and Debt Administration

Capital assets—The District's capital assets for its governmental activities as of June 30, 2022 amounts to \$358.3 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 decreased by approximately \$7.6 million during the fiscal year. Table 6 below shows capital asset by function for governmental activities. Also, see note 3(c) for additional information.

Table 6—Capital Assets, Net of Depreciation

	2022	2021
Land	\$ 28,718,748	28,718,748
Buildings	289,163,343	294,209,382
Improvements other than buildings	11,573,342	11,316,762
Equipment and furniture	3,063,880	2,601,755
Software	82,296	90,639
Vehicles	941,199	601,558
Buildings-impaired	7,920,582	9,430,582
Right-to-use leased assets	16,824,535	18,874,210
Construction in progress	44,616	66,058
	<u>\$ 358,332,541</u>	<u>365,909,694</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 2022 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.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2022

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.

Approximately 3.0% 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 2023 Budgets

- The Board approved the fiscal year 2023 comprehensive budget on June 22, 2022. Fiscal year 2023 projected current revenues of approximately \$325.6 million is a decrease of about \$2.5 million or 0.76% when compared to fiscal year 2022.
 - Local tax revenues estimated to increase in current taxes by \$0.6 million based on estimated increase in assessed valuation. However, delinquent taxes is estimated to decrease by \$4.3 million based on anticipated tax balances by the end of prior fiscal year.
 - Proposition C sales taxes increase by \$0.8 million based on DESE's estimated sales tax revenue available for distribution in FY23.
 - Other local revenues projected to decrease by \$2.9 million mainly due to the grants that ended in FY22.
 - Basic state aid projected a decrease by \$4.1 million due to the charter schools' share in local revenue distributed and deducted from KCPS entitlement. After the board adopted the budget, HB 1552 was approved that releases KCPS obligation to pay charter schools the local revenue in excess of basic formula entitlement. Additional local revenue due to charter schools will be funded by DESE starting FY23.
 - Transportation revenue is projected to increase by \$3.8 million due to HB 3002 that provides a significant one-time increase in FY23 transportation state aid payment. The ultimate funding status for FY23 will not be known until all LEAs submit the ASBR for FY22.
 - Federal grants projection is an increase of \$3.9 million. The district received additional ESSER funding due to COVID-19. However, other federal grants including Title I, IA, IIA, III & IV, IDEA Entitlement, VOCA 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.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2022

- Fiscal year 2023 expenditures of approximately \$332.7 million represent an increase of about \$2.2 million or 0.66% when compared to the prior year. Budgeted expenditures mainly increase in facilities capital projects, bilingual instruction, Montessori training program, and instructional costs.

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 and Operations Officer.

BASIC FINANCIAL STATEMENTS

KANSAS CITY PUBLIC SCHOOLS
Statement of Net Position
June 30, 2022

	Governmental activities	Business-type activities	Total
Assets:			
Cash and investments	\$ 140,241,107	1,306,062	141,547,169
Restricted cash and investments	10,665,891	—	10,665,891
Taxes receivable (net of allowance for uncollectibles)	223,930,185	—	223,930,185
Interest receivable	354,465	—	354,465
Due from other governmental units	15,636,776	—	15,636,776
Prepaid expenditures	36,320	—	36,320
Other receivables	672,814	175	672,989
Supplies inventories	304,287	—	304,287
Property held for sale	1,613,604	—	1,613,604
Capital assets (net of accumulated depreciation):			
Nondepreciable	36,683,946	—	36,683,946
Depreciable	321,648,595	—	321,648,595
Total assets	<u>751,787,990</u>	<u>1,306,237</u>	<u>753,094,227</u>
Deferred outflows of resources:			
Pension-related amounts	9,136,147	—	9,136,147
Other post employment benefits	5,149,157	—	5,149,157
Total deferred outflows of resources	<u>14,285,304</u>	<u>—</u>	<u>14,285,304</u>
Liabilities:			
Accounts payable and other	12,256,683	—	12,256,683
Accrued salaries, benefits, and payroll taxes	19,813,099	578	19,813,677
Accrued interest payable	410,862	—	410,862
Unearned revenue	30,635	6,125	36,760
Long-term liabilities:			
Due within one year:			
Compensated absences	4,526,195	—	4,526,195
Health insurance claims liability	1,200,000	—	1,200,000
Revenue bonds	3,105,000	—	3,105,000
Lease purchase agreement	1,927,625	—	1,927,625
Lease agreements	364,973	—	364,973
Certificates of participation	715,000	—	715,000
Due in more than one year:			
Compensated absences	12,708,251	—	12,708,251
Legal claims payable	129,000	—	129,000
Revenue bonds	11,555,000	—	11,555,000
Lease purchase agreement	14,739,249	—	14,739,249
Certificates of participation	44,870,000	—	44,870,000
Lease agreements	306,079	—	306,079
Premium on COP	1,622,217	—	1,622,217
Total other post-employment benefits liability	22,769,006	—	22,769,006
Net pension liability	138,226,534	—	138,226,534
Total liabilities	<u>291,275,408</u>	<u>6,703</u>	<u>291,282,111</u>
Deferred inflows of resources:			
Pension-related amounts	38,855,574	—	38,855,574
Other post employment benefits	6,615,787	—	6,615,787
Property taxes	198,987,244	—	198,987,244
Total deferred inflows of resources	<u>244,458,605</u>	<u>—</u>	<u>244,458,605</u>
Net position:			
Net investment in capital assets	283,876,658	—	283,876,658
Restricted for:			
Workers' compensation	283,874	—	283,874
Permanent fund, nonexpendable corpus	35,000	—	35,000
Patron gifts	229,320	—	229,320
Compensated absences	5,996,473	—	5,996,473
Child nutrition services	4,640,967	—	4,640,967
Property held for sale	1,613,604	—	1,613,604
Other restrictions	550,314	—	550,314
Unrestricted (deficit)	(66,886,929)	1,299,534	(65,587,395)
Total net position	<u>\$ 230,339,281</u>	<u>1,299,534</u>	<u>231,638,815</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Activities

Year ended June 30, 2022

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	\$ 29,599,850	35	422,240	4,883,464	(24,294,111)	—	(24,294,111)
Instruction	121,801,728	10,146	49,367,417	854,356	(71,569,809)	—	(71,569,809)
Support services	52,119,097	689,837	15,620,230	—	(35,809,030)	—	(35,809,030)
Operation of facilities	30,562,925	—	—	373,438	(30,189,487)	—	(30,189,487)
Pupil transportation	17,704,761	—	2,673,280	—	(15,031,481)	—	(15,031,481)
Facilities improvements and renovation	510,480	—	—	—	(510,480)	—	(510,480)
Community and adult services	15,177,129	187,703	1,825,180	—	(13,164,246)	—	(13,164,246)
Interest on long-term debt	2,903,643	—	—	1,047,693	(1,855,950)	—	(1,855,950)
Total governmental activities	270,379,613	887,721	69,908,347	7,158,951	(192,424,594)	—	(192,424,594)
Business-type activities:							
Community services	3,736	22,110	—	—	—	18,374	18,374
Total	\$ 270,383,349	909,831	69,908,347	7,158,951	(192,424,594)	18,374	(192,406,220)
General revenues:							
Property taxes					188,963,073	—	188,963,073
Prop C sales tax					23,327,932	—	23,327,932
Other local revenues					5,363,460	—	5,363,460
Intermediate/county					7,105,896	—	7,105,896
State aid—basic formula					396,506	—	396,506
Investment earnings					772,676	—	772,676
Total general revenues and transfers					225,929,543	—	225,929,543
Change in net position					33,504,949	18,374	33,523,323
Net position—beginning, as restated					196,834,332	1,281,160	198,115,492
Net position—ending					\$ 230,339,281	1,299,534	231,638,815

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Balance Sheet

Governmental Funds

June 30, 2022

Assets	General	Nonmajor governmental funds	Total Governmental funds
Cash and investments	\$ 108,048,424	32,192,683	140,241,107
Restricted cash and investments	283,874	10,382,017	10,665,891
Taxes receivable, net of allowance for uncollectibles	221,673,845	2,256,340	223,930,185
Interest receivable	292,707	61,758	354,465
Supplies inventories	279,182	25,105	304,287
Other receivables	569,820	102,994	672,814
Prepaid expenditures	36,320	—	36,320
Due from other governments	13,912,032	1,724,744	15,636,776
Property held for sale	—	1,613,604	1,613,604
Total assets	<u>\$ 345,096,204</u>	<u>48,359,245</u>	<u>393,455,449</u>

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities:

Accounts payable and accrued liabilities	\$ 10,407,449	1,849,234	12,256,683
Accrued salaries, benefits, and payroll taxes	17,203,498	2,609,601	19,813,099
Unearned revenue	—	30,635	30,635
Compensated absences	—	1,593,077	1,593,077
Total liabilities	<u>27,610,947</u>	<u>6,082,547</u>	<u>33,693,494</u>

Deferred inflows of resources:

Unavailable revenue-property taxes	211,861,016	2,256,340	214,117,356
Unavailable revenue-grants and services	10,041,078	127,900	10,168,978
Total deferred inflows of resources	<u>221,902,094</u>	<u>2,384,240</u>	<u>224,286,334</u>

Fund balances:

Nonspendable	36,320	35,000	71,320
Restricted	283,874	13,030,679	13,314,553
Committed	9,110,156	3,994,337	13,104,493
Assigned	5,653,070	22,832,442	28,485,512
Unassigned	80,499,743	—	80,499,743
Total fund balances	<u>95,583,163</u>	<u>39,892,458</u>	<u>135,475,621</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 345,096,204</u>	<u>48,359,245</u>	<u>393,455,449</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, 2022

Fund balances—total governmental funds	\$ 135,475,621
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	358,332,541
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund:	
Bonds payable	(14,660,000)
Certificates of participation	(45,585,000)
Lease liability	(17,337,927)
Unamortized premium on bonds	(1,622,217)
Net pension liability	(138,226,534)
Accrued interest payable	(410,862)
Total other post-employment benefits liability	(22,769,006)
Compensated absences	(15,641,369)
Health insurance claims liability	(1,200,000)
Legal claims payable	(129,000)
	(257,581,915)
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	15,130,112
Deferred inflows of resources—grants	10,168,979
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	(38,855,574)
Deferred outflows of resources—pension related amounts	9,136,147
Deferred inflows of resources—other post employment benefits	(6,615,787)
Deferred outflows of resources—other post employment benefits	5,149,157
Net position of governmental activities	\$ <u>230,339,281</u>

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, 2022

	General	Nonmajor governmental funds	Total governmental funds
Revenues:			
Property taxes	\$ 179,515,199	11,694,759	191,209,958
Prop C sales tax	22,320,826	1,007,106	23,327,932
Other local, including investment income	7,951,716	1,765,108	9,716,824
Intermediate/county	7,105,896	—	7,105,896
State aid—basic formula	396,506	—	396,506
Other state	6,799,185	500,617	7,299,802
Federal	49,971,111	20,154,322	70,125,433
Tuition	211,849	—	211,849
Total revenues	<u>274,272,288</u>	<u>35,121,912</u>	<u>309,394,200</u>
Expenditures:			
Current:			
Administration	29,577,219	—	29,577,219
Instruction	115,807,259	361,773	116,169,032
Support services	42,472,484	13,477,351	55,949,835
Operation of facilities	32,372,905	—	32,372,905
Pupil transportation	17,595,957	—	17,595,957
Community and adult services	12,498,473	2,284,955	14,783,428
Leases:			
Principal	371,538	19,965	391,503
Interest and fiscal charges	22,806	1,538	24,344
Debt service:			
Principal	—	5,541,543	5,541,543
Interest and fiscal charges	—	3,183,177	3,183,177
Capital outlay:			
Administration	—	142,690	142,690
Instruction	—	2,053,807	2,053,807
Support services	—	119,909	119,909
Operation of facilities	—	1,000,931	1,000,931
Pupil transportation	—	210,145	210,145
Community and adult services	—	306,684	306,684
Facilities improvement and renovation	11,588	6,698,980	6,710,568
Total expenditures	<u>250,730,229</u>	<u>35,403,448</u>	<u>286,133,677</u>
Revenues over (under) expenditures	<u>23,542,059</u>	<u>(281,536)</u>	<u>23,260,523</u>
Other financing sources (uses):			
Transfers in	—	10,848,483	10,848,483
Transfers out	(6,626,270)	(4,222,213)	(10,848,483)
Issuance of long-term debt	—	191,815	191,815
Issuance of lease	273,562	—	273,562
Sale of capital assets	1,584	354,843	356,427
Total other financing sources (uses)	<u>(6,351,124)</u>	<u>7,172,928</u>	<u>821,804</u>
Net change in fund balances	17,190,935	6,891,392	24,082,327
Fund balances, beginning of year as restated	78,392,228	33,001,066	111,393,294
Fund balances, end of year	<u>\$ 95,583,163</u>	<u>39,892,458</u>	<u>135,475,621</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, 2022

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

Net change in fund balances—total governmental funds	\$	24,082,327
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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	8,704,472	
Depreciation expense	(15,830,918)	
		(7,126,446)

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

Proceeds from sale of capital assets	(356,427)	
Loss on disposal of capital assets	(94,282)	

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(5,625,513)
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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	750,000	
Principal payment on revenue bonds	2,930,000	
Principal payment on leases	2,253,047	
Refinancing lease purchase agreement	(191,815)	
Issuance of lease	(273,562)	
Amortization of bond premium	115,872	
Accrued interest payable	30,319	
		5,613,861

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:

Other post-employment benefits	(1,518,796)	
Pension-related amount, pension expense	17,748,010	
Compensated absences	932,415	
Health insurance claims liability	(166,200)	
Claims payable	16,000	
		17,011,429

Change in net position of governmental activities	\$	33,504,949
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See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS
Statement of Net Position—Proprietary Fund
June 30, 2022

	Nonmajor Enterprise Fund
	<hr/>
Assets:	
Cash	\$ 1,306,062
Due from other government	<hr/> 175
Total assets	<hr/> 1,306,237
Liabilities:	
Accrued salaries, benefits, and payroll taxes	578
Unearned revenue	<hr/> 6,125
Total liabilities	<hr/> 6,703
Net position, unrestricted	<hr/> \$ 1,299,534

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2022

	Nonmajor Enterprise Fund
Operating revenues:	
Charges for community support services	\$ 22,110
Total operating revenues	22,110
Operating expenses:	
Salaries, wages, and employee benefits	1,287
Supplies and materials	2,449
Total operating expenses	3,736
Change in net position	18,374
Total net position, beginning of year	1,281,160
Total net position, end of year	\$ 1,299,534

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Cash Flows—Proprietary Fund

Year ended June 30, 2022

	Nonmajor Enterprise Fund
Cash flows from operating activities:	
Receipts from customers and users	\$ 32,300
Payments to suppliers	(2,448)
Payments to employees	(709)
Net cash provided by operating activities	<u>29,143</u>
Cash and cash equivalents, beginning of year	<u>1,276,919</u>
Cash and cash equivalents, end of year	\$ <u><u>1,306,062</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 18,374
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in due from other government	4,675
Increase in unearned revenue	5,516
Increase in accrued salaries, benefits and payroll taxes	<u>578</u>
Total adjustments	<u>10,769</u>
Net cash provided by operating activities	\$ <u><u>29,143</u></u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Fiduciary Net Position

June 30, 2022

	Private Purpose Trust— Student Scholarship Fund
Assets:	
Cash and investments	\$ 284,962
Interest receivable	<u>671</u>
Total assets	<u>285,633</u>
Liabilities:	
Accounts payable	<u>—</u>
Total liabilities	<u>—</u>
Net position:	
Net position held in trust for other purposes	\$ <u>285,633</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2022

	Private Purpose Trust— Student Scholarship Fund
Additions:	
Contributions:	
Private donations	\$ <u>26,458</u>
Total contributions	<u>26,458</u>
Investment income:	
Adjustment of investments to fair market value	<u>1,324</u>
Total investment income	<u>1,324</u>
Total additions	<u>27,782</u>
Deductions:	
Scholarship awards	<u>2,500</u>
Total deductions	<u>2,500</u>
Net increase in net position	25,282
Net position, beginning of year	<u>260,351</u>
Net position, end of year	\$ <u><u>285,633</u></u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

(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 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, 2022 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 2022. 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 because its assets are not significant to the District.

(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, 2022

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 fund.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

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 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 capital project fund, which is a nonmajor fund. This 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 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 enterprise 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, 2022

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 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 \$3.1 million for uncollectible amounts.

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

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

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, 2022 for real estate, personal property, merchants and manufacturers, and railroad and utility property was approximately \$4.2 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 and vehicles		5,000

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

	<u>Useful life/range</u>
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

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

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:

<u>Vacation days</u>	<u>Years of service</u>
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, 2022 of \$17.2 million have been recorded in the government-wide financial statements. Of this balance, \$1.6 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, 2022 of \$6.0 million to 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, 2022.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

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, 2022.

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 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.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

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. 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 2022 is \$32,502,000 offset in part by PILOTs received of \$2,020,000. The financial impact of the Planned Industrial Expansion Authority (PIEA) tax abatement program is \$12,744,000 offset in part by PILOTs received of \$825,000.

12. Leases

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

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

Key estimates and judgments related to leases include how the District determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease 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 lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

13. 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.

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Notes to Basic Financial Statements

June 30, 2022

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

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, \$229,320 for patron gifts, \$5,996,473 for compensated absences, \$4,640,967 for child nutrition services, \$1,613,604 for property held for sale and \$550,314 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.

14. 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, 2022

(2) Fund Balances

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

Fund Balances:	General	Nonmajor Governmental Funds	Total
Nonspendable:			
Patron gift	\$ —	35,000	35,000
Prepays	36,320	—	36,320
Total nonspendable	36,320	35,000	71,320
Restricted:			
Child nutritional services	—	4,640,967	4,640,967
Student activities	—	403,649	403,649
Patron gift	—	229,320	229,320
Property held for sale	—	1,613,604	1,613,604
Permanent fund	—	146,666	146,666
Compensated absences	—	5,996,473	5,996,473
Workers compensation	283,874	—	283,874
Total restricted	283,874	13,030,679	13,314,553
Committed:			
Encumbrances	—	3,994,337	3,994,337
Insurance	9,110,156	—	9,110,156
Total committed	9,110,156	3,994,337	13,104,493
Assigned:			
Encumbrances	5,653,070	25,204	5,678,274
Capital projects	—	22,807,238	22,807,238
Total assigned	5,653,070	22,832,442	28,485,512
Unassigned	80,499,743	—	80,499,743
Total fund balances	\$ 95,583,163	39,892,458	135,475,621

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

(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.

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 0.30 years.

The District had the following investments in debt securities at June 30, 2022:

Investment type	Investment balance	Weighted average maturity (years)
U.S. Treasury obligations	\$ 79,715,625	0.33
Commercial paper	19,985,195	0.09
Total debt securities	<u>\$ 99,700,820</u>	
Portfolio weighted average maturity		0.30

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Notes to Basic Financial Statements

June 30, 2022

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+
Commercial paper	P1	A1
Local Government Investment Pool:		
MOSIP Liquid Series and MOCAAT Liquid Series	-	AAAm

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, 2022, the District had no deposits or investments exposed to custodial credit risk.

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Notes to Basic Financial Statements

June 30, 2022

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.

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	\$ 40,467,000	\$ -	\$ 40,467,000
U.S. Treasuries	79,715,625	79,715,625	-
Commercial paper	19,985,195	-	19,985,195
	140,167,820	\$ 79,715,625	\$ 60,452,195
Investments measured at net asset value			
MOSIP - TERM	10,000,000		
Investments measured at amortized cost:			
Local government investment pool - MOCAAT	5,009,973		
Local government investment pool - MOSIP	2,258		
Total investments	\$ 155,180,051		

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Notes to Basic Financial Statements

June 30, 2022

(b) Capital Assets

Capital asset activity as of June 30, 2022 is shown below:

	<u>Beginning balance, as restated</u>	<u>Additions</u>	<u>Transfers/ retirements</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 28,718,748	—	—	28,718,748
Construction in progress	66,058	28,866	(50,308)	44,616
Impairment- closed buildings	9,430,582	—	(1,510,000)	7,920,582
Total capital assets, not being depreciated	38,215,388	28,866	(1,560,308)	36,683,946
Capital assets, being depreciated:				
Buildings and improvements	550,399,708	5,445,367	1,110,000	556,955,075
Improvements other than buildings	46,696,985	1,558,708	—	48,255,693
Equipment and furniture	16,599,174	705,210	(949,613)	16,354,771
Software	440,664	85,133	—	525,797
Vehicles	2,154,605	607,626	(169,433)	2,592,798
Right-to-use leased assets:				
Energy savings equipment	18,085,216	—	—	18,085,216
Mobile classrooms	—	82,109	—	82,109
Vehicles	504,684	191,453	—	696,137
Copiers	284,310	—	—	284,310
Total capital assets being depreciated	635,165,346	8,675,606	(9,046)	643,831,906
Less accumulated depreciation for:				
Buildings and improvements	(256,190,326)	(11,601,406)	—	(267,791,732)
Improvements other than buildings	(35,380,223)	(1,302,128)	—	(36,682,351)
Equipment and furniture	(13,997,419)	(242,685)	949,213	(13,290,891)
Software	(350,025)	(93,476)	—	(443,501)
Vehicles	(1,553,047)	(267,985)	169,433	(1,651,599)
Right-to-use leased assets:				
Energy savings equipment	—	(1,908,995)	—	(1,908,995)
Mobile classrooms	—	(41,785)	—	(41,785)
Vehicles	—	(239,668)	—	(239,668)
Copiers	—	(132,789)	—	(132,789)
Total accumulated depreciation	(307,471,040)	(15,830,917)	1,118,646	(322,183,311)
Total capital assets, being depreciated, net	327,694,306	(7,155,311)	1,109,600	321,648,595
Governmental activities capital assets, net as restated \$	365,909,694	(7,126,445)	(450,708)	358,332,541

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Notes to Basic Financial Statements

June 30, 2022

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

Elementary schools	\$ 5,780,327
Middle schools	1,685,060
Senior high schools	5,173,170
Special education	11,520
Supplemental instruction	<u>5,115</u>
Total instruction	<u>12,655,192</u>
Athletics	1,098
Attendance and social work	1,280
Nursing services	3,429
Visually impaired	500
Office of the superintendent services	2,241
Administrative technology services	319,474
Transportation	108,804
Internal service	45
Food service	<u>5,909</u>
Total support services	<u>442,780</u>
Parental involvement	78,442
Early childhood program/instruction	1,199
Non-public school pupil services	<u>7,376</u>
Total community and adult services	<u>87,017</u>
Facilities acquisition and construction	<u>224,383</u>
Total facilities improvements and renovation	<u>224,383</u>
Right-to-use leased assets:	
Equipment lease purchase energy savings	1,908,995
Mobile classrooms	41,785
Vehicles	239,668
Copiers	<u>132,789</u>
Total administration	<u>2,323,237</u>
Operation and maintenance of plant services, vehicle maintenance, security	<u>98,308</u>
Total operation of facilities	<u>98,308</u>
Total governmental activities depreciation expense	<u>\$ 15,830,917</u>

As of June 30, 2022, 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 value. Management has determined an additional six buildings with a carrying value of \$19,100,922 are considered to be temporarily impaired.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

(c) *Transfers*

The following transfers were made during the fiscal year:

		<u>Nonmajor Governmental</u>
Transfer from:		
General fund	\$	6,626,270
Nonmajor governmental fund		4,222,213
	\$	<u>10,848,483</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, 2022.

(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 \$6,803,140 with annual requirements ranging from \$2.14 million to \$2.40 million. For the current year, interest paid by the District was \$.18 million. The amount of tax credits issued to the bondholder from the federal government was \$.480 million.

The 2010 Leasehold Revenue Qualified School Construction Bonds are payable through 2029. The total principal and interest remaining on the debt is \$10,327,912 with annual requirements ranging from \$1.29 million to \$1.66 million. For the current year, interest paid by the District was \$.64 million. The amount of interest subsidy reimbursed to the District from the federal government was \$.349 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 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 \$58,855,283.

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Notes to Basic Financial Statements

June 30, 2022

Bonds and certificates of participation outstanding at June 30, 2022 are as follows:

Series	Amount outstanding	Interest rate	Maturity year
Revenue bonds:			
Series 2009	\$ 6,540,000	2.23%	2025
Series 2010	8,120,000	7.12%	2029
Certificate of participation			
Series 2016	45,585,000	2.00%	2036
	<u>\$ 60,245,000</u>		

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

	Revenue Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2023	\$ 3,105,000	693,228	715,000	1,433,869
2024	3,295,000	568,893	640,000	1,419,569
2025	3,500,000	439,259	585,000	1,406,769
2026	1,160,000	318,264	3,120,000	1,395,069
2027	1,180,000	235,316	3,310,000	1,270,269
2028-2032	2,420,000	216,092	18,925,000	4,952,738
2033-2037	—	—	18,290,000	1,392,000
Total	<u>\$ 14,660,000</u>	<u>2,471,052</u>	<u>45,585,000</u>	<u>13,270,283</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 \$18,214,971. 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 \$16,176,221 as of June 30, 2022.

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Notes to Basic Financial Statements

June 30, 2022

Aggregate maturities are as follows:

		Lease Purchase Agreement	
		Principal	Interest
Year ending June 30:			
2023	\$	1,927,625	349,246
2024		1,970,188	306,683
2025		2,013,691	263,180
2026		2,058,155	218,717
2027		2,103,600	173,272
2028-2030		6,593,615	236,999
Total	\$	<u>16,666,874</u>	<u>1,548,097</u>

(f) Changes in Long-term Liabilities

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

	Beginning balance, as restated	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
Leasehold revenue bonds	\$ 17,590,000	—	(2,930,000)	14,660,000	3,105,000
Certificate of participation	46,335,000	—	(750,000)	45,585,000	715,000
Net pension liability	173,567,305	—	(35,340,771)	138,226,534	—
Total OPEB liability	26,452,584	—	(3,683,578)	22,769,006	—
Compensated absences	17,789,206	2,378,359	(2,933,119)	17,234,446	4,526,195
Health ins. claims liability	1,033,800	19,852,034	(19,685,834)	1,200,000	1,200,000
Lease agreements	788,994	273,562	(391,504)	671,052	364,973
Lease purchase agreement	<u>18,336,601</u>	<u>191,815</u>	<u>(1,861,542)</u>	<u>16,666,874</u>	<u>1,927,625</u>
Long-term liabilities	\$ <u>301,893,490</u>	<u>22,695,770</u>	<u>(67,576,348)</u>	<u>257,012,912</u>	<u>11,838,793</u>

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.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

(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 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, 2022 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

As of January 1, 2021, the District is self-insured 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 government-wide financial statements.

As of June 30, 2022, the total estimated liability for payment of incurred but unpaid claims for health insurance was \$1,200,000 and is included in long-term liabilities in the governmental activities.

Changes in self-insured claims liability at June 30, 2022 is as follows:

Self-Insurance (Health) Table

	2022	2021
Balance - June 30	\$ 1,033,800	—
Add: Current year claims and changes in estimate	19,852,034	11,446,073
Less: Claims payments	19,685,834	10,412,273
Balance - June 30	<u>\$ 1,200,000</u>	<u>1,033,800</u>

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

(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 to eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of 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, 2020:

Active employees	1,818
Inactive employees and spouses	77

B. Total OPEB Liability

The District's total OPEB liability of \$22,769,006 was measured as of June 30, 2022, and was determined based on an actuarial valuation prepared as of July 1, 2020 rolled forward to June 30, 2022 using generally accepted actuarial principles and methods.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2020 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	2.66 percent at valuation date, 4.09 percent as of measurement date, 2.18 percent as of preceding measurement date
Healthcare Cost Trend Rates	7.00 percent second year after valuation date, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2027 and later years
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.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

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-2020. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2018 - June 30, 2020.

C. Changes in the Total OPEB Liability

Balance at June 30, 2021	\$	26,452,584
Service cost		1,372,316
Interest		601,092
Differences between expected and actual experience		(188,896)
Changes in assumptions or other inputs		(4,964,387)
Benefits payments		(503,703)
Balance at June 30, 2022	\$	<u>22,769,006</u>

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 (3.09 percent) or 1 percentage point higher (5.09 percent) than the current discount rate:

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	<u>\$ 26,468,315</u>	<u>\$ 22,769,006</u>	<u>\$ 19,791,320</u>

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 (6.0 percent) or 1 percentage point higher (8.0 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	<u>\$ 19,254,040</u>	<u>\$ 22,769,006</u>	<u>\$ 27,238,618</u>

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2022

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$2,022,499. At June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 61	(2,079,812)
Changes of assumptions	5,149,096	(4,535,975)
Total	\$ <u>5,149,157</u>	<u>(6,615,787)</u>

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
2023	49,091
2024	25,289
2025	(279,753)
2026	(324,335)
2027	(607,303)
Thereafter	<u>(329,619)</u>
	<u>(1,466,630)</u>

(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 \$1,500,000, with two one-year renewal options.

On February 27, 2019 the board approved a three-year agreement with Student Transportation of America from July 1, 2019 through June 30, 2022, with annual increases of 3% throughout the life of the contract and an option to extend up to two one-year periods, to provide regular and special education transportation services for an amount not to exceed \$14,500,000 for the first year. On February 26, 2020, the Board approved the First Amendment to the contract to provide compensation for all hours of service related to after school activity transportation services. The additional hours approved to bill under this Amendment will not increase the previously approved annual contract total. On July 20, 2022, the board approved a fourth amendment extending the initial three-year agreement for

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

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two (2) one-year options. The extended term is from July 1, 2022 through June 30, 2024 for a total of \$22,500,000. The not to exceed amount for fiscal year 2023 is \$11,000,000 and \$11,500,000 for fiscal year 2024.

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-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. The not to exceed amount for fiscal year 2023 is \$875,000 and \$875,000 for fiscal year 2024.

(d) Leases

As a result of the adoption of GASB Statement No. 87, *Leases*, the beginning net position of the governmental activities was restated.

The effect on the beginning net position is as follows:

				Governmental activities
				Net position June 30, 2021, as previously reported
				198,663,075
	Vehicles	Copiers	Energy savings equipment	
Leased assets	504,684	284,310	(5,140,764)	(4,351,770)
Lease liability	(504,684)	(284,310)	-	(788,994)
				Net position July 01, 2021, as restated
				<u>193,522,311</u>

The District has entered into leases for 41 vehicles and 155 copiers each with a five-year lease term, and each includes an option to terminate the lease. In addition, the District modified an agreement dated September 3, 2021 to extend the lease term to June 30, 2023 for the lease of two temporary mobile classrooms. The terms and conditions of the equipment lease purchase agreement/energy savings contract has been disclosed in debt footnote of this report.

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Notes to Basic Financial Statements

June 30, 2022

Lease description - classification	Role	Net asset balance	Accumulated amortization	Gross asset balance
Building improvement/equipment - energy savings contract	Lessee	16,176,221	(1,908,995)	18,085,216
Equipment - vehicles	Lessee	456,469	(239,668)	696,137
Equipment - copiers	Lessee	151,521	(132,789)	284,310
Equipment - mobile classrooms	Lessee	40,324	(41,785)	82,109
Total		<u>16,824,535</u>	<u>(2,323,237)</u>	<u>19,147,772</u>

	Year ended June 30,	Principal	Interest	Total payment
Equipment - vehicles				
2023	\$	204,705	12,293	216,998
2024		175,202	6,365	181,567
2025		72,371	2,416	74,787
2026		43,296	915	44,211
2027		7,492	52	7,544
Equipment - copier				
2023		116,110	1,310	117,420
Equipment - mobile classrooms				
2023		44,158	969	45,127
2024		7,718	29	7,747
Total	\$	<u>671,052</u>	<u>24,349</u>	<u>695,401</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.

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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. 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 Kansas City Public School Retirement System Board (KCPSRS) flexibility to increase the contribution rate in $\frac{1}{2}\%$ increments annually, to a maximum of 9%. January 1, 2016 the rate increased to 9.0 percent. The employer contribution for calendar year 2019 was 10.5%. Effective July 1, 2021, 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 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 \$15,020,753 for the year ended June 30, 2022.

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Notes to Basic Financial Statements

June 30, 2022

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

At June 30, 2022, the District reported a liability of \$138,226,534 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 rolled forward one year to December 31, 2021, 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, 2021, the District's collective proportion was 55.584303 percent, which was a decrease of .578392 percent from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$(17,756,011). At June 30, 2022, 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	\$ 155,185	(2,256,603)
Net difference between projected and actual earnings on pension plan investments	-	(34,597,021)
Changes of assumptions	105,357	-
Changes in proportion	-	(2,001,950)
District contributions subsequent to the measurement date	8,875,605	-
Total	<u>\$ 9,136,147</u>	<u>(38,855,574)</u>

The \$8,875,605 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, 2023. 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 period equal to the average of the expected service lives of all participants as of the beginning of each measurement period.

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Notes to Basic Financial Statements

June 30, 2022

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:

Year ended June 30:	Pension Expense
2023	\$ (7,906,516)
2024	(16,791,781)
2025	(8,255,477)
2026	(5,641,258)
Total	<u>\$ (38,595,032)</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, 2021 rolled forward to December 31, 2021, 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 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-2020.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for 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.

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June 30, 2022

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, 2021 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.

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Notes to Basic Financial Statements

June 30, 2022

- 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 \$	193,445,842	138,226,534	91,481,241

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, 2022:

The District reported payables to the defined benefit pension plan of \$2,376,285 for legally required employer contributions and \$1,312,517 for legally required employee contributions, which had been withheld from employee wages but not yet remitted to KCPSRS.

(f) New Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections – Amendment of GASB Statement No. 62*, this Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting period be reported by adjusting the beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences*, this Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for

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Notes to Basic Financial Statements

June 30, 2022

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.

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

(g) *Correction of errors*

During fiscal year 2022, it was discovered that health insurance reserves were incorrectly recorded as a liability in the General Fund in prior years. It was also discovered that the estimated liability for incurred but unpaid claims for health insurance was reported in the General Fund. Incurred but unpaid claims are considered long-term liabilities by GAAP and therefore should only be reported at the government-wide level. The effects of the restatement adjustments are as follows:

	Governmental activities		Governmental funds - general fund
Net position July 1, 2021, as previously reported	198,663,075	General fund balance July 1, 2021, as previously reported	74,046,408
Adoption of GASB 87 (Note 4 (d) Leases)	(5,140,764)	Health insurance claims liability adjustment	3,312,020
Health insurance claims liability adjustment	3,312,021	Estimated liability for incurred but unpaid claims	1,033,800
Net position July 1, 2021, as restated	<u>196,834,332</u>	General fund balance July 1, 2021, as restated	<u>78,392,228</u>

	Governmental activities		Governmental funds - general fund
2021 change in net position, as previously reported	3,982,227	2021 change in fund balance, as previously reported	11,470,293
Health insurance claims liability adjustment	(455,804)	Health insurance claims liability adjustment	(455,804)
2021 change in net position, as restated	<u>3,526,423</u>	Estimated liability for incurred but unpaid claims	1,033,800
		2021 change in fund balance, as restated	<u>12,048,289</u>

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 182,048,191	190,573,304	179,515,199	(11,058,105)
Prop C taxes	11,380,502	13,194,643	14,579,957	1,385,314
Other local	7,501,873	9,653,904	7,616,652	(2,037,252)
County	5,772,518	6,076,627	6,857,139	780,512
Basic formula	(1,625,834)	(2,307,153)	99,126	2,406,279
Other state	8,496,858	8,759,778	6,799,185	(1,960,593)
Federal sources	46,255,370	66,946,775	49,707,824	(17,238,951)
Tuition	—	—	211,849	211,849
Total revenues	<u>259,829,478</u>	<u>292,897,878</u>	<u>265,386,931</u>	<u>(27,510,947)</u>
Expenditures:				
Current:				
Support services - general administration:				
Board of education services:				
Salaries	61,039	61,039	61,065	(26)
Benefits	25,800	25,800	23,037	2,763
Purchased services	343,802	343,802	252,411	91,391
Supplies and materials	10,805	11,305	12,251	(946)
Total board of education services	<u>441,446</u>	<u>441,946</u>	<u>348,764</u>	<u>93,182</u>
Office of the superintendent services:				
Salaries	1,415,705	1,385,183	1,417,298	(32,115)
Benefits	485,615	467,655	411,440	56,215
Purchased services	3,531,766	2,832,340	1,455,266	1,377,074
Supplies and materials	94,666	166,188	149,696	16,492
Total office of the superintendent services	<u>5,527,752</u>	<u>4,851,366</u>	<u>3,433,700</u>	<u>1,417,666</u>
Other executive administration services:				
Salaries	240,836	240,836	196,507	44,329
Benefits	127,707	127,707	81,922	45,785
Total other executive administration services	<u>368,543</u>	<u>368,543</u>	<u>278,429</u>	<u>90,114</u>
Administrative technology services:				
Salaries	3,102,373	3,013,146	2,888,446	124,700
Benefits	1,238,109	1,111,708	995,661	116,047
Purchased services	2,730,732	3,054,792	2,752,233	302,559
Supplies and materials	2,590,131	3,095,366	2,952,856	142,510
Total administrative technology services	<u>9,661,345</u>	<u>10,275,012</u>	<u>9,589,196</u>	<u>685,816</u>
Total support services - general administration	<u>15,999,086</u>	<u>15,936,867</u>	<u>13,650,089</u>	<u>2,286,778</u>
Support services - building level administration:				
Office of principal services:				
Salaries	1,856,876	1,897,614	1,980,052	(82,438)
Benefits	940,413	947,924	828,683	119,241
Purchased services	251,786	312,776	317,763	(4,987)
Supplies and materials	129,048	160,757	128,601	32,156
Total office of principal services	<u>3,178,123</u>	<u>3,319,071</u>	<u>3,255,099</u>	<u>63,972</u>
Total support services - building level administration	<u>3,178,123</u>	<u>3,319,071</u>	<u>3,255,099</u>	<u>63,972</u>
Instruction:				
Elementary:				
Salaries	706,593	1,212,460	1,196,142	16,318
Benefits	384,780	614,841	454,621	160,220
Purchased services	5,402,983	1,684,189	1,011,680	672,509
Supplies and materials	352,205	5,031,284	3,586,531	1,444,753
Total elementary	<u>6,846,561</u>	<u>8,542,774</u>	<u>6,248,974</u>	<u>2,293,800</u>
Middle/junior high:				
Salaries	—	34,067	33,434	633
Benefits	—	13,387	12,888	499
Purchased services	335,802	382,144	269,186	112,958
Supplies and materials	53,348	675,937	621,046	54,891
Total middle/junior high	<u>389,150</u>	<u>1,105,535</u>	<u>936,554</u>	<u>168,981</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with Final Budget
High school:				
Salaries	\$ 358,065	384,714	413,735	(29,021)
Benefits	154,160	164,995	130,322	34,673
Purchased services	2,004,833	2,185,859	1,724,893	460,966
Supplies and materials	1,210,661	3,576,615	3,038,818	537,797
Total high school	3,727,719	6,312,183	5,307,768	1,004,415
Summer school:				
Salaries	249,360	275,641	293,631	(17,990)
Benefits	16,148	24,673	26,064	(1,391)
Purchased services	704,713	790,669	549,682	240,987
Supplies and materials	149,774	579,765	390,224	189,541
Total summer school	1,119,995	1,670,748	1,259,601	411,147
Gifted and talented:				
Purchased services	31,450	31,450	1,768	29,682
Supplies and materials	32,300	32,300	4,065	28,235
Total gifted and talented	63,750	63,750	5,833	57,917
Special education:				
Salaries	2,362,907	2,418,657	2,355,959	62,698
Benefits	1,301,390	1,304,235	1,105,309	198,926
Purchased services	2,168,144	4,253,120	1,921,536	2,331,584
Supplies and materials	345,936	398,341	324,632	73,709
Total special education	6,178,377	8,374,353	5,707,436	2,666,917
Proportionate share services:				
Purchased services	—	—	45,119	(45,119)
Total proportionate share services	—	—	45,119	(45,119)
Supplemental instruction:				
Salaries	12,000	287,989	215,067	72,922
Benefits	1,070	132,413	68,418	63,995
Purchased services	9,714,306	3,773,184	1,542,403	2,230,781
Supplies and materials	359,330	2,886,220	1,858,196	1,028,024
Total supplemental instruction	10,086,706	7,079,806	3,684,084	3,395,722
Bilingual				
Salaries	1,008,052	1,051,339	1,036,335	15,004
Benefits	565,772	584,991	499,476	85,515
Purchased services	32,000	351,764	33,553	318,211
Supplies and materials	43,500	180,379	130,564	49,815
Total bilingual	1,649,324	2,168,473	1,699,928	468,545
Early childhood special education:				
Salaries	349,099	308,931	256,722	52,209
Benefits	170,698	141,001	119,475	21,526
Purchased services	1,227,500	1,246,630	523,801	722,829
Supplies and materials	22,000	22,000	15,079	6,921
Total early childhood special education	1,769,297	1,718,562	915,077	803,485
Other career education:				
Salaries	277,896	342,114	286,852	55,262
Benefits	104,358	130,144	93,515	36,629
Purchased services	190,789	575,051	366,897	208,154
Supplies and materials	360,000	471,967	427,658	44,309
Total other career education	933,043	1,519,276	1,174,922	344,354

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with Final Budget
Student activities:				
Salaries	\$ 992,938	992,938	1,053,216	(60,278)
Benefits	154,632	154,632	151,030	3,602
Purchased services	334,306	315,956	331,034	(15,078)
Supplies and materials	311,313	358,729	300,214	58,515
Total student activities	<u>1,793,189</u>	<u>1,822,255</u>	<u>1,835,494</u>	<u>(13,239)</u>
Tuition to other districts:				
Purchased services	<u>400,000</u>	<u>405,994</u>	<u>308,150</u>	<u>97,844</u>
Total tuition to other districts	<u>400,000</u>	<u>405,994</u>	<u>308,150</u>	<u>97,844</u>
Tuition to private agencies:				
Purchased services	<u>3,350,690</u>	<u>5,194,411</u>	<u>3,174,126</u>	<u>2,020,285</u>
Total tuition to private agencies	<u>3,350,690</u>	<u>5,194,411</u>	<u>3,174,126</u>	<u>2,020,285</u>
Total instruction	<u>38,307,801</u>	<u>45,978,120</u>	<u>32,303,066</u>	<u>13,675,054</u>
Support services - pupils:				
Attendance and social work area:				
Salaries	864,841	1,560,363	1,425,785	134,578
Benefits	392,302	684,982	534,490	150,492
Purchased services	68,897	287,678	165,782	121,896
Supplies and materials	1,000	1,020	677	343
Total attendance and social work area	<u>1,327,040</u>	<u>2,534,043</u>	<u>2,126,734</u>	<u>407,309</u>
Attendance services				
Salaries	531,059	531,059	555,601	(24,542)
Benefits	199,142	199,142	204,017	(4,875)
Purchased services	19,500	19,500	20,999	(1,499)
Supplies and materials	166,500	161,500	152,094	9,406
Total attendance services	<u>916,201</u>	<u>911,201</u>	<u>932,711</u>	<u>(21,510)</u>
Social work services:				
Salaries	1,732,599	1,748,382	1,835,842	(87,460)
Benefits	799,906	778,461	585,321	193,140
Purchased services	973,275	1,023,680	486,621	537,059
Supplies and materials	539,448	124,807	44,506	80,301
Total social work services	<u>4,045,228</u>	<u>3,675,330</u>	<u>2,952,290</u>	<u>723,040</u>
Pupil accounting services:				
Salaries	366,962	412,962	425,339	(12,377)
Benefits	140,246	144,348	134,940	9,408
Purchased services	104,906	23,765	21,232	2,533
Supplies and materials	13,500	88,107	76,698	11,409
Total pupil accounting services	<u>625,614</u>	<u>669,182</u>	<u>658,209</u>	<u>10,973</u>
Guidance services-system support				
Salaries	497,499	550,756	599,526	(48,770)
Benefits	222,671	235,552	222,846	12,706
Purchased services	142,200	391,092	181,527	209,565
Supplies and materials	4,500	5,500	2,409	3,091
Total guidance services-system support	<u>866,870</u>	<u>1,182,900</u>	<u>1,006,308</u>	<u>176,592</u>
Health services area direction				
Supplies and materials	<u>1,000</u>	<u>1,000</u>	<u>—</u>	<u>1,000</u>
Total health services area direction	<u>1,000</u>	<u>1,000</u>	<u>—</u>	<u>1,000</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2022

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Nursing services:				
Salaries	\$ 2,034,894	2,140,092	2,035,544	104,548
Benefits	909,721	869,582	726,688	142,894
Purchased services	1,500	367,822	266,260	101,562
Supplies and materials	36,976	265,333	230,270	35,063
Total nursing services	<u>2,983,091</u>	<u>3,642,829</u>	<u>3,258,762</u>	<u>384,067</u>
Psychological services:				
Salaries	1,642,514	1,641,848	1,568,453	73,395
Benefits	588,821	588,669	491,462	97,207
Total psychological services	<u>2,231,335</u>	<u>2,230,517</u>	<u>2,059,915</u>	<u>170,602</u>
Speech pathology and audiology services				
Salaries	877,055	1,039,035	1,130,111	(91,076)
Benefits	346,308	376,580	342,407	34,173
Total speech pathology and audiology	<u>1,223,363</u>	<u>1,415,615</u>	<u>1,472,518</u>	<u>(56,903)</u>
Occupational therapy				
Salaries	458,287	486,937	439,855	47,082
Benefits	180,716	187,116	141,045	46,071
Total occupational therapy	<u>639,003</u>	<u>674,053</u>	<u>580,900</u>	<u>93,153</u>
Physical therapy:				
Salaries	41,970	78,516	37,438	41,078
Benefits	19,346	37,464	17,839	19,625
Total physical therapy	<u>61,316</u>	<u>115,980</u>	<u>55,277</u>	<u>60,703</u>
Other support services:				
Salaries	79,146	79,146	79,534	(388)
Benefits	30,404	30,404	26,114	4,290
Total other support services	<u>109,550</u>	<u>109,550</u>	<u>105,648</u>	<u>3,902</u>
Total support services - pupils	<u>15,029,611</u>	<u>17,162,200</u>	<u>15,209,272</u>	<u>1,952,928</u>
Support services instructional staff:				
Instruction and curriculum development:				
Salaries	307,136	311,656	350,392	(38,736)
Benefits	126,385	128,457	111,928	16,529
Purchased services	652,962	698,951	310,591	388,360
Supplies and materials	1,612,583	2,058,631	1,719,478	339,153
Total instruction and curriculum development	<u>2,699,066</u>	<u>3,197,695</u>	<u>2,492,389</u>	<u>705,306</u>
Instructional staff training services:				
Salaries	9,000	1,764,850	1,745,825	19,025
Benefits	791	159,639	149,312	10,327
Purchased services	320,208	1,842,527	970,029	872,498
Supplies and materials	31,073	136,064	115,345	20,719
Total instructional staff training services	<u>361,072</u>	<u>3,903,080</u>	<u>2,980,511</u>	<u>922,569</u>
Educational media services area direction:				
Purchased services	—	5,153	3,961	1,192
Supplies and materials	399,897	502,240	449,434	52,806
Total educational media services area direction	<u>399,897</u>	<u>507,393</u>	<u>453,395</u>	<u>53,998</u>
Total support services - instructional staff	<u>3,460,035</u>	<u>7,608,168</u>	<u>5,926,295</u>	<u>1,681,873</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with Final Budget
Business support services:				
Business support services area direction:				
Salaries	\$ 120,770	129,216	122,852	6,364
Benefits	41,220	42,554	37,151	5,403
Supplies and materials	—	3,000	2,525	475
Total business support services area direction	<u>161,990</u>	<u>174,770</u>	<u>162,528</u>	<u>12,242</u>
Fiscal service area direction:				
Salaries	973,022	979,022	1,067,966	(88,944)
Benefits	424,947	425,501	391,028	34,473
Purchased services	165,772	162,772	122,687	40,085
Supplies and materials	15,895	15,895	12,464	3,431
Total fiscal service area direction	<u>1,579,636</u>	<u>1,583,190</u>	<u>1,594,145</u>	<u>(10,955)</u>
Budgeting services:				
Salaries	404,398	444,084	384,889	59,195
Benefits	154,261	154,261	124,179	30,082
Purchased services	21,564	67,289	8,066	59,223
Supplies and materials	10,238	14,288	7,037	7,251
Total budgeting services	<u>590,461</u>	<u>679,922</u>	<u>524,171</u>	<u>155,751</u>
Receiving and disbursing services:				
Salaries	208,541	208,541	212,829	(4,288)
Benefits	78,781	78,781	71,790	6,991
Purchased services	35,403	35,403	21,942	13,461
Supplies and materials	2,125	2,125	1,069	1,056
Total receiving and disbursing services	<u>324,850</u>	<u>324,850</u>	<u>307,630</u>	<u>17,220</u>
Payroll services:				
Salaries	242,830	242,830	256,808	(13,978)
Benefits	92,608	92,608	83,765	8,843
Total payroll services	<u>335,438</u>	<u>335,438</u>	<u>340,573</u>	<u>(5,135)</u>
Financial accounting services:				
Salaries	175,736	96,590	98,120	(1,530)
Benefits	65,338	34,934	31,557	3,377
Purchased services	15,867	15,867	6,824	9,043
Supplies and materials	1,000	1,000	—	1,000
Total financial accounting services	<u>257,941</u>	<u>148,391</u>	<u>136,501</u>	<u>11,890</u>
Property accounting services:				
Salaries	128,017	128,017	131,873	(3,856)
Benefits	48,020	48,020	42,645	5,375
Purchased services	48,994	48,994	37,757	11,237
Total property accounting services	<u>225,031</u>	<u>225,031</u>	<u>212,275</u>	<u>12,756</u>
Other fiscal services:				
Salaries	67,097	67,097	67,678	(581)
Benefits	27,271	27,271	25,047	2,224
Purchased services	96,600	96,600	95,542	1,058
Supplies and materials	200	200	—	200
Total other fiscal services	<u>191,168</u>	<u>191,168</u>	<u>188,267</u>	<u>2,901</u>
Operation and maintenance of plant service area direction:				
Salaries	518,114	632,800	517,078	115,722
Benefits	151,771	189,955	111,306	78,649
Purchased services	119,995	222,687	168,287	54,400
Supplies and materials	8,000	29,537	50,773	(21,236)
Total operation and maintenance of plant	<u>797,880</u>	<u>1,074,979</u>	<u>847,444</u>	<u>227,535</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with Final Budget
Care and upkeep of building services:				
Salaries	\$ 9,559,309	8,833,089	8,089,307	743,782
Benefits	4,028,083	3,799,065	3,102,103	696,962
Purchased services	4,490,765	7,332,551	6,229,093	1,103,458
Supplies and materials	8,161,501	8,239,136	7,640,406	598,730
Total care and upkeep of building services	26,239,658	28,203,841	25,060,909	3,142,932
Care and upkeep of grounds services:				
Salaries	367,357	281,857	286,970	(5,113)
Benefits	141,053	124,855	113,504	11,351
Purchased services	397,500	504,197	406,850	97,347
Supplies and materials	55,000	30,000	20,957	9,043
Total care and upkeep of grounds services	960,910	940,909	828,281	112,628
Vehicle servicing and maintenance services:				
Purchased services	135,000	162,500	152,791	9,709
Supplies and materials	42,750	67,750	75,859	(8,109)
Total vehicle servicing and maintenance	177,750	230,250	228,650	1,600
Security services:				
Salaries	3,807,419	3,777,223	3,562,301	214,922
Benefits	1,698,600	1,463,070	1,167,911	295,159
Purchased services	744,452	724,026	690,694	33,332
Supplies and materials	218,621	249,121	237,630	11,491
Total security services	6,469,092	6,213,440	5,658,536	554,904
Contracted transportation services for students:				
Salaries	189,450	231,950	181,838	50,112
Benefits	67,200	72,370	48,657	23,713
Purchased services	11,782,408	10,668,039	12,084,282	(1,416,243)
Supplies and materials	504,500	654,000	929,203	(275,203)
Total contracted transportation services	12,543,558	11,626,359	13,243,980	(1,617,621)
Contracted transportation services for students with disabilities:				
Purchased services	3,331,250	3,131,915	3,453,603	(321,688)
Supplies and materials	15,000	97,500	15,900	81,600
Total contracted transportation disabilities	3,346,250	3,229,415	3,469,503	(240,088)
Early childhood special education transportation:				
Purchased services	1,407,633	1,407,633	890,850	516,783
Total early childhood special education transportation	1,407,633	1,407,633	890,850	516,783
Food service area direction:				
Supplies and materials	—	2,500	—	2,500
Total food service area direction	—	2,500	—	2,500
Internal service area direction				
Salaries	473,865	488,865	457,228	31,637
Benefits	191,982	193,316	166,017	27,299
Purchased services	31,400	27,900	20,127	7,773
Supplies and materials	24,400	27,900	25,716	2,184
Total internal service area direction	721,647	737,981	669,088	68,893
Warehousing and distributing services				
Salaries	—	188,329	186,743	1,586
Benefits	—	83,624	75,821	7,803
Purchased services	—	7,150	5,658	1,492
Supplies and materials	—	30,038	35,938	(5,900)
Total warehousing and distributing services	—	309,141	304,160	4,981

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with Final Budget
Other business support services:				
Salaries	299,221	299,221	235,017	64,204
Benefits	110,045	110,045	81,408	28,637
Purchased services	7,600	18,900	24,843	(5,943)
Supplies and materials	2,200	2,200	—	2,200
Total other business support services	419,066	430,366	341,268	89,098
Total business support services	56,749,959	58,069,574	55,008,759	3,060,815
Support services - central office:				
Planning, research, development, and evaluation services area direction:				
Salaries	775,132	821,017	745,779	75,238
Benefits	285,028	303,986	232,411	71,575
Purchased services	696,485	844,755	537,145	307,610
Supplies and materials	11,250	132,372	119,489	12,883
Total planning research, development, and evaluation	1,767,895	2,102,130	1,634,824	467,306
Information services area direction:				
Salaries	962,599	962,599	909,454	53,145
Benefits	367,992	367,992	299,899	68,093
Purchased services	909,729	1,009,638	765,675	243,963
Supplies and materials	156,198	158,543	103,973	54,570
Total information services area direction	2,396,518	2,498,772	2,079,001	419,771
Human resource services:				
Salaries	1,316,952	1,371,951	1,376,618	(4,667)
Benefits	503,889	510,092	436,488	73,604
Purchased services	478,000	1,460,500	694,516	765,984
Supplies and materials	131,000	512,772	101,728	411,044
Total human resource services	2,429,841	3,855,315	2,609,350	1,245,965
Other staff services				
Salaries	—	22,700	24,287	(1,587)
Benefits	—	8,849	8,286	563
Purchased services	—	156,500	8,081	148,419
Supplies and materials	—	2,000	—	2,000
Total other staff services	—	190,049	40,654	149,395
Total support services - central office	6,594,254	8,646,266	6,363,829	2,282,437
Community services area direction:				
Purchased services	121,850	74,397	31,450	42,947
Supplies and materials	4,000	—	4,677	(4,677)
Total community services area direction	125,850	74,397	36,127	38,270
Early childhood programs:				
Early childhood program:				
Salaries	196,980	196,980	210,702	(13,722)
Benefits	59,018	59,018	44,900	14,118
Purchased services	47,650	50,150	13,892	36,258
Supplies and materials	2,000	7,000	5,076	1,924
Total early childhood program	305,648	313,148	274,570	38,578
Early childhood instruction:				
Salaries	1,958,840	5,487,277	4,306,365	1,180,912
Benefits	809,951	2,494,572	1,776,989	717,583
Purchased services	764,784	907,600	655,144	252,456
Supplies and materials	94,348	348,782	259,087	89,695
Total early childhood instruction	3,627,923	9,238,231	6,997,585	2,240,646
Total early childhood programs	3,933,571	9,551,379	7,272,155	2,279,224

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with Final Budget
Homeless and other disadvantaged student:				
Salaries	\$ 113,330	113,788	118,681	(4,893)
Benefits	49,118	48,969	46,319	2,650
Purchased services	10,000	47,869	40,706	7,163
Supplies and materials	29,000	62,224	52,756	9,468
Total homeless and other disadvantaged student	201,448	272,850	258,462	14,388
Non-public school student services:				
Purchased services	—	701,809	557,714	144,095
Supplies and materials	—	350,447	146,360	204,087
Total non-public school student services	—	1,052,256	704,074	348,182
Adult education:				
Salaries	25,000	25,000	22,020	2,980
Benefits	2,212	11,071	4,439	6,632
Purchased services	3,000	2,925	2,429	496
Supplies and materials	12,800	13,300	6,926	6,374
Total adult education	43,012	52,296	35,814	16,482
Afterschool program:				
Purchased services	480,000	498,000	498,000	—
Total afterschool program	480,000	498,000	498,000	—
Parental involvement:				
Salaries	651,971	995,643	1,004,478	(8,835)
Benefits	307,718	513,121	411,253	101,868
Purchased services	38,360	64,621	39,134	25,487
Supplies and materials	39,900	184,978	78,443	106,535
Total parental involvement	1,037,949	1,758,363	1,533,308	225,055
Facilities acquisition and construction services area direction:				
Supplies and materials	—	—	11,588	(11,588)
Total facilities acquisition and construction services	—	—	11,588	(11,588)
Health insurance claims liability adjustment	—	—	(4,764,336)	4,764,336
Total expenditures	145,140,699	169,979,807	137,301,601	32,678,206
Revenues over expenditures	114,688,779	122,918,071	128,085,330	5,167,259
Other financing sources (uses):				
Proceeds from sale of capital assets			1,584	(1,584)
Transfers out	(94,348)	(348,782)	(110,895,979)	110,547,197
Total other financing sources	(94,348)	(348,782)	(110,894,395)	110,545,613
Revenues and other financing sources over expenditures	\$ 114,594,431	122,569,289	17,190,935	(105,378,354)
Reconciliation to GAAP Basis:				
Activities reported within the Teachers' Fund (a sub-fund of the General Fund):				
Total revenue			9,698,340	
Total expenditures			(113,968,049)	
Total other financing sources			104,269,709	
Total reconciling items			—	
Revenues and other financing sources over expenditures			17,190,935	
Fund balance, beginning of year as restated			78,392,228	
Fund balance, end of year			\$ 95,583,163	

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)

Nonmajor funds:

Child Nutritional Services

Capital Projects

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.

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 17.11% increase in the General Fund, 3.92% increase in the Teachers Fund, 23.89% decrease in the Capital Projects Fund and a 1.86% increase in the Child Nutritional Services Fund.

KANSAS CITY PUBLIC SCHOOLS
OPEB Required Supplementary Information

Schedule of Changes in the Total OPEB Liability and Related Ratios

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 1,372,316	1,173,644	978,975	909,063	1,169,924
Interest	601,092	641,611	722,530	704,433	608,874
Benefit payments	(503,703)	(1,097,731)	(983,062)	(880,141)	(1,403,849)
Differences between expected and actual	(188,896)	(2,791,309)	—	189	—
Changes in assumptions	<u>(4,964,387)</u>	<u>5,865,604</u>	<u>925,921</u>	<u>2,016,015</u>	<u>(959,648)</u>
Net change in total OPEB liability	(3,683,578)	3,791,819	1,644,364	2,749,559	(584,699)
Total OPEB liability—beginning	<u>26,452,584</u>	<u>22,660,765</u>	<u>21,016,401</u>	<u>18,266,842</u>	<u>18,851,541</u>
Total OPEB liability—ending	<u>\$ 22,769,006</u>	<u>26,452,584</u>	<u>22,660,765</u>	<u>21,016,401</u>	<u>18,266,842</u>
Covered payroll	\$ 129,299,161	99,436,918	120,127,775	113,148,130	107,918,134
Total OPEB liability as a percentage of covered payroll	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, 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%.
 - Mortality, Withdrawal, and Retirement rates were updated to the assumptions used in the most recent PSRS of Kansas City Actuarial Valuation.

KANSAS CITY PUBLIC SCHOOLS

OPEB Required Supplementary Information

- 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	Statutorially required contribution	Contributions in relation to the required contribution	Contribution deficiency (excess)	Contribution as a % of district's covered payroll
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%
2014	7,719,216	7,719,216	-	n/a
2013	7,104,617	7,104,617	-	n/a

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
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%
2014	n/a	64.011121%	\$ 95,311,292	n/a	n/a
2013	n/a	n/a	n/a	n/a	n/a

NOTE: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

KANSAS CITY PUBLIC SCHOOLS

Pension Plan Required Supplementary Information

Changes in actuarial assumptions and methods:

- 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.
- 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.

KANSAS CITY PUBLIC SCHOOLS

Pension Plan Required Supplementary Information

- 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, 2022

Assets	Special revenue					Permanent fund patron endowments	Total nonmajor governmental funds
	Child nutritional services	Student activity	Patron gift	Other special revenue	Capital projects		
Cash and investments	\$ 3,241,749	452,390	—	—	28,498,544	—	32,192,683
Restricted cash and investments	—	—	228,784	9,971,910	—	181,323	10,382,017
Taxes receivable (net of allowance for uncollectibles)	—	—	—	—	2,256,340	—	2,256,340
Interest receivable	—	—	536	24,849	36,030	343	61,758
Supplies inventories	25,105	—	—	—	—	—	25,105
Other receivables	—	197	—	—	102,797	—	102,994
Due from other governments	1,682,203	—	—	—	42,541	—	1,724,744
Property held for sale	—	—	—	—	1,613,604	—	1,613,604
Total assets	<u>\$ 4,949,057</u>	<u>452,587</u>	<u>229,320</u>	<u>9,996,759</u>	<u>32,549,856</u>	<u>181,666</u>	<u>48,359,245</u>
Liabilities, Deferred Inflows of Resources and Fund Balance							
Liabilities:							
Accounts payable	\$ 49,960	23,734	—	—	1,775,540	—	1,849,234
Accrued salaries, benefits and payroll taxes	202,392	—	—	2,407,209	—	—	2,609,601
Unearned revenue	30,635	—	—	—	—	—	30,635
Compensated absences	—	—	—	1,593,077	—	—	1,593,077
Total liabilities	<u>282,987</u>	<u>23,734</u>	<u>—</u>	<u>4,000,286</u>	<u>1,775,540</u>	<u>—</u>	<u>6,082,547</u>
Deferred inflows of resources							
Unavailable revenue-property taxes	—	—	—	—	2,256,340	—	2,256,340
Unavailable revenue - grants and services	25,103	—	—	—	102,797	—	127,900
Total deferred inflows of resources	<u>25,103</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,359,137</u>	<u>—</u>	<u>2,384,240</u>
Fund balance:							
Nonspendable	—	—	—	—	—	35,000	35,000
Restricted	4,640,967	403,649	229,320	5,996,473	1,613,604	146,666	13,030,679
Committed	—	—	—	—	3,994,337	—	3,994,337
Assigned	—	25,204	—	—	22,807,238	—	22,832,442
Total fund balance	<u>4,640,967</u>	<u>428,853</u>	<u>229,320</u>	<u>5,996,473</u>	<u>28,415,179</u>	<u>181,666</u>	<u>39,892,458</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,949,057</u>	<u>452,587</u>	<u>229,320</u>	<u>9,996,759</u>	<u>32,549,856</u>	<u>181,666</u>	<u>48,359,245</u>

KANSAS CITY PUBLIC SCHOOLS
Nonmajor Governmental Funds—
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2022

		Special revenue					Permanent fund patron endowments	Total nonmajor governmental funds
	Debt Service	Child nutritional services	Student activity	Patron gift	Other special revenue	Capital projects		
Revenues:								
Property taxes	\$ —	—	—	—	—	11,694,759	—	11,694,759
Prop C sales tax	—	—	—	—	1,007,106	—	—	1,007,106
Other local, including investment income	—	649,587	396,631	1,831	113,890	601,998	1,171	1,765,108
Other state	—	500,617	—	—	—	—	—	500,617
Federal	—	13,485,358	—	—	—	6,668,964	—	20,154,322
Total revenues	—	14,635,562	396,631	1,831	1,120,996	18,965,721	1,171	35,121,912
Expenditures:								
Current:								
Instruction	—	—	361,773	—	—	—	—	361,773
Support services	—	10,849,125	—	—	2,628,226	—	—	13,477,351
Community and adult services	—	2,284,955	—	—	—	—	—	2,284,955
Leases:								
Principal	—	19,965	—	—	—	—	—	19,965
Interest and fiscal charges	—	1,538	—	—	—	—	—	1,538
Debt Service:								
Principal	2,930,000	—	—	—	—	2,611,543	—	5,541,543
Interest & fiscal charges	1,292,213	—	—	—	—	1,890,964	—	3,183,177
Capital outlay:								
Administration	—	—	—	—	—	142,690	—	142,690
Instruction	—	—	—	—	—	2,053,807	—	2,053,807
Support services	—	—	—	—	—	119,909	—	119,909
Operation of facilities	—	—	—	—	—	1,000,931	—	1,000,931
Pupil transportation	—	—	—	—	—	210,145	—	210,145
Community and adult services	—	—	—	—	—	306,684	—	306,684
Facilities improvement and renovation	—	—	—	—	—	6,698,980	—	6,698,980
Total expenditures	4,222,213	13,155,583	361,773	—	2,628,226	15,035,653	—	35,403,448
Revenues over (under) expenditures	(4,222,213)	1,479,979	34,858	1,831	(1,507,230)	3,930,068	1,171	(281,536)
Other financing sources (uses):								
Transfers in	4,222,213	—	—	—	—	6,626,270	—	10,848,483
Transfers out	—	—	—	—	—	(4,222,213)	—	(4,222,213)
Issuance of long-term debt	—	—	—	—	—	191,815	—	191,815
Sale of capital assets	—	—	—	—	—	354,843	—	354,843
Total other financing sources (uses)	4,222,213	—	—	—	—	2,950,715	—	7,172,928
Revenues over (under) expenditures and other financing sources (uses)	—	1,479,979	34,858	1,831	(1,507,230)	6,880,783	1,171	6,891,392
Fund balances, beginning of year	—	3,160,988	393,995	227,489	7,503,703	21,534,396	180,495	33,001,066
Fund balances, end of year	\$ —	4,640,967	428,853	229,320	5,996,473	28,415,179	181,666	39,892,458

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2022

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Local	\$ 281,114	521,011	679,016	158,005
State	—	17,475	17,475	—
Federal	13,244,258	13,238,602	13,485,359	246,757
Total revenues	<u>13,525,372</u>	<u>13,777,088</u>	<u>14,181,850</u>	<u>404,762</u>
Expenditures:				
Current:				
Food service area direction:				
Salaries	3,818,932	3,691,620	3,538,413	153,207
Benefits	2,135,821	1,732,697	1,621,461	111,236
Purchased services	430,500	437,634	442,851	(5,217)
Supplies and materials	5,979,780	6,127,221	4,778,557	1,348,664
Capital outlay	228,000	36,943	35,634	1,309
Total food service area direction	<u>12,593,033</u>	<u>12,026,115</u>	<u>10,416,916</u>	<u>1,609,199</u>
Other community service:				
Salaries	457,674	697,364	776,201	(78,837)
Benefits	259,165	201,534	213,410	(11,876)
Supplies and materials	215,500	852,075	1,295,344	(443,269)
Total other community service	<u>932,339</u>	<u>1,750,973</u>	<u>2,284,955</u>	<u>(533,982)</u>
Total expenditures	<u>13,525,372</u>	<u>13,777,088</u>	<u>12,701,871</u>	<u>1,075,217</u>
Revenues under				
expenditures	<u>—</u>	<u>—</u>	<u>1,479,979</u>	<u>1,479,979</u>
Revenues over				
expenditures and other				
financing uses	<u>\$ —</u>	<u>—</u>	<u>1,479,979</u>	<u>1,479,979</u>
Fund balance, beginning of year			<u>3,160,988</u>	
Fund balance, end of year			<u>\$ 4,640,967</u>	

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with final budget
Revenues:				
Property taxes	\$ —	12,091,445	11,694,759	(396,686)
Other local	670,316	751,430	601,998	(149,432)
State	2,000,000	—	—	—
Federal	10,000	8,254,191	6,189,351	(2,064,840)
Total revenues	<u>2,680,316</u>	<u>21,097,066</u>	<u>18,486,108</u>	<u>(2,610,958)</u>
Expenditures:				
Capital outlay:				
Support services - general administration				
Office of the superintendent services	1,700	1,700	1,748	(48)
Administrative technology services	30,000	236,782	140,942	95,840
Total support services - general administration	<u>31,700</u>	<u>238,482</u>	<u>142,690</u>	<u>95,792</u>
Support services - building level administration:				
Instruction:				
Elementary	350,275	80,781	113,072	(32,291)
Middle schools	44,521	126,020	45,804	80,216
Senior high	17,000	1,784,623	1,603,528	181,095
Special education and related services	117,000	57,195	52,019	5,176
Supplemental instruction	216,628	172,336	168,750	3,586
Skilled technical sciences education	—	134,997	—	134,997
Other career education	700,000	32,910	49,910	(17,000)
Student activities	—	43,539	20,722	22,817
Total instruction	<u>1,445,424</u>	<u>2,432,401</u>	<u>2,053,805</u>	<u>378,596</u>
Support services - pupils:				
Nursing services	—	132,344	101,041	31,303
Total support services pupils	<u>—</u>	<u>132,344</u>	<u>101,041</u>	<u>31,303</u>
Support services - instructional staff:				
Educational media services	2,050,000	—	—	—
Total support services - instructional staff	<u>2,050,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
Business support services:				
Fiscal area direction	812,599	—	—	—
Budgeting services	—	5,000	—	5,000
Operation and maintenance of plant services	—	101,953	78,780	23,173
Care and upkeep of building services	215,000	306,905	278,606	28,299
Care and upkeep of grounds services	—	103,635	103,635	—
Security services	6,235,000	790,200	539,910	250,290
Pupil transportation vehicle-school bus	—	210,145	210,145	—
Warehousing and distributing services	—	15,950	15,950	—
Total business support services	<u>7,262,599</u>	<u>1,533,788</u>	<u>1,227,026</u>	<u>306,762</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with final budget
Support services - central office:				
Planning research	—	1,000	—	1,000
Information technology	—	3,040	2,918	122
Total support services - central office	—	4,040	2,918	1,122
Early childhood program	578,244	—	—	—
Early childhood instruction	—	233,944	260,340	(26,396)
Homeless and other disadvantaged student	—	5,500	—	5,500
Non-public school student services	—	58,006	46,344	11,662
Parental involvement	—	2,108	—	2,108
Facilities acquisition and construction	20,641,597	11,426,536	6,698,980	4,727,556
Debt service:				
Principal	40,000	5,445,156	5,541,543	(96,387)
Interest	—	2,880,250	2,703,566	176,684
Total debt service	40,000	8,325,406	8,245,109	80,297
Total expenditures	32,049,564	24,392,555	18,778,253	5,614,302
Revenues under expenditures	(29,369,248)	(3,295,489)	(292,145)	3,003,344
Other financing sources (uses):				
Transfers in	—	—	6,626,270	6,626,270
Issuance of long-term debt	—	—	191,815	191,815
Sale of capital assets	—	—	354,843	354,843
Total other financing sources	—	—	7,172,928	7,172,928
Revenues and other financing sources over expenditures and other financing sources	\$ (29,369,248)	(3,295,489)	6,880,783	10,176,272
Fund balance, beginning of year			21,534,396	
Fund balance, end of year			28,415,179	

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2022

		Original budget	Final budget	Actual	Variance with Final Budget
Revenues:					
Prop C taxes	\$	6,828,301	7,916,786	8,747,974	(831,188)
Local		—	43,379	140,943	(97,564)
County		170,097	104,250	248,757	(144,507)
Basic formula		(4,877,501)	(8,110,975)	297,379	(8,408,354)
Federal		320,736	356,115	263,287	92,828
Tuition		—	29,750	—	29,750
Total revenues		<u>2,441,633</u>	<u>339,305</u>	<u>9,698,340</u>	<u>(9,359,035)</u>
Expenditures:					
Current:					
Support services - general administration:					
Office of superintendent services:					
Salaries		723,900	766,250	765,354	896
Benefits		<u>252,276</u>	<u>255,995</u>	<u>251,140</u>	<u>4,855</u>
Total office of superintendent services		<u>976,176</u>	<u>1,022,245</u>	<u>1,016,494</u>	<u>5,751</u>
Other executive administration services:					
Salaries		2,236,833	2,276,792	1,740,900	535,892
Benefits		<u>765,373</u>	<u>757,181</u>	<u>557,282</u>	<u>199,899</u>
Total other executive administration services		<u>3,002,206</u>	<u>3,033,973</u>	<u>2,298,182</u>	<u>735,791</u>
Administrative technology services:					
Salaries		<u>146,875</u>	<u>146,875</u>	<u>—</u>	<u>146,875</u>
Total other executive administration services		<u>146,875</u>	<u>146,875</u>	<u>—</u>	<u>146,875</u>
Total administrative technology services		<u>4,125,257</u>	<u>4,203,093</u>	<u>3,314,676</u>	<u>888,417</u>
Support services - building level administration:					
Office of principal services:					
Salaries		8,846,428	7,561,472	7,656,284	(94,812)
Benefits		<u>3,054,994</u>	<u>2,644,802</u>	<u>2,313,599</u>	<u>331,203</u>
Total office of principal services		<u>11,901,422</u>	<u>10,206,274</u>	<u>9,969,883</u>	<u>236,391</u>
Instruction:					
Elementary:					
Salaries		29,991,453	29,321,296	28,604,883	716,413
Benefits		<u>10,653,065</u>	<u>10,958,690</u>	<u>9,899,147</u>	<u>1,059,543</u>
Total elementary		<u>40,644,518</u>	<u>40,279,986</u>	<u>38,504,030</u>	<u>1,775,956</u>
Middle:					
Salaries		4,287,172	4,140,485	4,185,444	(44,959)
Benefits		<u>1,602,080</u>	<u>1,665,074</u>	<u>1,594,517</u>	<u>70,557</u>
Total middle/junior high		<u>5,889,252</u>	<u>5,805,559</u>	<u>5,779,961</u>	<u>25,598</u>
Senior high:					
Salaries		11,941,215	12,206,003	11,822,832	383,171
Benefits		<u>4,365,022</u>	<u>4,707,358</u>	<u>4,179,667</u>	<u>527,691</u>
Total senior high		<u>16,306,237</u>	<u>16,913,361</u>	<u>16,002,499</u>	<u>910,862</u>
Summer school:					
Salaries		1,822,767	2,811,761	2,637,876	173,885
Benefits		<u>158,912</u>	<u>252,373</u>	<u>230,620</u>	<u>21,753</u>
Total summer school		<u>1,981,679</u>	<u>3,064,134</u>	<u>2,868,496</u>	<u>195,638</u>
Gifted and talented:					
Salaries		270,824	334,878	270,754	64,124
Benefits		<u>100,724</u>	<u>127,671</u>	<u>97,408</u>	<u>30,263</u>
Total gifted and talented		<u>371,548</u>	<u>462,549</u>	<u>368,162</u>	<u>94,387</u>
Special education:					
Salaries		8,027,885	7,205,839	6,244,935	960,904
Benefits		<u>2,932,576</u>	<u>2,842,902</u>	<u>2,080,856</u>	<u>762,046</u>
Total special education		<u>10,960,461</u>	<u>10,048,741</u>	<u>8,325,791</u>	<u>1,722,950</u>
Proportionate share services:					
Salaries		25,000	25,000	10,438	14,562
Benefits		<u>3,001</u>	<u>3,001</u>	<u>881</u>	<u>2,120</u>
Total proportionate share services		<u>28,001</u>	<u>28,001</u>	<u>11,319</u>	<u>16,682</u>
Supplemental instruction:					
Salaries		2,346,288	3,854,973	3,362,877	492,096
Benefits		<u>913,852</u>	<u>1,416,024</u>	<u>1,124,292</u>	<u>291,732</u>
Total supplemental instruction		<u>3,260,140</u>	<u>5,270,997</u>	<u>4,487,169</u>	<u>783,828</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—Teachers' Fund (a sub-fund of the General fund) Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with Final Budget
Bilingual				
Salaries	\$ 4,596,006	4,616,936	4,529,297	87,639
Benefits	1,769,294	1,769,235	1,604,799	164,436
Total bilingual	6,365,300	6,386,171	6,134,096	252,075
Early childhood special education:				
Salaries	846,997	721,718	445,132	276,586
Benefits	268,331	224,677	143,397	81,280
Total early childhood special education	1,115,328	946,395	588,529	357,866
Business education:				
Salaries	72,173	73,371	90,803	(17,432)
Benefits	26,194	26,466	32,984	(6,518)
Total business education	98,367	99,837	123,787	(23,950)
Family and consumer science:				
Salaries	132,113	194,435	192,445	1,990
Benefits	49,615	73,573	71,294	2,279
Total family and consumer science	181,728	268,008	263,739	4,269
Health science:				
Salaries	128,542	125,646	124,103	1,543
Benefits	38,973	48,148	41,853	6,295
Total health science	167,515	173,794	165,956	7,838
Skilled technical sciences education				
Salaries	—	329,912	315,606	14,306
Benefits	—	123,951	104,306	19,645
Total skilled technical sciences education	—	453,863	419,912	33,951
Other career education:				
Salaries	1,272,661	1,032,254	1,069,092	(36,838)
Benefits	479,218	404,020	347,560	56,460
Total other career education	1,751,879	1,436,274	1,416,652	19,622
Student activities:				
Salaries	887,589	881,189	896,621	(15,432)
Benefits	77,929	77,929	80,752	(2,823)
Total student activities	965,518	959,118	977,373	(18,255)
Adult education:				
Salaries	149,211	182,922	167,573	15,349
Benefits	59,250	72,930	56,081	16,849
Total adult education	208,461	255,852	223,654	32,198
Total instruction	90,295,932	92,852,640	86,661,125	6,191,515
Support services - pupils:				
System support for guidance services:				
Salaries	3,027,339	2,802,863	2,732,944	69,919
Benefits	1,150,867	1,066,673	952,152	114,521
Total system support for guidance services	4,178,206	3,869,536	3,685,096	184,440
Speech pathology and audiology services:				
Salaries	887,413	916,459	868,535	47,924
Benefits	355,990	334,273	297,310	36,963
Total speech pathology and audiology services	1,243,403	1,250,732	1,165,845	84,887
Occupational therapy:				
Salaries	—	197,743	185,060	12,683
Benefits	2,406	74,324	54,704	19,620
Total occupational therapy	2,406	272,067	239,764	32,303
Total support services - pupils	5,424,015	5,392,335	5,090,705	301,630

(Continued)

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2022

	Original budget	Final budget	Actual	Variance with Final Budget
Support services - instructional staff:				
Instruction and curriculum development services:				
Salaries	\$ 1,919,644	2,909,614	2,776,555	133,059
Benefits	660,905	1,088,798	851,439	237,359
Total instruction and curriculum development	2,580,549	3,998,412	3,627,994	370,418
Instructional staff training services:				
Salaries	226,374	661,083	594,762	66,321
Benefits	72,996	137,683	122,522	15,161
Total instructional staff training services	299,370	798,766	717,284	81,482
Educational media services area direction:				
Salaries	1,585,984	1,635,866	1,579,721	56,145
Benefits	581,931	591,228	543,407	47,821
Total educational media services area direction	2,167,915	2,227,094	2,123,128	103,966
Total support services - instructional staff	5,047,834	7,024,272	6,468,406	555,866
Information services area direction				
Salaries	70,000	48,000	48,000	—
Benefits	6,146	6,146	4,174	1,972
Total information services	76,146	54,146	52,174	1,972
Human resource services':				
Salaries	—	232,607	41,525	191,082
Benefits	—	22,349	3,531	18,818
Total human resource services	—	254,956	45,056	209,900
Early childhood programs:				
Salaries	883,480	1,979,151	1,746,436	232,715
Benefits	362,473	779,431	619,588	159,843
Total early childhood programs	1,245,953	2,758,582	2,366,024	392,558
Total expenditures	118,116,559	122,746,298	113,968,049	8,778,249
Revenues under expenditures	(115,674,926)	(122,406,993)	(104,269,709)	(18,137,284)
Other financing sources:				
Transfers in	115,674,926	122,406,993	104,269,709	(18,137,284)
Revenues and other financing sources over (under) expenditures	—	—	—	—
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, 2022

(with comparative totals for June 30, 2021, as restated)

	Total	
	2022	2021
Capital assets (gross):		
Land	\$ 28,718,748	28,718,748
Buildings	556,955,075	550,399,708
Improvements other than buildings	48,255,693	46,696,985
Impairment-closed buildings	7,920,582	9,430,582
Equipment, furniture, and vehicles	18,947,569	18,753,779
Software	525,797	440,664
Right-to-use lease assets		
Energy savings equipment	18,085,216	18,085,216
Mobile classrooms	82,109	—
Vehicles	696,137	504,684
Copiers	284,310	284,310
Construction in progress	44,616	66,058
Total	<u>\$ 680,515,852</u>	<u>673,380,734</u>
Investment in capital assets by source:		
General fund	\$ 225,059	243,720
Capital projects	655,303,368	648,039,965
Special revenue	6,085,388	6,468,574
Trust and agency	13,127	13,127
Right-to-use leased assets	18,863,462	18,589,900
Donations	25,448	25,448
Total	<u>\$ 680,515,852</u>	<u>673,380,734</u>

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, 2022

Classification	Beginning balance		Adjustments	Additions	Retirements	Ending balance	
	July 1, 2021, as restated					June 30, 2022	
High schools	\$ 278,102,033	(58,334)	735,701	(447,416)		278,331,984	
Middle schools	102,679,371	90,006	314,169	—		103,083,546	
Elementary schools	255,770,990	(231,032)	5,032,450	(249,069)		260,323,339	
Administration	17,888,072	199,360	2,319,725	(822,562)		19,584,595	
Right-to-use leased assets	18,874,210	—	273,562	—		19,147,772	
Construction in progress	66,058	—	28,866	(50,308)		44,616	
Total	\$ 673,380,734	—	8,704,473	(1,569,355)		680,515,852	

KANSAS CITY PUBLIC SCHOOLS

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

June 30, 2022

Classification	Land	Buildings	Improvements other than buildings	Impaired assets	Equipment, furniture, vehicles	Software	Right-to-use leased assets	Construction- in-progress	Total
High schools	\$ 9,994,919	232,910,953	26,494,875	2,219,519	5,263,463	—	—	—	276,883,728
Middle schools	4,320,628	97,163,678	2,192,153	—	957,848	—	—	—	104,634,307
Elementary schools	12,807,571	218,414,535	18,663,705	5,701,063	5,038,119	—	—	—	260,624,993
Administration	1,595,630	8,465,910	904,961	—	7,688,139	525,797	—	—	19,180,436
Right-to-use leased assets	—	—	—	—	—	—	19,147,772	—	19,147,772
Construction-in-progress	—	—	—	—	—	—	—	44,616	44,616
Total	\$ 28,718,748	556,955,075	48,255,693	7,920,582	18,947,569	525,797	19,147,772	44,616	680,515,852

Kansas City Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

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	84.010A	S010A200025 & S010A210025	9,246,366
Title I - School Improvement 1003A	84.010A	S010A190025 & S010A200025	3,046,633
Title ID - Prevention & Intervention	84.010A	S010A200025	33,550
Title IV, Part A	84.424A	S424A200026	640,006
Subtotal			<u>12,966,555</u>
Special Education Center Individuals with Disabilities Education Act (IDEA):			
Entitlement	84.027A	H027A190040 & H027A200040	4,877,083
Early Childhood Special Education (611)	84.027A	H027A210040	316,913
Subtotal			<u>5,193,996</u>
Early Childhood Special Education (619)	84.173A	H173A200103	154,085
Subtotal Special Education Cluster			<u>5,348,081</u>
Homeless Children & Youth	84.196A	S196A210026	112,793
COVID-19 Education Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief (COVID-19)	84.425D	S425D200021	1,629,122
COVID-19 Elementary and Secondary School Emergency Relief II (COVID-19)	84.425D	S425D210021	23,499,711
COVID-19 CRRSA Job's for America's Graduates	84.425R	S425R210052	26,997
COVID-19 Elementary and Secondary School Emergency Relief Student Connectivity	84.425C	S425C200016	83,847
COVID-19 Elementary and Secondary School Emergency Relief Transportation Supplement	84.425C	S425C200016	35,205
COVID-19 CRRSA Teacher Retention (GEER II)	84.425D	n/a	1,655
COVID-19 CRRSA Parent Reimbursement (GEER II)	84.425D	S425D210021	141
COVID-19 CRRSA CTE Equipment & Enhancement (GEER II)	84.425D	X425D210021	17,104
Subtotal			<u>25,293,782</u>
Title III, English Language Learners	84.365A	S365A200025 & S365A210025	432,774
Title III, Language Instruction Immigrant SEE-TEL	84.365A 84.365Z	S365A200025 N/A	1,528 14,161
Title II, Part A	84.367A	S367A200024 & S367A210024	736,269
Carl D. Perkins Vocational Education Act (P.L. 98-524), Title I, Part C, Migrant Education	84.011A	S011A210025	3,730
Title II, Part C, Improvement and Expansion	84.048A	V048A200025	826,989
Total U.S. Department of Education			<u>45,736,662</u>
U.S. Department of Army:			
Direct program - ROTC Salary Grant	12.999	N/A	263,287

(Continued)

Kansas City Public Schools
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed through Missouri Department of Elementary and Secondary Education:			
Food Distribution (noncash) (1)	10.555	N/A	483,142
National School Lunch Program (1)	10.555	20210N109943 & 20221N119943	7,173,571
National School Breakfast Program (1)	10.553	20210N109943 & 20221N119943	2,960,001
National School Snack Program (1)	10.555	20210N109943	6,525
Subtotal			10,623,239
National School Fruit & Vegetable Program (1)	10.582	2021IL160343 & 2022IL160343	205,041
Food and Nutrition Services Emergency Operating Cost (1)	10.555	2021H170343	1,063,324
National School Lunch Supply Chain (1)	10.555	2021H170343	251,717
Passed through Missouri Department of Health and Senior Services:			
Child and Adult Care Food Program	10.558	213MO305N1199	1,164,340
Child and Adult Care Food Program - Economic Recovery	10.558	213MO702H1706	217,268
Summer Nutrition Program (1)	10.559	213MO305N1199	443,571
Total U.S. Department of Agriculture			13,968,500
U.S. Department of Justice			
Passed through Missouri Department of Social Services			
Victims of Crime Act	16.575	2018-V2-GX-0035 & 2019-V2-GX-0044	1,405,738
U.S. Department of Labor			
Passed through Full Employment Council - WIOA Cluster:			
WIOA Youth Activities	17.259	AA-30771-18-60-a-29	92,329
U.S. Department of Health and Human Services:			
Passed through Missouri Department of Social Services:			
COVID-19 Mitigation in Schools	93.323	NU50CK000546	530,938
Miscellaneous	93.070	NUE1EH001393	2,000
Passed through Missouri Department of Elementary and Secondary Education			
JAG TANF Grant	93.558	1701MDTANF	22,498
Refugee Children School Impact	93.566	2102MORSSS	241,447
Subtotal			263,945
Passed through Mid America Regional Council - Head Start Cluster			
Early Head Start Expansion	93.600	07HP000084	362,150
Head Start	93.600	07CH7056	5,048,852
Total U.S. Department of Health and Human Services			6,207,885
Total expenditures of federal awards			67,674,401

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

(1) Included in Child Nutrition Cluster amount of \$12,586,892.

KANSAS CITY PUBLIC SCHOOLS

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Kansas City Public Schools and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when Kansas City Public Schools has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period in which the liability is incurred. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 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 \$483,142 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, 2022.

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

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
Net investment in capital assets	\$ 283,877	\$ 286,262	\$ 291,110	\$ 304,186	\$ 302,543	\$ 317,613	\$ 318,262	\$ 313,049	\$ 311,276	\$ 296,176
Restricted	13,350	13,364	16,538	16,873	29,536	12,281	14,847	15,479	16,781	25,587
Unrestricted	<u>(66,888)</u>	<u>(100,963)</u>	<u>(112,967)</u>	<u>(121,386)</u>	<u>(93,944)</u>	<u>(42,264)</u>	<u>(25,324)</u>	<u>2,477</u>	<u>104,618</u>	<u>123,174</u>
Total governmental activities, net of position	<u>\$ 230,339</u>	<u>\$ 198,663</u>	<u>\$ 194,681</u>	<u>\$ 199,673</u>	<u>\$ 238,135</u>	<u>\$ 287,630</u>	<u>\$ 307,785</u>	<u>\$ 331,005</u>	<u>\$ 432,675</u>	<u>\$ 444,937</u>
Business-type activities:										
Unrestricted	\$ 1,300	\$ 1,281	\$ 1,232	\$ 1,140	\$ 823	\$ 465	\$ 433	\$ 288	\$ 501	\$ 374
Total business-type activities, net of position	<u>\$ 1,300</u>	<u>\$ 1,281</u>	<u>\$ 1,232</u>	<u>\$ 1,140</u>	<u>\$ 823</u>	<u>\$ 465</u>	<u>\$ 433</u>	<u>\$ 288</u>	<u>\$ 501</u>	<u>\$ 374</u>
Primary government:										
Net investment in capital assets	\$ 283,877	\$ 286,262	\$ 291,110	\$ 304,186	\$ 302,543	\$ 317,613	\$ 318,262	\$ 313,049	\$ 311,276	\$ 296,176
Restricted	13,350	13,364	16,538	16,873	29,536	12,281	14,847	15,479	16,781	25,587
Unrestricted	<u>(65,587)</u>	<u>(99,681)</u>	<u>(111,735)</u>	<u>(120,245)</u>	<u>(93,121)</u>	<u>(41,799)</u>	<u>(24,891)</u>	<u>2,765</u>	<u>105,119</u>	<u>123,548</u>
Total primary government, net of position	<u>\$ 231,640</u>	<u>\$ 199,945</u>	<u>\$ 195,913</u>	<u>\$ 200,814</u>	<u>\$ 238,958</u>	<u>\$ 288,095</u>	<u>\$ 308,218</u>	<u>\$ 331,293</u>	<u>\$ 433,176</u>	<u>\$ 445,311</u>

The District adopted GASB Statement Nos. 68 and 71 in 2015, which restated beginning net position of governmental activities.

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
Administration	\$ 29,600	\$ 28,280	\$ 31,188	\$ 17,561	\$ 16,195	\$ 16,035	\$ 17,416	\$ 16,326	\$ 16,710	\$ 11,521
Instruction	121,802	119,132	109,200	117,759	118,416	115,241	127,841	118,825	105,802	100,639
Support services	52,119	48,431	79,494	90,931	78,338	69,642	57,780	58,340	51,572	51,372
Operation of facilities	30,563	29,530	27,743	29,208	29,943	30,741	33,451	34,467	33,744	52,366
Pupil transportation	17,705	12,127	16,019	16,225	15,786	15,802	12,725	12,124	11,443	11,847
Facilities improvements and renovation	510	—	1,670	2,187	3,922	1,051	826	2,604	14,638	3,829
Community and adult services	15,177	12,232	10,063	11,053	12,125	12,222	12,353	10,347	8,951	8,706
Interest on long-term debt	2,904	3,655	3,941	4,228	4,491	5,749	3,332	2,597	2,809	2,989
Total governmental activities expenses	\$ 270,380	\$ 253,387	\$ 279,318	\$ 289,152	\$ 279,216	\$ 266,483	\$ 265,724	\$ 255,630	\$ 245,669	\$ 243,269
Business-type activities										
Community services	\$ 4	\$ 1	\$ 47	\$ 108	\$ 107	\$ 116	\$ 393	\$ 57	\$ 57	\$ 151
Total business-type activities expenses	4	1	47	108	107	116	393	57	57	151
Total primary government expenses	\$ 270,384	\$ 253,388	\$ 279,365	\$ 289,260	\$ 279,323	\$ 266,599	\$ 266,117	\$ 255,687	\$ 245,726	\$ 243,420
Program Revenues										
Governmental activities:										
Charges for services										
Administration	\$ —	\$ 2	\$ —	\$ —	\$ —	\$ 9	\$ 3	\$ —	\$ —	\$ —
Instruction	10	30	30	21	42	11	147	65	28	165
Support services	690	38	145	156	252	1,328	1,690	3,715	1,947	2,931
Operation of facilities	—	—	—	—	—	21	3	—	6	—
Pupil transportation	—	—	—	—	—	—	3	3	94	203
Community and adult services	188	5	163	257	245	112	151	47	291	—
Operating grants and contributions										
Administration	422	302	1,559	—	—	119	—	26	20	—
Instruction	49,367	35,281	32,244	26,423	28,743	30,901	29,015	36,633	33,449	32,774
Support services	15,620	5,894	10,704	12,822	12,219	12,895	13,572	11,863	11,694	10,476
Operation of facilities	—	—	471	14	132	2	—	2	—	—
Pupil transportation	2,673	2,535	2,605	2,931	2,634	2,117	2,708	2,668	2,354	2,405
Community and adult services	1,825	6,094	2,491	6,868	2,881	2,250	1,446	1,189	2,198	1,626
Capital grants and contributions										
Administration	4,883	1,499	676	—	—	—	—	—	—	—
Instruction	854	1,103	—	—	3	5	—	456	—	15
Support services	—	—	—	25	—	298	—	150	—	6
Operation of facilities	373	294	331	—	25	225	—	225	—	198
Community and adult services	—	—	—	—	—	—	—	5	—	—
Interest on long-term debt	1,048	1,077	1,344	1,483	1,614	1,739	1,743	2,043	1,893	2,136
Total governmental activities program revenue	77,953	54,154	52,763	51,000	48,790	52,032	50,481	59,090	53,974	52,935

Classification	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities:										
Charges for services	22	124	139	561	540	381	412	301	227	253
Total business-type activities program revenues	22	124	139	561	540	381	412	301	227	253
Total primary governmental program revenues	\$ 77,975	\$ 54,278	\$ 52,902	\$ 51,561	\$ 49,330	\$ 52,413	\$ 50,893	\$ 59,391	\$ 54,201	\$ 53,188
Net (expense)/revenue										
Governmental activities	\$ (192,425)	\$ (199,232)	\$ (226,552)	\$ (238,152)	\$ (230,427)	\$ (214,452)	\$ (215,243)	\$ (196,766)	\$ (191,693)	\$ (190,333)
Business-type activities	18	123	91	420	432	273	295	(92)	170	196
Total primary government net expense	\$ (192,407)	\$ (199,109)	\$ (226,461)	\$ (237,732)	\$ (229,995)	\$ (214,179)	\$ (214,948)	\$ (196,858)	\$ (191,523)	\$ (190,137)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 188,963	\$ 171,575	\$ 189,407	\$ 160,455	\$ 165,714	\$ 158,869	\$ 146,959	\$ 144,992	\$ 141,515	\$ 136,844
Prop C Sales tax	23,328	17,512	17,490	18,105	17,761	17,798	17,616	15,149	15,579	15,061
Other local revenues	5,363	7,130	6,785	6,975	5,119	4,341	7,705	5,559	5,039	7,256
County governmental contributions	7,106	6,131	5,469	6,763	5,907	5,672	4,964	5,284	5,054	5,284
State aid-basic formula	397	—	—	2,848	5,018	6,626	12,365	12,274	8,529	10,148
Grants and entitlements not restricted to specific programs	—	—	—	1,462	146	7	743	705	409	427
Gain (loss) on sale of capital assets	—	—	—	—	(317)	—	—	545	659	—
Investment earnings	773	177	2,408	2,980	1,884	743	1,519	1,499	2,604	(763)
Transfers	—	74	—	102	74	242	150	120	43	—
Total governmental activities	225,930	202,599	221,559	199,690	201,306	194,298	192,021	186,127	179,431	174,257
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	\$ 225,930	\$ 202,525	\$ 221,559	\$ 199,588	\$ 201,232	\$ 194,056	\$ 191,871	\$ 186,007	\$ 179,388	\$ 174,257
Change in Net Position										
Governmental activities	\$ 33,505	\$ 3,367	\$ (4,993)	\$ (38,462)	\$ (29,121)	\$ (20,154)	\$ (23,222)	\$ (10,639)	\$ (12,262)	\$ (16,076)
Business-type activities	18	49	91	318	358	31	145	(212)	127	196
Total primary government	\$ 33,523	\$ 3,416	\$ (4,902)	\$ (38,144)	\$ (28,763)	\$ (20,123)	\$ (23,077)	\$ (10,851)	\$ (12,135)	\$ (15,880)

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 36	\$ —	\$ 189	\$ 146	\$ 1,193	\$ 5	\$ 5	\$ 82	\$ 1,223	\$ —
Restricted	284	284	284	285	284	281	280	280	3,027	301
Committed	9,110	—	—	—	—	—	—	—	—	—
Assigned	5,653	4,381	5,928	3,671	3,961	3,294	2,726	751	3,997	479
Unassigned	80,500	69,381	56,175	49,400	53,189	55,929	54,023	56,675	64,965	64,782
Total general fund	<u>\$ 95,583</u>	<u>\$ 74,046</u>	<u>\$ 62,576</u>	<u>\$ 53,502</u>	<u>\$ 58,627</u>	<u>\$ 59,509</u>	<u>\$ 57,034</u>	<u>\$ 57,788</u>	<u>\$ 73,212</u>	<u>\$ 65,562</u>
All other governmental funds										
Nonspendable	\$ 35	\$ 35	\$ 439	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 2,074
Restricted	13,031	13,045	16,219	16,553	29,217	16,501	17,888	18,065	16,348	28,802
Committed	3,994	2,433	1,755	3,202	193	4,411	3,847	4,811	19,373	31,770
Assigned	22,832	17,488	21,268	22,209	23,724	45,055	12,400	22,153	6,203	17,544
Total all other governmental funds	<u>\$ 39,892</u>	<u>\$ 33,001</u>	<u>\$ 39,681</u>	<u>\$ 41,999</u>	<u>\$ 53,169</u>	<u>\$ 66,002</u>	<u>\$ 34,170</u>	<u>\$ 45,064</u>	<u>\$ 41,959</u>	<u>\$ 80,190</u>

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Property taxes	\$ 191,210	\$ 175,793	\$ 179,206	\$ 165,281	\$ 166,781	\$ 156,704	\$ 144,378	\$ 144,075	\$ 139,195	\$ 142,138
Prop C Sales tax	23,328	17,512	17,490	18,105	17,761	17,798	17,616	15,149	15,579	15,061
Other local revenues	9,717	10,264	13,882	13,348	9,748	9,706	11,600	9,519	11,055	8,702
County governmental contributions	7,106	6,131	5,469	6,763	5,907	5,672	4,964	5,284	5,054	5,284
State aid-basic formula	397	—	—	2,848	5,018	6,626	12,365	12,274	8,529	10,148
At risk										
Other state	7,300	7,674	6,951	7,508	8,709	7,125	7,560	8,473	5,790	6,009
Federal	70,125	44,164	39,004	36,228	34,521	42,634	44,423	43,767	48,576	38,782
Tuition	212	35	194	278	266	168	416	362	5	283
Total revenues	309,395	261,573	262,196	250,359	248,711	246,433	243,322	238,903	233,783	226,407
Expenditures										
Administration	29,720	29,410	33,876	18,011	15,761	17,334	15,446	17,227	15,659	15,526
Instruction	118,223	109,002	104,236	104,938	105,594	103,335	109,321	108,092	95,329	91,352
Support services	56,070	50,080	50,112	58,335	55,640	57,848	53,852	51,717	54,967	51,560
Operation of facilities	33,374	31,069	29,477	29,173	30,603	31,921	32,170	34,487	34,296	29,478
Pupil transportation	17,806	12,373	16,040	16,225	15,786	15,802	12,725	12,124	11,443	11,847
Community and adult services	15,090	12,191	10,889	11,050	12,134	12,367	11,445	10,338	8,943	8,697
Facilities improvements and renovations	6,711	5,023	8,004	19,883	18,538	30,330	29,502	13,292	36,447	22,764
Leases										
Principal	392	—	—	—	—	—	—	—	—	—
Interest	24	—	—	—	—	—	—	—	—	—
Debt service										
Principal	5,542	5,250	5,066	3,749	4,720	5,173	3,601	2,009	5,750	7,555
Interest	3,183	3,672	3,954	5,392	4,504	5,303	3,336	2,600	2,928	3,287
Total expenditures	286,135	258,070	261,654	266,756	263,280	279,413	271,398	251,886	265,762	242,066
Excess of revenues under expenditures	23,260	3,503	542	(16,397)	(14,569)	(32,980)	(28,076)	(12,983)	(31,979)	(15,659)
Other financing sources (uses)										
Transfers in	10,848	12,117	4,340	13,706	14,883	9,748	6,339	13,948	18,779	19,300
Transfers out	(10,848)	(12,043)	(4,340)	(13,604)	(14,809)	(9,506)	(6,189)	(13,828)	(18,736)	(19,300)
Issuance of lease	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)	—	—	(920)
Sales of capital assets	356	1,214	6,214	—	781	2,053	431	545	1,356	1,798
Total other financing sources (uses)	630	1,288	6,214	102	855	67,287	16,428	665	1,399	878
Net change in fund balances	\$ 23,890	\$ 4,791	\$ 6,756	\$ (16,295)	\$ (13,714)	\$ 34,307	\$ (11,648)	\$ (12,318)	\$ (30,580)	\$ (14,781)
Debt service as a percentage of noncapital expenditures	3.3%	3.5%	3.6%	3.7%	4.3%	4.3%	2.9%	1.9%	3.8%	5.0%

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
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
2013	2,099,953,272	9,147,153,397	621,468,398	1,864,591,653	2,721,421,670	11,011,745,050	25
2012	2,084,828,732	9,066,836,031	605,311,801	1,816,117,315	2,690,140,533	10,882,953,346	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>
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
2014		1.5932	0.03	0.530	0.2369	0.5000	4.9500	7.84
2013		1.5679	0.03	0.543	0.2349	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, 2022

		Tax Year 2021			Tax Year 2012		
Taxpayers	Type of Business	Assessed value(1)	Rank	Percentage of total	Assessed value(1)	Rank	Percentage of total
				assessed value			assessed value
Southern Union MGE and Spire	Transportation/utilities	90,509,288	1	2.26%	17,728,195	7	0.66
Country Club Plaza	Real estate investment	86,733,810	2	2.16			
Evergy Metro	Utilities	64,187,590	3	1.60	43,882,955	2	1.63
Crown Power & Hallmark	Greeting cards, hotel and retail sales	50,066,836	4	1.25	61,763,628	1	2.30
Federal Reserve Bank of KC	Banking	31,084,480	5	0.78			
Google Fiber Missouri LLC	Communications	32,809,061	6	0.82			
Town Pavilion Holdings	Retail shopping center	26,897,238	7	0.67	22,247,150	5	0.83
CIP 18 LC Grand Blvd Owner LLC	Communications	15,680,000	8	0.39			
Twentieth Century Realty Inc	Real estate	15,568,272	9	0.39			
AT & T Services Corp	Communications	15,245,483	10	0.38	42,232,323	3	1.57
JC Nichols & Highwoods Realty	Real estate investment				26,827,301	4	1.00
FSP Grand Blvd	Real estate				13,120,000	8	0.49
DST, Inc.	Investment, securities, finance						
Gateway Harrison Inc	Communications				12,612,598	10	0.47
Bayer	Agricultural research and mfg				22,247,150	6	0.83
EHMD LLC	Real estate				12,800,000	9	0.48
		<u>\$ 428,782,058</u>		<u>10.70%</u>	<u>275,461,300</u>		<u>10.24%</u>

Note: Total assessed value for 2021 was \$4,006,402,339 and 2012 was \$2,690,140,533

(1) Based on calendar year ended December 31, 2021 and December 31, 2012.

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
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%
2013		136,480,977	129,727,584	95.1%	7,921,094	137,648,678	100.9%	6,753,393	5%
2012		130,100,895	120,106,398	92.3%	12,883,252	132,989,650	102.2%	9,994,497	8%

(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
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
2014		34,154,000	—	—	34,154,000
2013		39,904,000	—	—	39,904,000

Table 10

KANSAS CITY PUBLIC SCHOOLS

Computation of Overlapping Debt

June 30, 2022

Jurisdiction	General obligation bonds outstanding (2)	Percentage applicable to District (1)	Amount applicable to District
City of Kansas City, Missouri	\$ 398,890,000	100%	\$ 398,890,000

(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, 2022

Total assessed value, tax levy year 2021 (1)	\$	4,006,402,339
Legal debt margin—15% of assessed value (2)		600,960,351

- (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, 2022.

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

<u>Fiscal year ended June 30</u>	<u>District population</u>	<u>September school membership</u>	<u>Ratio of membership to population</u>	<u>Regular school year average daily attendance</u>	<u>Ratio of attendance to membership</u>
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
2014	193,837	14,192	7.32	12,833	90.4
2013	193,837	15,708	8.10	13,317	84.8

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)
2022	\$ 16,389,625,314	\$ 126.0	\$ 250.3
2021	15,116,226,569	18.8	7.4
2020	16,134,855,239	201.4	110.2
2019	12,826,957,921	120.9	143.8
2018	12,786,240,697	54.5	78.3
2017	11,715,345,534	38.8	112.9
2016	11,524,617,815	26.5	46.5
2015	11,059,018,017	34.9	26.4
2014	11,011,745,050	24.7	44.8
2013	10,882,953,346	24.4	14.0

(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
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
2014	12,857	12,977	15,496	14,192	1,111
2013	13,417	13,517	14,877	15,708	1,388

(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.