

KANSAS CITY

PUBLIC SCHOOLS



ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
FOR FISCAL YEAR ENDED
JUNE 30, 2021



KANSAS CITY PUBLIC SCHOOLS

(The School District of Kansas City, Missouri)

Annual Comprehensive Financial Report

For The Fiscal Year Ended June 30, 2021

(With Independent Auditor's Report Thereon)

Prepared by

Business & Finance Division

KANSAS CITY PUBLIC SCHOOLS

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December 8, 2021

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, 2021. 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 located 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, 2021. The independent auditor's report is located 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 193,837 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 2020-2021. 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 13,377 K-12 and 782 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 22% 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. Approximately 11,631 students were eligible for free transportation in the 2020-2021 fiscal year.

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, 2021. 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 67% of total revenues reported by the District. During the fiscal year, the District was entitled to receive approximately \$175 million in property taxes for tax year 2020 based on its \$4.9599 operating levy; actual current taxes collected during the fiscal year totaled \$160.1 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 decreased to approximately \$3.735 billion (tax year 2020) from approximately \$4.002 billion (tax year 2019). The difference between billed and collected is the county retention fee of approximately 1.69%, delinquent and appealed taxes.

During 2020-21, 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 \$6.8 million in payments was made from the District's operating budget. For the fiscal year 2021 and due to the pandemic state funding for charter schools changed allowing them to elect be paid based on the highest weighted average daily attendance between fiscal years 2020 and 2021 instead of the current year. This one-time change was made to protect charter schools, similarly to traditional public schools, from a possible sudden loss of students during the pandemic.

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 2,500 personnel in varying positions with a \$188 million budgeted salary and benefit expense.

All school districts in our boundaries have experienced varying levels of implications relating to COVID. Kansas City Public Schools boundaries include some of the highest positivity rates in the metropolitan area. A variety of federal, state and local grants as well as allocated fund balance are providing for additional costs relating to a safe return for students. Child Nutrition Services transitioned to state and federally approved feeding models to feed children at home. This feeding model resulted in a net loss funded by the excess reserve funds in the Child Nutrition Services Fund.

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 are 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.

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,

A handwritten signature in blue ink that reads "Mark T. Bedell". The signature is written in a cursive style with a large, stylized "M" and "B".

Mark T. Bedell Ed.D.
Superintendent of Schools

A handwritten signature in blue ink that reads "Linda D. Quinley". The signature is written in a cursive style with a large, stylized "L" and "Q".

Linda D. Quinley
Chief Financial and Operations Officer



Our Vision

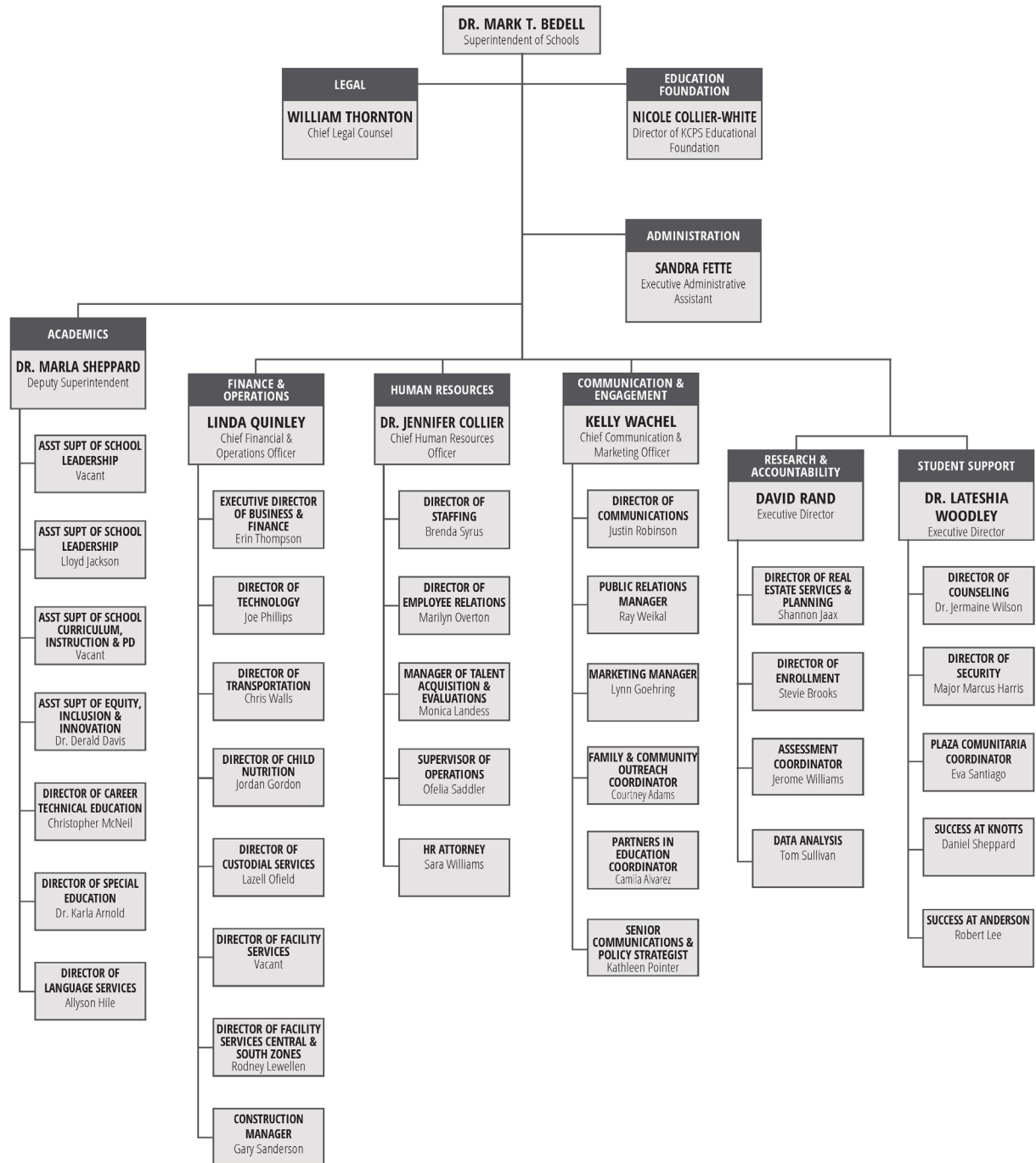
The Kansas City Public Schools (KCPS) envisions its schools as places where every student will develop deep understanding of the knowledge and skills necessary to pursue higher education, obtain family-supporting employment, contribute to the civic well-being of the community, and have the opportunity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

Kansas City Public Schools
ORGANIZATIONAL CHART
 As of June 30, 2021



LIST OF PRINCIPAL OFFICIALS

June 30, 2021

BOARD OF EDUCATION

Executive Officers

Nate Hogan, Chair
Jennifer Wolfsie, Vice Chair

Treasurer

Manny R Abarca

Secretary of the Board

June Kolkmeier

Members

Rita M. Cortés
Marvia Jones
Tanesha Ford
Kandace Buckner

SENIOR ADMINISTRATORS

Mark Bedell, Ed.D., Superintendent
Jennifer Collier, Ed.D., Chief Human Resources Officer
Linda Quinley, Chief Financial and Operations Officer
Kelly Wachel, Chief Communications Officer
Marla Sheppard, Ed.D., Deputy Superintendent
William Thornton, J.D., Chief Legal Counsel

Independent Auditor's Report

Board of Directors
The School District of Kansas City, Missouri

Report on the Financial Statements

We have audited the accompanying 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, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2021, 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.

Other Matters

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, 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.

Other 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 the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules, and SEFA, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Kansas City, Missouri
December 2, 2021

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

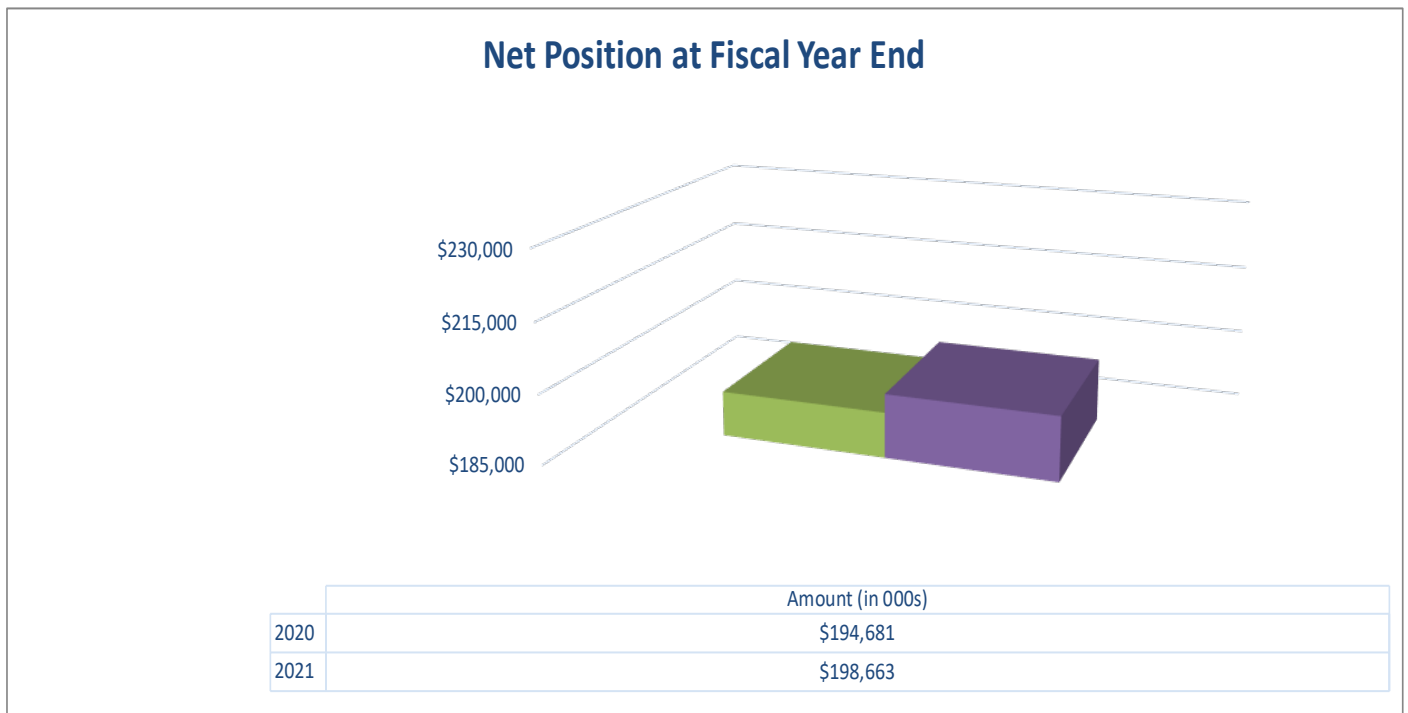
June 30, 2021

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, 2021. 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 exceeded its liabilities at the close of the fiscal year by \$198.7 million.

The graph below shows the changes in net position and indicates the District's overall financial position increased in fiscal year 2021 by 2.05% when compared to fiscal year 2020.



The District's governmental funds (summarized in Table 1 below) reported an ending total fund balance of \$107.05 million, an increase of \$4.8 million in comparison with the prior year. Approximately 64.8% of this amount, \$69.4 million, is available for spending at the District's discretion (unassigned fund balance).

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

Table 1—Summary of Governmental Fund Balances

	FY21	Percentage of total	FY20	Percentage of total	Increase (decrease)	Unassigned portion fiscal year 2021
General	\$ 74,046,408	69.17%	\$ 62,576,115	61.20%	11,470,293	69,381,076
Capital projects	21,534,396	20.12%	25,171,924	24.62%	(3,637,528)	-
Other special revenue	7,503,703	7.01%	8,403,471	8.22%	(899,768)	-
Nonmajor funds	3,962,967	3.70%	6,104,908	5.97%	(2,141,941)	-
	<u>\$ 107,047,474</u>	<u>100.00%</u>	<u>\$ 102,256,418</u>	<u>100.00%</u>	<u>4,791,056</u>	<u>69,381,076</u>

Unassigned fund balance as of June 30, 2021 for the General Fund was \$69.4 million and represents 29.28% of total General Fund expenditures and transfers compared to 24.96 % for fiscal year 2020. Assigned fund balance in the General Fund for general operating encumbrances and insurance reserves was \$4.4 million, a decrease from the \$1.5 million reserves at year-end 2020. Restricted fund balance in the General Fund for workers' compensation was \$0.28 million for both fiscal years 2021 and 2020. Overall, governmental fund balances increased at June 30 primarily due to the decrease in total expenditures and an increase in federal revenue.

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

June 30, 2021

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 funds. The major funds are the General Fund, the Other Special Revenue Fund and the Capital Projects Fund. Data for the other five 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

June 30, 2021

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 and liabilities compared to the prior year.

Table 2—Net Position (Expressed in Thousands)

	Governmental activities			Business-type activities			Total	
	2021	2020	Increase (decrease)	2021	2020	Increase (decrease)	2021	2020
Assets:								
Current and other assets	\$ 363,570	358,393	5,177	1,282	1,315	(33)	364,852	359,708
Capital assets	370,261	379,084	(8,823)	—	—	—	370,261	379,084
Total assets	733,831	737,477	(3,646)	1,282	1,315	(33)	735,113	738,792
Deferred outflows of resources	15,991	13,229	2,762	—	—	—	15,991	13,229
Liabilities:								
Other liabilities	33,375	42,286	(8,911)	1	83	(82)	33,376	42,369
Long-term liabilities	301,954	317,170	(15,216)	—	—	—	301,954	317,170
Total liabilities	335,329	359,456	(24,127)	1	83	(82)	335,330	359,539
Deferred inflows of resources	215,830	196,570	19,260	—	—	—	215,830	196,570
Net position:								
Net investment in capital assets	286,262	291,110	(4,848)	—	—	—	286,262	291,110
Restricted	13,364	16,538	(3,174)	—	—	—	13,364	16,538
Unrestricted (deficit)	(100,963)	(112,967)	12,004	1,281	1,232	49	(99,682)	(111,735)
Total net position	\$ 198,663	194,681	3,982	1,281	1,232	49	199,944	195,913

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

Overall, governmental activities current and other assets increased by 1.44%; business-type activities current and other assets decreased 2.51%. Long-term liabilities decreased \$15.2 million due to a decrease in the net pension liability from \$188.57 million fiscal year 2020 to \$173.57 million fiscal year 2021.

Unrestricted net position (deficit) of (\$101.0) 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 10.94% 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.

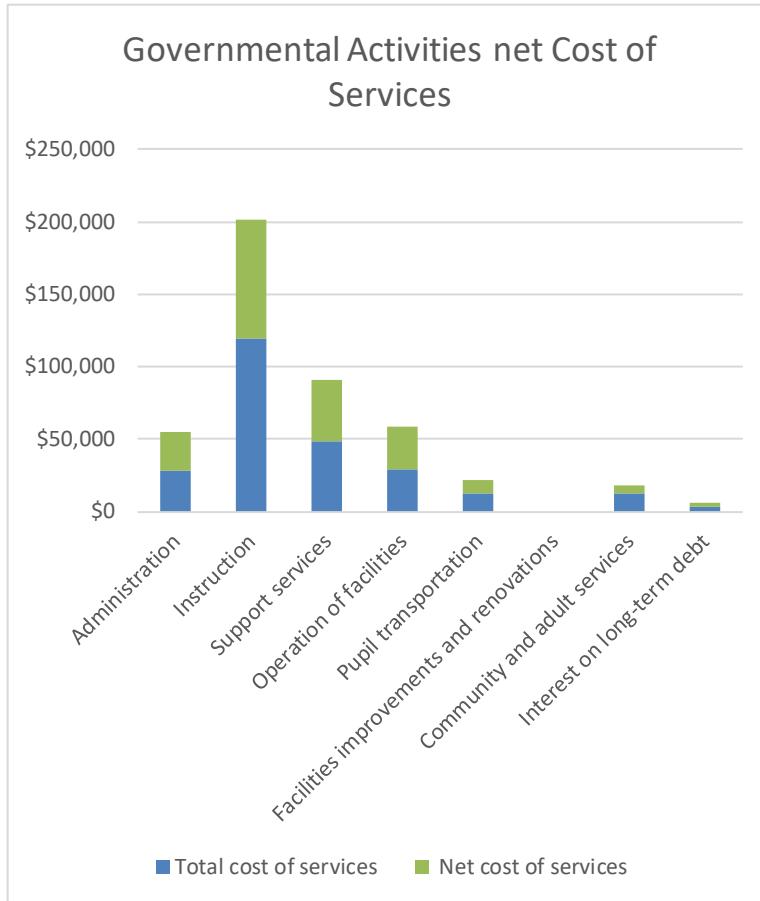
Table 3A—Changes in Net Position —Governmental Activities highlights the District's revenues and expenses for the 2021 and 2020 fiscal years. The difference between revenues and expenses equals the change in net position. Revenue is divided into two major components, program revenue and general revenue. 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.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

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

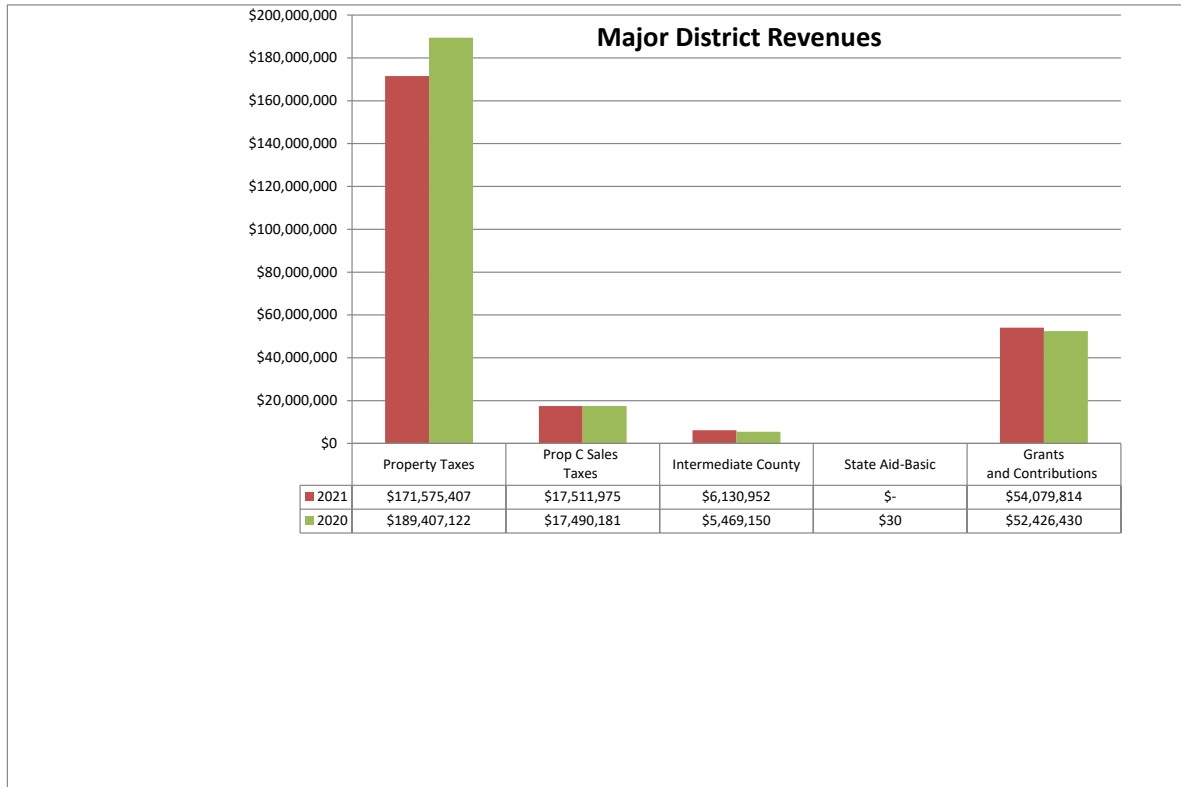


A graph of major District government-wide revenues is shown below.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021



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 decreased \$3.4 million or 1.90% from fiscal year 2020.

The total assessed valuation for tax year 2020 was approximately \$3.735 billion compared to the total assessed valuation for tax year 2019 of \$4.002 billion, a decrease of approximately 6.68%.

The District voluntarily passed through approximately \$6.8 million of property tax revenue to the charter schools during fiscal year 2021 to assure the current state statute relating to sharing of local taxes was met.

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 \$17.5 million during fiscal year 2021 and fiscal year 2020.

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 \$2.1 million.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

Interest income reported for district owned funds (investments in overnight repurchase agreements, U.S. Treasuries, government-sponsored enterprise securities, commercial paper, and the MOSIP government investment pool) totaled approximately \$9 million for fiscal year 2021 compared to \$2.4 million for fiscal year 2020, due largely to lower interest rates.

County revenue includes fines, state-assessed railroad and utility taxes and stock insurance. Fines are collected by Jackson County and distributed to the District based on the September membership (enrollment). State-assessed railroad and utility taxes are computed based on an average levy for all school Districts operating in Jackson County and applied against the total assessed valuation of railroad and utility properties as assessed by the state and distributed to the District based on the September membership. Stock insurance revenue is based on the prior year premiums collected from stock insurances companies conducting business within the county and is distributed based on the property tax levy. During fiscal year 2021, the District reported county revenue of approximately \$6.13 million compared to approximately \$5.47 million during fiscal year 2020, an increase of approximately 12.10%.

Federal revenues, approximately 17% 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 2021 decreased approximately \$1.9 million from the prior year. The total fiscal year 2021 revenue was approximately \$12.0 million compared to approximately \$13.9 million during fiscal year 2020.
- 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 \$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 \$3.1 million from federal sources to operate its special education program during school year 2021 compared to approximately \$5.3 million during fiscal year 2020.
- 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 decreased from approximately \$11.0 million reported during fiscal year 2020 to approximately \$6.8 million during fiscal year 2021.
- Head Start – A comprehensive child development program for pre-kindergarten children and their families. The District reported revenue of approximately \$5.6 million and \$5.3 million to operate the head start program for school years 2021 and 2020, respectively.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

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

The Total OPEB Liability increased from approximately \$22.7 million fiscal year 2020 to \$26.5 million fiscal year 2021. The Total OPEB Liability increased due to benefit payment experience, updated per-capita claims costs and premiums and shifted healthcare trend to maintain same immediate rate of 7.5%, reduced trend on retiree contribution rates to a constant 4.50%.

The net pension liability decreased from approximately \$188.6 million as of June 30, 2020 to approximately \$173.6 million as of June 30, 2021. 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 \$0.18 million and interest costs decreased by \$0.28 million due to the required principal and interest payments pursuant to the scheduled debt service.

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 occurred after the close of the 2021 fiscal year in September 2021, however will result in \$850,000 of interest savings over the remaining nine years of life of the debt.

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>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Community services:			
Charges for services	\$ 124	139	(15)
Expenses	<u>(1)</u>	<u>(47)</u>	<u>46</u>
Revenue over expenditures before transfers	123	92	31
Transfers	<u>(74)</u>	<u>-</u>	<u>(74)</u>
Increase in net position	<u>\$ 49</u>	<u>92</u>	<u>(43)</u>

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

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 78.63% 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 2.48%. The decrease in total expenditures of \$25.9 million was greater than the combined decrease of \$.26 million in charges for services and the \$1.65 million increase in grants and contributions.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

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

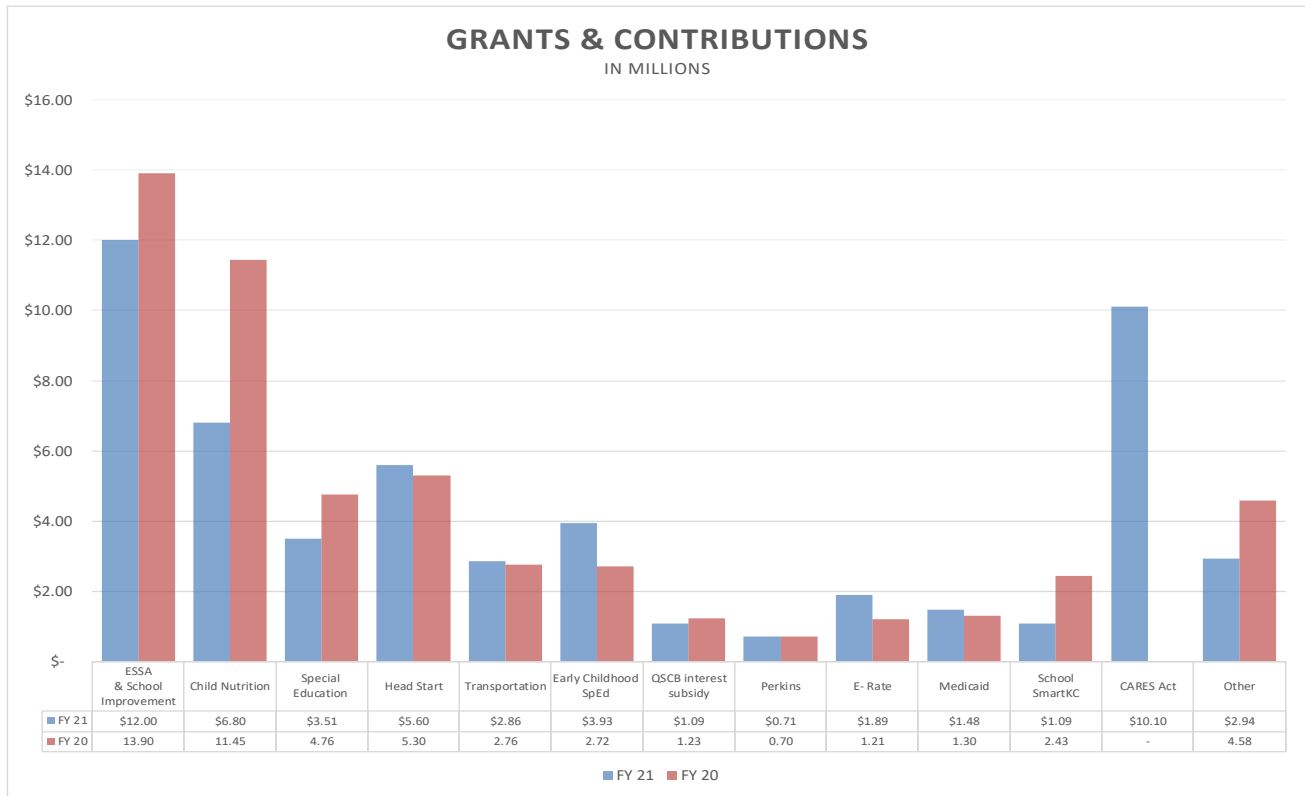
	2021		2020	
	Total cost of services	Net cost of services	Total cost of services	Net cost of services
Administration	\$ 28,280	26,477	31,188	28,952
Instruction	119,132	82,718	109,200	76,925
Support services	48,431	42,499	79,494	68,644
Operation of facilities	29,530	29,236	27,743	26,940
Pupil transportation	12,127	9,592	16,019	13,415
Facilities improvements and renovations	—	—	1,670	1,670
Community and adult services	12,232	6,132	10,063	7,410
Interest on long-term debt	3,655	2,578	3,941	2,596
Total	\$ 253,387	199,232	279,318	226,552

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 \$54.0 million, 81.7% 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

June 30, 2021



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, 2021, the classifications of fund balance of the operating budget fund is shown below:

<u>Operating budget fund</u>		<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$	283,874	4,381,458	69,381,076	74,046,408

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 31.25% of total operating expenditures and transfers. The total operating fund balance increased by 18.33% when compared to fiscal year 2020 primarily due to an increase in federal revenue and a decrease in operating expenditures related to virtual school for nearly seven months.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

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 8.8%. Projection for local including county revenues decreased by \$0.8 million mainly due to the protested current taxes, local railroad & utility taxes, M&M replacement tax, sales tax and earnings on investment. State funding increased by \$1.5 million due to basic formula. Federal grant awards of \$21.6 million received and adjusted after the original budget was approved by the board that included Victims of Crime Act, Head Start, Jackson County Cares Act Match, IDEA Entitlement, Title I, IA, IIA, III & IV, School Improvement, Homeless, ESSER, and Cares Act grants.

Budgeted expenditures increased by \$24.7 million or 9.2%. The increase is primarily due to funding COVID-19 related expenses. In addition, local and federal final grant awards for Victims of Crime Act, Head Start, School Smart KC, Kauffman Foundation, Bloch Family Foundation, Hall Family Foundation, Jackson County Cares Act Match, Greater KC Community Foundation, IDEA Entitlement, Homeless, Title I, IIA, III & IV, School Improvement, ESSER, Cares Act, 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 \$22.3 million for revenues and transfers in, and an unfavorable budgeted variance for expenditure and transfers out of \$24.7 million, without a use of fund balance.

When compared to the prior year (see Table 5B), budgeted revenues and transfers increased by 1.32% and expenditures and transfers out increased by 11.93%.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

Table 5A—Budget Comparison, Original to Final Budget, Fiscal Year 2021

	Revenues and Transfers In	Expenditures and Transfers Out
Original budget	\$ 254,168,615	\$ 269,945,488
Final budget	276,440,836	294,693,514
Increase	<u>\$ 22,272,221</u>	<u>\$ 24,748,026</u>

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

	Revenues and transfers in	Expenditures and transfers out
Fiscal year 2021 final budget	\$ 276,440,836	\$ 294,693,514
Fiscal year 2020 final budget	272,846,735	263,291,027
Increase (decrease)	<u>\$ 3,594,101</u>	<u>\$ 31,402,487</u>
Percentage of change	1.32%	11.93%

Major Funds—Financial Highlights

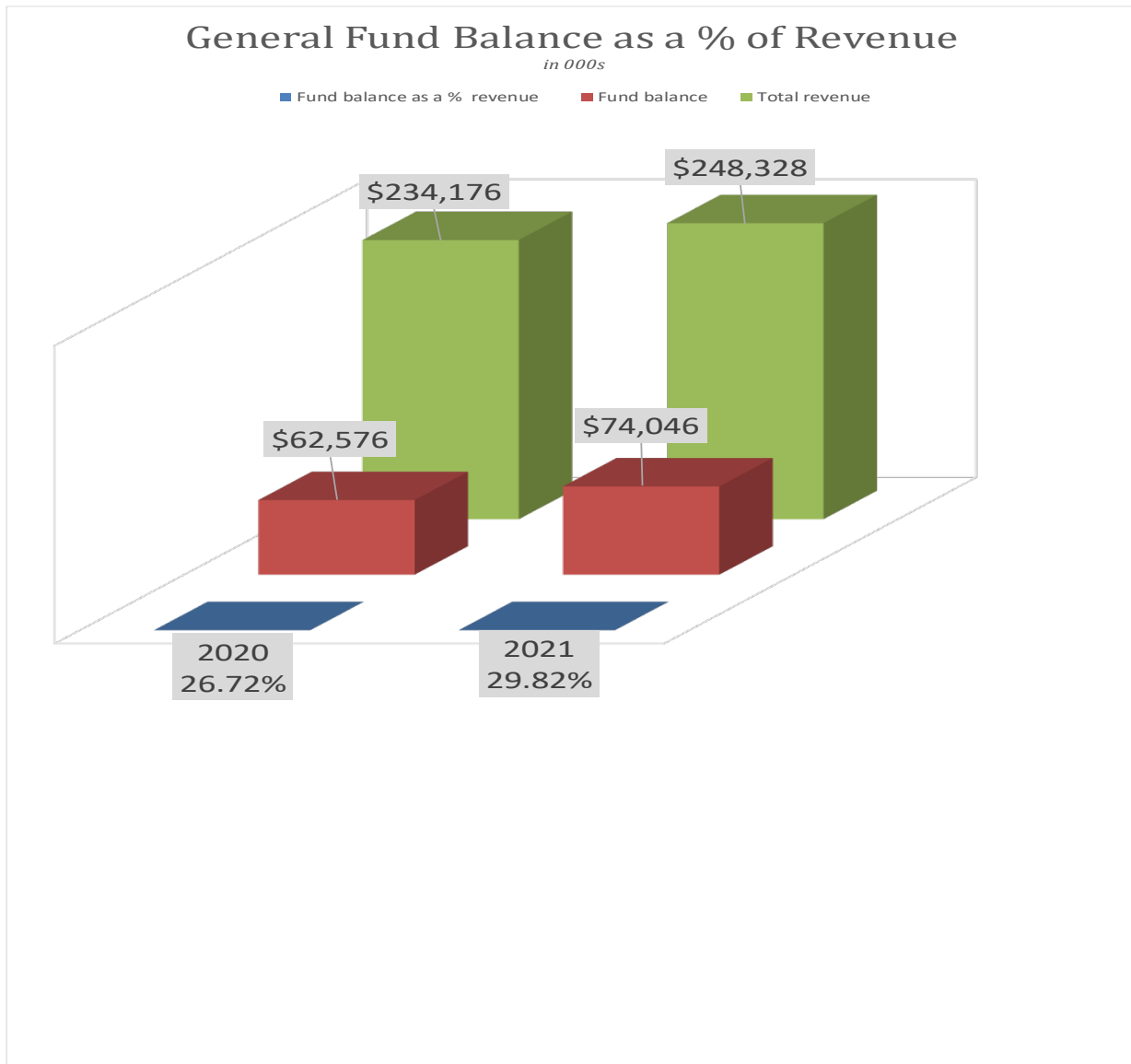
When compared to fiscal year 2020, General Fund revenues increased by \$14.1 million or 6.04%, and expenditures increased by \$4.1 million or 1.81%. The General Fund's ending fund balance is used to balance the operating budget. The level of fund balance in the General Fund is increased in relation to 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.

Capital Projects Fund revenue decreased by approximately \$9.4 million primarily due to a decrease in the M & M replacement tax revenue reported in this fund. Expenditures decreased by approximately \$4.9 million primarily due to the completion of projects during fiscal year 2020.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021



KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis

June 30, 2021

Capital Assets and Debt Administration

Capital assets—The District's capital assets for its governmental activities as of June 30, 2021 amounts to \$370.3 million (net of accumulated depreciation). The investment in capital assets includes land, buildings, building improvements, improvements other than buildings, impaired buildings, equipment, fixtures and vehicles. Capital assets decreased by approximately \$8.8 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

	2021	2020
Land	\$ 28,718,748	28,753,189
Buildings	303,049,450	311,144,454
Improvements other than buildings	25,702,675	26,097,617
Equipment and furniture	2,601,754	2,675,074
Software	90,639	241,774
Vehicles	601,559	261,715
Buildings-Impaired	9,430,582	9,900,582
Construction in progress	66,058	10,067
	<u>\$ 370,261,465</u>	<u>379,084,472</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 the results 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 2021 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

June 30, 2021

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 3.4% 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 2022 Budgets

- The Board approved the fiscal year 2022 comprehensive budget on June 23, 2021. Fiscal year 2022 projected current revenues of approximately \$294.2 million is an increase of about \$10.8 million or 3.80% when compared to fiscal year 2021.
 - Local tax revenues estimated to increase by \$12.4 million based on preliminary assessed valuation and anticipated release of protested tax appealed to the State Tax Commission.
 - Other local revenues projected to decrease by \$5.1 million mainly due to disposal of property, and grants that ended in FY21.
 - State aid projected to decrease by \$0.9 million in early childhood special education and career education until the final state allocation is received by the district.
 - Federal grants projection is an increase of \$4.4 million. The district received additional Cares Act (ESSER II) funding due to COVID-19. However, other federal grants including Title I, IIA, III & IV, IDEA Entitlement, 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. Federal grants awarded after the board adopted the budget including carryover funds are Title I & IV, and School Improvement Grant. Local grants were received from Team MGM and Kauffman Foundation.
- Fiscal year 2022 expenditures of approximately \$306.7 million represent an increase of about \$6.0 million or 2.03% when compared to the prior year. Budgeted expenditures mainly increase in student transportation, custodial services, early childhood, special education 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, 2021

	Governmental activities	Business-type activities	Total
Assets:			
Cash and investments	\$ 117,082,453	1,276,919	118,359,372
Restricted cash and investments	11,823,282	—	11,823,282
Taxes receivable (net of allowance for uncollectibles)	216,340,524	—	216,340,524
Interest receivable	331,091	—	331,091
Due from other governmental units	15,421,790	—	15,421,790
Other receivables	657,403	4,850	662,253
Supplies inventories	168,239	—	168,239
Property held for sale	1,745,400	—	1,745,400
Capital assets (net of accumulated depreciation):			
Nondepreciable	38,215,388	—	38,215,388
Depreciable	332,046,077	—	332,046,077
Total assets	<u>733,831,647</u>	<u>1,281,769</u>	<u>735,113,416</u>
Deferred outflows of resources:			
Pension-related amounts	9,430,662	—	9,430,662
Other post employment benefits	6,560,371	—	6,560,371
Total deferred outflows of resources	<u>15,991,033</u>	<u>—</u>	<u>15,991,033</u>
Liabilities:			
Accounts payable and other	8,734,138	—	8,734,138
Accrued salaries, benefits, and payroll taxes	24,199,609	—	24,199,609
Accrued interest payable	441,181	—	441,181
Unearned revenue	—	609	609
Long-term liabilities:			
Due within one year:			
Compensated absences	3,513,956	—	3,513,956
Revenue bonds	2,930,000	—	2,930,000
Lease purchase agreement	1,765,156	—	1,765,156
Certificates of participation	750,000	—	750,000
Due in more than one year:			
Compensated absences	14,275,250	—	14,275,250
Claims payable	145,000	—	145,000
Revenue bonds	14,660,000	—	14,660,000
Lease purchase agreement	16,571,445	—	16,571,445
Certificates of participation	45,585,000	—	45,585,000
Premium on COP	1,738,089	—	1,738,089
Total other post-employment benefits liability	26,452,584	—	26,452,584
Net pension liability	173,567,305	—	173,567,305
Total liabilities	<u>335,328,713</u>	<u>609</u>	<u>335,329,322</u>
Deferred inflows of resources:			
Pension-related amounts	21,557,329	—	21,557,329
Other post employment benefits	2,824,627	—	2,824,627
Property taxes	191,448,936	—	191,448,936
Total deferred inflows of resources	<u>215,830,892</u>	<u>—</u>	<u>215,830,892</u>
Net position:			
Net investment in capital assets	286,261,775	—	286,261,775
Restricted for:			
Workers' compensation	283,874	—	283,874
Permanent fund, nonexpendable corpus	35,000	—	35,000
Patron gifts	227,489	—	227,489
Compensated absences	7,503,703	—	7,503,703
Child nutrition services	3,032,248	—	3,032,248
Property held for sale	1,745,400	—	1,745,400
Other restrictions	535,897	—	535,897
Unrestricted (deficit)	(100,962,311)	1,281,160	(99,681,151)
Total net position	<u>\$ 198,663,075</u>	<u>1,281,160</u>	<u>199,944,235</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Activities

Year ended June 30, 2021

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	\$ 28,280,458	2,390	302,147	1,499,453	(26,476,468)	—	(26,476,468)
Instruction	119,131,938	29,750	35,280,909	1,103,057	(82,718,222)	—	(82,718,222)
Support services	48,430,596	37,752	5,893,714	—	(42,499,130)	—	(42,499,130)
Operation of facilities	29,529,977	—	—	294,349	(29,235,628)	—	(29,235,628)
Pupil transportation	12,127,340	—	2,535,236	—	(9,592,104)	—	(9,592,104)
Community and adult services	12,231,545	5,202	6,094,382	—	(6,131,961)	—	(6,131,961)
Interest on long-term debt	3,654,621	—	—	1,076,567	(2,578,054)	—	(2,578,054)
Total governmental activities	253,386,475	75,094	50,106,388	3,973,426	(199,231,567)	—	(199,231,567)
Business-type activities:							
Community services	1,277	124,439	—	—	—	123,162	123,162
Total	\$ 253,387,752	199,533	50,106,388	3,973,426	(199,231,567)	123,162	(199,108,405)
General revenues:							
Property taxes					171,575,407	—	171,575,407
Prop C sales tax					17,511,975	—	17,511,975
Other local revenues					7,130,000	—	7,130,000
Intermediate/county					6,130,952	—	6,130,952
Sale of capital assets					614,813	—	614,813
Transfers					73,789	(73,789)	—
Investment earnings					176,858	—	176,858
Total general revenues and transfers					203,213,794	(73,789)	203,140,005
Change in net position					3,982,227	49,373	4,031,600
Net position—beginning					194,680,848	1,231,787	195,912,635
Net position—ending					\$ 198,663,075	1,281,160	199,944,235

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Balance Sheet

Governmental Funds

June 30, 2021

Assets	General	Capital Projects	Other Special Revenue	Nonmajor Governmental funds	Total Governmental funds
Cash and investments	\$ 93,790,311	20,798,845	—	2,493,297	117,082,453
Restricted cash and investments	283,874	—	11,132,406	407,002	11,823,282
Taxes receivable, net of allowance for uncollectibles	213,855,484	2,485,040	—	—	216,340,524
Interest receivable	274,890	27,708	27,511	982	331,091
Supplies inventories	50,963	—	—	117,276	168,239
Other receivables	653,709	3,497	—	197	657,403
Due from other governments	13,540,638	454,022	—	1,427,130	15,421,790
Property held for sale	—	1,745,400	—	—	1,745,400
Total assets	<u>\$ 322,449,869</u>	<u>25,514,512</u>	<u>11,159,917</u>	<u>4,445,884</u>	<u>363,570,182</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 7,014,245	1,495,076	—	224,817	8,734,138
Accrued salaries, benefits, and payroll taxes	21,618,402	—	2,440,792	140,415	24,199,609
Compensated absences	—	—	1,215,422	—	1,215,422
Total liabilities	<u>28,632,647</u>	<u>1,495,076</u>	<u>3,656,214</u>	<u>365,232</u>	<u>34,149,169</u>
Deferred inflows of resources:					
Unavailable revenue-property taxes	206,382,973	2,485,040	—	—	208,868,013
Unavailable revenue-grants and services	13,387,841	—	—	117,685	13,505,526
Total deferred inflows of resources	<u>219,770,814</u>	<u>2,485,040</u>	<u>—</u>	<u>117,685</u>	<u>222,373,539</u>
Fund balances:					
Nonspendable	—	—	—	35,000	35,000
Restricted	283,874	1,745,400	7,503,703	3,795,634	13,328,611
Committed	—	2,304,356	—	128,740	2,433,096
Assigned	4,381,458	17,484,640	—	3,593	21,869,691
Unassigned	69,381,076	—	—	—	69,381,076
Total fund balances	<u>74,046,408</u>	<u>21,534,396</u>	<u>7,503,703</u>	<u>3,962,967</u>	<u>107,047,474</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 322,449,869</u>	<u>25,514,512</u>	<u>11,159,917</u>	<u>4,445,884</u>	<u>363,570,182</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, 2021

Fund balances—balance sheet	\$ 107,047,474
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	370,261,465
Liabilities, including bonds payable and accrued interest payable on bonds, are not due and payable in the current period and, therefore, are not reported in the fund:	
Bonds payable	(17,590,000)
Lease purchase agreement	(18,336,601)
Certificates of participation	(46,335,000)
Unamortized premium on bonds	(1,738,089)
Net pension liability	(173,567,305)
Accrued interest payable	(441,181)
Total other post-employment benefits liability	(26,452,584)
Compensated absences	(16,573,784)
Claims payable	(145,000)
	<hr/>
	(301,179,544)
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	17,419,077
Deferred inflows of resources—grants	13,505,526
Pension and OPEB related 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	(21,557,329)
Deferred outflows of resources—pension related amounts	9,430,662
Deferred inflows of resources—other post employment benefits	(2,824,627)
Deferred outflows of resources—other post employment benefits	6,560,371
	<hr/>
Net position of governmental activities	\$ <u>198,663,075</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, 2021

	General	Capital Projects	Other Special Revenue	Nonmajor governmental funds	Total governmental funds
Revenues:					
Property taxes	\$ 174,887,342	905,890	—	—	175,793,232
Prop C sales tax	16,518,124	—	993,851	—	17,511,975
Other local, including investment income	9,410,957	491,107	72,736	289,077	10,263,877
Intermediate/county	6,130,952	—	—	—	6,130,952
Other state	7,065,526	—	—	608,721	7,674,247
Federal	34,280,094	3,666,628	—	6,217,205	44,163,927
Tuition	35,136	—	—	—	35,136
Total revenues	<u>248,328,131</u>	<u>5,063,625</u>	<u>1,066,587</u>	<u>7,115,003</u>	<u>261,573,346</u>
Expenditures:					
Current:					
Administration	28,473,236	—	—	—	28,473,236
Instruction	107,714,531	—	—	230,788	107,945,319
Support services	39,085,264	—	1,966,355	9,009,650	50,061,269
Operation of facilities	29,747,630	—	—	—	29,747,630
Pupil transportation	12,078,153	—	—	—	12,078,153
Community and adult services	11,993,615	—	—	16,506	12,010,121
Debt service:					
Principal	—	2,479,703	—	2,770,000	5,249,703
Interest and fiscal charges	—	2,159,103	—	1,512,484	3,671,587
Capital outlay:					
Administration	—	937,011	—	—	937,011
Instruction	—	1,057,007	—	—	1,057,007
Support services	—	18,536	—	—	18,536
Operation of facilities	—	1,321,281	—	—	1,321,281
Pupil transportation	—	295,120	—	—	295,120
Community and adult services	—	180,790	—	—	180,790
Facilities improvement and renovation	78,282	4,944,687	—	—	5,022,969
Total expenditures	<u>229,170,711</u>	<u>13,393,238</u>	<u>1,966,355</u>	<u>13,539,428</u>	<u>258,069,732</u>
Revenues over (under) expenditures	<u>19,157,420</u>	<u>(8,329,613)</u>	<u>(899,768)</u>	<u>(6,424,425)</u>	<u>3,503,614</u>
Other financing sources (uses):					
Transfers in	73,789	7,760,916	—	4,282,484	12,117,189
Transfers out	(7,760,916)	(4,282,484)	—	—	(12,043,400)
Sale of capital assets	—	1,213,653	—	—	1,213,653
Total other financing sources (uses)	<u>(7,687,127)</u>	<u>4,692,085</u>	<u>—</u>	<u>4,282,484</u>	<u>1,287,442</u>
Net change in fund balances	<u>11,470,293</u>	<u>(3,637,528)</u>	<u>(899,768)</u>	<u>(2,141,941)</u>	<u>4,791,056</u>
Fund balances, beginning of year	62,576,115	25,171,924	8,403,471	6,104,908	102,256,418
Fund balances, end of year	<u>\$ 74,046,408</u>	<u>21,534,396</u>	<u>7,503,703</u>	<u>3,962,967</u>	<u>107,047,474</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, 2021

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

Net change in fund balances—total governmental funds	\$	4,791,056
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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	6,217,864	
Depreciation expense	(14,442,031)	
	(8,224,167)	

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	(1,213,653)	
Gain on disposal of capital assets	614,813	

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(4,442,431)
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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	775,000	
Payments on lease purchase agreement	1,704,703	
Principal payment on revenue bonds	2,770,000	
Amortization of bond premium	115,872	
Accrued interest payable	16,965	
	5,382,540	

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	(1,570,559)	
Pension-related amount, pension expense	9,237,074	
Compensated absences	(647,446)	
Claims payable	55,000	
	7,074,069	
Change in net position of governmental activities	\$ 3,982,227	

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS
Statement of Net Position—Proprietary Fund
June 30, 2021

	Nonmajor Enterprise Fund
	<hr/>
Assets:	
Cash and investments	\$ 1,276,919
Due from other government	<hr/> 4,850
Total assets	<hr/> 1,281,769
Liabilities:	
Unearned revenue	<hr/> 609
Total liabilities	<hr/> 609
Net position, unrestricted	\$ <hr/> <hr/> 1,281,160

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, 2021

	Nonmajor Enterprise Fund
Operating revenues:	
Charges for community support services	\$ 124,439
Total operating revenues	<u>124,439</u>
Operating expenses:	
Salaries, wages, and employee benefits	<u>1,277</u>
Total operating expenses	<u>1,277</u>
Operating income before transfers	<u>123,162</u>
Transfers out	<u>(73,789)</u>
Change in net position	49,373
Total net position, beginning of year	<u>1,231,787</u>
Total net position, end of year	\$ <u><u>1,281,160</u></u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS
Statement of Cash Flows—Proprietary Fund
Year ended June 30, 2021

	Nonmajor Enterprise Fund
	<hr/>
Cash flows from operating activities:	
Receipts from customers and users	\$ 69,971
Payments to employees	<u>(1,277)</u>
Net cash provided by operating activities	<u>68,694</u>
Cash flows from noncapital and related financing activities,	
Transfers to other funds	<u>(73,789)</u>
Net decrease in cash and cash equivalents	(5,095)
Cash and cash equivalents, beginning of year	<u>1,282,014</u>
Cash and cash equivalents, end of year	\$ <u><u>1,276,919</u></u>
Reconciliation of operating income to net cash	
provided by operating activities:	
Operating income	\$ 123,162
Adjustments to reconcile operating income to net cash	
provided by operating activities:	
Decrease in due from other government	28,398
Decrease in unearned revenue	<u>(82,866)</u>
Total adjustments	<u>(54,468)</u>
Net cash provided by operating activities	\$ <u><u>68,694</u></u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Fiduciary Net Position

June 30, 2021

	Private Purpose Trust— Student Scholarship Fund
Assets:	
Cash	\$ 259,666
Interest receivable	<u>685</u>
Total assets	<u>260,351</u>
Liabilities:	
Accounts payable	<u>—</u>
Total liabilities	<u>—</u>
Net position:	
Net position held in trust for other purposes	\$ <u>260,351</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

	Private Purpose Trust— Student Scholarship Fund
Additions:	
Contributions:	
Private donations	\$ <u>21,758</u>
Total contributions	<u>21,758</u>
Investment income:	
Adjustment of investments to fair market value	<u>231</u>
Total investment income	<u>231</u>
Total additions	<u>21,989</u>
Deductions:	
Scholarship awards	<u>5,000</u>
Total deductions	<u>5,000</u>
Net increase in net position	16,989
Net position, beginning of year	<u>243,362</u>
Net position, end of year	\$ <u><u>260,351</u></u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

(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, 2021 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 2021. 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.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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.

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.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

The District has the following major governmental funds.

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

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

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

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

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

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

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

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

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

In addition, the District has the following nonmajor 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, 2021

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

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

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

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

1. Deposits and Investments

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

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

Investments in the U.S. Treasuries and U.S. Agencies 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 major fund to pay vested unused vacation and accumulated paid time off.

3. Receivables

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

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, 2021

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, 2021 for real estate, personal property, merchants and manufacturers, and railroad and utility property was approximately \$4.0 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, 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, 2021

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 eight 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, 2021 of \$17.79 million have been recorded in the government-wide financial statements. Of this balance, \$1.2 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, 2021 of \$7.5 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, 2021.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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, 2021.

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 position 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 position 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, 2021

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 2021 is \$27,046,000 offset in part by PILOTs received of \$1,436,000. The financial impact of the Planned Industrial Expansion Authority (PIEA) tax abatement program is \$9,941,000 offset in part by PILOTs received of \$715,000.

12. 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.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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, \$227,489 for patron gifts, \$7,503,703 for compensated absences, \$3,032,248 for child nutrition services, \$1,745,400 for property held for sale and \$535,897 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.

13. 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, 2021

(2) Fund Balances

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

Fund Balances:	General	Capital Projects	Other Special Revenue	Nonmajor Governmental Funds	Total
Nonspendable:					
Patron gift	\$ —	—	—	35,000	35,000
Total nonspendable	—	—	—	35,000	35,000
Restricted:					
Child nutritional services	—	—	—	3,032,248	3,032,248
Student activities	—	—	—	390,402	390,402
Patron gift	—	—	—	227,489	227,489
Property held for sale	—	1,745,400	—	—	1,745,400
Permanent fund	—	—	—	145,495	145,495
Compensated absences	—	—	7,503,703	—	7,503,703
Workers compensation	283,874	—	—	—	283,874
Total restricted	283,874	1,745,400	7,503,703	3,795,634	13,328,611
Committed:					
Encumbrances	—	2,304,356	—	128,740	2,433,096
Total committed	—	2,304,356	—	128,740	2,433,096
Assigned:					
Encumbrances	3,347,658	—	—	3,593	3,351,251
Capital projects	—	17,484,640	—	—	17,484,640
Insurance	1,033,800	—	—	—	1,033,800
Total assigned	4,381,458	17,484,640	—	3,593	21,869,691
Unassigned	69,381,076	—	—	—	69,381,076
Total fund balances	\$ 74,046,408	21,534,396	7,503,703	3,962,967	107,047,474

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

(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 0.20 years.

The District had the following investments in debt securities at June 30, 2021:

Investment type	Investment balance	Weighted average maturity (years)
U.S. Treasury obligations	\$ 65,263,494	0.21
Government-sponsored enterprises	10,005,550	0.27
Commercial paper	9,998,362	0.14
Total debt securities	\$ 85,267,406	
Portfolio weighted average maturity		0.20

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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:

<u>Investment type</u>	<u>Moody's Investors Service</u>	<u>Standard & Poor's</u>
U. S. Treasury Obligations	Aaa	-
Government-sponsored enterprises:		
Federal Home Loan Bank and Freddie Mac	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. At June 30, 2021, the District's investments in Federal Home Loan Bank and Freddie Mac constituted approximately 7.66% of its total investment portfolio. 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, 2021, the District had no deposits or investments exposed to custodial credit risk.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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	\$ 24,613,000	\$ -	\$ 24,613,000
U.S. Treasuries	65,263,494	65,263,494	-
U.S. Agencies	10,005,550	-	10,005,550
Commercial paper	9,998,362	-	9,998,362
	109,880,406	\$ 65,263,494	\$ 44,616,912
Investments measured at net asset value			
MOSIP - TERM	8,000,000		
Investments measured at			
amortized cost:			
Local government investment pool - MOCAAT	7,820,695		
Local government investment pool - MOSIP	5,000,308		
Total investments	\$ 130,701,409		

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Notes to Basic Financial Statements

June 30, 2021

(b) Capital Assets

Capital asset activity as of June 30, 2021 is shown below:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Transfers/ retirements</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 28,753,189	—	(34,441)	28,718,748
Construction in progress	10,067	55,991	—	66,058
Impaired assets-closed buildings	9,900,582	—	(470,000)	9,430,582
Total capital assets, not being depreciated	<u>38,663,838</u>	<u>55,991</u>	<u>(504,441)</u>	<u>38,215,388</u>
Capital assets, being depreciated:				
Buildings and improvements	555,278,126	4,056,049	(94,399)	559,239,776
Improvements other than buildings	60,158,473	924,425	—	61,082,898
Equipment and furniture	16,954,194	608,658	(963,678)	16,599,174
Software	392,690	47,974	—	440,664
Vehicles	1,724,807	524,766	(94,968)	2,154,605
Total capital assets being depreciated	<u>634,508,290</u>	<u>6,161,872</u>	<u>(1,153,045)</u>	<u>639,517,117</u>
Less accumulated depreciation for:				
Buildings and improvements	(244,133,672)	(12,056,654)	—	(256,190,326)
Improvements other than buildings	(34,060,856)	(1,319,367)	—	(35,380,223)
Equipment and furniture	(14,279,120)	(681,978)	963,679	(13,997,419)
Software	(150,916)	(199,109)	—	(350,025)
Vehicles	(1,463,092)	(184,923)	94,968	(1,553,047)
Total accumulated depreciation	<u>(294,087,656)</u>	<u>(14,442,031)</u>	<u>1,058,647</u>	<u>(307,471,040)</u>
Total capital assets, being depreciated, net	<u>340,420,634</u>	<u>(8,280,159)</u>	<u>(94,398)</u>	<u>332,046,077</u>
Governmental activities capital assets, net	<u>\$ 379,084,472</u>	<u>(8,224,168)</u>	<u>(598,839)</u>	<u>370,261,465</u>

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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

Elementary schools	\$ 5,370,970
Middle schools	2,108,601
Senior high schools	6,227,824
Supplemental instruction	<u>4,160</u>
Total instruction	<u>13,711,555</u>
Student activities	—
Attendance and social work	594
Nursing services	799
Visually impaired	400
Educational media services	771
Office of the superintendent services	2,543
Administrative technology services	367,227
Transportation	49,187
Food service	<u>3,619</u>
Total support services	<u>425,140</u>
Operation and maintenance of plant services	80,426
Internal service	589
Parental involvement	81,177
Early childhood instruction	2,481
Non-public school pupil services	1,229
Facilities acquisition and construction	<u>139,434</u>
Total governmental activities depreciation expense	<u>\$ 14,442,031</u>

As of June 30, 2021, the District has eight buildings with a total carrying value of \$9,430,582 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 \$19,846,813 are considered to be temporarily impaired.

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Notes to Basic Financial Statements

June 30, 2021

(c) *Transfers*

The following transfers were made during the fiscal year:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Transfer from:				
General fund	\$ —	7,760,916	—	7,760,916
Capital project fund	—	—	4,282,484	4,282,484
Enterprise fund	73,789	—	—	73,789
	<u>\$ 73,789</u>	<u>7,760,916</u>	<u>4,282,484</u>	<u>12,117,189</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, 2021.

(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 \$8,829,923 with annual requirements ranging from \$2.03 million to \$2.40 million. For the current year, interest paid by the District was \$.21 million. The amount of tax credits issued to the bondholder from the federal government was \$.585 million.

The 2010 Leasehold Revenue Qualified School Construction Bonds are payable through 2029. The total principal and interest remaining on the debt is \$12,043,728 with annual requirements ranging from \$1.29 million to \$1.71 million. For the current year, interest paid by the District was \$.71 million. The amount of interest subsidy reimbursed to the District from the federal government was \$.506 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 \$61,054,151.

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Notes to Basic Financial Statements

June 30, 2021

Bonds and certificates of participation outstanding at June 30, 2021 are as follows:

<u>Series</u>	<u>Amount outstanding</u>	<u>Interest rate</u>	<u>Maturity year</u>
Revenue bonds:			
Series 2009	\$ 8,390,000	2.23%	2025
Series 2010	9,200,000	7.12%	2029
Certificate of participation			
Series 2016	46,335,000	4.00%	2036
	<u>\$ 63,925,000</u>		

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

	<u>Revenue Bonds</u>		<u>Certificates of Participation</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ending June 30:				
2022	\$ 2,930,000	812,599	750,000	1,448,869
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
2027-2031	3,600,000	451,408	17,990,000	5,546,956
2032-2036	—	—	22,535,000	2,068,050
Total	<u>\$ 17,590,000</u>	<u>3,283,651</u>	<u>46,335,000</u>	<u>14,719,151</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 \$21,455,436. On September 8, 2021, the agreement was refinanced at 2.19% interest.

The lease is secured by the capital assets purchased. Capital assets, net of accumulated depreciation, relating to this lease are \$23,869,908 as of June 30, 2021.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

Aggregate maturities are as follows:

		Lease Purchase Agreement	
		Principal	Interest
Year ending June 30:			
2022	\$	1,765,156	618,782
2023		1,827,752	556,185
2024		1,892,568	491,370
2025		1,959,682	424,255
2026		2,029,176	354,761
2027-2030		8,862,267	673,482
Total	\$	<u>18,336,601</u>	<u>3,118,835</u>

(f) *Changes in Long-term Liabilities*

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

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
Leasehold revenue bonds	\$ 20,360,000	—	(2,770,000)	17,590,000	2,930,000
Certificate of participation	47,110,000	—	(775,000)	46,335,000	750,000
Net pension liability	188,568,788	—	(15,001,483)	173,567,305	—
Total OPEB liability	22,660,765	3,791,819	—	26,452,584	—
Compensated absences	16,375,676	3,095,363	(1,681,833)	17,789,206	3,513,956
Lease purchase agreement	20,041,304	—	(1,704,703)	18,336,601	1,765,156
Long-term liabilities	<u>\$ 315,116,533</u>	<u>6,887,182</u>	<u>(21,933,019)</u>	<u>300,070,696</u>	<u>8,959,112</u>

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

(4) **Other Information**

(a) *Risk Management*

Resources are accumulated in the General Fund for workers' compensation, unemployment, and general liability claims. The District qualifies as a self-insurer under Missouri Workers' Compensation 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, 2021 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

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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 and general fund financial statements.

As of June 30, 2021, the total estimated liability for payment of incurred but unpaid claims for health insurance was \$1,033,800 and is included in accounts payable in the general fund.

Changes in self-insured claims liability at June 30, 2021 is as follows:

Balance - June 30, 2020	\$	—
Add: Current year claims and changes in estimate		11,446,073
Less: Claims payments		<u>10,412,273</u>
Balance - June 30, 2021	\$	<u><u>1,033,800</u></u>

(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.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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 \$26,452,584 was measured as of June 30, 2021, and was determined based on an actuarial valuation prepared as of July 1, 2020 rolled forward to June 30, 2021 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, 2.18 percent as of measurement date
Healthcare Cost Trend Rates	7.50 percent first 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.

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.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

C. Changes in the Total OPEB Liability

Balance at June 30, 2020	\$ 22,660,765
Service cost	1,173,644
Interest	641,611
Differences between expected and actual experience	(2,791,309)
Changes in assumptions or other inputs	5,865,604
Benefits payments	<u>(1,097,731)</u>
Balance at June 30, 2021	<u>\$ 26,452,584</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 (1.18 percent) or 1 percentage point higher (3.18 percent) than the current discount rate:

	1% Decrease (1.18%)	Discount Rate (2.18%)	1% Increase (3.18%)
Total OPEB Liability	<u>\$ 31,373,996</u>	<u>\$ 26,452,584</u>	<u>\$ 22,560,704</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 (6.0%)	Healthcare Cost Trend Rates (7.0%)	1% Increase (8.0%)
Total OPEB Liability	<u>\$ 22,048,430</u>	<u>\$ 26,452,584</u>	<u>\$ 32,175,859</u>

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$2,668,290. At June 30, 2021, 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	\$ 93	(2,355,847)
Changes of assumptions	6,560,278	(468,780)
Total	<u>\$ 6,560,371</u>	<u>(2,824,627)</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
2022	\$ 853,035
2023	853,035
2024	829,233
2025	524,191
2026	479,609
2027 and thereafter	<u>196,641</u>
	<u>\$ 3,735,744</u>

(c) *Commitments*

On July 21, 2021, the board approved a three-year agreement with Z-Trip 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 January 10, 2018, the board approved an agreement with All Copy Products for leased printer services for a sixty-month lease agreement with automatic renewals after the original term unless terminated. The total amount of this contract is \$1,500,000. The District executed a first amendment to extend the end term to March 31, 2023 to provide the vendor and KCPS with sixty months of actual usage.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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 June 26, 2019, the board approved a three-year agreement with Ferrellgas for a school bus propane fueling station and LPG supply for an estimated total of \$1,450,000.

(d) Operating Leases

The District has entered into an operating lease for 36 vehicles with a five-year lease term, which includes an option to terminate the lease. Lease expenditures for the current year were \$190,278 and the estimated remaining obligation is \$595,006 through fiscal year 2026.

(e) Pension Plan and Retirement Benefits

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

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

Contributions: All regular and full-time employees must become members of the Retirement System as a condition of employment. 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 ½% increments annually, to a maximum of 9%. January 1, 2016 the rate increased to 9.0 percent. The employer contribution for calendar year 2019

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

was 10.5%. The employer contribution rate for the eighteen-month period beginning January 1, 2020 through June 30, 2021 was increased to 12.0%. At the point the system is fully funded the employer contribution will be recalculated annually increasing and decreasing depending on requirements to keep fully funded. The changes are subject to statutory limitations. The employer contribution rate will continue to be at 12% until the Retirement System is fully funded. Employee contributions are capped at 9.0%. Contributions to the pension plan from the District were \$14,672,539 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$173,567,305 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 rolled forward one year to December 31, 2020, 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, 2020, the District's collective proportion was 56.162697 percent, which was a decrease of .0064594 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(9,237,074). At June 30, 2021, 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 Plan experience	\$ 343,468	(29,843)
Net difference between projected and actual earnings on pension plan investments	-	(18,368,176)
Changes of assumptions	207,036	(1,658,104)
Changes in proportion and differences between District contributions and proportionate share of contributions	204,585	(1,501,206)
District contributions subsequent to the measurement date	8,675,573	-
Total	\$ <u>9,430,662</u>	<u>(21,557,329)</u>

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

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The \$8,675,573 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, 2022. 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.

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

<u>Year ended June 30:</u>	<u>Pension Expense</u>
2022	\$ (8,211,067)
2023	(445,736)
2024	(9,504,029)
2025	(2,641,408)
Total	<u>\$ (20,802,240)</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, 2020 rolled forward to December 31, 2020, 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-2019. 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-2019.

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

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

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

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

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, 2020 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%).

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Notes to Basic Financial Statements

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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.
- 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	\$ 228,923,526	173,567,305	126,649,337

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, 2021:

The District reported payables to the defined benefit pension plan of \$2,440,792 for legally required employer contributions and \$1,361,370 for legally required employee contributions, which had been withheld from employee wages but not yet remitted to KCPSRS.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2021

(f) New Pronouncements

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2022, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the District must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

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

REQUIRED SUPPLEMENTARY INFORMATION

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 185,882,444	179,443,761	174,887,342	(4,556,419)
Prop C taxes	10,681,008	11,304,415	10,944,985	(359,430)
Other local	7,724,427	11,480,991	9,367,578	(2,113,413)
County	5,234,273	5,772,518	6,038,042	265,524
Basic formula	(2,035,527)	(1,605,845)	—	1,605,845
Other state	9,593,826	9,374,485	7,016,622	(2,357,863)
Federal sources	22,514,995	45,552,714	33,923,979	(11,628,735)
Tuition	—	—	35,136	35,136
Total revenues	239,595,446	261,323,039	242,213,684	(19,109,355)
Expenditures:				
Current:				
Support services - general administration:				
Board of education services:				
Salaries	59,462	59,462	59,173	289
Benefits	22,523	22,410	22,324	86
Purchased services	348,054	445,992	383,514	62,478
Supplies and materials	19,230	4,230	4,656	(426)
Total board of education services	449,269	532,094	469,667	62,427
Office of the superintendent services:				
Salaries	1,503,932	1,505,909	1,342,920	162,989
Benefits	688,031	523,494	397,906	125,588
Purchased services	3,399,521	2,772,843	1,678,924	1,093,919
Supplies and materials	88,480	127,966	54,733	73,233
Total office of the superintendent services	5,679,964	4,930,212	3,474,483	1,455,729
Other executive administration services:				
Salaries	225,893	227,689	200,222	27,467
Benefits	143,127	138,077	85,599	52,478
Total other executive administration services	369,020	365,766	285,821	79,945
Administrative technology services:				
Salaries	2,846,819	2,921,819	2,917,907	3,912
Benefits	1,144,362	1,143,936	974,582	169,354
Purchased services	2,308,780	2,756,487	2,114,309	642,178
Supplies and materials	2,464,062	3,494,113	2,291,550	1,202,563
Total administrative technology services	8,764,023	10,316,355	8,298,348	2,018,007
Total support services - general administration	15,262,276	16,144,427	12,528,319	3,616,108
Support services - building level administration:				
Office of principal services:				
Salaries	2,036,696	2,032,957	1,933,780	99,177
Benefits	979,301	978,943	833,805	145,138
Purchased services	282,745	222,484	147,649	74,835
Supplies and materials	129,234	134,402	75,053	59,349
Total office of principal services	3,427,976	3,368,786	2,990,287	378,499
Instruction:				
Elementary:				
Salaries	703,074	707,400	669,449	37,951
Benefits	402,689	397,340	300,145	97,195
Purchased services	1,515,633	1,737,483	1,490,974	246,509
Supplies and materials	298,509	1,460,200	1,297,724	162,476
Total elementary	2,919,905	4,302,423	3,758,292	544,131
Middle/junior high:				
Salaries	32,082	73,872	76,826	(2,954)
Benefits	16,811	35,864	25,604	10,260
Purchased services	329,750	120,704	173,455	(52,751)
Supplies and materials	53,567	1,286,467	818,080	468,387
Total middle/junior high	432,210	1,516,907	1,093,965	422,942

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
High school:				
Salaries	\$ 335,343	347,643	327,950	19,693
Benefits	135,213	149,718	125,304	24,414
Purchased services	1,313,665	985,457	972,236	13,221
Supplies and materials	164,119	2,413,694	1,523,982	889,712
Total high school	1,948,340	3,896,512	2,949,472	947,040
Summer school:				
Salaries	115,438	136,858	59,526	77,332
Benefits	13,136	15,018	5,128	9,890
Purchased services	705,661	762,713	435,696	327,017
Supplies and materials	118,774	229,774	64,273	165,501
Total summer school	953,009	1,144,363	564,623	579,740
Gifted and talented:				
Purchased services	19,950	16,450	676	15,774
Supplies and materials	29,200	32,700	25,930	6,770
Total gifted and talented	49,150	49,150	26,606	22,544
Special education:				
Salaries	2,496,005	2,330,350	2,079,566	250,784
Benefits	1,382,967	1,264,257	1,077,208	187,049
Purchased services	5,159,845	3,651,947	2,787,861	864,086
Supplies and materials	255,772	367,582	193,616	173,966
Total special education	9,294,589	7,614,136	6,138,251	1,475,885
Supplemental instruction:				
Salaries	1,254,844	321,308	262,571	58,737
Benefits	687,253	149,401	154,395	(4,994)
Purchased services	1,813,613	2,133,525	1,441,300	692,225
Supplies and materials	672,191	954,341	724,045	230,296
Total supplemental instruction	4,427,901	3,558,575	2,582,311	976,264
Bilingual				
Salaries	—	990,039	958,130	31,909
Benefits	—	553,865	460,955	92,910
Purchased services	—	139,240	104,695	34,545
Supplies and materials	—	138,751	45,997	92,754
Total bilingual	—	1,821,895	1,569,777	252,118
Early childhood special education:				
Salaries	370,841	371,245	241,254	129,991
Benefits	181,413	181,501	130,357	51,144
Purchased services	1,862,919	1,955,582	637,252	1,318,330
Supplies and materials	22,000	22,000	7,094	14,906
Total early childhood special education	2,437,173	2,530,328	1,015,957	1,514,371
Other career education:				
Salaries	262,155	262,155	313,697	(51,542)
Benefits	98,073	97,270	110,751	(13,481)
Purchased services	258,646	321,310	180,478	140,832
Supplies and materials	355,000	391,767	310,473	81,294
Total other career education	973,874	1,072,502	915,399	157,103
Student activities:				
Salaries	987,904	987,904	822,565	165,339
Benefits	154,622	148,270	128,849	19,421
Purchased services	350,806	350,806	248,625	102,181
Supplies and materials	299,583	321,978	290,250	31,728
Total student activities	1,792,915	1,808,958	1,490,289	318,669
Tuition to other districts:				
Purchased services	400,000	400,000	548,011	(148,011)
Total tuition to other districts	400,000	400,000	548,011	(148,011)
Tuition to private agencies:				
Purchased services	—	5,013,414	2,968,659	2,044,755
Total tuition to private agencies	—	5,013,414	2,968,659	2,044,755
Total instruction	25,629,066	34,729,163	25,621,612	9,107,551

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
Support services - pupils:				
Attendance and social work area:				
Salaries	\$ 3,429,703	1,329,121	1,311,960	17,161
Benefits	1,274,327	589,166	513,975	75,191
Purchased services	832,723	263,023	242,437	20,586
Supplies and materials	174,948	1,000	4,534	(3,534)
Total attendance and social work area	5,711,701	2,182,310	2,072,906	109,404
Attendance services				
Salaries	—	474,462	475,583	(1,121)
Benefits	—	205,712	181,963	23,749
Purchased services	—	13,340	7,003	6,337
Supplies and materials	—	184,160	162,993	21,167
Total attendance services	—	877,674	827,542	50,132
Social work services:				
Salaries	102,652	1,567,921	1,454,515	113,406
Benefits	45,014	621,120	484,035	137,085
Purchased services	—	1,309,341	405,637	903,704
Supplies and materials	—	71,397	16,385	55,012
Total social work services	147,666	3,569,779	2,360,572	1,209,207
Pupil accounting services:				
Salaries	—	302,582	303,978	(1,396)
Benefits	—	120,699	108,081	12,618
Purchased services	—	45,712	32,649	13,063
Supplies and materials	—	23,438	23,034	404
Total pupil accounting services	—	492,431	467,742	24,689
Guidance services-system support				
Salaries	558,262	609,207	537,926	71,281
Benefits	230,369	251,145	207,134	44,011
Purchased services	221,800	234,801	175,867	58,934
Supplies and materials	22,920	29,064	1,421	27,643
Total guidance services-system support	1,033,351	1,124,217	922,348	201,869
Health services area direction				
Supplies and materials	1,000	1,000	—	1,000
Total health services area direction	1,000	1,000	—	1,000
Nursing services:				
Salaries	1,902,589	1,928,199	1,884,703	43,496
Benefits	797,887	793,892	699,131	94,761
Purchased services	1,500	1,500	437	1,063
Supplies and materials	34,976	88,558	25,416	63,142
Total nursing services	2,736,952	2,812,149	2,609,687	202,462
Psychological services:				
Salaries	1,215,493	1,575,678	1,466,472	109,206
Benefits	445,021	571,334	477,270	94,064
Total psychological services	1,660,514	2,147,012	1,943,742	203,270
Speech pathology and audiology services				
Salaries	941,810	994,121	953,132	40,989
Benefits	367,958	196,051	326,576	(130,525)
Total speech pathology and audiology	1,309,768	1,190,172	1,279,708	(89,536)
Occupational therapy				
Salaries	309,177	324,472	287,274	37,198
Benefits	127,820	130,311	94,653	35,658
Total occupational therapy	436,997	454,783	381,927	72,856
Physical therapy:				
Salaries	—	41,147	33,107	8,040
Benefits	—	18,751	14,962	3,789
Total physical therapy	—	59,898	48,069	11,829
Other support services:				
Salaries	—	77,594	77,969	(375)
Benefits	—	27,146	24,852	2,294
Total other support services	—	104,740	102,821	1,919
Total support services - pupils	13,037,949	15,016,165	13,017,064	1,999,101

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
Support services instructional staff:				
Instruction and curriculum development:				
Salaries	\$ 317,617	322,917	319,936	2,981
Benefits	126,717	126,838	112,568	14,270
Purchased services	1,044,305	1,137,590	664,420	473,170
Supplies and materials	1,337,824	2,780,770	2,768,679	12,091
Total instruction and curriculum development	2,826,463	4,368,115	3,865,603	502,512
Instructional staff training services:				
Salaries	—	10,615	8,319	2,296
Benefits	—	961	730	231
Purchased services	2,500	415,595	269,177	146,418
Supplies and materials	—	77,816	63,804	14,012
Total instructional staff training services	2,500	504,987	342,030	162,957
Educational media services area direction:				
Purchased services	—	1,082	754	328
Supplies and materials	430,349	406,753	359,230	47,523
Total educational media services area direction	430,349	407,835	359,984	47,851
Total support services - instructional staff	3,259,312	5,280,937	4,567,617	713,320
Business support services:				
Business support services area direction:				
Salaries	118,402	118,402	119,677	(1,275)
Benefits	39,828	39,828	36,625	3,203
Total business support services area direction	158,230	158,230	156,302	1,928
Fiscal service area direction:				
Salaries	1,007,747	1,007,747	984,507	23,240
Benefits	423,480	423,354	355,885	67,469
Purchased services	164,262	164,262	111,134	53,128
Supplies and materials	14,750	14,835	11,339	3,496
Total fiscal service area direction	1,610,239	1,610,198	1,462,865	147,333
Budgeting services:				
Salaries	360,469	360,469	305,646	54,823
Benefits	133,940	133,345	101,718	31,627
Purchased services	22,564	22,526	3,968	18,558
Supplies and materials	13,457	13,495	3,093	10,402
Total budgeting services	530,430	529,835	414,425	115,410
Receiving and disbursing services:				
Salaries	206,921	206,921	210,623	(3,702)
Benefits	76,678	76,413	70,649	5,764
Purchased services	35,403	35,403	25,145	10,258
Supplies and materials	2,125	2,125	2,043	82
Total receiving and disbursing services	321,127	320,862	308,460	12,402
Payroll services:				
Salaries	238,068	238,068	243,925	(5,857)
Benefits	89,384	89,179	80,425	8,754
Total payroll services	327,452	327,247	324,350	2,897
Financial accounting services:				
Salaries	169,771	169,771	175,591	(5,820)
Benefits	62,431	62,299	57,769	4,530
Purchased services	16,842	16,842	5,927	10,915
Supplies and materials	1,100	1,015	331	684
Total financial accounting services	250,144	249,927	239,618	10,309
Property accounting services:				
Salaries	124,227	124,227	127,468	(3,241)
Benefits	46,026	45,908	41,682	4,226
Purchased services	70,215	73,994	13,248	60,746
Total property accounting services	240,468	244,129	182,398	61,731

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
Other fiscal services:				
Salaries	\$ 64,661	64,661	67,037	(2,376)
Benefits	26,018	25,955	24,319	1,636
Purchased services	76,750	96,750	47,279	49,471
Supplies and materials	200	200	—	200
Total other fiscal services	167,629	187,566	138,635	48,931
Operation and maintenance of plant service area direction:				
Salaries	460,250	434,560	442,835	(8,275)
Benefits	121,917	117,616	106,157	11,459
Purchased services	140,800	140,800	111,356	29,444
Supplies and materials	12,500	12,500	56,473	(43,973)
Total operation and maintenance of plant	735,467	705,476	716,821	(11,345)
Care and upkeep of building services:				
Salaries	8,784,156	7,348,004	7,264,997	83,007
Benefits	4,061,060	3,133,021	2,927,845	205,176
Purchased services	4,249,300	4,885,711	4,312,017	573,694
Supplies and materials	8,159,306	9,871,033	8,350,563	1,520,470
Total care and upkeep of building services	25,253,822	25,237,769	22,855,422	2,382,347
Care and upkeep of grounds services:				
Salaries	394,591	337,883	327,618	10,265
Benefits	174,964	137,730	128,467	9,263
Purchased services	422,500	422,500	376,169	46,331
Supplies and materials	65,000	68,000	41,368	26,632
Total care and upkeep of grounds services	1,057,055	966,113	873,622	92,491
Vehicle servicing and maintenance services:				
Purchased services	135,000	135,000	118,960	16,040
Supplies and materials	62,750	45,750	40,557	5,193
Total vehicle servicing and maintenance	197,750	180,750	159,517	21,233
Security services:				
Salaries	3,783,723	3,446,049	3,160,465	285,584
Benefits	1,657,724	1,257,751	1,133,611	124,140
Purchased services	742,820	923,112	556,667	366,445
Supplies and materials	183,521	433,622	381,559	52,063
Total security services	6,367,788	6,060,534	5,232,302	828,232
Contracted transportation services for students:				
Salaries	188,742	250,077	176,336	73,741
Benefits	65,264	94,743	53,312	41,431
Purchased services	10,346,580	9,234,426	9,458,987	(224,561)
Supplies and materials	454,500	215,793	237,436	(21,643)
Total contracted transportation services	11,055,086	9,795,039	9,926,071	(131,032)
Contracted transportation services for students with disabilities:				
Purchased services	3,708,000	1,500,164	1,711,473	(211,309)
Supplies and materials	100,500	30,051	275	29,776
Total contracted transportation disabilities	3,808,500	1,530,215	1,711,748	(181,533)

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
Early childhood special education transportation:				
Purchased services	\$ 1,327,524	1,327,524	441,745	885,779
Total early childhood special education transportation	1,327,524	1,327,524	441,745	885,779
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	461,346	461,346	466,845	(5,499)
Benefits	186,243	185,823	169,510	16,313
Purchased services	31,250	31,250	25,798	5,452
Supplies and materials	25,400	25,400	19,919	5,481
Total internal service area direction	704,239	703,819	682,072	21,747
Other business support services:				
Salaries	293,691	293,691	297,633	(3,942)
Benefits	106,569	106,254	97,388	8,866
Purchased services	22,800	22,800	14,006	8,794
Supplies and materials	2,200	2,200	630	1,570
Total other business support services	425,260	424,945	409,657	15,288
Total business support services	54,538,210	50,562,678	46,236,030	4,326,648
Support services - central office:				
Planning, research, development, and evaluation services area direction:				
Salaries	876,689	877,689	801,585	76,104
Benefits	319,310	317,597	249,940	67,657
Purchased services	735,174	735,174	557,029	178,145
Supplies and materials	14,122	17,122	6,609	10,513
Total planning research, development, and evaluation	1,945,295	1,947,582	1,615,163	332,419
Information services area direction:				
Salaries	1,210,036	937,159	934,587	2,572
Benefits	481,340	379,139	314,590	64,549
Purchased services	851,087	820,805	560,398	260,407
Supplies and materials	153,789	140,239	111,189	29,050
Total information services area direction	2,696,252	2,277,342	1,920,764	356,578
Human resource services:				
Salaries	1,285,278	1,290,278	1,216,242	74,036
Benefits	487,332	484,887	405,742	79,145
Purchased services	539,000	474,057	549,147	(75,090)
Supplies and materials	122,270	189,285	160,174	29,111
Total human resource services	2,433,880	2,438,507	2,331,305	107,202
Total support services - central office	7,075,427	6,663,431	5,867,232	796,199
Community services area direction:				
Purchased services	132,600	173,572	26,999	146,573
Supplies and materials	4,000	4,000	329	3,671
Total community services area direction	136,600	177,572	27,328	150,244
Early childhood programs:				
Early childhood program:				
Salaries	184,836	184,836	188,269	(3,433)
Benefits	56,345	56,020	45,715	10,305
Purchased services	10,350	28,650	12,250	16,400
Supplies and materials	2,000	8,700	3,526	5,174
Total early childhood program	253,531	278,206	249,760	28,446
Early childhood instruction:				
Salaries	2,006,119	5,392,361	4,290,019	1,102,342
Benefits	954,708	2,449,116	1,866,273	582,843
Purchased services	558,632	641,277	409,161	232,116
Supplies and materials	69,770	221,791	120,005	101,786
Total early childhood instruction	3,589,229	8,704,545	6,685,458	2,019,087
Total early childhood programs	3,842,760	8,982,751	6,935,218	2,047,533
Homeless and other disadvantaged student:				
Salaries	—	—	1,277	(1,277)
Benefits	—	—	779	(779)
Purchased services	—	109,684	105,168	4,516
Supplies and materials	—	25,000	6,215	18,785
Total homeless and other disadvantaged student	—	134,684	113,439	21,245

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
Non-public school student services:				
Purchased services	\$ —	821,442	604,835	216,607
Supplies and materials	—	334,403	226,947	107,456
Total non-public school student services	—	1,155,845	831,782	324,063
Adult education:				
Salaries	20,000	22,000	28,979	(6,979)
Benefits	1,862	2,095	2,543	(448)
Purchased services	4,600	2,925	70	2,855
Supplies and materials	9,300	10,030	9,402	628
Total adult education	35,762	37,050	40,994	(3,944)
Afterschool program:				
Purchased services	480,000	480,000	186,470	293,530
Total afterschool program	480,000	480,000	186,470	293,530
Parental involvement:				
Salaries	813,575	964,669	996,466	(31,797)
Benefits	426,780	511,623	435,765	75,858
Purchased services	173,771	42,071	13,224	28,847
Supplies and materials	123,591	145,828	42,403	103,425
Total parental involvement	1,537,717	1,664,191	1,487,858	176,333
Facilities acquisition and construction services area direction:				
Supplies and materials	—	—	78,282	(78,282)
Total facilities acquisition and construction services	—	—	78,282	(78,282)
Total expenditures	128,263,055	144,397,680	120,529,532	23,868,148
Revenues over expenditures	111,332,391	116,925,359	121,684,152	4,758,793
Other financing sources (uses):				
Transfers in	101,517	101,517	73,789	27,728
Transfers out	(113,003,674)	(120,646,577)	(110,287,648)	(10,358,929)
Total other financing sources	(112,902,157)	(120,545,060)	(110,213,859)	(10,331,201)
Revenues and other financing sources over expenditures	\$ (1,569,766)	(3,619,701)	11,470,293	15,089,994
Reconciliation to GAAP Basis:				
Activities reported within the Teachers' Fund (a sub-fund of the General Fund):				
Total revenue			7,108,300	
Total expenditures			(109,635,033)	
Total other financing sources			102,526,733	
Total reconciling items			—	
Revenues and other financing sources over expenditures			11,470,293	
Fund balance, beginning of year			62,576,115	
Fund balance, end of year			\$ 74,046,408	

See Note to Required Supplementary Information.

KANSAS CITY PUBLIC SCHOOLS
Note to Required Supplementary Information

Budgetary Information

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

Major funds:

General

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

Capital Projects

Nonmajor funds:

Child Nutritional Services

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

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 12.58% increase in the General Fund, 1.48% increase in the Teachers Fund, 52.75% increase in the Capital Projects Fund and a 4.40% decrease 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
Required Supplementary Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 1,173,644	978,975	909,063	1,169,924
Interest	641,611	722,530	704,433	608,874
Benefit payments	(1,097,731)	(983,062)	(880,141)	(1,403,849)
Differences between expected and actual	(2,791,309)	—	189	—
Changes in assumptions	<u>5,865,604</u>	<u>925,921</u>	<u>2,016,015</u>	<u>(959,648)</u>
Net change in total OPEB liability	3,791,819	1,644,364	2,749,559	(584,699)
Total OPEB liability—beginning	<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>\$ 26,452,584</u>	<u>22,660,765</u>	<u>21,016,401</u>	<u>18,266,842</u>
Covered payroll	\$ 99,436,918	120,127,775	113,148,130	107,918,134
Total OPEB liability as a percentage of covered payroll	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, 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	Statutory required contribution	Contributions in relation to the required contribution	Contribution deficiency (excess)	Contribution as a % of district's covered payroll
2021	\$ 14,672,539	\$ 14,672,539	-	0.00%
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
2012	9,593,660	9,593,660	-	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
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
2012	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, 2021
 - The investment return assumption and discount rate 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

KANSAS CITY PUBLIC SCHOOLS

Pension Plan Required Supplementary Information

years from the valuation date for retirees and beneficiaries and 15 years for actives, using Scale MP-2016.

- Retirement rates were modified to partially reflect observed experience.
 - Termination rates were changed to be pure service-based rates.
 - Disability rates were reduced by 50%.
 - The amortization of the UAAL was changed to a “layered” approach with new pieces of UAAL amortized over a closed 20-year period beginning on the valuation date. The UAAL as of January 1, 2017 is being amortized over a closed 30-year period. Amortization payments are determined under the level percent of payroll method.
- June 30, 2017
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
 - June 30, 2016
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
 - June 30, 2015
 - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.

NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

KANSAS CITY PUBLIC SCHOOLS

Nonmajor Governmental Funds—Combining Balance Sheet

June 30, 2021

Assets	Special revenue			Permanent fund	Total nonmajor
	Child nutritional services	Student activity	Patron gift	patron endowments	governmental funds
Cash and investments	\$ 2,085,665	407,632	—	—	2,493,297
Restricted cash and investments	—	—	226,890	180,112	407,002
Interest receivable	—	—	599	383	982
Supplies inventories	117,276	—	—	—	117,276
Other receivables	—	197	—	—	197
Due from other governments	1,414,236	12,894	—	—	1,427,130
Total assets	\$ 3,617,177	420,723	227,489	180,495	4,445,884
Liabilities, Deferred Inflows of Resources and Fund Balance					
Liabilities:					
Accounts payable	\$ 198,089	26,728	—	—	224,817
Accrued salaries, benefits and payroll taxes	140,415	—	—	—	140,415
Total liabilities	338,504	26,728	—	—	365,232
Deferred inflows of resources					
Unavailable revenue - grants and services	117,685	—	—	—	117,685
Total deferred inflows of resources	117,685	—	—	—	117,685
Fund balance:					
Nonspendable	—	—	—	35,000	35,000
Restricted	3,032,248	390,402	227,489	145,495	3,795,634
Committed	128,740	—	—	—	128,740
Assigned	—	3,593	—	—	3,593
Total fund balance	3,160,988	393,995	227,489	180,495	3,962,967
Total liabilities, deferred inflows of resources and fund balance	\$ 3,617,177	420,723	227,489	180,495	4,445,884

KANSAS CITY PUBLIC SCHOOLS

Nonmajor Governmental Funds— Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2021

		Special revenue			Permanent fund patron endowments	Total nonmajor governmental funds
	Debt Service	Child nutritional services	Student activity	Patron gift		
Revenues:						
Local, including investment income	\$ —	40,138	247,969	592	378	289,077
Other state	—	608,721	—	—	—	608,721
Federal	—	6,217,205	—	—	—	6,217,205
Total revenues	—	6,866,064	247,969	592	378	7,115,003
Expenditures:						
Current:						
Instruction	—	—	230,788	—	—	230,788
Support services	—	9,009,650	—	—	—	9,009,650
Community and adult services	—	16,132	374	—	—	16,506
Debt Service:						
Principal	2,770,000	—	—	—	—	2,770,000
Interest & fiscal charges	1,512,484	—	—	—	—	1,512,484
Total expenditures	4,282,484	9,025,782	231,162	—	—	13,539,428
Revenues over (under) expenditures	(4,282,484)	(2,159,718)	16,807	592	378	(6,424,425)
Other financing sources (uses):						
Transfers in	4,282,484	—	—	—	—	4,282,484
Total other financing sources (uses)	4,282,484	—	—	—	—	4,282,484
Revenues over (under) expenditures and other financing sources (uses)	—	(2,159,718)	16,807	592	378	(2,141,941)
Fund balances, beginning of year	—	5,320,706	377,188	226,897	180,117	6,104,908
Fund balances, end of year	\$ —	3,160,988	393,995	227,489	180,495	3,962,967

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
Revenues:				
Local	\$ 381,739	236,714	68,253	(168,461)
State	—	—	69,506	69,506
Federal	13,418,264	12,956,116	6,217,205	(6,738,911)
Total revenues	13,800,003	13,192,830	6,354,964	(6,837,866)
Expenditures:				
Current:				
Food service area direction:				
Salaries	4,192,514	3,668,399	3,438,573	229,826
Benefits	2,245,880	1,831,556	1,647,709	183,847
Purchased services	470,899	431,899	224,525	207,374
Supplies and materials	6,721,710	6,992,976	3,149,292	3,843,684
Capital outlay	169,000	268,000	38,451	229,549
Total food service area direction	13,800,003	13,192,830	8,498,550	4,694,280
Other community service:				
Supplies and materials	—	—	16,132	(16,132)
Capital outlay	—	—	—	—
Total other community service	—	—	16,132	(16,132)
Total expenditures	13,800,003	13,192,830	8,514,682	4,678,148
Revenues under				
expenditures	—	—	(2,159,718)	(2,159,718)
Revenues over				
expenditures and other				
financing uses	\$ —	—	(2,159,718)	(2,159,718)
Fund balance, beginning of year			5,320,706	
Fund balance, end of year			\$ 3,160,988	

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with final budget
Revenues:				
Property taxes	\$ 1,279,434	1,201,410	905,890	(295,520)
Other local	781,000	1,295,512	491,107	(804,405)
Federal	2,426,179	10,199,703	3,081,668	(7,118,035)
Total revenues	4,486,613	12,696,625	4,478,665	(8,217,960)
Expenditures:				
Capital outlay:				
Support services - general administration				
Office of the superintendent services	—	1,700	1,636	64
Administrative technology services	—	1,080,581	933,433	147,148
Total support services - general administration	—	1,082,281	935,069	147,212
Support services - building level administration:				
Office of principal services	—	1,942	1,942	—
Instruction:				
Elementary	—	976,165	958,217	17,948
Middle schools	—	10,776	8,419	2,357
Senior high	10,000	32,099	5,998	26,101
Supplemental instruction	—	9,143	8,993	150
Other career education	—	55,000	36,080	18,920
Student activities	50,000	50,000	39,297	10,703
Total instruction	60,000	1,133,183	1,057,004	76,179
Support services - instructional staff:				
Instruction and curriculum development	—	1,078	956	122
Total support services - instructional staff	—	1,078	956	122
Business support services:				
	—	15,780	15,780	—
Care and upkeep of building services	—	1,195,284	1,095,836	99,448
Care and upkeep of grounds services	—	115,145	8,249	106,896
Security services	—	430,952	217,197	213,755
Pupil transportation vehicle-school bus	—	295,120	295,120	—
Total business support services	—	2,052,281	1,632,182	420,099

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with final budget
Support services - central office:				
Information technology	1,800	1,800	1,800	—
Total support services - central office	1,800	1,800	1,800	—
Early childhood instruction	—	213,500	24,711	188,789
Non-public school student services	—	520,958	156,079	364,879
Facilities acquisition and construction	5,896,804	8,492,810	4,944,689	3,548,121
Debt service:				
Principal	8,336,330	5,249,703	5,249,703	—
Interest	—	3,086,627	3,086,627	—
Total debt service	8,336,330	8,336,330	8,336,330	—
Total expenditures	14,294,934	21,836,163	17,090,762	4,745,401
Revenues under expenditures	(9,808,321)	(9,139,538)	(12,612,097)	(3,472,559)
Other financing sources (uses):				
Transfers in	—	—	7,760,916	7,760,916
Sale of capital assets	—	—	1,213,653	1,213,653
Total other financing sources	—	—	8,974,569	8,974,569
Revenues and other financing sources over expenditures and other financing sources	\$ (9,808,321)	(9,139,538)	(3,637,528)	5,502,010
Fund balance, beginning of year			25,171,924	
Fund balance, end of year			21,534,396	

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
Revenues:				
Prop C taxes	\$ 6,408,605	6,782,649	6,566,991	215,658
Local	—	26,750	43,379	(16,629)
County	170,097	170,097	92,911	77,186
Basic formula	(6,106,581)	(4,817,535)	—	(4,817,535)
State	—	—	48,904	(48,904)
Federal	213,218	320,736	356,115	(35,379)
Total revenues	685,339	2,482,697	7,108,300	(4,625,603)
Expenditures:				
Current:				
Support services - general administration:				
Office of superintendent services:				
Salaries	820,677	718,172	754,205	(36,033)
Benefits	286,618	253,343	214,535	38,808
Total office of superintendent services	1,107,295	971,515	968,740	2,775
Other executive administration services:				
Salaries	2,051,311	2,074,386	1,870,278	204,108
Benefits	716,518	720,667	607,196	113,471
Total other executive administration services	2,767,829	2,795,053	2,477,474	317,579
Administrative technology services:				
Salaries	75,000	—	—	—
Total other executive administration services	75,000	—	—	—
Total administrative technology services	3,950,124	3,766,568	3,446,214	320,354
Support services - building level administration:				
Office of principal services:				
Salaries	7,278,867	7,192,402	7,395,319	(202,917)
Benefits	2,597,552	2,581,127	2,244,134	336,993
Total office of principal services	9,876,419	9,773,529	9,639,453	134,076
Instruction:				
Elementary:				
Salaries	26,345,717	26,548,413	27,368,370	(819,957)
Benefits	10,692,306	10,741,971	9,898,842	843,129
Total elementary	37,038,023	37,290,384	37,267,212	23,172
Middle:				
Salaries	4,283,684	4,487,358	4,238,878	248,480
Benefits	1,762,630	1,814,700	1,614,583	200,117
Total middle/junior high	6,046,314	6,302,058	5,853,461	448,597
Senior high:				
Salaries	10,840,694	11,212,539	11,581,464	(368,925)
Benefits	4,398,625	4,535,151	4,159,909	375,242
Total senior high	15,239,319	15,747,690	15,741,373	6,317
Summer school:				
Salaries	1,092,000	1,515,898	819,281	696,617
Benefits	115,536	150,392	80,499	69,893
Total summer school	1,207,536	1,666,290	899,780	766,510
Gifted and talented:				
Salaries	261,805	261,805	265,655	(3,850)
Benefits	98,078	97,812	95,529	2,283
Total gifted and talented	359,883	359,617	361,184	(1,567)
Special education:				
Salaries	7,576,605	7,067,721	6,290,613	777,108
Benefits	2,780,133	2,548,843	2,176,593	372,250
Total special education	10,356,738	9,616,564	8,467,206	1,149,358
Proportionate share services:				
Salaries	50,000	50,000	9,713	40,287
Benefits	3,001	3,001	846	2,155
Total proportionate share services	53,001	53,001	10,559	42,442
Supplemental instruction:				
Salaries	8,108,187	3,579,193	3,409,992	169,201
Benefits	3,030,566	1,312,069	1,157,452	154,617
Total supplemental instruction	11,138,753	4,891,262	4,567,444	323,818

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—Teachers' Fund (a sub-fund of the General fund)
Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
Bilingual				
Salaries	\$ —	4,598,481	4,297,672	300,809
Benefits	—	1,718,488	1,527,550	190,938
Total bilingual	—	6,316,969	5,825,222	491,747
Early childhood special education:				
Salaries	884,411	916,452	628,041	288,411
Benefits	267,996	284,652	214,953	69,699
Total early childhood special education	1,152,407	1,201,104	842,994	358,110
Business education:				
Salaries	137,532	137,532	122,302	15,230
Benefits	55,364	55,364	44,975	10,389
Total business education	192,896	192,896	167,277	25,619
Family and consumer science:				
Salaries	187,896	187,896	186,828	1,068
Benefits	71,603	71,603	69,390	2,213
Total family and consumer science	259,499	259,499	256,218	3,281
Health science:				
Salaries	119,866	119,866	126,511	(6,645)
Benefits	46,489	46,489	46,104	385
Total health science	166,355	166,355	172,615	(6,260)
Other career education:				
Salaries	1,196,001	1,245,339	1,088,944	156,395
Benefits	466,998	485,436	366,486	118,950
Total other career education	1,662,999	1,730,775	1,455,430	275,345
Student activities:				
Salaries	887,589	887,589	671,444	216,145
Benefits	81,928	78,116	59,136	18,980
Total student activities	969,517	965,705	730,580	235,125
Adult education:				
Salaries	181,973	183,973	149,178	34,795
Benefits	70,236	69,462	53,704	15,758
Total adult education	252,209	253,435	202,882	50,553
Total instruction	86,095,449	87,013,604	82,821,437	4,192,167
Support services - pupils:				
System support for guidance services:				
Salaries	2,683,117	2,820,562	2,789,679	30,883
Benefits	1,026,304	1,069,049	980,186	88,863
Total system support for guidance services	3,709,421	3,889,611	3,769,865	119,746
Speech pathology and audiology services:				
Salaries	819,979	786,452	790,361	(3,909)
Benefits	302,216	311,259	275,113	36,146
Total speech pathology and audiology services	1,122,195	1,097,711	1,065,474	32,237
Occupational therapy:				
Salaries	130,000	124,827	124,827	—
Benefits	48,866	50,880	44,485	6,395
Total occupational therapy	178,866	175,707	169,312	6,395
Total support services - pupils	5,010,482	5,163,029	5,004,651	158,378

(Continued)

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2021

	Original budget	Final budget	Actual	Variance with Final Budget
Support services - instructional staff:				
Instruction and curriculum development services:				
Salaries	\$ 3,168,241	3,353,836	3,119,016	234,820
Benefits	1,119,954	1,159,420	930,538	228,882
Total instruction and curriculum development	4,288,195	4,513,256	4,049,554	463,702
Instructional staff training services:				
Salaries	—	229,180	126,572	102,608
Benefits	—	31,653	11,073	20,580
Total instructional staff training services	—	260,833	137,645	123,188
Educational media services area direction:				
Salaries	1,659,207	1,659,207	1,608,572	50,635
Benefits	605,143	603,781	553,619	50,162
Total educational media services area direction	2,264,350	2,262,988	2,162,191	100,797
Total support services - instructional staff	6,552,545	7,037,077	6,349,390	687,687
Planning, research, development, and evaluation services area direction:				
Salaries	—	12,000	14,663	(2,663)
Benefits	—	1,108	1,297	(189)
Total planning research and evaluation	—	13,108	15,960	(2,852)
Information services area direction				
Salaries	—	24,000	50,000	(26,000)
Benefits	—	2,215	4,407	(2,192)
Total information services	—	26,215	54,407	(28,192)
Human resource services':				
Salaries	40,000	50,000	72,500	(22,500)
Benefits	3,058	3,981	6,353	(2,372)
Total human resource services	43,058	53,981	78,853	(24,872)
Early childhood programs:				
Salaries	1,472,393	1,740,846	1,643,719	97,127
Benefits	587,026	678,884	580,949	97,935
Total early childhood programs	2,059,419	2,419,730	2,224,668	195,062
Total expenditures	113,587,496	115,266,841	109,635,033	5,631,808
Revenues under expenditures	(112,902,157)	(112,784,144)	(102,526,733)	(10,257,411)
Other financing sources:				
Transfers in	112,902,157	112,784,144	102,526,733	(10,257,411)
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, 2021

(with comparative totals for June 30, 2020)

	Total	
	2021	2020
Capital assets (gross):		
Land	\$ 28,718,748	28,753,189
Buildings	559,239,776	555,278,126
Improvements other than buildings	61,082,898	60,158,473
Impairment-closed buildings	9,430,582	9,900,582
Equipment, furniture, and vehicles	18,753,779	18,679,001
Software	440,664	392,690
Construction in progress	66,058	10,067
Total	\$ <u>677,732,505</u>	<u>673,172,128</u>
Investment in capital assets by source:		
General fund	\$ 243,720	254,916
Capital projects	670,981,636	666,302,680
Special revenue	6,468,574	6,548,509
Trust and agency	13,127	13,127
Donations	25,448	52,896
Total	\$ <u>677,732,505</u>	<u>673,172,128</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, 2021

Classification	Beginning balance July 1, 2020	Adjustments	Additions	Retirements	Ending balance June 30, 2021
High schools	\$ 288,835,501	(1,399,186)	1,444,890	(632,022)	288,249,183
Middle schools	106,012,183	149,916	271,610	(7,861)	106,425,848
Elementary schools	261,333,515	1,235,052	2,684,611	(149,834)	265,103,344
Administration	16,980,862	14,218	1,760,761	(867,769)	17,888,072
Construction in progress	10,067	—	55,991	—	66,058
Total	\$ 673,172,128	—	6,217,863	(1,657,486)	677,732,505

KANSAS CITY PUBLIC SCHOOLS

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

June 30, 2021

Classification	Land	Buildings	Improvements other than buildings	Impaired assets	Equipment, furniture, vehicles	Software	Construction- in-progress	Total
High schools	\$ 9,994,919	236,055,518	34,338,385	2,219,519	5,640,842	—	—	288,249,183
Middle schools	4,320,628	98,407,420	2,780,179	—	917,621	—	—	106,425,848
Elementary schools	12,807,571	216,470,139	23,672,204	7,211,063	4,942,367	—	—	265,103,344
Administration	1,595,630	8,306,699	292,130	—	7,252,949	440,664	—	17,888,072
Construction-in-progress	—	—	—	—	—	—	66,058	66,058
Total	\$ 28,718,748	559,239,776	61,082,898	9,430,582	18,753,779	440,664	66,058	677,732,505

Kansas City Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

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	S010A180025 & S010A190025	\$ 7,317,576
Title I - School Improvement 1003A	84.010A	S010A170025	2,564,348
Title ID - Prevention & Intervention	84.010A	S010A180025	34,624
Title IV, Part A	84.424A	S424A180026	423,286
Subtotal			<u>10,339,834</u>
Special Education Cluster Individuals with Disabilities Education Act (IDEA):			
Entitlement	84.027A	H027A170040 & H027A180040	2,768,123
Early Childhood Special Education (611)	84.027A	H027A180040	219,966
Early Childhood Special Education (619)	84.173A	H171A180103	154,085
Subtotal for Special Education Cluster			<u>3,142,174</u>
COVID-19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief (COVID-19)	84.425D	S425D200021	6,111,546
COVID-19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief II (COVID 19)	84.425D	S425D200021	78,069
COVID-19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Student Connectivity	84.425D	S425D200021	880,700
COVID-19 - Education Stabilization Fund - Elementary and Secondary			
School Emergency Relief Transportation Supplement	84.425C	S425D200016	404,840
Subtotal			<u>7,475,155</u>
Title III, English Language Learners	84.365	S365A180025	419,630
Title III, Language Instruction Immigrant			
SEE-TEL	84.365A	S365A180025	18,264
	84.365Z	N/A	11,897
School Improvement Grant (g) SIG	84.377A	S377A130026	468,257
Title II, Part A	84.367A	S367A180024 & S367A190024	741,646
Carl D. Perkins Vocational Education Act (P.L. 98-524),			
Title I, Part C, Migrant Education	84.011A	S011A190025	39,601
Title II, Part C, Improvement and Expansion	84.048A	V048A180025	710,631
Total U.S. Department of Education			<u>\$ 23,367,089</u>
U.S. Department of Army:			
Direct program - ROTC Salary Grant	12.999	N/A	\$ 356,265
U.S. Department of Agriculture:			
Passed through Missouri Department of Elementary and Secondary Education:			
Food Distribution (noncash) (1)	10.555	N/A	\$ 539,215
National School Snack Program (1)	10.555	20198N109943 & 20209N109943	44,449
Subtotal			<u>\$ 583,664</u>
National School Fruit & Vegetable Program	10.582	20208L160343	78,374
Passed through Missouri Department of Health and Senior Services:			
Summer Nutrition Program (1)	10.559	ERS0461932S	6,094,382
Total U.S. Department of Agriculture			<u>\$ 6,756,420</u>

(Continued)

(1) Included in Child Nutrition Cluster amount of \$6,678,046.

Kansas City Public Schools
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through Identifying Number	Expenditures
U.S. Department of Justice			
Passed through Missouri Department of Social Services			
Victims of Crime Act	16.575	2018-V2-GX-0035	\$ 1,010,100
U.S. Department of Labor			
Passed through Full Employment Council - WIOA Cluster:			
WIOA Youth Activities	17.259	AA-30771-18-60-a-29	\$ 89,667
U.S. Department of Health and Human Services:			
Passed through Missouri Department of Elementary and Secondary Education			
JAG TANF Grant	93.558	1701MDTANF	\$ 29,432
Homeless Children & Youth	84.196A	S196A180026 & S196A190026	76,745
Refugee Children School Impact	93.566	1901MORSOC	151,362
Subtotal			<u>257,539</u>
Passed through Mid America Regional Council - Head Start Cluster			
Early Head Start Expansion	93.600	07HP000084	382,909
Head Start	93.600	07CH7056	5,013,994
Subtotal			<u>5,396,903</u>
Total U.S. Department of Health and Human Services			\$ 5,654,442
U.S. Department of Treasury:			
COVID-19 - Coronavirus Aid, Relief, and Economic Security (CARES) - Student Access	21.019	SLT0015	\$ 132,000
COVID-19 - Coronavirus Aid, Relief, and Economic Security (CARES) - PPE/Medical/Sanitation	21.019	SLT0015	222,632
COVID-19 - Coronavirus Aid, Relief, and Economic Security (CARES) - Meal Delivery	21.019	SLT0015	240,315
COVID-19 - Coronavirus Aid, Relief, and Economic Security (CARES) - K-12 Support	21.019	SLT0015	1,016,579
Passed through Jackson County, Missouri:			
COVID-19 - Coronavirus Aid, Relief, and Economic Security (CARES) - subrecipient through Jackson County	21.019	N/A	1,062,331
Total U.S. Department of Treasury			\$ 2,673,857
Total expenditures of federal awards			\$ 39,907,840

See notes to schedule of expenditures of federal awards.

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

Year Ended June 30, 2021

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 \$539,215 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, 2021.

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 286,262	\$ 291,110	\$ 304,186	\$ 302,544	\$ 317,613	\$ 318,262	\$ 313,050	\$ 311,276	\$ 296,176	\$ 325,699
Restricted	13,364	16,538	16,873	29,536	12,281	14,847	15,479	16,781	25,587	24,503
Unrestricted	(100,963)	(112,967)	(121,386)	(93,944)	(42,264)	(25,324)	2,477	104,618	123,174	110,811
Total governmental activities, net of position	<u>\$ 198,663</u>	<u>\$ 194,681</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>	<u>\$ 461,013</u>	<u>\$ 444,937</u>
Business-type activities:										
Unrestricted	\$ 1,281	\$ 1,232	\$ 1,140	\$ 823	\$ 465	\$ 433	\$ 288	\$ 501	\$ 374	\$ 178
Total business-type activities, net of position	<u>\$ 1,281</u>	<u>\$ 1,232</u>	<u>\$ 823</u>	<u>\$ 465</u>	<u>\$ —</u>	<u>\$ 288</u>	<u>\$ 501</u>	<u>\$ 374</u>	<u>\$ 178</u>	<u>\$ 39</u>
Primary government:										
Net investment in capital assets	\$ 286,262	\$ 291,110	\$ 304,186	\$ 302,544	\$ 317,613	\$ 318,262	\$ 313,050	\$ 311,276	\$ 296,176	\$ 325,699
Restricted	13,364	16,538	16,873	29,536	12,281	14,847	15,479	16,781	25,587	24,503
Unrestricted	(99,681)	(111,735)	(120,245)	(93,121)	(41,799)	(24,891)	2,765	105,119	123,548	110,990
Total primary government, net of position	<u>\$ 199,945</u>	<u>\$ 195,913</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>	<u>\$ 461,192</u>	<u>\$ 444,976</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.

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
Administration	\$ 28,280	\$ 31,188	\$ 17,561	\$ 16,195	\$ 16,035	\$ 17,416	\$ 16,326	\$ 16,710	\$ 11,521	\$ 13,150
Instruction	119,132	109,200	117,759	118,416	115,241	127,841	118,825	105,802	100,639	101,298
Support services	48,431	79,494	90,931	78,338	69,642	57,780	58,340	51,572	51,372	46,820
Operation of facilities	29,530	27,743	29,208	29,943	30,741	33,451	34,467	33,744	52,366	28,746
Pupil transportation	12,127	16,019	16,225	15,786	15,802	12,725	12,124	11,443	11,847	12,102
Facilities improvements and renovation	—	1,670	2,187	3,922	1,051	826	2,604	14,638	3,829	2,123
Community and adult services	12,232	10,063	11,053	12,125	12,222	12,353	10,347	8,951	8,706	9,194
Interest on long-term debt	3,655	3,941	4,228	4,491	5,749	3,332	2,597	2,809	2,989	3,716
Total governmental activities expenses	\$ 253,387	\$ 279,318	\$ 279,216	\$ 266,483	\$ 265,724	\$ 255,630	\$ 245,667	\$ 243,269	\$ 217,149	\$ 261,685
Business-type activities										
Community services	\$ 1	\$ 47	\$ 108	\$ 107	\$ 116	\$ 393	\$ 57	\$ 57	\$ 151	\$ 29
Total business-type activities expenses	1	47	108	107	116	393	57	57	151	29
Total primary government expenses	\$ 253,388	\$ 279,365	\$ 279,324	\$ 266,591	\$ 265,840	\$ 256,023	\$ 245,725	\$ 243,326	\$ 217,300	\$ 261,714
Program Revenues										
Governmental activities:										
Charges for services										
Administration	\$ 2	\$ —	\$ —	\$ —	\$ 9	\$ 3	\$ —	\$ —	\$ —	\$ 2
Instruction	30	30	21	42	11	147	65	28	165	3
Support services	38	145	156	252	1,328	1,690	3,715	1,947	2,931	766
Operation of facilities	—	—	—	—	21	3	—	6	—	6
Pupil transportation	—	—	—	—	—	3	3	94	203	79
Community and adult services	5	163	257	245	112	151	47	291	—	—
Operating grants and contributions										
Administration	302	1,559	—	—	119	—	26	20	—	—
Instruction	35,281	32,244	26,423	28,743	30,901	29,015	36,633	33,449	32,774	30,402
Support services	5,894	10,704	12,822	12,219	12,895	13,572	11,863	11,694	10,476	9,440
Operation of facilities	—	471	14	132	2	—	2	—	—	—
Pupil transportation	2,535	2,605	2,931	2,634	2,117	2,708	2,668	2,354	2,405	2,910
Community and adult services	6,094	2,491	6,868	2,881	2,250	1,446	1,189	2,198	1,626	2,398
Capital grants and contributions										
Administration	1,499	676	—	—	—	—	—	—	—	—
Instruction	1,103	—	—	3	5	—	456	—	15	813
Support services	—	—	25	—	298	—	150	—	6	25
Operation of facilities	294	331	—	25	225	—	225	—	198	249
Community and adult services	—	—	—	—	—	—	5	—	—	—
Interest on long-term debt	1,077	1,344	1,483	1,614	1,739	1,743	2,043	1,893	2,136	1,956
Total governmental activities program revenue	54,154	52,763	48,789	52,031	50,481	58,864	53,975	52,935	49,049	68,050

Classification	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities:										
Charges for services	124	139	561	540	381	412	301	227	253	291
Total business-type activities program revenues	124	139	561	540	381	412	301	227	253	291
Total primary governmental program revenues	\$ 54,278	\$ 52,902	\$ 49,329	\$ 52,412	\$ 50,893	\$ 59,166	\$ 54,201	\$ 53,188	\$ 49,340	\$ 68,097
Net (expense)/revenue										
Governmental activities	\$ (199,232)	\$ (226,552)	\$ (238,152)	\$ (230,427)	\$ (214,452)	\$ (215,243)	\$ (196,766)	\$ (191,693)	\$ (190,333)	\$ (168,100)
Business-type activities	123	91	420	432	273	295	(92)	170	196	139
Total primary government net expense	\$ (199,109)	\$ (226,461)	\$ (229,995)	\$ (214,179)	\$ (214,947)	\$ (196,858)	\$ (191,523)	\$ (190,137)	\$ (167,961)	\$ (193,617)

**General Revenues and Other Changes in
Net Position**

Governmental activities:										
Property taxes	\$ 171,575	\$ 189,407	\$ 160,455	\$ 165,714	\$ 158,869	\$ 146,959	\$ 144,992	\$ 141,515	\$ 136,844	\$ 138,277
Prop C Sales tax	17,512	17,490	18,105	17,761	17,798	17,616	15,149	15,579	15,061	15,128
Other local revenues	7,130	6,785	6,975	5,119	4,341	7,706	5,559	5,039	7,256	6,067
County governmental contributions	6,131	5,469	6,763	5,907	5,672	4,964	5,284	5,054	5,284	4,287
State aid-basic formula	—	—	2,848	5,018	6,626	12,365	12,274	8,529	10,148	18,970
Grants and entitlements not restricted to specific programs	—	—	1,462	146	7	743	705	409	427	441
Gain (loss) on sale of capital assets	—	—	-	(317)	—	—	545	659	—	—
Investment earnings	177	2,408	2,980	1,884	743	1,519	1,499	2,604	(763)	1,007
Transfers	74	—	102	74	242	150	120	43	—	—
Total governmental activities	202,599	221,559	201,306	194,298	192,023	186,127	179,431	174,257	184,177	190,652
Business-type activities:										
Transfers	(74)	—	(102)	(74)	(242)	(150)	(120)	(43)	—	—
Total business-type activities	(74)	—	(74)	(242)	(150)	(120)	(43)	—	—	(159)
Total primary government	\$ 202,525	\$ 221,559	\$ 201,232	\$ 194,056	\$ 191,872	\$ 186,007	\$ 179,388	\$ 174,257	\$ 184,176	\$ 190,493

Change in Net Position

Governmental activities	\$ 3,367	\$ (4,993)	\$ (36,846)	\$ (36,130)	\$ (22,429)	\$ (29,116)	\$ (17,335)	\$ (17,436)	\$ (6,156)	\$ 22,552
Business-type activities	49	91	346	190	123	175	(135)	170	196	(20)
Total primary government	\$ 3,416	\$ (4,902)	\$ (36,500)	\$ (35,940)	\$ (22,306)	\$ (28,940)	\$ (17,470)	\$ (17,266)	\$ (5,960)	\$ 22,532

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ —	\$ 189	\$ 146	\$ 1,193	\$ 5	\$ 5	\$ 82	\$ 1,223	\$ —	\$ —
Restricted	284	284	285	284	281	280	280	3,027	301	837
Assigned	4,381	5,928	3,671	3,961	3,294	2,726	751	3,997	479	1,467
Unassigned	<u>69,381</u>	<u>56,175</u>	<u>49,400</u>	<u>53,189</u>	<u>55,929</u>	<u>54,023</u>	<u>56,675</u>	<u>64,965</u>	<u>64,782</u>	<u>61,504</u>
Total general fund	<u>\$ 74,046</u>	<u>\$ 62,576</u>	<u>\$ 58,627</u>	<u>\$ 59,509</u>	<u>\$ 57,035</u>	<u>\$ 57,788</u>	<u>\$ 73,212</u>	<u>\$ 65,562</u>	<u>\$ 63,808</u>	<u>\$ 52,422</u>
All other governmental funds										
Nonspendable	\$ 35	\$ 439	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 2,074	\$ 2,619
Restricted	13,045	16,219	16,553	29,217	16,501	17,888	18,065	16,348	28,802	45,336
Committed	2,433	1,755	3,202	193	4,411	3,847	4,811	19,373	31,770	45,742
Assigned	17,488	21,268	22,209	23,724	45,055	12,400	22,153	6,203	17,544	3,785
Unassigned	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(759)</u>
Total all other governmental funds	<u>\$ 33,001</u>	<u>\$ 39,681</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>	<u>\$ 96,723</u>	<u>\$ 102,029</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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Property taxes	\$ 175,793	\$ 179,206	\$ 165,281	\$ 166,781	\$ 156,704	\$ 144,378	\$ 144,075	\$ 139,195	\$ 142,138	\$ 138,391
Prop C Sales tax	17,512	17,490	18,105	17,761	17,798	17,616	15,149	15,579	15,061	15,128
Other local revenues	10,264	13,882	13,348	9,748	9,706	11,600	9,519	11,055	8,702	8,647
County governmental contributions	6,131	5,469	6,763	5,907	5,672	4,964	5,284	5,054	5,284	4,287
State aid-basic formula	—	—	2,848	5,018	6,626	12,365	12,274	8,529	10,148	18,225
Other state	7,674	6,951	7,508	8,709	7,125	7,560	8,473	5,790	6,009	8,981
Federal	44,164	39,004	36,228	34,521	42,634	44,423	43,767	48,576	38,782	39,441
Tuition	35	194	278	266	168	416	362	5	283	25
Total revenues	261,573	262,196	250,359	248,710	246,432	243,321	238,902	233,783	226,407	233,126
Expenditures										
Administration	29,410	33,876	18,011	15,761	17,334	15,446	17,227	15,659	15,526	14,359
Instruction	109,002	104,236	104,938	105,594	103,335	109,321	108,092	95,329	91,352	92,571
Support services	50,080	50,112	58,335	55,640	57,848	53,852	51,717	54,967	51,560	45,983
Operation of facilities	31,069	29,477	29,173	30,603	31,921	32,170	34,487	34,296	29,478	27,624
Pupil transportation	12,373	16,040	16,225	15,786	15,802	12,725	12,124	11,443	11,847	12,102
Community and adult services	12,191	10,889	11,050	12,134	12,367	11,445	10,338	8,943	8,697	9,198
Facilities improvements and renovations	5,023	8,004	19,883	18,538	30,330	29,502	13,292	36,447	22,764	12,351
Debt service										
Principal	5,250	5,066	3,749	4,720	5,173	3,601	2,009	5,750	7,555	9,770
Interest	3,672	3,954	5,392	4,504	5,303	3,336	2,600	2,928	3,287	3,773
Total expenditures	258,070	261,654	266,756	263,280	279,413	271,397	251,886	265,763	242,066	227,730
Excess of revenues under expenditures	3,503	542	(16,397)	(14,570)	(32,980)	(28,076)	(12,984)	(31,980)	(15,659)	5,396
Other financing sources (uses)										
Transfers in	12,117	4,340	13,706	14,883	9,748	6,339	13,948	18,779	19,300	21,691
Transfers out	(12,043)	(4,340)	(13,604)	(14,809)	(9,506)	(6,189)	(13,828)	(18,736)	(19,300)	(21,691)
Issuance of long term debt	—	—	—	—	51,035	—	—	—	—	—
Premium on long-term debt	—	—	—	—	2,317	—	—	—	—	—
Capital Leases/lease purchase agreement	—	—	—	—	11,640	16,147	—	—	—	—
Unrealized proceeds - surplus assets	—	—	—	—	—	—	—	—	—	620
Unrealized loss on surplus assets	—	—	—	—	—	(300)	—	—	(920)	(904)
Sales of capital assets	1,214	6,214	—	781	2,053	431	545	1,356	1,798	968
Total other financing sources (uses)	1,288	6,214	102	855	67,287	16,428	666	1,399	878	684
Net change in fund balances	\$ 4,791	\$ 6,756	\$ (16,295)	\$ (13,715)	\$ 34,307	\$ (11,648)	\$ (12,318)	\$ (30,581)	\$ (14,781)	\$ 6,080
Debt service as a percentage of noncapital expenditures	3.5%	3.6%	3.7%	4.3%	4.3%	2.9%	1.9%	3.8%	5.0%	6.3%

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
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
2011	2,089,006,959	9,094,590,836	658,069,420	1,974,405,701	2,747,076,379	11,068,996,537	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>
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	0.053	0.2329	0.5000	4.9500	7.36
2013	1.5679	0.03	0.543	0.2329	0.5000	4.9500	7.82
2012	1.5294	0.03	0.543	0.2329	0.5000	4.9500	7.79

(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, 2021

		Tax Year 2020			Tax Year 2011		
Taxpayers	Type of Business	Assessed value(1)	Rank	Percentage of total	Assessed value(1)	Rank	Percentage of total
				assessed value			assessed value
Country Club Plaza	Real estate investment	83,734,316	1	2.64%			
Crown Power & Hallmark	Greeting cards, hotel and retail sales	70,885,375	2	2.23	71,346,178	1	2.60
Evergy Metro	Utilities	58,221,665	3	1.83	43,827,343	2	1.60
Southern Union Company & Spire	Transportation	39,555,655	4	1.24	17,728,195	6	0.65
Federal Reserve Bank of KC	Banking	31,084,308	5	0.98			
Google Fiber Missouri LLC	Communications	27,291,812	6	0.86			
Town Pavilion Holdings	Retail shopping center	26,881,025	7	0.85			
AT & T Services Corp	Communications	18,568,827	8	0.58	38,555,277	3	1.40
Twentieth Century Realty Inc	Real estate	17,484,064	9	0.55	14,468,051	7	0.53
CIP 18 LC Grand Blvd Owner LLC	Communications	15,680,000	10	0.49			
JC Nichols & Highwoods Realty	Real estate investment				26,827,301	4	0.98
FSP Grand Blvd	Real estate				13,120,000	8	0.48
DST, Inc.	Investment, securities, finance						
Gateway Harrison Inc	Communications				12,612,598	10	0.46
Bayer	Agricultural research and mfg				23,005,317	5	0.84
EHMD LLC	Real estate				12,800,000	9	0.47
		<u>\$ 389,387,047</u>		<u>12.25%</u>	<u>274,290,260</u>		<u>9.98%</u>

Note: Total assessed value for 2020 was \$3,734,994,071 and 2011 was \$2,747,076,379

(1) Based on calendar year ended December 31, 2020 and December 31, 2011.

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
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%
2011		137,909,659	126,060,394	91.4%	9,641,611	135,702,005	98.4%	11,849,265	9%

(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
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
2012		47,459,000	—	—	47,459,000

Table 10

KANSAS CITY PUBLIC SCHOOLS

Computation of Overlapping Debt

June 30, 2021

Jurisdiction	General obligation bonds outstanding (2)	Percentage applicable to District (1)	Amount applicable to District
City of Kansas City, Missouri	\$ 380,185,000	100%	\$ 380,185,000

(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, 2021

Total assessed value, tax levy year 2020 (1)	\$	3,734,994,071
Legal debt margin—15% of assessed value (2)		560,249,111

(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, 2021.

Note: The District has not had outstanding general bonded debt for the last ten years. Therefore, the debt limit amount, total net debt applicable to the limit, legal debt margin amount and the ratio of either the legal debt margin to the debt limit or total debt applicable to the debt limit are not applicable.

Table 12

KANSAS CITY PUBLIC SCHOOLS

Demographic Statistics

Last Ten Fiscal Years

Fiscal year ended June 30	District population	September school membership	Ratio of membership to population	Regular school year average daily attendance	Ratio of attendance to membership
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
2012	193,837	15,403	7.95	13,732	89.2

Source: Estimated District population is based on the 2010 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)
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	12,786,240,696	54.5	78.3
2017	11,715,345,535	38.8	112.9
2016	11,527,617,815	26.5	46.5
2015	11,059,018,018	34.9	26.4
2014	11,011,745,050	24.7	44.8
2013	10,822,953,045	24.4	14.0
2012	11,068,996,537	26.3	15.5
2011	11,173,712,247	49.1	38.4

(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
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
2012	13,816	13,900	14,467	15,403	1,376

(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.