

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED IN JUNE 30, 2023



KANSAS CITY
PUBLIC SCHOOLS



KANSAS CITY PUBLIC SCHOOLS

(The School District of Kansas City, Missouri)

Annual Comprehensive Financial Report

For The Fiscal Year Ended June 30, 2023

(With Independent Auditor's Report Thereon)

Prepared by

Business & Finance Division

KANSAS CITY PUBLIC SCHOOLS

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January 9, 2024

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

The Board of Directors and Citizens:

Missouri revised statute section 165.111 requires an audit to be performed at least biennially of the financial records of all funds of the Kansas City, Missouri School District (the District). This report is prepared and published to fulfill this requirement for the fiscal year ending June 30, 2023. In addition, the report provides the Department of Elementary and Secondary Education (DESE), citizens, financial institutions, grantor agencies, and other interested parties with reliable information concerning the financial condition of the District.

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

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

This report was prepared by the Business & Finance Division who is responsible for the accuracy of the data, completeness and fairness of the report including all disclosures. RSM US LLP, certified public accountants, has issued an unmodified opinion on the District's financial statements for the year ended June 30, 2023. The independent auditor's report is in the front of the financial section of this report. The District is also required to have performed annually an audit in compliance with *Title 2 US. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Welch & Associates, LLP, certified public accountants, performed this audit. Information related to these audits, which includes the schedule of expenditures of federal awards and related notes, the schedule of findings and questioned costs, and the independent auditors' reports on compliance and internal control over financial reporting, schedule of selected statistics and a schedule of transportation cost eligible for state aid is published under a separate cover.

DISTRICT PROFILE

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

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

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

The District operated six high schools, one career and technical education school, two alternative schools, three middle schools, and 24 elementary schools for school year 2022-2023. 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 13,372 K-12 and 1,063 pre-k students.

The District provides a comprehensive curriculum to meet the needs of a diverse student population. Course offerings at the high schools vary from those that are considered college preparatory to those that prepare students to enter particular careers upon graduating from high school. Approximately 11% of the school population is served under an Individualized Education Plan (IEP) by the Special Education Department of the District. Specially trained teachers provide services to students needing both modified programs and specialized instruction. The District has developed programs for exceptional pupils that include services for students with mental or orthopedic handicaps, speech, or language disorders, learning disabilities, autism, behavior disorders, and auditory or visual handicaps, cognitive disability, as well as services for pre-school disabled children. It is the goal of the District to provide appropriate instructional services for each child according to their individual and unique needs.

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

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

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

administrative chain of command to the Board for action. The Board approved two budget amendments for the year ended June 30, 2023. 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 64% of total revenues reported by the District. During the fiscal year, the District was entitled to receive approximately \$199 million in property taxes for tax year 2022 based on its \$4.9599 operating levy; actual current taxes collected during the fiscal year totaled approximately \$182 million. The assessed valuation of real and personal property increased to approximately \$4.164 billion (tax year 2022) from approximately \$4.006 billion (tax year 2021). The difference between billed and collected is the county retention fee of approximately 1.69%, delinquent and appealed taxes.

Within the boundaries of Kansas City, Missouri are 14 school districts. Within the Kansas City Public School District are 20 charter schools. The number of school options inside the Kansas City Public School Boundaries places pressure on available revenues. The Kansas City Missouri Public School District employs roughly 2,661 personnel in varying positions with a \$208.5 million budgeted salary and benefit expense.

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

CASH MANAGEMENT

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

BLUEPRINT 2030

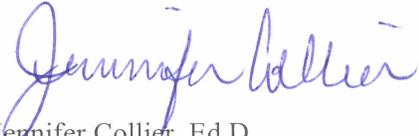
Blueprint 2030 (BP2030) is KCPS Academic Plan to increase Student Achievement and enhance the student experience by redirecting resources from the operations often school sites into our Academic Plan. BP2030 is a long-term plan to provide equitable educational experiences so Kansas City students thrive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

ACKNOWLEDGEMENTS

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

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

Yours in education,



Jennifer Collier, Ed.D.
Superintendent of Schools



Erin Thompson
Interim Chief Financial & Operations Officer



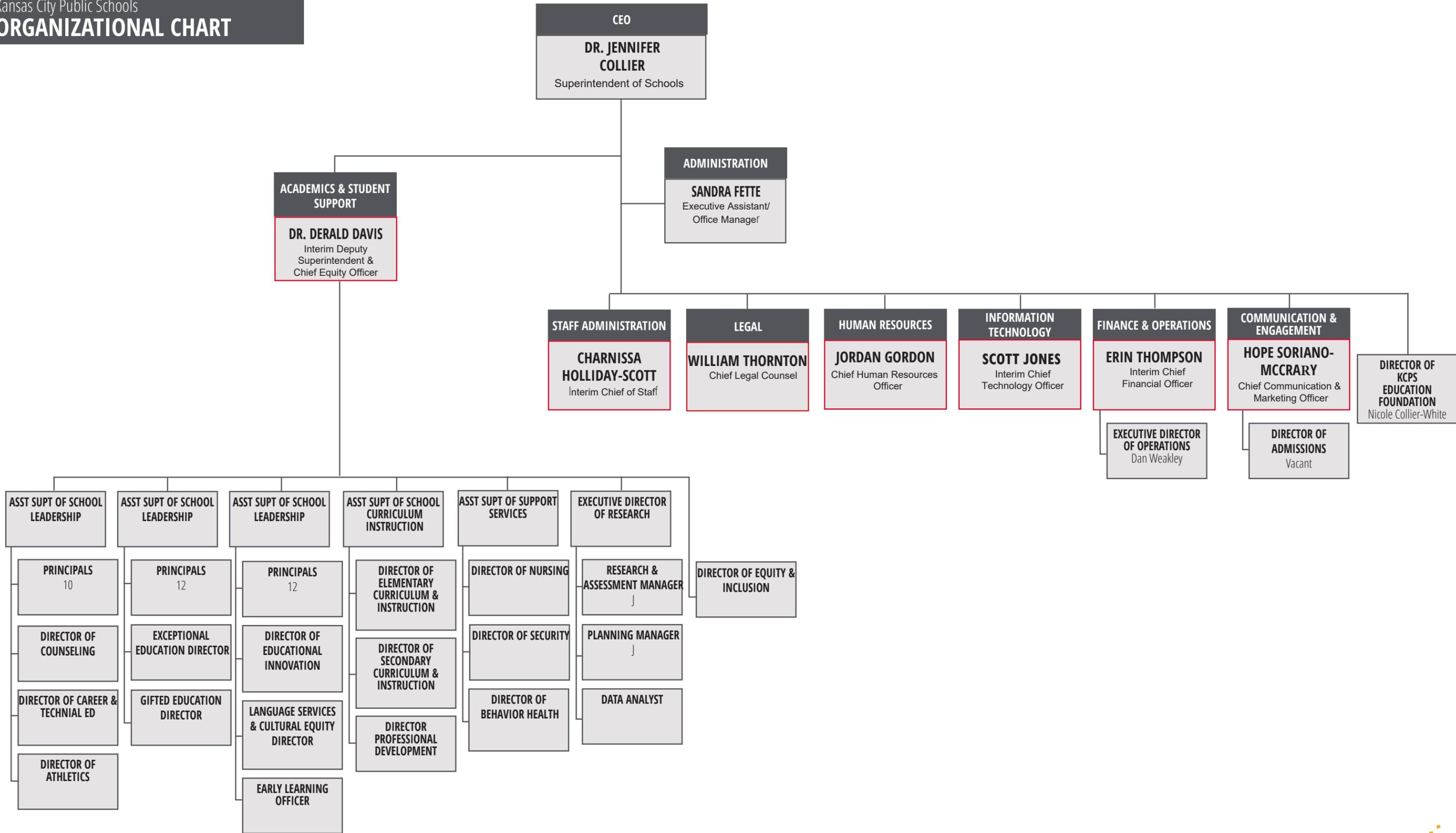
Our Vision

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

Our Mission

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

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



LIST OF PRINCIPAL OFFICIALS

June 30, 2023

BOARD OF EDUCATION

Executive Officers

Rita Cortes, Chair

Tanesha Ford, Vice Chair

Treasurer

Jamekia Kendrix

Secretary of the Board

Lisa C. Limberg

Members

Kandace Buckner

Monica Curls

Joshua Jackaway

Robert S. Sagastume

SENIOR ADMINISTRATORS

Jennifer Collier, Ed.D., Superintendent

Derald Davis, Ed.D., Interim Deputy Superintendent

Erin Thompson, Interim Chief Financial and Operations Officer

Jordan Gordon, Chief Human Resources Officer

Hope Soriano-McCrary, Chief Communications Officer

William Thornton, J.D., Chief Legal Counsel

Scott Jones, Interim Chief Technology Officer

Charnissa Holliday-Scott, Interim Chief of Staff



Independent Auditor's Report

RSM US LLP

Board of Directors
The School District of Kansas City, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The School District of Kansas City (Kansas City Public Schools), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Kansas City Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kansas City Public Schools, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 4 (f) of the basic financial statements, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2024 on our consideration of the Kansas City Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kansas City Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kansas City Public Schools' internal control over financial reporting and compliance.

RSM US LLP

Kansas City, Missouri
January 9, 2024

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

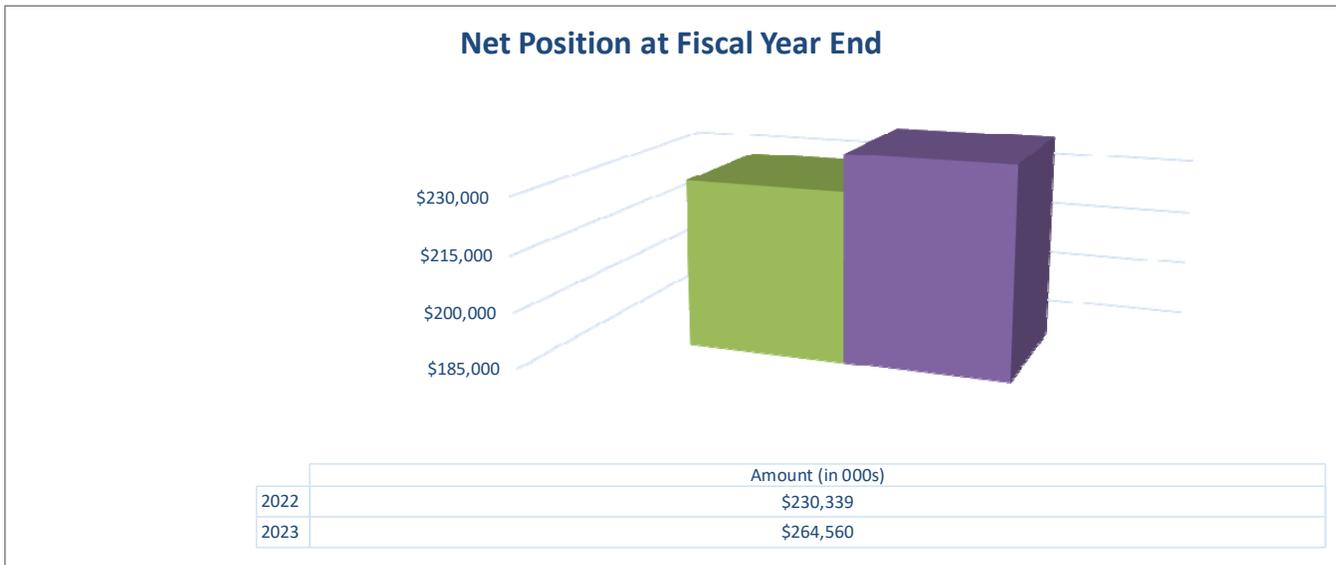
June 30, 2023

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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

In the statement of net position for governmental activities, the District’s assets and total deferred outflows of resources exceeded its liabilities and total deferred inflows of resources at the close of the fiscal year by \$264.6 million.

The graph below shows the changes in net position and indicates the District’s overall financial position increased in fiscal year 2023 by 14.86% when compared to fiscal year 2022.



The District’s governmental funds (summarized in Table 1 below) reported an ending total fund balance of \$155.0 million, an increase of \$19.6 million in comparison with the prior year. Approximately 64.90% of this amount, \$100.7 million, is available for spending at the District’s discretion (unassigned fund balance).

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

June 30, 2023

Table 1—Summary of Governmental Fund Balances

	FY23	Percentage of total	FY22	Percentage of total	Increase (decrease)	Unassigned portion fiscal year 2023
General	\$ 107,438,520	69.30%	\$ 95,583,163	70.55%	11,855,357	100,696,706
Nonmajor funds	47,601,291	30.70%	39,892,458	29.45%	7,708,833	-
	<u>\$ 155,039,811</u>	<u>100.00%</u>	<u>\$ 135,475,621</u>	<u>100.00%</u>	<u>19,564,190</u>	<u>100,696,706</u>

Unassigned fund balance as of June 30, 2023 for the General Fund was \$100.7 million and represents 35.52% of total General Fund expenditures and transfers compared to 31.28 % for fiscal year 2022. Assigned fund balance in the General Fund for general operating encumbrances was \$5.1 million, a decrease from the \$5.7 million reserves at year-end 2022. Restricted fund balance in the General Fund for workers’ compensation was \$0.28 million for both fiscal years 2023 and 2022. Overall, governmental fund balances increased at June 30 primarily due to the current year increases in property taxes.

Overview of the Financial Statements

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

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

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

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

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

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2023

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

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

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

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

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

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

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

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

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

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2023

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

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

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

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

Government-wide Financial Analysis

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

Table 2—Net Position (Expressed in Thousands)

	Governmental activities			Business-type activities			Total	
	2023	2022	Increase (decrease)	2023	2022	Increase (decrease)	2023	2022
Assets:								
Current and other assets	\$ 475,262	393,454	81,808	1,330	1,307	23	476,592	394,761
Capital assets	349,420	358,333	(8,913)	—	—	—	349,420	358,333
Total assets	<u>824,682</u>	<u>751,787</u>	<u>72,895</u>	<u>1,330</u>	<u>1,307</u>	<u>23</u>	<u>826,012</u>	<u>753,094</u>
Deferred outflows of resources	45,835	14,285	31,550	—	—	—	45,835	14,285
Liabilities:								
Other liabilities	29,241	32,511	(3,270)	7	7	—	29,248	32,518
Long-term liabilities	312,759	258,764	53,995	—	—	—	312,759	258,764
Total liabilities	<u>342,000</u>	<u>291,275</u>	<u>50,725</u>	<u>7</u>	<u>7</u>	<u>—</u>	<u>342,007</u>	<u>291,282</u>
Deferred inflows of resources	263,955	244,458	19,497	—	—	—	263,955	244,458
Net position:								
Net investment in capital assets	275,736	283,877	(8,141)	—	—	—	275,736	283,877
Restricted	12,693	13,350	(657)	—	—	—	12,693	13,350
Unrestricted (deficit)	<u>(23,869)</u>	<u>(66,888)</u>	<u>43,019</u>	<u>1,300</u>	<u>1,300</u>	<u>—</u>	<u>(22,569)</u>	<u>(65,588)</u>
Total net position	<u>\$ 264,560</u>	<u>230,339</u>	<u>34,221</u>	<u>1,300</u>	<u>1,300</u>	<u>—</u>	<u>265,860</u>	<u>231,639</u>

Overall, governmental activities current and other assets increased by 20.79%; business-type activities current and other assets increased 1.76%. Long-term liabilities increased \$54.0 million due to an increase in the net pension liability from \$138.23 million fiscal year 2022 to \$203.38 million fiscal year 2023.

Unrestricted net position (deficit) of (\$23.9) million includes management commitments, assignments and unassigned fund balances.

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

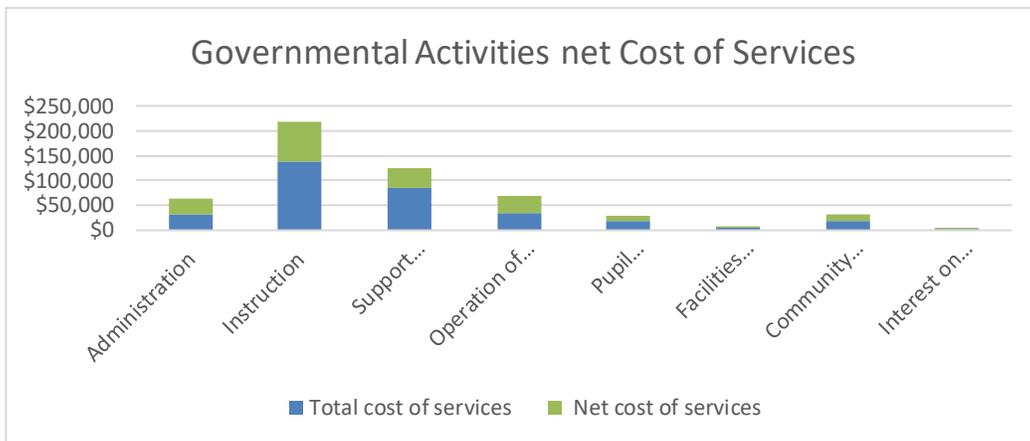
KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Table 3A—Changes in Net Position —Governmental Activities highlights the District's revenues and expenses for the 2023 and 2022 fiscal years. The difference between revenues and expenses equals the change in net position. Revenue is divided into two major components, program revenue and general revenue. Program revenue is defined as charges for services, operating and capital grants, and contributions. General revenue is defined as the primary unrestricted funding sources, such as property taxes, sales taxes, and basic state aid.

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

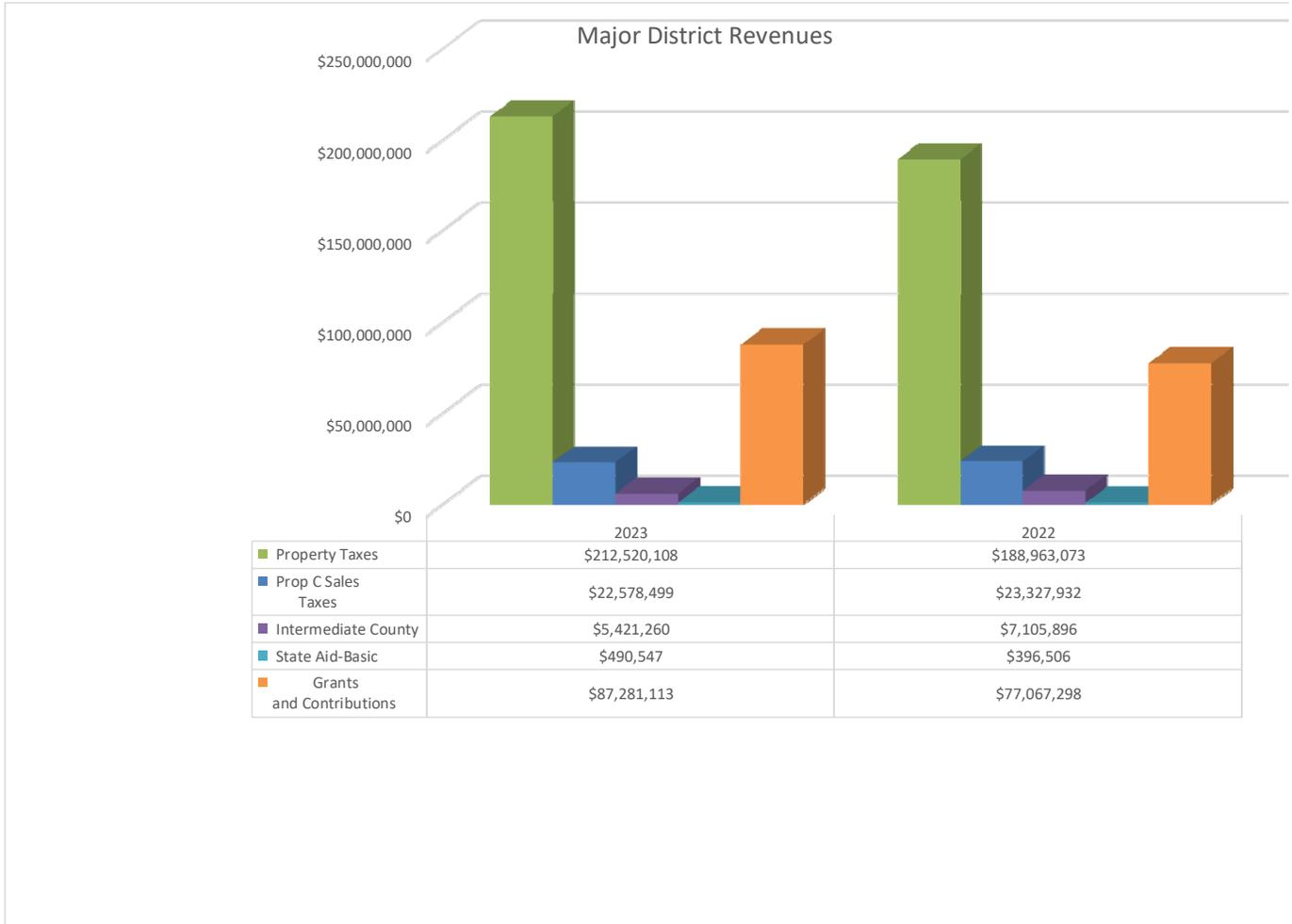


A graph of major District government-wide revenues is shown below.

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

Property Taxes (Local) are levied by the county assessor based on the assessed valuation of taxable property owned by taxpayers as of January 1 of each calendar year (tax lien date). Taxes are billed the following November 1 and become due on or before December 31. Property tax revenues are recognized as revenue in the fiscal year for which the taxes have been levied. Property taxes increased \$20.0 million or 10.5% from fiscal year 2022.

The total assessed valuation for tax year 2022 was approximately \$4.164 billion compared to the total assessed valuation for tax year 2021 of \$4.006 billion, an increase of approximately 3.94%.

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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 \$22.6 million during fiscal year 2023, a decrease of approximately \$.75M from fiscal year 2022.

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 increased approximately \$4.26 million.

County revenue includes fines, state-assessed railroad and utility taxes and stock insurance. Fines are collected by Jackson County and distributed to the District based on the September membership (enrollment). State-assessed railroad and utility taxes are computed based on an average levy for all school Districts operating in Jackson County and applied against the total assessed valuation of railroad and utility properties as assessed by the state and distributed to the District based on the September membership. Stock insurance revenue is based on the prior year premiums collected from stock insurance companies conducting business within the county and is distributed based on the property tax levy. During fiscal year 2023, the District reported county revenue of approximately \$5.4 million compared to approximately \$7.1 million during fiscal year 2022, a decrease of approximately 23.71%.

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

- The Elementary and Secondary Education Act (ESEA) of 1965 as amended by the Every Student Succeeds Act (ESSA) (Title I. A Improving the Academic Achievement of the Disadvantaged, Title II Preparing, Training and Recruiting High Quality Teachers and Principals, and Title III Language Instruction for Limited English Proficient and Immigrant Students). ESSA federal funds reported as revenue by the District during fiscal year 2023 increased approximately \$.75 million from the prior year. The total fiscal year 2023 revenue was approximately \$14.9 million compared to approximately \$14.1 million during fiscal year 2022.
- The Elementary and Secondary School Emergency Relief (ESSER) Fund under the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted on March 27, 2020. The purpose of the CARES Act is to provide funding to respond to the COVID-19 pandemic. The District reported revenue of approximately \$25.1 million during fiscal year 2023 compared to approximately \$25.8 million during fiscal year 2022.
- 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

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reported revenue of approximately \$6.2 million from federal sources to operate its special education program during school year 2023 compared to approximately \$5.3 million during fiscal year 2022.

- Child nutrition services: The National School Lunch Program (NSLP); the School Breakfast Program (SBP); the Summer Food Service Program (SFSP) and the Child and Adult Care Food Program (CACFP). Revenue for the child nutrition program increased from approximately \$13.5 million reported during fiscal year 2022 to approximately \$13.8 million during fiscal year 2023.
- Head Start – A comprehensive child development program for pre-kindergarten children and their families. The District reported revenue of approximately \$5.3 million to operate the head start program for school year 2023, consistent with school year 2022.

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

The Total OPEB Liability decreased from approximately \$22.77 million fiscal year 2022 to approximately \$15.98 million fiscal year 2023. The Total OPEB Liability decreased due to an increased discount rate from 4.09% to 4.13% as well as the decrease in the election percentage of future retirees assumed to elect medical coverage. This percentage was reduced from 25% to 15% for those retiring prior to age 65, and from 10% to 5% for those retiring on or after age 65. This change reduced the Total OPEB Liability by approximately \$7 million.

The net pension liability increased from approximately \$138.2 million as of June 30, 2022 to approximately \$203.38 million as of June 30, 2023. Total pension liability will increase or decrease because of changes in the benefit structure, actual versus expected experience, actuarial assumptions or other inputs. There were several changes in actuarial assumptions or other inputs. These changes are described in more detail in the Net Pension Liability Required Supplementary Information section of this report.

Principal on long-term debt – Principal costs increased \$0.21 million and interest costs decreased by \$0.34 million due to the required principal and interest payments pursuant to the scheduled debt service.

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

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

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Community services:			
Charges for services	\$ 26	22	4
Expenses	(2)	(4)	2
Revenue over expenditures before transfers	<u>24</u>	<u>18</u>	<u>6</u>
Increase (decrease) in net position	<u>\$ 24</u>	<u>18</u>	<u>6</u>

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

Table 4—Cost of Services—Governmental Activities shows the cost of services for governmental activities. The total cost of services column contains all costs related to functions/programs. The net cost of services column shows how much of the total cost is not covered by program revenues. Net costs (or 65.83% 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 1.07%. The increase in total expenditures of approximately \$40.0 million was greater than the combined increase of \$4.6 million in charges for services and the \$10.2 million increase in grants and contributions.

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

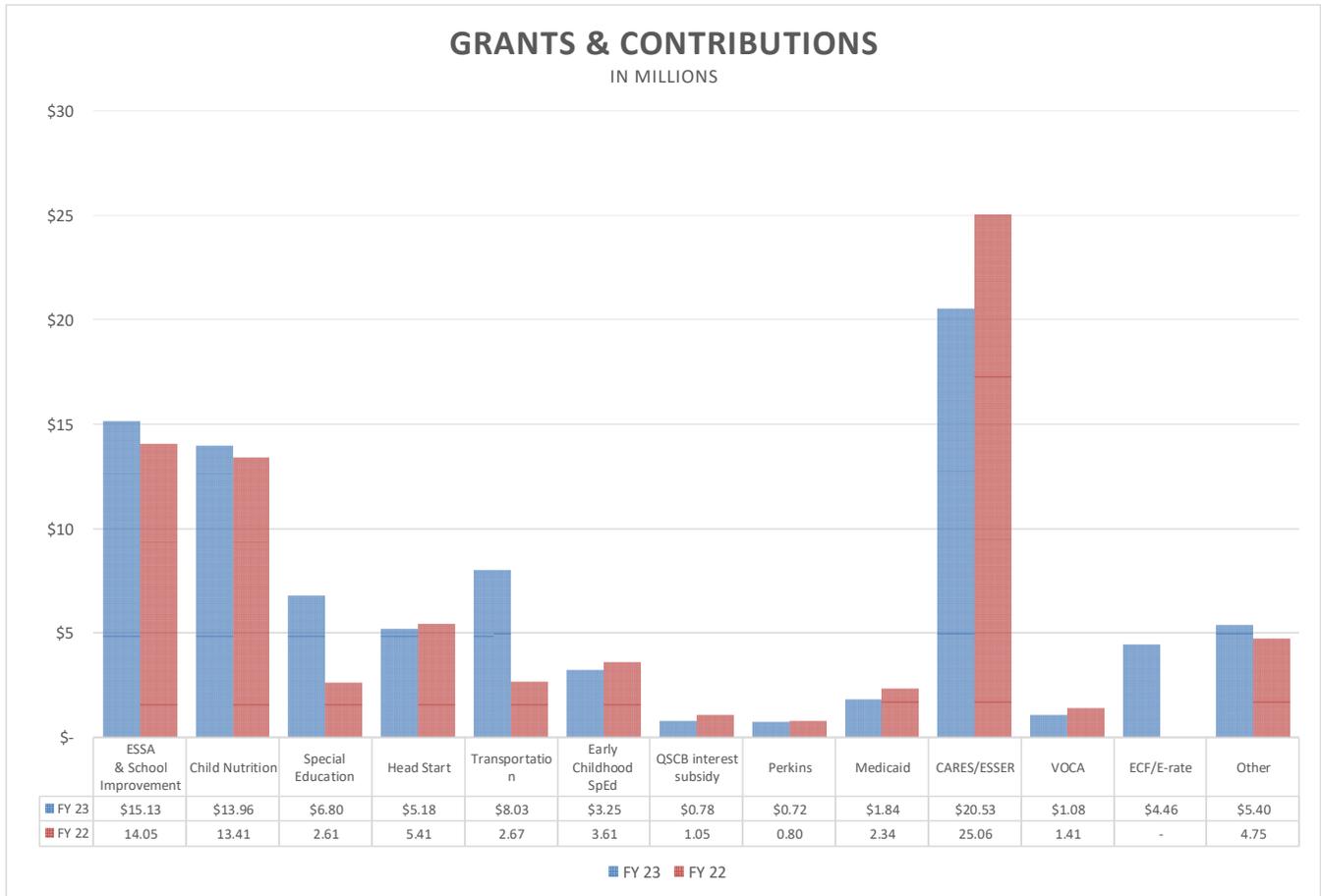
	<u>2023</u>		<u>2022</u>	
	<u>Total cost of services</u>	<u>Net cost of services</u>	<u>Total cost of services</u>	<u>Net cost of services</u>
Administration	\$ 32,322	32,152	29,600	24,294
Instruction	137,667	80,481	121,802	71,570
Support services	65,676	39,972	52,119	35,809
Operation of facilities	33,916	33,896	30,563	30,189
Pupil transportation	17,631	9,598	17,705	15,031
Facilities improvements and renovations	3,735	3,735	510	510
Community and adult services	16,566	15,773	15,177	13,164
Interest on long-term debt	2,849	1,970	2,904	1,856
Total	<u>\$ 310,362</u>	<u>217,577</u>	<u>270,380</u>	<u>192,423</u>

The District received program revenues specifically to offset the cost of certain functions/programs. The major source of this type of revenue is from grants and contributions (operating and capital). Of the total \$87.3 million, 87% is from federal sources. The graph below depicts the operating and capital grants, and contributions the District received that are restricted to a particular purpose.

KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

June 30, 2023



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, 2023, the classifications of fund balance of the operating budget fund are shown below:

<u>Operating budget fund</u>		<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$	<u>1,353,766</u>	<u>283,874</u>	<u>5,104,174</u>	<u>100,696,706</u>	<u>107,438,520</u>

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As a measure of the operating budget liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total expenditures. The total operating fund balance represents 37.9% of total operating expenditures and transfers. The total operating fund balance increased by 12.40% when compared to fiscal year 2022 primarily due to the fiscal year 2023 increase in property taxes.

Budgetary Highlights

Table 5A- Budget Comparison shows a summary of the major changes in the current year original and final budgets. The difference in revenues between the original and the final budgets is an increase of approximately 11.94%. Projection for local revenues increased by \$8.8 million mainly due to the property taxes, earnings on investments, and local grants. State funding increased by \$17 million mainly due to the State's fully funding the transportation formula, the approval of HB 1552 that releases KCPS obligation to pay charter schools the local revenue in excess of basic formula entitlement, and increased early childhood special education projection. Federal grant awards of \$13 million received and adjusted after the original budget was approved by the board that included Head Start, Afghan Refugee, VOCA, IDEA Entitlement, Title I, IA, IIA, III & IV, Homeless, MO Career Opportunity, ESSER, and Emergency Connectivity Fund.

Budgeted expenditures increased by 10.04%. The increase is primarily due to additional funding needed in technology system, E-rate funding, substitute cost, security camera system, transportation cost, and facilities capital projects. In addition, local and federal final grant awards for Head Start, Afghan Refugee, VOCA, Emergency Connectivity Fund, Teacher Retention, ECSE, IDEA Entitlement, Title I, IA, IIA, III & IV, Homeless, MO Career Opportunity Grant, School Smart KC, Kauffman Foundation, Hall Family Foundation, and various local partnership grants were received after the original budget was approved.

When comparing the original budget to the final budget, there was a favorable variance of \$38.9 million for revenues and transfers in, and an unfavorable budgeted variance for expenditure and transfers out of \$33.4 million.

When compared to the prior year (see Table 5B), budgeted revenues and transfers increased by 11.09% and expenditures and transfers out increased by 10.76%.

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Table 5A—Budget Comparison, Original to Final Budget, Fiscal Year 2023

		Revenues and Transfers In		Expenditures and Transfers Out
Original budget	\$	325,606,468		332,663,581
Final budget		<u>364,471,874</u>		<u>366,046,510</u>
Increase	\$	<u>38,865,406</u>		<u>33,382,929</u>

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

		Revenues and transfers in		Expenditures and transfers out
Fiscal year 2023 final budget	\$	364,471,874		366,046,510
Fiscal year 2022 final budget		<u>328,086,532</u>		<u>330,482,156</u>
Increase (decrease)	\$	<u>36,385,342</u>		<u>35,564,354</u>
Percentage of change		11.09%		10.76%

Major Funds—Financial Highlights

When compared to fiscal year 2023, General Fund revenues increased by \$20.1 million or 7.33%, and expenditures increased by \$17.0 million or 6.76%. The General Fund’s ending fund balance is used to balance the operating budget. The level of fund balance in the General Fund is increased in relation to annual revenues, as shown in the graph below. This ratio is analyzed to determine if there is adequate budgetary carryover to meet unfunded emergencies and other unplanned needs.

KANSAS CITY PUBLIC SCHOOLS

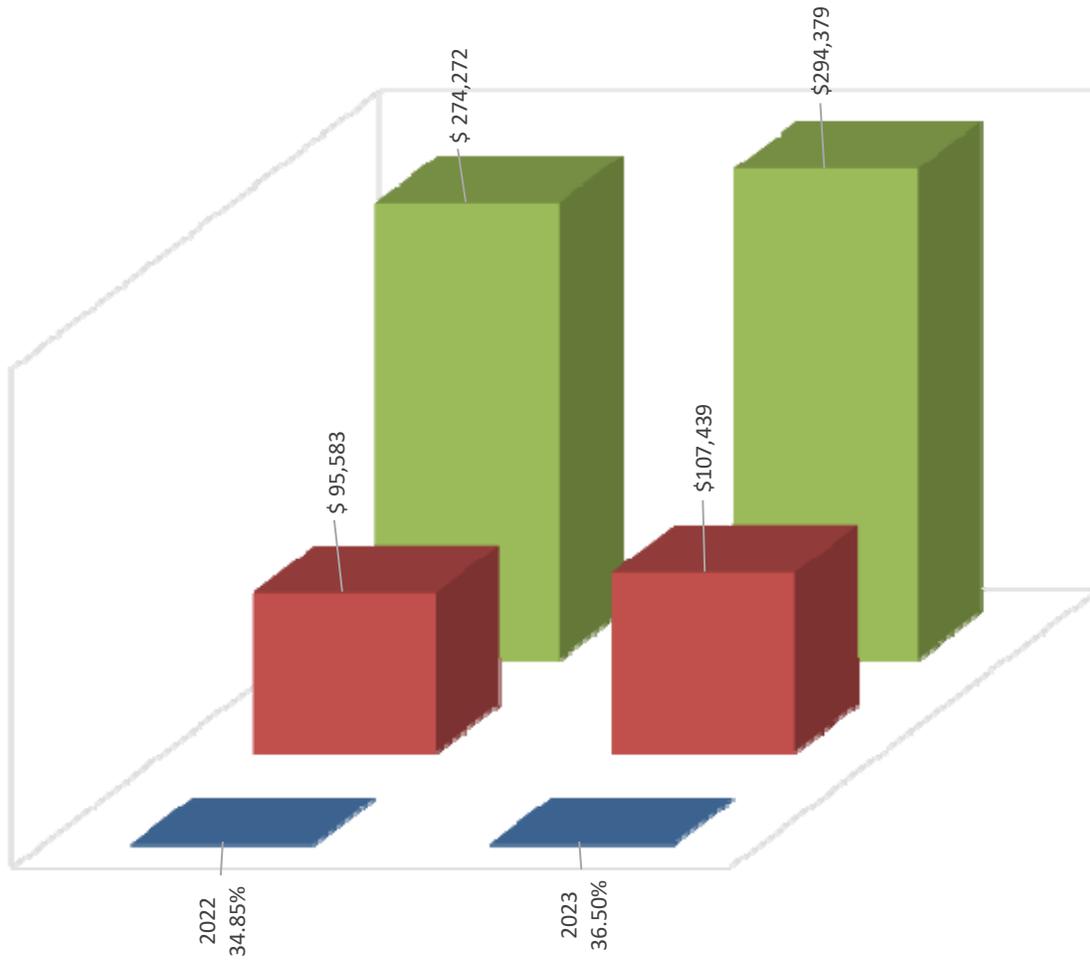
Management's Discussion and Analysis (Unaudited)

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General Fund Balance as a % of Revenue

in 000s

■ Fund balance ■ Total revenue



KANSAS CITY PUBLIC SCHOOLS

Management’s Discussion and Analysis (Unaudited)

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Capital Assets and Debt Administration

Capital assets—The District’s capital assets for its governmental activities as of June 30, 2023 amounts to \$349.4 million (net of accumulated depreciation). The investment in capital assets includes land, buildings, building improvements, improvements other than buildings, impaired buildings, equipment, software, fixtures, vehicles and right-to-use leased assets. Capital assets decreased by approximately \$8.91million 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

	2023	2022
Land	\$ 28,322,490	28,718,748
Buildings	280,489,330	289,163,343
Improvements other than buildings	11,486,443	11,573,342
Equipment and furniture	4,264,316	3,063,880
Software	18,507	82,296
Vehicles	1,448,876	941,199
Buildings-impaired	7,920,582	7,920,582
Right-to-use assets	15,469,361	16,824,535
Construction in progress	—	44,616
	\$ 349,419,905	358,332,541

Long-term debt— During fiscal year 2010, authorized as part of the American Recovery and Reinvestment Act of 2009, the District was awarded \$17.9 million in Qualified School Construction bonds (QSCB) as one of one hundred school districts across the country. As a result of this award, in December 2009 the Building Corporation issued on behalf of the District, \$17.88 million in leasehold revenue bonds. A portion of the interest on the QSCB is paid by the federal government in the form of a quarterly tax credit to the owners of the QSCBs. The federal tax credit rate applicable to the QSCB is 6.05 %. In addition, owners of the QSCBs are also being paid interest on the principal outstanding at an interest rate of 2.23%. During fiscal year 2011, the District was again awarded Qualified School Construction Bonds (QSCB). In December 2010, the Building Corporation issued on behalf of the District, \$16.27 million in leasehold revenue bonds at an interest rate of 7.120%. The federal government interest subsidy of 5.37%, results in a net interest rate paid by the District of 1.75%. However, as of March 1, 2013, Pursuant to the requirement of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, certain automatic reductions occurred including a reduction to refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds. The effect of the sequestration during fiscal year 2023 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

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June 30, 2023

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 2.82% 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 2024 Budgets

- The Board approved the fiscal year 2024 comprehensive budget on June 28, 2023. Fiscal year 2024 projected current revenues of approximately \$369.9 million is an increase of about \$5.5 million or 1.51% when compared to fiscal year 2023.
 - Local tax revenues are estimated to increase in property taxes by \$36.3 million based on preliminary assessed valuation of \$4.98 billion provided in March 2023 by Jackson County that increased by \$818.6 million. Assessed valuation of properties further increased to \$5.15 billion in September 2023. However, approximately 55,000 property owners protested the 2023 assessment that could result in tax revenue decrease.
 - Proposition C sales taxes decrease by \$0.5 million based on anticipated return to regular payment methodology of using prior year WADA. DESE determined that the impact of the pandemic to trigger the state statutes allowing adjustments to WADA is no longer applicable in FY24.
 - Other local revenues are projected to decrease by \$2.4 million mainly due to the grants that ended in FY23.
 - The transportation state aid formula is projected to be fully funded in FY24. The ultimate funding status for FY24 will not be known until all LEAs submit the ASBR for FY23.
 - Federal grants projection is a decrease of \$27.7 million. The district anticipated an increase in child nutrition programs, and decreases in emergency connectivity fund, MO career opportunity grant, teacher retention grant, and ESSER Funds. In addition, other federal grants including Title I, IA, 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.
- Fiscal year 2024 expenditures of approximately \$348.7 million represent a decrease of about \$17.4 million or 4.75% when compared to the prior year. Budgeted expenditures mainly decrease in facilities capital projects and ESSER funding.

KANSAS CITY PUBLIC SCHOOLS

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Requests for Information

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

BASIC FINANCIAL STATEMENTS

KANSAS CITY PUBLIC SCHOOLS
Statement of Net Position
June 30, 2023

	Governmental activities	Business-type activities	Total
Assets:			
Cash and investments	\$ 167,352,771	1,329,780	168,682,551
Restricted cash and investments	9,382,366	—	9,382,366
Taxes receivable (net of allowance for uncollectibles)	269,581,035	—	269,581,035
Interest receivable	666,944	—	666,944
Due from other governmental units	25,180,023	—	25,180,023
Prepaid expenditures	725,383	—	725,383
Other receivables	304,048	—	304,048
Supplies inventories	455,888	—	455,888
Property held for sale	1,613,604	—	1,613,604
Capital assets (net of accumulated depreciation):			
Nondepreciable	36,243,072	—	36,243,072
Depreciable	313,176,833	—	313,176,833
Total assets	<u>824,681,967</u>	<u>1,329,780</u>	<u>826,011,747</u>
Deferred outflows of resources:			
Pension-related amounts	42,096,749	—	42,096,749
Other post employment benefits	3,737,943	—	3,737,943
Total deferred outflows of resources	<u>45,834,692</u>	<u>—</u>	<u>45,834,692</u>
Liabilities:			
Accounts payable and other	9,834,037	—	9,834,037
Accrued salaries, benefits, and payroll taxes	18,829,366	—	18,829,366
Accrued interest payable	399,007	—	399,007
Unearned revenue	178,778	6,854	185,632
Long-term liabilities:			
Due within one year:			
Compensated absences	3,787,175	—	3,787,175
Health insurance claims liability	2,797,101	—	2,797,101
Revenue bonds	3,295,000	—	3,295,000
Lease purchase agreement	1,970,188	—	1,970,188
Lease agreements	447,690	—	447,690
Certificates of participation	640,000	—	640,000
Due in more than one year:			
Compensated absences	12,981,090	—	12,981,090
Legal claims payable	154,000	—	154,000
Revenue bonds	8,260,000	—	8,260,000
Lease purchase agreement	12,769,061	—	12,769,061
Certificates of participation	44,230,000	—	44,230,000
Lease agreements	565,580	—	565,580
Premium on COP	1,506,345	—	1,506,345
Total other post-employment benefits liability	15,978,527	—	15,978,527
Net pension liability	203,377,570	—	203,377,570
Total liabilities	<u>342,000,515</u>	<u>6,854</u>	<u>342,007,369</u>
Deferred inflows of resources:			
Pension-related amounts	6,307,410	—	6,307,410
Other post employment benefits	11,557,785	—	11,557,785
Property taxes	246,091,093	—	246,091,093
Total deferred inflows of resources	<u>263,956,288</u>	<u>—</u>	<u>263,956,288</u>
Net position:			
Net investment in capital assets	275,736,041	—	275,736,041
Restricted for:			
Workers' compensation	283,874	—	283,874
Permanent fund, nonexpendable corpus	35,000	—	35,000
Patron gifts	237,398	—	237,398
Compensated absences	4,905,891	—	4,905,891
Child nutrition services	4,977,113	—	4,977,113
Property held for sale	1,613,604	—	1,613,604
Other restrictions	639,712	—	639,712
Unrestricted (deficit)	(23,868,777)	1,322,926	(22,545,851)
Total net position	<u>\$ 264,559,856</u>	<u>1,322,926</u>	<u>265,882,782</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Activities

Year ended June 30, 2023

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	\$ 32,321,502	—	170,026	—	(32,151,476)	—	(32,151,476)
Instruction	137,666,965	131,250	54,172,069	2,882,191	(80,481,455)	—	(80,481,455)
Support services	65,676,424	4,579,592	21,124,377	—	(39,972,455)	—	(39,972,455)
Operation of facilities	33,916,411	—	20,000	—	(33,896,411)	—	(33,896,411)
Pupil transportation	17,631,179	—	8,033,434	—	(9,597,745)	—	(9,597,745)
Facilities improvements and renovation	3,734,571	—	—	—	(3,734,571)	—	(3,734,571)
Community and adult services	16,565,998	792,970	—	—	(15,773,028)	—	(15,773,028)
Interest on long-term debt	2,848,775	—	—	879,016	(1,969,759)	—	(1,969,759)
Total governmental activities	310,361,825	5,503,812	83,519,906	3,761,207	(217,576,900)	—	(217,576,900)
Business-type activities:							
Community services	2,418	25,810	—	—	—	23,392	23,392
Total	\$ 310,364,243	5,529,622	83,519,906	3,761,207	(217,576,900)	23,392	(217,553,508)
General revenues:							
Property taxes					212,520,108	—	212,520,108
Prop C sales tax					22,578,499	—	22,578,499
Other local revenues					5,737,535	—	5,737,535
Intermediate/county					5,421,260	—	5,421,260
State aid—basic formula					490,547	—	490,547
Investment earnings					5,049,525	—	5,049,525
Total general revenues					251,797,474	—	251,797,474
Change in net position					34,220,574	23,392	34,243,966
Net position—beginning					230,339,282	1,299,534	231,638,816
Net position—ending					\$ 264,559,856	1,322,926	265,882,782

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Balance Sheet

Governmental Funds

June 30, 2023

Assets	General	Nonmajor governmental funds	Total Governmental funds
Cash and investments	\$ 113,600,845	42,438,157	156,039,002
Restricted cash and investments	283,874	9,098,492	9,382,366
Taxes receivable, net of allowance for uncollectibles	267,625,336	1,955,699	269,581,035
Interest receivable	574,773	92,171	666,944
Supplies inventories	291,658	164,230	455,888
Other receivables	268,364	—	268,364
Prepaid expenditures	1,353,766	—	1,353,766
Due from other governments	24,422,111	757,912	25,180,023
Property held for sale	—	1,613,604	1,613,604
Total assets	\$ 408,420,727	56,120,265	464,540,992

**Liabilities, Deferred Inflows
of Resources and Fund Balances**

Liabilities:

Accounts payable and accrued liabilities	\$ 7,488,218	2,345,819	9,834,037
Accrued salaries, benefits, and payroll taxes	16,169,825	2,648,738	18,818,563
Unearned revenue	148,143	30,635	178,778
Compensated absences	—	1,303,928	1,303,928
Total liabilities	23,806,186	6,329,120	30,135,306

Deferred inflows of resources:

Unavailable revenue-property taxes	261,184,923	1,954,858	263,139,781
Unavailable revenue-grants and services	15,991,098	234,996	16,226,094
Total deferred inflows of resources	277,176,021	2,189,854	279,365,875

Fund balances:

Nonspendable	1,353,766	35,000	1,388,766
Restricted	283,874	12,373,718	12,657,592
Committed	—	10,475,126	10,475,126
Assigned	5,104,174	24,717,447	29,821,621
Unassigned	100,696,706	—	100,696,706
Total fund balances	107,438,520	47,601,291	155,039,811
Total liabilities, deferred inflows of resources and fund balances	\$ 408,420,727	56,120,265	464,540,992

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, 2023

Fund balances—total governmental funds	\$	155,039,811
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds		349,419,905
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund:		
Bonds payable		(11,555,000)
Certificates of participation		(44,870,000)
Lease liability		(15,752,519)
Unamortized premium on bonds		(1,506,345)
Net pension liability		(203,377,570)
Accrued interest payable		(399,007)
Total other post-employment benefits liability		(15,978,527)
Compensated absences		(15,464,337)
Legal claims payable		(154,000)
		(309,057,305)
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		17,048,690
Deferred inflows of resources—grants		16,226,094
Internal service funds are used by management to account for healthcare-related activities, the assets and liabilities are included in the governmental activities on the statement of net position		
		8,577,870
Prepaid right-to-use assets—reclassified to capital assets		
		(664,706)
Pension related and other post employment benefits deferred outflows and inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred inflows of resources—pension related amounts		(6,307,410)
Deferred outflows of resources—pension related amounts		42,096,749
Deferred inflows of resources—other post employment benefits		(11,557,785)
Deferred outflows of resources—other post employment benefits		3,737,943
Net position of governmental activities	\$	264,559,856

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, 2023

	<u>General</u>	<u>Nonmajor governmental funds</u>	<u>Total governmental funds</u>
Revenues:			
Property taxes	\$ 195,732,157	15,553,561	211,285,718
Prop C sales tax	21,535,906	1,042,593	22,578,499
Other local, including investment income	10,845,699	3,131,950	13,977,649
Intermediate/county	5,421,260	—	5,421,260
State aid—basic formula	490,547	—	490,547
Other state	11,693,549	816,975	12,510,524
Federal	48,383,826	16,718,859	65,102,685
Tuition	276,495	—	276,495
Total revenues	<u>294,379,439</u>	<u>37,263,938</u>	<u>331,643,377</u>
Expenditures:			
Current:			
Administration	29,175,325	—	29,175,325
Instruction	123,820,917	533,411	124,354,328
Support services	46,637,919	15,215,969	61,853,888
Operation of facilities	33,772,469	—	33,772,469
Pupil transportation	17,571,800	—	17,571,800
Community and adult services	15,184,145	1,379,565	16,563,710
Leases:			
Principal	573,566	22,654	596,220
Interest and fiscal charges	17,376	1,571	18,947
Debt service:			
Principal	—	5,747,625	5,747,625
Interest and fiscal charges	—	2,841,688	2,841,688
Capital outlay:			
Administration	—	348,290	348,290
Instruction	—	534,962	534,962
Support services	—	261,218	261,218
Operation of facilities	—	2,152,765	2,152,765
Pupil transportation	—	829,145	829,145
Community and adult services	—	14,093	14,093
Facilities improvement and renovation	1,603,141	6,977,150	8,580,291
Total expenditures	<u>268,356,658</u>	<u>36,860,106</u>	<u>305,216,764</u>
Revenues over (under) expenditures	<u>26,022,781</u>	<u>403,832</u>	<u>26,426,613</u>
Other financing sources (uses):			
Transfers in	—	11,039,797	11,039,797
Transfers out	(15,771,640)	(4,163,573)	(19,935,213)
Issuance of lease	1,603,141	—	1,603,141
Sale of capital assets	1,075	428,777	429,852
Total other financing sources (uses)	<u>(14,167,424)</u>	<u>7,305,001</u>	<u>(6,862,423)</u>
Net change in fund balances	11,855,357	7,708,833	19,564,190
Fund balances, beginning of year	95,583,163	39,892,458	135,475,621
Fund balances, end of year	<u>\$ 107,438,520</u>	<u>47,601,291</u>	<u>155,039,811</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, 2023

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

Net change in fund balances—total governmental funds \$ 19,564,190

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	11,760,542
Depreciation expense	(17,775,957)
	(6,015,415)

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	(429,852)
Loss on disposal of capital assets	(2,467,369)

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds. 7,975,691

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	715,000
Principal payment on revenue bonds	3,105,000
Principal payment on leases	2,523,845
Issuance of lease, including prepayments	(1,603,141)
Amortization of bond premium	115,872
Accrued interest payable	11,854
	4,868,430

Internal service funds are used by management to account for healthcare-related activities. The net result
of activities in internal service funds is reported with governmental activities on the statement of activities. 8,577,870

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	437,267
Pension-related amount, pension expense	357,730
Compensated absences	177,032
Self-insured claims not paid	1,200,000
Claims payable	(25,000)
	2,147,029
Change in net position of governmental activities	\$ 34,220,574

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS
Statement of Net Position—Proprietary Funds
June 30, 2023

	Nonmajor Enterprise Fund	Internal Service Fund
Assets:		
Cash	\$ 1,329,780	11,313,769
Prepaid	—	36,320
Other receivables	—	35,684
Total assets	1,329,780	11,385,773
Liabilities:		
Accrued salaries, benefits, and payroll taxes	—	10,802
Claims payable	—	2,797,101
Unearned revenue	6,854	—
Total liabilities	6,854	2,807,903
Net position, unrestricted	\$ 1,322,926	8,577,870

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2023

	Nonmajor Enterprise Fund	Internal Service Fund
Operating revenues:		
Charges for community support services	\$ 25,810	—
Employer contributions	—	20,152,714
Employee contributions	—	3,839,552
Excess loss reimbursement	—	1,007,913
Total operating revenues	25,810	25,000,179
Operating expenses:		
Salaries, wages, and employee benefits	2,418	326,750
Claims paid	—	23,597,264
Administrative fees	—	1,301,553
Other contractual services	—	85,536
Supplies and materials	—	6,622
Total operating expenses	2,418	25,317,725
Operating income (loss)	23,392	(317,546)
Transfers in	—	8,895,416
Change in net position	23,392	8,577,870
Total net position, beginning of year	1,299,534	—
Total net position, end of year	\$ 1,322,926	8,577,870

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS
Statement of Cash Flows—Proprietary Funds
Year ended June 30, 2023

	Nonmajor Enterprise Fund	Internal Service Fund
	<u> </u>	<u> </u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 26,714	—
Received from employer	—	19,919,397
Received from employees	—	4,129,313
Miscellaneous revenues	—	718,555
Payments to providers and suppliers	—	(22,041,667)
Payments to employees	(2,996)	(307,245)
	<u>23,718</u>	<u>2,418,353</u>
Net cash provided by operating activities	23,718	2,418,353
Cash flows from noncapital and related financing activities,		
Transfers from other funds	—	8,895,416
	<u>—</u>	<u>8,895,416</u>
Net increase in cash and cash equivalents	23,718	11,313,769
Cash and cash equivalents, beginning of year	1,306,062	—
Cash and cash equivalents, end of year	<u>\$ 1,329,780</u>	<u>11,313,769</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 23,392	(317,546)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Decrease in due from other government	175	—
Increase in other receivable	—	(35,684)
Increase in unearned revenue	729	—
Increase in prepaid	—	(36,320)
Increase in claims payable	—	2,797,101
Increase in accrued salaries, benefits and payroll taxes	(578)	10,802
	<u>326</u>	<u>2,735,899</u>
Total adjustments	326	2,735,899
Net cash provided by operating activities	<u>\$ 23,718</u>	<u>2,418,353</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Fiduciary Net Position

June 30, 2023

	Private Purpose Trust— Student Scholarship Fund
Assets:	
Cash and investments	\$ 270,368
Interest receivable	846
Total assets	<u>271,214</u>
Liabilities:	
Accounts payable	<u>—</u>
Total liabilities	<u>—</u>
Net position:	
Net position held in trust for other purposes	\$ <u>271,214</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

	Private Purpose Trust— Student Scholarship Fund
Additions:	
Contributions:	
Private donations	\$ <u>62,128</u>
Total contributions	<u>62,128</u>
Investment income:	
Adjustment of investments to fair market value	<u>6,953</u>
Total investment income	<u>6,953</u>
Total additions	<u>69,081</u>
Deductions:	
Scholarship awards	<u>83,500</u>
Total deductions	<u>83,500</u>
Net decrease in net position	(14,419)
Net position, beginning of year	<u>285,633</u>
Net position, end of year	\$ <u>271,214</u>

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

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

Blended Component Units—The School District of Kansas City, Missouri Building Corporation (the Building Corporation) is governed by a nine-member board of directors that is appointed by the District's Board. Although it is legally separate from the District, the Building Corporation is included as if it were a part of the primary government because its purpose is to provide financing for District capital projects and service the related debt through lease agreements with the District. The accounts of the Building Corporation as of and for the year ended June 30, 2023 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 2023. Under current Missouri statutes, charter schools are allowed to be a Local Education Agency (LEA). All charter schools are currently operating as LEA's. Accordingly, the accounts of these charter schools are not included in these financial statements.

The Kansas City Public Schools Education Foundation (the Foundation) provides annual program grants to the District through its own fundraising efforts. The Foundation is a legally separate entity and it has been excluded from the District's reporting entity because its assets are not significant to the District.

(b) Government-wide and Fund Financial Statements

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

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

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2023

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

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

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

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

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

The District has the following major governmental fund.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2023

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

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

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

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

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

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

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

The District has one capital project fund, which is a nonmajor fund. This fund is used to account for financial resources that are restricted, committed or assigned to be used for the acquisition, construction, or renovation of capital facilities and the purchase of equipment, furniture, and fixtures.

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

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

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

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

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

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2023

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

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

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

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

1. Deposits and Investments

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

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

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

2. Restricted Cash and Investments

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

3. Receivables

All trade and property tax receivables are shown net of an allowance of approximately \$3.5 million for uncollectible amounts.

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2023

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. Property taxes are levied by the county assessor based on the assessed valuation of taxable property as of January 1 of each calendar year (tax lien date). Taxes are billed the following November 1 and become due on or before December 31. Tax bills not collected by December 31 are considered delinquent and the unpaid amount is subject to interest and penalties. The county is responsible for the collection and distribution of property taxes. Assessed values are established by the county's Department of Assessment and reviewed by the County Board of Equalization and the state tax commissioner. The total assessed value at January 1, 2023 for real estate, personal property, merchants and manufacturers, and railroad and utility property was approximately \$5.15 billion.

4. Inventories

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

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

5. Capital Assets

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

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

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2023

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

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

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

6. Compensated Absences

District employees earn annual vacation leave at the following rates:

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

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

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

Estimated vacation and PTO payments due to employees at June 30, 2023 of \$16.8 million have been recorded in the government-wide financial statements. Of this balance, \$1.3million 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, 2023 of \$4.9 million to

KANSAS CITY PUBLIC SCHOOLS

Notes to Basic Financial Statements

June 30, 2023

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, 2023.

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, 2023.

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

8. Deferred Inflows/Outflows

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

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

9. Long-term Obligations

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

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

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

10. Pensions

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

11. 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 2023 is \$31,211,000 offset in part by PILOTs received of \$1,997,000. The financial impact of the Planned Industrial Expansion Authority (PIEA) tax abatement program is \$13,875,000 offset in part by PILOTs received of \$1,044,000.

12. Right-to-use agreements

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

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

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

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

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

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

13. Fund Balance and Net Position

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

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

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

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

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

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

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

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.

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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, \$237,398 for patron gifts, \$4,905,891 for compensated absences, \$4,977,113 for child nutrition services, \$1,613,604 for property held for sale, and \$639,712 for other restrictions.

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

14. Use of Estimates

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

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Notes to Basic Financial Statements

June 30, 2023

(2) Fund Balances

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

Fund Balances:	General	Nonmajor Governmental Funds	Total
Nonspendable:			
Patron gift	\$ —	35,000	35,000
Prepays	1,353,766	—	1,353,766
Total nonspendable	<u>1,353,766</u>	<u>35,000</u>	<u>1,388,766</u>
Restricted:			
Child nutritional services	—	4,977,113	4,977,113
Student activities	—	487,878	487,878
Patron gift	—	237,398	237,398
Property held for sale	—	1,613,604	1,613,604
Permanent fund	—	151,834	151,834
Compensated absences	—	4,905,891	4,905,891
Workers compensation	283,874	—	283,874
Total restricted	<u>283,874</u>	<u>12,373,718</u>	<u>12,657,592</u>
Committed:			
Encumbrances - capital projects	—	10,475,126	10,475,126
Total committed	<u>—</u>	<u>10,475,126</u>	<u>10,475,126</u>
Assigned:			
Encumbrances - purchased services and materials	5,104,174	5,781	5,109,955
Capital projects	—	24,711,666	24,711,666
Total assigned	<u>5,104,174</u>	<u>24,717,447</u>	<u>29,821,621</u>
Unassigned	100,696,706	—	100,696,706
Total fund balances	<u>\$ 107,438,520</u>	<u>47,601,291</u>	<u>155,039,811</u>

(3) Detailed Notes on All Funds

(a) Deposits and Investments

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

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Notes to Basic Financial Statements

June 30, 2023

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 0.33 years.

The District had the following investments in debt securities at June 30, 2023:

Investment type	Investment balance	Weighted average maturity (years)
U.S. Treasury obligations	\$ 39,528,215	0.30
U.S. Agencies	29,825,750	0.42
Total debt securities	\$ 69,353,965	
Portfolio weighted average maturity		0.33

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

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

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Concentration of credit risk—The District’s investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. At the time the investments are purchased, the District seeks to follow diversification standards published by the Office of Missouri State Treasurer. Those standards allow for no more than 70% of the total investment portfolio to be in U.S. Government agencies and no more than 50% to be in U.S. Government callable agencies. Collateralized repurchase agreements are limited to 75% of the total investments. The District’s investments in U.S. Treasury obligations and local government investment pools are not subject to concentration of credit risk disclosures. At June 30, 2023, the District held 8.30% of its investments in Federal Home Loan Bank.

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, 2023, the District had no deposits or investments exposed to custodial credit risk.

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

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

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

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

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

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Notes to Basic Financial Statements

June 30, 2023

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	\$ 79,504,000	\$ -	\$ 79,504,000
U.S. Treasuries	39,528,215	39,528,215	-
U.S. Agencies	29,825,750	-	29,825,750
	148,857,965	\$ 39,528,215	\$ 109,329,750
Investments measured at net asset value			
MOSIP - TERM	5,000,000		
Investments measured at			
amortized cost:			
Certificates of deposit	10,000,000		
Local government investment pool - MOCAAT	5,195,850		
Local government investment pool - MOSIP	10,267,613		
Total investments	\$ 179,321,428		

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June 30, 2023

(b) Capital Assets

Capital asset activity as of June 30, 2023 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	\$ 28,718,748	—	(396,258)	28,322,490
Construction in progress	44,616	—	(44,616)	—
Impairment- closed buildings	7,920,582	—	—	7,920,582
Total capital assets, not being depreciated	<u>36,683,946</u>	<u>—</u>	<u>(440,874)</u>	<u>36,243,072</u>
Capital assets, being depreciated:				
Buildings and improvements	556,955,075	5,826,565	(4,948,036)	557,833,604
Improvements other than buildings	48,255,693	1,355,021	(552,466)	49,058,248
Equipment and furniture	16,354,771	2,101,853	(498,678)	17,957,946
Software	525,797	—	—	525,797
Vehicles	2,592,798	873,961	(43,243)	3,423,516
Right-to-use leased assets:				
Energy savings equipment	18,085,216	—	—	18,085,216
Mobile classrooms	82,109	—	—	82,109
Vehicles	696,137	—	—	696,137
Copiers	284,310	433,479	—	717,789
Software - subscription asset	—	1,169,663	—	1,169,663
Total capital assets being depreciated	<u>643,831,906</u>	<u>11,760,542</u>	<u>(6,042,423)</u>	<u>649,550,025</u>
Less accumulated depreciation for:				
Buildings and improvements	(267,791,732)	(12,142,298)	2,589,756	(277,344,274)
Improvements other than buildings	(36,682,351)	(1,349,331)	459,877	(37,571,805)
Equipment and furniture	(13,290,891)	(895,939)	493,200	(13,693,630)
Software	(443,501)	(63,789)	—	(507,290)
Vehicles	(1,651,599)	(366,284)	43,243	(1,974,640)
Right-to-use leased assets:				
Energy savings equipment	(1,908,995)	(1,908,995)	—	(3,817,990)
Mobile classrooms	(41,785)	(40,324)	—	(82,109)
Vehicles	(239,668)	(239,668)	—	(479,336)
Copiers	(132,789)	(585,000)	—	(717,789)
Software - subscription asset	—	(184,329)	—	(184,329)
Total accumulated depreciation	<u>(322,183,311)</u>	<u>(17,775,957)</u>	<u>3,586,076</u>	<u>(336,373,192)</u>
Total capital assets, being depreciated, net	<u>321,648,595</u>	<u>(6,015,415)</u>	<u>(2,456,347)</u>	<u>313,176,833</u>
Governmental activities capital assets	<u>\$ 358,332,541</u>	<u>(6,015,415)</u>	<u>(2,897,221)</u>	<u>349,419,905</u>

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Notes to Basic Financial Statements

June 30, 2023

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

Office of the Superintendent Services	\$	64,818
Administrative Technology Services		211,719
Total administration		<u>276,537</u>
Elementary		5,828,558
Middle school		1,696,210
High school		6,239,898
Gifted and talented		17,218
Supplemental Instruction		6,939
Student activities		4,682
Total instruction		<u>13,793,505</u>
Attendance and social work services		1,829
Nursing Services		5,460
Visually impaired		1,226
Budgeting services		84,211
Food service		3,476
Internal service		486
Total support services		<u>96,688</u>
Early childhood instruction		2,218
Non-public school students' services		7,376
Total community and adult services		<u>9,594</u>
Operation and maintenance of plant service		282,266
Total operation of facilities		<u>282,266</u>
Contracted transportation services for students		
District operated nondisabled student trans srvc		59,379
Total transportation		<u>59,379</u>
Facilities acquisition and construction		299,672
Total facilities improvements and renovation		<u>299,672</u>
Right-to-use leased assets:		
Equipment lease purchase energy savings		1,908,995
Mobile classrooms		40,324
Vehicles		239,668
Copiers		585,000
Software - subscription asset		184,329
Total administration		<u>2,958,316</u>
Total governmental activities depreciation expense	\$	<u><u>17,775,957</u></u>

As of June 30, 2023, the District has six buildings with a total carrying value of \$7,920,582 that are idle and considered impaired. These buildings are accounted for at the lower of carrying value or fair value. Management has determined an additional eight buildings with a carrying value of \$25,382,525 are considered to be temporarily impaired.

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Notes to Basic Financial Statements

June 30, 2023

(c) Transfers

The following transfers were made during the fiscal year:

	Nonmajor governmental	Internal service	Total
Transfer from:			
General fund	\$ 6,876,224	8,895,416	15,771,640
Nonmajor governmental fund	4,163,573	—	4,163,573
	\$ 11,039,797	8,895,416	19,935,213

The above fund transfers are the result of budget appropriations that required fund transfers and the fund transfer to establish the internal service fund for the self-insured health insurance program.

(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, 2023.

(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 \$4,663,476 with annual requirements ranging from \$2.26 million to \$2.40 million. For the current year, interest paid by the District was \$.13 million. The amount of tax credits issued to the bondholder from the federal government was \$.365 million.

The 2010 Leasehold Revenue Qualified School Construction Bonds are payable through 2029. The total principal and interest remaining on the debt is \$8,669,348 with annual requirements ranging from \$1.29 million to \$1.60 million. For the current year, interest paid by the District was \$.56 million. The amount of interest subsidy reimbursed to the District from the federal government was \$.502 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 \$56,706,413.

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Notes to Basic Financial Statements

June 30, 2023

Bonds and certificates of participation outstanding at June 30, 2023 are as follows:

<u>Series</u>	<u>Amount outstanding</u>	<u>Interest rate</u>	<u>Maturity year</u>
Revenue bonds:			
Series 2009	\$ 4,535,000	2.23%	2025
Series 2010	7,020,000	7.12%	2029
Certificate of participation			
Series 2016	44,870,000	2.00%	2036
	<u>\$ 56,425,000</u>		

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

	<u>Revenue Bonds</u>			<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:						
2024	\$ 3,295,000	568,893	3,863,893	640,000	1,419,569	2,059,569
2025	3,500,000	439,259	3,939,259	585,000	1,406,769	1,991,769
2026	1,160,000	318,264	1,478,264	3,120,000	1,395,069	4,515,069
2027	1,180,000	235,316	1,415,316	3,310,000	1,270,269	4,580,269
2028	1,200,000	150,944	1,350,944	3,440,000	1,204,069	4,644,069
2029-2033	1,220,000	65,148	1,285,148	19,855,000	4,297,369	24,152,369
2034-2037	—	—	—	13,920,000	843,000	14,763,000
Total	<u>\$ 11,555,000</u>	<u>1,777,824</u>	<u>13,332,824</u>	<u>44,870,000</u>	<u>11,836,114</u>	<u>56,706,114</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 \$15,938,100. On September 8, 2021, the agreement was refinanced at 2.19% interest.

The lease is secured by the capital assets purchased. Capital assets (right-to-use leased assets -energy savings equipment), net of accumulated depreciation, relating to this lease are \$14,267,226 as of June 30, 2023.

Aggregate maturities are as follows:

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Notes to Basic Financial Statements

June 30, 2023

	Lease Purchase Agreement		
	Principal	Interest	Total
Year ending June 30:			
2024	\$ 1,970,188	306,683	2,276,871
2025	2,013,691	263,180	2,276,871
2026	2,058,155	218,717	2,276,872
2027	2,103,600	173,272	2,276,872
2028	2,150,048	126,823	2,276,871
2029-2030	4,443,567	110,176	4,553,743
Total	\$ 14,739,249	1,198,851	15,938,100

(f) Changes in Long-term Liabilities

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

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Leasehold revenue bonds	\$ 14,660,000	—	(3,105,000)	11,555,000	3,295,000
Certificate of participation	45,585,000	—	(715,000)	44,870,000	640,000
Net pension liability	138,226,534	65,151,036	—	203,377,570	—
Total OPEB liability	22,769,006	—	(6,790,479)	15,978,527	—
Compensated absences	17,234,446	2,306,278	(2,772,459)	16,768,265	3,787,175
Health ins. claims liability	1,200,000	23,638,768	(22,041,667)	2,797,101	2,797,101
Lease and subscription agreements	671,052	1,603,141	(1,260,923)	1,013,270	447,690
Lease purchase agreement	16,666,874	—	(1,927,625)	14,739,249	1,970,188
Long-term liabilities	\$ 257,012,912	92,699,223	(38,613,153)	311,098,982	12,937,154

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

(4) Other Information

(a) Risk Management

Resources are accumulated in the General Fund for workers' compensation, unemployment, and general liability claims. The District qualifies as a self-insurer under Missouri Workers' Compensation 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, 2023 are for the self-insured portion of the workers' compensation program's reserve requirement. A commercial insurance policy is purchased to cover current and future workers' compensation claims. Pursuant to 288.090:3(1)(a) of the Missouri Revised Statutes, the District participates in the State Employment Security Program on a reimbursable basis and pays claims in lieu of contributions. The District maintains a general liability reserve to cover claims in excess of existing commercial insurance coverage that is funded by contributions from the General Fund.

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Notes to Basic Financial Statements

June 30, 2023

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

Self-Insurance

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

As of January 1, 2021, the District is self-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 internal service fund. This liability is based on estimates provided by the third-party administrator.

As of June 30, 2023, the total estimated liability for payment of incurred but unpaid claims for health insurance was \$1,288,000 and is included in long-term liabilities in the internal service fund.

Changes in self-insured claims liability at June 30, 2023 is as follows:

Self-Insurance (Health) Table

		2023	2022
Balance - June 30	\$	1,200,000	1,033,800
Add: Current year claims and changes in estimate		23,638,768	19,852,034
Less: Claims payments		22,041,667	19,685,834
Balance - June 30	\$	2,797,101	1,200,000

(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 GASB Statement 75.

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

Employees Covered by Benefit Terms –

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Notes to Basic Financial Statements

June 30, 2023

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

Active employees	1,830
Inactive employees and spouses	62

B. Total OPEB Liability

The District's total OPEB liability of \$15,978,527 was measured as of June 30, 2023, and was determined based on an actuarial valuation prepared as of July 1, 2022 rolled forward to June 30, 2023 using generally accepted actuarial principles and methods.

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

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

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

Mortality rates were based on the Pub-2010 General (Below Median) Employee, Retiree, and Contingent Survivor Mortality Tables with a one-year setback for males and a one-year set-forward for females, projected 15 years (7 years for retired employees) from valuation date using Scale MP-2021. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 - June 30, 2020.

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Notes to Basic Financial Statements

June 30, 2023

C. Changes in the Total OPEB Liability

Balance at June 30, 2022	\$	22,769,006
Service cost		602,260
Interest		639,955
Differences between expected and actual experience		(163,342)
Changes in assumptions or other inputs		(7,252,617)
Benefits payments		(616,735)
Balance at June 30, 2023	\$	15,978,527

The percentage of future retirees assumed to elect medical coverage was reduced from 25% to 15% for those retiring prior to age 65, and from 10% to 5% for those retiring on or after age 65. This change was based on recent plan experience and reduced the liability by approximately \$7 million.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate—The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13 percent) or 1 percentage point higher (5.13 percent) than the current discount rate:

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 27,847,526	\$ 15,978,527	\$ 20,487,974

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 (6.00%)	Healthcare Cost Trend Rates (7.00%)	1% Increase (8.00%)
Total OPEB Liability	\$ 20,037,208	\$ 15,978,527	\$ 28,518,360

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$179,468. At June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

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Notes to Basic Financial Statements

June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29	(1,753,734)
Changes of assumptions	3,737,914	(9,804,051)
Total	\$ 3,737,943	(11,557,785)

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
2024	\$ (1,086,549)
2025	(1,391,591)
2026	(1,436,173)
2027	(1,719,141)
2028	(1,441,457)
Thereafter	(744,931)
Total	\$ (7,819,842)

(c) Commitments

On July 21, 2021, the board approved a three-year agreement with Z-Trip for specialized transportation services for a term of August 1, 2021 through July 31, 2024, at an estimated annual amount of \$1,500,000, with two one-year renewal options.

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

On June 22, 2022, the board approved a two-year agreement with Alist, LLC to provide temporary staffing services for the I.T. Department, for a not to exceed amount of \$1,000,000. Alist will be the employer of the Assigned Workers for the following positions: Enterprise Applications Analyst and Technology Support Specialist. The term is July 1, 2022 through July 30, 2024, with three one-year renewal options.

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

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June 30, 2023

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

On February 27, 2019 the board approved a three-year agreement with Student Transportation of America from July 1, 2019 through June 30, 2022, with annual increases of 3% throughout the life of the contract and an option to extend up to two one-year periods, to provide regular and special education transportation services for an amount not to exceed \$14,500,000 for the first year. On February 26, 2020, the Board approved the First Amendment to the contract to provide compensation for all hours of service related to after school activity transportation services. The additional hours approved to bill under this Amendment will not increase the previously approved annual contract total. On July 20, 2022, the board approved a fourth amendment extending the initial three-year agreement for two (2) one-year options. The extended term is from July 1, 2022 through June 30, 2024 for a total of \$22,500,000. The not to exceed amount for fiscal year 2024 is \$11,500,000.

On July 20, 2022, the board approved a three-year agreement with Ferrellgas for RFP C-22-19 School Bus Propane LPG (Fuel) Supply. Ferrellgas was the sole bidder. The board approved an estimated two-year total of \$1,700,000 (with the third year to be negotiated). The term begins at date of signature and continues until June 30, 2025. The not to exceed amount for fiscal year 2024 is \$875,000 for fiscal year 2024.

(d) *Right-to-use agreements*

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

The District has entered into a three-year agreement for a crisis alert safety solution, a three-year subscription for web filtering licenses, and a three-year subscription of software licenses for the purpose of musical instruction.

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Description - classification	Role	Net subscription asset balance	Accumulated amortization	Gross subscription asset balance
Building improvement/equipment - energy savings contract	Lessee	\$ 14,267,226	\$ (3,817,990)	\$ 18,085,216
Equipment - vehicles	Lessee	216,801	(479,336)	696,137
Equipment - copiers	Lessee	-	(717,789)	717,789
Equipment - mobile classrooms	Lessee	-	(82,109)	82,109
Software - subscription asset	Subscriber	985,334	(184,329)	1,169,663
Total		<u>\$ 15,469,361</u>	<u>\$ (5,281,553)</u>	<u>\$ 20,750,914</u>

	Year ended June 30,	Principal	Interest	Total payment
Equipment - vehicles				
	2024	\$ 175,202	6,365	181,567
	2025	72,371	2,416	74,787
	2026	43,296	915	44,211
	2027	7,492	52	7,544
Equipment - copier				
	2024	333,361	5,021	338,382
Equipment - mobile classrooms				
	2024	7,718	29	7,747
Software - subscription				
	2025	100,553	-	100,553
	2026	273,277	7,705	280,982
Total		<u>\$ 1,013,270</u>	<u>22,503</u>	<u>1,035,773</u>

(e) Pension Plan and Retirement Benefits

Plan description: The District contributes to the Kansas City Public School Retirement System (KCPSRS), a cost-sharing, multiple-employer and contributory defined benefit pension plan. Substantially all full-time employees of the District, the Kansas City Public Library and charter schools are covered by the plan. The Kansas City Public School Retirement System provides retirement,

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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 was 10.5%. Effective July 1, 2021, the employer contribution rate may be the greater of (1) the actuarial required contribution rate less the member contribution rate, or (2) 12.00% of annual covered salary, until the Retirement System is fully funded. Once the Retirement System is fully funded, the employer contribution rate may increase or decrease, in subsequent years, depending on valuation results and the employee contribution rate may decrease from 9% depending on valuation results. The contribution rate is set each year by the Board of the Kansas City Public School Retirement System upon the recommendation of the Retirement System's actuary within the contribution restrictions of RSMo Section 169.350 subsections 5 and 6. Contributions to the pension plan from the District were \$15,942,560 for the year ended June 30, 2023.

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Notes to Basic Financial Statements

June 30, 2023

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

At June 30, 2023, the District reported a liability of \$203,377,570 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 rolled forward one year to December 31, 2022, 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, 2022, the District’s collective proportion was 54.931801 percent, which was a decrease of .652504 percent from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$15,584,830. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	(4,296,691)
Net difference between projected and actual earnings on pension plan investments	31,128,800	-
Changes of assumptions	1,608,256	-
Changes in proportion	-	(2,010,719)
District contributions subsequent to the measurement date	9,359,693	-
Total	\$ 42,096,749	(6,307,410)

The \$9,359,693 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, 2024. 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:

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June 30, 2023

Year ended June 30:	Pension Expense
2024	\$ (3,160,242)
2025	5,298,342
2026	9,358,254
2027	14,933,292
Total	\$ 26,429,646

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, 2022 rolled forward to December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Assumptions that changed from prior year: the mortality improvement scale was updated from MP-2020 to MP-2021, and non-disabled mortality tables reflect an additional year of mortality improvements.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of the most recent experience study covering the five-year period ending December 31, 2019 (report dated October 5, 2020).

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

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Notes to Basic Financial Statements

June 30, 2023

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, 2022 was 7.25 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. The Municipal Bond Index Rate was not used to determine the SEIR (7.25%).

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

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

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June 30, 2023

- 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	\$ 258,488,914	203,377,570	156,804,661

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, 2023:

The District reported payables (within accrued salaries, benefits, and payroll taxes in the fund financial statements) to the defined benefit pension plan of \$2,465,915 for legally required employer contributions and \$1,353,565 for legally required employee contributions, which had been withheld from employee wages but not yet remitted to KCPSRS.

(f) New Pronouncements

Pending Pronouncement:

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

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June 30, 2023

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

Current adopted pronouncement:

The District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. GASB Statement No. 96 requires similar treatment as leases for subscription-based information technology arrangements (SBITA). This statement results in recording a right-to-use subscription asset and subscription liability if the SBITA is a contract that conveys control of the right to use another party's IT software. There was no impact on beginning net position of the governmental activities as a result of adopting this statement.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 186,863,947	191,116,192	195,732,157	4,615,965
Prop C taxes	13,673,994	13,641,385	14,111,562	470,177
Other local	6,797,841	8,419,274	10,722,641	2,303,367
County	6,076,628	6,076,628	4,845,102	(1,231,526)
Basic formula	(3,334,741)	99,126	122,637	23,511
Other state	12,726,633	14,818,342	11,399,222	(3,419,120)
Federal sources	55,855,648	66,599,032	48,086,495	(18,512,537)
Tuition	141,735	108,169	276,495	168,326
Total revenues	<u>278,801,685</u>	<u>300,878,148</u>	<u>285,296,311</u>	<u>(15,581,837)</u>
Expenditures:				
Current:				
Support services - general administration:				
Board of education services:				
Salaries	61,859	96,767	89,783	6,984
Benefits	26,371	34,749	32,274	2,475
Purchased services	480,888	715,888	323,069	392,819
Supplies and materials	16,442	16,442	19,796	(3,354)
Total board of education services	<u>585,560</u>	<u>863,846</u>	<u>464,922</u>	<u>398,924</u>
Office of the superintendent services:				
Salaries	1,451,996	1,349,831	1,296,333	53,498
Benefits	525,692	449,545	384,371	65,174
Purchased services	2,924,757	2,887,534	1,618,657	1,268,877
Supplies and materials	110,256	398,129	262,492	135,637
Total office of the superintendent services	<u>5,012,701</u>	<u>5,085,039</u>	<u>3,561,853</u>	<u>1,523,186</u>
Other executive administration services:				
Salaries	246,738	250,497	221,197	29,300
Benefits	114,962	105,474	90,137	15,337
Total other executive administration services	<u>361,700</u>	<u>355,971</u>	<u>311,334</u>	<u>44,637</u>
Administrative technology services:				
Salaries	3,171,730	2,966,561	2,668,047	298,514
Benefits	1,287,268	1,088,385	930,945	157,440
Purchased services	2,280,635	3,785,994	3,136,305	649,689
Supplies and materials	1,570,075	1,965,485	1,550,100	415,385
Total administrative technology services	<u>8,309,708</u>	<u>9,806,425</u>	<u>8,285,397</u>	<u>1,521,028</u>
Total support services - general administration	<u>14,269,669</u>	<u>16,111,281</u>	<u>12,623,506</u>	<u>3,487,775</u>
Support services - building level administration:				
Office of principal services:				
Salaries	2,030,504	2,219,748	2,003,541	216,207
Benefits	1,019,259	980,600	855,922	124,678
Purchased services	247,840	439,915	310,889	129,026
Supplies and materials	138,750	161,196	132,951	28,245
Total office of principal services	<u>3,436,353</u>	<u>3,801,459</u>	<u>3,303,303</u>	<u>498,156</u>
Total support services - building level administration	<u>3,436,353</u>	<u>3,801,459</u>	<u>3,303,303</u>	<u>498,156</u>
Instruction:				
Elementary:				
Salaries	861,760	806,999	855,166	(48,167)
Benefits	466,122	437,790	304,621	133,169
Purchased services	865,374	1,463,213	1,245,963	217,250
Supplies and materials	4,185,731	9,790,073	7,019,876	2,770,197
Total elementary	<u>6,378,987</u>	<u>12,498,075</u>	<u>9,425,626</u>	<u>3,072,449</u>
Middle/junior high:				
Salaries	—	2,993	2,791	202
Benefits	—	275	265	10
Purchased services	132,802	151,309	230,341	(79,032)
Supplies and materials	40,275	215,310	180,210	35,100
Total middle/junior high	<u>173,077</u>	<u>369,887</u>	<u>413,607</u>	<u>(43,720)</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
High school:				
Salaries	\$ 306,272	328,418	279,280	49,138
Benefits	142,545	143,613	102,455	41,158
Purchased services	743,682	795,033	931,577	(136,544)
Supplies and materials	578,254	2,169,993	1,615,758	554,235
Total high school	<u>1,770,753</u>	<u>3,437,057</u>	<u>2,929,070</u>	<u>507,987</u>
Summer school:				
Salaries	112,275	112,275	206,361	(94,086)
Benefits	9,762	9,762	19,075	(9,313)
Purchased services	541,431	541,431	556,692	(15,261)
Supplies and materials	72,000	72,000	323,199	(251,199)
Total summer school	<u>735,468</u>	<u>735,468</u>	<u>1,105,327</u>	<u>(369,859)</u>
Gifted and talented:				
Purchased services	22,200	19,450	10,401	9,049
Supplies and materials	10,000	16,757	17,154	(397)
Total gifted and talented	<u>32,200</u>	<u>36,207</u>	<u>27,555</u>	<u>8,652</u>
Special education:				
Salaries	2,573,269	2,424,847	2,102,378	322,469
Benefits	1,402,475	1,072,803	892,450	180,353
Purchased services	1,996,108	4,094,713	3,002,809	1,091,904
Supplies and materials	328,087	564,124	305,285	258,839
Total special education	<u>6,299,939</u>	<u>8,156,487</u>	<u>6,302,922</u>	<u>1,853,565</u>
Supplemental instruction:				
Salaries	298,489	391,588	320,892	70,696
Benefits	150,379	192,535	111,217	81,318
Purchased services	624,780	2,257,582	1,465,372	792,210
Supplies and materials	552,893	1,444,172	963,151	481,021
Total supplemental instruction	<u>1,626,541</u>	<u>4,285,877</u>	<u>2,860,632</u>	<u>1,425,245</u>
Bilingual				
Salaries	1,124,066	1,150,862	1,067,405	83,457
Benefits	625,530	567,606	449,568	118,038
Purchased services	53,670	163,657	59,099	104,558
Supplies and materials	63,150	371,553	195,686	175,867
Total bilingual	<u>1,866,416</u>	<u>2,253,678</u>	<u>1,771,758</u>	<u>481,920</u>
Early childhood special education:				
Salaries	313,543	315,364	280,289	35,075
Benefits	141,292	133,111	115,817	17,294
Purchased services	1,246,630	1,125,517	442,165	683,352
Supplies and materials	21,616	57,454	23,712	33,742
Total early childhood special education	<u>1,723,081</u>	<u>1,631,446</u>	<u>861,983</u>	<u>769,463</u>
Other career education:				
Salaries	288,606	361,413	381,895	(20,482)
Benefits	109,627	138,161	95,639	42,522
Purchased services	360,785	594,356	348,326	246,030
Supplies and materials	391,000	860,326	570,886	289,440
Total other career education	<u>1,150,018</u>	<u>1,954,256</u>	<u>1,396,746</u>	<u>557,510</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Student activities:				
Salaries	\$ 1,003,810	1,107,004	1,319,700	(212,696)
Benefits	158,355	186,141	198,521	(12,380)
Purchased services	424,380	359,806	370,429	(10,623)
Supplies and materials	309,813	584,229	520,135	64,094
Total student activities	<u>1,896,358</u>	<u>2,237,180</u>	<u>2,408,785</u>	<u>(171,605)</u>
Tuition to other districts:				
Purchased services	406,494	406,494	477,533	(71,039)
Total tuition to other districts	<u>406,494</u>	<u>406,494</u>	<u>477,533</u>	<u>(71,039)</u>
Tuition to private agencies:				
Purchased services	4,130,214	5,169,107	3,443,574	1,725,533
Total tuition to private agencies	<u>4,130,214</u>	<u>5,169,107</u>	<u>3,443,574</u>	<u>1,725,533</u>
Total instruction	<u>28,189,546</u>	<u>43,171,219</u>	<u>33,425,118</u>	<u>9,746,101</u>
Support services - pupils:				
Attendance and social work area:				
Salaries	1,766,571	1,477,608	1,274,336	203,272
Benefits	760,379	609,895	450,048	159,847
Purchased services	158,897	81,676	64,198	17,478
Supplies and materials	1,000	1,000	1,405	(405)
Total attendance and social work area	<u>2,686,847</u>	<u>2,170,179</u>	<u>1,789,987</u>	<u>380,192</u>
Attendance services				
Salaries	444,375	534,914	527,175	7,739
Benefits	199,261	209,808	177,452	32,356
Purchased services	14,500	20,410	15,047	5,363
Supplies and materials	162,500	159,090	156,607	2,483
Total attendance services	<u>820,636</u>	<u>924,222</u>	<u>876,281</u>	<u>47,941</u>
Social work services:				
Salaries	1,977,152	2,142,288	1,912,803	229,485
Benefits	804,532	831,484	591,048	240,436
Purchased services	3,437,220	2,210,534	1,183,407	1,027,127
Supplies and materials	13,675	108,175	72,728	35,447
Total social work services	<u>6,232,579</u>	<u>5,292,481</u>	<u>3,759,986</u>	<u>1,532,495</u>
Pupil accounting services:				
Salaries	433,700	496,038	420,329	75,709
Benefits	158,330	173,435	140,924	32,511
Purchased services	54,282	55,533	15,077	40,456
Supplies and materials	38,500	45,500	32,641	12,859
Total pupil accounting services	<u>684,812</u>	<u>770,506</u>	<u>608,971</u>	<u>161,535</u>
Guidance services-system support				
Salaries	793,604	910,598	901,244	9,354
Benefits	353,041	364,866	340,291	24,575
Purchased services	138,320	390,617	294,950	95,667
Supplies and materials	4,000	36,135	17,088	19,047
Total guidance services-system support	<u>1,288,965</u>	<u>1,702,216</u>	<u>1,553,573</u>	<u>148,643</u>
Health services area direction				
Supplies and materials	1,000	1,000	—	1,000
Total health services area direction	<u>1,000</u>	<u>1,000</u>	<u>—</u>	<u>1,000</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Nursing services:				
Salaries	\$ 2,250,402	2,170,005	2,146,383	23,622
Benefits	924,562	804,392	741,981	62,411
Purchased services	208,350	184,724	72,028	112,696
Supplies and materials	33,000	71,860	54,142	17,718
Total nursing services	<u>3,416,314</u>	<u>3,230,981</u>	<u>3,014,534</u>	<u>216,447</u>
Psychological services:				
Salaries	1,807,792	1,790,084	1,720,179	69,905
Benefits	596,819	582,323	542,685	39,638
Total psychological services	<u>2,404,611</u>	<u>2,372,407</u>	<u>2,262,864</u>	<u>109,543</u>
Speech pathology and audiology services				
Salaries	1,042,962	1,127,300	1,128,267	(967)
Benefits	392,724	352,483	325,678	26,805
Total speech pathology and audiology	<u>1,435,686</u>	<u>1,479,783</u>	<u>1,453,945</u>	<u>25,838</u>
Occupational therapy				
Salaries	503,950	541,500	520,519	20,981
Benefits	196,571	180,985	165,418	15,567
Total occupational therapy	<u>700,521</u>	<u>722,485</u>	<u>685,937</u>	<u>36,548</u>
Physical therapy:				
Salaries	140,000	111,544	105,785	5,759
Benefits	193,819	41,699	39,508	2,191
Total physical therapy	<u>333,819</u>	<u>153,243</u>	<u>145,293</u>	<u>7,950</u>
Other support services:				
Salaries	81,125	423,701	383,688	40,013
Benefits	28,836	150,312	135,442	14,870
Total other support services	<u>109,961</u>	<u>574,013</u>	<u>519,130</u>	<u>54,883</u>
Total support services - pupils	<u>20,115,751</u>	<u>19,393,516</u>	<u>16,670,501</u>	<u>2,723,015</u>
Support services instructional staff:				
Instruction and curriculum development:				
Salaries	309,913	328,580	342,758	(14,178)
Benefits	132,555	131,924	121,159	10,765
Purchased services	1,711,024	1,063,837	902,934	160,903
Supplies and materials	2,004,593	2,783,684	2,090,946	692,738
Total instruction and curriculum development	<u>4,158,085</u>	<u>4,308,025</u>	<u>3,457,797</u>	<u>850,228</u>
Instructional staff training services:				
Salaries	182,000	222,238	142,194	80,044
Benefits	190,806	81,835	42,449	39,386
Purchased services	521,839	2,269,768	1,665,840	603,928
Supplies and materials	55,100	316,608	255,339	61,269
Total instructional staff training services	<u>949,745</u>	<u>2,890,449</u>	<u>2,105,822</u>	<u>784,627</u>
Educational media services area direction:				
Purchased services	—	13,429	22,204	(8,775)
Supplies and materials	384,572	371,860	328,747	43,113
Total educational media services area direction	<u>384,572</u>	<u>385,289</u>	<u>350,951</u>	<u>34,338</u>
Total support services - instructional staff	<u>5,492,402</u>	<u>7,583,763</u>	<u>5,914,570</u>	<u>1,669,193</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Business support services:				
Business support services area direction:				
Salaries	\$ 136,364	125,908	132,763	(6,855)
Benefits	43,523	41,558	38,853	2,705
Supplies and materials	—	720	669	51
Total business support services area direction	<u>179,887</u>	<u>168,186</u>	<u>172,285</u>	<u>(4,099)</u>
Fiscal service area direction:				
Salaries	1,098,517	1,108,553	1,015,052	93,501
Benefits	475,971	425,744	456,973	(31,229)
Purchased services	156,463	172,167	170,547	1,620
Supplies and materials	15,000	15,000	9,557	5,443
Total fiscal service area direction	<u>1,745,951</u>	<u>1,721,464</u>	<u>1,652,129</u>	<u>69,335</u>
Budgeting services:				
Salaries	382,654	379,956	334,371	45,585
Benefits	146,452	129,992	102,153	27,839
Purchased services	34,572	21,492	11,528	9,964
Supplies and materials	13,838	15,059	5,472	9,587
Total budgeting services	<u>577,516</u>	<u>546,499</u>	<u>453,524</u>	<u>92,975</u>
Receiving and disbursing services:				
Salaries	211,420	173,891	127,127	46,764
Benefits	81,061	58,856	44,585	14,271
Purchased services	35,403	35,403	38,536	(3,133)
Supplies and materials	2,125	2,125	1,049	1,076
Total receiving and disbursing services	<u>330,009</u>	<u>270,275</u>	<u>211,297</u>	<u>58,978</u>
Payroll services:				
Salaries	243,376	293,178	289,895	3,283
Benefits	94,860	107,700	95,848	11,852
Total payroll services	<u>338,236</u>	<u>400,878</u>	<u>385,743</u>	<u>15,135</u>
Financial accounting services:				
Salaries	96,590	195,113	197,347	(2,234)
Benefits	35,539	72,469	68,554	3,915
Purchased services	11,117	50,717	3,112	47,605
Supplies and materials	1,000	1,000	189	811
Total financial accounting services	<u>144,246</u>	<u>319,299</u>	<u>269,202</u>	<u>50,097</u>
Property accounting services:				
Salaries	129,742	62,041	47,735	14,306
Benefits	49,385	14,202	14,908	(706)
Purchased services	45,215	45,215	10,314	34,901
Total property accounting services	<u>224,342</u>	<u>121,458</u>	<u>72,957</u>	<u>48,501</u>
Other fiscal services:				
Salaries	67,426	—	—	—
Benefits	27,984	—	—	—
Purchased services	111,500	111,500	85,066	26,434
Supplies and materials	200	200	—	200
Total other fiscal services	<u>207,110</u>	<u>111,700</u>	<u>85,066</u>	<u>26,634</u>
Operation and maintenance of plant service area direction:				
Salaries	546,616	715,441	738,252	(22,811)
Benefits	152,793	194,366	187,435	6,931
Purchased services	320,743	287,735	296,240	(8,505)
Supplies and materials	10,000	109,489	92,985	16,504
Total operation and maintenance of plant	<u>1,030,152</u>	<u>1,307,031</u>	<u>1,314,912</u>	<u>(7,881)</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Care and upkeep of building services:				
Salaries	\$ 8,835,539	8,091,110	7,979,005	112,105
Benefits	4,058,951	3,305,152	3,048,856	256,296
Purchased services	5,900,335	7,450,718	7,412,827	37,891
Supplies and materials	7,367,189	7,909,811	7,887,120	22,691
Total care and upkeep of building services	<u>26,162,014</u>	<u>26,756,791</u>	<u>26,327,808</u>	<u>428,983</u>
Care and upkeep of grounds services:				
Salaries	335,942	286,522	281,242	5,280
Benefits	149,275	119,689	111,967	7,722
Purchased services	410,000	700,717	378,945	321,772
Supplies and materials	35,000	49,449	25,174	24,275
Total care and upkeep of grounds services	<u>930,217</u>	<u>1,156,377</u>	<u>797,328</u>	<u>359,049</u>
Vehicle servicing and maintenance services:				
Purchased services	145,000	175,000	175,535	(535)
Supplies and materials	67,750	95,525	84,723	10,802
Total vehicle servicing and maintenance	<u>212,750</u>	<u>270,525</u>	<u>260,258</u>	<u>10,267</u>
Security services:				
Salaries	4,063,021	3,632,135	3,548,826	83,309
Benefits	1,796,130	1,295,792	1,143,696	152,096
Purchased services	485,052	699,170	400,208	298,962
Supplies and materials	206,152	371,317	256,636	114,681
Total security services	<u>6,550,355</u>	<u>5,998,414</u>	<u>5,349,366</u>	<u>649,048</u>
Contracted transportation services for students:				
Salaries	337,433	374,147	365,498	8,649
Benefits	64,915	124,978	105,889	19,089
Purchased services	11,041,661	11,693,851	11,523,342	170,509
Supplies and materials	779,000	779,000	773,060	5,940
Total contracted transportation services	<u>12,223,009</u>	<u>12,971,976</u>	<u>12,767,789</u>	<u>204,187</u>
District operated nondisabled student transportation				
Salaries	—	—	15,667	(15,667)
Benefits	—	—	4,951	(4,951)
Total district operated nondisabled student transportation	<u>—</u>	<u>—</u>	<u>20,618</u>	<u>(20,618)</u>
Contracted transportation services for students with disabilities:				
Purchased services	2,500,000	3,000,000	3,003,162	(3,162)
Supplies and materials	10,000	139,690	2,665	137,025
Total contracted transportation disabilities	<u>2,510,000</u>	<u>3,139,690</u>	<u>3,005,827</u>	<u>133,863</u>
Early childhood special education transportation:				
Purchased services	1,407,633	1,845,698	1,790,932	54,766
Supplies and materials	—	—	—	—
Total early childhood special education transportation	<u>1,407,633</u>	<u>1,845,698</u>	<u>1,790,932</u>	<u>54,766</u>
Food service area direction:				
Supplies and materials	—	2,500	—	2,500
Total food service area direction	<u>—</u>	<u>2,500</u>	<u>—</u>	<u>2,500</u>
Internal service area direction				
Salaries	372,398	504,853	492,579	12,274
Benefits	146,475	197,207	174,529	22,678
Purchased services	31,400	30,192	22,148	8,044
Supplies and materials	24,400	32,186	26,749	5,437
Total internal service area direction	<u>574,673</u>	<u>764,438</u>	<u>716,005</u>	<u>48,433</u>
Warehousing and distributing services				
Salaries	298,407	170,477	177,865	(7,388)
Benefits	140,414	71,901	67,865	4,036
Purchased services	—	16,115	3,760	12,355
Supplies and materials	118,640	91,518	22,045	69,473
Total warehousing and distributing services	<u>557,461</u>	<u>350,011</u>	<u>271,535</u>	<u>78,476</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other business support services:				
Salaries	30,645	31,695	32,574	(879)
Benefits	10,567	10,423	9,663	760
Purchased services	—	—	10,010	(10,010)
Supplies and materials	—	—	50	(50)
Total other business support services	<u>41,212</u>	<u>42,118</u>	<u>52,297</u>	<u>(10,179)</u>
Total business support services	<u>55,946,773</u>	<u>58,265,328</u>	<u>55,976,878</u>	<u>2,288,450</u>
Support services - central office:				
Planning, research, development, and evaluation services area direction:				
Salaries	764,155	813,291	722,557	90,734
Benefits	272,352	267,969	210,736	57,233
Purchased services	1,042,030	913,141	754,216	158,925
Supplies and materials	11,250	117,987	115,223	2,764
Total planning research, development, and evaluation	<u>2,089,787</u>	<u>2,112,388</u>	<u>1,802,732</u>	<u>309,656</u>
Information services area direction:				
Salaries	842,260	760,202	625,181	135,021
Benefits	323,270	272,496	200,857	71,639
Purchased services	845,337	868,675	595,461	273,214
Supplies and materials	172,877	280,247	200,630	79,617
Total information services area direction	<u>2,183,744</u>	<u>2,181,620</u>	<u>1,622,129</u>	<u>559,491</u>
Human resource services:				
Salaries	1,296,178	1,447,481	1,427,252	20,229
Benefits	505,889	515,992	456,782	59,210
Purchased services	517,781	911,101	1,006,103	(95,002)
Supplies and materials	217,610	381,853	205,244	176,609
Total human resource services	<u>2,537,458</u>	<u>3,256,427</u>	<u>3,095,381</u>	<u>161,046</u>
Total support services - central office	<u>6,810,989</u>	<u>7,550,435</u>	<u>6,520,242</u>	<u>1,030,193</u>
Community services area direction:				
Purchased services	—	74,261	(243)	74,504
Supplies and materials	—	—	748	(748)
Total community services area direction	<u>—</u>	<u>74,261</u>	<u>505</u>	<u>73,756</u>
Early childhood programs:				
Early childhood program:				
Salaries	208,142	181,640	174,349	7,291
Benefits	61,348	48,759	44,457	4,302
Purchased services	35,261	20,276	20,071	205
Supplies and materials	2,000	13,585	2,750	10,835
Total early childhood program	<u>306,751</u>	<u>264,260</u>	<u>241,627</u>	<u>22,633</u>
Early childhood instruction:				
Salaries	2,568,665	5,370,220	4,623,677	746,543
Benefits	1,125,430	2,504,537	1,703,406	801,131
Purchased services	870,289	1,255,087	930,392	324,695
Supplies and materials	64,380	305,761	244,786	60,975
Total early childhood instruction	<u>4,628,764</u>	<u>9,435,605</u>	<u>7,502,261</u>	<u>1,933,344</u>
Total early childhood programs	<u>4,935,515</u>	<u>9,699,865</u>	<u>7,743,888</u>	<u>1,955,977</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Homeless and other disadvantaged student:				
Salaries	\$ 125,678	—	—	—
Benefits	52,807	—	—	—
Purchased services	47,798	1,043,930	275,575	768,355
Supplies and materials	41,717	81,134	40,186	40,948
Total homeless and other disadvantaged student	<u>268,000</u>	<u>1,125,064</u>	<u>315,761</u>	<u>809,303</u>
Non-public school student services:				
Purchased services	428,592	478,529	446,391	32,138
Supplies and materials	—	161,964	161,964	—
Total non-public school student services	<u>428,592</u>	<u>640,493</u>	<u>608,355</u>	<u>32,138</u>
Adult education:				
Purchased services	5,000	7,925	—	7,925
Supplies and materials	10,800	11,562	873	10,689
Total adult education	<u>15,800</u>	<u>19,487</u>	<u>873</u>	<u>18,614</u>
Afterschool program:				
Purchased services	528,000	528,000	450,000	78,000
Total afterschool program	<u>528,000</u>	<u>528,000</u>	<u>450,000</u>	<u>78,000</u>
Other community service (DHSS program)				
Purchased services	—	185,670	1,833	183,837
Supplies and materials	—	6,000	3,884	2,116
Total other community service (DHSS program)	<u>—</u>	<u>191,670</u>	<u>5,717</u>	<u>185,953</u>
Parental involvement:				
Salaries	1,303,911	2,143,608	2,194,750	(51,142)
Benefits	723,449	983,342	874,702	108,640
Purchased services	43,861	38,361	33,183	5,178
Supplies and materials	56,532	143,061	70,872	72,189
Total parental involvement	<u>2,127,753</u>	<u>3,308,372</u>	<u>3,173,507</u>	<u>134,865</u>
Total expenditures	<u>142,565,143</u>	<u>171,464,213</u>	<u>146,732,724</u>	<u>24,731,489</u>
Revenues over expenditures	<u>136,236,542</u>	<u>129,413,935</u>	<u>138,563,587</u>	<u>9,149,652</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	—	—	1,075	(1,075)
Transfers in	137,752	137,752	—	137,752
Transfers out	(94,348)	(348,782)	(126,709,305)	126,360,523
Total other financing sources	<u>43,404</u>	<u>(211,030)</u>	<u>(126,708,230)</u>	<u>126,497,200</u>
Revenues and other financing sources over expenditures	<u>\$ 136,279,946</u>	<u>129,202,905</u>	11,855,357	<u>(117,347,548)</u>
Reconciliation to GAAP Basis:				
Activities reported within the Teachers' Fund (a sub-fund of the General Fund):				
Total revenue			10,125,722	
Total expenditures			(121,063,387)	
Total other financing sources			<u>110,937,665</u>	
Total reconciling items			<u>—</u>	
Revenues and other financing sources over expenditures			11,855,357	
Fund balance, beginning of year			95,583,163	
Fund balance, end of year			<u>\$ 107,438,520</u>	

See Note to Required Supplementary Information.

KANSAS CITY PUBLIC SCHOOLS

Note to Required Supplementary Information

Budgetary Information

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

Major funds:

General

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

Nonmajor funds:

Child Nutritional Services

Capital Projects

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

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

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

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

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

The Board must approve expenditures in excess of appropriations at the fund level. Budgeted expenditure amendments approved by the Board during the fiscal year resulted in a 20.27% increase in the General Fund, 4.31% decrease in the Teachers Fund, 25.11% increase in the Capital Projects Fund and a .90% increase in the Child Nutritional Services Fund.

KANSAS CITY PUBLIC SCHOOLS

Note to Required Supplementary Information

Schedule of Changes in the Total OPEB Liability and Related Ratios

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

Notes to Schedule:

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

Changes in actuarial assumptions and methods:

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

Note to 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	Statutorial required contribution	Contributions in relation to the required contribution	Contribution deficiency (excess)	Contribution as a % of district's covered payroll
2023	\$ 15,943,302	\$ 15,943,302	-	12.00%
2022	15,020,753	15,020,753	-	12.00%
2021	14,672,539	14,672,539	-	12.00%
2020	13,565,434	13,565,434	-	11.38%
2019	10,917,591	10,917,591	-	9.73%
2018	9,578,553	9,578,553	-	8.93%
2017	9,586,293	9,586,293	-	8.94%
2016	8,786,297	8,786,297	-	8.41%
2015	8,324,500	8,324,500	-	8.01%
2014	7,719,216	7,719,216	-	n/a

**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
2023	63.06%	54.931801%	\$ 203,377,570	\$ 132,869,132	153.07%
2022	75.19%	55.584303%	\$ 138,226,534	\$ 125,207,731	110.40%
2021	69.20%	56.162697%	\$ 173,567,305	\$ 122,274,560	141.95%
2020	60.10%	56.808637%	\$ 188,568,788	\$ 119,238,315	158.14%
2019	60.10%	56.508114%	\$ 226,149,556	\$ 112,171,812	201.61%
2018	69.31%	56.744811%	\$ 172,353,704	\$ 107,243,972	160.71%
2017	70.09%	59.045964%	\$ 158,248,820	\$ 107,282,763	147.51%
2016	70.93%	60.790116%	\$ 158,472,857	\$ 104,510,704	151.63%
2015	79.44%	62.829118%	\$ 113,573,271	\$ 103,970,133	109.24%
2014	n/a	64.011121%	\$ 95,311,292	n/a	n/a

KANSAS CITY PUBLIC SCHOOLS

Pension Plan Required Supplementary Information

Changes in actuarial assumptions and methods:

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

KANSAS CITY PUBLIC SCHOOLS

Pension Plan Required Supplementary Information

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

NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

KANSAS CITY PUBLIC SCHOOLS

Nonmajor Governmental Funds—Combining Balance Sheet

June 30, 2023

Assets	Special revenue					Permanent fund patron endowments	Total nonmajor governmental funds
	Child nutritional services	Student activity	Patron gift	Other special revenue	Capital projects		
Cash and investments	\$ 4,608,420	503,327	—	—	37,326,410	—	42,438,157
Restricted cash and investments	—	—	236,494	8,675,742	—	186,256	9,098,492
Taxes receivable (net of allowance for uncollectibles)	—	—	—	—	1,955,699	—	1,955,699
Interest receivable	—	—	904	41,746	48,943	578	92,171
Supplies inventories	164,230	—	—	—	—	—	164,230
Due from other governments	757,487	425	—	—	—	—	757,912
Property held for sale	—	—	—	—	1,613,604	—	1,613,604
Total assets	<u>\$ 5,530,137</u>	<u>503,752</u>	<u>237,398</u>	<u>8,717,488</u>	<u>40,944,656</u>	<u>186,834</u>	<u>56,120,265</u>
Liabilities, Deferred Inflows of Resources and Fund Balance							
Liabilities:							
Accounts payable	\$ 146,324	10,093	—	—	2,189,402	—	2,345,819
Accrued salaries, benefits and payroll taxes	141,069	—	—	2,507,669	—	—	2,648,738
Unearned revenue	30,635	—	—	—	—	—	30,635
Compensated absences	—	—	—	1,303,928	—	—	1,303,928
Total liabilities	<u>318,028</u>	<u>10,093</u>	<u>—</u>	<u>3,811,597</u>	<u>2,189,402</u>	<u>—</u>	<u>6,329,120</u>
Deferred inflows of resources							
Unavailable revenue-property taxes	—	—	—	—	1,954,858	—	1,954,858
Unavailable revenue - grants and services	234,996	—	—	—	—	—	234,996
Total deferred inflows of resources	<u>234,996</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,954,858</u>	<u>—</u>	<u>2,189,854</u>
Fund balance:							
Nonspendable	—	—	—	—	—	35,000	35,000
Restricted	4,977,113	487,878	237,398	4,905,891	1,613,604	151,834	12,373,718
Committed	—	—	—	—	10,475,126	—	10,475,126
Assigned	—	5,781	—	—	24,711,666	—	24,717,447
Total fund balance	<u>4,977,113</u>	<u>493,659</u>	<u>237,398</u>	<u>4,905,891</u>	<u>36,800,396</u>	<u>186,834</u>	<u>47,601,291</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 5,530,137</u>	<u>503,752</u>	<u>237,398</u>	<u>8,717,488</u>	<u>40,944,656</u>	<u>186,834</u>	<u>56,120,265</u>

KANSAS CITY PUBLIC SCHOOLS

Nonmajor Governmental Funds—
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year ended June 30, 2023

	Special revenue					Permanent fund patron endowments	Total nonmajor governmental funds
	Debt Service	Child nutritional services	Student activity	Patron gift	Other special revenue		
Revenues:							
Property taxes	\$ —	—	—	—	—	15,553,561	15,553,561
Prop C sales tax	—	—	—	—	1,042,593	—	1,042,593
Other local, including investment income	—	590,319	598,217	8,078	406,636	1,523,532	5,168
Other state	—	816,975	—	—	—	—	816,975
Federal	—	13,008,800	—	—	—	3,710,059	16,718,859
Total revenues	—	14,416,094	598,217	8,078	1,449,229	20,787,152	5,168
Expenditures:							
Current:							
Instruction	—	—	533,411	—	—	—	533,411
Support services	—	12,676,158	—	—	2,539,811	—	15,215,969
Community and adult services	—	1,379,565	—	—	—	—	1,379,565
Leases:							
Principal	—	22,654	—	—	—	—	22,654
Interest and fiscal charges	—	1,571	—	—	—	—	1,571
Debt Service:							
Principal	3,105,000	—	—	—	—	2,642,625	5,747,625
Interest & fiscal charges	1,058,573	—	—	—	—	1,783,115	2,841,688
Capital outlay:							
Administration	—	—	—	—	—	348,290	348,290
Instruction	—	—	—	—	—	534,962	534,962
Support services	—	—	—	—	—	261,218	261,218
Operation of facilities	—	—	—	—	—	2,152,765	2,152,765
Pupil transportation	—	—	—	—	—	829,145	829,145
Community and adult services	—	—	—	—	—	14,093	14,093
Facilities improvement and renovation	—	—	—	—	—	6,977,150	6,977,150
Total expenditures	4,163,573	14,079,948	533,411	—	2,539,811	15,543,363	36,860,106
Revenues over (under) expenditures	(4,163,573)	336,146	64,806	8,078	(1,090,582)	5,243,789	403,832
Other financing sources (uses):							
Transfers in	4,163,573	—	—	—	—	6,876,224	11,039,797
Transfers out	—	—	—	—	—	(4,163,573)	(4,163,573)
Sale of capital assets	—	—	—	—	—	428,777	428,777
Total other financing sources (uses)	4,163,573	—	—	—	—	3,141,428	7,305,001
Revenues over (under) expenditures and other financing sources (uses)	—	336,146	64,806	8,078	(1,090,582)	8,385,217	7,708,833
Fund balances, beginning of year	—	4,640,967	428,853	229,320	5,996,473	28,415,179	39,892,458
Fund balances, end of year	\$ —	4,977,113	493,659	237,398	4,905,891	36,800,396	47,601,291

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2023

	Original budget	Final budget	Actual	Variance with Final Budget
Revenues:				
Local	\$ 643,601	704,007	623,725	(80,282)
State	—	—	32,908	32,908
Federal	15,517,433	15,603,264	13,008,800	(2,594,464)
Total revenues	16,161,034	16,307,271	13,665,433	(2,641,838)
Expenditures:				
Current:				
Food service area direction:				
Salaries	4,468,178	4,163,387	4,064,330	99,057
Benefits	2,365,006	1,748,512	1,615,457	133,055
Purchased services	493,500	1,032,679	689,993	342,686
Supplies and materials	7,043,545	6,935,605	5,529,133	1,406,472
Capital outlay	45,000	195,000	50,809	144,191
Total food service area direction	14,415,229	14,075,183	11,949,722	2,125,461
Other community service:				
Salaries	764,829	674,822	477,529	197,293
Benefits	293,976	178,566	164,297	14,269
Supplies and materials	687,000	1,378,700	737,739	640,961
Total other community service	1,745,805	2,232,088	1,379,565	852,523
Total expenditures	16,161,034	16,307,271	13,329,287	2,977,984
Revenues under				
expenditures	—	—	336,146	336,146
Other financing sources (uses):				
Revenues over				
expenditures and other				
financing uses	\$ —	—	336,146	336,146
Fund balance, beginning of year			4,640,967	
Fund balance, end of year			\$ 4,977,113	

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2023

	Original budget	Final budget	Actual	Variance with final budget
Revenues:				
Property taxes	\$ 11,690,214	13,855,213	15,553,562	1,698,349
Other local	437,021	1,016,389	1,523,532	507,143
Federal	20,997,069	23,269,181	3,344,716	(19,924,465)
Total revenues	<u>33,124,304</u>	<u>38,140,783</u>	<u>20,421,810</u>	<u>(17,718,973)</u>
Expenditures:				
Capital outlay:				
Support services - general administration				
Office of the superintendent services	—	21,059	20,940	119
Administrative technology services	240,000	328,555	327,350	1,205
Total support services - general administration	<u>240,000</u>	<u>349,614</u>	<u>348,290</u>	<u>1,324</u>
Instruction:				
Elementary	100,000	354,481	127,131	227,350
Middle schools	—	55,101	57,017	(1,916)
Senior high	101,140	299,067	125,730	173,337
Gifted and talented	—	1,414	2,124	(710)
Special education and related services	41,995	74,767	52,083	22,684
Supplemental instruction	—	23,836	18,382	5,454
Bilingual	—	130,000	34,063	95,937
Skilled technical sciences education	134,997	134,997	8,980	126,017
Other career education	37,000	355,000	64,275	290,725
Student activities	40,000	55,300	45,177	10,123
Total instruction	<u>455,132</u>	<u>1,483,963</u>	<u>534,962</u>	<u>949,001</u>
Support services -pupils:				
Nursing services	—	23,400	22,716	684
Total support services pupils	<u>—</u>	<u>23,400</u>	<u>22,716</u>	<u>684</u>
Support services - instructional staff:				
Instruction and curriculum development	625,000	552,680	216,092	336,588
Instructional staff training services	—	3,365	3,312	53
Educational media services	—	1,950	1,950	—
Total support services - instructional staff	<u>625,000</u>	<u>557,995</u>	<u>221,354</u>	<u>336,641</u>
Business support services:				
Business support services	—	3,063	2,635	428
Budgeting services	—	11,659	7,905	3,754
Operation and maintenance of plant services	331,000	38,731	21,705	17,026
Care and upkeep of building services	250,000	231,575	190,408	41,167
Care and upkeep of grounds services	5,000	5,000	2,002	2,998
Security services	1,000,000	2,738,183	1,938,650	799,533
Pupil transportation vehicle-school bus	390,000	830,000	829,145	855
Warehousing and distributing services	5,000	5,000	3,494	1,506
Total business support services	<u>1,981,000</u>	<u>3,863,211</u>	<u>2,995,944</u>	<u>867,267</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Support services - central office:				
Planning research development evaluation	—	5,000	3,114	1,886
Total support services - central office	<u>—</u>	<u>5,000</u>	<u>3,114</u>	<u>1,886</u>
Early childhood instruction	106,795	55,272	1,234	54,038
Homeless and other disadvantaged student	—	4,100	4,100	—
Non-public school student services	—	8,759	8,759	—
Facilities acquisition and construction	28,599,382	35,758,194	6,977,153	28,781,041
Debt service:				
Principal	5,747,625	5,747,625	5,747,625	—
Interest	2,476,343	2,476,343	2,476,343	—
Total debt service	<u>8,223,968</u>	<u>8,223,968</u>	<u>8,223,968</u>	<u>—</u>
Total expenditures	<u>40,231,277</u>	<u>50,333,476</u>	<u>19,341,594</u>	<u>30,991,882</u>
Revenues under expenditures	<u>(7,106,973)</u>	<u>(12,192,693)</u>	<u>1,080,216</u>	<u>13,272,909</u>
Other financing sources (uses):				
Transfers in	—	—	6,876,224	6,876,224
Sale of capital assets	—	—	428,777	428,777
Total other financing sources	<u>—</u>	<u>—</u>	<u>7,305,001</u>	<u>7,305,001</u>
Revenues and other financing sources over expenditures and other financing sources	<u>\$ (7,106,973)</u>	<u>(12,192,693)</u>	<u>8,385,217</u>	<u>20,577,910</u>
Fund balance, beginning of year			<u>28,415,179</u>	
Fund balance, end of year			<u><u>36,800,396</u></u>	

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Prop C taxes	\$ 8,204,396	8,184,831	8,466,937	(282,106)
Local	—	133,429	123,057	10,372
County	104,250	104,250	576,158	(471,908)
Basic formula	(11,193,739)	297,379	367,910	(70,531)
State	—	—	294,327	(294,327)
Federal	356,115	263,287	297,333	(34,046)
Total revenues	<u>(2,528,978)</u>	<u>8,983,176</u>	<u>10,125,722</u>	<u>(1,142,546)</u>
Expenditures:				
Current:				
Support services - general administration:				
Office of superintendent services:				
Salaries	777,786	726,613	612,585	114,028
Benefits	257,152	209,401	158,291	51,110
Total office of superintendent services	<u>1,034,938</u>	<u>936,014</u>	<u>770,876</u>	<u>165,138</u>
Other executive administration services:				
Salaries	2,296,507	2,049,979	1,756,663	293,316
Benefits	776,614	658,677	555,858	102,819
Total other executive administration services	<u>3,073,121</u>	<u>2,708,656</u>	<u>2,312,521</u>	<u>396,135</u>
Total administrative technology services	<u>4,108,059</u>	<u>3,644,670</u>	<u>3,083,397</u>	<u>561,273</u>
Support services - building level administration:				
Office of principal services:				
Salaries	8,078,513	8,148,031	7,992,336	155,695
Benefits	2,916,026	2,731,692	2,401,809	329,883
Total office of principal services	<u>10,994,539</u>	<u>10,879,723</u>	<u>10,394,145</u>	<u>485,578</u>
Instruction:				
Elementary:				
Salaries	30,825,885	30,349,685	30,173,251	176,434
Benefits	12,562,787	10,929,276	10,273,353	655,923
Total elementary	<u>43,388,672</u>	<u>41,278,961</u>	<u>40,446,604</u>	<u>832,357</u>
Middle:				
Salaries	4,901,742	4,247,959	4,125,808	122,151
Benefits	1,979,942	1,600,505	1,529,750	70,755
Total middle/junior high	<u>6,881,684</u>	<u>5,848,464</u>	<u>5,655,558</u>	<u>192,906</u>
Senior high:				
Salaries	13,481,139	12,780,476	12,813,447	(32,971)
Benefits	5,386,169	4,564,468	4,433,080	131,388
Total senior high	<u>18,867,308</u>	<u>17,344,944</u>	<u>17,246,527</u>	<u>98,417</u>
Summer school:				
Salaries	1,631,712	1,631,712	2,055,088	(423,376)
Benefits	141,887	141,887	188,031	(46,144)
Total summer school	<u>1,773,599</u>	<u>1,773,599</u>	<u>2,243,119</u>	<u>(469,520)</u>
Gifted and talented:				
Salaries	411,189	425,234	405,483	19,751
Benefits	155,973	170,572	146,945	23,627
Total gifted and talented	<u>567,162</u>	<u>595,806</u>	<u>552,428</u>	<u>43,378</u>
Special education:				
Salaries	7,523,450	7,595,850	6,656,502	939,348
Benefits	2,851,121	2,511,006	2,220,907	290,099
Total special education	<u>10,374,571</u>	<u>10,106,856</u>	<u>8,877,409</u>	<u>1,229,447</u>
Proportionate share services:				
Salaries	25,000	37,813	17,088	20,725
Benefits	3,001	3,317	1,529	1,788
Total proportionate share services	<u>28,001</u>	<u>41,130</u>	<u>18,617</u>	<u>22,513</u>
Supplemental instruction:				
Salaries	4,954,504	4,853,006	4,306,718	546,288
Benefits	1,925,642	1,731,941	1,405,899	326,042
Total supplemental instruction	<u>6,880,146</u>	<u>6,584,947</u>	<u>5,712,617</u>	<u>872,330</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

Schedule of Budgetary Comparison—Teachers’ Fund (a sub-fund of the General fund)
Year ended June 30, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Bilingual				
Salaries	\$ 5,133,269	5,214,264	4,992,942	221,322
Benefits	2,019,297	1,893,969	1,714,745	179,224
Total bilingual	<u>7,152,566</u>	<u>7,108,233</u>	<u>6,707,687</u>	<u>400,546</u>
Early childhood special education:				
Salaries	739,538	590,820	382,022	208,798
Benefits	234,818	192,418	123,002	69,416
Total early childhood special education	<u>974,356</u>	<u>783,238</u>	<u>505,024</u>	<u>278,214</u>
Business education:				
Salaries	76,306	76,306	77,018	(712)
Benefits	27,750	27,750	25,831	1,919
Total business education	<u>104,056</u>	<u>104,056</u>	<u>102,849</u>	<u>1,207</u>
Family and consumer science:				
Salaries	200,143	200,143	202,155	(2,012)
Benefits	76,753	76,753	73,550	3,203
Total family and consumer science	<u>276,896</u>	<u>276,896</u>	<u>275,705</u>	<u>1,191</u>
Health science:				
Salaries	131,006	131,006	133,132	(2,126)
Benefits	50,623	50,623	48,201	2,422
Total health science	<u>181,629</u>	<u>181,629</u>	<u>181,333</u>	<u>296</u>
Skilled technical sciences education				
Salaries	336,409	336,409	225,129	111,280
Benefits	128,566	128,566	77,613	50,953
Total skilled technical sciences education	<u>464,975</u>	<u>464,975</u>	<u>302,742</u>	<u>162,233</u>
Other career education:				
Salaries	1,056,530	986,913	987,825	(912)
Benefits	421,052	319,716	324,965	(5,249)
Total other career education	<u>1,477,582</u>	<u>1,306,629</u>	<u>1,312,790</u>	<u>(6,161)</u>
Student activities:				
Salaries	887,589	867,189	924,880	(57,691)
Benefits	77,512	77,512	84,948	(7,436)
Total student activities	<u>965,101</u>	<u>944,701</u>	<u>1,009,828</u>	<u>(65,127)</u>
Adult education:				
Salaries	137,431	169,604	203,356	(33,752)
Benefits	58,462	64,618	63,933	685
Total adult education	<u>195,893</u>	<u>234,222</u>	<u>267,289</u>	<u>(33,067)</u>
Total instruction	<u>100,554,197</u>	<u>94,979,286</u>	<u>91,418,126</u>	<u>3,561,160</u>
Support services - pupils:				
System support for guidance services:				
Salaries	3,519,608	3,236,774	3,023,288	213,486
Benefits	1,313,979	1,261,475	1,022,522	238,953
Total system support for guidance services	<u>4,833,587</u>	<u>4,498,249</u>	<u>4,045,810</u>	<u>452,439</u>
Speech pathology and audiology services:				
Salaries	892,726	1,127,373	767,563	359,810
Benefits	345,951	352,425	252,914	99,511
Total speech pathology and audiology services	<u>1,238,677</u>	<u>1,479,798</u>	<u>1,020,477</u>	<u>459,321</u>
Occupational therapy:				
Salaries	211,927	197,691	219,481	(21,790)
Benefits	79,415	62,668	61,295	1,373
Total occupational therapy	<u>291,342</u>	<u>260,359</u>	<u>280,776</u>	<u>(20,417)</u>
Total support services - pupils	<u>6,363,606</u>	<u>6,238,406</u>	<u>5,347,063</u>	<u>891,343</u>

(Continued)

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2023

	Original budget	Final budget	Actual	Variance with Final Budget
Support services - instructional staff:				
Instruction and curriculum development services:				
Salaries	\$ 3,665,807	3,788,875	3,511,684	277,191
Benefits	1,400,544	1,274,806	1,120,739	154,067
Total instruction and curriculum development	5,066,351	5,063,681	4,632,423	431,258
Instructional staff training services:				
Salaries	1,307,918	1,527,076	1,259,612	267,464
Benefits	502,646	336,228	282,342	53,886
Total instructional staff training services	1,810,564	1,863,304	1,541,954	321,350
Educational media services area direction:				
Salaries	1,579,115	1,608,260	1,456,932	151,328
Benefits	585,660	612,998	498,357	114,641
Total educational media services area direction	2,164,775	2,221,258	1,955,289	265,969
Total support services - instructional staff	9,041,690	9,148,243	8,129,666	1,018,577
Information services area direction				
Salaries	70,000	70,000	—	70,000
Benefits	6,083	6,083	—	6,083
Total information services	76,083	76,083	—	76,083
Early childhood programs:				
Salaries	1,815,000	2,123,570	1,987,967	135,603
Benefits	752,953	851,569	703,015	148,554
Total early childhood programs	2,567,953	2,975,139	2,690,982	284,157
Total expenditures	133,706,127	127,941,550	121,063,387	6,878,163
Revenues under expenditures	(136,235,105)	(118,958,374)	(110,937,665)	(8,020,709)
Other financing sources:				
Transfers in	115,674,926	122,406,993	110,937,665	(11,469,328)
Revenues and other financing sources over (under) expenditures	(20,560,179)	3,448,619	—	—
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, 2023

	2023
Capital assets (gross):	
Land	\$ 28,322,490
Buildings	557,833,604
Improvements other than buildings	49,058,248
Impairment-closed buildings	7,920,582
Equipment, furniture, and vehicles	21,381,462
Software	525,797
Right-to-use lease assets	
Energy savings equipment	18,085,216
Mobile classrooms Vehicles	82,109
Copiers	696,137
Software - subscription asset	717,789
	1,169,663
Construction in progress	—
Total	\$ 685,793,097
Investment in capital assets by source:	
General fund	\$ 78,837
Capital projects	658,631,780
Special revenue	6,292,991
Trust and agency	13,127
Right-to-use leased assets	20,750,914
Donations	25,448
Total	\$ 685,793,097

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, 2023

Classification		Beginning balance July 1, 2022	Adjustments	Additions	Retirements	Ending balance June 30, 2023
High schools	\$	278,331,984	—	3,409,024	(5,519)	281,735,489
Middle schools		103,083,546	103,675	974,719	—	104,161,940
Elementary schools		260,323,339	(7,983,394)	3,405,446	(6,332,518)	249,412,873
Administration		19,584,595	7,924,338	2,368,210	(145,262)	29,731,881
Right-to-use leased assets		19,147,772		1,603,142	—	20,750,914
Construction in progress		44,616	—	—	(44,616)	—
Total	\$	<u>680,515,852</u>	<u>44,619</u>	<u>11,760,541</u>	<u>(6,527,915)</u>	<u>685,793,097</u>

KANSAS CITY PUBLIC SCHOOLS

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

June 30, 2023

<u>Classification</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than buildings</u>	<u>Impaired assets</u>	<u>Equipment, furniture, vehicles</u>	<u>Software</u>	<u>Right-to-use assets</u>	<u>Total</u>
High schools	\$ 9,994,919	228,630,789	34,816,871	2,219,519	6,073,391	—	—	281,735,489
Middle schools	4,320,628	95,770,951	2,893,753	—	1,176,608	—	—	104,161,940
Elementary schools	12,203,291	217,159,331	9,190,377	5,701,063	5,158,811	—	—	249,412,873
Administration	1,803,652	16,272,533	2,157,247	—	8,972,652	525,797	—	29,731,881
Right-to-use assets	—	—	—	—	—	—	20,750,914	20,750,914
Total	\$ <u>28,322,490</u>	<u>557,833,604</u>	<u>49,058,248</u>	<u>7,920,582</u>	<u>21,381,462</u>	<u>525,797</u>	<u>20,750,914</u>	<u>685,793,097</u>

**Kansas City Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Identifying Number	Expenditures
U.S. Department of Education:			
Passed through Missouri Department of Elementary and Secondary Education:			
Title I	84.010A	S010A200025 & S010A210025	8,929,359
Title I - School Improvement 1003A	84.010A	S010A190025 & S010A200025	3,423,829
Title ID - Prevention & Intervention	84.010A	S010A200025	<u>36,509</u>
Subtotal			12,389,697
Title IV, Part A	84.424A	S424A200026	749,313
Special Education Center Individuals with Disabilities Education Act (IDEA):			
Entitlement	84.027A	H027A190040 & H027A200040	4,721,683
COVID-19 ARP Entitlement (611)	84.027X	H027X210040	932,381
Early Childhood Special Education (611)	84.027A	H027A210040	<u>414,485</u>
Subtotal			6,068,549
COVID-19 ARP Early Childhood Special Education (619)	84.173X	H173X210103	65,348
Early Childhood Special Education (619)	84.173A	H173A200103	<u>104,405</u>
Subtotal			169,753
Subtotal for Special Education Cluster			6,238,302
Homeless Children & Youth	84.196A	S196A210026	221,201
COVID-19 Education Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief (COVID-19)	84.425D	S425D200021	173,583
COVID-19 Elementary and Secondary School Emergency Relief II (COVID-19)	84.425D	S425D210021	5,721,198
American Rescue Plan-Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)	84.425U	S425U210021	14,640,625
ARP-Homeless Children and Youth I	84.425W	S425W210026	31,855
COVID-19 Elementary and Secondary School Emergency Relief Student Connectivity	84.425C	S425C200016	3,739,636
COVID-19 Grow Your Own	84.425D	S425D210021	1,333
COVID-19 CRRSA Teacher Retention (GEER II)	84.425U	S425U210021	745,227
COVID-19 CRRSA Parent Reimbursement (GEER II)	84.425D	S425D210021	1,299
COVID-19 CRRSA CTE Equipment & Enhancement (GEER II)	84.425D	X425D210021	<u>8,980</u>
Subtotal			25,063,736
English Language Acquisition State Grants:			
Title III, English Language Learners	84.365A	S365A200025 & S365A210025	466,947
Title III, Language Instruction Immigrant	84.365A	S365A200025	194,054
SEE-TEL	84.365Z	N/A	<u>1,067</u>
Subtotal			662,068
Title II, Part A - Improving Teacher Quality State Grants	84.367A	S367A200024 & S367A210024	1,086,059
Carl D. Perkins Vocational Education Act (P.L. 98-524), Title I, Part C, Migrant Education	84.011A	S011A210025	11,999
Title II, Part C, Improvement and Expansion - Career and Technical Education - Basic Grants to States	84.048A	V048A200025	704,709
Total U.S. Department of Education			<u>47,127,084</u>
U.S. Department of Army:			
Direct program - ROTC Salary Grant	12.999	N/A	297,333

(Continued)

**Kansas City Public Schools
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed through Missouri Department of Elementary and Secondary Education:			
Food Distribution (noncash) (1)	10.555	N/A	784,067
National School Lunch Program (1)	10.555	20210N109943 & 20221N119943	7,254,058
National School Lunch Supply Chain (1)	10.555	2021H170343	383,403
National School Snack Program (1)	10.555	20210N109943	<u>8,784</u>
Subtotal			<u>8,430,312</u>
National School Fruit & Vegetable Program (1)	10.582	2021IL160343 & 2022IL160343	212,869
National School Breakfast Program (1)	10.553	20210N109943 & 20221N119943	3,364,678
Passed through Missouri Department of Health and Senior Services:			
Child and Adult Care Food Program	10.558	223MO305N1199 & 223MO305N2020	1,481,410
Summer Nutrition Program (1)	10.559	213MO305N1199	<u>303,599</u>
Total U.S. Department of Agriculture			<u>13,792,868</u>
U.S. Department of Interior			
400 Years African American History	15.U12	AAHC221874	2,084
U.S. Department of Justice			
Passed through Missouri Department of Social Services			
Victims of Crime Act	16.575	2018-V2-GX-0035 & 2019-V2-GX-0044	1,176,624
U.S. Department of Labor			
Passed through Full Employment Council - WIOA Cluster: WIOA Youth Activities			
	17.259	AA-30771-18-60-a-29	97,102
U.S. Department of Treasury			
COVID-19 ARP - MO Career Opportunity - Coronavirus state and local recovery funds	21.027	SLFRP4542	64,275
U.S. Department of Health and Human Services:			
Passed through Missouri Department of Social Services:			
Asthma Education	93.070	NUE1EH001393	7,781
Afghan Refugee	93.566	23MORSSS	79,937
Afghan Refugee S25	93.566	23MORSSS	108,409
Passed through Missouri Department of Elementary and Secondary Education			
MO Project Aware	93.243	3410-0105-8977- AWF1	66,024
JAG TANF Grant	93.558	1701MDTANF	19,235
Refugee Children School Impact	93.566	2102MORSSS	<u>261,861</u>
Subtotal			<u>347,120</u>
Passed through Mid America Regional Council - Head Start Cluster			
Early Head Start Expansion	93.600	07HP000084	305,777
Head Start	93.600	07CH7056	<u>4,950,329</u>
Total U.S. Department of Health and Human Services			<u>5,799,353</u>
Total expenditures of federal awards			<u>68,356,723</u>

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

(1) Included in Child Nutrition Cluster amount of \$12,311,458.

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

Year Ended June 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal activity of Kansas City Public Schools under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Kansas City Public Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows of Kansas City Public Schools.

Note 2. Significant Accounting Policies

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

Note 3. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (food commodities) received during the year in the amount of \$784,067 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, 2023.

Note 5. Indirect Cost Rate

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

STATISTICAL SECTION

(Unaudited)

Statistical Section

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

Contents

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

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

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

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

Note: Personal income data is currently not available.

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

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

Table 1

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

Classification	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Net investment in capital assets	\$ 275,736	\$ 283,877	\$ 286,262	\$ 291,110	\$ 304,186	\$ 302,543	\$ 317,613	\$ 318,262	\$ 313,049	\$ 311,276
Restricted	12,693	13,350	13,364	16,538	16,873	29,536	12,281	14,847	15,479	16,781
Unrestricted	(23,869)	(66,888)	(100,963)	(112,967)	(121,386)	(93,944)	(42,264)	(25,324)	2,477	104,618
Total governmental activities, net of position	\$ <u>264,560</u>	\$ <u>230,339</u>	\$ <u>198,663</u>	\$ <u>194,681</u>	\$ <u>199,673</u>	\$ <u>238,135</u>	\$ <u>287,630</u>	\$ <u>307,785</u>	\$ <u>331,005</u>	\$ <u>432,675</u>
Business-type activities:										
Unrestricted	\$ <u>1,323</u>	\$ <u>1,300</u>	\$ <u>1,281</u>	\$ <u>1,232</u>	\$ <u>1,140</u>	\$ <u>823</u>	\$ <u>465</u>	\$ <u>433</u>	\$ <u>288</u>	\$ <u>501</u>
Total business-type activities, net of position	\$ <u>1,323</u>	\$ <u>1,300</u>	\$ <u>1,281</u>	\$ <u>1,232</u>	\$ <u>1,140</u>	\$ <u>823</u>	\$ <u>465</u>	\$ <u>433</u>	\$ <u>288</u>	\$ <u>501</u>
Primary government:										
Net investment in capital assets	\$ 275,736	\$ 283,877	\$ 286,262	\$ 291,110	\$ 304,186	\$ 302,543	\$ 317,613	\$ 318,262	\$ 313,049	\$ 311,276
Restricted	12,693	13,350	13,364	16,538	16,873	29,536	12,281	14,847	15,479	16,781
Unrestricted	(22,546)	(65,587)	(99,681)	(111,735)	(120,245)	(93,121)	(41,799)	(24,891)	2,765	105,119
Total primary government, net of position	\$ <u>265,883</u>	\$ <u>231,640</u>	\$ <u>199,945</u>	\$ <u>195,913</u>	\$ <u>200,814</u>	\$ <u>238,958</u>	\$ <u>288,095</u>	\$ <u>308,218</u>	\$ <u>331,293</u>	\$ <u>433,176</u>

The District adopted GASB Statement Nos. 68 and 71 in 2015, which restated beginning net position of governmental activities.
 The District adopted GASB Statement No. 75 in 2018, which restated beginning net position of governmental activities.
 The District adopted GASB Statement No. 87 in 2022, which restated beginning net position of governmental activities.
 Prior years have not been restated.

Table 2

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

Classification	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
Administration	\$ 32,322	\$ 29,600	\$ 28,280	\$ 31,188	\$ 17,561	\$ 16,195	\$ 16,035	\$ 17,416	\$ 16,326	\$ 16,710
Instruction	137,667	121,802	119,132	109,200	117,759	118,416	115,241	127,841	118,825	105,802
Support services	65,676	52,119	48,431	79,494	90,931	78,338	69,642	57,780	58,340	51,572
Operation of facilities	33,916	30,563	29,530	27,743	29,208	29,943	30,741	33,451	34,467	33,744
Pupil transportation	17,631	17,705	12,127	16,019	16,225	15,786	15,802	12,725	12,124	11,443
Facilities improvements and renovation	3,735	510	—	1,670	2,187	3,922	1,051	826	2,604	14,638
Community and adult services	16,566	15,177	12,232	10,063	11,053	12,125	12,222	12,353	10,347	8,951
Interest on long-term debt	2,849	2,904	3,655	3,941	4,228	4,491	5,749	3,332	2,597	2,809
Total governmental activities expenses	\$ 310,362	\$ 270,380	\$ 253,387	\$ 279,318	\$ 289,152	\$ 279,216	\$ 266,483	\$ 265,724	\$ 255,630	\$ 245,669
Business-type activities										
Community services	\$ 2	\$ 4	\$ 1	\$ 47	\$ 108	\$ 107	\$ 116	\$ 393	\$ 57	\$ 57
Total business-type activities expenses	2	4	1	47	108	107	116	393	57	57
Total primary government expenses	\$ 310,364	\$ 270,384	\$ 253,388	\$ 279,365	\$ 289,260	\$ 279,323	\$ 266,599	\$ 266,117	\$ 255,687	\$ 245,726
Program Revenues										
Governmental activities:										
Charges for services										
Administration	\$ —	\$ —	\$ 2	\$ —	\$ —	\$ —	\$ 9	\$ 3	\$ —	\$ —
Instruction	131	10	30	30	21	42	11	147	65	28
Support services	4,579	690	38	145	156	252	1,328	1,690	3,715	1,947
Operation of facilities	—	—	—	—	—	—	21	3	—	6
Pupil transportation	—	—	—	—	—	—	—	3	3	94
Community and adult services	793	188	5	163	257	245	112	151	47	291
Operating grants and contributions										
Administration	170	422	302	1,559	—	—	119	—	26	20
Instruction	54,172	49,367	35,281	32,244	26,423	28,743	30,901	29,015	36,633	33,449
Support services	21,124	15,620	5,894	10,704	12,822	12,219	12,895	13,572	11,863	11,694
Operation of facilities	20	—	—	471	14	132	2	—	2	—
Pupil transportation	8,033	2,673	2,535	2,605	2,931	2,634	2,117	2,708	2,668	2,354
Community and adult services	—	1,825	6,094	2,491	6,868	2,881	2,250	1,446	1,189	2,198
Capital grants and contributions										
Administration	—	4,883	1,499	676	—	—	—	—	—	—
Instruction	2,882	854	1,103	—	—	3	5	—	456	—
Support services	—	—	—	—	25	—	298	—	150	—
Operation of facilities	—	373	294	331	—	25	225	—	225	—
Community and adult services	—	—	—	—	—	—	—	—	5	—
Interest on long-term debt	879	1,048	1,077	1,344	1,483	1,614	1,739	1,743	2,043	1,893
Total governmental activities program revenue	92,783	77,953	54,154	52,763	51,000	48,790	52,032	50,481	59,090	53,974

Classification	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-type activities:										
Charges for services	26	22	124	139	561	540	381	412	301	227
Total business-type activities program revenues	26	22	124	139	561	540	381	412	301	227
Total primary governmental program revenues	\$ 92,809	\$ 77,975	\$ 54,278	\$ 52,902	\$ 51,561	\$ 49,330	\$ 52,413	\$ 50,893	\$ 59,391	\$ 54,201
Net (expense)/revenue										
Governmental activities	\$ (217,577)	\$ (192,425)	\$ (199,232)	\$ (226,552)	\$ (238,152)	\$ (230,427)	\$ (214,452)	\$ (215,243)	\$ (196,766)	\$ (191,693)
Business-type activities	23	18	123	91	420	432	273	295	(92)	170
Total primary government net expense	\$ (217,554)	\$ (192,407)	\$ (199,109)	\$ (226,461)	\$ (237,732)	\$ (229,995)	\$ (214,179)	\$ (214,948)	\$ (196,858)	\$ (191,523)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 212,520	\$ 188,963	\$ 171,575	\$ 189,407	\$ 160,455	\$ 165,714	\$ 158,869	\$ 146,959	\$ 144,992	\$ 141,515
Prop C Sales tax	22,578	23,328	17,512	17,490	18,105	17,761	17,798	17,616	15,149	15,579
Other local revenues	5,738	5,363	7,130	6,785	6,975	5,119	4,341	7,705	5,559	5,039
County governmental contributions	5,421	7,106	6,131	5,469	6,763	5,907	5,672	4,964	5,284	5,054
State aid-basic formula	491	397	—	—	2,848	5,018	6,626	12,365	12,274	8,529
Grants and entitlements not restricted to specific programs	—	—	—	—	1,462	146	7	743	705	409
Gain (loss) on sale of capital assets	—	—	—	—	—	(317)	—	—	545	659
Investment earnings	5,050	773	177	2,408	2,980	1,884	743	1,519	1,499	2,604
Transfers	—	—	74	—	102	74	242	150	120	43
Total governmental activities	251,798	225,930	202,599	221,559	199,690	201,306	194,298	192,021	186,127	179,431
Business-type activities:										
Transfers	—	—	(74)	—	(102)	(74)	(242)	(150)	(120)	(43)
Total business-type activities	—	—	(74)	—	(102)	(74)	(242)	(150)	(120)	(43)
Total primary government	\$ 251,798	\$ 225,930	\$ 202,525	\$ 221,559	\$ 199,588	\$ 201,232	\$ 194,056	\$ 191,871	\$ 186,007	\$ 179,388
Change in Net Position										
Governmental activities	\$ 34,221	\$ 33,505	\$ 3,367	\$ (4,993)	\$ (38,462)	\$ (29,121)	\$ (20,154)	\$ (23,222)	\$ (10,639)	\$ (12,262)
Business-type activities	23	18	49	91	318	358	31	145	(212)	127
Total primary government	\$ 34,244	\$ 33,523	\$ 3,416	\$ (4,902)	\$ (38,144)	\$ (28,763)	\$ (20,123)	\$ (23,077)	\$ (10,851)	\$ (12,135)

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 1,354	\$ 36	\$ —	\$ 189	\$ 146	\$ 1,193	\$ 5	\$ 5	\$ 82	\$ 1,223
Restricted	284	284	284	284	285	284	281	280	280	3,027
Committed	—	9,110	—	—	—	—	—	—	—	—
Assigned	5,104	5,653	4,381	5,928	3,671	3,961	3,294	2,726	751	3,997
Unassigned	100,697	80,500	69,381	56,175	49,400	53,189	55,929	54,023	56,675	64,965
Total general fund	<u>\$ 107,439</u>	<u>\$ 95,583</u>	<u>\$ 74,046</u>	<u>\$ 62,576</u>	<u>\$ 53,502</u>	<u>\$ 58,627</u>	<u>\$ 59,509</u>	<u>\$ 57,034</u>	<u>\$ 57,788</u>	<u>\$ 73,212</u>
All other governmental funds										
Nonspendable	\$ 35	\$ 35	\$ 35	\$ 439	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35
Restricted	12,374	13,031	13,045	16,219	16,553	29,217	16,501	17,888	18,065	16,348
Committed	10,475	3,994	2,433	1,755	3,202	193	4,411	3,847	4,811	19,373
Assigned	24,717	22,832	17,488	21,268	22,209	23,724	45,055	12,400	22,153	6,203
Total all other governmental funds	<u>\$ 47,601</u>	<u>\$ 39,892</u>	<u>\$ 33,001</u>	<u>\$ 39,681</u>	<u>\$ 41,999</u>	<u>\$ 53,169</u>	<u>\$ 66,002</u>	<u>\$ 34,170</u>	<u>\$ 45,064</u>	<u>\$ 41,959</u>

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Property taxes	\$ 211,286	\$ 191,210	\$ 175,793	\$ 179,206	\$ 165,281	\$ 166,781	\$ 156,704	\$ 144,378	\$ 144,075	\$ 139,195
Prop C Sales tax	22,578	23,328	17,512	17,490	18,105	17,761	17,798	17,616	15,149	15,579
Other local revenues	13,978	9,717	10,264	13,882	13,348	9,748	9,706	11,600	9,519	11,055
County governmental contributions	5,421	7,106	6,131	5,469	6,763	5,907	5,672	4,964	5,284	5,054
State aid-basic formula	491	397	—	—	2,848	5,018	6,626	12,365	12,274	8,529
Other state	12,511	7,300	7,674	6,951	7,508	8,709	7,125	7,560	8,473	5,790
Federal	65,103	70,125	44,164	39,004	36,228	34,521	42,634	44,423	43,767	48,576
Tuition	276	212	35	194	278	266	168	416	362	5
Total revenues	331,644	309,395	261,573	262,196	250,359	248,711	246,433	243,322	238,903	233,783
Expenditures										
Administration	29,524	29,720	29,410	33,876	18,011	15,761	17,334	15,446	17,227	15,659
Instruction	124,889	118,223	109,002	104,236	104,938	105,594	103,335	109,321	108,092	95,329
Support services	62,115	56,070	50,080	50,112	58,335	55,640	57,848	53,852	51,717	54,967
Operation of facilities	35,925	33,374	31,069	29,477	29,173	30,603	31,921	32,170	34,487	34,296
Pupil transportation	18,401	17,806	12,373	16,040	16,225	15,786	15,802	12,725	12,124	11,443
Community and adult services	16,578	15,090	12,191	10,889	11,050	12,134	12,367	11,445	10,338	8,943
Facilities improvements and renovations	8,580	6,711	5,023	8,004	19,883	18,538	30,330	29,502	13,292	36,447
Leases										
Principal	596	392	—	—	—	—	—	—	—	—
Interest	19	24	—	—	—	—	—	—	—	—
Debt service										
Principal	5,748	5,542	5,250	5,066	3,749	4,720	5,173	3,601	2,009	5,750
Interest	2,842	3,183	3,672	3,954	5,392	4,504	5,303	3,336	2,600	2,928
Total expenditures	305,217	286,135	258,070	261,654	266,756	263,280	279,413	271,398	251,886	265,762
Excess of revenues under expenditures	26,427	23,260	3,503	542	(16,397)	(14,569)	(32,980)	(28,076)	(12,983)	(31,979)
Other financing sources (uses)										
Transfers in	11,040	10,848	12,117	4,340	13,706	14,883	9,748	6,339	13,948	18,779
Transfers out	(19,935)	(10,848)	(12,043)	(4,340)	(13,604)	(14,809)	(9,506)	(6,189)	(13,828)	(18,736)
Issuance of lease	1,603	274	—	—	—	—	—	—	—	—
Issuance of long term debt	—	—	—	—	—	—	51,035	—	—	—
Premium on long-term debt	—	—	—	—	—	—	2,317	—	—	—
Capital Leases/lease purchase agreement	—	—	—	—	—	—	11,640	16,147	—	—
Unrealized loss on surplus assets	—	—	—	—	—	—	—	(300)	—	—
Sales of capital assets	430	356	1,214	6,214	—	781	2,053	431	545	1,356
Total other financing sources (uses)	(6,862)	630	1,288	6,214	102	855	67,287	16,428	665	1,399
Net change in fund balances	\$ 19,565	\$ 23,890	\$ 4,791	\$ 6,756	\$ (16,295)	\$ (13,714)	\$ 34,307	\$ (11,648)	\$ (12,318)	\$ (30,580)
Debt service as a percentage of noncapital expenditures	3.1%	3.3%	3.5%	3.6%	3.7%	4.3%	4.3%	2.9%	1.9%	3.8%

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

- (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>
2023	\$ 1.6919	\$ 0.03	\$ 0.059	\$ 0.2028	\$ 0.5504	\$ 4.9599	\$ 7.49
2022	1.6981	0.03	0.582	0.2028	0.5504	4.9599	8.02
2021	1.7529	0.03	0.611	0.2128	0.5644	4.9599	8.13
2020	1.5960	0.03	0.611	0.2047	0.5644	4.9599	7.97
2019	1.6783	0.03	0.701	0.2305	0.5065	4.9599	8.11
2018	1.6006	0.03	0.485	0.2297	0.4676	4.9599	7.77
2017	1.5906	0.03	0.503	0.2339	0.4940	4.9599	7.81
2016	1.5806	0.03	0.496	0.2343	0.4933	4.9500	7.78
2015	1.5997	0.03	0.514	0.2374	0.5000	4.9500	7.83
2014	1.5932	0.03	0.530	0.2369	0.5000	4.9500	7.84

(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, 2023

Taxpayers	Type of Business	Tax Year 2022			Tax Year 2013		
		Assessed value(1)	Rank	Percentage of total assessed value	Assessed value(1)	Rank	Percentage of total assessed value
Southern Union MGE and Spire	Transportation/utilities	97,105,280	1	2.42%	26,112,230	5	0.97
Country Club Plaza	Real estate investment	96,091,883	2	2.40			
Evergy Metro	Utilities	85,869,518	3	2.14	45,383,538	2	1.69
Crown Power & Hallmark	Greeting cards, hotel and retail sales	49,759,554	4	1.24	61,691,591	1	2.29
Federal Reserve Bank of KC	Banking	31,084,480	5	0.78			
Town Pavilion Holdings	Retail shopping center	29,440,990	6	0.73	22,260,718	7	0.83
Google Fiber Missouri LLC	Communications	22,232,298	7	0.55			—
CIP 18 LC Grand Blvd Owner LLC	Communications	15,680,000	8	0.39			
Twentieth Century Realty Inc	Real estate	15,568,272	9	0.39	14,164,528	8	0.53
1200 Chiefs Owner LLC	Real estate	12,800,000	10	0.32	12,800,000	9	0.48
JC Nichols & Highwoods Realty	Real estate investment				26,827,301	4	1.00
FSP Grand Blvd	Real estate						
DST, Inc.	Investment, securities, finance						
Gateway Harrison Inc	Communications				11,700,918	10	0.43
Bayer	Agricultural research and mfg				22,472,371	6	0.84
							—
		<u>\$ 455,632,275</u>		<u>11.37%</u>	<u>243,413,195</u>		<u>9.05%</u>

Note: Total assessed value for 2022 was \$4,164,056,206 and 2013 was \$2,721,421,670

(1) Based on calendar year ended December 31, 2022 and December 31, 2013.

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

<u>Tax levy year</u>	<u>Current tax levy (2)</u>	<u>Current tax collections</u>	<u>Percentage of levy collected</u>	<u>Delinquent tax collections</u>	<u>Total tax collections</u>	<u>Total collections as a percent of current levy (3)</u>	<u>Outstanding delinquent taxes (4)</u>	<u>Outstanding delinquent taxes as a percentage of current levy</u>
2022	\$ 198,897,244	181,537,636	91.3%	\$ 9,101,484	\$ 190,639,120	95.8%	\$ 15,093,830	8%
2021	190,361,028	174,580,973	91.7%	11,886,132	186,467,105	98.0%	12,873,771	7%
2020	175,845,409	160,127,997	91.1%	7,561,666	167,689,663	95.4%	14,891,956	8%
2019	190,290,846	166,860,615	87.7%	7,492,300	174,352,915	91.6%	15,131,323	8%
2018	151,811,701	147,632,343	97.2%	8,720,622	156,352,965	103.0%	11,435,855	8%
2017	152,478,548	145,810,859	95.6%	9,439,450	155,250,309	101.8%	16,341,716	11%
2016	141,314,785	130,897,819	92.6%	11,152,184	142,050,003	100.5%	16,608,841	12%
2015	138,687,992	123,114,788	88.8%	7,158,783	130,273,571	93.9%	15,573,204	11%
2014	135,405,792	130,008,627	96.0%	11,587,460	141,596,087	104.6%	5,397,165	4%
2013	136,480,977	129,727,584	95.1%	7,921,094	137,648,678	100.9%	6,753,393	5%

(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
2023	\$	11,555,000	14,739,249	44,870,000	71,164,249
2022		14,660,000	16,666,874	45,585,000	76,911,874
2021		17,590,000	18,336,601	46,335,000	82,261,601
2020		20,360,000	20,041,304	47,110,000	87,511,304
2019		22,980,000	21,687,626	47,910,000	92,577,626
2018		25,455,000	23,277,565	48,740,000	97,472,565
2017		27,805,000	24,813,052	49,575,000	102,193,052
2016		30,035,000	14,655,924	—	44,690,924
2015		32,125,000	—	—	32,125,000
2014		34,154,000	—	—	34,154,000

Table 10

KANSAS CITY PUBLIC SCHOOLS

Computation of Overlapping Debt

June 30, 2023

<u>Jurisdiction</u>	<u>General obligation bonds outstanding (2)</u>	<u>Percentage applicable to District (1)</u>	<u>Amount applicable to District</u>
City of Kansas City, Missouri	\$ 439,755,000	100%	\$ 439,755,000

(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, 2023

Total assessed value, tax levy year 2022 (1)	\$	4,164,056,206
Legal debt margin—15% of assessed value (2)		624,608,431

- (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, 2023.

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
2023	206,084	13,619	6.61 %	11,526	84.6 %
2022	206,084	13,519	6.56	11,002	81.4
2021	193,837	13,505	6.97	11,243	83.3
2020	193,837	14,384	7.42	12,972	90.2
2019	193,837	14,096	7.27	12,535	88.9
2018	193,837	14,124	7.29	12,904	91.4
2017	193,837	14,161	7.31	13,224	93.4
2016	193,837	14,662	7.56	13,273	90.5
2015	193,837	14,312	7.38	12,942	90.4
2014	193,837	14,192	7.32	12,833	90.4

Source: Estimated District population is based on the 2020 Decennial Census.

Note: Average daily attendance includes summer school attendance. Ratio of attendance to membership reflects average daily attendance of regular school year to September school membership.

Table 13

KANSAS CITY PUBLIC SCHOOLS
 Property Value and Construction Costs
 Last Ten Fiscal Years

Fiscal year ended June 30	Estimated actual property value (1)	Nonresidential construction (in millions)	Residential construction (in millions)
2022	\$ 16,925,243,650	\$ 126.0	\$ 250.3
2021	16,389,625,314	18.8	7.4
2020	15,116,226,569	201.4	110.2
2019	16,134,855,239	120.9	143.8
2018	12,826,957,921	54.5	78.3
2017	12,786,240,697	38.8	112.9
2016	11,715,345,534	26.5	46.5
2015	11,524,617,815	34.9	26.4
2014	11,059,018,017	24.7	44.8
2013	11,011,745,050	24.4	14.0

(1) See Table 5.

Source: Assessed valuations were made by the Jackson County Assessment Department. Estimated actual property values were calculated using percentages set forth in Section 137.115 of the Missouri Revised Statutes.

Table 14

KANSAS CITY PUBLIC SCHOOLS

Per-Pupil Costs

Last Ten Fiscal Years

Fiscal year ended June 30	Average daily attendance (2)	Eligible pupils (2)	Current expenditures per eligible pupil (1)	K-12 September enrollment	Pre-K
2023	11,847	12,168	20,563	13,372	1,063
2022	11,228	11,453	21,081	13,270	834
2021	11,623	12,004	18,302	13,377	782
2020	13,338	13,704	15,664	14,069	1,072
2019	13,358	13,985	15,045	13,985	1,099
2018	13,969	14,614	13,763	14,124	1,162
2017	14,210	14,871	13,744	14,161	1,104
2016	14,527	15,190	15,280	14,662	992
2015	14,028	15,114	13,305	14,312	1,030
2014	12,857	12,977	15,496	14,192	1,111

(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.