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

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 8, 2026

NEW ISSUE
Book-Entry Only

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

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

$200,000,000*
THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI
GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2026

Dated: Date of Issuance **Due: March 1, as shown on the inside cover**

The General Obligation Improvement Bonds, Series 2026 (the **"Bonds"**), are being issued by The School District of Kansas City, Missouri (the **"District"**), for the purpose of providing funds to (1) pay the costs of the Project (defined herein) and (2) pay the costs of issuing the Bonds. See the section captioned **"PLAN OF FINANCING"** herein.

The Bonds will be issued as fully-registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (**"DTC"**). DTC will act as securities depository for the Bonds. The Bonds will be available for purchase in denominations of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. DTC will receive all payments with respect to the Bonds from BOKF, N.A., Kansas City, Missouri, as paying agent for the Bonds. DTC is required to remit such payments to DTC Participants (defined herein) for subsequent disbursement to the beneficial owners of the Bonds. Semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2027.

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

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

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

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

The Bonds are offered when, as and if issued by the District, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, as Bond Counsel to the District. Certain legal matters related to the Official Statement will be passed upon by Gilmore & Bell, P. C., Kansas City, Missouri, as disclosure counsel to the District. Piper Sandler & Co. has been engaged by the District to serve as its financial advisor in connection with the issuance, sale and delivery of the Bonds. It is expected that the Bonds will be available for delivery in book-entry form through DTC, New York, New York on or about October [__], 2026.

Bids for the Bonds will only be received electronically through PARITY electronic bid submission system until 10:00 A.M., Central Time, on September 23, 2026.

* Preliminary, subject to change.

The date of this Official Statement is September ___, 2026.

$200,000,000*
THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI
GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2026

MATURITY SCHEDULE*

Serial Bonds

Maturity March 1	Principal Amount*	Interest Rate	Yield	CUSIP(1)
2029	$4,300,000			
2030	5,125,000			
2031	5,500,000			
2032	6,300,000			
2033	7,300,000			
2034	8,495,000			
2035	9,025,000			
2036	9,590,000			
2037	10,180,000			
2038	10,525,000			
2039	11,180,000			
2040	11,855,000			
2041	12,575,000			
2042	15,000,000			
2043	16,000,000			
2044	17,880,000			
2045	19,170,000			
2046	20,000,000			

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

* Preliminary, subject to change.

THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI
2901 Troost Avenue
Kansas City, Missouri 64109
(816) 418-7000

Board of Directors

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

Lisa Limberg, Board Secretary

Administration

Dr. Jennifer Collier, Superintendent
Dr. Derald Davis, Deputy Superintendent
Dr. LaTanya Franklin, Chief Academic Officer
Charnissa Holliday-Scott, Chief Human Resources Officer
Erin Thompson, Chief Finance and Operations Officer
Scott Jones, Chief Technology Officer
Nicole Collier-White, Chief Communications Officer
Shana J. Long, Chief Legal Officer

FINANCIAL ADVISOR

Piper Sandler & Co.
Leawood, Kansas

BOND COUNSEL AND DISCLOSURE COUNSEL

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

PAYING AGENT

BOKF, N.A.
Kansas City, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

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

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

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

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

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APPENDIX A:
General, Economic and Financial Information concerning the District

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Kansas City Public Schools Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

APPENDIX C:
Form of Continuing Disclosure Undertaking

APPENDIX D:
Book-Entry Only System

BOND ISSUE SUMMARY

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

District:	The School District of Kansas City, Missouri (the **"District"**).
Issues:	$200,000,000* General Obligation Improvement Bonds, Series 2026 (the **"Bonds"**).
Dated Date:	Date of issuance of the Bonds.
Interest Payment Dates:	March 1 and September 1, commencing March 1, 2027.
Principal Due:	On March 1 in the years and amounts detailed on the inside cover page of this Official Statement.
Optional Redemption:	At the option of the District, the Bonds or portions thereof maturing on March 1, 2037, and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2036, and thereafter, in whole or in part, at any time at the Redemption Price (defined herein) of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date (defined herein). See also the section captioned **"THE BONDS - Redemption Provisions"** herein.
Authorization:	The Bonds are authorized by a resolution of the Board of Directors of the District pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Chapters 108, 160 and 164 of the Revised Statutes of Missouri, as amended, and an election duly held in the District on April 8, 2025.
Security:	The Bonds will be general obligations of the District and will be payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. See also the section captioned **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS"** herein.
Credit Rating:	S&P Global Ratings, a division of Standard & Poor's Financial Services, LLC (**"S&P"**), has assigned the Bonds the rating shown on the cover page hereof based upon the underlying credit worthiness of the District. See also the section captioned **"BOND RATING"** herein.
Purpose:	The Bonds are being issued to provide funds (1) to pay the portion of the costs of the Project (defined herein) utilizing an additional $200,000,000* of the total $474,000,000 principal amount of general obligation bonds approved by the required number of qualified voters of the District voting on the general obligation bond question at an election held in the District on April 8, 2025, which the District will allocate to said charter schools and (2) to pay the costs of issuing the Bonds. See also the section captioned **"PLAN OF FINANCING"** herein.
Tax Exemption:	Gilmore & Bell, P.C., as Bond Counsel to the District, will provide an opinion as to the tax exemption of the interest on the Bonds as discussed under the section captioned **"TAX MATTERS"** in this Official Statement.
No Bank Qualification:	The Bonds have <u>not</u> been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Paying Agent:	BOKF, N.A., Kansas City, Missouri.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (**"DTC"**), New York, New York. DTC will act as securities depository of the Bonds.

* Preliminary, subject to change.

OFFICIAL STATEMENT

$200,000,000*
THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI
GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2026

INTRODUCTION

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

General

The purpose of this Official Statement is to furnish information relating to (1) The School District of Kansas City, Missouri (the **"District"**), (2) the General Obligation Improvement Bonds, Series 2026 (the **"Bonds"**), of the District to be issued in the aggregate principal amount of $200,000,000* and dated the date of issuance and delivery.

The District

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

Purpose of the Bonds

At an election held in the District on April 8, 2025 (the **"2025 Election"**), the required majority of the qualified voters of the District approved the issuance of $474,000,000 principal amount of general obligation bonds for the purpose of constructing, repairing, improving, and equipping new and aging public school buildings, including safety and security measures, heating and cooling systems, roofs, plumbing, and other deferred maintenance (collectively, the **"Project"**), with $50,000,000 of the total $474,000,000 principal amount of the general obligation bonds being allocated for nine participating public charter schools located within the District as permitted by Section 160.415 of the Revised Statutes of the State of Missouri, as amended. The District has previously issued its (a) General Obligation Improvement Bonds, Series 2025A, on September 16, 2025, in the original aggregate principal amount of $60,000,000 (the **"Series 2025A Bonds"**), which Series 2025A Bonds utilized $60,000,000 of the total $474,000,000 principal amount of general obligation bonds authorized by voters at the 2025 Election that the District used to finance a portion of the costs of the Project solely for the District and (b) General Obligation Improvement Bonds, Series 2025B, on November 4, 2025, in the original aggregate principal amount of $50,000,000 (the **"Series 2025B Bonds"**), which Series 2025B Bonds utilized an additional $50,000,000 of the total $474,000,000 principal amount of general obligation bonds authorized by voters at the 2025 Election that the District allocated to the nine participating public charter schools located within the District as authorized by the 2025 Election.

The principal amount of the Bonds ($200,000,000*) represents the third installment of the total $474,000,000 of general obligation bonds authorized by voters at the 2025 Election, and the District will use proceeds of the Bonds to finance additional costs of the Project solely for the District as authorized at the 2025 Election.

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* Preliminary, subject to change.

After the issuance of the Bonds, the District will have the authority to issue the remaining $164,000,000* aggregate principal amount of general obligation bonds approved by voters at the 2025 Election. Currently, the District anticipates issuing the remaining $164,000,000* aggregate principal amount of voter authorized general obligation bonds from the 2025 Election in September 2027.

The estimated timeline of the District's issuance of the remaining $164,000,000* principal amount of voter authorized general obligation bonds from the 2025 Election is preliminary and subject to change. See also the sections captioned **"PLAN OF FINANCING"** and **"THE BONDS"** herein.

The Bonds are being issued pursuant to a resolution (the **"Bond Resolution"**) expected to be passed by the Board of Directors of the District on September 23, 2026. *All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Bond Resolution.*

Security and Source of Payment for the Bonds

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

Other Outstanding Obligations Payable

After the Bonds are issued, the Bonds, the Series 2025A Bonds and the Series 2025B Bonds will be the District's only outstanding general obligation bonds the District is obligated to pay from ad valorem taxes. See the section captioned **"DEBT STRUCTURE OF THE DISTRICT - Current Long-Term General Obligation Indebtedness"** in ***Appendix A*** to this Official Statement. However, the District expects to issue the remaining $164,000,000* principal amount of general obligations bonds authorized by the voters at the 2025 Election over the next three years. Once the remaining voter authorized general obligation bonds are issued, the District will also be obligated to pay from ad valorem taxes the principal and interest on those general obligation bonds in addition to the Bonds, the Series 2025A Bonds and the Series 2025B Bonds.

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

Financial Statements

The Annual Comprehensive Financial Report of the District, as of and for the fiscal year ended June 30, 2025, is included in ***Appendix B*** to this Official Statement. The financial statements contained therein were audited by RSM US LLP, Kansas City, Missouri, independent certified public accountants, to the extent and for the period indicated in the Independent Auditor's Report.

Continuing Disclosure

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

* Preliminary, subject to change.

Bonds. The financial information, operating data and notice of events will be filed in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the section herein captioned **"CONTINUING DISCLOSURE UNDERTAKING"** and the form of Continuing Disclosure Undertaking included as ***Appendix C*** hereto.

Bond Rating

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

Description of Documents

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

THE BONDS

General

The Bonds are being issued in the aggregate principal amount of $200,000,000*. The Bonds are dated as of the date of original delivery of and payment for such Bonds and the principal is payable on March 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement, subject to redemption and payment prior to maturity upon the terms and conditions described under the section captioned **"Redemption Provisions"** herein. Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page of this Official Statement, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully-registered bonds without coupons in denominations of $5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which said interest has been paid and is payable semiannually on March 1 and September 1 (each an **"Interest Payment Date"**), beginning March 1, 2027.

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

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

* Preliminary, subject to change.

While the Bonds remain in book-entry only form, payments to Beneficial Owners (as defined herein) are governed by the rules of DTC as described in ***Appendix D*** to this Official Statement. If DTC ceases to act as securities depository for the Bonds, payment may be made as described in the Bond Resolution. See also the caption **"Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System."**

Book-Entry Only System

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

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

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

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

Redemption Provisions

Optional Redemption. At the option of the District, the Bonds or portions thereof maturing on March 1, 2037, and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2036, and thereafter as a whole or in part at any time at the Redemption Price (as defined herein) of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date (as defined herein).

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

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

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

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

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

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

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

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

CUSIP Numbers

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Pledge of Full Faith and Credit

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

Levy and Collection of Annual Tax

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

PLAN OF FINANCING

Authorization and Purpose of the Bonds

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

At the 2025 Election, the qualified voters of the District voting on the general obligation bond proposition approved by 84.92% (18,940 voting "yes" to 3,364 voting "no") the proposition authorizing the District to issue general obligation bonds in the principal amount of $474,000,000 for the purpose of paying costs of the Project, with $50,000,000 of the total $474,000,000 principal amount of the general obligation bonds being allocated for nine participating public charter schools located within the District as permitted by Section 160.415 of the Revised Statutes of the State of Missouri, as amended. The District previously issued (1) its Series 2025A Bonds in the principal amount of $60,000,000 to finance a portion of the costs of the Project solely for the benefit of the District, which Series 2025A Bonds utilized $60,000,000 of the total $474,000,000 of general obligation bonds authorized by voters at the 2025 Election and (2) its Series 2025B Bonds in the principal amount of $50,000,000 to finance the portion of the costs of the Project to the nine participating public charter schools, which Series 2025B Bonds utilized an additional $50,000,000 of the total $474,000,000 of general obligation bonds authorized by voters at the 2025 Election.

The principal amount of the Bonds ($200,000,000*) constitutes the third installment of the total $474,000,000 of general obligation bonds authorized by voters at the 2025 Election, and the District will use proceeds of the Bonds to finance additional costs of the Project solely for the benefit of the District.

After the issuance of the Bonds, the District will have the authority to issue the remaining $164,000,000* aggregate principal amount of general obligation bonds approved by voters at the 2025 Election. Currently, the District expects to issue the remaining $164,000,000* in September 2027.

The Project

The major components of the Project the District expects to finance with proceeds of the Bonds, along with proceeds of the Series 2025A Bonds previously issued by the District and the remaining $164,000,000* of general obligation bonds authorized by the voters at the 2025 Election that the District anticipates issuing in September 2027, include the following:

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

Sources and Uses of Funds

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

Sources of Funds	
Principal Amount of Bonds	$200,000,000.00*
[Net] Original Issue Premium	_____.__
Total	$_____.
Uses of Funds	
Deposit to Project Fund to pay costs of Project	$_____.__
Costs of Issuance (including Underwriter's Discount)	_____.__
Total	$_____.

* Preliminary, subject to change.

RISK FACTORS

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

Ad Valorem Property Taxes

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

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

Secondary Market Prices and Liquidity

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

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

No Reserve Fund or Credit Enhancement

No debt service reserve fund will be funded and no financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to ensure payment of the Bonds. Accordingly, any potential purchaser of

the Bonds should consider the financial ability of the District to pay the Bonds. As described under **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS"** in this Official Statement, the District has irrevocably pledged its full faith, credit and resources for the prompt payment of the Bonds and levied a direct annual tax, without limitation, sufficient to pay principal of and interest on the Bonds on all taxable tangible property in the District.

Rating

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

Bankruptcy

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

Pensions and Other Postemployment Benefits

The District contributes to the Kansas City Public School Retirement System, a cost-sharing, multiple-employer and contributory defined benefit pension plan. See the section captioned **"FINANCIAL INFORMATION CONCERNING THE DISTRICT –Employee Retirement and Pension Plans"** in ***Appendix A*** to this Official Statement. The District also provides other postemployment benefits as part of the total compensation offered to attract and retain the services of qualified employees. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Other Post-Employment Benefits"** in ***Appendix A*** to this Official Statement. Future required contribution increases beyond the current fiscal year may require the District to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the District's operations or limit the District's ability to generate additional revenues in the future.

Charter Schools, State Aid and Enrollment

Due to the mechanism utilized by the State of Missouri under the Charter Schools Act (defined in ***Appendix A*** to this Official Statement) to provide funding for charter schools within the District, the Missouri Department of Elementary and Secondary Education (**"DESE"**) withholds from its yearly payments of State Aid (defined in the ***Appendix A*** to this Official Statement) to the District in an amount equal to the per-pupil State Aid for all students attending the charter schools within the District, as well as amounts equal to a certain percentage of the District's local property tax revenue. As a result, unlike most school districts in Missouri which may derive a significant portion of their revenue from State Aid provided by the State of Missouri, the District has received, and expects it will continue to receive, almost no revenue from the basic formula portion or the Classroom Trust Fund portion of the State Aid that would otherwise be provided to the District because said revenues are redirected by DESE to charter schools within the District in accordance with the Charter Schools Act. Instead, the majority of the District's revenue is derived from local property taxes and Proposition

C revenues (as defined in ***Appendix A*** to this Official Statement). Charter schools have a significant impact on the financial condition of the District, and the District cannot predict the outcome of changes in the enrollment of charter schools within the District. Future increases in charter school enrollment compared to District enrollment could further negatively impact the financial condition of the District. Accordingly, no estimate of potential loss in revenue as a result of increased charter school enrollment can be made by the District. See the sections captioned **"GENERAL INFORMATION CONCERNING THE DISTRICT – Charter Schools"** and **"FINANCIAL INFORMATION CONCERNING THE DISTRICT"** in ***Appendix A*** to this Official Statement for a further discussion of the funding mechanism for charter schools under the Charter Schools Act and the sources of revenue available to the District.

Amendment of the Bond Resolution

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

Loss of Premium from Redemption

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

Tax-Exempt Status and Risk of Audit

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

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

Defeasance Risks

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

Cybersecurity Risks

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

Senior Property Tax Credit Program

The Missouri General Assembly enacted legislation in 2023 (subsequently amended in 2024) that authorizes counties to grant property tax credits to each "eligible taxpayer" equal to the difference between the real property tax liability on the eligible taxpayer's homestead in the current year minus the real property tax liability on the homestead either (1) in the year the county initially authorizes the credit or (2) when the person becomes an "eligible taxpayer" (as codified in Section 137.1050 RSMo, the **"Senior Property Tax Credit Program"**). "Eligible taxpayer" means a Missouri resident who (1) is at least 62 years old, (2) owns real property used as the taxpayer's primary residence and (3) is liable for the payment of property taxes on that property. Implementation of the Senior Property Tax Credit Program requires either adoption of an ordinance by the county or an initiative petition and voter approval process. Property tax bills within counties that participate in the Senior Property Tax Credit Program will reflect the tax credit on property tax bills for eligible taxpayers, thereby reducing the amount of property taxes that the eligible taxpayer would otherwise pay. In September 2023, the County Commission of Jackson County, Missouri (**"Jackson County"**), passed Ordinance No. 5787 (the "Senior Property Tax Ordinance") formally implementing the Senior Property Tax Credit Program in Jackson County, which became effective for the calendar year 2024 property tax cycle. The Senior Property Tax Ordinance does not relieve the taxpayer of the obligation to pay the tax liability of the State Blind Pension Fund. Such exception is not included in Section 137.1050 RSMo.

When the District's property tax revenues are reduced in a given year as a result of the Senior Property Tax Credit Program, there may be less property tax revenues available to pay principal of and interest on the Bonds. The District is permitted to retain in its debt service fund up to one year's debt service payments and can increase the debt service levy for future years to address the potential decrease from implementation of the

Senior Property Tax Credit Program and to ensure continued payment of the principal of and interest on the Bonds. See the section captioned **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT"** in ***Appendix A*** to this Official Statement.

State Tax Commission Order for Jackson County

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

As a result of the August 2024 Order, the Jackson County Executive sent a letter (the "**County Letter**") to each taxing jurisdiction within Jackson County identifying the estimated immediate impact to each taxing jurisdiction based on the County's preliminary analysis of the August 2024 Order. The County Letter estimated the impact to the District to be $18,794,189, however this estimate is preliminary and subject to change.

Jackson County filed a lawsuit against the STC asserting that the August 2024 Order is unlawful, void and unenforceable and that the STC overstepped its statutory authority and violated procedural requirements by failing to provide notice or hold hearings before issuing the August 2024 Order. On March 31, 2025, the trial court ruled in favor of the STC on all counts.

On May 22, 2025, the STC issued an Order (the **"May 2025 Order"** and together with the August 2024 Order, the **"Orders"**) directing the Jackson County assessing officials to calculate a baseline for 2025 residential assessments. Jackson County is to begin with the 2022 assessment roll, adding new construction or improvements that occurred in 2022, then increasing all assessments of residential parcels by fifteen percent (15%) or by an amount that represents the true value of money in the parcels, whichever amount is less, then adding new construction or improvements that occurred in 2023 and 2024. This baseline shall be used when calculating the 2025 residential assessments. Jackson County has announced that some Jackson County residents who experienced high 2023 assessments will receive tax credits for three years.

In January 2026, the District along with other affected taxing jurisdictions met with Jackson County relating to the tax credits. The District believes that the decline in the residential assessment for 2023 is approximately $63,400,000, which is to result in tax credits in that amount for County residents for the 2026, 2027 and 2028 tax years. The District is planning for tax credits of approximately $21,100,000 per year for the 2026, 2027 and 2028 tax years. The District is currently assessing its options to work through the loss in revenue. However, as described under the section captioned **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS"** in this Official Statement, the District has irrevocably pledged its full faith, credit and resources for the prompt payment of the Bonds and levied a direct annual tax, without limitation, sufficient to pay principal and interest on the Bonds on all taxable tangible property in the District.

LEGAL MATTERS

Legal Proceedings

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

Approval of Legality

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

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

BOND RATING

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

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

TAX MATTERS

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

Opinion of Bond Counsel

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

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

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

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

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

Other Tax Consequences

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

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

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

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

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

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

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

CONTINUING DISCLOSURE UNDERTAKING

Pursuant to the Continuing Disclosure Undertaking to be entered into by the District in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the **"Rule"**), the District has agreed to provide to the Municipal Securities Rulemaking Board (the **"MSRB"**) via the Electronic Municipal Market Access system ("**EMMA**"), not later than **December 31st** after the end of each fiscal year, commencing with the fiscal year ended June 30, 2026, (1) the audited financial statements of the District for that fiscal year and (2) certain operating data of the District (the **"Annual Report"**). The financial statements of the District are audited by the District's independent certified public accountants. The District has also agreed to provide prompt notice of the occurrence of certain enumerated events with respect to the Bonds. See **"FORM OF CONTINUING DISCLOSURE UNDERTAKING"** attached as ***Appendix C*** hereto.

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

MISCELLANEOUS

Underwriting

Based upon bids received by the District on September 23, 2026, the Bonds were awarded to [_____], as the original purchaser and underwriter of the Bonds (the **"Underwriter"**). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the District at a purchase price of $_____ (equal to the par amount of the Bonds plus/minus a net original issue premium/discount of $_____, less an underwriting discount of $_____). The Underwriter is purchasing the Bonds from the District for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

Financial Advisor

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

Certain Relationships

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

Certification and Other Matters Regarding Official Statement

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

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by

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

Additional Information

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

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THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI

By: _____
Chair of the Board of Directors

APPENDIX A

THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI

GENERAL, ECONOMIC AND FINANCIAL INFORMATION

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GENERAL INFORMATION CONCERNING THE DISTRICT

Location and Size

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

Organization and Board of Directors

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

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

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

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

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

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

Superintendent

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

Professional Staff, Teachers and Employees

The District has a total of 2,950 employees, including 296 administrative personnel, 1,104 teachers and 1,550 non-certificated employees. On average, teachers employed by the District have 10.7 years of teaching experience, compared to a statewide average of 12.8 years, and 47.2% of the District's teachers hold advanced degrees. For the 2024-2025 school year, the average salary for all teaching staff was $63,388, compared to a statewide average salary for teaching staff of $59,797.

Educational Facilities

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

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

History of Enrollment

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

2021-22	2022-23	2023-24	2024-25	2025-26
13,356	13,430	13,393	14,020	14,321

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

Other District Statistics

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

	2020-21	2021-22	2022-23	2023-24	2024-25
Avg. Daily Attendance (ADA)	11,623.12	11,227.83	11,846.62	11,869.72	12,254.32
Proportional Attendance Rate[(1)]	62.5%	49.6%	53.7%	45.1%	48.9%
Students per Teacher	12	13	11	11	12
Students per Classroom Teacher	15	16	15	15	16

Source: Missouri Department of Elementary and Secondary Education.

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

District Accreditation

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

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

- In October 1999 the State Board of Education withdrew the District's accreditation effective May 2000, due to the District's failure to meet the required MSIP 2 (second cycle) standards during accreditation review by DESE. After a January 2002 accreditation review by DESE (applying MSIP 2 second cycle standards), the State Board of Education voted unanimously in April 2002 to grant the District "provisional accreditation" thus lifting the threat of a takeover by DESE.

- In the spring of 2008, DESE completed a full review of the District as part of DESE's MSIP 4 (fourth cycle) standards. At that time, DESE required the District to complete a two-year accountability plan, the progress of which was reviewed quarterly by a Missouri Regional School Improvement Team. The plan was approved on January 14, 2009, and the District retained provisional accreditation.

- On September 20, 2011, the State Board of Education voted to rescind the District's provisional accreditation effective January 1, 2012, due to the District's failure to meet DESE's then-applicable MSIP 4 (fourth cycle) standards. The State Board of Education noted the District's progress but expressed their desire to provide additional support so the District could achieve the necessary points needed to achieve full accreditation under DESE's then-applicable MSIP 4 (fourth cycle) standards. Missouri statutes at that time allowed unaccredited school districts two years within which to improve before DESE could assume

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

- In August 2013, DESE announced the District fell in the middle of the provisional accreditation range under DESE's then-applicable MSIP 5 (fifth cycle) standards. Shortly after the results were released, DESE officials announced that no school district's accreditation status would be modified until there were 3 years of data available using the MSIP 5 (fifth cycle) standards and measurements, and the District made an appeal to the State Board of Education for immediate provisional accreditation. On October 22, 2013, the State Board of Education declined to award provisional accreditation to the District. The refusal of the State Board of Education to grant provisional accreditation to the District resulted in the District being subject to a "transfer law" which allows students in unaccredited school districts to transfer to nearby fully accredited school districts. The transfer law requires unaccredited school districts to pay for transportation and tuition of any District students wishing to transfer to nearby fully accredited school districts. Despite being subject to the transfer law, few District students met the deadline to apply for transfer before the February 1, 2014, deadline.

- In early August 2014, the State Board of Education met at a special meeting and granted the District provisional accreditation. In late August 2014, DESE also announced that the District met the provisional accreditation requirements based on DESE's review of the District's performance under the MSIP 5 (fifth cycle) standards, which had been known by the State Board of Education when it voted to grant the District provisional accreditation. Provisional accreditation "mooted" the threat of the transfer law as well as the threat of a "state takeover" by DESE.

- The District remained provisionally accredited by the State Board of Education from August 2014 until the District was awarded full accreditation status by the State Board of Education in July 2022 based on DESE's review of the District's performance under the current MSIP 6 (sixth cycle) standards.

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

Charter Schools

In 1998, the Missouri Legislature authorized the creation of charter schools within the boundaries of the District. The first charter schools in Kansas City opened for the 1999-2000 school year. Charter schools are issued either a five- or ten-year charter by DESE, and the charters are renewable. For the 2024-2025 school year, there were 20 charter schools operating within the boundaries of the District and approximately 12,954 K-12th grade students were enrolled in said charter schools for the 2024-2025 school year according to DESE's preliminary 2024-2025 enrollment data. While a charter school must have a sponsor, under Missouri law, a charter school is considered an independent legal entity. For the 2024-2025 school year, the District sponsored the following three charter schools located within the District: Allen Village (serving grades K-12th), Crossroads Charter School (serving grades Pre-K-12th) and Gordon Parks Elementary (serving grades K-4th). Other sponsors of the charter schools within the District were Saint Louis University and the Missouri

Charter Public School Commission, which was established by the Missouri legislature in 2015. The District is not financially accountable for any charter schools within its boundaries. Accordingly, the accounts of charter schools are not included in the audited financial statements of the District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2025, attached as ***Appendix B*** to this Official Statement.

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

	2020-21	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Total Enrollment (K-12th grade)	13,114	13,334	13,182	12,989	12,954
Average Daily Attendance (ADA)	12,252.39	12,611.41	12,525.86	12,489.31	12,894.04

Source: Missouri Department of Elementary and Secondary Education.

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

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

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

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ECONOMIC INFORMATION CONCERNING THE DISTRICT

Population

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

	2000	2010	2020	2025
District	240,681	194,438[(1)]	203,319	209,003[(2)]
Kansas City	445,075	459,787	508,090	521,220
Jackson County	654,880	674,158	717,204	732,994
State of Missouri	5,595,211	5,988,927	6,154,913	6,270,541

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

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

(2) Small Area Income and Poverty Estimates as of 2024.

Commerce, Industry and Employment

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

Employer	Type of Business	Approximate Number of Employees
Public Schools	Education	49,147
State/County/City Governments	Government	29,008
Federal Government	Government	28,373
University of Kansas Health System	Health Care Provider	17,394
Saint Luke's Health System	Health Care Provider	12,822
HCA Midwest Health Systems	Health Care Provider	9,981
Ford Kansas City Assembly Plant	Automotive Manufacturing	9,044
Children's Mercy Hospitals & Clinic	Health Care Provider	7,817
Honeywell Federal Manufacturing & Technologies	Manufacturing & Technology	6,897
Oracle Cerner	Health Care IT solutions	6,400
Amazon	Global Tech Company	6,000
Garmin, Ltd.	Communication/Navigation Products	5,021
University of Kansas Medical Center	Medical/Nursing/Health Professional	4,505
Hallmark Cards, Inc.	Greeting cards & TV Programming	4,480
University Health	Academic Medical Center & Health System	4,232
T-Mobile US Inc.	Wireless Carrier/Telecommunications Company	4,000
Burns & McDonnell	Engineering, Construction & Architecture Firm	4,000
UPS	Mail Processing and Delivery	3,888
NKC Health	Health Care Provider	3,631
U.S. Postal Service	Mail Processing and Delivery	2,989

Source: *Kansas City Business Journal 2025-26 Book of Lists:* "Private Sector Employers" as of October 2025 and "Public-Sector Employers" as of January 2026. Information on The List was obtained through Kansas City Business Journal research or supplied by individual organizations through questionnaires that KCBJ could not independently verify.

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

Average for Year	Total Labor Force	Employed	Unemployed	Unemployment Rate
2026[(1)]	387,029	371,570	15,459	4.0%
2025	389,195	372,749	16,446	4.2
2024	384,338	369,227	15,111	3.9
2023	377,378	364,713	12,665	3.4
2022	369,291	358,517	10,774	2.9

Source: MERIC (Missouri Economic Research and Information Center)
(1) Average of January through May 2026.

Medical and Health Facilities

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

Recreational Facilities and Attractions

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

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

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

Municipal Services, Utilities and Public Safety

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

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Transportation, Communication and Media

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

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

Income and Home Values

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

	Median Household Family Income	Per Capita Personal Income[(1)]
District	$60,428	$40,794
City of Kansas City	69,958	41,380
Jackson County	70,625	39,645
State of Missouri	71,589	40,284

Source: Missouri Census Data Center - ACS Profile Report 2024 (1-year estimates)

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

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

	Number of Owner-Occupied Housing Units	Median Home Value
District	46,674	$210,400
City of Kansas City	127,964	261,600
Jackson County	188,218	252,400
State of Missouri	1,757,433	254,400

Source: Missouri Census Data Center - ACS Profile Report 2024 (1-year estimates)

DEBT STRUCTURE OF THE DISTRICT

Overview

The following table summarizes certain financial information concerning the District as of the date of issuance of the Bonds (October 7, 2026). This information should be reviewed in conjunction with the information contained in this section and the audited financial statements of the District for fiscal year ended June 30, 2025, included in the District's Annual Comprehensive Financial Report attached as ***Appendix B*** to this Official Statement.

2026 Assessed Valuation[(1)]	$5,166,668,529
2026 Estimated Actual Valuation[(2)]	$21,253,462,391
Outstanding General Obligation Bonds (**"Direct Debt"**)[(3)]	$286,980,000*
Outstanding Lease Obligations (**"Lease Obligations"**)[(4)]	$143,305,614
Total Direct Debt and Lease Obligations	$430,285,614*
Estimated Population (as of July 1, 2024)	209,003
Per Capita Direct Debt	$1,373.09*
Ratio of Direct Debt to Assessed Valuation	5.55%*
Ratio of Direct Debt to Estimated Actual Valuation	1.35%*
Ratio of Direct Debt and Lease Obligations to Assessed Valuation	8.33%*
Ratio of Direct Debt and Lease Obligations to Estimated Actual Valuation	2.02%*
Overlapping and Underlying General Obligation Debt (**"Indirect Debt"**)[(5)]	$198,582,300
Total Direct Debt, Lease Obligations and Indirect Debt	$628,867,914*
Per Capita Direct Debt, Lease Obligations and Indirect Debt	$3,008.89*
Ratio of Direct Debt, Lease Obligations and Indirect Debt to Assessed Valuation	12.17%*
Ratio of Direct Debt, Lease Obligations and Indirect Debt to Estimated Valuation	2.96%*

(1) Includes 2026 assessed value of real and personal property as reported by the Jackson County Clerk as of September 1, 2026, after Board of Equalization adjustments, but excludes assessed valuation in the amount of $137,382,348 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District and excludes the assessed valuation of state assessed railroad and utility property. For further details, see the section captioned **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT."**

(2) Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios, see the section **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT."**

(3) Reflects (a) the outstanding principal amount of the Bonds ($200,000,000*) as of the date of issuance of the Bonds (October 7, 2026), (b) the outstanding principal amount of the District's General Obligation Improvement Bonds, Series 2025A ($36,980,000), previously issued by the District on September 16, 2025, and (c) the outstanding principal amount of the District's General Obligation Improvement Bonds, Series 2025B ($50,000,000), previously issued by the District on November 4, 2025, which will be the District's only three series of general obligation bonds outstanding as of the date of issuance of the Bonds (October 7, 2026). For further details, see the section **"DEBT STRUCTURE OF THE DISTRICT – Current Long-Term General Obligation Indebtedness."**

(4) Includes the outstanding principal amount of the District's (a) Certificates of Participation, Series 2025 ($91,005,000), (b) Leasehold Revenue Qualified School Construction Bonds (the School District of Kansas City, Missouri QSCB Project), Series 2010 ($3,600,000), (c) Certificates of Participation, Series 2016 ($40,525,000) and (d) Tax-Exempt Amended and Restated Equipment Lease Purchase Agreement ($8,175,614) as of October 7, 2026, the date of issuance of the Bonds. For further details, see the section **"DEBT STRUCTURE OF THE DISTRICT – Outstanding Lease Obligations."**

(5) For further details, see the section "**DEBT STRUCTURE OF THE DISTRICT - Overlapping or Underlying General Obligation Indebtedness**."

* Preliminary, subject to change.

Current Long-Term General Obligation Indebtedness

The following table sets forth all of the outstanding general obligation bond indebtedness of the District as of October 7, 2026, the date of issuance of the Bonds.

Issue Name	Date of Indebtedness	Amount Originally Issued	Amount Outstanding
General Obligation Improvement Bonds, Series 2025A	September 16, 2025	$60,000,000	$36,980,000
General Obligation Improvement Bonds, Series 2025B	November 4, 2025	50,000,000	50,000,000
General Obligation Improvement Bonds, Series 2026	October 7, 2026	200,000,000	200,000,000*
		Total Outstanding:	**$286,980,000***

General Obligation Bonds Debt Service Requirements

The following table shows the annual principal and interest requirements for (a) the Bonds, (b) the General Obligation Improvement Bonds, Series 2025A, previously issued by the District on September 16, 2025, in the original principal amount of $60,000,000 (the **"Series 2025A Bonds"**), and (c) the General Obligation Improvement Bonds, Series 2025B, previously issued by the District on November 4, 2025, in the original principal amount of $50,000,000 (the **"Series 2025B Bonds"**), which are the only three series of general obligation bonds the District will have outstanding as of the date of issuance of the Bonds (October 7, 2026):

	Outstanding Series 2025A and Series 2025B Bonds		Bonds Being Offered		
Fiscal Year Ended June 30	Principal	Interest	Principal*	Interest	Total Debt Service
2027	$14,265,000.00	$4,330,482.50	--		
2028	6,330,000.00	3,009,862.50	--		
2029	1,510,000.00	2,723,912.50	$4,300,000.00		
2030	1,640,000.00	2,663,512.50	5,125,000.00		
2031	1,740,000.00	2,597,912.50	5,500,000.00		
2032	1,890,000.00	2,528,312.50	6,300,000.00		
2033	2,010,000.00	2,452,712.50	7,300,000.00		
2034	2,170,000.00	2,372,312.50	8,495,000.00		
2035	2,305,000.00	2,285,512.50	9,025,000.00		
2036	3,490,000.00	2,193,312.50	9,590,000.00		
2037	3,735,000.00	2,043,412.50	10,180,000.00		
2038	4,170,000.00	1,882,512.50	10,525,000.00		
2039	4,470,000.00	1,722,050.00	11,180,000.00		
2040	4,985,000.00	1,541,225.00	11,855,000.00		
2041	5,380,000.00	1,337,425.00	12,575,000.00		
2042	5,990,000.00	1,124,700.00	15,000,000.00		
2043	6,450,000.00	883,825.00	16,000,000.00		
2044	6,980,000.00	611,375.00	17,880,000.00		
2045	7,470,000.00	316,225.00	19,170,000.00		
2046	--	--	20,000,000.00		
Total	$86,980,000.00	$38,620,595.00	$200,000,000.00*		
(Less 09/01/2026 Pymnt)[(1)]	--	(2,479,451.25)[(1)]	--		
Total Outstanding	**$86,980,000.00**	**$36,141,143.75**	**$200,000,000.00***		

(1) Reflects interest on the District's outstanding Series 2025A Bonds and Series 2025B Bonds previously paid by the District on September 1, 2026, during the District's current fiscal year ending June 30, 2027.

* Preliminary, subject to change.

Legal Debt Capacity

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

The current legal debt limitation and debt margin of the District are as follows:

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b)	
(*15% of 2026 assessed valuation of $5,304,050,877*[(1)])	$795,607,632[(1)]
Less General Obligation Bonds Outstanding and Authorized But Not Issued[(2)]	(450,980,000)*[(2)]
Legal Debt Margin under Article VI, Sections 26(b)	$344,627,632*

(1) Includes the 2026 assessed valuation in the amount of $137,382,348 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas located within the District, for a total assessed valuation of $5,304,050,877.

(2) Includes the aggregate principal amount of the Bonds ($200,000,000*) being issued on October 7, 2026, plus the outstanding aggregate principal amount of the District's Series 2025A Bonds ($36,980,000), Series 2025B Bonds ($50,000,000) and the remaining $164,000,000* principal amount of general obligation bonds authorized by voters at the April 8, 2025, election.

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

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

Outstanding Lease Obligations

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

Payments of principal and interest on the outstanding Series 2010 Leasehold Revenue Bonds are payable from rental payments to be made by the District, subject to annual appropriation by the District, pursuant to an annually-renewable Amendment of Lease Agreements dated as of December 1, 2009, as further amended and supplemented (collectively, the **"Series 2010 Lease"**), between the Corporation, as lessor, the District, as lessee, and the Series 2010 Trustee, as trustee. Pursuant to the Series 2010 Lease, the Corporation has leased certain school facilities to the District and the District has agreed to pay rental payments to the

* Preliminary, subject to change.

Corporation, subject to annual appropriation, sufficient to pay principal and interest on the Series 2010 Leasehold Revenue Bonds as the same become due, which the Corporation has assigned, along with other rights of the Corporation under the Series 2010 Lease, to the Series 2010 Trustee pursuant to the Series 2010 Indenture.

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

Fiscal Year Ended June 30	**Principal Component**	**Interest Component**	**Subsidy[2]**	**Total Rental Payment**
2027	$1,180,000.00	$235,316.00	$(167,362.23)	$1,247,953.77
2028	1,200,000.00	150,944.00	(107,354.91)	1,243,589.09
2029	1,220,000.00	65,148.00	(46,334.79)	1,238,813.21
Total	$3,600,000.00	$451,408.00	$(321,051.93)	$3,730,356.07
(Less 09/15/2026 Payments)[1]	--	(64,080.00)	45,575.19	(18,504.81)
Total Outstanding	**$3,600,000.00**	**$387,328.00**	**$(275,476.74)**	**$3,711,851.26**

(1) Reflects interest component of rental payments previously paid by the District on September 15, 2026, during the District's current fiscal year ending June 30, 2027.

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

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

[*Remainder of this page intentionally left blank.*]

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

Fiscal Year Ended June 30	Principal Component	Interest Component	Total Rental Payment
2027	$3,310,000.00	$1,270,268.76	$4,580,268.76
2028	3,440,000.00	1,204,068.76	4,644,068.76
2029	3,575,000.00	1,135,268.76	4,710,268.76
2030	3,625,000.00	1,059,300.00	4,684,300.00
2031	4,040,000.00	878,050.00	4,918,050.00
2032	4,245,000.00	676,050.00	4,921,050.00
2033	4,370,000.00	548,700.00	4,918,700.00
2034	4,505,000.00	417,600.00	4,922,600.00
2035	4,640,000.00	282,450.00	4,922,450.00
2036	4,775,000.00	143,250.00	4,918,250.00
Total Outstanding	**$40,525,000.00**	**$7,615,006.28**	**$48,140,006.28**

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

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

Fiscal Year Ended June 30	Principal Component	Interest Component	Total Rental Payment
2027	$2,103,599.64	$173,271.80	$2,276,871.44
2028	2,150,048.19	126,823.23	2,276,871.42
2029	2,197,522.36	79,349.08	2,276,871.44
2030	2,246,044.76	30,826.67	2,276,871.43
Total	$8,697,214.95	$410,270.78	$9,107,485.73
(Less 09/01/2026 Payments)[(1)]	(521,600.61)	(47,617.25)	(569,217.86)
Total Outstanding	**$8,175,614.34**	**$362,653.53**	**$8,538,267.87**

[(1)] Reflects the principal components and interest components of rental payments previously paid by the District on September 1, 2026, during the District's current fiscal year ending June 30, 2027.

Certificates of Participation, Series 2025. At the direction of the District, on April 15, 2025, Certificates of Participation, Series 2025, were issued in the original principal amount of $93,740,000 (the **"Series 2025 Certificates"**), pursuant to a Trust Indenture dated as of April 1, 2025 (the **"Series 2025 Indenture"**), between the District and BOKF, N.A., as trustee (the **"Series 2025 Trustee"**). The proceeds received from the sale of the Series 2025 Certificates were used to finance the costs of constructing a new King Empowerment Center and other improvements at various District facilities. The Series 2025 Certificates

represent the proportionate interests of the owners thereof in rental payments to be made by the District, subject to annual appropriation by the District, pursuant to an annually-renewable Lease Purchase Agreement dated as of April 1, 2025 (the **"Series 2025 Lease"**) entered into between Series 2025 Trustee, as lessor and trustee, and the District, as lessee. Such rental payments to be made by the District under the Series 2025 Lease and distributable to the owners of the Series 2025 Certificates are payable from money in the District's Capital Projects Fund.

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

Fiscal Year Ended June 30	**Principal Component**	**Interest Component**	**Total Rental Payment**
2027	$2,980,000.00	$4,490,925.00	$7,470,925.00
2028	3,130,000.00	4,341,925.00	7,471,925.00
2029	3,290,000.00	4,185,425.00	7,475,425.00
2030	3,455,000.00	4,020,925.00	7,475,925.00
2031	3,625,000.00	3,848,175.00	7,473,175.00
2032	3,805,000.00	3,666,925.00	7,471,925.00
2033	3,995,000.00	3,476,675.00	7,471,675.00
2034	4,195,000.00	3,276,925.00	7,471,925.00
2035	4,405,000.00	3,067,175.00	7,472,175.00
2036	4,625,000.00	2,846,925.00	7,471,925.00
2037	4,860,000.00	2,615,675.00	7,475,675.00
2038	5,100,000.00	2,372,675.00	7,472,675.00
2039	5,355,000.00	2,117,675.00	7,472,675.00
2040	5,625,000.00	1,849,925.00	7,474,925.00
2041	5,905,000.00	1,568,675.00	7,473,675.00
2042	6,200,000.00	1,273,425.00	7,473,425.00
2043	6,510,000.00	963,425.00	7,473,425.00
2044	6,805,000.00	670,475.00	7,475,475.00
2045	7,140,000.00	330,225.00	7,470,225.00
Total Outstanding	**$91,005,000.00**	**$50,984,175.00**	**$141,989,175.00**

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

Overlapping or Underlying General Obligation Indebtedness

The following table sets forth the approximate overlapping and underlying general obligation indebtedness of political subdivisions with boundaries overlapping the District as of September 1, 2026, unless otherwise noted, and the approximate percent attributable (on the basis of assessed valuation figures for calendar year 2025) to the District. The table was compiled from publicly available information furnished by the jurisdictions responsible for the general obligation debt, and the District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds or other long-term obligations such as leases, the amounts of which may be unknown to the District at this time and are not included below.

Jurisdiction	Outstanding General Obligation Debt[(1)]	Percent Attributable to the District	Amount Attributable to the District
City of Kansas City, Missouri	$497,700,000	39.90%	$198,582,300
		Total:	**$198,582,300**

_____

Source: Jackson County Assessor's Office; State Auditor of Missouri – Bond Registration Reports; State Auditor of Missouri – 2025 Property Tax Rate Report; most recent information available from the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

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

Future Borrowing Plans

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

The District has previously issued its (1) Series 2025A Bonds in the original aggregate principal amount of $60,000,000, which Series 2025A Bonds utilized $60,000,000 of the total $474,000,000 principal amount of general obligation bonds authorized by voters at the 2025 Election that the District used to finance a portion of the costs of the Project solely for the District and (2) Series 2025B Bonds in the original aggregate principal amount of $50,000,000, which Series 2025B Bonds utilized an additional $50,000,000 of the total $474,000,000 principal amount of general obligation bonds authorized by voters at the 2025 Election that the District allocated to the nine participating public charter schools located within the District as authorized at the 2025 Election and pursuant to Section 160.415 of the Revised Statutes of the State of Missouri, as amended.

The principal amount of the Bonds ($200,000,000*) represents the third installment of the total $474,000,000 principal amount of general obligation bonds authorized at the 2025 Election, and the District will use proceeds of the Bonds to finance additional costs of the Project solely for the District.

After the issuance of the Bonds, the District will have the authority to issue the remaining $164,000,000* aggregate principal amount of general obligation bonds approved by voters at the 2025 Election. Currently, the District expects to issue the remaining $164,000,000* aggregate principal amount of general obligation bonds authorized at the 2025 Election in September 2027.

* Preliminary, subject to change.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

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

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. For further discussion of the accounting methods and principles utilized by the District, see *Note 1(c)* to the District's audited financial statements contained in the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025, contained in ***Appendix B*** to this Official Statement. Below are the governmental funds used by the District:

- ***General (Incidental) Fund*** – The General Fund is the primary operating fund of the District. It used to account for general operations and activities of the District, including expenditures for noncertified employees, supplies, textbooks, repairs and maintenance, utilities and any expenditures not required or permitted to be accounted for in other funds.

- ***Teachers' (Special Revenue) Fund*** - The Teachers' (Special Revenue) Fund accounts for expenditures for certificated employees involved in administration and instruction. It includes revenues restricted by the State and any local property tax levied by the District for the payment of teachers' salaries and certain employee benefits.

- ***Debt Service Fund*** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on certain long-term general obligation debt, such as the Bonds.

- ***Capital Projects Fund*** - The Capital Projects Fund is used to account for the proceeds of long-term debt, including the Bonds, taxes and other revenues restricted for acquisition and/or construction of major capital projects and payments of principal and interest on lease purchase financings.

- ***Non-Major Governmental Funds*** - The remaining other five governmental funds are combined into a single, aggregated presentation. These funds include the *Other Special Revenue Fund* (used to account for the resources that are restricted for payment of employee compensated absences and District contributions to the retirement plan), *Child Nutritional Services Fund* (accounts for the operation and administration of the school cafeteria), the *Patron Gift Fund* (accounts for financial activities related to the use of private gifts given to a specific school or program) and the *Student Activity Fund* (accounts for fundraising activities for schools and programs).

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

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

The financial records of the District are audited annually by an independent public accounting firm in accordance with accounting principles generally accepted in the United States. The most recent annual audit has been performed by RSM US LLP, certified public accountants, Kansas City, Missouri. A copy of the Annual Comprehensive Financial Report of the District for the fiscal year ended June 30, 2025, is included in this Official Statement as ***Appendix B***. A summary of significant accounting policies of the District is contained in the *Notes* accompanying the financial statements in ***Appendix B***.

Sources of Revenue

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

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

[Remainder of this page intentionally left blank.]

Current Sources of Revenue. Based upon the District's *draft* Annual Secretary of the Board Report for fiscal year ended June 30, 2026, the District's sources of revenue for fiscal year ended June 30, 2026, were as follows:

Source	Amount[2]	%
Local Revenue:		
Property Taxes	$269,746,389	68.60%
Proposition "C" Sales Tax	21,581,350	5.49
Other	35,269,080	8.97
County Revenue:		
Railroad & Utility Property Taxes	6,862,918	1.75
Fines, Forfeitures & Other	1,930,823	0.49
State Revenue	20,215,209	5.14
Federal Revenue	37,266,437	9.48
Other Revenue[1]	335,595	0.09
Total Revenue	**$393,207,801**	**100.00%**

Source: District's *draft* Annual Secretary of the Board Report for fiscal year ended June 30, 2026.

[1] Excludes proceeds received from the sale of the District's Series 2025A Bonds and Series 2025B Bonds.

[2] These figures were derived from the District's *draft* Annual Secretary of the Board Report for fiscal year ended June 30, 2026, and are subject to change upon the release of (a) the District's final Annual Secretary of the Board Report for fiscal year ended June 30, 2026, that will be submitted to DESE and (b) the District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2026, which will not be available until December 2026.

Historical Sources of Revenue. The table below shows the allocation of revenues received by the District for the past five fiscal years ended June 30, 2022, through June 30, 2026:

	Fiscal Years Ended June 30				
Source	**2022**	**2023**	**2024**	**2025**	**2026[4]**
Local Revenue	$223,252,684	$246,884,405	$289,822,823	$322,624,327	$326,596,819
County Revenue	7,105,707	5,418,829	8,261,250	7,220,716	8,793,741
State Revenue	7,213,166	12,217,003[3]	13,232,190[3]	13,932,130[3]	20,215,209[3]
Federal Revenue[1]	69,645,820	64,737,341	90,149,863	61,623,735	37,266,437
Other Revenue[2]	395,566	507,328	253,896	313,188	335,595[5]
Total Revenue	**$307,612,943**	**$329,764,906**	**$401,720,022**	**$405,714,096**	**$393,207,801**

Source: For fiscal years ended June 30, 2022, through 2025, District's final Annual Secretary of the Board Reports for fiscal years ended June 30, 2022, through 2025, reported to DESE; for fiscal year ended June 30, 2026, District's *draft* Annual Secretary of the Board Report for fiscal year ended June 30, 2026.

[1] Includes federal stimulus funds received by the District relating to COVID-19.

[2] Includes funds received from the sale of District property.

[3] Increase in State Revenue during fiscal years ended June 30, 2023, through 2026 is primarily attributable to increase in State Aid for transportation provided to the District.

[4] The figures for fiscal year ended June 30, 2026, were derived from the District's *draft* Annual Secretary of the Board Report for fiscal year ended June 30, 2026, and are subject to change upon the release of (a) the District's final Annual Secretary of the Board Report for fiscal year ended June 30, 2026, that will be submitted to DESE and (b) the District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2026, which will not be available until December 2026.

[5] Excludes proceeds received from the sale of the District's Series 2025A Bonds and Series 2025B Bonds.

Local Revenue

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

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

The table below shows the approximate amount each school district received per pupil from Proposition C revenues for the fiscal years ended June 30, 2022, through 2026:

Fiscal Year Ended June 30	Approximate Proposition C Revenue (Per Pupil)
2026	$1,465
2025	1,514
2024	1,475
2023	1,287
2022	1,214

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

According to DESE's July 2026 Finance Memo, for the current 2026-2027 fiscal year, each school district is expected to receive approximately $1,468 per pupil from Proposition C revenues based upon each school district's 2025-2026 Weighted ADA; however, this is a preliminary estimate and subject to change.

County Revenue

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

State Revenue

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

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

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

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

Property Tax Levy Requirements. The sum of a district's local property tax levies in its Incidental and Teachers' Funds must be at least $2.75 per $100 of assessed valuation in order for the district to receive increases in State Aid above the level of State Aid it received in the 2005-2006 fiscal year. Levy reductions required as a result of a "Hancock rollback" (See the section captioned **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates – *Operating Levy*"** herein) will not affect a district's eligibility for State Aid increases.

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

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

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

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

The table below shows the State Adequacy Target for the fiscal years ended June 30, 2022, through 2026:

Fiscal Year Ended June 30	State Adequacy Target
2026	$6,958
2025	6,760
2024	6,375
2023	6,375
2022	6,375

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

According to DESE's July 2026 Finance Memo, the State Adequacy Target for the current 2026-2027 fiscal year is expected to be $6,750 per pupil; however, this is a preliminary estimate and subject to change.

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

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

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

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

per pupil on the basis of ADA from the Classroom Trust Fund for fiscal years ended June 30, 2022, through 2026:

Fiscal Year Ended June 30	Classroom Trust Fund (Per Pupil)
2026	$521
2025	601
2024	472
2023	425
2022	430

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

According to the July 2026 Finance Memo released by DESE, the estimated Classroom Trust Fund distributions to school districts during the current 2026-2027 fiscal year are expected to be equal to approximately $539 per pupil based solely upon each school districts 2025-2026 ADA; however, this is a preliminary estimate and subject to change.

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

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

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

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

A school board may transfer any portion of the unrestricted balance remaining in the Incidental Fund to the Teachers' Fund. Any district that uses a transfer from the Incidental Fund to pay for more than 25% of the annual certificated compensation obligation of the district, and has an Incidental Fund balance on June 30 in any year in excess of 50% of the combined Incidental and Teachers' Fund expenditures for the fiscal year just ended, will be required to transfer the excess from the Incidental Fund to the Teachers' Fund.

Federal Revenue

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

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

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

Certain Permitted Fund Transfers

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

Capital Projects Fund Levy. Prior to setting tax rates for the Teachers' and Incidental Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Teachers' and Incidental Funds to an amount below $2.75. For the fiscal year ended June 30, 2026, the District's Capital Projects Fund levy was $0.5000 per $100 of assessed valuation.

Transfers from the Incidental Fund to the Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes, including: (1) the amount to be expended for transportation equipment that is considered an allowable cost under the State Board of Education rules for transportation reimbursements during the current year; (2) the amount necessary to satisfy obligations of the Capital Projects Fund for state-approved area vocational-technical schools; (3) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (4) the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) $162,326 or (b) seven percent (7%) of the State Adequacy Target (see **"*State Adequacy Target*"** above) times the school district's Weighted ADA. According to the District's Annual Secretary of the Board Report for fiscal year ended June 30, 2025, the District transferred $7,531,904 from the Incidental Fund to the Capital Projects Fund under this provision during the fiscal year ended June 30, 2025.

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

Annual Secretary of the Board Report for fiscal year ended June 30, 2025, the District did not transfer any money from the Incidental Fund to the Capital Projects Fund under this provision during the fiscal year ended June 30, 2025.

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Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances was prepared from (1) the District's audited Annual Comprehensive Financial Reports for fiscal years ended June 30, 2022, through 2025, and final Annual Secretary of the Board Reports for the fiscal years ended June 30, 2022, through 2025, and (2) the District's *draft* Annual Secretary of the Board Report for the fiscal year ended June 30, 2026. The statement set forth below should be read in conjunction with the District audited financial statements and notes included in the District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2025, included as ***Appendix B*** to this Official Statement and the District's audited financial statements for prior fiscal years on file at the District's office.

Summary Statement of Revenues, Expenditures and Changes in Fund Balances

	Fiscal Years Ended June 30				
	2022	**2023**	**2024**	**2025**	**2026**[4]
General (Incidental) Fund					
Balance--Beginning of Year	$79,550,897	$93,538,980	$114,933,664	$137,572,256	$154,868,441
Revenues[1]	279,073,841	298,790,980	312,686,192	345,873,215	303,032,419
Expenditures	154,154,636	159,529,218	167,232,793	181,478,128	183,548,220
Transfers In (Out)	(110,931,122)	(117,867,078)	(122,814,807)	(147,098,902)	(118,209,450)
Balance--End of Year	$93,538,980	$114,933,664	$137,572,256	$154,868,441	$156,143,190
Restricted Fund Balance	--	--	--	--	--
Unrestricted Fund Balance	$93,538,980	$114,933,664	$137,572,256	$154,868,441	$156,143,190
Special Revenue (Teachers') Fund					
Balance--Beginning of Year	$--	$--	$--	$--	$20,953,342
Revenues	9,698,151	10,123,342	10,335,058	$9,846,836	11,861,397
Expenditures	113,967,369	121,063,387	125,965,103	128,430,086	128,887,459
Transfers In (Out)	104,269,218	110,940,045	115,630,045	139,536,592	118,209,450
Balance--End of Year	$--	$--	$--	$20,953,342	$22,136,730
Debt Service Fund[2]					
Balance--Beginning of Year	$--	$--	$--	$--	$--
Revenues	--	--	--	--	30,510,115
Expenditures	--	--	--	--	24,358,087
Transfers In (Out)	--	--	--	--	--
Balance--End of Year	$--	$--	$--	$--	$6,152,028
Capital Projects Fund					
Balance--Beginning of Year	$21,534,396	$28,415,179	$36,800,397	$67,317,221	$86,799,371
Revenues[1]	18,840,951	20,850,585	78,698,772	49,994,045	47,803,871
Expenditures	18,622,072	19,392,400	55,366,710	38,074,205	33,618,246
Transfers In (Out)	6,661,904	6,927,033	7,184,762	7,562,310	--
Balance--End of Year	$28,415,179	$36,800,397	$67,317,221	$86,799,371	$100,984,996
Total Governmental Funds					
Balance--Beginning of Year	$101,085,293	$121,954,159	$151,734,061	$204,889,477	$262,621,154
Revenues	307,612,943	329,764,907	401,720,022	405,714,096	393,207,802
Expenditures	286,744,077	299,985,005	348,564,606	347,982,419	370,412,013
Balance--End of Year	$121,954,159	$151,734,061	$204,889,477	$262,621,154	$285,416,943
Restricted Fund Balances	--	--	--	--	--
Unrestricted Fund Balance	$121,954,159	$151,734,061	$204,889,477	$262,621,154	$285,416,943
Ending Operating Fund[3] Balances as Percental of Expenditures	34.89%	40.96%	46.92%	56.73%	57.06%

Source: For fiscal years ended June 30, 2022, through 2025, District's final Annual Secretary of the Board Reports for fiscal years ended June 30, 2022, through 2025, and District's Annual Comprehensive Financial Reports for fiscal years ended June 30, 2022, through 2025. For fiscal year ended June 30, 2026, District's *draft* Annual Secretary of the Board Report for fiscal year ended June 30, 2026.

(1) Includes federal stimulus funds received by the District relating to COVID-19 during fiscal years ended June 30, 2022, through 2025.

(2) The District had no general obligation bonds outstanding during the fiscal years ended June 30, 2022 through 2025; therefore, the District did not levy a separate debt service property tax which would generate revenues that would be recorded in the District's Debt Service Fund and used solely pay debt service on general obligation bonds of the District, and no debt service expenses for the payment of general obligation bonds were recorded in the Debt Service Fund during fiscal years ended June 30, 2022 through 2025.

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

(4) The figures for fiscal year ended June 30, 2026, were derived from the District's *draft* Annual Secretary of the Board Report for fiscal year ended June 30, 2026, and are subject to change upon the release of (a) the District's final Annual Secretary of the Board Report for fiscal year ended June 30, 2026, that will be submitted to DESE and (b) the District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2026, which will not be available until December 2026.

Risk Management

General. Resources are accumulated in the General Fund for workers' compensation, unemployment, and general liability claims. The District qualifies as a self-insurer under Missouri Workers' Compensation laws and maintains a reserve to cover estimated workers' compensation claims incurred before November 1, 1999. Restricted cash and investments of $283,874 as of the District's fiscal year ended June 30, 2025, are for the self-insured portion of the workers compensation program's reserve requirement. A commercial insurance policy is purchased to cover current and future workers' compensation claims. Pursuant to Section 288.090.3(1)(a) of the Revised Statutes of Missouri, as amended, the District participates in the State Employment Security Program on a reimbursable basis and pays claims in lieu of contributions. The District maintains a general liability reserve to cover claims in excess of existing commercial insurance coverage that is funded by contributions from the General Fund.

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

Self-Insurance. The District has established self-funded benefits, which are medical and dental programs in the Internal Service Fund. The purpose of this fund is to pay the medical and dental claims of the District's employees and their covered dependents. The program is administered by a third-party administrator. As of January 1, 2021, the District is self-funded with respect to its obligations to provide health insurance for its employees. The estimated liability for payment of reported and unreported incurred but unpaid claims is recorded in the internal service fund. This liability is based on estimate provided by the third-party administrator. As of the District's fiscal year ended June 30, 2025, the total estimated liability for payment of incurred but unpaid claims for health insurance was $1,348,100 and is included in long-term liabilities in the Internal Service Fund. Changes in self-funded claims liability as of the District's fiscal year ended June 30, 2025, were as follows:

	Self-Insurance (Health) **Fiscal Year Ended June 30, 2025**
Balance – June 30, 2025	$2,993,746
Add: Current year claims and changes in estimate	24,686,843
Less: Claims payments	(24,750,461)
Balance – June 30, 2025	$2,930,128

Source: District's Annual Comprehensive Financial Reports for fiscal year ended June 30, 2025.

Employee Retirement and Pension Plans

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

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

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

Contributions. All regular and full-time employees must become members of the KCPSRS as a condition of employment. From January 1, 1999, through December 31, 2013, members contributed 7.5% of regular annual compensation. During the 2013 Missouri legislative session, SB223 was passed allowing the KCPSRS flexibility to increase the contribution rate in 0.50% increments annually, to a maximum of 9.00%. For the District's fiscal year ended June 30, 2025, the employee contribution rate was equal to 9.00%. For the District's fiscal year ended June 30, 2025, the employer contribution was equal to 12.00%. The employer contribution rate may be the greater of (1) the actuarial required contribution rate less the member contribution rate or (2) 12.00% of annual covered salary, until the KCPSRS is fully funded. Once the KCPSRS is fully funded, the employer contribution rate may increase or decrease, in subsequent years, depending on valuation results and the employee contribution rate may decrease from 9.00% depending on valuation results. The contribution rate is set each year by the Board of Trustees of KCPSRS upon the recommendation of the KCPSRS's actuary within the contribution restrictions of Section 169.350 of the Revised Statutes of Missouri, as amended. Contributions to the pension plan from the District were $17,390,548 for the year ended June 30, 2025.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a liability of $192,090,598 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024, rolled forward one year to December 31, 2024, 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, 2024, the District's collective proportion was 52.992790%, which was a decrease of 1.184241% from its proportion measured as of December 31, 2023.

For the fiscal year ended June 30, 2025, the District had a recognized pension expense of $17,180,132. As of fiscal year ended June 30, 2025, 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	$584,615	$--
Net difference between projected and actual earnings on pension plan investments	23,249,818	--
Changes of assumptions	976,442	--
Changes in proportion	--	(3,191,400)
District contributions subsequent to the measurement date	10,353,507	--
Total:	**$35,164,382**	**$(3,191,400)**

Source: District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2025.

The $10,353,507 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, 2026. The deferred outflows related to the difference between expected and

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

Fiscal Years June 30	Pension Expense
2025	$7,671,770
2026	13,096,525
2027	(517,733)
2028	1,368,913
Total	**$21,619,475**

Source: District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2025.

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, 2024, rolled forward to December 31, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Members (Below Median) Employee Mortality Table with a one-year age setback for males and a one-year age set-forward for females, projected 15 years from valuation date using Scale MP-2020. Post-retirement mortality rates for healthy retirees were based on the Pub-2010 General Members (Below Median) Retiree Mortality Table with a one-year age setback for males and a one-year age set-forward for females, projected 7 years from valuation date using Scale MP-2021. Assumptions that changed from prior year: non-disabled mortality tables were updated to reflect an additional year of mortality improvements. The actuarial assumptions used in the January 1, 2024, valuation were based on the results of the most recent experience study covering the five-year period ending December 31, 2019 (report dated October 5, 2020).

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

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

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

Source: District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2025.

Discount Rate. The discount rate used to measure the total pension liability at December 31, 2024, was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from school districts and KC Library will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	$247,488,033	$192,090,598	$145,444,176

Source: District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2025.

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, 2025. The District reported payables (within accrued salaries, benefits, and payroll taxes in the fund financial statements) to the defined benefit pension plan of $2,796,148 for legally required employer contributions and $1,496,720 for legally required employee contributions which had been withheld from employee wages but not yet remitted to KCPSRS.

KCPSRS Funded Status. KCPSRS reported an actuarial funded ratio of 69.80%, as of January 1, 2026, according to the KCPSRS Actuarial Valuation Report as of January 1, 2026, which is available on the KCPSRS website at www.kcpsrs.org. None of the information available at the KCPSRS website is incorporated by reference into this Official Statement. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. KCPSRS amortizes unfunded actuarial liabilities using an open 30-year method. For additional information about the actuarial methods and assumptions used to determine the actuarial funded ratio, see **"Section I: Executive Summary"** in the KCPSRS Actuarial Valuation Report as of January 1, 2026.

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

Historical Contribution Rates

Actuarial Valuation Date	Actuarial Contribution Rate	Actual Contribution Rate	Contribution Shortfall/(Margin)
1/1/2026	17.48%	21.00%	(3.52)%
1/1/2025	17.74	21.00	(3.26)
1/1/2024	17.85	21.00	(3.15)
1/1/2023	18.25	21.00	(2.75)
1/1/2022	18.40	21.00	(2.60)

Source: Table 16 of the KCPSRS Actuarial Valuation Report as of January 1, 2026.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
1/1/2026	$718,611,593	$1,029,271,000	$310,659,407	69.8%	$302,183,745	102.8%
1/1/2025	706,408,237	1,031,257,385	324,849,148	68.5	282,715,300	114.9
1/1/2024	702,224,863	1,016,027,955	313,803,092	69.1	265,017,203	118.4
1/1/2023	689,114,479	1,006,764,612	317,650,133	68.4	252,084,684	126.0
1/1/2022	692,264,054	998,058,955	305,794,901	69.4	234,540,261	130.4

Source: Table 15 of the KCPSRS Actuarial Valuation Report as of January 1, 2026.

For more information specific to the District's participation in KCPSRS, see *Note 4(e) – Pension Plans and Retirement Benefits* in the Notes to Basic Financial Statements contained in the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025, attached as ***Appendix B*** to this Official Statement.

Other Post-Employment Benefits

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

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

For more information on the District's OPEB obligations, see *Note (4)(b) - Post-Employment Benefits* in the Notes to Basic Financial Statements contained in the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025, attached as ***Appendix B*** to this Official Statement.

Employee Relations

The District successfully negotiated new Collective Bargaining Agreements dated July 1, 2026, with the Kansas City Federation of Teachers & School Related Personnel (**"KCFT & SRP"**), which represents the District's teachers, counselors, school librarians and other full-time, certificated, non-supervisory employees of the District. The Collective Bargaining Agreement is in effect until July 1, 2029, and included a 5% wage increase for District employees represented by KCFT & SRP that commenced on July 1, 2026. The relationship between KCFT & SRP and the administration of the District is cordial, with open dialogue and an overall positive approach to labor/management relations. There are no threatened work stoppages, or any known problems with teachers and District employees represented by KCFT & SRP that would negatively impact the financial condition of the District or the ability of the District to educate District students.

The Service Employees International Union (**"SEIU"**) represents the cafeteria employees/custodial/ mechanical personnel of the District. Prior to 2015, the SEIU had minimal presence in the Kansas City metropolitan area, but has since added a field office and is more active in the region. The District's administration has worked well with the SEIU in negotiating a new agreement that is effective through June 30, 2027. Those employees represented by the SEIU received modest pay increases. There are no threatened work stoppages, or any known problems with the cafeteria employees/custodial/mechanical personnel that would negatively impact the financial condition of the District or the ability of the District to educate District students.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

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

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

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

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

Current Assessed Valuation. The following table shows the total locally assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District and $137,382,348 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas located within the District) according to the assessment for calendar year 2025 for property owned as of January 1, 2026, after Board of Equalization adjustments, provided by the Jackson County Clerk as of September 1, 2026.

Type of Property	Total Assessed Valuation	Assessment Rate	Estimated Actual Valuation	% of Actual Valuation
Real:				
Residential	$2,442,583,321	19.00%	$12,855,701,689	60.49%
Agricultural	45,589	12.00%	379,908	0.00
Commercial[1]	1,799,877,282	32.00%	5,624,616,506	26.46
Total Real	$4,242,506,192		$18,480,698,104	86.95%
Personal	924,162,337	33.33%[2]	2,772,764,287	13.05
Total Real & Personal	**$5,166,668,529**		**$21,253,462,391**	**100.00%**

Source: Notice of 2026 Aggregate Assessed Valuation, after Board of Equalization adjustments, provided by the Jackson County Clerk as of September 1, 2026. The District's 2026 assessed valuation reflected above is preliminary and subject to change after Board of Equalization adjustments are finalized.

(1) Includes locally assessed railroad and utility property.

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

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District and the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas located within the District) according to the assessments of January 1, as adjusted through December 31 (except for the 2026 calendar year), in each of the following years has been as follows:

Calendar Year	Assessed Valuation	% Change
2026	$5,166,668,529	(7.46)%
2025	5,583,397,768[1]	9.33
2024	5,106,714,368	(0.84)
2023	5,150,026,589[1]	23.68
2022	4,164,056,206	3.94

Source: For calendar year 2026, Notice of 2026 Aggregate Assessed Valuation, after Board of Equalization Adjustments, provided by the Jackson County Clerk as of September 1, 2026; for calendar years 2022 through 2025, the District's 2022-2023 through 2025-2026 Annual Reports of the County Clerk to the State Board of Education.

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

Property Tax Levies and Collections

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

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

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

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

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

Tax Abatement and Tax Increment Financing

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

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city or county to be a "blighted area," "conservation area" or "economic development area," each as defined in such statute.

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

According to the Jackson County Assessor's office, as further reflected in the District's Notice of 2026 Aggregate Assessed Valuation provided by the Jackson County Clerk as of September 1, 2026, the assessed valuation of the property within the TIF Redevelopment Areas within the District is approximately $137,382,348 for the current 2026 tax year. See **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – *Current Assessed Valuation*"** and **"– *History of Property Valuations*."** For additional information regarding tax increment financing within the District, see *Note 1(d)(12)* to the District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2024, attached as ***Appendix B*** to this Official Statement.

Tax Rates

Debt Service Levy. The District's debt service levy for the fiscal year ended June 30, 2026, was $0.6100. Once the issuance of general obligation bonds has been approved by the requisite number of the voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Directors may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

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

Under Article X, Section 11(b) of the Missouri Constitution, a school district may increase its operating levy up to $2.75 per $100 assessed valuation without voter approval. Any increase above $2.75, however, must be approved by a majority of the voters voting on the proposition. Further, pursuant to Article X, Section 11(c) of the Missouri Constitution, any increase above $6.00 must be approved by two-thirds of the voters voting on the proposition. The tax levy for debt service on a school district's general obligation bonds is exempt from these limitations upon the tax rate ceiling.

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

is lower than the court-ordered rate for the 1995 tax year. The rate so established may be changed from year to year by the Board of Directors. Approval by a majority of the voters of the District voting thereon is required for any operating levy for school purposes equal to or greater than the rate established by court order for the 1995 tax year."

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

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

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

For the District's fiscal year ended June 30, 2026, the District's operating levy was $4.8599 per $100 of assessed valuation. The tax levy for debt service on the District's general obligation bonds, including the Bonds, is exempt from the calculations of and limitations upon the tax rate ceiling.

History of Tax Levies

The following table shows the District's tax levies per $100 of assessed valuation for each of the last five fiscal years ended June 30, 2022, through June 30, 2026. As noted above, following the issuance of the Series 2025A Bonds on September 16, 2025, and the issuance of the Series 2025B Bonds on November 4, 2025, the District levied a debt service property tax for its fiscal year ended June 30, 2026 (applicable to the tax year ended December 31, 2025) on all taxable tangible property within the District and will continue to levy said debt service property tax each year the Bonds, the Series 2025A Bonds, the Series 2025B Bonds or any other general obligation bonds are outstanding, as required by Article VI, Section 26(f) of the Missouri Constitution, which the District anticipates will be sufficient to pay the annual interest and principal due on the Bonds, the Series 2025A Bonds, the Series 2025B Bonds and any other general obligation bonds the District may issue and have outstanding each year.

Fiscal Year Ended June 30	General Incidental Fund	Special Revenue Teachers' Fund	Debt Service Fund	Capital Projects Fund	Total Levy
2026	$4.3599	$0.0000	$0.6100	$0.5000	$5.4699
2025	4.6599	0.0000	0.0000	0.3000	4.9599
2024	4.2999	0.0000	0.0000	0.6600	4.9599
2023	4.9599	0.0000	0.0000	0.0000	4.9599
2022	4.9599	0.0000	0.0000	0.0000	4.9599

Source: For the fiscal year ended June 30, 2026, State Auditor's 2025 Property Tax Rates Report; for fiscal years ended June 30, 2022, through 2025, the District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2022, through 2025.

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Tax Collection Record

Taxes are levied based on the assessed valuation following Board of Equalization review, which typically occurs in August. As a result of resolution of tax cases, the addition of undeclared personal property and other changes in assessment following Board of Equalization review, tax bills may be changed following the original levy and some taxpayers may be obligated to pay additional taxes or pay less taxes. The following table sets forth tax collection information for the District in each of the fiscal years ended June 30, 2022, through June 30, 2026:

Fiscal Year Ended June 30	Total Levy (per $100 of Assessed Value)	Assessed Valuation[1]	Total Taxes Levied[2]	Current Taxes Collected		Current and Delinquent Taxes Collected[4]	
				Amount	%	Amount	%
2026	$5.4699	$5,583,397,768	$305,406,275	$261,070,714[3]	85.5%	$269,746,389[3]	88.3%
2025	4.9599	5,106,714,368	253,287,926	230,750,701	91.1	251,865,439	99.4
2024	4.9599	5,150,026,589	255,436,169	224,998,962	88.1	232,954,582	91.2
2023	4.9599	4,164,056,206	206,533,024	183,336,365	88.8	195,732,157	94.8
2022	4.9599	4,006,402,339	198,713,550	165,919,413	83.5	176,580,333	88.9

Source: For fiscal years ended June 30, 2022, through 2025, District's final Annual Secretary of the Board Reports for fiscal years ended June 30, 2022, through 2025. For fiscal year ended June 30,2026, District's *draft* Annual Secretary of the Board Report for fiscal year ended June 30, 2026.

(1) Assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown. Excludes state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas located within the District.

(2) Total Taxes Levied are based on assessed valuation as of December 31 of each year and are calculated by dividing Assessed Valuation by 100 and multiplying by the Total Levy. Excludes taxes against state-assessed railroads and utilities.

(3) These figures for fiscal year ended June 30, 2026, were derived from the District's *draft* Annual Secretary of the Board Report for fiscal year ended June 30, 2026, and are subject to change upon the release of (a) the District's final Annual Secretary of the Board Report for fiscal year ended June 30, 2026, that will be submitted to DESE and (b) the District's Annual Comprehensive Financial Report for fiscal year ended June 30, 2026, which will not be available until December 2026.

(4) Delinquent taxes are shown in the year payment is actually received, which may cause the percentage of Current and Delinquent Taxes Collected to exceed 100%.

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Major Property Taxpayers

The following table sets forth the largest real and personal property taxpayers in the District based on the assessed valuation of property owned as of January 1, 2025, after Board of Equalization adjustments. The District has not independently verified the accuracy or completeness of such information.

Owner	Type of Use	2025 Assessed Valuation	Percentage of District's Total 2025 Assessed Valuation
Southern Union dba MGE & Spire	Transportation/utilities	$175,721,165	3.15%
Cerner Property Dev Inc	Real Estate for Cerner Corporation	94,537,365	1.69
Evergy Metro	Utilities	93,660,277	1.68
Land Clearance for Redev Auth of KC	Real Estate Development	88,747,860	1.59
Google Fiber Missouri LLC	Telecommunications	62,083,366	1.11
Centerpoint Medical Center	Healthcare	51,200,000	0.92
Pershing Road Dev Co LLC	Real Estate Development	47,680,000	0.85
Crown Power & ReDev Corp/Hallmark	Greeting cards, hotel and retail sales	43,067,829	0.77
Country Club Plaza Owner LLC	Retail (Plaza area)	40,063,729	0.72
Spire Missouri Inc	Utilities	32,298,057	0.58
	Total:	**$729,059,648**	**13.06%**

Source: Jackson County, Missouri Collection Department.

* * * *

APPENDIX B

THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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KANSAS CITY
PUBLIC SCHOOLS

ANNUAL

COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDING
JUNE 30, 2025

KANSAS CITY PUBLIC SCHOOLS

(The School District of Kansas City, Missouri)

Annual Comprehensive Financial Report

For The Fiscal Year Ended June 30, 2025

(With Independent Auditor's Report Thereon)

Prepared by

Business & Finance Division

KANSAS CITY PUBLIC SCHOOLS

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KANSAS CITY
PUBLIC SCHOOLS

December 17, 2025

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, 2025. 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, 2025. The independent auditor's report is in the front of the financial section of this report. The District is also required to have performed annually an audit in compliance with *Title 2 US. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Welch & Associates, LLP, certified public accountants, performed this audit. Information related to these audits, which includes the schedule of expenditures of federal awards and related notes, the schedule of findings and questioned costs, and the independent auditors' reports on compliance and internal control over financial reporting, schedule of selected statistics and a schedule of transportation cost eligible for state aid is published under a separate cover.

DISTRICT PROFILE

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

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

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

The District operated six high schools, one career and technical education school, two alternative schools, three middle schools, two early learning centers, one virtual academy and 21 elementary schools for school year 2024-2025. 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 13,964 K-12 and 1,105 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 primarily with Zūm Services, Inc. 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, 2025. 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 68% of total revenues reported by the District. During the fiscal year, the District collected current taxes of approximately $224 million. The assessed valuation of real and personal property decreased to approximately $5.107 billion (tax year 2024) from approximately $5.150 billion (tax year 2023). 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 approximately 2,575 personnel in varying positions with a $213.9 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 aims 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 include repurchase agreements, certificates of deposit and other federal obligations.

BLUEPRINT 2030

Blueprint 2030 (BP2030) is KCPS’s academic plan to increase student achievement and enhance the student experience by redirecting resources from operational functions at school sites into our academic initiatives. BP2030 is a long-term strategy designed to provide equitable educational experiences, ensuring that Kansas City students thrive socially, emotionally, and academically.

ACKNOWLEDGEMENTS

We express our sincere appreciation to the Finance staff for their dedicated efforts in managing the audit of our accounting records and preparing this report. We also acknowledge the support received from other departments

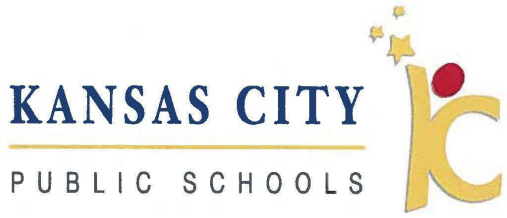
within the Business & Finance Division, as well as from other District departments.

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

Yours in education,

Jennifer Collier, Ed.D.
Superintendent of Schools

Erin Thompson
Chief Financial Officer



Our Vision

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

Our Mission

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

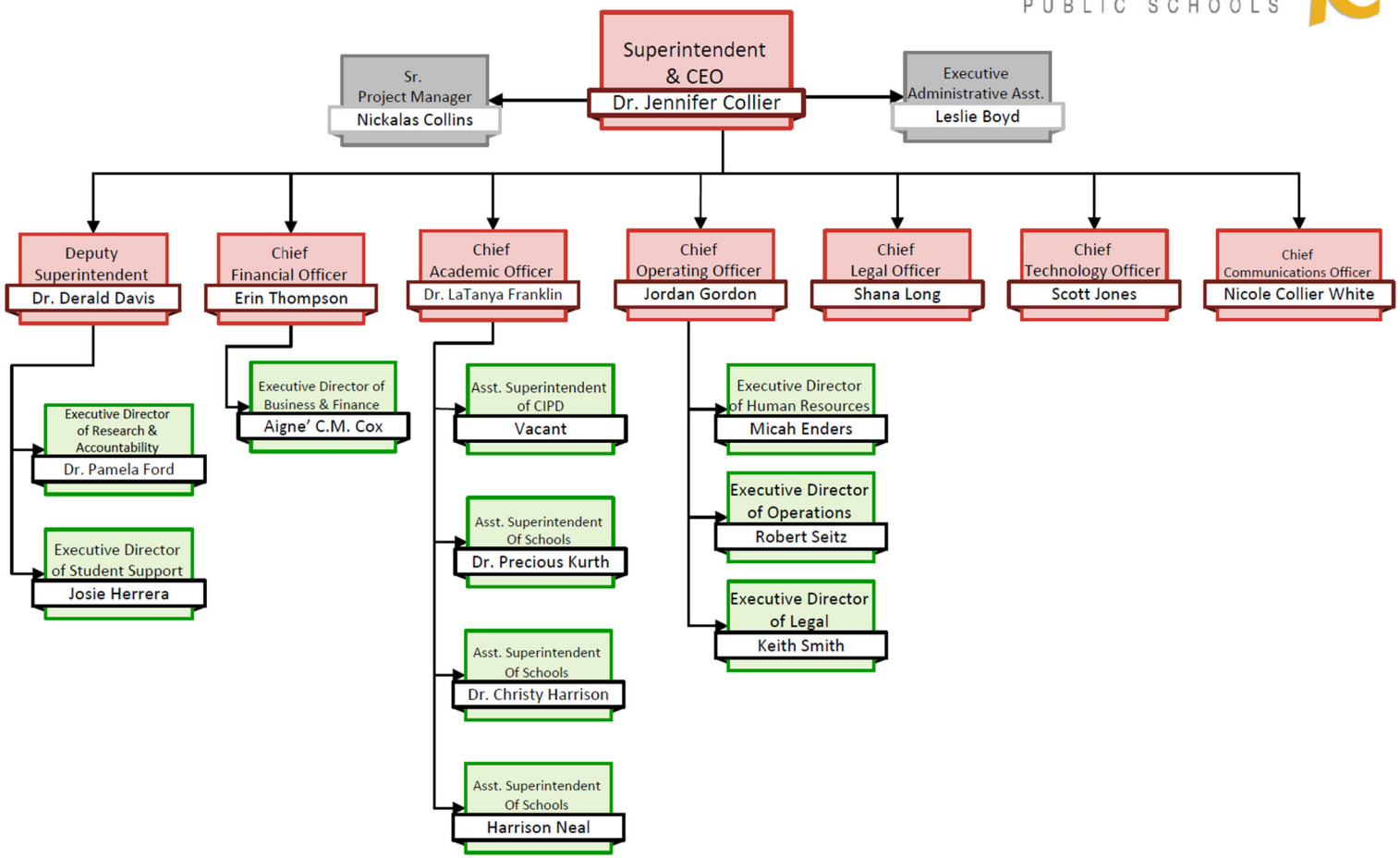
- Inquiry-based instruction that involves active-learning, and is project-oriented, collaborative, and facilitated by meaningful professional development
- Successful instructional settings where teachers continually coach each child to develop deep understanding and educational proficiency, while meeting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

KCPS Organization Chart

2024-25

KANSAS CITY PUBLIC SCHOOLS

Superintendent



Revised 12/2024

LIST OF PRINCIPAL OFFICIALS

June 30, 2025

BOARD OF EDUCATION

Executive Officers
Rita Cortes, Chair
Tanesha Ford, Vice Chair

Members
Jamekia Kendrix
Joshua Jackaway
Tricia McGhee
Brittany Foley

Treasurer
Monica Curls

Secretary of the Board
Lisa C. Limberg

SENIOR ADMINISTRATORS

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

Independent Auditor's Report

Board of Directors
The School District of Kansas City, Missouri

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The School District of Kansas City, Missouri (Kansas City Public Schools or the District) as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 4(g) to the basic financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of July 1, 2024. The implementation of this standard resulted in the restatement of July 1, 2024 net position for governmental activities. 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent assurance, tax, and consulting firms.
Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Kansas City Public Schools' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kansas City Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, and the pension and other postemployment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and other schedules, and the accompanying schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

RSM US LLP

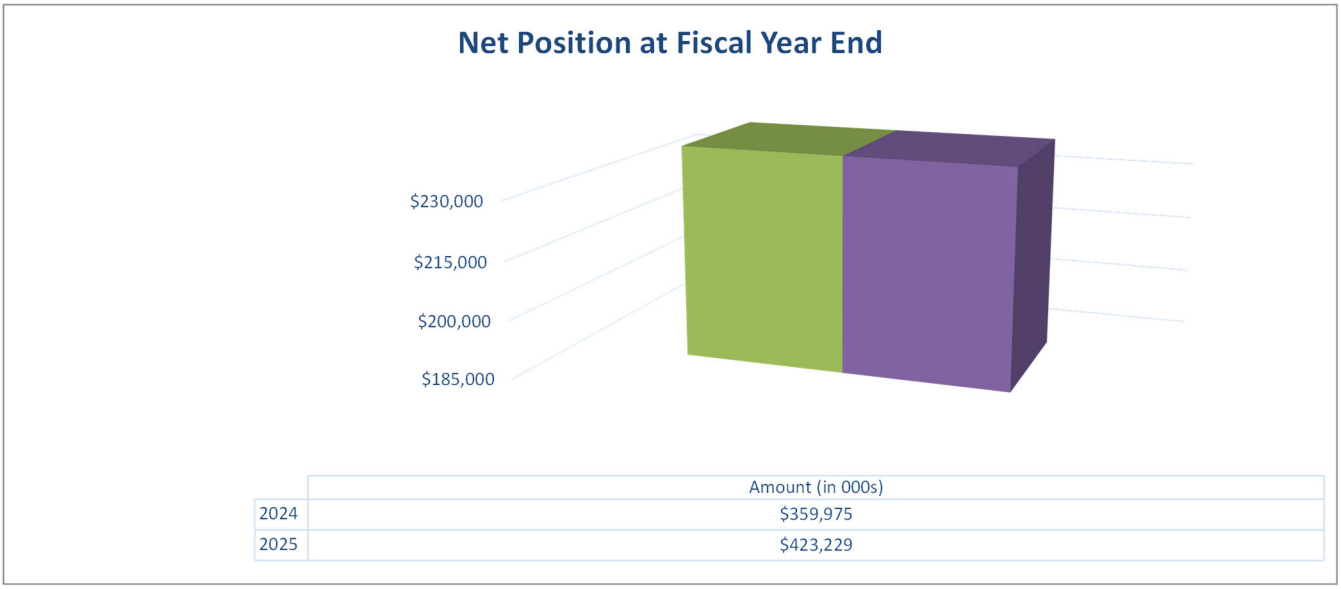
Kansas City, Missouri
December 11, 2025

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, 2025. 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 $423.2 million.

The graph below shows the changes in net position and indicates the District's overall financial position increased in fiscal year 2025 by 17.93% when compared to fiscal year 2024.



The District's governmental funds (summarized in Table 1 below) reported an ending total fund balance of $352.07 million, an increase of $143.96 million in comparison with the prior year. Approximately 47.5% of this amount, $167.25 million, is available for spending at the District's discretion (unassigned fund balance).

Table 1—Summary of Governmental Fund Balances

	FY25	Percentage of total	FY24	Percentage of total	Increase (decrease)	Unassigned portion fiscal year 2025
General	$ 171,030,602	48.58%	$ 130,354,328	62.63%	40,676,274	167,251,466
Capital projects	173,709,008	49.34%	67,317,220	32.35%	106,391,788	-
Nonmajor funds	7,337,626	2.08%	10,445,320	5.02%	(3,107,694)	-
	$ 352,077,236	100.00%	$ 208,116,868	100.00%	143,960,368	167,251,466

Unassigned fund balance as of June 30, 2025 for the General Fund was $167.25 million and represents 55.20% of total General Fund expenditures and transfers compared to 44.02 % for fiscal year 2024. Assigned fund balance in the General Fund for general operating encumbrances was $2.82 million, a decrease from the $3.37 million reserves at year-end 2024. Restricted fund balance in the General Fund for workers' compensation was $0.28 million for both fiscal years 2025 and 2024. 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.

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 Find 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

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	
	2025	2024	Increase (decrease)	2025	2024	Increase (decrease)	2025	2024
Assets:								
Current and other assets	$ 706,721	539,911	166,810	1,383	1,356	27	708,104	541,267
Capital assets	388,932	371,886	17,046	—	—	—	388,932	371,886
Total assets	1,095,653	911,797	183,856	1,383	1,356	27	1,097,036	913,153
Deferred outflows of resources	41,218	38,166	3,052	—	—	—	41,218	38,166
Liabilities:								
Other liabilities	39,856	37,392	2,464	7	7	—	39,863	37,399
Long-term liabilities	393,101	295,633	97,468	—	—	—	393,101	295,633
Total liabilities	432,957	333,025	99,932	7	7	—	432,964	333,032
Deferred inflows of resources	280,685	256,962	23,723	—	—	—	280,685	256,962
Net position:								
Net investment in capital assets	324,874	304,700	20,174	—	—	—	324,874	304,700
Restricted	9,196	12,307	(3,111)	—	—	—	9,196	12,307
Unrestricted	89,159	42,969	46,190	1,376	1,349	27	90,535	44,318
Total net position	$ 423,229	359,976	63,253	1,376	1,349	27	424,605	361,325

Overall, governmental activities current and other assets increased by 30.90%, business-type activities current and other assets increased 1.99%, and long-term liabilities increased 32.97%. Governmental activities current assets and long-term liabilities increased due to the issuance of approximately $93.7 million in Certificates of Participation (COP) to finance the new construction of a school building and the renovation and repair costs of other school buildings. In addition, the net pension liability modestly increased from $191.88 million for fiscal year 2024 to $192.09 million for fiscal year 2025.

Unrestricted net position of $89.2 million includes management commitments, assignments and unassigned fund balances.

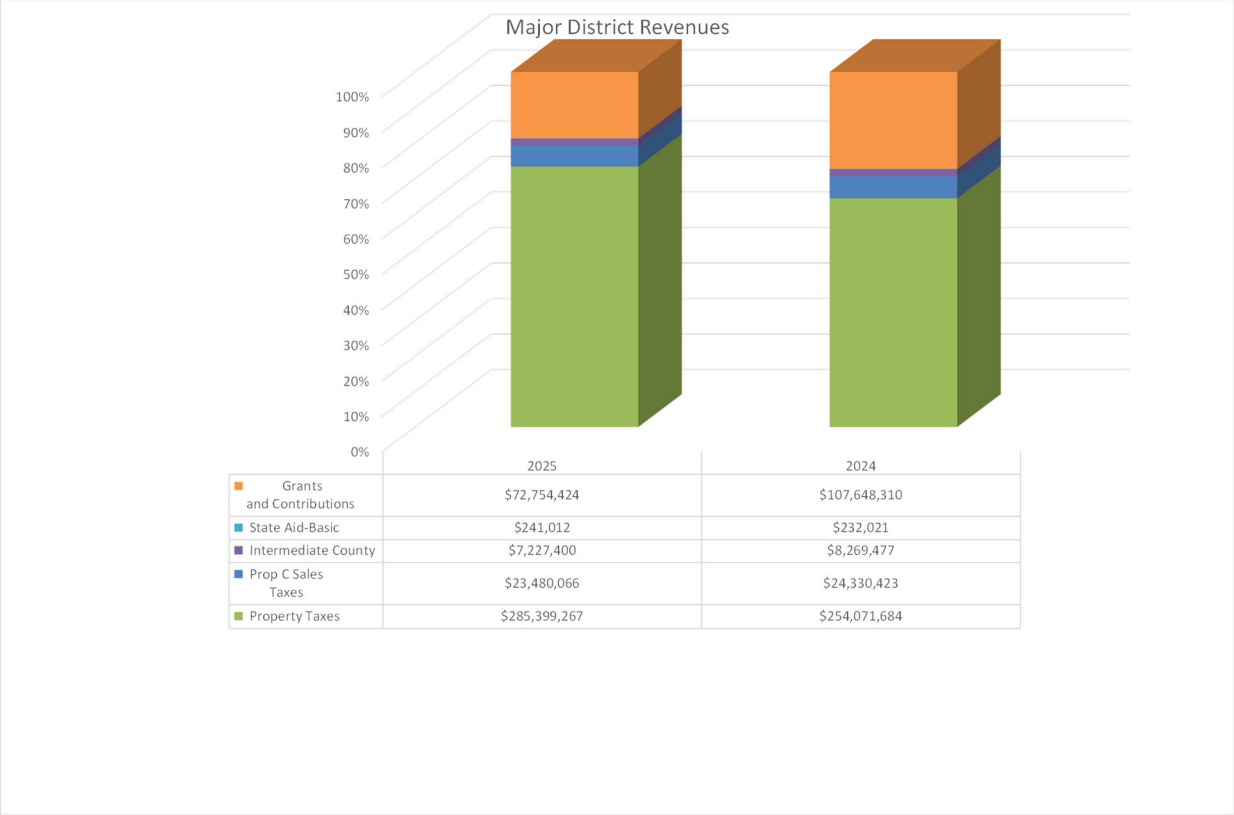
The changes in net position for the business-type activities primarily relate to the community use of facilities reported in the Community Service Fund. The cost of this service and the reimbursements was accounted for in the Community Service Fund.

Table 3A—Changes in Net Position —Governmental Activities highlights the District's revenues and expenses for the 2025 and 2024 fiscal years. The difference between revenues and expenses equals the change in net position. Revenue is divided into two major components, program revenue and general revenue. Program revenue is defined as charges for services, operating and capital grants, and contributions. General revenue is defined as the primary unrestricted funding sources, such as property taxes, sales taxes, and basic state aid.

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

	Governmental activities			Business-type activities			Total	
	2025	2024	Increase (decrease)	2025	2024	Increase (decrease)	2025	2024
General revenues:								
Property taxes	$ 285,399	254,072	31,327	—	—	—	285,399	254,072
Prop C sales tax	23,480	24,330	(850)	—	—	—	23,480	24,330
Other local revenues	4,458	5,308	(850)	—	—	—	4,458	5,308
Intermediate/county	7,227	8,269	(1,042)	—	—	—	7,227	8,269
State aid basic formula	241	232	9	—	—	—	241	232
Investment earnings	11,241	8,595	2,646	—	—	—	11,241	8,595
Total general revenue	332,046	300,806	31,240	—	—	—	332,046	300,806
Program revenues:								
Charges for services	2,061	1,637	424	28	27	1	2,089	1,664
Operating grants and contributions	67,212	78,931	(11,719)	—	—	—	67,212	78,931
Capital grants and contributions	5,542	28,717	(23,175)	—	—	—	5,542	28,717
Total program revenues	74,815	109,285	(34,470)	28	27	1	74,843	109,312
Expenditures								
Administration	39,775	34,823	4,952	—	—	—	39,775	34,823
Instruction	146,835	137,497	9,338	—	—	—	146,835	137,497
Support services	66,318	62,314	4,004	—	—	—	66,318	62,314
Operation of facilities	39,595	35,222	4,373	—	—	—	39,595	35,222
Pupil transportation	19,933	16,530	3,403	—	—	—	19,933	16,530
Facilities improvements and renovation	6,632	7,413	(781)	—	—	—	6,632	7,413
Community and adult services	19,411	18,300	1,111	—	1	(1)	19,411	18,301
Interest on long-term debt	4,012	2,576	1,436	—	—	—	4,012	2,576
Total expenditures	342,511	314,675	27,836	—	1	(1)	342,511	314,676
Change in net position	64,350	95,416	(31,066)	28	26	2	64,378	95,442
Net position—beginning, as previously reported	358,879	264,560	94,319	1,349	1,323	26	360,228	265,883
Net positon—ending	$ 423,229	359,976	63,253	1,377	1,349	28	424,606	361,325

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



	2025	2024
Grants and Contributions	$72,754,424	$107,648,310
State Aid-Basic	$241,012	$232,021
Intermediate County	$7,227,400	$8,269,477
Prop C Sales Taxes	$23,480,066	$24,330,423
Property Taxes	$285,399,267	$254,071,684

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 $31.3 million from fiscal year 2024.

The total assessed valuation for tax year 2024 was approximately $5.107 billion compared to the total assessed valuation for tax year 2023 of $5.150 billion, a modest decrease of approximately .84%.

Proposition C Sales Tax is a one-percent statewide sales tax collected and distributed to the District based on the prior year weighted average daily attendance (WADA). The District reported Proposition C sales tax revenue of approximately $23.5 million during fiscal year 2025, a decrease of approximately $.85 million from fiscal year 2024.

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

development plans issued under Chapter 100 or other tax abatement agreements), tuition and fees and rebates. Other local revenue decreased approximately $.85 million.

County revenue includes fines, state-assessed railroad and utility taxes and stock insurance. Fines are collected by Jackson County and distributed to the District based on the September membership (enrollment). State-assessed railroad and utility taxes are computed based on an average levy for all school Districts operating in Jackson County and applied against the total assessed valuation of railroad and utility properties as assessed by the state and distributed to the District based on the September membership. Stock insurance revenue is based on the prior year premiums collected from stock insurances companies conducting business within the county and is distributed based on the property tax levy. During fiscal year 2025, the District reported county revenue of approximately $7.2 million compared to approximately $8.3 million during fiscal year 2024, a decrease of approximately 12.6%.

Federal revenues, approximately 15% 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 2025 increased approximately $2.1 million from the prior year. The total fiscal year 2025 revenue was approximately $13.99 million compared to approximately $11.86 million during fiscal year 2024.
- 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 $5.5 million during fiscal year 2025 compared to approximately $46.7 million during fiscal year 2024.
- The Individuals with Disabilities Education Act (IDEA) Part B defines students with disabilities as those children, ages three (3) to twenty-one (21), who have been properly evaluated in all areas related to the suspected disability (health, vision, hearing, social and emotional status, general intelligence, academic performance, communicative status, and motor disabilities) and who because of that disability, require special education and related services. (Includes early childhood special education – moderately and severely disabled children who are three (3) to five (5) years of age). The District reported revenue of approximately $6.7 million from federal sources to operate its special education program during school year 2025 compared to approximately $5.3 million during fiscal year 2024.
- Child nutrition services: The National School Lunch Program (NSLP); the School Breakfast Program (SBP); the Summer Food Service Program (SFSP) and the Child and Adult Care Food Program (CACFP). Revenue for the child nutrition program decreased from approximately $14.1 million reported during fiscal year 2024 to approximately $13.2 million during fiscal year 2025.

- Head Start – A comprehensive child development program for pre-kindergarten children and their families. The District reported revenue of approximately $6.3 million to operate the head start program for school year 2025, an increase from the school year 2024 revenue of $5.8 million.

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

The Total OPEB Liability increased from approximately $17.12 million fiscal year 2024 to approximately $18.58 million fiscal year 2025. The changes in actuarial assumptions from the prior measurement date include:

- an increase in the discount rate from 4.21% to 4.81% based on changes in the municipal bond yield rates
- the immediate medical trend for claims was increased to 7.25% and the annual decrement was reduced from .5% to .25% to reflect current industry studies
- per-capita costs were updated to reflect recent experience

The increase in the Total OPEB Liability is primarily attributable to the changes in assumption for medical trend rates, updated per-capita claims, and contribution rates.

The net pension liability increased from approximately $191.88 million as of June 30, 2024 to approximately $192.09 million as of June 30, 2025. 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 payment costs increased $0.193 million and interest payment costs decreased by $0.32 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)

		2025	2024	Increase (Decrease)
Community services:				
Charges for services	$	28	27	1
Expenses		(1)	(2)	1
Revenue over expenditures before transfers		27	25	2
Increase in net position	$	27	25	2

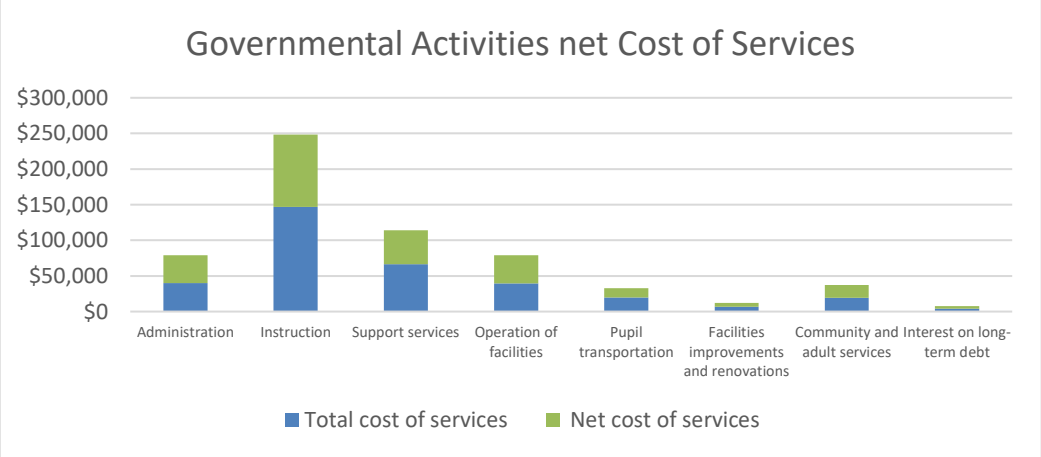
The increase in revenue was due primarily to an increase in fees received from the community's use of facilities.

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 78.16% 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 increased from the prior year percentage by 23.04%. The increase in total expenditures of approximately $13.80 million was more than the combined increase of $.42 million in charges for services and the $34.9 million decrease in grants and contributions.

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

	2025		2024	
	Total cost of services	**Net cost of services**	**Total cost of services**	**Net cost of services**
Administration	$ 39,775	39,447	34,823	34,686
Instruction	146,835	101,422	137,498	85,045
Support services	66,319	47,632	62,315	42,984
Operation of facilities	39,594	39,595	35,221	34,940
Pupil transportation	19,933	12,679	16,530	9,061
Facilities improvements and renovations	6,632	5,437	7,413	(19,966)
Community and adult services	19,411	17,867	18,300	16,649
Interest on long-term debt	4,012	3,618	2,576	1,993
Total	$ 342,511	267,697	314,676	205,392



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 $72.8 million, 84.8% 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.

	ESSA, Homeless & School Improvement	Child Nutrition	Special Education	Head Start	Transportation	QSCB interest subsidy	Perkins	E- Rate	Medicaid	CARES/ESSER	VOCA	BLOCH	AEL	MOQPK	Rebuild KC	Other
FY 25	$15.42	$13.19	$10.84	$5.87	$7.25	$0.39	$1.01	$0.71	$3.27	$5.78	$1.17	$0.63	$0.75	$0.73	$1.00	$4.51
FY 24	12.40	14.14	9.98	5.97	7.47	0.58	0.74	0.72	2.98	46.76	1.17	-	-	-	-	4.74

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, 2025, the classifications of fund balance of the operating budget fund are shown below:

Operating budget fund		**Nonspendable**	**Restricted**	**Assigned**	**Unassigned**	**Total**
General	$	671,881	283,874	2,823,381	167,251,466	171,030,602

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 56.45% of total operating expenditures and transfers. The total operating fund balance increased by 31.20% when compared to fiscal year 2024 primarily due to the fiscal year 2025 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 44.84%. Projection for local revenues increased by $41.6 million due to the property taxes, earnings on investments, and local grants. County revenue projection had a net decrease of $494,086 million due to the stock insurance. State funding projection had a net decrease of $271,127 due to the transportation revenue and financial institution tax reduction. Federal grant awards of $14.6 million received and adjusted after the original budget was approved by the board that included ESSER III, Title I, Title III, Homeless, Head Start, VOCA, Refugee, Afghan, and Comprehensive Literacy State Development grants.

Budgeted expenditures increased by 44.11%. The increase is primarily due to additional funding needed in phone & network system, general & technology related supplies, substitute cost, instructional services, transportation cost, textbooks, bond planning cost, and facilities' HVAC, roofing, auditorium, playground, athletic fields, pools, elevator upgrades, and COP capital projects including New King Empowerment Center. In addition, local and federal final grant awards for ESSER III, Title I, Title III, Homeless, Head Start, VOCA, Refugee, Afghan, Comprehensive Literacy State Development, Royals, School Smart KC, Kauffman Family Foundation, Bloch Family Foundation, Hall Family Foundation, Rebuild KC, and various local partnership grants were received after the original budget was approved.

When comparing the original budget to the final budget, there was an increase of 152.4 million for budgeted revenues and transfers in, and an increase in budgeted expenditure and transfers out of $149.9 million.

When compared to the prior year (see Table 5B), budgeted revenues and transfers increased by 20.08% and expenditures and transfers out increased by 26.12%.

Table 5A—Budget Comparison, Original to Final Budget, Fiscal Year 2025

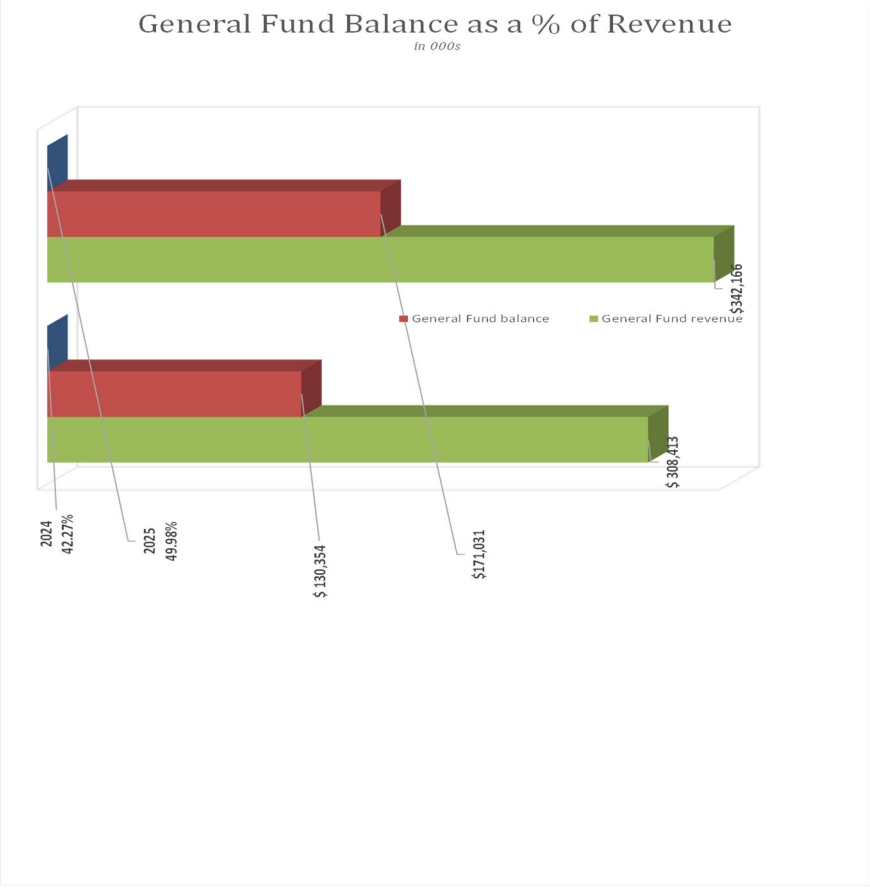
		Revenues and Transfers In	Expenditures and Transfers Out
Original budget		$ 339,948,519	339,882,909
Final budget		492,365,505	489,792,130
	Increase	$ 152,416,986	149,909,221

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

		Revenues and transfers in	Expenditures and transfers out
Fiscal year 2025 final budget	$	492,365,505	489,792,130
Fiscal year 2024 final budget		410,027,406	388,350,637
Increase (decrease)	$	82,338,099	101,441,493
Percentage of change		20.08%	26.12%

Major Funds—Financial Highlights

When compared to fiscal year 2024, General Fund revenues increased by $33.8 million or 10.94%, and expenditures increased by $16.54 million or 5.93%. The increase in revenue was primarily due to the increases in property taxes and investment earnings. 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.



The Capital Projects Fund's revenues decreased by $28.3 million due to the decreased allocated property taxes and federal grants. Expenditures decreased by $4.86 million primarily due to the decrease in facility renovation projects. The 2024 property tax levy allocated by the District to capital decreased from $.66 to $.30 for capital project improvements.

Capital Assets and Debt Administration

Capital assets—The District's capital assets for its governmental activities as of June 30, 2025 amounts to $388.9 million (net of accumulated depreciation). The investment in capital assets includes land, buildings, building improvements, improvements other than buildings, impaired buildings, equipment, software, fixtures, vehicles and right-to-use leased assets. Capital assets increased by approximately $17.05 million during the fiscal year primarily due to heating, ventilation, and air conditioning (HVAC) and roofing projects. 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

	2025	2024
Land	$ 28,373,606	28,294,090
Buildings	314,821,291	307,214,768
Improvements other than buildings	12,981,841	9,971,122
Equipment and furniture	4,276,462	4,243,424
Software	55,308	95,334
Vehicles	624,752	924,102
Buildings-impaired	6,812,994	7,920,582
Right-to-use assets	11,845,577	13,222,566
Construction in progress	9,140,218	—
	$ 388,932,049	371,885,988

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

the quarterly payments was reduced to a net interest rate subsidy of 5.06% and the District's net interest rate of 2.06%. The District is required to make lease payments to the Building Corporation in an amount sufficient to cover principal and interest payments each year.

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

On August 24, 2016, the District issued $51,035,000 of Certificates of Participation, Series 2016. On April 25, 2025, the District issued $93,740,000 of Certificates of Participation, Series 2025. 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. The Series 2025 Certificates of Participation were issued to finance the new construction of a school building and the renovation and repair costs of other school buildings.

Approximately 2.28% of total District expenditures relate to payments of principal, interest, and bond-related costs. See notes 3(e) and 3(f) for additional information.

Economic Factors That Impact Fiscal Year 2026 Budgets

- The Board approved the fiscal year 2026 comprehensive budget on June 11, 2025. Fiscal year 2026 projected current revenues of approximately $340.6 million is a decrease of about $151.8 million or 30.82% when compared to fiscal year 2025.
    - Revenue projection primarily decreases due to the recognition of $96.97 million sale of Certificate of Participation (COP) Bond in fiscal year 2025. COP projects not completed by June 30, 2025, will be included in fiscal year 2026 budget amendment.
    - Local tax revenues are estimated to decrease in property taxes by $15.5 million based on estimated 2025 assessed valuation of $4.8 billion, a decrease of $288.8 million from 2024 assessed valuation. The estimated decrease in assessed valuation is based on historical data and assessment protest. In addition, a net decrease of $17.8 million is estimated in other local and county tax revenue.
    - Proposition C sales taxes increase by $1.6 million based on district enrollment and state projected rate increases.
    - Other local revenues are projected to decrease by $4.4 million due to the earnings on interest, catering, and grants that ended in FY25.
    - State funding has a net decrease of $76,459 primarily due to the transportation state aid, parents-as-teachers, special education high need fund, and anti-gun violence state grant.
    - Federal grants projection is a decrease of $18.6 million. The district anticipated a decrease in ESSER III and Missouri Career Opportunity grant ending in fiscal year 2025. In addition, other federal grants including Title I, Title III, IDEA Entitlement, Head Start, Comprehensive Literacy School Development, Refugee and Afghan grants 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 2026 expenditures of approximately $340.6 million represent a decrease of about $149.2 million or 30.47% when compared to the prior year. Budgeted expenditures decrease in ESSER funding, local, state, and federal grants. In addition, facilities capital projects budget decrease, which are funded from operating and COP bond. Projects not completed by June 30, 2025, will be included in the FY26 budget amendment.

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, 2025

	Governmental activities	Business-type activities	Total
Assets:			
Cash and investments	$ 275,627,548	1,382,693	277,010,241
Restricted cash and investments	106,270,346	—	106,270,346
Taxes receivable (net of allowance for uncollectibles)	301,886,723	—	301,886,723
Interest receivable	1,133,401	—	1,133,401
Due from other governmental units	18,280,944	—	18,280,944
Prepaid expenditures	1,269,213	—	1,269,213
Other receivables	195,179	193	195,372
Supplies inventories	476,898	—	476,898
Property held for sale	1,580,400	—	1,580,400
Capital assets (net of accumulated depreciation):			
Nondepreciable	44,326,818	—	44,326,818
Depreciable	344,605,231	—	344,605,231
Total assets	1,095,652,701	1,382,886	1,097,035,587
Deferred outflows of resources:			
Pension-related amounts	35,164,382	—	35,164,382
Other post employment benefits	6,053,916	—	6,053,916
Total deferred outflows of resources	41,218,298	—	41,218,298
Liabilities:			
Accounts payable and other	18,257,584	—	18,257,584
Accrued salaries, benefits, and payroll taxes	20,160,493	—	20,160,493
Accrued interest payable	1,406,793	—	1,406,793
Unearned revenue	30,957	6,854	37,811
Long-term liabilities:			
Due within one year:			
Compensated absences	7,384,491	—	7,384,491
Health insurance claims liability	2,930,128	—	2,930,128
Revenue bonds	1,160,000	—	1,160,000
Lease purchase agreement	2,058,155	—	2,058,155
Lease agreements	379,163	—	379,163
Certificates of participation	5,855,000	—	5,855,000
Due in more than one year:			
Compensated absences	10,936,902	—	10,936,902
Legal claims payable	77,000	—	77,000
Revenue bonds	3,600,000	—	3,600,000
Lease purchase agreement	8,697,214	—	8,697,214
Certificates of participation	131,530,000	—	131,530,000
Lease agreements	1,077,862		1,077,862
Premium on COP	6,748,787	—	6,748,787
Total other post-employment benefits liability	18,575,572	—	18,575,572
Net pension liability	192,090,598	—	192,090,598
Total liabilities	432,956,699	6,854	432,963,553
Deferred inflows of resources:			
Pension-related amounts	3,191,400	—	3,191,400
Other post employment benefits	10,680,787	—	10,680,787
Property taxes	266,812,620	—	266,812,620
Total deferred inflows of resources	280,684,807	—	280,684,807
Net position:			
Net investment in capital assets	324,873,901	—	324,873,901
Restricted for:			
Workers' compensation	283,874	—	283,874
Permanent fund, nonexpendable corpus	35,000	—	35,000
Patron gifts	260,846	—	260,846
Compensated absences	4,292,045	—	4,292,045
Child nutrition services	2,059,284	—	2,059,284
Property held for sale	1,580,400	—	1,580,400
Other restrictions	684,909	—	684,909
Unrestricted	89,159,234	1,376,032	90,535,266
Total net position	$ 423,229,493	1,376,032	424,605,525

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Activities

Year ended June 30, 2025

Functions/programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net revenue (expense) and changes in net position: Governmental activities	Net revenue (expense) and changes in net position: Business-type activities	Net revenue (expense) and changes in net position: Total
Governmental activities:							
Administration	$ 39,775,112	328,056	—	—	(39,447,056)	—	(39,447,056)
Instruction	146,834,962	234,232	41,224,437	3,954,504	(101,421,789)	—	(101,421,789)
Support services	66,319,453	494,589	18,192,888	—	(47,631,976)	—	(47,631,976)
Operation of facilities	39,594,596	—	—	—	(39,594,596)	—	(39,594,596)
Pupil transportation	19,932,903	—	7,253,942	—	(12,678,961)	—	(12,678,961)
Facilities improvements and renovation	6,631,688	—	—	1,194,214	(5,437,474)	—	(5,437,474)
Community and adult services	19,411,256	1,003,713	541,030	—	(17,866,513)	—	(17,866,513)
Interest on long-term debt	4,011,627	—	—	393,409	(3,618,218)	—	(3,618,218)
Total governmental activities	342,511,597	2,060,590	67,212,297	5,542,127	(267,696,583)	—	(267,696,583)
Business-type activities:							
Community services	876	28,234	—	—	—	27,358	27,358
Total	$ 342,512,473	2,088,824	67,212,297	5,542,127	(267,696,583)	27,358	(267,669,225)
General revenues:							
Property taxes					285,399,267	—	285,399,267
Prop C sales tax					23,480,066	—	23,480,066
Other local revenues					4,457,649	—	4,457,649
Intermediate/county					7,227,400	—	7,227,400
State aid—basic formula					241,012	—	241,012
Investment earnings					11,241,461	—	11,241,461
Total general revenues					332,046,855	—	332,046,855
Change in net position					64,350,272	27,358	64,377,630
Net position—beginning, as previously reported					359,974,966	1,348,674	361,323,640
Change in accounting principle					(1,095,745)	—	(1,095,745)
Net position—beginning, as restated					358,879,221	1,348,674	360,227,895
Net positon—ending					$ 423,229,493	1,376,032	424,605,525

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Balance Sheet

Governmental Funds

June 30, 2025

Assets	General	Capital projects	Nonmajor governmental funds	Total Governmental funds
Cash and investments	$ 179,123,781	83,539,976	2,368,628	265,032,385
Restricted cash and investments	283,874	97,048,031	8,938,441	106,270,346
Taxes receivable, net of allowance for uncollectibles	299,932,752	1,953,971	—	301,886,723
Interest receivable	864,158	224,264	44,979	1,133,401
Supplies inventories	272,343	—	204,555	476,898
Other receivables	164,114	19,646	—	183,760
Prepaid expenditures	671,881	949,062	—	1,620,943
Due from other governments	17,765,814	—	515,130	18,280,944
Property held for sale	—	1,580,400	—	1,580,400
Total assets	$ 499,078,717	185,315,350	12,071,733	696,465,800
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ 8,439,421	9,760,265	57,898	18,257,584
Accrued salaries, benefits, and payroll taxes	16,849,488	—	3,298,132	20,147,620
Unearned revenue	322	—	30,635	30,957
Compensated absences	—	—	1,142,888	1,142,888
Total liabilities	25,289,231	9,760,265	4,529,553	39,579,049
Deferred inflows of resources:				
Unavailable revenue-property taxes	293,928,148	1,846,077	—	295,774,225
Unavailable revenue-grants and services	8,830,736	—	204,554	9,035,290
Total deferred inflows of resources	302,758,884	1,846,077	204,554	304,809,515
Fund balances:				
Nonspendable	671,881	949,062	35,000	1,655,943
Restricted	283,874	1,580,400	7,297,086	9,161,360
Committed	—	24,028,722	—	24,028,722
Assigned	2,823,381	147,150,824	5,540	149,979,745
Unassigned	167,251,466	—	—	167,251,466
Total fund balances	171,030,602	173,709,008	7,337,626	352,077,236
Total liabilities, deferred inflows of resources and fund balances	$ 499,078,717	185,315,350	12,071,733	696,465,800

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, 2025

Fund balances—total governmental funds	$	352,077,236
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		388,932,049
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund:		
Bonds payable		(4,760,000)
Certificates of participation		(137,385,000)
Lease and subscription agreement liabilities		(12,212,394)
Unamortized premium on bonds		(6,748,787)
Net pension liability		(192,090,598)
Accrued interest payable		(1,406,793)
Total other post-employment benefits liability		(18,575,572)
Compensated absences		(17,178,505)
Legal claims payable		(77,000)
		(390,434,649)
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		28,961,605
Deferred inflows of resources—grants		9,035,290
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		7,699,901
Prepaid right-to-use assets—reclassified to capital assets		(388,050)
Pension related and other post employment benefits deferred outflows and inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred inflows of resources—pension related amounts		(3,191,400)
Deferred outflows of resources—pension related amounts		35,164,382
Deferred inflows of resources—other post employment benefits		(10,680,787)
Deferred outflows of resources—other post employment benefits		6,053,916
Net position of governmental activities	$	423,229,493

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, 2025

	General	Capital Projects	Nonmajor governmental funds	Total governmental funds
Revenues:				
Property taxes	$ 236,496,930	41,549,490	—	278,046,420
Prop C sales tax	22,393,380	—	1,086,686	23,480,066
Other local, including investment income	16,190,817	4,754,787	1,759,174	22,704,778
Intermediate/county	7,131,579	95,821	—	7,227,400
State aid—basic formula	241,012	—	—	241,012
Other state	13,633,523	—	1,334,556	14,968,079
Federal	45,642,811	4,196,048	11,891,962	61,730,821
Tuition	435,939	—	—	435,939
Total revenues	342,165,991	50,596,146	16,072,378	408,834,515
Expenditures:				
Current:				
Administration	36,480,324	—	—	36,480,324
Instruction	131,040,739	—	505,362	131,546,101
Support services	49,395,539	—	16,643,493	66,039,032
Operation of facilities	39,112,229	—	—	39,112,229
Pupil transportation	19,620,016	—	28,372	19,648,388
Community and adult services	17,454,242	—	1,949,113	19,403,355
Leases:				
Principal	791,684	—	49,190	840,874
Interest and fiscal charges	63,097	—	4,542	67,639
Debt service:				
Principal	—	2,598,691	3,500,000	6,098,691
Interest and fiscal charges	—	1,669,949	546,344	2,216,293
Bond issuance cost	—	708,123	—	708,123
Capital outlay:				
Administration	—	5,324,902	—	5,324,902
Instruction	—	1,663,777	—	1,663,777
Support services	—	45,490	—	45,490
Operation of facilities	—	2,547,046	—	2,547,046
Pupil transportation	—	—	—	—
Community and adult services	—	375,934	—	375,934
Facilities improvement and renovation	1,491,913	31,981,673	—	33,473,586
Total expenditures	295,449,783	46,915,585	23,226,416	365,591,784
Revenues over (under) expenditures	46,716,208	3,680,561	(7,154,038)	43,242,731
Other financing sources (uses):				
Transfers in	—	7,531,904	4,046,344	11,578,248
Transfers out	(7,531,904)	(4,046,344)	—	(11,578,248)
Issuance of long-term debt	—	93,740,000	—	93,740,000
Premium on long-term debt	—	5,474,186	—	5,474,186
Issuance of lease	1,491,915	—	—	1,491,915
Sale of capital assets	55	11,481	—	11,536
Total other financing sources (uses)	(6,039,934)	102,711,227	4,046,344	100,717,637
Net change in fund balances	40,676,274	106,391,788	(3,107,694)	143,960,368
Fund balances, beginning of year	130,354,328	67,317,220	10,445,320	208,116,868
Fund balances, end of year	$ 171,030,602	173,709,008	7,337,626	352,077,236

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, 2025

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances—total governmental funds	$ 143,960,368
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	35,937,497
Right-to-use leased assets additions	1,491,915
Depreciation expense	(18,843,087)
	18,586,325
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	(11,536)
Loss on disposal of capital assets	(1,528,728)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(559,789)
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:	
Proceeds on issuance of certificates of participation	(93,740,000)
Principal payments on certificates of participation	585,000
Payments on lease purchase agreement	2,013,691
Principal payment on revenue bonds	3,500,000
Principal payment on leases	840,875
Issuance of lease, including prepayments	(1,491,915)
Premium received, less amortization	(5,358,314)
Accrued interest payable	(1,019,570)
	(94,670,233)
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.	(1,250,410)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in other post-employment benefits liability and related deferred outflows and inflows	166,311
Change in net pension liability and related deferred outflows and inflows	283,933
Compensated absences	(691,969)
Claims payable	66,000
	(175,725)
Change in net position of governmental activities	$ 64,350,272

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Net Position—Proprietary Funds

June 30, 2025

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		Nonmajor Enterprise Fund	Internal Service Fund
Assets:			
Cash	$	1,382,693	10,595,163
Prepaid		—	36,320
Other receivables		193	11,419
Total assets		1,382,886	10,642,902
Liabilities:			
Accrued salaries, benefits, and payroll taxes		—	12,873
Claims payable		—	2,930,128
Unearned revenue		6,854	—
Total liabilities		6,854	2,943,001
Net position, unrestricted	$	1,376,032	7,699,901

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, 2025

	Nonmajor Enterprise Fund	Internal Service Fund
Operating revenues:		
Charges for community support services	$ 28,234	—
Employer contributions	—	21,563,053
Employee contributions	—	3,236,846
Excess loss reimbursement	—	1,065,357
Total operating revenues	28,234	25,865,256
Operating expenses:		
Salaries, wages, and employee benefits	876	408,931
Claims paid	—	23,682,544
Administrative fees	—	3,021,339
Other contractual services	—	2,852
Total operating expenses	876	27,115,666
Operating income/(loss)	27,358	(1,250,410)
Total net position, beginning of year	1,348,674	8,950,311
Total net position, end of year	$ 1,376,032	7,699,901

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Cash Flows—Proprietary Funds

Year ended June 30, 2025

	Nonmajor Enterprise Fund	Internal Service Fund
Cash flows from operating activities:		
Receipts from customers and users	$ 28,510	—
Received from employer	—	22,584,706
Received from employees	—	2,170,118
Miscellaneous revenues	—	1,233,646
Payments to providers and suppliers	—	(26,770,353)
Payments to employees	(316)	(374,992)
Net cash provided by/(used in) operating activities	28,194	(1,156,875)
Net increase/(decrease) in cash and cash equivalents	28,194	(1,156,875)
Cash and cash equivalents, beginning of year	1,354,499	11,752,038
Cash and cash equivalents, end of year	$ 1,382,693	10,595,163
Reconciliation of operating income/(loss) to net cash provided by /(used in) operating activities:		
Operating income/(loss)	$ 27,358	(1,250,410)
Adjustments to reconcile operating income/(loss) to net cash provided by/(used in) operating activities:		
Change in other receivable	1,032	158,767
Change in claims payable	—	(63,618)
Change in accrued salaries, benefits and payroll taxes	(196)	(1,614)
Total adjustments	836	93,535
Net cash provided by/(used in) operating activities	$ 28,194	(1,156,875)

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Fiduciary Net Position

June 30, 2025

	Private Purpose Trust—Student Scholarship Fund
Assets:	
Cash and investments	$ 250,242
Interest receivable	994
Total assets	251,236
Liabilities:	
Accounts payable	—
Total liabilities	—
Net position:	
Net position restricted for other purposes	$ 251,236

See accompanying notes to basic financial statements.

KANSAS CITY PUBLIC SCHOOLS

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	Private Purpose Trust—Student Scholarship Fund
Additions:	
Contributions:	
Private donations	$ 47,156
Total contributions	47,156
Investment income:	
Adjustment of investments to fair market value	10,074
Total investment income	10,074
Total additions	57,230
Deductions:	
Scholarship awards	67,000
Total deductions	67,000
Net decrease in fiduciary net position	(9,770)
Fiduciary net position, beginning of year	261,006
Fiduciary net position, end of year	$ 251,236

See accompanying notes to basic financial statements.

(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, 2025 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 2025. Under current Missouri statutes, charter schools are allowed to be a Local Education Agency (LEA). All charter schools are currently operating as LEA's. Accordingly, the accounts of these charter schools are not included in these financial statements.

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

(b) Government-wide and Fund Financial Statements

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

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

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 are recognized when the related reimbursement is received within 60 days of fiscal year-end. Grants and entitlements received prior to eligible expenditures being incurred are recorded as unearned revenue. Expenditures are generally recognized in the accounting period when the related fund liabilities are incurred. Principal and interest on long-term indebtedness, as well as expenditures related to compensated absences, pensions, other post-employment benefits, and claims and judgments, are recorded in the governmental funds when payment is due and payable.

The District has the following major governmental funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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. 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

Restricted cash consists of bond proceeds held in a designated escrow account, which are restricted for specific purposes as outlined in the bond agreement. The funds are reserved for the construction of a new facility and the improvement, renovation and repair of other District facilities. The restrictions will remain in place until the completion of the projects.

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 $10.3 million for uncollectible amounts.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. Property taxes are levied by the county assessor based on the assessed valuation of taxable property as of January 1 of each calendar year (tax lien date). Taxes are billed the following 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, 2025 for real estate, personal property, merchants and manufacturers, and railroad and utility property was approximately $5.58 billion.

4. Inventories

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

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

5. Capital Assets

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

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

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 one parcel of land held for sale as surplus property. Disposition of this asset 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 five 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

The District recognizes a liability for compensated absences for leave that (a) is attributable to services already rendered, (b) accumulates, and (c) is more likely than not to be used for time off or other paid in cash or settled through noncash means. The Districted has adopted a FIFO flows assumption which aligns with how compensated absences are likely to be paid/settled.

The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only for amounts due and payable. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

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.

Paid Time Off (PTO)

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.

For types of compensated absences that are dependent upon the occurrence of a sporadic event that affects a relatively small proportion of employees in any particular reporting period (parental leave, military leave, and jury duty), a liability is not recognized until the leave commences. For unlimited leave and holiday leave, a liability is recognized when the leave is taken.

The liability for leave that has been used, but not yet paid, has been recognized in accrued salaries. The liability for leave that has not been used is recognized in compensated absences.

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, 2025.

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, 2025.

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

8. Deferred Inflows/Outflows

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred

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

9. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations of the District are reported as liabilities in the governmental activities statement of net position. Premiums on bonds and deferred charge on refunding are amortized over the term of the related debt using a method, which approximates the effective interest method. Bond issuance costs are recorded as an expense when incurred.

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

10. Pensions

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

11. Other Post Employment Benefits

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

12. Tax Abatements

The District is subject to property and sales tax abatements through various programs implemented by the city of Kansas City, Missouri. For purposes of GASB Statement No. 77, the "tax abatement" programs include Tax Increment Financing (TIF), Enhanced Enterprise Zone, Chapter 99, Chapter 100, Chapter 353, LCRA sale/leaseback, and Port KC sale/leaseback. The financial impact of these tax abatement programs on the district during fiscal year 2025 is $36,075,000 offset in part by PILOTs received of $2,205,000. The financial impact of the Planned Industrial Expansion Authority (PIEA) tax abatement program is $19,408,000 with no offset in part by PILOTs.

13. Right-to-use agreements

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

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

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

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

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

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

14. Fund Balance and Net Position

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

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

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

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

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

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

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

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

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

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

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

Net position restricted through legislation, outside parties or by law through constitutional provisions consist of $283,874 for worker's compensation, $35,000 for nonexpendable corpus of permanent fund, $260,846 for patron gifts, $4,292,045 for compensated absences, $2,059,284 for child nutrition services, $1,580,400 for property held for sale, and $684,909 for other restrictions.

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

15. Use of Estimates

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

(2) Fund Balances

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

Fund Balances:	General	Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable:				
Patron gift	$ —	—	35,000	35,000
Prepaids	671,881	949,062	—	1,620,943
Total nonspendable	671,881	949,062	35,000	1,655,943
Restricted:				
Child nutritional services	—	—	2,059,286	2,059,286
Student activities	—	—	518,078	518,078
Patron gift	—	—	260,846	260,846
Property held for sale	—	1,580,400	—	1,580,400
Permanent fund	—	—	166,831	166,831
Compensated absences	—	—	4,292,045	4,292,045
Workers compensation	283,874	—	—	283,874
Total restricted	283,874	1,580,400	7,297,086	9,161,360
Committed:				
Encumbrances - capital projects	—	24,028,722	—	24,028,722
Total committed	—	24,028,722	—	24,028,722
Assigned:				
Encumbrances - purchased services and materials	2,823,381	—	5,540	2,828,921
Capital projects	—	147,150,824	—	147,150,824
Total assigned	2,823,381	147,150,824	5,540	149,979,745
Unassigned	167,251,466	—	—	167,251,466
Total fund balances	$ 171,030,602	173,709,008	7,337,626	352,077,236

(3) Detailed Notes on All Funds

(a) Deposits and Investments

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

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

Interest rate risk—The Board approved investment policy requires that the investment portfolio be structured so that securities mature to meet cash requirements for day-to-day operations. Primarily, operating funds are invested in short-term securities with a weighted average maturity of less than 12 months and securities are held to maturity. Investments may mature within no more than 5 years from date of purchase. The policy requires the District to adopt weighted average maturity limitations that do not exceed 3 years and is consistent with the investment objectives. The weighted average maturity for the District's portfolio is 0.19 years.

The District had the following investments in debt securities at June 30, 2025:

Investment type		Investment balance	Weighted average maturity (years)
U.S. Treasury obligations	$	74,737,402	0.17
U.S. Agencies		24,720,819	0.27
Total debt securities	$	99,458,221	
Portfolio weighted average maturity			0.19

Credit risk—Missouri statutes limit 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	Aa1	AA+
Local Government Investment Pool:		
MOSIP Liquid Series and MOCAAT Liquid Series	-	AAAm

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

Custodial credit risk—For deposits, this is the risk that, in the event of a bank failure, the District deposits may not be returned. Collateral is required by state statute for demand deposits and certificates of deposit. The fair value of the collateral must equal 100% of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are governed by State Statutes and include United States Government agency bonds and securities; general obligation bonds of any of the 50 states; general obligation bonds of any Missouri county, certain cities, and special districts; and revenue bonds of certain Missouri agencies. For investments, there is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2025, 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.

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	$ 91,962,000	$ -	$ 91,962,000
U.S. Treasuries	74,737,402	74,737,402	-
U.S. Agencies	24,720,819	-	24,720,819
	191,420,221	$ 74,737,402	$ 116,682,819
Investments measured at amortized cost:			
Local government investment pool - MOSIP	27,239,652		
Local government investment pool - MOCAAT	66,467,480		
Total investments	$ 285,127,353		

(b) Capital Assets

Capital asset activity as of June 30, 2025 is shown below:

	Beginning balance	Additions	Transfers/ retirements	Ending balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 28,294,090	—	79,516	28,373,606
Construction in progress	—	9,140,218	—	9,140,218
Impairment- closed buildings	7,920,582	—	(1,107,588)	6,812,994
Total capital assets, not being depreciated	36,214,672	9,140,218	(1,028,072)	44,326,818
Capital assets, being depreciated:				
Buildings and improvements	590,358,681	21,006,915	(1,648,593)	609,717,003
Improvements other than buildings	47,679,540	4,381,052	—	52,060,592
Equipment and furniture	16,508,802	1,252,758	(3,810,705)	13,950,855
Software	629,797	22,107	—	651,904
Vehicles	3,433,026	134,447	(49,238)	3,518,235
Right-to-use leased assets:				
Energy savings equipment	18,085,216	—	—	18,085,216
Mobile classrooms	82,109	—	(82,109)	—
Vehicles	1,050,631	400,831	(180,369)	1,271,093
Copiers	717,789	976,280	(717,789)	976,280
Software - subscription asset	1,304,273	114,804	—	1,419,077
Total capital assets being depreciated	679,849,864	28,289,194	(6,488,803)	701,650,255
Less accumulated depreciation for:				
Buildings and improvements	(283,143,913)	(12,888,191)	1,136,392	(294,895,712)
Improvements other than buildings	(37,708,418)	(1,370,333)	—	(39,078,751)
Equipment and furniture	(12,265,378)	(1,219,720)	3,810,705	(9,674,393)
Software	(534,463)	(62,133)	—	(596,596)
Vehicles	(2,508,924)	(433,797)	49,238	(2,893,483)
Right-to-use leased assets:				
Energy savings equipment	(5,726,985)	(1,908,995)	—	(7,635,980)
Mobile classrooms	(82,109)	—	82,109	—
Vehicles	(654,291)	(220,742)	180,378	(694,655)
Copiers	(717,789)	(228,477)	717,789	(228,477)
Software - subscription asset	(836,278)	(510,699)	—	(1,346,977)
Total accumulated depreciation	(344,178,548)	(18,843,087)	5,976,611	(357,045,024)
Total capital assets, being depreciated, net	335,671,316	9,446,107	(512,192)	344,605,231
Governmental activities capital assets	$ 371,885,988	18,586,325	(1,540,264)	388,932,049

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

Office of the Superintendent Services	$	53,357
Administrative Technology Services		137,646
Total administration		**191,003**
Elementary		6,128,406
Middle school		1,924,698
High school		6,694,994
Supplemental Instruction		1,499
Student activities		1,170
Total instruction		**14,750,767**
Attendance and social work services		5,117
Visually impaired		2,558
Budgeting services		4,335
Food service		1,458
Total support services		**13,468**
Welfare activities services		525
Non-public school students' services		7,376
Total community and adult services		**7,901**
Operation and maintenance of plant service		187,869
Security services		126,213
Total operation of facilities		**314,082**
District operated nondisabled student transportaion services		284,515
Total transporation		**284,515**
Facilities acquisition and construction		412,438
Total facilities improvements and renovation		**412,438**
Right-to-use leased assets:		
Equipment lease purchase energy savings		1,908,995
Vehicles		220,742
Copiers		228,477
Software		510,699
Total right-to-use assets		**2,868,913**
Total governmental activities depreciation expense	$	**18,843,087**

As of June 30, 2025, the District has five buildings with a total carrying value of $6,812,994 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 five buildings with a carrying value of $19,560,147 are considered to be temporarily impaired.

(c) Transfers

The following transfers were made during the fiscal year:

		Capital Projects	Nonmajor governmental	Total
Transfer from:				
General fund	$	7,531,904	—	7,531,904
Capital project fund		—	4,046,344	4,046,344
	$	7,531,904	4,046,344	11,578,248

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

(d) Accrued Salaries

School-based certified contract instructional staff are compensated over a 12-month period beginning in August. Remaining salaries and related payroll taxes for the fiscal year have been accrued at June 30, 2025.

(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.

On December 30, 2009, the District's Building Corporation issued $17,880,000 principal amount of Leasehold Revenue Qualified School Construction Bonds Series 2009 (Tax Credit Bonds). The 2009 Series Bonds have been fully paid. During the current year, the interest paid by the District was $.039 million. The amount of tax credits issued to the bondholder from the federal government was $.107 million.

On November 30, 2010, the District's Building Corporation issued $16,274,000 principal amount of Leasehold Revenue Qualified School Construction Bonds Series 2010 (Direct Pay Bonds). The 2010 Series Bonds are payable through 2029. The total principal and interest remaining on the debt is $5,529,672 with annual requirements ranging from $1.29 million to $1.48 million. For the current year, the interest paid by the District was $.399 million. The amount of interest subsidy reimbursed to the District from the federal government was $.284 million.

On August 24, 2016, the District issued the Series 2016 Certificates of Participation in the amount of $51,035,000. The Series 2016 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 $52,655,075 with annual requirements ranging from $4.5 million to $4.9 million.

On April 15, 2025, the District issued the Series 2025 Certificates of Participation in the amount of $93,740,000. The Series 2025 Certificates mature in 2045 and require annual principal payments and semi-annual interest payments at a variable of 4.5%-5%. The proceeds will be used for the construction of a new facility and the improvement, renovation, and repair of other District facilities. The total principal and interest remaining on the debt is $149,171,885 with annual requirements ranging from $7.2 million to $7.5 million.

Bonds and certificates of participation outstanding as of June 30, 2025 are as follows:

Series		Amount outstanding	Interest rate	Maturity year
Revenue bonds:				
Series 2010	$	4,760,000	7.12%	2029
Certificate of participation				
Series 2016		43,645,000	2.00%	2036
Series 2025		93,740,000	5.00%	2045
	$	142,145,000		

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

		Revenue Bonds			Certificates of Participation		
		Principal	Interest	Total	Principal	Interest	Total
Year ending June 30:							
2026	$	1,160,000	318,264	1,478,264	5,855,000	5,842,779	11,697,779
2027		1,180,000	235,316	1,415,316	6,290,000	5,761,194	12,051,194
2028		1,200,000	150,944	1,350,944	6,570,000	5,545,994	12,115,994
2029		1,220,000	65,148	1,285,148	6,865,000	5,320,694	12,185,694
2030		-	-	—	7,080,000	5,080,225	12,160,225
2031-2035		-	-	—	41,825,000	20,138,725	61,963,725
2036-2040		-	-	—	30,340,000	11,946,124	42,286,124
2041-2045		-	-	—	32,560,000	4,806,225	37,366,225
Total	$	4,760,000	769,672	5,529,672	137,385,000	64,441,960	201,826,960

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 $11,384,357. 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 $10,449,236 as of June 30, 2025.

Aggregate maturities are as follows:

	Lease Purchase Agreement		
	Principal	**Interest**	**Total**
Year ending June 30:			
2026	$ 2,058,155	218,717	2,276,872
2027	2,103,600	173,272	2,276,872
2028	2,150,048	126,823	2,276,871
2029	2,197,522	79,349	2,276,871
2030	2,246,044	30,827	2,276,871
Total	$ 10,755,369	628,988	11,384,357

(f) Changes in Long-term Liabilities

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

		Beginning balance, as restated	Additions	Reductions	Ending balance	Due within one year
Leasehold revenue bonds	$	8,260,000	—	(3,500,000)	4,760,000	1,160,000
Certificate of participation		44,230,000	93,740,000	(585,000)	137,385,000	5,855,000
Premium on COP		1,390,473	5,474,186	(115,872)	6,748,787	—
Net pension liability		191,882,661	207,937		192,090,598	—
Total OPEB liability		17,123,293	1,452,279	—	18,575,572	—
Compensated absences		17,399,638	921,755	—	18,321,393	7,384,491
Health insurance claims liability		2,993,746	24,686,843	(24,750,461)	2,930,128	2,930,128
Lease/subscription agreements		537,261	1,760,638	(840,874)	1,457,025	379,163
Lease purchase agreement		12,769,060	—	(2,013,691)	10,755,369	2,058,155
Long-term liabilities	$	296,586,132	128,243,638	(31,805,898)	393,023,872	19,766,937

Subscription agreement liability additions are impacted by prepaids in the amount of $268,723.

Compensated absences as of July 1, 2024 have been restated due to the implementation of GASB Statement No. 101, *Compensated Absences*. See Note 4(g) for impact of the restatement. In addition, increase or decrease for compensated absences has been presented on the net basis. Net pension liability, total OPEB liability and the health insurance claims liability are liquated 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, 2025 are for the self-insured portion of the workers' compensation program's reserve requirement. A commercial insurance policy is purchased to cover current and future workers' compensation claims. Pursuant to 288.090:3(1)(a) of the Missouri Revised Statutes, the District participates in the State Employment Security Program on a reimbursable basis and pays claims in lieu of contributions. The District maintains a general liability reserve to cover claims in excess of existing commercial insurance coverage that is funded by contributions from the General Fund.

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

Self-funded Insurance

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

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

As of June 30, 2025, the total estimated liability for payment of incurred but unpaid claims for health insurance was $1,348,100 and is included in long-term liabilities in the internal service fund.

Changes in self-funded claims liability at June 30, 2025 is as follows:

Self-Insurance (Health) Table

		2025	2024
Balance - June 30	$	2,993,746	2,797,101
Add: Current year claims and changes in estimate		24,686,843	24,687,158
Less: Claims payments		24,750,461	24,490,513
Balance - June 30	$	2,930,128	2,993,746

(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 –

Membership in the OPEB comprised the following at July 1, 2024:

Active employees	1,807
Inactive employees and spouses	40

B. Total OPEB Liability

The District's total OPEB liability of $18,575,572 was measured as of June 30, 2025, and was determined based on an actuarial valuation prepared as of July 1, 2024 rolled forward to June 30, 2025 using generally accepted actuarial principles and methods.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2024 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	4.81 percent at measurement date, 4.21% as of preceding measurement date
Healthcare Cost Trend Rates	7.25 percent as of valuation date, decreasing .25 percent per year to an ultimate rate of 4.5 percent
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.

C. Changes in the Total OPEB Liability

Balance at June 30, 2024	$	17,123,293
Service cost		899,762
Interest		746,907
Differences between expected and actual experience		(4,775,736)
Changes in assumptions or other inputs		5,144,974
Benefits payments		(563,628)
Balance at June 30, 2025	$	18,575,572

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 (3.81 percent) or 1 percentage point higher (5.81 percent) than the current discount rate:

	1% Decrease (3.81%)	Discount Rate (4.81%)	1% Increase (5.81%)
Total OPEB Liability	$ 21,757,868	$ 18,575,572	$ 16,030,782

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 (6.25 percent) or 1 percentage point higher (8.25 percent) than the current healthcare cost trend rate:

	1% Decrease (6.25%)	Healthcare Cost Trend Rates (7.25%)	1% Increase (8.25%)
Total OPEB Liability	$ 15,710,582	$ 18,575,572	$ 22,231,570

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

For the year ended June 30, 2025, the District recognized OPEB expense of $397,317. At June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	75,385	(4,823,730)
Changes of assumptions		5,978,531	(5,857,057)
Total	$	6,053,916	(10,680,787)

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
2026	$	(1,293,934)
2027		(1,576,902)
2028		(1,299,218)
2029		(602,692)
2030		113,843
Thereafter		32,032
	$	(4,626,871)

(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 July 16, 2025, the board approved the second renewal for a term of August 1, 2025 through July 31, 2026 for a not to exceed amount of $2,000,000.

On June 22, 2022, the board approved a three-year agreement with Belfonte Ice Cream Company for the supply and delivery of milk, dairy, and juice products for a not to exceed amount of $1,100,000 for the original term of July 1, 2022 through July 30, 2025, with two one-year renewal options. On July 16, 2025, the board approved the second renewal for a term of July 1, 2025 through June 30, 2026 for a not to exceed amount of $1,500,000.

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

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

On July 17, 2024, the board approved an agreement with Tomorrow's Promise Today, providing up to 38 long-term educators (subs) to the KCPS district for a term of July 17, 2024 to June 30, 2027, with two one-year renewal options, not to exceed $1,430,000.

(d) Right-to-use agreements

The District has entered into leases for 41 vehicles and 161 copiers each with a five-year lease term, and each includes an option to terminate the lease. The terms and conditions of the equipment lease purchase agreement/energy savings contract has been disclosed in debt footnote of this report.

During fiscal years 2023 and 2024, the District executed three-year software subscription agreements for a crisis alert safety solution, web filtering licenses, and musical curriculum. During fiscal year 2025, the District entered into a three-year software license agreement for digital curriculum resources for art educators.

Description - classification	Role	Lease Type	Net subscription asset balance	Accumulated amortization	Gross subscription asset balance
Building improvement/equipment - energy savings contract	Lessee	Capital	$ 10,449,236	$ (7,635,980)	$ 18,085,216
Equipment - vehicles	Lessee	Operating	576,438	(694,655)	1,271,093
Equipment - copiers	Lessee	Operating	747,803	(228,477)	976,280
Software - subscription asset	Subscriber		72,100	(1,346,977)	1,419,077
Total			$ 11,845,577	$ (9,906,089)	$ 21,751,666

	Year ended June 30,		Principal	Interest	Total payment
Equipment - vehicles					
	2026	$	189,797	16,768	206,565
	2027		170,962	11,371	182,333
	2028		168,511	6,343	174,854
	2029		101,738	2,010	103,748
	2030		18,094	81	18,175
Equipment - copier					
	2026		189,366	21,192	210,558
	2027		195,126	15,432	210,558
	2028		201,060	9,497	210,557
	2029		207,176	3,382	210,558
Software - subscription					
	2026		-	-	-
	2027		5,472	1,440	6,912
	2028		9,723	292	10,015
	Total	$	1,457,025	87,808	1,544,833

(e) Pension Plan and Retirement Benefits

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

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

Contributions

All regular and full-time employees must become members of the Retirement System as a condition of employment. During the 2013 Missouri legislative session, SB223 was passed allowing the Kansas City Public School Retirement System Board (KCPSRS) flexibility to increase the contribution rate in ½% increments annually, to a maximum of 9%. The employer contribution for fiscal year 2025 was 12.00%. The employer contribution rate may be the greater of (1) the actuarial required contribution rate less the member contribution rate, or (2) 12.00% of annual covered salary, until the 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 $17,390,548 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of $192,090,598 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 rolled forward one year to December 31, 2024, 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, 2024, the District's collective proportion was 52.992790 percent, which was a decrease of 1.184241 percent from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $17,180,132. As of June 30, 2025, 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	$	584,615	-
Net difference between projected and actual earnings on pension plan investments		23,249,818	-
Changes of assumptions		976,442	-
Changes in proportion		-	(3,191,400)
District contributions subsequent to the measurement date		10,353,507	-
Total	$	35,164,382	(3,191,400)

The $10,353,507 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, 2026. 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:

Year ended June 30:		Pension Expense
2025	$	7,671,770
2026		13,096,525
2027		(517,733)
2028		1,368,913
Total	$	21,619,475

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, 2024 rolled forward to December 31, 2024, 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 the most recent MP Scale. Post-retirement mortality rates for healthy retirees were based on the Pub-2010 General Members (Below Median) Retiree Mortality Table with a one-year age setback for males and a one-year age set-forward for females, projected 7 years from valuation date using the most recent MP Scale .

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

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of the most recent experience study covering the five-year period ending December 31, 2019 (report dated October 5, 2020).

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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	100%	

Discount rate (SEIR) The discount rate used to measure the total pension liability (TPL) at December 31, 2024 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.

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

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

		1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	$	247,488,033	192,090,598	145,444,176

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, 2025:

The District reported payables (within accrued salaries, benefits, and payroll taxes in the fund financial statements) to the defined benefit pension plan of $2,796,148 for legally required employer contributions and $1,496,720 for legally required employee contributions, which had been withheld from employee wages but not yet remitted to KCPSRS.

(f) New Pronouncements

Pending Pronouncements:

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

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

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

(g) Current adopted pronouncements

In December of 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed by an external party or by formal action of the reporting entity's decision-making authority. Concentrations and constraints may limit the reporting entity's ability to acquire resources or control spending. For the fiscal year ending June 30, 2025, the requirements of this statement were evaluated by the District's management. Management has evaluated the requirements of the statement and determined that no concentrations or constraints exist that meet the criteria for disclosure.

The Districted implemented GASB Statement No. 101, *Compensated Absences*, in the current year. GASB Statement No. 101 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 effect of the restatement adjustment is as follows:

Governmental Activities:	2024 as Originally Presented	Change in Accounting Principle - 2024	2024 as restated
Current liabilities:			
Compensated absences	$ 4,623,140	$ 2,194,511	$ 6,817,651
Total current liabilities	$ 4,623,140	$ 2,194,511	$ 6,817,651
Noncurrent liabilities:			
Compensated absences	$ 11,680,753	$ (1,098,766)	$ 10,581,987
Total noncurrent liabilities	11,680,753	(1,098,766)	10,581,987
Total liabilities	$ 16,303,893	$ 1,095,745	$ 17,399,638
Net position:			
Net investment in capital assets	$ 304,699,195	$ -	$ 304,699,195
Restricted	12,306,657	-	12,306,657
Unrestricted	42,969,114	(1,095,745)	41,873,369
Total net position	$ 359,974,966	$ (1,095,745)	$ 358,879,221

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

KANSAS CITY PUBLIC SCHOOLS

Required Supplementary Information

Schedule of Budgetary Comparison—General Fund

Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	$ 205,500,022	234,320,667	236,496,930	2,176,263
Prop C taxes	14,982,864	14,553,560	14,675,041	121,481
Other local	8,636,637	13,828,810	15,390,760	1,561,950
County	7,724,480	6,970,080	6,970,080	—
Basic formula	99,126	60,253	60,253	—
Other state	14,613,853	14,498,219	13,312,126	(1,186,093)
Federal sources	29,928,592	41,201,484	45,364,604	4,163,120
Tuition	108,169	222,630	409,339	186,709
Total revenues	281,593,743	325,655,703	332,679,133	7,023,430
Expenditures:				
Current:				
Support services - general administration:				
Board of education services:				
Salaries	71,054	71,303	71,303	—
Benefits	29,052	24,263	25,487	(1,224)
Purchased services	435,364	830,599	730,866	99,733
Supplies and materials	43,730	43,730	34,011	9,719
Total board of education services	579,200	969,895	861,667	108,228
Office of the superintendent services:				
Salaries	1,781,541	1,784,021	1,781,802	2,219
Benefits	632,581	575,619	536,153	39,466
Purchased services	2,113,525	2,805,486	1,925,053	880,433
Supplies and materials	207,716	443,662	365,265	78,397
Total office of the superintendent services	4,735,363	5,608,788	4,608,273	1,000,515
Other executive administration services:				
Salaries	281,603	221,065	198,793	22,272
Benefits	126,434	87,392	78,709	8,683
Total other executive administration services	408,037	308,457	277,502	30,955
Administrative technology services:				
Salaries	3,191,874	2,999,682	3,162,625	(162,943)
Benefits	1,275,771	1,067,830	1,077,596	(9,766)
Purchased services	4,345,588	3,886,604	2,961,189	925,415
Supplies and materials	1,414,085	5,816,441	6,047,518	(231,077)
Total administrative technology services	10,227,318	13,770,557	13,248,928	521,629
Total support services - general administration	15,949,918	20,657,697	18,996,370	1,661,327
Support services - building level administration:				
Office of principal services:				
Salaries	2,153,300	2,237,449	2,309,695	(72,246)
Benefits	1,054,698	928,178	952,657	(24,479)
Purchased services	244,752	361,604	368,100	(6,496)
Supplies and materials	160,676	161,869	228,590	(66,721)
Total office of principal services	3,613,426	3,689,100	3,859,042	(169,942)
Total support services - building level administration	3,613,426	3,689,100	3,859,042	(169,942)
Instruction:				
Elementary:				
Salaries	1,086,731	1,140,042	1,249,811	(109,769)
Benefits	538,007	541,115	490,176	50,939
Purchased services	882,548	2,250,906	1,694,473	556,433
Supplies and materials	1,275,835	2,844,691	3,379,927	(535,236)
Total elementary	3,783,121	6,776,754	6,814,387	(37,633)
Middle/junior high:				
Salaries	31,559	1,913	1,947	(34)
Benefits	12,505	175	165	10
Purchased services	126,777	276,222	217,191	59,031
Supplies and materials	78,945	170,829	140,425	30,404
Total middle/junior high	249,786	449,139	359,728	89,411

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Required Supplementary Information
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
High school:				
Salaries	$ 322,556	336,729	347,088	(10,359)
Benefits	143,413	129,537	131,976	(2,439)
Purchased services	921,642	1,401,043	1,437,698	(36,655)
Supplies and materials	698,608	564,829	471,005	93,824
Total high school	2,086,219	2,432,138	2,387,767	44,371
Summer school:				
Salaries	198,076	198,076	216,389	(18,313)
Benefits	17,241	17,241	15,988	1,253
Purchased services	617,926	617,926	925,529	(307,603)
Supplies and materials	390,000	390,000	292,784	97,216
Total summer school	1,223,243	1,223,243	1,450,690	(227,447)
JAG (Jobs for America Graduates):				
Salaries	—	48,300	47,127	1,173
Benefits	—	17,258	15,104	2,154
Purchased services	—	17,500	3,100	14,400
Supplies and materials	—	5,900	136	5,764
Total JAG	—	88,958	65,467	23,491
Gifted and talented:				
Purchased services	20,078	25,601	24,622	979
Supplies and materials	17,543	9,805	9,805	—
Total gifted and talented	37,621	35,406	34,427	979
Special education:				
Salaries	2,957,386	2,371,036	2,229,180	141,856
Benefits	1,496,008	1,105,623	1,031,171	74,452
Purchased services	1,955,408	4,946,717	3,642,399	1,304,318
Supplies and materials	406,187	379,115	359,226	19,889
Total special education	6,814,989	8,802,491	7,261,976	1,540,515
Proportionate share services:				
Purchased services	—	50,000	5,174	44,826
Total proportionate share services	—	50,000	5,174	44,826
Supplemental instruction:				
Salaries	224,318	434,895	407,585	27,310
Benefits	105,489	136,084	118,657	17,427
Purchased services	2,181,552	3,736,806	3,150,159	586,647
Supplies and materials	311,753	1,674,344	1,062,847	611,497
Total supplemental instruction	2,823,112	5,982,129	4,739,248	1,242,881
Bilingual				
Salaries	1,156,210	1,080,948	1,054,163	26,785
Benefits	592,716	440,331	424,176	16,155
Purchased services	57,739	193,900	72,495	121,405
Supplies and materials	396,401	1,406,519	994,458	412,061
Total bilingual	2,203,066	3,121,698	2,545,292	576,406
Early childhood special education:				
Salaries	425,507	267,716	239,158	28,558
Benefits	212,128	125,098	109,141	15,957
Purchased services	846,630	1,650,301	751,970	898,331
Supplies and materials	22,000	32,000	17,439	14,561
Total early childhood special education	1,506,265	2,075,115	1,117,708	957,407
Other career education:				
Salaries	368,962	320,443	337,936	(17,493)
Benefits	149,510	106,051	108,299	(2,248)
Purchased services	311,740	485,985	458,554	27,431
Supplies and materials	470,500	492,785	465,350	27,435
Total other career education	1,300,712	1,405,264	1,370,139	35,125

KANSAS CITY PUBLIC SCHOOLS
Required Supplementary Information
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Student activities:				
Salaries	$ 1,270,564	1,276,314	1,407,025	(130,711)
Benefits	216,933	216,933	206,487	10,446
Purchased services	472,631	455,857	454,070	1,787
Supplies and materials	589,262	669,991	594,957	75,034
Total student activities	2,549,390	2,619,095	2,662,539	(43,444)
Tuition to other districts:				
Purchased services	412,627	392,627	353,999	38,628
Total tuition to other districts	412,627	392,627	353,999	38,628
Tuition to private agencies:				
Purchased services	4,455,331	5,131,456	4,695,903	435,553
Total tuition to private agencies	4,455,331	5,131,456	4,695,903	435,553
Total instruction	29,445,482	40,585,513	35,864,444	4,721,069
Support services - pupils:				
Attendance and social work area:				
Salaries	403,713	463,066	479,086	(16,020)
Benefits	163,435	187,403	182,337	5,066
Purchased services	76,951	79,450	27,004	52,446
Supplies and materials	1,000	1,000	1,016	(16)
Total attendance and social work area	645,099	730,919	689,443	41,476
Attendance services				
Salaries	536,187	515,983	547,589	(31,606)
Benefits	224,670	191,077	196,770	(5,693)
Purchased services	28,049	25,004	22,185	2,819
Supplies and materials	143,100	155,899	166,340	(10,441)
Total attendance services	932,006	887,963	932,884	(44,921)
Social work services:				
Salaries	2,699,694	2,695,533	2,467,970	227,563
Benefits	1,124,972	1,033,504	868,739	164,765
Purchased services	735,932	921,625	801,506	120,119
Supplies and materials	12,500	30,000	15,260	14,740
Total social work services	4,573,098	4,680,662	4,153,475	527,187
Pupil accounting services:				
Salaries	573,618	576,581	575,810	771
Benefits	203,588	182,093	181,729	364
Purchased services	17,200	16,150	16,732	(582)
Supplies and materials	25,128	52,178	50,780	1,398
Total pupil accounting services	819,534	827,002	825,051	1,951
Guidance services-system support				
Salaries	895,530	896,346	998,367	(102,021)
Benefits	400,993	366,636	370,322	(3,686)
Purchased services	301,862	137,862	77,894	59,968
Supplies and materials	70,760	86,298	91,068	(4,770)
Total guidance services-system support	1,669,145	1,487,142	1,537,651	(50,509)

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Required Supplementary Information
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Nursing services:				
Salaries	$ 2,314,146	2,257,587	2,331,606	(74,019)
Benefits	949,126	878,416	840,893	37,523
Purchased services	66,600	93,078	90,254	2,824
Supplies and materials	36,500	36,315	40,394	(4,079)
Total nursing services	3,366,372	3,265,396	3,303,147	(37,751)
Psychological services:				
Salaries	1,951,175	2,023,588	2,014,411	9,177
Benefits	715,115	672,964	658,072	14,892
Total psychological services	2,666,290	2,696,552	2,672,483	24,069
Speech pathology and audiology services				
Salaries	1,007,436	1,131,040	1,180,766	(49,726)
Benefits	389,574	353,078	356,728	(3,650)
Total speech pathology and audiology	1,397,010	1,484,118	1,537,494	(53,376)
Occupational therapy				
Salaries	626,444	565,469	631,753	(66,284)
Benefits	243,325	194,507	210,425	(15,918)
Total occupational therapy	869,769	759,976	842,178	(82,202)
Physical therapy:				
Salaries	154,705	133,455	113,964	19,491
Benefits	59,049	51,570	44,918	6,652
Total physical therapy	213,754	185,025	158,882	26,143
Other support services:				
Salaries	466,497	374,910	364,743	10,167
Benefits	188,475	136,835	132,979	3,856
Total other support services	654,972	511,745	497,722	14,023
Total support services - pupils	17,812,049	17,521,500	17,150,607	370,893
pport services instructional staff:				
Instruction and curriculum development:				
Salaries	381,714	560,150	685,641	(125,491)
Benefits	144,493	247,599	236,574	11,025
Purchased services	933,365	1,277,060	1,225,263	51,797
Supplies and materials	1,819,083	2,268,680	2,197,877	70,803
Total instruction and curriculum development	3,278,655	4,353,489	4,345,355	8,134
Instructional staff training services:				
Salaries	145,027	143,210	128,895	14,315
Benefits	44,633	40,640	38,657	1,983
Purchased services	538,407	1,208,955	829,996	378,959
Supplies and materials	76,532	142,164	146,629	(4,465)
Total instructional staff training services	804,599	1,534,969	1,144,177	390,792
Educational media services area direction:				
Salaries	—	1,545	782	763
Benefits	—	370	73	297
Purchased services	—	10,852	9,069	1,783
Supplies and materials	403,774	399,269	354,011	45,258
Total educational media services area direction	403,774	412,036	363,935	48,101
Total support services - instructional staff	4,487,028	6,300,494	5,853,467	447,027

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Required Supplementary Information
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Business support services:				
Business support services area direction:				
Salaries	$ 130,788	160,788	132,791	27,997
Benefits	45,206	58,342	40,267	18,075
Total business support services area direction	176,494	219,630	173,058	46,572
Fiscal service area direction:				
Salaries	1,145,483	1,077,392	1,099,117	(21,725)
Benefits	489,436	432,869	455,965	(23,096)
Purchased services	148,401	148,401	157,983	(9,582)
Supplies and materials	15,500	27,500	22,030	5,470
Total fiscal service area direction	1,798,820	1,686,162	1,735,095	(48,933)
Budgeting services:				
Salaries	428,398	389,244	355,795	33,449
Benefits	159,922	138,293	115,581	22,712
Purchased services	53,536	39,401	10,555	28,846
Supplies and materials	23,376	21,376	15,243	6,133
Total budgeting services	665,232	588,314	497,174	91,140
Receiving and disbursing services:				
Salaries	221,318	196,592	198,270	(1,678)
Benefits	79,644	79,644	70,610	9,034
Purchased services	34,080	34,080	17,605	16,475
Supplies and materials	2,100	2,100	685	1,415
Total receiving and disbursing services	337,142	312,416	287,170	25,246
Payroll services:				
Salaries	345,127	345,127	313,736	31,391
Benefits	133,206	133,206	102,834	30,372
Purchased services	7,305	7,305	593	6,712
Total payroll services	485,638	485,638	417,163	68,475
Financial accounting services:				
Salaries	161,589	139,589	130,078	9,511
Benefits	73,889	38,268	43,547	(5,279)
Purchased services	7,050	128,497	126,848	1,649
Supplies and materials	1,179	1,179	319	860
Total financial accounting services	243,707	307,533	300,792	6,741
Property accounting services:				
Salaries	34,000	34,000	34,124	(124)
Benefits	3,118	3,118	3,748	(630)
Purchased services	47,100	12,000	—	12,000
Total property accounting services	84,218	49,118	37,872	11,246
Other fiscal services:				
Purchased services	130,000	130,000	176,997	(46,997)
Total other fiscal services	130,200	130,200	176,997	(46,797)
Operation and maintenance of plant service area direction:				
Salaries	788,087	868,753	751,080	117,673
Benefits	255,919	256,921	242,160	14,761
Purchased services	194,133	175,655	132,008	43,647
Supplies and materials	138,529	163,205	238,072	(74,867)
Total operation and maintenance of plant	1,376,668	1,464,534	1,363,320	101,214

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Required Supplementary Information
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Care and upkeep of building services:				
Salaries	$ 8,806,687	8,421,859	8,755,582	(333,723)
Benefits	4,061,221	3,126,888	3,128,686	(1,798)
Purchased services	8,420,848	8,758,425	8,781,254	(22,829)
Supplies and materials	7,833,062	8,129,302	8,440,796	(311,494)
Total care and upkeep of building services	29,121,818	28,436,474	29,106,318	(669,844)
Care and upkeep of grounds services:				
Salaries	335,300	235,915	232,013	3,902
Benefits	151,019	95,277	91,734	3,543
Purchased services	627,031	700,000	611,174	88,826
Supplies and materials	59,740	54,500	23,306	31,194
Total care and upkeep of grounds services	1,173,090	1,085,692	958,227	127,465
Vehicle servicing and maintenance services:				
Salaries	84,194	82,543	82,543	—
Benefits	32,743	28,672	28,010	662
Purchased services	160,000	251,938	234,243	17,695
Supplies and materials	95,025	95,025	89,531	5,494
Total vehicle servicing and maintenance	371,962	458,178	434,327	23,851
Security services:				
Salaries	4,538,246	4,655,743	4,911,530	(255,787)
Benefits	1,901,485	1,545,262	1,541,579	3,683
Purchased services	596,753	666,500	735,628	(69,128)
Supplies and materials	310,093	289,000	285,017	3,983
Total security services	7,346,577	7,156,505	7,473,754	(317,249)
Contracted transportation services for students:				
Salaries	235,272	435,514	440,164	(4,650)
Benefits	93,598	146,170	133,376	12,794
Purchased services	12,795,436	13,971,249	12,305,827	1,665,422
Supplies and materials	775,200	778,700	781,909	(3,209)
Total contracted transportation services	13,899,506	15,331,633	13,661,276	1,670,357
District operated nondisabled student transportation				
Salaries	—	48,052	48,052	—
Benefits	—	17,200	17,200	—
Total district operated nondisabled student transportation	—	65,252	65,252	—
Contracted transportation services for students with disabilities:				
Purchased services	4,520,000	4,520,000	4,467,494	52,506
Supplies and materials	79,690	79,690	5,488	74,202
Total contracted transportation disabilities	4,599,690	4,599,690	4,472,982	126,708
Early childhood special education transportation:				
Purchased services	1,407,633	1,526,822	1,448,549	78,273
Total early childhood special education transportation	1,407,633	1,526,822	1,448,549	78,273
Internal service area direction				
Salaries	577,321	505,744	509,727	(3,983)
Benefits	236,201	192,198	182,705	9,493
Purchased services	25,792	30,527	28,520	2,007
Supplies and materials	78,250	69,250	66,529	2,721
Total internal service area direction	917,564	797,719	787,481	10,238
Warehousing and distributing services				
Salaries	209,397	105,984	113,777	(7,793)
Benefits	96,898	42,247	39,930	2,317
Purchased services	19,514	4,360	680	3,680
Supplies and materials	87,434	21,440	12,634	8,806
Total warehousing and distributing services	413,243	174,031	167,021	7,010

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Required Supplementary Information
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Other business support services:				
Salaries	32,697	32,697	33,323	(626)
Benefits	11,301	11,301	10,119	1,182
Purchased services	—	—	18,146	(18,146)
Total other business support services	43,998	43,998	61,588	(17,590)
Total business support services	64,593,200	64,919,539	63,625,511	1,294,028
Support services - central office:				
Planning, research, development, and evaluation services area direction:				
Salaries	791,678	696,507	720,981	(24,474)
Benefits	269,249	224,029	205,711	18,318
Purchased services	468,527	428,502	255,707	172,795
Supplies and materials	430,500	435,500	414,938	20,562
Total planning research, development, and evaluation	1,959,954	1,784,538	1,597,337	187,201
Information services area direction:				
Salaries	671,413	684,758	680,214	4,544
Benefits	261,018	223,667	220,034	3,633
Purchased services	760,480	803,165	714,709	88,456
Supplies and materials	143,400	363,934	312,553	51,381
Total information services area direction	1,836,311	2,075,524	1,927,510	148,014
Human resource services:				
Salaries	1,394,645	1,443,785	1,441,543	2,242
Benefits	544,991	459,530	457,516	2,014
Purchased services	1,161,500	1,296,170	1,243,995	52,175
Supplies and materials	315,500	227,786	227,969	(183)
Total human resource services	3,416,636	3,427,271	3,371,023	56,248
Other staff services				
Total support services - central office	7,212,901	7,287,333	6,895,870	391,463
Community services area direction:				
Purchased services	—	—	3,814	(3,814)
Supplies and materials	—	—	1,255	(1,255)
Total community services area direction	—	—	5,069	(5,069)
Early childhood programs:				
Early childhood program:				
Salaries	221,050	222,305	194,010	28,295
Benefits	60,347	57,471	52,434	5,037
Purchased services	38,644	14,229	15,388	(1,159)
Supplies and materials	5,350	29,765	21,862	7,903
Total early childhood program	325,391	323,770	283,694	40,076
Early childhood instruction:				
Salaries	2,850,315	4,893,663	5,354,560	(460,897)
Benefits	1,161,184	1,994,546	2,159,766	(165,220)
Purchased services	930,921	1,357,716	875,135	482,581
Supplies and materials	126,749	359,414	297,451	61,963
Total early childhood instruction	5,069,169	8,605,339	8,686,912	(81,573)
Total early childhood programs	5,394,560	8,929,109	8,970,606	(41,497)

(Continued)

KANSAS CITY PUBLIC SCHOOLS
Required Supplementary Information
Schedule of Budgetary Comparison—General Fund
Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Homeless and other disadvantaged student:				
Purchased services	$ —	533,398	526,780	6,618
Supplies and materials	—	13,757	8,149	5,608
Total homeless and other disadvantaged student	—	547,155	534,929	12,226
Non-public school student services:				
Purchased services	388,086	436,045	428,096	7,949
Total non-public school student services	388,086	436,045	428,096	7,949
Adult education:				
Purchased services	—	20,083	13,180	6,903
Supplies and materials	23,254	11,173	1,828	9,345
Total adult education	23,254	31,256	15,008	16,248
Workplace literacy:				
Supplies and materials	23,254	40,403	3,768	36,635
Total workplace literacy	23,254	40,403	3,768	36,635
English language learning:				
Salaries	108,226	119,023	114,811	4,212
Benefits	44,654	41,522	27,486	14,036
Purchased services	81,940	114,784	79,271	35,513
Supplies and materials	37,017	36,586	17,903	18,683
Total English language learning	271,837	311,915	239,471	72,444
Afterschool program:				
Purchased services	642,500	555,845	555,845	—
Total afterschool program	642,500	555,845	555,845	—
Other community service (DHSS program)				
Purchased services	91,963	15,000	44,619	(29,619)
Total other community service (DHSS program)	91,963	15,000	44,619	(29,619)
Parental involvement:				
Salaries	1,880,996	2,167,532	2,036,360	131,172
Benefits	893,532	922,025	800,476	121,549
Purchased services	81,045	69,839	78,342	(8,503)
Supplies and materials	46,764	123,916	56,578	67,338
Total parental involvement	2,902,337	3,283,312	2,971,756	311,556
Total expenditures	152,556,704	175,111,216	166,014,478	9,096,738
Revenues over expenditures	129,037,039	150,544,487	166,664,655	16,120,168
Other financing sources (uses):				
Proceeds from sale of capital assets	—	—	55	(55)
Transfers in	146,097	146,097	—	146,097
Transfers out	(94,348)	(348,782)	(126,115,155)	125,766,373
Total other financing sources	51,749	(202,685)	(126,115,100)	125,912,415
Revenues and other financing sources over expenditures	$ 129,088,788	150,341,802	40,549,555	(109,792,247)
Reconciliation to GAAP Basis:				
Activities reported within the Teachers' Fund (a sub-fund of the General Fund):				
Total revenue			9,846,835	
Total expenditures			(128,430,089)	
Total other financing sources			118,583,254	
Total reconciling items			—	
Activities reported within non-budgeted funds:				
(sub-funds of the General Fund):				
Total revenue			151,276	
Total expenditures			(24,557)	
Total reconciling items			126,719	
sources over expenditures			40,676,274	
Fund balance, beginning of year			130,354,328	
Fund balance, end of year			$ 171,030,602	

See Note to Required Supplementary Information.

KANSAS CITY PUBLIC SCHOOLS

Note to Required Supplementary Information

Budgetary Information

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

Major funds:
- General
- Teachers' fund (a sub-fund of the General fund)
- Capital Projects

Nonmajor funds:
- Child Nutritional Services

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

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

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

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

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

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

The Board must approve expenditures in excess of appropriations at the fund level. Budgeted expenditure amendments approved by the Board during the fiscal year resulted in a 14.78% increase in the General Fund, 6.01% decrease in the Teachers Fund, 447.49% increase in the Capital Projects Fund and a 0% variance 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

Total OPEB liability		2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$	899,762	613,199	602,260	1,372,316	1,173,644	978,975	909,063	1,169,924
Interest		746,907	670,518	639,955	601,092	641,611	722,530	704,433	608,874
Benefit payments		(563,628)	(712,821)	(616,735)	(503,703)	(1,097,731)	(983,062)	(880,141)	(1,403,849)
Differences between expected and actual		(4,775,736)	107,671	(163,342)	(188,896)	(2,791,309)	—	189	–
Changes in assumptions		5,144,974	466,199	(7,252,617)	(4,964,387)	5,865,604	925,921	2,016,015	(959,648)
Net change in total OPEB liability		1,452,279	1,144,766	(6,790,479)	(3,683,578)	3,791,819	1,644,364	2,749,559	(584,699)
Total OPEB liability—beginning		17,123,293	15,978,527	22,769,006	26,452,584	22,660,765	21,016,401	18,266,842	18,851,541
Total OPEB liability—ending	$	18,575,572	17,123,293	15,978,527	22,769,006	26,452,584	22,660,765	21,016,401	18,266,842
Covered payroll	$	115,287,471	135,958,029	127,969,433	129,299,161	99,436,918	120,127,775	113,148,130	107,918,134
Total OPEB liability as a percentage of covered payroll		16.11%	12.59%	12.49%	17.61%	26.60%	18.86%	18.57%	16.93%

Notes to Schedule:

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

Changes in actuarial assumptions and methods:

- June 30. 2025
  - Discount rate was increased from 4.21% to 4.81% in accordance with changes to municipal bond yields.
  - Immediate medical trend for claims was increased to 7.25% and the annual decrement was reduced from 0.5% to .25% to reflect the current industry studies.
  - Per-capita costs were updated to reflect experience since the previous valuation.
- June 30, 2024
  - Discount rate was increased from 4.13% to 4.21% based on changes in the municipal bond yield rates.
  - Medical/Rx trend on claims was shifted to maintain an immediate rate of 7.00%, per recent industry surveys.
- June 30, 2023
  - Discount rate increase from 4.09% to 4.13%.
  - Mortality improvement scale updated from MP2020-2021.
  - Decreased election percentage from 25%/10% to 15%/5% for pre-65/post-65 retirements, respectively.

- June 30, 2022
  - The mortality improvement scale was updated from MP-2019 to MP-2020.
  - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
  - Discount rate was increased from 2.18% at June 30, 2021 to 4.09% as of June 30, 2022.
- June 30, 2021
  - Discount rate was decreased from 2.66% at June 30, 2020 to 2.18% at June 30, 2021.
  - Decreased annual wage increase rate from 5.00% to 2.85%, to match most recent assumption used by PSRS of Kansas City.
  - Medical claims trend was shifted to maintain the same immediate rate of 7.50%, and trend on retiree contribution rates was changed to a constant 4.50% per year.

- Per-capita costs were updated to reflect experience since the previous valuation.
- Opt-out rate at age 65 was increased from 40% to 60% and participation rate for future retirees who retire on or after age 65 reduced from 15% to 10%.

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

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

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

KANSAS CITY PUBLIC SCHOOLS

Pension Plan Required Supplementary Information

Schedule of Employer Contributions
Required Supplementary Information

Fiscal Year	Statutorial required contribution	Contributions in relation to the required contribution	Contribution deficiency (excess)	Contribution as a % of district's covered payroll
2025	$ 17,390,548	$ 17,390,548	-	12.00%
2024	16,778,347	16,778,347	-	12.00%
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%

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
2025	64.64%	52.992790%	$ 192,090,598	$ 144,901,735	132.57%
2024	65.07%	54.177031%	$ 191,882,661	$ 139,764,375	137.29%
2023	63.06%	54.931801%	$ 203,377,570	$ 132,869,132	153.07%
2022	75.19%	55.584303%	$ 138,226,534	$ 125,207,731	110.40%
2021	69.20%	56.162697%	$ 173,567,305	$ 122,274,560	141.95%
2020	60.10%	56.808637%	$ 188,568,788	$ 119,238,315	158.14%
2019	60.10%	56.508114%	$ 226,149,556	$ 112,171,812	201.61%
2018	69.31%	56.744811%	$ 172,353,704	$ 107,243,972	160.71%
2017	70.09%	59.045964%	$ 158,248,820	$ 107,282,763	147.51%
2016	70.93%	60.790116%	$ 158,472,857	$ 104,510,704	151.63%

Changes in actuarial assumptions and methods:

- June 30, 2025
  - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
- June 30, 2024
  - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
- June 30, 2023
  - The mortality improvement scale was updated from MP-2020 to MP-2021.
  - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
- June 30, 2022
  - The mortality improvement scale was updated from MP-2019 to MP-2020.
  - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
- June 30, 2021
  - The investment return assumption was lowered from 7.50% to 7.25%.
  - The inflation assumption was lowered from 2.75% to 2.25%.
  - The assumed interest rate credited on employee account balances was lowered from 3.25% to 2.50%.
  - The general wage increase assumption was lowered from 3.50% to 2.85%.
  - The payroll growth assumption was lowered from 3.00% to 2.85%.
  - An explicit administrative expense load assumption based on actual prior year expenses is included in the Actuarial Determined Contribution.
  - The mortality assumption was changed to the Pub-2010 General Members (Below Median) Mortality Tables, with a one-year age setback for males and a one-year age set-forward for females. Mortality improvements are projected 7 years from the valuation date for retirees and beneficiaries and 15 years for actives, using Scale MP-2019.
  - Retirement rates were modified to partially reflect observed experience.
  - Termination rates were changed to partially reflect observed experience.
  - The salary scale was changed from 5.00% at all ages to service-based rates.
  - No longer assume any disability rates.
- June 30, 2020
  - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.
  - The investment return assumption was lowered from 7.75% from 7.50%.
- June 30, 2019
  - Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.

- 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.

NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

KANSAS CITY PUBLIC SCHOOLS

Nonmajor Governmental Funds—Combining Balance Sheet

June 30, 2025

	Special revenue				Permanent fund	Total nonmajor governmental
Assets	**Child nutritional services**	**Student activity**	**Patron gift**	**Other special revenue**	**patron endowments**	**funds**
Cash and investments	$ 1,798,363	570,265	—	—	—	2,368,628
Restricted cash and investments	—	—	259,824	8,477,440	201,177	8,938,441
Interest receivable	—	—	1,022	43,303	654	44,979
Supplies inventories	204,555	—	—	—	—	204,555
Due from other governments	515,130	—	—	—	—	515,130
Total assets	$ 2,518,048	570,265	260,846	8,520,743	201,831	12,071,733
Liabilities, Deferred Inflows of Resources and Fund Balance						
Liabilities:						
Accounts payable	$ 11,251	46,647	—	—	—	57,898
Accrued salaries, benefits and payroll taxes	212,322	—	—	3,085,810	—	3,298,132
Unearned revenue	30,635	—	—	—	—	30,635
Compensated absences	—	—	—	1,142,888	—	1,142,888
Total liabilities	254,208	46,647	—	4,228,698	—	4,529,553
Deferred inflows of resources						
Unavailable revenue - grants and services	204,554	—	—	—	—	204,554
Total deferred inflows of resources	204,554	—	—	—	—	204,554
Fund balance:						
Nonspendable	—	—	—	—	35,000	35,000
Restricted	2,059,286	518,078	260,846	4,292,045	166,831	7,297,086
Assigned	—	5,540	—	—	—	5,540
Total fund balance	2,059,286	523,618	260,846	4,292,045	201,831	7,337,626
Total liabilities, deferred inflows of resources and fund balance	$ 2,518,048	570,265	260,846	8,520,743	201,831	12,071,733

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2025

	Debt Service	Special revenue				Permanent fund patron endowments	Total nonmajor governmental funds
		Child nutritional services	Student activity	Patron gift	Other special revenue		
Revenues:							
Prop C sales tax	$ —	—	—	—	1,086,686	—	1,086,686
Other local, including investment income	—	723,930	514,532	10,932	502,788	6,992	1,759,174
Other state	—	1,334,556	—	—	—	—	1,334,556
Federal	—	11,891,962	—	—	—	—	11,891,962
Total revenues	—	13,950,448	514,532	10,932	1,589,474	6,992	16,072,378
Expenditures:							
Current:							
Instruction	—	—	505,362	—	—	—	505,362
Support services	—	14,709,728	—	—	1,933,765	—	16,643,493
Transportation	—	—	28,372	—	—	—	28,372
Community and adult services	—	1,949,113	—	—	—	—	1,949,113
Leases:							
Principal	—	49,190	—	—	—	—	49,190
Interest and fiscal charges	—	4,542	—	—	—	—	4,542
Debt Service:							
Principal	3,500,000	—	—	—	—	—	3,500,000
Interest & fiscal charges	546,344	—	—	—	—	—	546,344
Total expenditures	4,046,344	16,712,573	533,734	—	1,933,765	—	23,226,416
Revenues over (under) expenditures	(4,046,344)	(2,762,125)	(19,202)	10,932	(344,291)	6,992	(7,154,038)
Other financing sources (uses):							
Transfers in	4,046,344	—	—	—	—	—	4,046,344
Total other financing sources (uses)	4,046,344	—	—	—	—	—	4,046,344
Revenues over (under) expenditures and other financing sources (uses)	—	(2,762,125)	(19,202)	10,932	(344,291)	6,992	(3,107,694)
Fund balances, beginning of year	—	4,821,411	542,820	249,914	4,636,336	194,839	10,445,320
Fund balances, end of year	$ —	2,059,286	523,618	260,846	4,292,045	201,831	7,337,626

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Revenues:				
Local	$ 495,341	756,966	764,822	7,856
State	—	—	57,594	57,594
Federal	17,642,550	17,380,925	11,891,961	(5,488,964)
Total revenues	18,137,891	18,137,891	12,714,377	(5,423,514)
Expenditures:				
Current:				
Food service area direction:				
Salaries	5,463,035	4,837,647	5,086,914	(249,267)
Benefits	2,585,741	2,461,748	2,184,475	277,273
Purchased services	646,541	846,541	461,459	385,082
Supplies and materials	7,470,500	7,648,492	5,759,402	1,889,090
Capital outlay	95,000	78,000	30,407	47,593
Total food service area direction	16,260,817	15,872,428	13,522,657	2,349,771
Other community service:				
Salaries	796,036	790,829	630,096	160,733
Benefits	280,788	242,384	193,788	48,596
Purchased services	—	—	—	—
Supplies and materials	800,250	1,232,250	1,129,961	102,289
Capital outlay	—	—	—	—
Total other community service	1,877,074	2,265,463	1,953,845	311,618
Total expenditures	18,137,891	18,137,891	15,476,502	2,661,389
Revenues under expenditures	—	—	(2,762,125)	(2,762,125)
Revenues under expenditures and other financing uses	$ —	—	(2,762,125)	(2,762,125)
Fund balance, beginning of year			4,821,411	
Fund balance, end of year			$ 2,059,286	

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with final budget
Revenues:				
Property taxes	$ 28,371,376	34,570,731	41,549,489	6,978,758
Other local	1,236,286	3,002,129	4,754,787	1,752,658
Intermediate/County	137,512	95,821	95,821	—
State	—	—	—	—
Federal	635,225	4,209,175	4,088,963	(120,212)
Total revenues	30,380,399	41,877,856	50,489,060	8,611,204
Expenditures:				
Capital outlay:				
Support services - general administration				
Office of the superintendent services	39,548	11,256	3,693	7,563
Administrative technology services	170,000	6,178,828	5,115,740	1,063,088
Total support services - general administration	209,548	6,190,084	5,119,433	1,070,651
Support services - building level administration:				
Office of principal services	—	205,469	205,469	—
Instruction:				
Elementary	150,000	933,053	1,466,006	(532,953)
Senior high	80,000	8,060	9,021	(961)
Special education and related services	6,900	8,360	5,300	3,060
Bilingual	80,000	80,000	—	80,000
Other career education	6,000	137,510	131,645	5,865
Student activities	53,300	57,395	51,805	5,590
Adult education	1,000	1,000	—	1,000
Total instruction	377,200	1,225,378	1,663,777	(438,399)
Support services -pupils:				
Nursing services	—	18,885	18,885	—
Total support services pupils	—	18,885	18,885	—
Support services - instructional staff:				
Instruction and curriculum development	21,500	29,935	22,819	7,116
Total support services - instructional staff	21,500	29,935	22,819	7,116
Business support services:				
Business support services	2,000	2,000	—	2,000
Budgeting services	9,000	5,000	—	5,000
Operation and maintenance of plant services	605,751	—	—	—
Care and upkeep of building services	205,000	180,940	98,662	82,278
Care and upkeep of grounds services	5,000	15,000	14,994	6
Security services	2,000,000	2,369,359	2,433,390	(64,031)
Warehousing and distributing services	5,000	5,000	—	5,000
Total business support services	2,831,751	2,577,299	2,547,046	30,253

(Continued)

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with final budget
Support services - central office:				
Planning research development evaluation	1,000	1,000	—	1,000
Information services	—	4,000	3,786	214
Human resources services	—	—	—	—
Total support services - central office	1,000	5,000	3,786	1,214
Community services	—	—	—	—
Early childhood program	—	—	—	—
Early childhood instruction	250,000	629,071	375,934	253,137
Homeless and other disadvantaged student	—	—	—	—
Non-public school student services	—	—	—	—
Parental involvement	—	—	—	—
Facilities acquisition and construction	11,226,610	147,267,864	31,981,672	115,286,192
Debt service:				
Principal	8,158,690	6,098,690	6,098,691	(1)
Interest	7,309,083	2,109,208	2,817,331	(708,123)
Total debt service	15,467,773	8,207,898	8,916,022	(708,124)
Total expenditures	30,385,382	166,356,883	50,854,843	115,502,040
Revenues under expenditures	(4,983)	(124,479,027)	(365,783)	124,113,244
Other financing sources (uses):				
Transfers in	6,876,224	7,531,904	7,531,904	—
Issuance of long-term debt	—	96,972,854	93,740,000	(3,232,854)
Premium on long-term debt	—	—	5,474,186	5,474,186
Sale of capital assets	48,423	48,423	11,481	(36,942)
Total other financing sources	6,924,647	104,553,181	106,757,571	2,204,390
Revenues and other financing sources over expenditures and other financing sources	$ 6,919,664	(19,925,846)	106,391,788	126,317,634
Fund balance, beginning of year			67,317,220	
Fund balance, end of year			173,709,008	

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Revenues:				
Prop C taxes	$ 8,989,718	8,732,135	8,805,025	(72,890)
Local	133,429	72,350	73,350	(1,000)
County	104,250	406,255	161,499	244,756
Basic formula	297,379	180,759	180,759	—
State	—	—	321,397	(321,397)
Federal	263,287	281,279	278,205	3,074
Tuition	—	—	26,600	(26,600)
Total revenues	9,788,063	9,672,778	9,846,835	(174,057)
Expenditures:				
Current:				
Support services - general administration:				
Office of superintendent services:				
Salaries	882,107	969,479	933,687	35,792
Benefits	278,686	288,957	276,776	12,181
Total office of superintendent services	1,160,793	1,258,436	1,210,463	47,973
Other executive administration services:				
Salaries	2,437,255	2,120,776	2,077,242	43,534
Benefits	851,259	705,111	677,680	27,431
Total other executive administration services	3,288,514	2,825,887	2,754,922	70,965
Total administrative technology services	4,449,307	4,084,323	3,965,385	118,938
Support services - building level administration:				
Office of principal services:				
Salaries	7,330,807	7,783,835	7,848,237	(64,402)
Benefits	2,738,792	2,509,120	2,426,237	82,883
Total office of principal services	10,069,599	10,292,955	10,274,474	18,481
Instruction:				
Elementary:				
Salaries	31,686,733	31,779,341	31,400,897	378,444
Benefits	12,405,706	11,220,391	10,805,835	414,556
Total elementary	44,092,439	42,999,732	42,206,732	793,000
Middle:				
Salaries	4,829,502	4,114,593	4,086,570	28,023
Benefits	1,904,440	1,555,092	1,495,400	59,692
Total middle/junior high	6,733,942	5,669,685	5,581,970	87,715
Senior high:				
Salaries	14,390,745	13,024,931	13,145,043	(120,112)
Benefits	5,614,579	4,746,290	4,602,234	144,056
Total senior high	20,005,324	17,771,221	17,747,277	23,944
Summer school:				
Salaries	1,950,405	1,965,405	1,744,968	220,437
Benefits	169,439	170,809	119,912	50,897
Total summer school	2,119,844	2,136,214	1,864,880	271,334
JAG (Jobs for America Graduates)				
Salaries	—	656	656	—
Benefits	—	386	385	1
Total JAG	—	1,042	1,041	1
Gifted and talented:				
Salaries	514,219	510,888	509,322	1,566
Benefits	192,028	161,953	161,722	231
Total gifted and talented	706,247	672,841	671,044	1,797
Special education:				
Salaries	8,083,603	6,786,882	7,235,053	(448,171)
Benefits	3,002,991	2,379,827	2,430,936	(51,109)
Total special education	11,086,594	9,166,709	9,665,989	(499,280)
Proportionate share services:				
Salaries	—	5,397	14,970	(9,573)
Benefits	—	492	1,329	(837)
Total proportionate share services	—	5,889	16,299	(10,410)
Supplemental instruction:				
Salaries	4,281,107	4,189,713	3,976,967	212,746
Benefits	1,616,893	1,411,198	1,274,521	136,677
Total supplemental instruction	5,898,000	5,600,911	5,251,488	349,423

(Continued)

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Bilingual				
Salaries	$ 5,790,586	5,516,058	5,517,228	(1,170)
Benefits	2,208,808	1,870,621	1,880,966	(10,345)
Total bilingual	7,999,394	7,386,679	7,398,194	(11,515)
Early childhood special education:				
Salaries	963,393	566,443	486,387	80,056
Benefits	400,799	198,575	164,159	34,416
Total early childhood special education	1,364,192	765,018	650,546	114,472
Business education:				
Salaries	51,465	51,465	35,555	15,910
Benefits	22,279	22,279	15,680	6,599
Total business education	73,744	73,744	51,235	22,509
Family and consumer science:				
Salaries	214,541	214,541	218,379	(3,838)
Benefits	80,930	80,930	79,413	1,517
Total family and consumer science	295,471	295,471	297,792	(2,321)
Health science:				
Salaries	143,265	143,265	138,646	4,619
Benefits	54,009	54,009	50,927	3,082
Total health science	197,274	197,274	189,573	7,701
Skilled technical sciences education				
Salaries	316,493	316,493	325,074	(8,581)
Benefits	115,039	115,039	111,636	3,403
Total skilled technical sciences education	431,532	431,532	436,710	(5,178)
Other career education:				
Salaries	1,692,515	1,680,525	1,467,905	212,620
Benefits	645,281	532,187	475,757	56,430
Total other career education	2,337,796	2,212,712	1,943,662	269,050
Student activities:				
Salaries	1,061,707	1,041,957	1,290,650	(248,693)
Benefits	96,722	97,053	103,599	(6,546)
Total student activities	1,158,429	1,139,010	1,394,249	(255,239)
Adult education:				
Salaries	105,461	158,272	171,990	(13,718)
Benefits	39,089	56,615	43,913	12,702
Total adult education	144,550	214,887	215,903	(1,016)
Workplace literacy				
Salaries	68,447	60,500	38,849	21,651
Benefits	21,178	19,052	12,195	6,857
Total workplace literacy	89,625	79,552	51,044	28,508
English language learning				
Salaries	352,652	310,911	306,730	4,181
Benefits	102,140	82,923	68,692	14,231
Total english language learning	454,792	393,834	375,422	18,412
Total instruction	105,189,189	97,213,957	96,011,050	1,202,907
Support services - pupils:				
System support for guidance services:				
Salaries	3,463,902	3,290,719	3,192,013	98,706
Benefits	1,293,220	1,133,962	1,068,717	65,245
Total system support for guidance services	4,757,122	4,424,681	4,260,730	163,951
Speech pathology and audiology services:				
Salaries	1,004,288	838,477	891,206	(52,729)
Benefits	377,445	288,203	299,646	(11,443)
Total speech pathology and audiology services	1,381,733	1,126,680	1,190,852	(64,172)
Occupational therapy:				
Salaries	224,914	231,309	233,351	(2,042)
Benefits	90,827	77,547	77,010	537
Total occupational therapy	315,741	308,856	310,361	(1,505)
Total support services - pupils	6,454,596	5,860,217	5,761,943	98,274

(Continued)

KANSAS CITY PUBLIC SCHOOLS

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

Year ended June 30, 2025

	Original budget	Final budget	Actual	Variance with Final Budget
Support services - instructional staff:				
Instruction and curriculum development services:				
Salaries	$ 4,496,093	4,734,538	4,513,960	220,578
Benefits	1,698,853	1,640,141	1,511,209	128,932
Total instruction and curriculum development	6,194,946	6,374,679	6,025,169	349,510
Instructional staff training services:				
Salaries	644,178	690,456	921,566	(231,110)
Benefits	86,201	87,038	93,398	(6,360)
Total instructional staff training services	730,379	777,494	1,014,964	(237,470)
Educational media services area direction:				
Salaries	1,800,500	1,737,097	1,681,124	55,973
Benefits	645,146	593,362	570,419	22,943
Total educational media services area direction	2,445,646	2,330,459	2,251,543	78,916
Total support services - instructional staff	9,370,971	9,482,632	9,291,676	190,956
Early childhood programs:				
Salaries	2,143,855	2,362,298	2,274,260	88,038
Benefits	830,324	883,758	850,573	33,185
Total early childhood programs	2,974,179	3,246,056	3,124,833	121,223
Total expenditures	138,507,841	130,184,504	128,430,089	1,754,415
Revenues under expenditures	(128,719,778)	(120,511,726)	(118,583,254)	(1,928,472)
Other financing sources:				
Transfers in	128,719,778	120,511,726	118,583,254	(1,928,472)
Revenues and other financing sources over (under) expenditures	—	—	—	—
Fund balance, beginning of year			—	
Fund balance, end of year			$ —	

CAPITAL ASSETS

KANSAS CITY PUBLIC SCHOOLS

Capital Assets Used in the Operation of Governmental Funds by Source

June 30, 2025

	2025
Capital assets (gross):	
Land	$ 28,373,606
Buildings	609,717,003
Improvements other than buildings	52,060,592
Impairment-closed buildings	6,812,994
Equipment, furniture, and vehicles	17,469,090
Software	651,904
Right-to-use lease assets	
Energy savings equipment	18,085,216
Mobile classrooms	—
Vehicles	1,271,093
Copiers	976,280
Software	1,419,077
Construction in progress	9,140,218
Total	$ 745,977,073
Investment in capital assets by source:	
General fund	$ 306,912
Capital projects	691,466,207
Special revenue	32,413,713
Trust and agency	13,127
Right-to-use leased assets	21,751,666
Donations	25,448
Total	$ 745,977,073

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, 2025

Classification		Beginning balance July 1, 2024	Adjustments	Additions	Retirements	Ending balance June 30, 2025
High schools	$	296,238,669	(1,001,308)	10,798,413	(3,615,593)	302,420,181
Middle schools		113,945,777	187,082	1,083,717	(201,418)	115,015,158
Elementary schools		256,311,643	(201,220)	12,466,391	(1,014,133)	267,562,681
Administration		28,328,429	(12,626)	2,448,758	(677,392)	30,087,169
Right-to-use leased assets		21,240,018	—	1,491,915	(980,267)	21,751,666
Construction in progress		—	—	9,140,218	—	9,140,218
Total	$	716,064,536	(1,028,072)	37,429,412	(6,488,803)	745,977,073

KANSAS CITY PUBLIC SCHOOLS

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

June 30, 2025

Classification	Land	Buildings	Improvements other than buildings	Impaired assets	Equipment, furniture, vehicles	Software	Right-to-use assets	Construction-in-progress	Total
High schools	$ 10,074,435	250,292,646	35,875,846	1,111,931	5,065,323	—	—	—	302,420,181
Middle schools	4,304,228	106,553,148	2,970,299	—	1,165,376	22,107	—	—	115,015,158
Elementary schools	12,203,291	234,681,110	10,440,350	5,701,063	4,536,867	—	—	—	267,562,681
Administration	1,791,652	18,190,099	2,774,097	—	6,701,524	629,797	—	—	30,087,169
Right-to-use assets	—	—	—	—	—	—	21,751,666	—	21,751,666
Construction-in-progress	—	—	—	—	—	—	—	9,140,218	9,140,218
Total	$ 28,373,606	609,717,003	52,060,592	6,812,994	17,469,090	651,904	21,751,666	9,140,218	745,977,073

Kansas City Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Passed through Missouri Department of Elementary and Secondary Education			
Title I Grants to Local Education Agencies:			
Title I	84.010A	S010A220025 & S010A230025	$ 9,216,831
Title 1- School Improvement 1003A	84.010A	S010A210025 & S010A220025 & S010A230025	1,912,664
Subtotal 84.010			11,129,495
Student Support and Academic Enrichment Program - Title IV, Part A	84.424A	S424A220026	970,247
Special Education Cluster Individuals with Disabilities Education Act (IDEA):			
Special Education Grants to States:			
Entitlement	84.027A	H027A220040	6,265,328
Early Childhood Special Education (611)	84.027A	H027A220040	273,288
Subtotal 84.027			6,538,616
Special Education Preschool Grants	84.173A	H173A220103	112,798
Subtotal for Special Education Cluster (IDEA)			6,651,414
Education for Homeless Children and Youth	84.196A	S196A210026	161,723
Education Stabilization Fund:			
COVID-19—Elementary and Secondary School Emergency Relief Fur	84.425U	S425U210021	5,526,018
English Language Acquisition State Grants:			
Title III, English Language Learners	84.365A	S367A220025	720,509
Title III, Language Instruction Immigrant	84.365A	S365A210025	168,496
Subtotal 84.365			889,005
Comprehensive Literacy Development	84.371C	S371C200019	116,155
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants):			
Title II, Part A	84.367A	S367A220024 & S367A230024	1,000,266
Migrant Education State Grant Program	84.011A	S011A210025	14,407
Career and Technical Education—Basic Grants to States:			
Title II, Part C, Improvement and Expansion	84.048A	V048A230025	871,017
Adult Education- Basic Grants to States	84.002A	V002A220026	521,419
Total U.S. Department of Education			27,851,166

(Continued)

Kansas City Public Schools
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Army			
Direct Program - ROTC Salary Grant	12.999	N/A	278,205
U.S. Department of Agriculture:			
Passed through Missouri Department of Elementary and Secondary Education:			
National School Lunch Program:			
Food Distribution (noncash) (1)	10.555	N/A	1,276,962
National School Lunch Program (1)	10.555	20210N109943 & 20221N119943	6,506,424
Subtotal 10.555			7,783,386
National School Breakfast Program (1)	10.553	20210N109943 & 20221N119943	3,094,731
Fresh Fruit and Vegetable Program (1)	10.582	2021IL160343 2022IL160343	333,135
Passed through Missouri Department of Health and Senior Services:			
Child and Adult Care Food Program	10.558	3MO300305-2024 & 3MO300305-2025	1,505,147
Child and Adult Care Food Program—Snacks	10.558	3MO300305-2024 & 3MO300305-2025	72,655
Subtotal 10.558			1,577,802
Summer Food Service Program for Children (1)	10.559	3MO0300305-2025	379,869
Total U.S. Department of Agriculture			13,168,923
U.S. Department of Interior			
400 Years African American History	15.U12	AAHC221874	9,538
U.S. Department of Justice			
Passed through Missouri Department of Social Services			
Crime Victim Assistance—Victims of Crime Act	16.575	2018-V2-GX-0035 & 2019-V2-GX-0044	1,305,324
U.S. Department of Labor			
Passed through Full Employment Council- WOIA Cluster			
WIOA Youth activities	17.259	AA-30771-18-60-a-29	115,285
U.S. Department of Treasury			
Passed through Missouri Department of Elementary and Secondary Education:			
COVID-19—Coronavirus State and Local Fiscal Recovery Funds			
ARP—Mo Career Opportunity	21.027	SLFRP4542	31,190
Passed through Missouri Department of Health and Senior Services:			
COVID-19—Coronavirus State and Local Fiscal Recovery Funds			
Get the Lead out of School Drinking Water	21.027		57,497
Subtotal 21.027			88,687
U.S. Department of Health and Human Services:			
Passed through Missouri Department of Elementary and Secondary Education			
Substance Abuse and Mental Health Services Projects			
of Regional and National Significance	93.243	3410-0105-8977-AWF1	498,992
Temporary Assistance for Needy Families	93.558	1701MDTANF	67,059
Refugee and Entrant Assistance State/Replacement Designee			
Administered Programs			
Afghan Refugee	93.576	232MORSSS	281,422
Afghan Refugee S25	93.576	232MORSSS	149,317
Refugee Children School Impact	93.576	2102MORSSS	499,159
Subtotal 93.576			929,898
Passed through Mid America Regional Council - Head Start Cluster			
Early Head Start Expansion	93.600	07HP000084	286,088
Head Start	93.600	07CH7056	6,004,542
Subtotal 93.600 Head Start Cluster			6,290,630
Total U.S. Department of Heath and Human Services			7,786,579
Total Expenditures of Federal Awards			50,603,707

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

(1) Included in Child Nutrition Cluster amount of $11,591,121.

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

Year Ended June 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Kansas City Public Schools under programs of the federal government for the year ended June 30, 2025. 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. Summary of Significant Accounting Policies

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

Note 3. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (food commodities) received during the year in the amount of $1,276,962 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, 2025.

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 2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
Net investment in capital assets	$ 324,874	$ 304,699	$ 275,736	$ 283,877	$ 286,262	$ 291,110	$ 304,186	$ 302,543	$ 317,613	$ 318,262
Restricted	9,196	12,307	12,693	13,350	13,364	16,538	16,873	29,536	12,281	14,847
Unrestricted	89,159	42,969	(23,869)	(66,888)	(100,963)	(112,967)	(121,386)	(93,944)	(42,264)	(25,324)
Total governmental activities, net of position	$ 423,229	$ 359,975	$ 264,560	$ 230,339	$ 198,663	$ 194,681	$ 199,673	$ 238,135	$ 287,630	$ 307,785
Business-type activities:										
Unrestricted	$ 1,376	$ 1,349	$ 1,323	$ 1,300	$ 1,281	$ 1,232	$ 1,140	$ 823	$ 465	$ 433
Total business-type activities, net of position	$ 1,376	$ 1,349	$ 1,323	$ 1,300	$ 1,281	$ 1,232	$ 1,140	$ 823	$ 465	$ 433
Primary government:										
Net investment in capital assets	$ 324,874	$ 304,699	$ 275,736	$ 283,877	$ 286,262	$ 291,110	$ 304,186	$ 302,543	$ 317,613	$ 318,262
Restricted	9,196	12,307	12,693	13,350	13,364	16,538	16,873	29,536	12,281	14,847
Unrestricted	90,536	44,319	(22,546)	(65,587)	(99,681)	(111,735)	(120,245)	(93,121)	(41,799)	(24,891)
Total primary government, net of position	$ 424,606	$ 361,325	$ 265,883	$ 231,640	$ 199,945	$ 195,913	$ 200,814	$ 238,958	$ 288,095	$ 308,218

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.
The District adopted GASB Statement No. 101 in 2025, 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)

	Fiscal Year									
Classification	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Expenses										
Governmental activities:										
Administration	$ 39,775	$ 34,823	$ 32,322	$ 29,600	$ 28,280	$ 31,188	$ 17,561	$ 16,195	$ 16,035	$ 17,416
Instruction	146,835	137,498	137,667	121,802	119,132	109,200	117,759	118,416	115,241	127,841
Support services	66,319	62,315	65,676	52,119	48,431	79,494	90,931	78,338	69,642	57,780
Operation of facilities	39,595	35,222	33,916	30,563	29,530	27,743	29,208	29,943	30,741	33,451
Pupil transportation	19,933	16,530	17,631	17,705	12,127	16,019	16,225	15,786	15,802	12,725
Facilities improvements and renovation	6,632	7,413	3,735	510	—	1,670	2,187	3,922	1,051	826
Community and adult services	19,411	18,300	16,566	15,177	12,232	10,063	11,053	12,125	12,222	12,353
Interest on long-term debt	4,012	2,576	2,849	2,904	3,655	3,941	4,228	4,491	5,749	3,332
Total governmental activities expenses	$ 342,512	$ 314,677	$ 310,362	$ 270,380	$ 253,387	$ 279,318	$ 289,152	$ 279,216	$ 266,483	$ 265,724
Business-type activities										
Community services	$ 1	$ 2	$ 2	$ 4	$ 1	$ 47	$ 108	$ 107	$ 116	$ 393
Total business-type activities expenses	1	2	2	4	1	47	108	107	116	393
Total primary government expenses	$ 342,513	$ 314,679	$ 310,364	$ 270,384	$ 253,388	$ 279,365	$ 289,260	$ 279,323	$ 266,599	$ 266,117
Program Revenues										
Governmental activities:										
Charges for services										
Administration	$ 328	$ —	$ —	$ —	$ 2	$ —	$ —	$ —	$ 9	$ 3
Instruction	234	155	1,131	10	30	30	21	42	11	147
Support services	494	578	4,579	690	38	145	156	252	1,328	1,690
Operation of facilities	—	—	—	—	—	—	—	—	21	3
Pupil transportation	—	—	—	—	—	—	—	—	—	3
Community and adult services	1,004	903	793	188	5	163	257	245	112	151
Operating grants and contributions										
Administration	—	137	170	422	302	1,559	—	—	119	—
Instruction	41,224	52,126	54,172	49,367	35,281	32,244	26,423	28,743	30,901	29,015
Support services	18,193	18,452	21,124	15,620	5,894	10,704	12,822	12,219	12,895	13,572
Operation of facilities	—	—	20	—	—	471	14	132	2	—
Pupil transportation	7,254	7,469	8,033	2,673	2,535	2,605	2,931	2,634	2,117	2,708
Community and adult services	541	748	—	1,825	6,094	2,491	6,868	2,881	2,250	1,446
Capital grants and contributions										
Administration	—	—	—	4,883	1,499	676	—	—	—	—
Instruction	3,955	173	2,882	854	1,103	—	—	3	5	—
Support services	—	300	—	—	—	—	25	—	298	—
Operation of facilities	—	282	—	373	294	331	—	25	225	—
Facilities improvements and renovation	1,194	27,379	—	—	—	—	—	—	—	—
Community and adult services	—	—	—	—	—	—	—	—	—	—
Interest on long-term debt	393	583	879	1,048	1,077	1,344	1,483	1,614	1,739	1,743
Total governmental activities program revenue	74,814	109,285	93,783	77,953	54,154	52,763	51,000	48,790	52,032	50,481

Classification	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Business-type activities:										
Charges for services	28	27	26	22	124	139	561	540	381	412
Total business-type activities program revenues	28	27	26	22	124	139	561	540	381	412
Total primary governmental program revenues	$ 74,842	$ 109,312	$ 93,809	$ 77,975	$ 54,278	$ 52,902	$ 51,561	$ 49,330	$ 52,413	$ 50,893
Net (expense)/revenue										
Governmental activities	$ (267,697)	$ (205,392)	$ (217,577)	$ (192,425)	$ (199,232)	$ (226,552)	$ (238,152)	$ (230,427)	$ (214,452)	$ (215,243)
Business-type activities	27	26	23	18	123	91	420	432	273	295
Total primary government net expense	$ (267,670)	$ (205,366)	$ (217,554)	$ (192,407)	$ (199,109)	$ (226,461)	$ (237,732)	$ (229,995)	$ (214,179)	$ (214,948)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 285,399	$ 254,072	$ 212,520	$ 188,963	$ 171,575	$ 189,407	$ 160,455	$ 165,714	$ 158,869	$ 146,959
Prop C Sales tax	23,480	24,330	22,578	23,328	17,512	17,490	18,105	17,761	17,798	17,616
Other local revenues	4,458	5,308	5,738	5,363	7,130	6,785	6,975	5,119	4,341	7,705
County governmental contributions	7,228	8,270	5,421	7,106	6,131	5,469	6,763	5,907	5,672	4,964
State aid-basic formula	241	232	491	397	—	—	2,848	5,018	6,626	12,365
Grants and entitlements not restricted to specific programs	—	—	—	—	—	—	1,462	146	7	743
Gain (loss) on sale of capital assets	—	—	—	—	—	—	—	(317)	—	—
Investment earnings	11,241	8,595	5,050	773	177	2,408	2,980	1,884	743	1,519
Transfers	—	—	—	—	74	—	102	74	242	150
Total governmental activities	332,047	300,807	251,798	225,930	202,599	221,559	199,690	201,306	194,298	192,021
Business-type activities:										
Transfers	—	—	—	(74)	—	(102)	(74)	(242)	(150)	(120)
Total business-type activities	—	—	—	(74)	—	(102)	(74)	(242)	(150)	(120)
Total primary government	$ 332,047	$ 300,807	$ 251,798	$ 225,856	$ 202,599	$ 221,457	$ 199,616	$ 201,064	$ 194,148	$ 191,901
Change in Net Position										
Governmental activities	$ 64,350	$ 95,415	$ 34,221	$ 33,505	$ 3,367	$ (4,993)	$ (38,462)	$ (29,121)	$ (20,154)	$ (23,222)
Business-type activities	27	26	23	(56)	123	(11)	346	190	123	175
Total primary government	$ 64,377	$ 95,441	$ 34,244	$ 33,449	$ 3,490	$ (5,004)	$ (38,116)	$ (28,931)	$ (20,031)	$ (23,047)

Table 3

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

	Fiscal Year									
Classification	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General Fund										
Nonspendable	$ 672	$ 785	$ 1,354	$ 36	$ —	$ 189	$ 146	$ 1,193	$ 5	$ 5
Restricted	284	284	284	284	284	284	285	284	281	280
Committed	—	—	—	9,110	—	—	—	—	—	—
Assigned	2,823	3,371	5,104	5,653	4,381	5,928	3,671	3,961	3,294	2,726
Unassigned	167,251	125,915	100,697	80,500	69,381	56,175	49,400	53,189	55,929	54,023
Total general fund	$ 171,030	$ 130,355	$ 107,439	$ 95,583	$ 74,046	$ 62,576	$ 53,502	$ 58,627	$ 59,509	$ 57,034
All other governmental funds										
Nonspendable	$ 984	$ 35	$ 35	$ 35	$ 35	$ 439	$ 35	$ 35	$ 35	$ 35
Restricted	8,877	11,988	12,374	13,031	13,045	16,219	16,553	29,217	16,501	17,888
Committed	24,029	6,065	10,475	3,994	2,433	1,755	3,202	193	4,411	3,847
Assigned	147,156	59,674	24,717	22,832	17,488	21,268	22,209	23,724	45,055	12,400
Total all other governmental funds	$ 181,046	$ 77,762	$ 47,601	$ 39,892	$ 33,001	$ 39,681	$ 41,999	$ 53,169	$ 66,002	$ 34,170

KANSAS CITY PUBLIC SCHOOLS **Table 4**

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

	Fiscal Year									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Revenues										
Property taxes	$ 278,046	$ 249,190	$ 211,286	$ 191,210	$ 175,793	$ 179,206	$ 165,281	$ 166,781	$ 156,704	$ 144,378
Prop C Sales tax	23,480	24,330	22,578	23,328	17,512	17,490	18,105	17,761	17,798	17,616
Other local revenues	22,705	17,335	13,978	9,717	10,264	13,882	13,348	9,748	9,706	11,600
County governmental contributions	7,227	8,269	5,421	7,106	6,131	5,469	6,763	5,907	5,672	4,964
State aid-basic formula	241	232	491	397	—	—	2,848	5,018	6,626	12,365
Other state	14,968	14,120	12,511	7,300	7,674	6,951	7,508	8,709	7,125	7,560
Federal	61,731	90,391	65,103	70,125	44,164	39,004	36,228	34,521	42,634	44,423
Tuition	436	454	276	212	35	194	278	266	168	416
Total revenues	408,834	404,321	331,644	309,395	261,573	262,196	250,359	248,711	246,433	243,322
Expenditures										
Administration	41,805	33,112	29,524	29,720	29,410	33,876	18,011	15,761	17,334	15,446
Instruction	133,210	129,814	124,889	118,223	109,002	104,236	104,938	105,594	103,335	109,321
Support services	66,085	64,116	62,115	56,070	50,080	50,112	58,335	55,640	57,848	53,852
Operation of facilities	41,659	40,073	35,925	33,374	31,069	29,477	29,173	30,603	31,921	32,170
Pupil transportation	19,648	16,173	18,401	17,806	12,373	16,040	16,225	15,786	15,802	12,725
Community and adult services	19,779	18,322	16,578	15,090	12,191	10,889	11,050	12,134	12,367	11,445
Facilities improvements and renovations	33,474	40,683	8,580	6,711	5,023	8,004	19,883	18,538	30,330	29,502
Leases										
Principal	841	1,007	596	392	—	—	—	—	—	—
Interest	68	51	19	24	—	—	—	—	—	—
Debt service										
Principal	6,099	5,905	5,748	5,542	5,250	5,066	3,749	4,720	5,173	3,601
Interest	2,216	2,537	2,842	3,183	3,672	3,954	5,392	4,504	5,303	3,336
Bond issuance cost	708	—	—	—	—	—	—	—	—	—
Total expenditures	365,592	351,793	305,217	286,135	258,070	261,654	266,756	263,280	279,413	271,398
Excess of revenues over (under) expenditures	43,242	52,528	26,427	23,260	3,503	542	(16,397)	(14,569)	(32,980)	(28,076)
Other financing sources (uses)										
Transfers in	11,578	11,239	11,040	10,848	12,117	4,340	13,706	14,883	9,748	6,339
Transfers out	(11,578)	(11,239)	(19,935)	(10,848)	(12,043)	(4,340)	(13,604)	(14,809)	(9,506)	(6,189)
Issuance of lease	1,492	547	1,603	274	—	—	—	—	—	—
Issuance of long term debt	93,740	—	—	—	—	—	—	—	51,035	—
Premium on long-term debt	5,474	—	—	—	—	—	—	—	2,317	—
Capital leases/lease purchase agreement	—	—	—	—	—	—	—	—	11,640	16,147
Unrealized loss on surplus assets	—	—	—	—	—	—	—	—	—	(300)
Sales of capital assets	12	—	430	356	1,214	6,214	—	781	2,053	431
Total other financing sources (uses)	100,718	547	(6,862)	630	1,288	6,214	102	855	67,287	16,428
Net change in fund balances	$ 143,960	$ 53,075	$ 19,565	$ 23,890	$ 4,791	$ 6,756	$ (16,295)	$ (13,714)	$ 34,307	$ (11,648)
Debt service as a percentage of noncapital expenditures	2.8%	3.1%	3.1%	3.3%	3.5%	3.6%	3.7%	4.3%	4.3%	2.9%

Table 5

KANSAS CITY PUBLIC SCHOOLS

Assessed and Estimated Actual Value of Taxable Property (1)

Last Ten Calendar Years

Tax levy year	Real property (2)		Personal property (2)		Total		Ratio of total assessed
	Value	Actual value	Value	Actual value	Value	Actual value	Actual value
2024	$ 4,252,550,868	$ 18,572,879,712	$ 854,163,499	$ 2,562,746,772	5,106,714,367	21,135,626,484	24
2023	4,294,938,701	18,724,759,923	855,087,888	2,565,520,216	5,150,026,589	21,290,280,139	24
2022	3,286,668,983	14,292,818,739	877,387,223	2,632,424,911	4,164,056,206	16,925,243,650	25
2021	3,266,835,874	14,170,704,027	739,566,465	2,218,921,287	4,006,402,339	16,389,625,314	24
2020	3,027,920,511	12,994,793,746	707,073,560	2,121,432,823	3,734,994,071	15,116,226,569	25
2019	3,306,429,268	14,046,258,749	696,129,210	2,088,596,490	4,002,558,478	16,134,855,239	25
2018	2,459,975,479	10,673,756,937	717,661,888	2,153,200,984	3,177,637,367	12,826,957,921	25
2017	2,478,583,172	10,666,103,205	706,641,826	2,120,137,492	3,185,224,998	12,786,240,697	25
2016	2,206,661,482	9,638,832,171	692,101,904	2,076,513,363	2,898,763,386	11,715,345,534	25
2015	2,177,107,405	9,504,761,520	673,218,103	2,019,856,295	2,850,325,508	11,524,617,815	25

(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 valu

(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

Fiscal year ended	City of Kansas City	State of Missouri	Jackson County	Metropolitan Community Colleges	Kansas City, Missouri Public Library	School District	Total (2)
2025	$ 1.5291	$ 0.03	$ 0.506	$ 0.1806	$ 0.5166	$ 4.9599	$ 7.72
2024	1.4953	0.03	0.512	0.1780	0.4762	4.9599	7.65
2023	1.6919	0.03	0.059	0.2028	0.5543	4.9599	7.50
2022	1.6981	0.03	0.582	0.2028	0.5504	4.9599	8.02
2021	1.7529	0.03	0.611	0.2128	0.5644	4.9599	8.13
2020	1.5960	0.03	0.611	0.2047	0.5644	4.9599	7.97
2019	1.6783	0.03	0.701	0.2305	0.5065	4.9599	8.11
2018	1.6006	0.03	0.485	0.2297	0.4676	4.9599	7.77
2017	1.5906	0.03	0.503	0.2339	0.4940	4.9599	7.81
2016	1.5806	0.03	0.496	0.2343	0.4933	4.9500	7.78

(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, 2025

		Tax Year 2024			Tax Year 2015		
Taxpayers	**Type of Business**	**Assessed value(1)**	**Rank**	**Percentage of total assessed value**	**Assessed value(1)**	**Rank**	**Percentage of total assessed value**
Southern Union dba MGE and Spire	Transportation/utilities	137,468,905	1	2.69%	21,182,188	9	0.74
Evergy Metro	Utilities	74,926,343	2	1.47	51,220,030	3	1.80
Country Club Plaza	Real estate investment	56,351,840	3	1.10	26,372,500	7	0.93
Crown Power & ReDev Corp/Hallmark	Greeting cards, hotel and retail sales	47,945,222	4	0.94	67,082,922	2	2.35
Federal Reserve Bank of KC	Banking	31,084,480	5	0.61			
Bayer Crop Science	Agricultural research and mfg	30,566,000	6	0.60	27,963,477	5	0.98
Town Pavilion Holdings	Retail shopping center	29,440,990	7	0.58	22,252,269	8	0.78
Google Fiber Missouri LLC	Communications	28,794,003	8	0.56	35,710,735	4	1.25
Mars Petcare US Inc	Retail sales	27,491,600	9	0.54			
Hawthorne Homes LLX	Real estate	18,330,848	10	0.36			
JC Nichols & Highwoods Realty	Real estate investment						
Twentieth Century Realty Inc	Real estate				14,278,288	10	0.50
Isle of Capri & Flamingo Hilton	Hotel and casino				26,372,860	6	0.93
AT & T Services Corp	Communications				72,886,907	1	2.56
		$ 482,400,231		9.45%	365,322,176		12.82%

Note: Total assessed value for 2024 was $5,150,026,589 and 2015 was $2,850,325,508

(1) Based on calendar year ended December 31, 2024 and December 31, 2015.

Source: Jackson County, Division of Finance, Collection Department reports.

Table 8

KANSAS CITY PUBLIC SCHOOLS

Property Tax Levies and Collections (1)

Last Ten Calendar Years

Tax levy year	Current tax levy (2)	Current tax collections	Percentage of levy collected	Delinquent tax collections	Total tax collections	Total collections as a percent of current levy (3)	Outstanding delinquent taxes (4)	Outstanding delinquent taxes as a percentage of current levy
2024	$ 249,012,076	224,495,883	90.2%	$ 23,698,351	$ 248,194,234	99.7%	$ 27,115,528	11%
2023	246,718,280	218,501,223	88.6%	8,718,683	227,219,906	92.1%	19,321,095	8%
2022	198,897,244	181,537,636	91.3%	9,101,484	190,639,120	95.8%	15,093,830	8%
2021	190,361,028	174,580,973	91.7%	11,886,132	186,467,105	98.0%	12,873,771	7%
2020	175,845,409	160,127,997	91.1%	7,561,666	167,689,663	95.4%	14,891,956	8%
2019	190,290,846	166,860,615	87.7%	7,492,300	174,352,915	91.6%	15,131,323	8%
2018	151,811,701	147,632,343	97.2%	8,720,622	156,352,965	103.0%	11,435,855	8%
2017	152,478,548	145,810,859	95.6%	9,439,450	155,250,309	101.8%	16,341,716	11%
2016	141,314,785	130,897,819	92.6%	11,152,184	142,050,003	100.5%	16,608,841	12%
2015	138,687,992	123,114,788	88.8%	7,158,783	130,273,571	93.9%	15,573,204	11%

(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	Lease/Subscription Agreements	Total Primary Government
2025	$ 4,760,000	10,755,369	144,133,787	1,457,025	161,106,181
2024	8,260,000	12,769,060	45,620,473	537,261	65,259,060
2023	11,555,000	14,739,249	46,376,345	1,013,270	73,683,864
2022	14,660,000	16,666,874	47,207,217	671,052	79,205,143
2021	17,590,000	18,336,601	48,073,089	—	83,999,690
2020	20,360,000	20,041,304	48,963,961	—	89,365,265
2019	22,980,000	21,687,626	49,879,832	—	94,547,458
2018	25,455,000	23,277,565	50,825,704	—	99,558,269
2017	27,805,000	24,813,052	51,776,577	—	104,394,629
2016	30,035,000	14,655,924	—	—	44,690,924

Table 10

KANSAS CITY PUBLIC SCHOOLS

Computation of Overlapping Debt

June 30, 2025

Jurisdiction	General obligation bonds outstanding (2)	Percentage applicable to District (1)	Amount applicable to District
City of Kansas City, Missouri	$ 487,510,000	100%	$ 487,510,000

(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, 2025

Total assessed value, tax levy year 2024 (1)	$	5,106,714,367
Legal debt margin—15% of assessed value (2)		766,007,155

(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, 2025.

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
2025	206,084	14,147	6.86	%	11,840	83.7
2024	206,084	14,702	7.13		11,489	78.1
2023	206,084	13,619	6.61		11,526	84.6
2022	206,084	13,519	6.56		11,002	81.4
2021	193,837	13,505	6.97		11,243	83.3
2020	193,837	14,384	7.42		12,972	90.2
2019	193,837	14,096	7.27		12,535	88.9
2018	193,837	14,124	7.29		12,904	91.4
2017	193,837	14,161	7.31		13,224	93.4
2016	193,837	14,662	7.56		13,273	90.5

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)
2025	$ 21,135,626,484	$ 89.0	$ 132.2
2024	21,290,280,139	235.6	66.6
2023	16,925,243,650	85.6	135.6
2022	16,389,625,314	18.8	7.4
2021	15,116,226,569	201.4	110.2
2020	16,134,855,239	120.9	143.8
2019	12,826,957,921	54.5	78.3
2018	12,786,240,697	38.8	112.9
2017	11,715,345,534	26.5	46.5
2016	11,524,617,815	34.9	26.4

(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
2025	12,255	12,669	22,046	13,964	1,105
2024	11,871	12,253	21,565	13,640	1,085
2023	11,847	12,168	20,563	13,372	1,063
2022	11,228	11,453	21,081	13,270	834
2021	11,623	12,004	18,302	13,377	782
2020	13,338	13,704	15,664	14,069	1,072
2019	13,358	13,985	15,045	13,985	1,099
2018	13,969	14,614	13,763	14,124	1,162
2017	14,210	14,871	13,744	14,161	1,104
2016	14,527	15,190	15,280	14,662	992

(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.

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APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of October 7, 2026 (this **"Continuing Disclosure Undertaking"**), is executed and delivered by **THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI** (the **"Issuer"**).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **$200,000,000*** **General Obligation Improvement Bonds, Series 2026** (the **"Bonds"**), pursuant to a Resolution adopted by the governing body of the Issuer (the **"Resolution"**).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the **"Rule"**). The Issuer is the only **"obligated person"** with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

"Beneficial Owner" means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

"Dissemination Agent" means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c)

* Preliminary, subject to change.

guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the **12**-month period beginning on **July 1** and ending on **June 30** or any other **12**-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

"Material Events" means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

"**MSRB"** means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than **December 31st** immediately following the end of the Issuer's Fiscal Year, commencing with the Fiscal Year ended June 30, 2026, file with the MSRB, through EMMA, the following financial information and operating data (the "**Annual Report**"):

(1) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with accounting principles described in the notes to the financial statements contained in ***Appendix B*** to the final Official Statement related to the Bonds. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A,** in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an **"obligated person"** (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted

separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**, and the Annual Report deadline provided above shall automatically become the last day of the sixth month after the end of the Issuer's new fiscal year.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than **10** Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
(15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB, in substantially the form attached hereto as **Exhibit B**, of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility

hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI

By: _____
Title: Chair of the Board of Directors

EXHIBIT A
TO CONTINUING DISCLOSURE UNDERTAKING

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in the tables in the following sections in ***Appendix A*** of the final Official Statement relating to the Bonds:

GENERAL INFORMATION CONCERNING THE DISTRICT:
- **History of Enrollment**

DEBT STRUCTURE OF THE DISTRICT:
- **Current Long-Term General Obligation Indebtedness**

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT:
- **Property Valuations**:
  - ***Current Assessed Valuation***
  - ***History of Property Valuations***
- **History of Tax Levies**
- **Tax Collection Record**

EXHIBIT B
TO CONTINUING DISCLOSURE UNDERTAKING

FORM OF FAILURE TO FILE NOTICE

Event Notice Pursuant to SEC Rule 15c2-12(b)(5)(C)

Issuer/Obligated Person: The School District of Kansas City, Missouri

Issues to which this Notice relates: General Obligation Improvement Bonds, Series 2026

CUSIP Numbers for Issue to which this Notice relates:

Maturity Date	**CUSIP Number**

Event Reported: Failure to Timely File Annual Financial Information/Audited Financial Statements

The Obligated Person did not timely file its operating data for the fiscal year ended June 30, 20___. Such operating data [*will be*] [*was*] filed with the MSRB through EMMA on _____, 20__.

The Obligated Person did not timely file its audited financial statements for the fiscal year ended June 30, 20___. Such audited financial statements [*will be*] [*were*] filed with the MSRB through EMMA on _____, 20___.

The information contained in this Notice has been submitted by the Obligated Person pursuant to contractual undertakings the Obligated Person made in accordance with SEC Rule 15c2-12. Nothing contained in the undertaking or this Notice is, or should be construed as, a representation by the Obligated Person that the information included in this Notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed above, or any other securities of the Obligated Person.

For additional information, contact:

Erin Thompson, Chief Financial Officer
Kansas City Public Schools
2901 Troost Avenue, Suite 144
Kansas City, Missouri 64109
(816) 418-7253

Date Submitted: [Date]

THE SCHOOL DISTRICT OF KANSAS CITY, MISSOURI

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's Book-Entry Only System has been obtained from sources that the District believes to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the District, the Paying Agent or the Underwriter. The District, the Paying Agent and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

General. Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the **"Book-Entry Only System"**) maintained by The Depository Trust Company (**"DTC"**), New York, New York. DTC will act as securities depository for the Bonds. Initially, the Bonds will be issued as fully-registered securities, registered in the name of Cede & Co. (DTC'S partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. The following discussion will not apply to any Bonds issued in certificate form due to the discontinuance of the DTC Book-Entry Only System, as described below.

DTC and its Participants. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (**"Direct Participants"**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**"DTCC"**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**"Indirect Participants"**). DTC has a rating from S&P Global Ratings of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchase of Ownership Interests. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the **"Beneficial Owner"**) is, in turn, to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Resolution. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of bonds as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal and Interest. Payments of principal of or redemption price and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, its nominee, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of or redemption price and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) will be the responsibility of the District or the Paying Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry Only System. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered as described in the Bond Resolution.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bond certificates may be delivered to

Beneficial Owners in the manner described herein under the caption **"THE BONDS - Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System**."

None of the Underwriter, the Paying Agent nor the District will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price or interest on the Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Resolution to be given to owners of the Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

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