



CITY OF NORTH KANSAS CITY, MISSOURI

Annual Comprehensive Financial Report

For The Year Ended September 30, 2025

CITY OF NORTH KANSAS CITY, MISSOURI
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025



Prepared by:
Administration Department

Contents

	Page
Part I - Introductory Section:	
Letter Of Transmittal.....	i - vii
Certificate Of Achievement For Excellence In Financial Reporting	viii
Organizational Chart	ix
Principal Officials	x
Part II - Financial Section:	
Independent Auditors' Report	1 - 3
Management's Discussion And Analysis - Required Supplementary Information	4 - 14
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement Of Net Position	15 - 16
Statement Of Activities	17
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	18
Reconciliation Of Total Governmental Fund Balances To Net Position Of Governmental Activities	19
Statement Of Revenues, Expenditures And Changes In Fund Balances - Governmental Funds	20
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities	21
Proprietary Funds:	
Statement Of Net Position - Enterprise Funds	22
Statement Of Revenues, Expenses And Changes In Net Position - Enterprise Funds.....	23
Statement Of Cash Flows - Enterprise Funds	24
Fiduciary Funds:	
Statement Of Fiduciary Net Position – Custodial Fund.....	25
Statement Of Changes In Fiduciary Net Position - Custodial Fund.....	26
Statement Of Fiduciary Net Position - Pension Trust Funds	27
Statement Of Changes In Fiduciary Net Position - Pension Trust Funds	28
Notes To Basic Financial Statements.....	29 - 82

Contents

	Page
Required Supplementary Information	
Missouri Local Government Employees' Retirement System	83 - 84
Police And Fire Retirement Plan	85 - 87
North Kansas City Hospital Pension Plan	88 - 90
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual - General Fund	91
Note To Required Supplementary Information (Budgetary Comparison Information)	92
Supplementary Information	
Nonmajor Governmental Funds	
Combining Balance Sheet	93
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances	94
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual - Special Revenue Funds	95
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual - Capital Projects Funds	96
Nonmajor Enterprise Funds:	
Combining Statement Of Net Position	97
Combining Statement Of Revenues, Expenses And Changes In Net Position	98
Combining Statement Of Cash Flows	99
Pension Trust Funds:	
Combining Statement Of Fiduciary Net Position	100
Combining Statement Of Changes In Fiduciary Net Position	101
Part III Statistical Section (Unaudited)	
Net Position By Component	102
Changes In Net Position	103 - 105
Fund Balances, Governmental Funds	106
Changes In Fund Balances, Governmental Funds	107
Tax Revenues By Source, Governmental Funds	108
Principal Sales Tax Industries	109
Legal Debt Margin Information	110
Pledged-Revenue Coverage	111
Direct And Overlapping Governmental Activities Debt	112
Debt Outstanding By Type	113
Demographic And Economic Statistics	114
Principal Employers	115
Full-Time Equivalent City Government Employees By Functions/Programs	116
Operating Indicators By Function/Program	117
Capital Asset Statistics By Function/Program	118

Introductory Section

March 25, 2026

Honorable Mayor, Members of the City Council, and
Citizens of the City of North Kansas City:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2025.

Management assumes the responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RubinBrown, LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of North Kansas City, Missouri’s financial statements for the year ended September 30, 2025. The independent auditors’ report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The City, incorporated as a village in 1912, became a fourth Class City in 1924 and a third Class City in 1954. The City currently has a land area of 4.6 square miles. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation; however, the City is landlocked by the Missouri River and surrounding cities.

The City operates under the mayor/council/administrator form of government. Policy making and legislative authority is vested in the governing body, which consists of a mayor and an eight-member council. The governing body is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the city administrator. The city administrator is the chief administrative and budget officer of the City and is responsible for carrying out the policies and ordinances of the governing body and overseeing the day-to-day operations of the City. The council is elected on a nonpartisan basis. Council members are elected to two-year staggered terms with four council members elected every year. The mayor is elected to a four-year term. The council members are elected from within their respective wards. The mayor is elected at large.

The City is strategically located in the southwest portion of Clay County on the Missouri River, bordered by Kansas City, Missouri. Two interstate highways (I-29 and I-35) and three state highways (1, 9 and 210) serve the community. It is adjacent to the Kansas City Municipal Airport and just twenty minutes south of the Kansas City International Airport. The Kansas City Area Transportation Authority, which operates a metropolitan-wide bus system, provides frequent, low cost service to all sections of North Kansas City. Industry enjoys easy access to rail service. There are 5,856 people residing in the City with a working population of more than 30,000 persons. The business/industrial payroll is about \$1 billion.

With total governmental fund type revenue of \$47 million in fiscal 2025, use of which is prudently allocated by the City Council, the City provides many services not available elsewhere, such as one police officer for every 111 residents, two fire stations with 61 firefighters providing excellent ambulance and fire protection services and refuse and recycling collections weekly for residential property at no charge to residents.

The City's fiscal year runs from October 1 to September 30. General operations are dependent primarily on a one-cent general sales tax, property taxes, occupation license fees, casino rent, utility franchise taxes and a half-cent public safety sales tax. For the 2024-2025 budget year, revenue totaled \$20.5 million compared to a budget amount of \$19.3 million. Revenue estimates for the budget were conservative factoring in economic uncertainty, however, sales tax performed significantly better than forecasted along with several other revenues coming in over budgeted amounts. Most general government capital improvements are financed from gaming revenue collections and are accounted for in the Gaming Fund. This Gaming Fund had a total fund balance on September 30, 2025 of approximately \$35 million, an increase of \$3 million due to higher interest earnings and timing of key projects.

The North Kansas City Economy Year 2025 In Review

North Kansas City maintained a stable and diverse economic base during fiscal year 2025. While total permit valuations declined compared to fiscal year 2024 following completion of several large-scale development projects in the prior year, reinvestment activity continued across residential, commercial, and infrastructure sectors. The City benefits from a strong regional location within the Kansas City metropolitan area and maintains a diversified employment base supported by healthcare services, industrial and manufacturing activity, entertainment and gaming operations, and a growing mix of retail and service businesses.

New Business Highlights

The Community Development Department continues to promote growth and development across the community. This year, under the City's economic development policy, significant investments in the rehabilitation and maintenance of the present housing stock have been observed, as well as new housing, commercial, and industrial projects. Total permit valuation was down in 2025 as well as the number of permits as several large-scale projects were completed in 2024.

With many new housing developments over the last decade, the City has welcomed many new businesses in North Kansas City. 2025 showcased continued growth to its economic base because of expansions to existing entertainment areas along Armour Road, the Iron District and the One North TIF Development.

Future Opportunities

The success of North Kansas City's business community is closely tied to macroeconomic conditions such as regional housing construction, consumer preferences, and national development trends. With overall economic uncertainty, general regional trends provide reasons for optimism. Millennials continue to show a stronger propensity to live in walkable urban areas which encourages greater consumer spending. Likewise, real estate developers have become more receptive to infill development. Together, these trends should continue to support new opportunities for North Kansas City.

In the past several years the City has expanded its housing footprint and welcomed many new residents. The City is starting to see the economic impact of these residents and development from new businesses looking to establish locations within the community.

The City continues to utilize targeted economic development incentives, including tax abatements, in a disciplined and policy-driven manner to support strategic growth and reinvestment. These tools are applied selectively to projects that align with the City's long-term development objectives, generate measurable public benefits, and demonstrate financial necessity. Through this approach, the City has facilitated private investment, supported job creation, and encouraged redevelopment of key areas while maintaining a focus on long-term fiscal impact. Management remains committed to balancing economic development opportunities with prudent stewardship of public resources to ensure that incentive programs contribute to the City's overall financial strength and community vitality. To date, through the use of tax incentives the City has redeveloped two blighted areas of the City (Northgate, a pre-war housing development that was uninhabitable, and One North, an EPA Superfund site with contamination from an old industrial development) with updated and safer housing stock as well retail serving all residents of the City where development was not possible without significant investment.

Planning For The Future

In partnership with the NKC Parks & Recreation Board, the City has made substantial process with a new playground and park space in River Forest Park. River Forest Park will be the first park for residents in the fourth ward of the City, generally located on the east side of Interstate 35. Aided by a \$1.25 million ARPA grant awarded through the State of Missouri the park is scheduled to be completed in 2026 and has also addressed long-term erosion concerns in the area.

The City has put resources into long-term planning including a comprehensive safety action plan that is part of a U.S. Department of Transportation matching grant. The final plan will include changes to street designs, education efforts, improvements to emergency response systems and future safety projects and programs. The City is also updating its master plan to guide development, growth and livability in the community.

Major Initiatives

Over the past year, NKC has had the opportunity to welcome residents and visitors to our great community to highlight what makes NKC so unique. 2025 was the fourth year of the Citizens Academy, a program that allows residents to learn how their local government works, and how to get involved as a board or commission member. This 9-week program aims to inform and inspire future leaders in our community. Three current Councilmembers are graduates of Citizens Academy.

Over the last few years, the City has reconfigured the budgeting process to involve more public participation earlier in the process. This year was the third Bounce and Balance event, where the budget process was taken outside City Hall's walls. This event was a success and will be continued in budget planning.

The Parks Department cut the ribbon on a brand-new full size basketball court in Macken Park – a project that's part of ongoing efforts to expand and improve recreational spaces for all ages.

The City also launched its online permitting portal, Civic Access. This will work in conjunction with the City's online business licensing portal that has already streamlined services for businesses and contractors in North Kansas City.

Department Focus

The Police Department continued to emphasize proactive policing and community engagement. Through the third quarter of fiscal year 2025, the department reported a significant decrease in several major crime categories, including reductions in crimes against persons, automobile thefts, and overall property crimes. The department also received Missouri Blue Shield designation from the Missouri Department of Public Safety recognizing its commitment to professional standards and public safety.

The Fire Department maintained a strong focus on training and emergency preparedness. During the year the department responded to approximately 2,500 incidents, conducted more than 1,400 patient transports, and completed over 18,000 hours of training. Fire personnel also provided community education programs including CPR training, fire extinguisher instruction, and emergency response education in partnership with regional healthcare providers.

The Public Works Department continued to manage the City's water, wastewater, stormwater, and transportation infrastructure systems while advancing long-range planning initiatives including the Sanitary Sewer Master Plan and the Source Water Protection Plan. The department also continued improvements to sidewalks, curbs, and storm drainage infrastructure throughout the community, including ADA accessibility improvements.

Financial And Budget Information

Management is responsible for establishing and maintaining internal control designed to ensure that the assets of the City 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 control is 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 costs and benefits requires estimates and judgments by management.

In addition, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. North Kansas City budgets all funds and activities on an annual basis including the General Fund, Special Revenue funds, TIF and Grant funds, with the exception of the Police and Fire Pension Tax special revenue fund. The City of North Kansas City has a property tax levy for the Police and Fire Pension Tax fund, however, it is an unbudgeted fund. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. For more detailed financial information, please refer to the Management's Discussion and Analysis that begins on page four of this document.

Debt Administration

At year-end, the City had two Hospital revenue bond issues outstanding. These issues combined with hospital leases and subscription liabilities total to \$81.6 million in long-term debt. Otherwise, the City was debt free.

OTHER INFORMATION

Independent Audit

The governing body selected the firm of RubinBrown, LLP for the annual audit. This is the third year of a five-year contract. The auditors, in conducting the engagement, used auditing standards generally accepted in the United States of America. The auditor's report on the basic financial statements is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2024. To receive a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements. The City has received this recognition every year dating back at least to 2001.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

Preparation of this report would not have been possible without the dedicated efforts of the City's finance staff and the cooperation of departments throughout the organization. We extend our appreciation to the Mayor and City Council for their leadership and continued commitment to responsible fiscal management and public service.

Respectfully submitted,



Nick Hawkins
Finance Manager



Michael Nichols
City Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of North Kansas City
Missouri**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

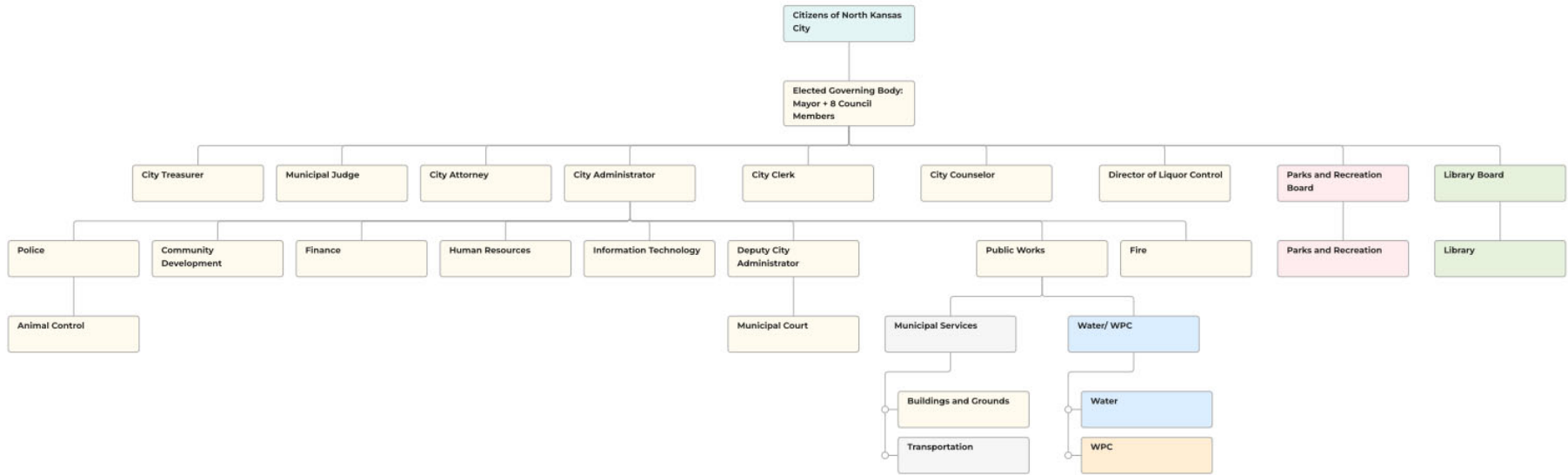
September 30, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF NORTH KANSAS CITY, MISSOURI

ORGANIZATIONAL CHART Year Ended September 30, 2025



CITY OF NORTH KANSAS CITY, MISSOURI

PRINCIPAL OFFICIALS

CITY OF NORTH KANSAS CITY LEADERSHIP

Elected Officials

Jesse Smith	Mayor
Anthony Saper	Councilmember Ward I
Kristen Click	Councilmember Ward I
Tom Bailey	Councilmember Ward II
Lyndsey Magrone	Councilmember Ward II
Dylan Cain	Councilmember Ward III
Linda Alvarez	Councilmember Ward III
Vacant	Councilmember Ward IV
Yvonne Salinas	Councilmember Ward IV

Appointed Officials

David Silvers	City Treasurer
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Management Team

Michael Nichols	City Administrator
Kim Nakahodo	Deputy City Administrator
Thomas Barzee	City Counselor
Daniel Williams	Fire Chief
Kevin Freeman	Police Chief
Anthony Sands	Public Works Director
Nicholas Hawkins	Finance Manager
Casey Campbell	Human Resources Manager
Stephen Roberts	Information Technology Manager
Xue Wood	Community Development Director
Victoria Ressler	Parks & Recreation Director
Lori Mangan	Public Library Executive Director
Crystal Doss	City Clerk

Advisory Boards

Board of Zoning Adjustment
Housing Advisory and Appeals Board
Industrial Development Authority
Liquor Control Board of Review
North Kansas City Hospital Board of Trustees
North Kansas City Library Board
North Kansas City Parks and Recreation Board
Planning Commission
Police and Fire Personnel Board
Tax Increment Finance Commission
Crummet Beautification Committee
Community Enrichment Advisory Committee

Financial Section



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

The Honorable Mayor and
Members of the City Council
City of North Kansas City, Missouri

Report On The Audit Of The Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Kansas City, Missouri (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, 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 City as of September 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 (GAAP).

We did not audit the financial statements of North Kansas City Hospital (Hospital), which represents 93 percent and 98 percent, respectively, of the assets and revenues of the business-type activities and represents 100 percent of the assets and revenues of the major enterprise fund. We also did not audit the financial statements of North Kansas City Hospital Pension Plan (Hospital Plan), which represents 54 percent and 36 percent, respectively, of the assets and revenues/depreciation in fair value of the aggregate remaining fund information. Those statements were audited by another auditor, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hospital and Hospital Plan, is based solely on the reports of the other auditor.

Basis For Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. The financial statements of the Hospital and the Hospital Plan were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the City 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 1 to the financial statements, as of October 1, 2024, the City adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. 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 GAAP, 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 City's 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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's 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 City's 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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and other schedules, as listed in the table of contents, are presented for the 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 fund financial statements and schedules 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 auditors' 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RubinBrown LLP

March 25, 2026

Management's Discussion And Analysis

CITY OF NORTH KANSAS CITY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

We offer those interested in the financial statements for the City of North Kansas City, Missouri (the City) this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 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, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of September 30, 2025 and 2024 by \$918,327,828 and \$909,054,782 (net position), respectively. Of this amount, \$469,854,302 and \$469,421,195 (unrestricted net position) for 2025 and 2024, respectively, may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9,273,046 for 2025, compared to an increase of \$10,353,908 for 2024. The change in the increase in net position compared to the prior year was mostly attributable to operational costs being substantially higher for the Hospital Fund.
- The City's governmental funds reported combined ending fund balances of \$79,933,444 and \$71,491,851 as of September 30, 2025 and 2024, respectively. For fiscal years 2025 and 2024, \$21,899,787 and \$22,707,659, respectively, of the total ending fund balance is available for spending at the government's discretion (unassigned fund balance). All of the unassigned fund balance for 2025 and 2024 was reported in the General Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was 103 percent of total General Fund expenditures compared to 114 percent of the 2024 General Fund expenditures.
- The City's long-term debt, excluding compensated absences, increased by \$1,200,000 during fiscal year ended September 30, 2025 and decreased by \$2,142,000 during the fiscal year ended September 30, 2024. The change in 2025 and 2024 is primarily due to payments made on Hospital revenue bonds and leases netted with increases in subscription and lease liabilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both government and business type activities are included in this analysis of government-wide financial statements.

CITY OF NORTH KANSAS CITY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference 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 City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguished functions of the City that are principally supported by taxes and gaming revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, transportation and sanitation. The business-type activities of the City include the hospital, health and community center, water, water pollution control and communications.

The government-wide financial statements include only the City. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the City.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 City 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 a government's near-term financial 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. By doing so, readers may better understand the long-term impact of the government'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.

CITY OF NORTH KANSAS CITY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The City maintains seven 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 General Fund which is considered to be a major fund. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds - The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains five enterprise funds. 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 Hospital Fund, as this fund is considered to be a major fund of the City. Data from the other four (non-major) enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non major enterprise funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The fiduciary funds of the City are pension trust funds and custodial funds. Total net position of the pension trust funds for the years ended September 30, 2025 and 2024 were \$281,665,301 and \$321,670,522, respectively.

Notes To 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 City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and the General Fund's budgetary comparison.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and pension trust funds are presented immediately following the notes to basic financial statements and the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's total net position has increased from a year ago. The following table reflects total net position for 2025 of \$918,327,828 which represents an increase from net position in 2024 and \$909,054,782.

CITY OF NORTH KANSAS CITY, MISSOURI

Management's Discussion and Analysis (Continued)

Of the City's net position, 43 and 43 percent as of September 30, 2025 and 2024, respectively, reflects its investment in capital assets (e.g., land, buildings and improvements and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported, net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities 2025	Business-Type Activities 2025	Total 2025	Governmental Activities 2024	Business-Type Activities 2024	Total 2024
Current and other assets	\$ 105,798,219	\$ 539,356,546	\$ 645,154,765	\$ 99,773,188	\$ 508,236,101	\$ 608,009,289
Capital assets	89,944,887	390,200,707	480,145,594	88,368,695	387,282,773	475,651,468
Total Assets	195,743,106	929,557,253	1,125,300,359	188,141,883	895,518,874	1,083,660,757
Deferred outflows of resources	5,264,400	24,683,930	29,948,330	3,775,634	43,995,527	47,771,161
Current liabilities	2,886,499	108,151,320	111,037,819	1,715,208	99,281,369	100,996,577
Noncurrent liabilities	2,401,034	83,180,476	85,581,510	2,253,373	73,628,768	75,882,141
Total Liabilities	5,287,533	191,331,796	196,619,329	3,968,581	172,910,137	176,878,718
Deferred Inflows	22,820,532	17,481,000	40,301,532	22,615,418	22,883,000	45,498,418
Net position:						
Net investment in capital assets	89,944,887	308,185,707	398,130,594	88,368,695	306,882,773	395,251,468
Restricted	22,212,378	28,130,554	50,342,932	25,192,215	19,189,904	44,382,119
Unrestricted	60,742,176	409,112,126	469,854,302	51,772,608	417,648,587	469,421,195
Total Net Position	\$ 172,899,441	\$ 745,428,387	\$ 918,327,828	\$ 165,333,518	\$ 743,721,264	\$ 909,054,782

A restricted portion of the City's net position (5 percent for fiscal years 2025 and 2024) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$469,854,302 and \$469,421,195 for 2025 and 2024, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reports positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The City's total net position increased by \$9,273,046 for 2025, compared to an increase of \$10,353,908 for 2024. The governmental-type activities increased by \$7,565,923 and increased by \$5,003,975 in fiscal years 2025 and 2024, respectively. The increase compared to the prior year is attributable to an increase in investment returns and well as a decrease in transfers needed to other funds. The total business-type activities' net position increased by \$1,707,123 and \$5,349,933 in fiscal years 2025 and 2024, respectively. The change in the increase in net position compared to the prior year was mostly attributable to operational costs being substantially higher for the Hospital Fund.

CITY OF NORTH KANSAS CITY, MISSOURI

Management's Discussion and Analysis (Continued)

The following table highlights the City's revenues and expenses for the fiscal years ended September 30, 2025 and 2024. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting.

	Governmental Activities 2025	Business-Type Activities 2025	Total 2025	Governmental Activities 2024	Business-Type Activities 2024	Total 2024
Revenues:						
Program revenues:						
Charges for services	\$ 4,414,697	\$ 831,466,446	\$ 835,881,143	\$ 4,524,313	\$ 791,764,964	\$ 796,289,277
Operating grants and contributions	1,537,561	—	1,537,561	285,585	—	285,585
General revenues:						
Property taxes	3,102,626	—	3,102,626	2,861,087	—	2,861,087
Other taxes	17,287,855	—	17,287,855	16,135,474	—	16,135,474
Gaming/unrestricted	8,606,314	—	8,606,314	8,459,981	—	8,459,981
Investment earnings	2,481,550	26,614,524	29,096,074	2,823,327	24,148,184	26,971,511
Other	9,591,225	13,109,000	22,700,225	3,098,664	4,696,124	7,794,788
Total Revenues	47,021,828	871,189,970	918,211,798	38,188,431	820,609,272	858,797,703
Expenses:						
General government	9,830,889	—	9,830,889	6,612,204	—	6,612,204
Public safety	19,998,447	—	19,998,447	16,641,304	—	16,641,304
Public works	4,710,755	—	4,710,755	4,951,275	—	4,951,275
Culture and recreation	3,049,886	—	3,049,886	2,956,504	—	2,956,504
Transportation	770,945	—	770,945	557,466	—	557,466
Hospital	—	852,192,000	852,192,000	—	797,110,000	797,110,000
Health and community center	—	904,496	904,496	—	3,520,299	3,520,299
Water	—	3,916,417	3,916,417	—	3,514,792	3,514,792
Water pollution control	—	11,766,813	11,766,813	—	10,986,660	10,986,660
Communications	—	1,798,104	1,798,104	—	1,593,291	1,593,291
Total Expenses	38,360,922	870,577,830	908,938,752	31,718,753	816,725,042	848,443,795
Change In Net Position						
Before Transfers	8,660,906	612,140	9,273,046	6,469,678	3,884,230	10,353,908
Transfers	(1,094,983)	1,094,983	—	(1,465,703)	1,465,703	—
Change In Net Position	7,565,923	1,707,123	9,273,046	5,003,975	5,349,933	10,353,908
Net Position - Beginning						
Of Year	165,333,518	743,721,264	909,054,782	160,329,543	738,371,331	898,700,874
Net Position - End Of Year	\$ 172,899,441	\$ 745,428,387	\$ 918,327,828	\$ 165,333,518	\$ 743,721,264	\$ 909,054,782

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes, gaming revenue and other unrestricted revenue sources.

CITY OF NORTH KANSAS CITY, MISSOURI

Management’s Discussion and Analysis (Continued)

The following table below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

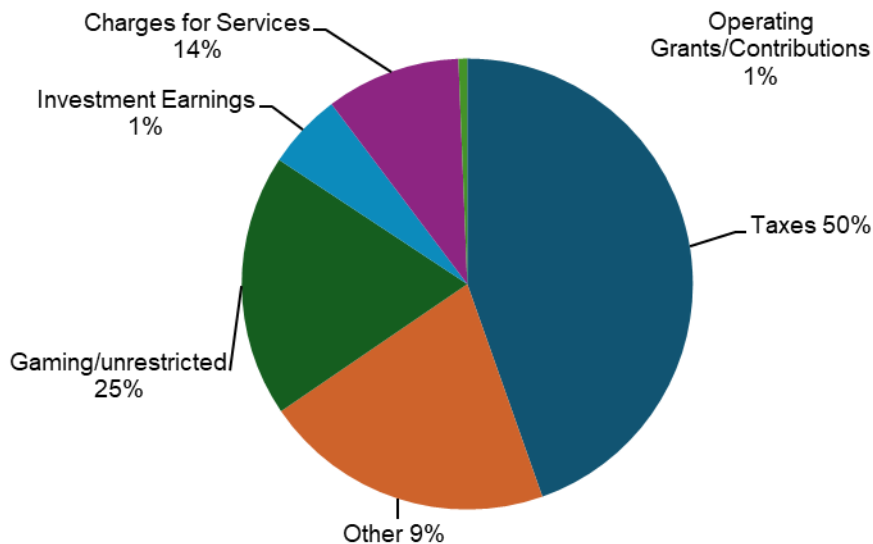
	Total Cost Of Service		Net Cost Of Service	
	2025	2024	2025	2024
General government	\$ 9,830,889	\$ 6,612,204	\$ 6,307,346	\$ 2,779,885
Public safety	19,998,447	16,641,304	19,684,212	16,391,147
Public works	4,710,755	4,951,275	4,710,755	4,951,275
Culture and recreation	3,049,886	2,956,504	1,517,237	2,657,446
Transportation	770,945	557,466	189,114	129,102
Total	\$ 38,360,922	\$ 31,718,753	\$ 32,408,664	\$ 26,908,855

Net cost of services is 85 percent of total cost of services in 2025 and 2024, respectively. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

Governmental Activities

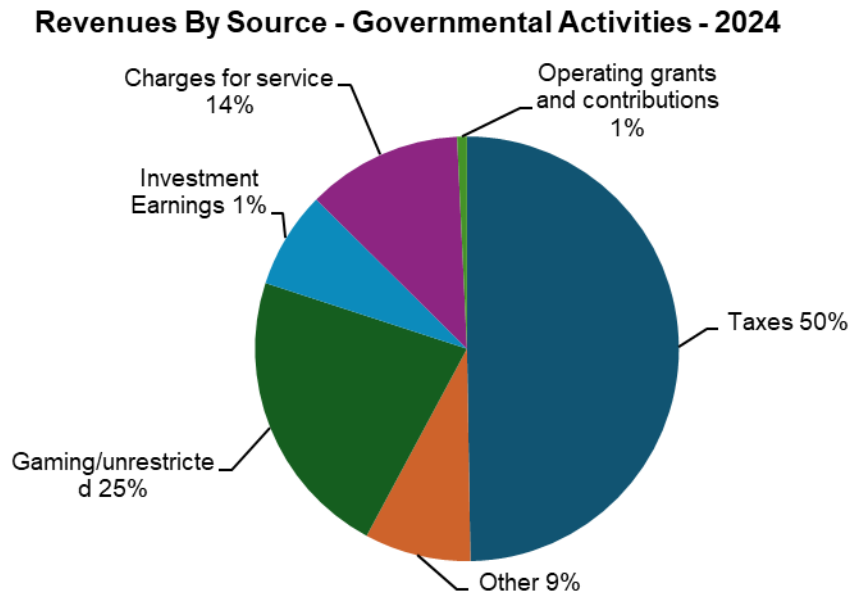
The graphs below show the percentage of the total governmental activities’ revenues allocated by each revenue type for 2025 and 2024:

Revenues By Source - Governmental Activities - 2025

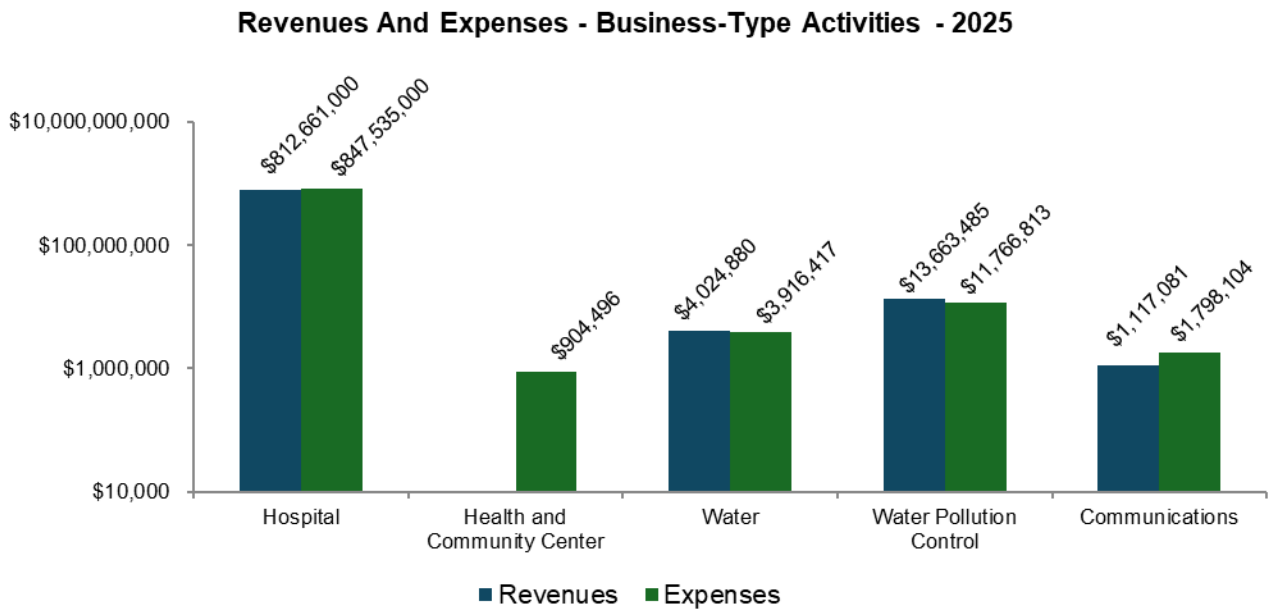


CITY OF NORTH KANSAS CITY, MISSOURI

Management’s Discussion and Analysis (Continued)



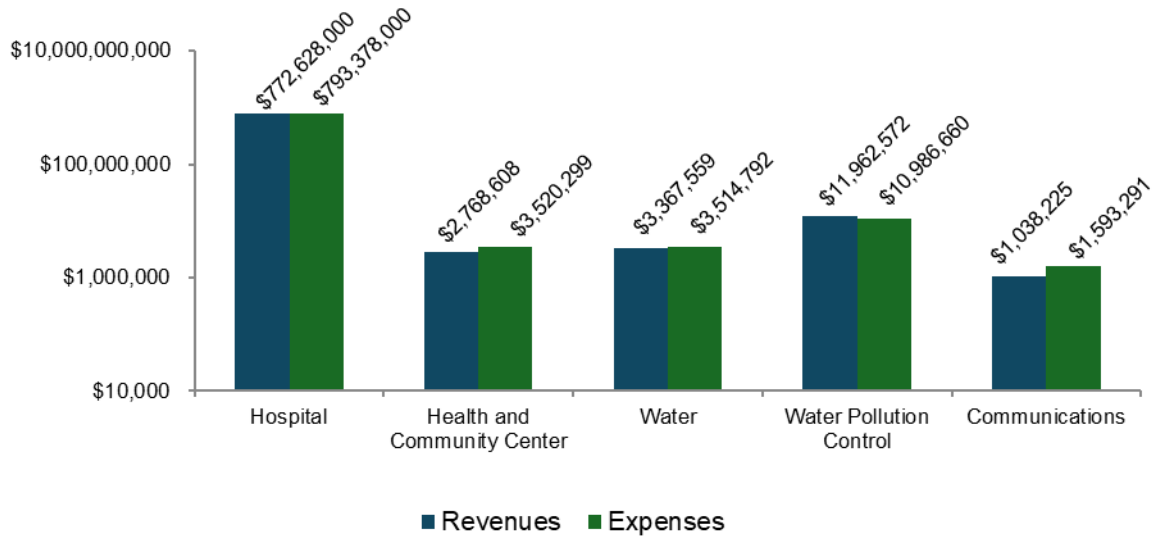
Total business-type activities’ revenue for the fiscal year 2025 was \$871,189,970. All but \$18,805,446 of this revenue was generated from the activities of the Hospital. The graphs below show a comparison between the business-type activity expenses and program revenues for 2025 and 2024.



CITY OF NORTH KANSAS CITY, MISSOURI

Management's Discussion and Analysis (Continued)

Revenues And Expenses - Business-Type Activities - 2024



Business-Type Activities - Business-type activities increased the City's net position by \$1,707,123 and \$5,349,933 in fiscal years 2025 and 2024, respectively, accounting for 21% of the increase in the government's net position.

The Hospital Fund showed an operating loss of (\$34,874,000) compared to an operating loss of (\$20,750,000) and experienced a change in net position of (\$697,000) and \$3,880,000 for fiscal years 2025 and 2024, respectively. The increase in net position compared to the prior year was mainly attributable to substantial increases in operating costs at the hospital. The hospital is a component unit of the City, and is managed by a separately appointed hospital board. It is also audited separately from the City, with financial statements incorporated into the City's annual financial report.

Financial Analysis Of The Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

CITY OF NORTH KANSAS CITY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The City's governmental funds reported combined ending fund balances of \$79,933,444 and \$71,491,851 as of September 30, 2025 and 2024, respectively. Approximately 27 percent and 34 percent of this total amount or \$21,899,787 and \$22,707,659 for 2025 and 2024, respectively, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is non-spendable \$49,805, restricted \$15,046,889, or assigned \$42,936,963 to indicate it is not available for new spending. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$21,899,787 while total fund balance reached \$22,192,932. This is down from the 2024 unassigned fund balance of \$22,707,659 and total 2024 General Fund balance of \$23,142,063. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 103 percent of total General Fund expenditures for 2025, while total fund balance represents approximately 104 percent of those same expenditures. Unassigned fund balance represented 114 percent of total General Fund expenditures for 2024, while total fund balance represented approximately 116 percent of that same amount.

The fund balance of the City's General Fund decreased by \$949,131 in the current fiscal year due to transfers of American Rescue Plan Funds to the Parks and Water Funds previously held in a separate grant fund tied in with the General Fund as well as reduced rental income from a riverboat casino and investment earnings coming in lower than 2024. In recent years sales tax (General 1% and Public Safety 0.5%) have increased by double digits due to retail and business growth in the City. Property taxes are limited due to Missouri's Hancock Amendment that restricts growth to a statewide five-year consumer price index (CPI) average. Because of its size there are few opportunities for new build growth, which is exempt from the provisions of the amendment. Recent increases in the City's general revenue have come from redevelopment in retail corridors and increased investments from growth in reserves and an investment strategy that focuses on cash flow and utilizing a five-year rolling investment ladder. General Fund expenses are heavily tied to personnel, with 83% of the fund's budget allocated to wages and benefits. In 2025 new agreements with the City's Police and Fire unions factored into increased costs along with double digit growth in health insurance and liability premiums. In addition, The City changed solid waste providers, which added additional expenses in the General Fund. The City does not charge a user rate for solid waste pickup and it is instead absorbed by the General Fund.

The Gaming Revenue Fund increased \$3,062,139 in the current fiscal year. This is primarily due to the timing of key capital projects, continued strong interest earnings, and reduced transfers to other capital funds. While the General Fund is driven by personnel cost, other special revenue and enterprise funds are tied heavily to capital. The Gaming Fund is the primary capital fund for the City and receives revenue from casino admissions and general revenue of approximately \$6 million annually. In addition, the fund provided capital costs for the Northgate Tax Increment Financing Development that provided necessary housing stock upgrades to a blighted area of the City. Currently, the fund receives \$1.8 million in repayments from the TIF revenues generated by the development, with funding winding down beginning in 2027 and being completed in 2032. With these revenue factors, the City has re-evaluated capital, including interfund transfers for capital projects to reflect the projected decline in annual resources. Staff has worked closely with the Governing Body to reduce annual transfers for operating and capital support and shifting project timelines to better line up with staff capacity to manage and implement large projects.

CITY OF NORTH KANSAS CITY, MISSOURI

Management’s Discussion and Analysis *(Continued)*

Total governmental fund expenditures increased from \$31,862,721 in 2024 to \$37,485,253 in 2025, which is due to increased personnel costs budgeted for during the year in the General Fund and special revenue funds, as well as the construction of a new park, funded partially through a state grant that addresses recreation accessibility in the City’s fourth ward and addresses long-standing erosion issues.

Proprietary Funds - The City of North Kansas City’s proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the City’s business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the General Fund can be summarized as follows:

- General Fund revenues were estimated based on a three-year history of collections, but still conservative due to continued economic uncertainty. Revenue was budgeted at \$19.3 million but came in at \$20.5 million due to sales taxes and increased interest income due to investments of reserve funds. Revenues have stabilized in recent years after experiencing a surge following the COVID-19 pandemic. Business license revenue also saw an increase due to the increased economic activity, however rental income and permits were down for a second straight year. These factors were considered during the development of the 2026 operating budget.
- The total original expenditure budget of \$22.1 million was increased to \$22.2 million for equipment and changes to the City’s solid waste and recycling contract. Expenses came in under budget by approximately \$1.0 million due to vacancies in public safety positions.

Capital Asset And Debt Administration

Capital Assets - The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2025 and 2024, were \$480,145,594 and \$475,651,468, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, construction-in-progress, and lease and subscription assets. The total net increase in the City’s investment in capital assets for the current fiscal year was 1.0 percent (a 1.8 percent increase for governmental activities and a 0.75 percent increase for business-type activities).

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 38,818,713	\$ 38,280,896	\$ 6,719,527	\$ 6,719,527	\$ 45,538,240	\$ 45,000,423
Construction-in-progress	—	—	998,000	699,000	998,000	699,000
Buildings and improvements	40,430,400	39,486,836	532,398,511	521,287,025	572,828,911	560,773,861
Infrastructure	44,934,609	41,516,238	34,138,439	33,167,151	79,073,048	74,683,389
Equipment	28,088,317	27,270,291	360,204,072	343,590,360	388,292,389	370,860,651
Subscription assets	—	—	45,487,000	40,105,000	45,487,000	40,105,000
Accumulated depreciation	(62,327,152)	(58,185,566)	(589,744,842)	(558,285,290)	(652,071,994)	(616,470,856)
Total	\$ 89,944,887	\$ 88,368,695	\$ 390,200,707	\$ 387,282,773	\$ 480,145,594	\$ 475,651,468

CITY OF NORTH KANSAS CITY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Additional information on the City's capital assets can be found in Note 3 of this report.

Debt - The City's Hospital enterprise fund had revenue bonds and notes outstanding totaling \$56,191,000 and \$58,799,000 as of September 30, 2025 and 2024, respectively. The City's Hospital enterprise fund had leases and subscriptions outstanding totaling \$24,059,000 and \$20,193,000 as of September 30, 2025 and 2024, respectively. The City's Hospital enterprise fund did pay \$16,492,000 and \$15,617,000 in principal on total outstanding debt for fiscal years 2025 and 2024, respectively. The City's Hospital enterprise fund added \$17,692,000 and \$13,475,000 in notes, lease and subscription liabilities during 2025 and 2024, respectively.

The City's available general obligation legal debt margin was \$83,544,883 and \$84,765,029 as of September 30, 2025 and 2024, respectively.

City Of North Kansas City's Outstanding Debt - Revenue Bonds and Leases

	Business-Type Activities		Maturity
	2025	2024	
2013B Hospital revenue bonds	\$ 12,991,000	\$ 14,299,000	2025
2020 Hospital revenue bonds	43,200,000	44,500,000	2030
Finance arrangements	1,350,000	1,408,000	2029
Lease and subscription liability	24,059,000	20,193,000	Various
Total	\$ 81,600,000	\$ 80,400,000	

Additional information about the City's long-term debt can be found in Note 5 to the financial statements.

- The City's compensation plan allowed for a 3.0 percent merit/market based pay increase for non-union represented employees.
- The budget included a 1.0 percent increase to the LAGERs pension plan contribution.
- The budget assumed that health insurance premiums would increase 4.75 percent.
- All of these factors were considered in preparing the City's budget for the 2026 fiscal year.

Requests For Information

These financial statements and discussions are designed to provide our citizens, taxpayers, investors and creditors with a complete disclosure of the City's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Nicholas Hawkins, Finance Manager, City of North Kansas City, 2010 Howell, North Kansas City, Missouri, 64116.

Basic Financial Statements

CITY OF NORTH KANSAS CITY, MISSOURI

STATEMENT OF NET POSITION

September 30, 2025

Page 1 Of 2

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 29,727,864	\$ 17,827,228	\$ 47,555,092
Investments	47,142,055	18,775,063	65,917,118
Current portion of restricted and designated assets	—	2,871,000	2,871,000
Receivables:			
Taxes	145,970	—	145,970
Accounts, net of allowance for uncollectibles of \$36,548,000	1,881,289	86,878,694	88,759,983
Special assessments	—	144,792	144,792
Accrued interest	659,515	130,813	790,328
Due from other governmental units	2,348,335	—	2,348,335
Inventory	—	13,637,462	13,637,462
Current portion of lease receivables	—	3,768,000	3,768,000
Prepaid items	50,264	29,456,544	29,506,808
Property held for resale	417,424	—	417,424
Total Current Assets	82,372,716	173,489,596	255,862,312
Noncurrent Assets			
Restricted and designated assets:			
Cash and cash equivalents	—	19,617,000	19,617,000
Investments	—	295,581,000	295,581,000
Lease receivable	16,260,014	13,194,000	29,454,014
Other assets	—	605,000	605,000
Investment in joint ventures	—	8,360,000	8,360,000
Receivables, special assessments	—	379,396	379,396
Net pension asset	7,165,489	28,130,554	35,296,043
Capital assets:			
Nondepreciable	38,818,713	7,717,527	46,536,240
Depreciable, net	51,126,174	363,916,180	415,042,354
Subscription assets, net	—	18,567,000	18,567,000
Total Noncurrent Assets	113,370,390	756,067,657	869,438,047
Total Assets	195,743,106	929,557,253	1,125,300,359
Deferred Outflows Of Resources			
Pension related amounts	5,264,400	24,683,930	29,948,330

CITY OF NORTH KANSAS CITY, MISSOURI

STATEMENT OF NET POSITION

September 30, 2025

Page 2 Of 2

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	\$ 2,712,743	\$ 27,914,418	\$ 30,627,161
Compensated absences	153,254	28,952,902	29,106,156
Estimated reimbursement payable	—	23,855,000	23,855,000
Court bonds payable	20,502	—	20,502
Current portion of lease liabilities	—	1,577,000	1,577,000
Current portion of subscription liabilities	—	8,370,000	8,370,000
Current portion of revenue bonds, notes payable and financing arrangements	—	14,611,000	14,611,000
Current portion of reserve for liability risks	—	2,871,000	2,871,000
Total Current Liabilities	2,886,499	108,151,320	111,037,819
Noncurrent Liabilities			
Compensated absences	2,401,034	19,394,476	21,795,510
Long-term lease liabilities, noncurrent portion	—	6,568,000	6,568,000
Long-term subscription liabilities, noncurrent portion	—	7,544,000	7,544,000
Reserve for liability risks	—	6,744,000	6,744,000
Revenue bonds, notes payable and financing arrangements	—	42,930,000	42,930,000
Total Noncurrent Liabilities	2,401,034	83,180,476	85,581,510
Total Liabilities	5,287,533	191,331,796	196,619,329
Deferred Inflows Of Resources			
Property taxes	119,520	—	119,520
Leases	15,846,521	15,729,000	31,575,521
Grants	—	—	—
Pension related amounts	6,854,491	1,752,000	8,606,491
Total Deferred Inflows Of Resources	22,820,532	17,481,000	40,301,532
Net Position			
Net investment in capital assets	89,944,887	308,185,707	398,130,594
Restricted for:			
Capital projects	9,819,908	—	9,819,908
Pension	7,165,489	28,130,554	35,296,043
Bridges and streets	5,217,483	—	5,217,483
Public safety	9,498	—	9,498
Unrestricted	60,742,176	409,112,126	469,854,302
Total Net Position	\$ 172,899,441	\$ 745,428,387	\$ 918,327,828

CITY OF NORTH KANSAS CITY, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position Primary Government		
		Charges For Services And Sales	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 9,830,889	\$ 3,523,543	\$ —	\$ —	\$ (6,307,346)	\$ —	\$ (6,307,346)
Public safety	19,998,447	289,478	24,757	—	(19,684,212)	—	(19,684,212)
Public works	4,710,755	—	—	—	(4,710,755)	—	(4,710,755)
Culture and recreation	3,049,886	274,853	1,257,796	—	(1,517,237)	—	(1,517,237)
Transportation	770,945	326,823	255,008	—	(189,114)	—	(189,114)
Total Governmental Activities	38,360,922	4,414,697	1,537,561	—	(32,408,664)	—	(32,408,664)
Business-Type Activities							
Hospital	852,192,000	812,661,000	—	—	—	(39,531,000)	(39,531,000)
Health and community center	904,496	—	—	—	—	(904,496)	(904,496)
Water	3,916,417	4,024,880	—	—	—	108,463	108,463
Water pollution control	11,766,813	13,663,485	—	—	—	1,896,672	1,896,672
Communications	1,798,104	1,117,081	—	—	—	(681,023)	(681,023)
Total Business-Type Activities	870,577,830	831,466,446	—	—	—	(39,111,384)	(39,111,384)
Total Primary Government	\$ 908,938,752	\$ 835,881,143	\$ 1,537,561	\$ —	(32,408,664)	(39,111,384)	(71,520,048)
General Revenues:							
Taxes:							
Property tax					3,102,626	—	3,102,626
Franchise taxes					2,477,755	—	2,477,755
Sales taxes					12,242,231	—	12,242,231
Other taxes					2,567,869	—	2,567,869
Gaming/unrestricted					8,606,314	—	8,606,314
Investment earnings					2,481,550	26,614,524	29,096,074
Miscellaneous					9,591,225	13,109,000	22,700,225
Transfers					(1,094,983)	1,094,983	—
Total General Revenues And Transfers					39,974,587	40,818,507	80,793,094
Change In Net Position					7,565,923	1,707,123	9,273,046
Net Position - Beginning Of Year					165,333,518	743,721,264	909,054,782
Net Position - End Of Year					\$ 172,899,441	\$ 745,428,387	\$ 918,327,828

CITY OF NORTH KANSAS CITY, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2025

	<u>General</u>	<u>Gaming Revenue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 9,460,084	\$ 9,463,289	\$ 10,804,491	\$ 29,727,864
Investments	11,447,614	25,481,402	10,213,039	47,142,055
Receivables, net of allowance for uncollectibles:				
Taxes	40,308	—	105,662	145,970
Accounts	1,604,265	4,825	272,199	1,881,289
Lease	16,260,014	—	—	16,260,014
Accrued interest	424,580	177,537	57,398	659,515
Due from other governmental units	—	600,916	1,747,419	2,348,335
Prepaid items	8,140	—	42,124	50,264
Property held for resale	—	—	417,424	417,424
Total Assets	\$ 39,245,005	\$ 35,727,969	\$ 23,659,756	\$ 98,632,730
Liabilities, Deferred Inflows And Fund Balances				
Liabilities				
Accounts payable and accrued expenditures	\$ 1,157,519	\$ 641,976	\$ 913,248	\$ 2,712,743
Payable from restricted assets, court bonds	20,502	—	—	20,502
Total Liabilities	1,178,021	641,976	913,248	2,733,245
Deferred Inflows Of Resources				
Property taxes	27,531	—	91,989	119,520
Leases	15,846,521	—	—	15,846,521
Total Deferred Inflows Of Resources	15,874,052	—	91,989	15,966,041
Fund Balances				
Nonspendable:				
Prepaid items	8,140	—	41,665	49,805
Restricted:				
Capital projects	—	—	9,819,908	9,819,908
Bridges and streets	—	—	5,217,483	5,217,483
Public safety training programs	9,498	—	—	9,498
Assigned:				
Culture and recreation	—	—	7,482,232	7,482,232
Fire and police pension	—	—	93,231	93,231
Capital projects and redevelopment	—	35,085,993	—	35,085,993
Health	275,507	—	—	275,507
Unassigned	21,899,787	—	—	21,899,787
Total Fund Balances	22,192,932	35,085,993	22,654,519	79,933,444
Total Liabilities, Deferred Inflows And Fund Balances	\$ 39,245,005	\$ 35,727,969	\$ 23,659,756	\$ 98,632,730

CITY OF NORTH KANSAS CITY, MISSOURI

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

September 30, 2025

Total Fund Balance - Governmental Funds	\$ 79,933,444
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	89,944,887
Long-term liabilities (compensated absences) are not due and payable in the current period and, therefore, are not reported in the funds.	(2,554,288)
The net pension assets reported in the governmental activities are not a current financial resource and therefore are not reported in the funds.	7,165,489
Pension related deferred outflows and deferred inflows of resources represent a consumption or acquisition of net assets in future periods and therefore are not reported in the funds in the current year and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources - pension related amounts	5,264,400
Deferred inflows of resources - pension related amounts	<u>(6,854,491)</u>
Total Net Position - Governmental Activities	<u><u>\$ 172,899,441</u></u>

CITY OF NORTH KANSAS CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended September 30, 2025

	General	Gaming Revenue	Nonmajor Governmental Funds	Total
Revenues				
Taxes	\$ 12,657,633	\$ —	\$ 7,627,477	\$ 20,285,110
Intergovernmental	24,757	48,354	1,696,783	1,769,894
Licenses and permits	2,579,664	—	—	2,579,664
Charges for services	1,079,034	—	359,273	1,438,307
Fines and forfeitures	295,623	—	—	295,623
Gaming	2,592,863	6,013,451	—	8,606,314
Investment earnings	1,001,001	1,156,985	346,864	2,504,850
Miscellaneous	63,453	15,870	9,462,744	9,542,067
Total Revenues	20,294,028	7,234,660	19,493,141	47,021,829
Expenditures				
Current:				
General government	3,140,239	51,700	4,088,975	7,280,914
Public safety	14,718,226	1,377,234	—	16,095,460
Public works	983,591	—	1,658,124	2,641,715
Culture and recreation	—	—	2,448,854	2,448,854
Transportation	—	—	770,945	770,945
Interdepartmental	2,377,927	—	—	2,377,927
Capital outlay	23,176	2,276,304	3,569,958	5,869,438
Total Expenditures	21,243,159	3,705,238	12,536,856	37,485,253
Revenues Over Expenditures	(949,131)	3,529,422	6,956,285	9,536,576
Other Financing Sources (Uses)				
Transfers in	—	1,800,000	1,172,300	2,972,300
Transfers out	—	(2,267,283)	(1,800,000)	(4,067,283)
Total Other Financing Uses	—	(467,283)	(627,700)	(1,094,983)
Net Change In Fund Balances	(949,131)	3,062,139	6,328,585	8,441,593
Fund Balances - Beginning Of Year	23,142,063	32,023,854	16,325,934	71,491,851
Fund Balances - End Of Year	\$ 22,192,932	\$ 35,085,993	\$ 22,654,519	\$ 79,933,444

CITY OF NORTH KANSAS CITY, MISSOURI

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2025**

Net Change In Fund Balances - Total Governmental Funds	\$ 8,441,593
Amounts reported for governmental activities in the statement of activities are different because:	
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. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:	5,963,040
Depreciation	
General government	\$ (133,165)
Public safety	(1,508,926)
Public works	(2,171,681)
Culture and recreation	(590,036)
	<u>(4,403,808)</u>
The effect of various transactions involving capital assets such as sales, trade-ins, donations and disposals:	
Loss on disposal of capital assets	16,960
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:	
Changes in compensated absences:	
General government	(15,708)
Public safety	(116,242)
Public works	(14,137)
Culture and recreation	(10,996)
	<u>(157,083)</u>
Pension Expense	
Public safety	<u>(2,294,779)</u>
Change In Net Position Of Governmental Activities	<u><u>\$ 7,565,923</u></u>

CITY OF NORTH KANSAS CITY, MISSOURI

STATEMENT OF NET POSITION ENTERPRISE FUNDS September 30, 2025

	Hospital	Nonmajor Enterprise Funds	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 11,209,000	\$ 6,618,228	\$ 17,827,228
Investments	—	18,775,063	18,775,063
Current portion of designated assets (investments)	2,871,000	—	2,871,000
Receivables:			
Accounts, net of allowance for uncollectibles of \$36,548,000	85,457,000	1,421,694	86,878,694
Special assessments	—	144,792	144,792
Accrued interest	—	130,813	130,813
Inventory	13,605,000	32,462	13,637,462
Current portion of lease receivables	3,768,000	—	3,768,000
Prepays	29,402,000	54,544	29,456,544
 Total Current Assets	146,312,000	27,177,596	173,489,596
Noncurrent Assets:			
Designated assets:			
Cash and cash equivalents	19,617,000	—	19,617,000
Investments	295,581,000	—	295,581,000
Lease receivable	13,194,000	—	13,194,000
Other assets	605,000	—	605,000
Investment in joint ventures	8,360,000	—	8,360,000
Receivables, special assessments	—	379,396	379,396
Net pension asset	27,892,000	238,554	28,130,554
Capital Assets:			
Subscription assets, net	18,567,000	—	18,567,000
Capital assets, nondepreciable	5,564,746	2,152,781	7,717,527
Capital assets, net depreciable	327,441,254	36,474,926	363,916,180
 Total Noncurrent Assets	716,822,000	39,245,657	756,067,657
 Total Assets	863,134,000	66,423,253	929,557,253
Deferred Outflows Of Resources			
Pension related amounts	24,180,000	503,930	24,683,930
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses	25,302,000	2,612,418	27,914,418
Compensated absences	28,941,000	11,902	28,952,902
Estimated reimbursement payable	23,855,000	—	23,855,000
Current portion of lease liabilities	1,577,000	—	1,577,000
Current portion of subscription liabilities	8,370,000	—	8,370,000
Current portion of revenue bonds, notes payable and finance purchase payable	14,611,000	—	14,611,000
Current portion of reserve for liability risks	2,871,000	—	2,871,000
 Total Current Liabilities	105,527,000	2,624,320	108,151,320
Noncurrent Liabilities:			
Compensated absences	19,208,000	186,476	19,394,476
Long-term lease liabilities, noncurrent portion	6,568,000	—	6,568,000
Long-term subscription liabilities, noncurrent portion	7,544,000	—	7,544,000
Reserve for liability risks	6,744,000	—	6,744,000
Revenue bonds, notes payable and finance purchase payable	42,930,000	—	42,930,000
 Total Noncurrent Liabilities	82,994,000	186,476	83,180,476
 Total Liabilities	188,521,000	2,810,796	191,331,796
Deferred Inflows Of Resources			
Leases	15,729,000	—	15,729,000
Pension related amounts	1,752,000	—	1,752,000
 Total Deferred Inflows Of Resources	17,481,000	—	17,481,000
Net Position			
Net investment in capital assets	269,558,000	38,627,707	308,185,707
Restricted for:			
Pension	27,892,000	238,554	28,130,554
Unrestricted	383,862,000	25,250,126	409,112,126
 Total Net Position	\$ 681,312,000	\$ 64,116,387	\$ 745,428,387

CITY OF NORTH KANSAS CITY, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ENTERPRISE FUNDS

For The Year Ended September 30, 2025

	Hospital	Nonmajor Enterprise Funds	Total
Operating Revenues			
Charges for services	\$ 788,099,000	\$ 18,805,446	\$ 806,904,446
Other operating revenues	24,562,000	—	24,562,000
Total Operating Revenues	812,661,000	18,805,446	831,466,446
Operating Expenses			
Personal services	511,435,000	2,095,945	513,530,945
Contractual services	84,961,000	12,343,968	97,304,968
Materials and supplies	205,378,000	1,121,980	206,499,980
Depreciation and amortization	45,761,000	2,823,937	48,584,937
Total Operating Expenses	847,535,000	18,385,830	865,920,830
Operating Income	(34,874,000)	419,616	(34,454,384)
Nonoperating Revenues (Expenses)			
Other revenue	13,096,000	13,000	13,109,000
Other expenses	(2,516,000)	—	(2,516,000)
Investment earnings	25,738,000	876,524	26,614,524
Interest expense	(2,141,000)	—	(2,141,000)
Total Nonoperating Revenues	34,177,000	889,524	35,066,524
Income Before Transfers And Distributions To Minority Owner	(697,000)	1,309,140	612,140
Transfers	—	1,094,983	1,094,983
Change In Net Position	(697,000)	2,404,123	1,707,123
Net Position - Beginning Of Year	682,009,000	61,712,264	743,721,264
Net Position - End Of Year	\$ 681,312,000	\$ 64,116,387	\$ 745,428,387

CITY OF NORTH KANSAS CITY, MISSOURI

STATEMENT OF CASH FLOWS ENTERPRISE FUNDS For The Year Ended September 30, 2025

	Hospital	Nonmajor Enterprise Funds	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 791,082,000	\$ 18,903,157	\$ 809,985,157
Payments to suppliers	(282,917,000)	(13,525,268)	(296,442,268)
Payments to employees	(499,199,000)	(1,910,097)	(501,109,097)
Other receipts	24,229,000	(13,000)	24,216,000
Net Cash Provided By Operating Activities	33,195,000	3,454,792	36,649,792
Cash Flows Provided By Noncapital Financing Activities			
Proceeds from interfund accounts	6,663,000	1,094,983	7,757,983
Cash Flows From Capital And Related Financing Activities			
Purchases of capital assets	(34,087,000)	(1,477,871)	(35,564,871)
Interest payments	(2,141,000)	—	(2,141,000)
Principal payments on debt	(2,823,000)	—	(2,823,000)
Proceeds from sale of capital assets	—	13,000	13,000
Interest income from leases	613,000	—	613,000
Proceeds from the issuance of debt	157,000	—	157,000
Principal payments on lease liabilities	(1,866,000)	—	(1,866,000)
Principal payments on subscription liabilities	(11,803,000)	—	(11,803,000)
Net Cash Used In Capital And Related Financing Activities	(51,950,000)	(1,464,871)	(53,414,871)
Cash Flows From Investing Activities			
Interest and dividends received	6,919,000	818,898	7,737,898
Contribution expense	(849,000)	—	(849,000)
Purchase of investments	(121,645,000)	(4,822,131)	(126,467,131)
Proceeds from sale of investments	84,010,000	(1,256,918)	82,753,082
Distribution to minority owner	(643,000)	—	(643,000)
Change in other assets and liabilities	(2,511,000)	—	(2,511,000)
Net Distributions/Contributions to/from investees	2,661,000	—	2,661,000
Net Cash Used In Investing Activities	(32,058,000)	(5,260,151)	(37,318,151)
Increase (Decrease) In Cash And Cash Equivalents	(44,150,000)	(2,175,247)	(46,325,247)
Cash And Cash Equivalents - Beginning Of Year	74,976,000	8,793,475	83,769,475
Cash And Cash Equivalents - End Of Year	\$ 30,826,000	\$ 6,618,228	\$ 37,444,228
Reconciliation of operating income to net cash from operating activities:			
Operating income	\$ (34,874,000)	\$ 419,616	\$ (34,454,384)
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation and amortization	45,761,000	2,823,937	48,584,937
Gain on sale of capital assets	899,000	(13,000)	886,000
Changes in assets and liabilities:			
Receivables	(3,040,000)	97,711	(2,942,289)
Inventory	(2,810,000)	—	(2,810,000)
Prepaid items and other	4,955,000	(1,078)	4,953,922
Net pension asset/liability	(9,820,000)	264,447	(9,555,553)
Deferred outflows of resources	19,407,000	(95,403)	19,311,597
Deferred inflows of resources	(5,402,000)	—	(5,402,000)
Accounts payable and accrued expenses	3,443,000	(58,242)	3,384,758
Compensated absences	3,267,000	16,804	3,283,804
Reserve for liability risk	618,000	—	618,000
Estimated reimbursements payable	10,791,000	—	10,791,000
Net Cash Provided By Operating Activities	\$ 33,195,000	\$ 3,454,792	\$ 36,649,792
Schedule Of Noncash Items			
Property and equipment purchases included in accounts payable	\$ 415,000	\$ —	\$ 415,000
Lease obligation incurred for lease assets	5,087,000	—	5,087,000
Subscription obligation incurred for subscription assets	12,448,000	—	12,448,000

CITY OF NORTH KANSAS CITY, MISSOURI

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
September 30, 2025**

Assets

Cash and cash equivalents	\$ 152,940
Investments	<u>1,810</u>

Total Assets	<u><u>154,750</u></u>
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Net Position

Restricted for Donor Beautification Project	<u><u>\$ 154,750</u></u>
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CITY OF NORTH KANSAS CITY, MISSOURI

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND**

For The Year Ended September 30, 2025

Additions	
Interest earnings	\$ 17
	<hr/>
Change In Net Position	17
	<hr/>
Net Position - Beginning Of Year	154,733
	<hr/>
Net Position - End Of Year	\$ 154,750
	<hr/> <hr/>

CITY OF NORTH KANSAS CITY, MISSOURI

**STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2025**

Assets

Investments:

Vanguard Funds	\$ 53,542,971
Fixed Income Funds	75,573,302
International Equity	33,575,294
Domestic equity funds	86,465,290
Real Estate fund	7,655,547
Money Market Mutual Funds	24,852,897
Total Assets	<u>281,665,301</u>

Net Position Restricted For Pensions

\$ 281,665,301

CITY OF NORTH KANSAS CITY, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For The Year Ended September 30, 2025

Additions	
Contributions:	
Employer	\$ 1,452,338
Plan member deposits	241,166
Total Contributions	<u>1,693,504</u>
Investment Income (Loss)	
Net appreciation in fair value of investments	23,912,031
Interest and dividends	12,748,390
Investment expenses	(100,000)
Net Investment Income	<u>36,560,421</u>
Total Additions	<u>38,253,925</u>
Deductions	
Benefits	77,726,501
Administrative expenses	532,645
Total Deductions	<u>78,259,146</u>
Change In Net Position	(40,005,221)
Net Position Restricted For Pensions - Beginning Of Year	<u>321,670,522</u>
Net Position Restricted For Pensions - End Of Year	<u>\$ 281,665,301</u>

CITY OF NORTH KANSAS CITY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2025

1. **Reporting Entity, Basis Of Presentation, Measurement Focus And Basis Of Accounting And Summary Of Significant Accounting Policies**

The following is a summary of significant accounting policies employed in the preparation of these financial statements.

Reporting Entity

The City of North Kansas City, Missouri (the City) was incorporated in 1912 and covers an area of approximately 4.6 square miles in Clay County, Missouri. The City is a city of the third class and operates under the Mayor-Council-Administrator form of government. The City provides services to its residents in many areas, including law enforcement, fire protection, medical services, paramedic services, water and sewer services, community enrichment and development and various social services. Educational services are provided by the North Kansas City School District, all of which are separate government entities.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City. Based on these criteria, the City has multiple component units. The Industrial Development Authority of the City of North Kansas City, Missouri is a blended component unit included in the financial information of the City because the governing body is substantially the same and the City has operational responsibility for it. The City's Police and Fire Retirement Plan is presented as a fiduciary component unit because it is a pension plan that is administered through trust that meets the criteria in paragraph 3 of GASB Statement 67. Though the North Kansas City Hospital (the Hospital) has a separate Board of Trustees that is appointed by the City's Mayor and City Council, the Hospital does not meet the definition of a legally separate entity as defined by the Codification of GASB. Therefore, the Hospital is considered part of the City (primary government) and its financial data is included with the financial data of the City as an enterprise fund.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Meritas Health Corporation (Meritas) is considered a blended component unit of the Hospital. Meritas operates exclusively for the benefit of, to perform the functions of, and to carry out the purposes of the Board of Trustees of the Hospital. The by-laws of Meritas provide that two employees and four trustees of the Hospital serve as members of the nine-person Board of Directors. Management considers Meritas to be an integral part of the Hospital's financial statements. Meritas does not issue separate financial statements. The Hospital's Retirement Plan (the Plan) is presented as a fiduciary component unit in the Hospital's financial statements. The Hospital's Board of Trustees elects the Retirement Committee and Investment Committee, which perform the governing duties of the Plan. The Hospital was the 75 percent owner of NKCH Radiation Oncology, LLC (NKCRO). The University of Kansas Hospital Authority owned the remaining 25 percent. NKCRO provided radiation oncology services on the Hospital's campus. NKCRO is considered a blended component unit and is included in the Hospital's financial statements. On August 31, 2024, the Hospital dissolved NKCRO. Separate audited financial statements for the Hospital are available by contacting the Chief Financial Officer at 2800 Clay Edwards Drive, North Kansas City, Missouri 64116.

Basis Of Presentation

Government-wide and fund financial statements: The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund accounting: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net position, revenues and expenditures or expenses, as appropriate. The City has the following funds:

Governmental Fund Types

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is based upon determination of changes in financial position, rather than upon net income determination.

The following are the City’s major governmental funds:

General Fund: The General Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Gaming Revenue: A capital projects fund that accounts for monies related to gaming revenue that is largely used for the acquisition and construction of capital facilities, development projects and other capital assets. This fund is presented as a major fund for public interest purposes.

The other governmental funds of the City are considered nonmajor and are as follows:

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than debt service or capital projects) that are restricted or committed to expenditures for specific projects.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Convention and Tourism Tax: Established solely for the purpose of funding the promotion of tourism and infrastructure improvements, which is funded primarily with restricted property taxes.

Parks and Recreation: Established to account for the activities of the Park Board which administers the operation of all City parks, which is funded primarily with restricted property taxes.

Public Library: Established to account for the activities of the Library Board which administers the operations of the City's free library, which is funded primarily with restricted property taxes.

Transportation Sales Tax: Established to account for the activities related to transportation sales tax, other specifically designated state taxes and expenditures related to transportation.

Fire and Police Pension Tax: Established to account for the collections of property tax used to fund a portion of the City's contributions to the City of North Kansas City Police Officers and Firefighters Retirement Fund, which provides retirement benefits to the City's police and fire employees.

Capital Projects Funds: The Capital Projects Funds are used to account for all resources that are restricted, committed or assigned to expenditures for capital outflows, including the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through proprietary funds.

Capital Projects: Established to account for certain taxes and other funds that are used for the acquisition and construction of capital facilities, projects and other capital assets.

Proprietary Fund Types

Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is based upon income determination, financial position and cash flows.

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The following is the City's major enterprise fund:

Hospital: Established to account for the activities of the City-owned hospital. Revenue is derived mainly from user charges or third-party reimbursements. The Hospital enterprise fund is a June 30 year-end and has been included based on its June 30, 2025 year-end.

The other enterprise funds of the City are considered non major and are as follows:

Health and Community Center: Accounts for the activities related to the operations of the City's Health and Community Center.

Water: Accounts for activities of the City's water production and distribution system. Revenues are derived mainly from water service and installation charges.

Water Pollution Control: Accounts for the activities of the wastewater and sewage collection. Revenue is derived mainly from sewer users' service charges and fees.

Communications: Accounts for the activities of the City's internet utility. The revenue for this fund is derived from internet service charges and interfund transfers as needed.

Fiduciary Fund Types

Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund type:

Pension Trust Funds: Are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Plan member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The Pension Trust Funds account for the assets of the City's public safety employees and Hospital plans. The Hospital plan is a December 31 year-end and has been included based on its December 31, 2024 year-end.

Hospital Pension: Provides pensions and benefits to employees of the City-owned hospital for the North Kansas City Hospital Retirement Plan.

Police and Fire Retirement: Provides pensions and benefits to the post-certified police officers and firefighters of the City.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Custodial Fund: Is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The custodial fund accounts for assets raised by various organizations to be used for beautification projects around the City.

Measurement Focus And Basis Of Accounting

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. 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 imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2025 levy plus any uncollected amounts from prior years' levies.

Property taxes that are not available for current year operations are reported as deferred inflows of resources. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each October 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all real property for which taxes are unpaid.

Taxes receivable represent property, sales and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Summary Of Significant Accounting Policies

The significant accounting policies followed by the City include the following:

Cash And Pooled Cash Investments

Except where otherwise required, the City maintains all deposits in a bank account in the name of the City. These deposits are invested on a short-term basis with interest income being allocated to the funds based on their respective balance.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Investments

Investments, except for money market funds, are reported at fair value. Money market funds are reported at amortized cost. 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. Purchases and sales of securities are recorded on a trade-date basis. See Note 2 for additional information regarding fair value measures.

Statement Of Cash Flows

For purposes of the statement of cash flows for proprietary fund type funds, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

Accounts Receivable

Accounts receivable result primarily from miscellaneous services provided to citizens and are accounted for in the General Fund. Hospital services are accounted for in the Hospital Fund and water, sewer and internet services are accounted for in the Water Fund, Water Pollution Control Fund and the Communications Fund, respectively. All are net of an allowance for uncollectible accounts. The City records as accounts receivable in the water and water pollution control, nonmajor enterprise funds, the amount of earned, but unbilled revenue for these funds determined by prorating actual subsequent billings.

Special Assessments Receivable

Special assessments are levied against certain property owners benefited by the Paseo Industrial District project. Special assessments receivable consist of assessments due over the next 20 years in relation to this project, which was completed during the year ended September 30, 2009.

Leases Receivable

Leases receivable consist of the present value of lease payments expected to be received during the lease term.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Inventory

Consists of medical and water purification supplies in the enterprise funds and are stated at cost (first-in, first-out). The costs of governmental fund type inventories are recorded as expenditures when purchased.

Prepaids

Certain payments to vendors reflecting costs applicable to future accounting periods have been recorded as prepaid items in both the government-wide and fund financial statements, and expenditures are recognized using the consumption method.

Capital Assets

Capital assets include land, buildings, improvements, equipment and infrastructure, and they are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the enterprise fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an initial useful life of two years or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation has been provided over the estimated useful lives using the straight-line, half-year convention method. The estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Equipment and Right-To-Use leased equipment	3 - 10 years
Computer software (subscription)	3 - 5 years
Infrastructure	10 - 50 years

The City's collection of works of art, library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Property Held For Resale

Property held for resale consists of the Northgate Village Property. The City intends to sell specified tracts to developers for building. The property is currently accounted for as an asset in the Capital Projects Fund and is valued at the lower of historical cost or fair value, and as assigned fund balance.

Deferred Outflows Of Resources

In addition to assets, the statement of net 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) until then. The deferred outflow item consists of unrecognized items not yet charged to pension expense related to the net pension liability (asset) and contributions paid by the City after the measurement date but before the end of the City's reporting period. Additionally, the City recognizes a deferred outflow due to other postemployment benefit related items not yet charged to expense.

Deferred Inflows Of Resources

In addition to liabilities, the financial statements 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet.

In the City's government-wide statements, the property tax revenues remain as a deferred inflow of resources and will become an inflow in the year for which the taxes are levied. The City's government-wide statements also include the unamortized portion of the difference between expected and actual experience, changes in assumptions and the change in proportion and differences between the City's contributions and proportionate share of contributions all related to the net pension liability (asset). Additionally, the City recognizes a deferred inflow due to other postemployment benefit related items not yet charged to expense. Finally, the City recognizes a deferred inflow based on the original measurement of the lease receivable, less any amortization.

Pensions

For purposes of measuring the net pension liability or asset, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pensions have been determined on the same basis as they are reported by the pension plans. 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.

Reimbursements Receivable And Payable

The Hospital records reimbursements receivable from third party payers of medical services. The Hospital records estimated reimbursements payable to reflect the estimated amount due for Medicare disproportionate share reimbursements required by Medicare.

Interfund Transactions

Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended are separately reported as other financing sources/uses in the respective funds' operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due 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."

Compensated Absences

Under terms of the City's personnel policy (excluding the Hospital), City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days up to the maximum accruable of one and one-half times the annual amount earned, and accumulated sick leave of 50 percent of the maximum accruable (six months for all employees except firemen and nine months for firemen). Prior to 1991, no "cap" was in place for accumulated sick leave. All employees who had accrued sick leave in excess of the implemented cap were allowed to keep their accrued hours and will be paid 50 percent of this sick leave upon termination. Sick leave hours are used on a last-in, first-out basis.

Hospital policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits, and are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized.

The liability for compensated absences reported in the government-wide and proprietary fund statements has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absence liabilities are computed using the regular and termination pay rates in effect at the balance sheet date, plus an additional amount for compensation-related payments, such as social security and Medicare taxes computed using rates in effect at that date.

On October 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The new accounting guidance updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements. There was no effect on the beginning net position as of October 1, 2024.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Fund Balance

In the governmental financial statements, fund balances are displayed in five components as follows:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation. Amounts restricted for public safety training programs and City beautification are determined by state legislation and donor restrictions, respectively.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority.

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative Fund Balances are always reported as Unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies And Procedures

For committed fund balance, the City's highest level of decision-making authority is the City Council. The formal action that is required to be taken by City Council to establish, modify or rescind a fund balance commitment is through the adoption of an ordinance.

For assigned fund balance, the City Council is authorized to assign amounts to a specific purpose. The authorization to assign fund balance resides with City Council.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

For the classification of fund balances, the City considers restricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Expenditures are to be spent from restricted fund balance first, followed by committed, assigned and lastly unassigned.

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 balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Charges For Services

The Hospital Fund reports charges for services at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

The Hospital provides care to patients who are not covered by insurance or reimbursement contracts. \$16,750,000 of lost charges from free care was considered to be charity care in the year ended June 30, 2025.

Use Of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Deposits And Investments

Authorized Investments

The City is authorized to invest in U.S. obligations, U.S. government agency securities and instrumentalities of government-sponsored corporations, certificates of deposit and time open agreements.

The Hospital Enterprise Fund may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in money market mutual funds.

The Hospital Pension Plan and Police and Fire Retirement investments are generally not subject to limitation on the types of investments allowed.

Fair Value Measurements

The City 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 upon the City's own assumptions as there is little, if any, related market activity.

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

For the City, the following fair value techniques were utilized in measuring the fair value of its investments:

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The City does not have any Level 3 investments. Certain short term money market securities are valued at amortized cost. The City does hold one investment measured at net asset value.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires operating funds to be invested to coincide with projected cash flow needs.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Hospital's investment policy limits its investment portfolio to maturities of 15 years. The money market mutual funds are presented as investments with a maturity of less than one year because they are redeemable in full immediately.

The Police and Fire Pension Plan and the Hospital Plan's investment policy do not specifically address exposure to fair value losses arising from rising interest rates.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (Continued)

As of September 30, 2025, the City had the following investments and maturities:

Investment Type	Investment Maturities (In Years)					No Maturity	Fair Value Hierarchy Level
	Fair Value	Less Than 1	1 To 5	6 To 10	More Than 10		
Investments, excluding Hospital and Pension Trust Funds:							
U.S. Treasury Bonds and Notes	\$ 64,040,335	\$ 21,431,699	\$ 42,608,636	\$ —	\$ —	—	2
Bank securities	2,236,937	1,485,010	751,927	—	—	—	2
Total Investments, excluding Hospital and Pension Trust Funds	66,277,272	22,916,709	43,360,563	—	—	—	
Investments, Hospital Fund							
Money market mutual funds	19,617,000	19,617,000	—	—	—	—	1
Equity mutual funds	70,993,000	70,993,000	—	—	—	—	1
U.S. Treasury and agency obligations	227,459,000	29,071,000	93,793,000	66,539,000	38,056,000	—	2
Total Investments, Hospital Fund	318,069,000	119,681,000	93,793,000	66,539,000	38,056,000	—	
Investments, Pension Trust Fund - Police and Fire							
Mutual Funds - Equity	53,542,970	—	—	—	—	53,542,970	1
Mutual Funds - Fixed Income	17,774,591	—	—	—	—	17,774,591	1
Total investments, Pension Trust Funds	71,317,561	—	—	—	—	71,317,561	
Investments, Pension Trust Fund - Hospital							
Money market mutual funds	24,511,659	24,511,659	—	—	—	—	1
Domestic Equity funds	86,465,291	86,465,291	—	—	—	—	1
International Equity funds	33,575,294	33,575,294	—	—	—	—	1
Fixed Income funds	57,798,711	57,798,711	—	—	—	—	1
	202,350,955	202,350,955	—	—	—	—	
Total investments measured at fair value	658,014,788	\$ 344,948,664	\$ 137,153,563	\$ 66,539,000	\$ 38,056,000	\$ 71,317,561	
Investments measured at amortized cost							
Money market funds - Police and Fire Pension	341,238						
Investments measured at net asset value							
Real estate fund - Police and Fire Pension	7,655,547						
Total investments	\$ 666,011,573						

The following table sets forth additional disclosures of the City's investments whose fair value is estimated using net asset value per share (or its equivalent) as of September 30, 2025:

Investment	Fair Value At September 30, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Fund - Bailard (A)	\$ 7,655,547	\$ —	Quarterly	90 days

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy states that investments may only be made with institutions that possess overall financial strength, capitalization and liquidity to reasonably ensure the safety and availability of such monies. Security dealers not affiliated with a bank shall be required to have an office located in Missouri and be classified as reporting dealers affiliated with the New York Federal Reserve Bank as primary dealers.

<u>Investment</u>	<u>Fair Value</u>	<u>S & P Rating</u>
U.S. Treasury Bonds and Notes and Agencies	\$ 291,499,335	**
Bank securities	2,236,937	Not Rated
Mutual funds - Fixed Income (Pension Trust Fund Hospital)	57,798,711	Not Rated
Mutual funds - Fixed Income (Pension Trust Fund Police & Fire)	17,774,591	AA-
Money market mutual funds	44,469,897	AAAm

** As of September 30, 2025, the investments in U.S. Agency obligations not directly guaranteed by the U.S. government were rated AA+ by Standard & Poor's. U.S. Treasury Bonds and Notes are explicitly guaranteed by the U.S. government and therefore have the highest rating.

Concentration Of Credit Risk

The City's investment policy is to apply the prudent person rule: Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering probable safety of their capital as well as the probable income to be derived. In addition, no more than 50 percent of City funds shall be invested in any one U.S. Treasury bill or in one U.S. government agency security at any given time. Only 35 percent of City funds may be invested in certificates of deposit.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The following table discloses concentrations of debt securities greater than 5 percent of total investments (grouped by City, Hospital, Hospital Pension, and Police and Fire Pension, however there were no concentrations above 5% in the Police and Fire Pension) as of September 30, 2025:

<u>Investment Type</u>	<u>Concentration</u>
City (excluding City Pension, Hospital, Hospital Pension)	
None	
Hospital	
FHLB Obligations	7%
FNMA Obligations	12%
FHLMC Obligations	7%
First American Government Obligation Money Market Fund	6%
Federal Farm Credit Bank Obligation	5%
Hospital Pension	
PIMCO Income Instl	11%

Note: concentration risk does not arise in connection with U.S. government obligations and obligations explicitly guaranteed by the U.S. government, or instruments that are designed, in part, to provide diversification such as mutual funds.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of September 30, 2025, none of the City's (excluding the Hospital) bank balances with financial institutions, including certificates of deposit, were exposed to custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy states that all funds or investments purchased by the City from a qualified bank, savings and loan association or securities dealer on behalf of the City must be held in third party safekeeping by a bank designated as primary agent of the Federal Reserve Bank and may not be held in street name; they must be held in the City's name. As of September 30, 2025, the City's and the City's Police and Fire Pension Plan investments were not exposed to custodial credit risk.

At June 30, 2025, \$9,700,000 of the Hospital's bank balances of \$12,000,000 was exposed to custodial credit risk because they are not insured or collateralized.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (Continued)

Foreign currency risk: This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City itself has no investments in foreign currency. However, the Hospital Pension Plan's investment policy permits investments in international equities. All foreign equities held are denominated in U.S. dollars.

A summary of deposits and investments, along with financial statement classifications, is as follows:

Deposits	\$ 47,194,938
Investments	666,011,573
	<u>\$ 713,206,511</u>
Cash and cash equivalents	\$ 47,555,092
Restricted and designated cash and cash equivalents	22,488,000
Investments	
Pension Trust Funds	281,665,301
Investments, including designated investments	361,498,118
	<u>\$ 713,206,511</u>

3. Capital Assets

The following is a summary of changes in capital assets for the year ended 2025:

	Balance 2024	Additions	Retirements	Balance 2025
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 38,280,896	\$ 537,817	\$ —	\$ 38,818,713
Capital assets being depreciated:				
Buildings and improvements	39,486,836	943,564	—	40,430,400
Infrastructure	41,516,238	3,418,371	—	44,934,609
Equipment	27,270,291	1,063,288	245,262	28,088,317
Total capital assets being depreciated	108,273,365	5,425,223	245,262	113,453,326
Less: Accumulated depreciation for:				
Buildings and improvements	24,672,310	1,209,343	—	25,881,653
Infrastructure	13,502,590	2,169,961	—	15,672,551
Equipment	20,010,666	1,024,504	262,222	20,772,948
Total accumulated depreciation	58,185,566	4,403,808	262,222	62,327,152
Total capital assets being depreciated, net	50,087,799	1,021,415	(16,960)	51,126,174
Governmental activities capital assets, net	\$ 88,368,695	\$ 1,559,232	\$ (16,960)	\$ 89,944,887

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

	Balance 2024	Additions	Retirements	Balance 2025
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 6,719,527	\$ —	\$ —	\$ 6,719,527
Construction in progress	699,000	774,000	475,000	998,000
Total capital assets, not being depreciated	7,418,527	774,000	475,000	7,717,527
Capital assets being depreciated:				
Buildings and improvements	521,287,025	12,787,486	1,676,000	532,398,511
Infrastructure	33,167,151	971,288	—	34,138,439
Equipment	343,590,360	26,008,094	9,394,382	360,204,072
Subscription assets - software	40,105,000	12,448,000	7,066,000	45,487,000
Total capital assets being depreciated	938,149,536	52,214,868	18,136,382	972,228,022
Less: Accumulated depreciation for:				
Buildings and improvements	280,634,252	16,073,222	1,118,000	295,589,474
Infrastructure	22,777,199	1,305,181	—	24,082,380
Equipment	232,673,839	19,549,534	9,070,385	243,152,988
Subscription assets - software	22,200,000	11,657,000	6,937,000	26,920,000
Total accumulated depreciation	558,285,290	48,584,937	17,125,385	589,744,842
Total capital assets being depreciated, net	379,864,246	3,629,931	1,010,997	382,483,180
Business-type activities capital assets, net	\$ 387,282,773	\$ 4,403,931	\$ 1,485,997	\$ 390,200,707

Leases for buildings and equipment of \$7,798,000 and \$5,242,000, respectively, net of accumulated depreciation of \$1,815,000 and \$3,362,000, respectively, are included above in their respective categories.

Depreciation expense was charged to governmental activities as follows:

Governmental Activities	
General government	\$ 133,165
Public safety	1,508,926
Public works	2,171,681
Culture and recreation	590,036
	\$ 4,403,808

Depreciation expense was charged to business-type activities as follows:

Business-Type Activities	
Hospital	\$ 45,761,000
Health and community center	477,468
Water	1,059,718
Water pollution control	834,735
Communications	452,016
	\$ 48,584,937

4. Investment In Joint Ventures

The Hospital is a member of a joint venture agreement with United Surgical Partners International, Inc. (USPI), whereby the Hospital owns 50.1 percent of NKCH/USPI Surgery Centers I, L.L.C., a Missouri Limited Liability Company (Joint Venture I). Joint Venture I owns 57 percent of the Total Joint Center (the Center), which USPI will operate under a management agreement. The Centers' remaining 43 percent ownership interests are divided between surgeons who practice at the Center, the Hospital and other healthcare facilities.

The Hospital is a member of a joint venture agreement with USPI, whereby the Hospital owns 49 percent of NKCH/USPI Surgery Centers II, L.L.C., a Missouri Limited Liability Company (Joint Venture II). Joint Venture II owns approximately 51 percent of two surgery centers, which USPI operates under a management agreement. The surgery centers' remaining ownership interests are divided between the surgeons who practice at the respective surgery centers, the Hospital and other health care facilities.

During the year ended June 30, 2011, the Hospital formed North Kansas City Hospital Ortho-Spine Co-Management Company, LLC. The Hospital has a 25 percent net ownership interest in the organization. Effective June 13, 2025, NKC Health withdrew from NKCH Ortho-Spine Co-Management Company, L.L.C.

During the year ended June 30, 2024, the Hospital entered into a membership purchase agreement with ASHN North Kansas City, LLC (ASHN) whereby the Hospital sold their home health operations to ASHN for approximately \$2.4 million. The Hospital recorded the gain on the sale within other operating revenue in the statements of revenues, expense and changes in net position. The Hospital then entered into a Joint Venture agreement with ASHN, whereby the Hospital owns 40% of the North Kansas City Hospital Home Health, LLC., a Missouri Limited Liability Company that will operate the home health service line.

During the year ended June 30, 2025, the Hospital became a member of a Joint Venture agreement with Advent Health and The University of Kansas Health System, whereby the Hospital owns 33.3% of Centrus Health, L.L.C. (Centrus). Centrus participates in value-based care arrangements through an integrated care network and accountable care organizations.

The outflow for capital contributions in the Hospital Fund represent the net of contributions from and distributions to a minority owner within the Hospital Fund.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (Continued)

Financial statements of the Hospital with combining schedules for the joint ventures can be provided by contacting the finance manager of the City.

5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended 2025:

	Balance - October 1, 2024	Additions	Retirements	Balance - September 30, 2025	Due Within One Year
Governmental Activities					
Compensated absences	\$ 2,397,205	\$ 300,915	\$ 143,832	\$ 2,554,288	\$ 153,254
Business-Type Activities					
Revenue bonds					
2013B Hospital revenue bonds	\$ 14,299,000	\$ —	\$ 1,308,000	\$ 12,991,000	\$ 12,991,000
2020 Hospital revenue bonds	44,500,000	—	1,300,000	43,200,000	1,300,000
Total revenue bonds	58,799,000	—	2,608,000	56,191,000	14,291,000
Financing arrangements	1,408,000	157,000	215,000	1,350,000	320,000
Lease liability	4,924,000	5,087,000	1,866,000	8,145,000	1,577,000
Subscription liabilities	15,269,000	12,448,000	11,803,000	15,914,000	8,370,000
Compensated absences	45,060,477	48,179,610	44,892,709	48,347,378	28,952,902
	66,661,477	65,871,610	58,776,709	73,756,378	39,219,902
Total Primary Government	\$ 127,857,682	\$ 66,172,525	\$ 61,528,541	\$ 132,501,666	\$ 53,664,156

The accrued compensated absences attributable to the governmental activities are generally liquidated by the General Fund.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (Continued)

Hospital Revenue Bonds

On December 1, 2013, the City issued Series 2013A and 2013B Revenue Bonds under an Indenture of Trust dated December 1, 2013 in the amount of \$35.8 million and \$33.9 million, respectively. On December 1, 2020, the City issued Series 2020 Revenue Bonds under an Indenture of Trust dated December 1, 2020 in the amount of \$47 million. Proceeds from Series 2020 Revenue Bonds were used to payoff the Series 2013A Revenue Bonds in the amount of \$16.3 million and the remainder was used for capital projects. The bonds are special limited obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the net income and revenues arising from the operation the Hospital. The Indenture of Trust requires the Hospital to meet certain measures of financial performance on an annual basis and places limitations on future borrowings. The series 2013B have a final maturity of December 1, 2025 and carry an interest rate of 3.21%, and no amount is callable at face value. The Series 2020 Revenue Bonds have a final maturity of December 1, 2030 and carry an interest rate of 1.83%, and no amount is callable at face value.

Maturities of the Hospital revenue bonds are as follows:

<u>For The Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 14,291,000	\$ 983,000
2027	1,350,000	754,000
2028	1,350,000	730,000
2029	1,400,000	705,000
2030	1,400,000	679,000
2031	36,400,000	7,068,000
	<u>\$ 56,191,000</u>	<u>\$ 10,919,000</u>

During the year ended June 30, 2024, the Hospital entered into two arrangements to finance the purchase of medical equipment with interest rates ranging from 4.51% to 8.25%. Principal and interest payments will be paid annually through 2029. The following is a schedule by year of payments under the financing arrangements as of June 30, 2025.

<u>For The Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 320,000	\$ 90,000
2027	343,000	69,000
2028	352,000	47,000
2029	335,000	24,000
	<u>\$ 1,350,000</u>	<u>\$ 230,000</u>

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (Continued)

The Hospital leases equipment and real estate, the terms of which expire in various years through 2032. The leases were measured based upon the discount rate at lease commencement. During the year ended June 30, 2025, the Hospital recognized approximately \$0.8 million of rental expense for variable payments related to taxes, common areas and maintenance not previously included in the measurement of the lease liability. The following is a schedule by year of payments under the leases as of June 30, 2025:

<u>For The Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,577,000	\$ 326,000
2027	1,350,000	258,000
2028	1,043,000	201,000
2029	527,000	166,000
2030	368,000	148,000
2031-2032	3,280,000	844,000
	<u>\$ 8,145,000</u>	<u>\$ 1,943,000</u>

The Hospital has various SBITAs, the terms of which expire in various years through 2032. There are no variable payments associated with these subscriptions. There were no commitments under SBITAs before the commencement of the subscription terms. The following is a schedule of payments under the SBITAs as of June 30, 2025:

<u>For The Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 8,370,000	\$ 534,000
2027	4,149,000	236,000
2028	1,723,000	108,000
2029	1,035,000	50,000
2030	622,000	10,000
2031-2032	15,000	—
	<u>\$ 15,914,000</u>	<u>\$ 938,000</u>

6. Designated Hospital Fund Assets

Designated assets include assets in the Hospital Fund set aside by the Hospital Board of Trustees for future capital improvements, future development and other uses, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets held by trustees under liability assumption agreements.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The Hospital has assets limited as to use for certain purposes as follows:

Designated by Board for:	
Capital improvements	\$ 307,328,000
Assumption of malpractice and general liability risks	7,371,000
Assumption of workers' compensation risks	<u>3,370,000</u>
	<u>\$ 318,069,000</u>

These amounts are displayed on the balance sheet as follows:

Current portion of restricted assets held by trustee	\$ 2,871,000
Designated assets:	
Cash and cash equivalents	19,617,000
Investments	<u>295,581,000</u>
	<u>\$ 318,069,000</u>

7. Leases Receivable And Revenue

Harrah's Lease

The City has an agreement with Harrah's North Kansas City Corporation (Harrah's) to operate a riverboat casino on land owned by the City. The City determined the agreement constitutes a Lease under GASB 87. Under the agreement, Harrah's agreed to pay the City two percent of the casino's adjusted gross winnings with a minimum of \$2,000,000, less the City's share of taxes and fees paid with respect to the premises or the excursion gambling boats annually. The City determined that the payments above the \$2,000,000 minimum are variable and therefore excluded from the measurement of the lease receivable.

The City and Harrah's are currently operating off the fourth amendment, which was entered into June 28, 2005. Included in the calculation is the expectation that the options in the fourth amendment to extend the lease under the same terms through January 1, 2035 will be executed. The amount of inflows of resources recognized in the reporting period from leases include lease revenue of \$1,754,767, which is included in the General Fund within Gaming, and interest revenue of \$365,724 which is included in the General Fund as Miscellaneous. The amount of inflows of resources recognized in the reporting period for variable and other payments not previously included in the measurement of lease receivable are \$838,096.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Hospital Lease

The Hospital leases a portion of its office space to various third parties, the terms of which expire 2026 through 2032. Annual payments increase periodically on several of the leases based upon the terms of the lease agreements. The leases were measured based upon the payments at lease commencement.

Revenue recognized under lease contracts during the year ended June 30, 2025 was approximately \$5.9 million, which includes both lease revenue and interest. The Hospital recognized lease revenue of approximately \$0.02 million for the year ended June 30, 2025 for variable payments related to taxes, installation costs and maintenance not previously included in the measurement of the lease receivable.

8. Interfund Transfers And Balances

The following is a schedule of transfers as included in the basic financial statements of the City:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental fund, Gaming Revenue	\$ 1,800,000	\$ (2,267,283)
Other nonmajor governmental funds	1,172,300	(1,800,000)
Other nonmajor enterprise funds	1,094,983	—
	<u>\$ 4,067,283</u>	<u>\$ (4,067,283)</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The majority of the interfund transfers represent transfers of resources from the capital projects and Gaming funds to other funds for budgeted capital projects within those funds.

9. Retirement Systems And Pension Plans

The City participates in three different pension plans: Missouri Local Government Employees Retirement System Plan (LAGERS), the Police and Fire Retirement Plan and the North Kansas City Hospital Pension Plan.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Information about each plan is as follows:

Missouri Local Government Employees Retirement System (LAGERS)

General Information About The Pension Plan

Plan description: The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits provided: LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2025 Valuation</u>
Benefit multiplier	2%
Final average salary	3 years
Member contributions	0%

Benefit terms provide for annual post-retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4 percent per year.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Employees covered by benefit terms: At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	93
Inactive employees entitled to but not yet receiving benefits	37
Active employees	<u>79</u>
	<u>209</u>

Contributions: The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. The employer contribution rate for the general division is 14.7 percent of annual covered payroll.

Net pension liability (asset): The employer's net pension liability (asset) was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2025. Standard update procedures were used to roll forward the net pension liability (asset) to June 30, 2025.

Actuarial assumptions: The total pension liability in the February 28, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal and Modified Terminal Funding
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increase	2.75% to 6.75% including wage inflation
Investment Rate of Return	7.00% net of investment expenses

The healthy retiree mortality tables, for postretirement mortality, were 115% of the PubG-2010 retiree mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were 115% of the PubNS-2010 disabled retiree mortality table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee mortality table for males and females of General groups and 75% of the PubS-2010 employee mortality table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The actuarial assumptions used in the February 28, 2025 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate Of Return</u>
Equity	42.0%	2.7%
Fixed Income	28.0%	2.8%
Real assets	30.0%	3.0%

Discount rate: The discount rate used to measure the total pension liability is 7.00 percent. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay 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 payment to determine the total pension liability.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Changes In The Net Pension Liability (Asset)

Changes in the total pension liability, plan fiduciary net position and the net pension liability (asset) of LAGERS are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at September 30, 2024	\$ 34,515,813	\$ 37,174,874	\$ (2,659,061)
Changes for the year			
Service cost	693,272	—	693,272
Interest	2,376,818	—	2,376,818
Difference between expected and actual experience	739,834	—	739,834
Contributions - employer	—	662,257	(662,257)
Net investment income	—	2,199,820	(2,199,820)
Benefit payments, including refunds	(1,835,120)	(1,835,120)	—
Administrative expense	—	(24,911)	24,911
Other changes	—	(417,402)	417,402
Net changes	1,974,804	584,644	1,390,160
Balances at September 30, 2025	\$ 36,490,617	\$ 37,759,518	\$ (1,268,901)

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.00 percent, as well as what the City's net pension liability (asset) would be using a discount rate that is 1 percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 40,960,768	\$ 36,490,617	\$ 32,754,871
Plan fiduciary net position	37,759,518	37,759,518	37,759,518
Net pension liability (asset)	\$ 3,201,250	\$ (1,268,901)	\$ (5,004,647)

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (Continued)

Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To LAGERS

For the year ended September 30, 2025, the City recognized pension expense of \$1,555,880. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience	\$ 815,837	\$ —
Net difference between projected and actual earnings on pension plan investments	1,683,965	—
Employer contributions subsequent to the measurement date	180,677	—
Total	\$ 2,680,479	\$ —

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date of \$180,677 will be recognized as a reduction in the net pension liability for the year ending September 30, 2026.

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

Years Ending September 30,	Net Deferred Outflows Of Resources
2026	\$ 1,510,674
2027	680,856
2028	238,902
2029	69,370
2030	—
Thereafter	—
Total	\$ 2,499,802

Deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period. The deferred outflows of resources related to the difference between expected and actual investment earnings is being amortized over a closed five-year period as of the beginning of each measurement period.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Police And Fire Retirement Plan

Plan description: The City’s Police Officer’s and Fire Fighter’s Retirement Fund (the Plan) is a single employer defined benefit pension plan. It was created and established by the City under section 2.64 of the City Code to provide money for retirement, death and disability benefits for employees of the police department and fire department of the City. The Plan is administered by a Board of Trustees (Board) for the exclusive purpose of providing benefits for the members of the Plan and their spouses and other beneficiaries, except for the payment of reasonable expenses which are necessary for the operation of the Plan, in accordance with the relevant terms and provisions of the City code. The Board consists of the Mayor, the City Attorney, the City Treasurer, the Chief of Police, the Fire Chief and two members elected by participating members -one from police and one from fire. The Plan issued a stand-alone financial report for the Plan year ended September 30, 2025. The Plan’s fiduciary net position as a percentage of the total pension liability is 108%.

Persons who become police officers and firefighters of the City become eligible to participate in the plan upon their employment. The Plan issues a publicly available financial report biennially that includes financial statements and required supplementary information. This report may be obtained by contacting the Finance Manager of the City of North Kansas City.

At September 30, 2025, Plan membership consisted of the following:

Active employees	96
Vested terminated employees	7
Retirees, beneficiaries and contingent annuitants	88
	<hr/>
	191
	<hr/> <hr/>

Pension benefits: A participant entitled to monthly pension benefit is one who has attained the normal retirement age of 55. Members may take early retirement at age 45 after 25 years of service but must retire by age 65. Benefit amounts are generally based upon a percentage not-to-exceed 60 percent of average monthly base salary during the 36 consecutive months of service that produces the highest average out of the 60 consecutive months of service that precede retirement, with certain reductions for lesser years of service. Members also are eligible for disability, pension and death benefits.

In lieu of other benefits, employee contributions will be returned with interest earned upon termination.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Death and disability benefits: If a participant dies while eligible for normal retirement or after ten years of service if not eligible for early retirement, a death benefit may be paid to the participant’s designated beneficiary equal to 50 percent of the amount of the retirement benefit which was payable to the participant, reduced for joint life expectancy, payable when the participant would have otherwise reached eligibility for benefits.

Any participant who becomes permanently and totally disabled, as defined by the Plan, and meets the service requirements is entitled to disability benefits based on a percentage of their average monthly salary, as defined by the Plan.

Contributions: The Board has the authority to establish and amend contribution requirements. The City contributes to the Plan a specific percentage of each participant’s base pay. Effective April 6, 2018, the employer contribution rate was raised to 6.9 percent. The contribution rate remained unchanged through the year ended September 30, 2025.

Employees contribute to the Plan a specific percentage of participant’s base pay. Effective April 6, 2018, the employee contribution rate was raised to 3.1 percent. The contribution rate remained unchanged through the year ended September 30, 2025. An increase in the employee contributions of 6.0% is scheduled to go into effect on January 1, 2026.

The Plan terms provide for annual cost-of-living adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustments are based on the lesser of the change in the cost of living adjustment applied to increase social security benefits as of the immediately preceding December 1st or four percent.

Net pension liability (asset): The City’s net pension asset was measured as of September 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2025.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of October 1, 2025 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Salary increase	4.0%
Investment rate of return	6.5%

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Mortality rates were based on the Public Safety 2016 (formerly 2010) tables projected with generational improvements using the scale MP-2024. For disabled mortality, the Healthy Annuitant Mortality Table is set forward five years. The long-term expected rate of return on pension plan investments was determined using the 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. Best estimates arithmetic real rates of return for each major asset class included in the Plan’s target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	25%	2.0%
Equity securities	65%	5.5%
Real estate	10%	3.5%
	<u>100%</u>	

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ending September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 11.06 percent.

Discount rate: The discount rate used to measure the total pension liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 plan members. 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.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (Continued)

Changes In The Net Pension Liability

Changes in the total pension liability, plan fiduciary net position and the net pension liability of the City's Police and Fire Pension Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) (a) - (b)
Balance at September 30, 2024	\$ 66,602,422	\$ 73,432,420	\$ (6,829,998)
Changes for the year			
Service cost	1,316,043	—	1,316,043
Interest	4,274,476	—	4,274,476
Difference between expected and actual experience	1,685,020	—	1,685,020
Contributions - employer	—	1,452,338	(1,452,338)
Contributions - employee	—	241,166	(241,166)
Net investment income	—	8,609,748	(8,609,748)
Benefit payments, including refunds	(4,314,595)	(4,314,595)	—
Administrative expense	—	(155,210)	155,210
Changes of assumptions	568,958	—	568,958
Current period benefit changes	2,998,401.0	—	2,998,401
Net changes	6,528,303	5,833,447	694,856
Balance at September 30, 2025	\$ 73,130,725	\$ 79,265,867	\$ (6,135,142)

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.5 percent, as well as what the City's net pension (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (5.5 percent) or one percentage point higher (7.5 percent) than the current rate:

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
City's net pension liability (asset)	\$ 2,818,265	\$ (6,135,142)	\$ (13,545,866)

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Police And Fire Pension

For the year ended September 30, 2025, the City recognized pension expense of \$3,030,369. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences in experience	\$ 2,611,512	\$ —
Changes in assumptions	476,340	399,966
Difference between expected and actual investment earnings	—	6,454,525
Total	\$ 3,087,852	\$ 6,854,491

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

Years Ending September 30,	Amount
2026	\$ 930,776
2027	(2,350,456)
2028	(2,039,040)
2029	(336,407)
2030	28,488
Thereafter	—
Total	\$ (3,766,639)

Deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period. The deferred outflows of resources related to the difference between expected and actual investment earnings is being amortized over a closed five-year period as of the beginning of each measurement period.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Statements of fiduciary net position and changes in fiduciary net position of the Police and Fire Pension Fund as of and for the year ended September 30, 2025:

Assets	
Cash and cash equivalents	\$ 341,238
Investments	78,973,109
Total Assets	<u>79,314,347</u>
Net Position Restricted For Pensions	<u>\$ 79,314,347</u>
Additions	
Contributions	
Employer	\$ 1,452,338
Member	241,166
Total contributions	<u>1,693,504</u>
Investment income	
Net increase in fair value of investments	8,658,228
Interest and dividends	—
Total investment income	<u>8,658,228</u>
Total Additions	<u>10,351,732</u>
Deductions	
Benefits	4,314,595
Administrative expenses	155,210
Total Deductions	<u>4,469,805</u>
Change In Net Position	5,881,927
Net Position Restricted For Pensions - Beginning Of Year	<u>73,432,420</u>
Net Position Restricted For Pensions - End Of Year	<u>\$ 79,314,347</u>

North Kansas City Hospital Pension Plan

Plan Description

The Hospital contributes to the North Kansas City Hospital Retirement Plan (the Hospital Plan) a single employer noncontributory defined benefit pension plan which covers substantially all employees of the North Kansas City Hospital (NKCH) and certain employees of Meritas. The Hospital provides retirement, disability and death benefits to plan members and beneficiaries. The Hospital Plan is administered by the Retirement Committee which consists of the Chief Executive officer, Chief Financial Officer and Vice President of Human Resources of NKCH. The Hospital Plan issues a publicly available financial report that includes financial statements and required supplementary information (RSI) for the pension plan. That report may be obtained by writing to Attention: Chief Financial Officer, North Kansas City Hospital, 2800 Clay Edwards Drive, North Kansas City, Missouri 64116.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Benefits provided: The Hospital Plan was restated as of January 1, 2021. The restatement was performed to include the required SECURE Act changes. These changes mainly consisted of raising the age for required minimum distributions to 72 for participants that turn 70.5 after January 1, 2020. The Hospital Plan was previously amended and restated as of May 1, 2019. The amendment and restatement modified the benefits available to participants. The Hospital Plan was changed to provide for a cash balance benefit beginning May 1, 2019. No change in benefits occurred for certain participants in the Hospital Plan who met specific requirements. All other eligible participants in the Hospital Plan retained benefits earned under the previous traditional defined benefit formula through April 30, 2019 and began accruing benefits under the new cash balance formula beginning May 1, 2019. Eligible participants who entered the Hospital Plan on or after May 1, 2019, will earn benefits under a cash balance formula.

On April 24, 2023, the plan sponsor approved an amendment to freeze the Plan as of December 31, 2023 (“Plan Freeze Date”). As a result of the freeze, there will be no further benefits accrued after December 31, 2023, but there will be continued vesting for associates with fewer than five years of vesting service. The Hospital will continue to fund existing benefit obligations and there will be no new participants in the future.

On June 12, 2025, the Hospital’s name changed to North Kansas City Hospital d/b/a NKC Health (NKC Health) The purpose of this name change was to unify the brand throughout the continuum of care.

Under the terms of the cash balance benefit, the participants will be credited with a contribution equal to a percentage of covered compensation that varies based on years of service. The amounts contributed to each participant earn a guaranteed interest credit of 4 percent per year.

Participants with three or more years of vested service are entitled to monthly income pension benefits beginning at normal retirement, age 65. The Hospital Plan now provides for various benefits based on hire date, age or years of service at the amendment and restatement date of May 1, 2019.

Due to a April 22, 2024 plan amendment, participants will become 100% vested in their plan benefit on January 1, 2024, regardless of their years of service.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Participants hired prior to January 1, 2005 and who were either over age 50 or had 15 years of service at May 1, 2019 are entitled to a benefit equal to 1.35 percent of their average compensation up to 1/12th of his or her covered compensation as defined in the Hospital Plan, plus 2.00 percent of their average compensation in excess of this level, multiplied by their credited service, as defined by the Hospital Plan.

Participants hired prior to January 1, 2005 but who were neither over age 50 nor had 15 years of service at May 1, 2019 are entitled to a benefit equal to 1.35 percent of their average compensation up to 1/12th of his or her covered compensation as defined in the Hospital Plan, plus 2.00 percent of their average compensation in excess of this level, multiplied by their credited service, as defined by the Hospital Plan, up to April 30, 2019, plus the participant's cash balance account. A cash balance account will be established for these participants for the period subsequent to April 30, 2019 and will be funded based on the terms of the Hospital Plan.

Participants hired subsequent to January 1, 2015 but prior to May 1, 2019 are entitled to a benefit equal to 0.90 percent of their average compensation up to 1/12th of his or her covered compensation as defined in the Hospital Plan, plus 1.4 percent of their average compensation in excess of this level, multiplied by their credited service, as defined by the Hospital Plan, up to April 30, 2019, plus the participant's cash balance account. A cash balance account will be established for these participants for the period subsequent to April 30, 2019 and will be funded based on the terms of the Hospital Plan.

Participants hired subsequent to May 1, 2019 will be entitled to benefits equal to the amount in the cash balance account.

The Hospital Plan permits early retirement after attaining age 55 and completing 10 years of vesting service or attaining age 62. The monthly pension benefit is determined as of the early retirement date with payments commencing at age 65, unless the participant elects earlier payment for a reduced amount.

The forms of benefit payments are a life annuity or lump-sum payment. Other options are available upon election at retirement.

If an active participant dies before his/her normal retirement date, a death benefit is payable consisting of the present value of the participant's accrued benefit on the date of death.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

An active participant who becomes totally and permanently disabled before his/her retirement date and before May 1, 2019 was eligible for a monthly benefit equal to his/her accrued benefit on the day before his/her monthly disability benefit begins. The disability benefit was eliminated for all employees that become totally and permanently disabled subsequent to the amendment and restatement date of May 1, 2019.

The employees covered by the Hospital Plan at December 31, 2024, included in the actuarial valuation as of January 1, 2025:

Active participants	2,392
Retired participants, beneficiaries and disabled	381
Participants with deferred benefits	1,187
	<hr/>
	3,960
	<hr/> <hr/>

Contributions: The contribution requirements of participants and the Hospital are established and may be amended by the Hospital. Hospital Plan members are not required or permitted to contribute any of their annual covered salary. The Hospital contributes to the Hospital Plan at a level at or above the minimum funding requirements determined by independent actuarial valuation. The Hospital made no contributions to the Plan for 2025 and 2024 and there were no actuarial determined contributions to the Plan for 2025 and 2024.

Net pension asset: The Hospital's net pension asset was measured as of December 31, 2024 (the Hospital Plan's fiscal year-end) and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2025.

Actuarial assumptions: The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest Rates	
Funding rate	7.00%
Lump sum interest rate	4.25
Salary and taxable wage base increases	N/A
Investment rate of return	7.00
Inflation	2.30

Mortality rates were based on the MP-2021 mortality table.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

The long-term expected rate of return on pension plan investments was determined using the 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. Best estimates arithmetic real rates of return for each major asset class included in the Hospital Plan’s target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate Of Return
Equity		
US Large Stock	45%	8.00%
US Small Stock	20%	9.00%
Bonds		
US 30 Day TBill	2%	2.00%
US IT Government	18%	4.00%
US LT Corporate	15%	6.00%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2024, the annual money-weighted rate of return on the Hospital Plan investments, net of pension plan investment expense was 11.64 percent.

Discount rate: The discount rate used to measure the total pension liability was 7.00 percent for the year ended December 31, 2024. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Hospital Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Changes In The Net Pension Liability (Asset)

Changes in the total pension liability, plan fiduciary net position and the net pension liability (asset) of the North Kansas City Hospital Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at December 31, 2024	\$ 230,166,000	\$ 248,238,000	\$ (18,072,000)
Changes for the year			
Interest	14,958,000	—	14,958,000
Difference between expected and actual experience	2,746,000	—	2,746,000
Net investment income (loss)	—	27,901,000	(27,901,000)
Benefit payments, including refunds	(73,412,000)	(73,412,000)	—
Administrative expense	—	(377,000)	377,000
Net changes	(55,708,000)	(45,888,000)	(9,820,000)
Balance at December 31, 2025	\$ 174,458,000	\$ 202,350,000	\$ (27,892,000)

Sensitivity of the hospital's net pension asset to changes in the discount rate: The net pension asset of the Hospital has been calculated using a discount rate of 7.00 percent. The following presents the net pension asset using a discount rate 1 percent higher and 1 percent lower than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Hospital's Net Pension Asset	\$ (11,417,000)	\$ (27,892,000)	\$ (41,863,000)

Detailed information about the Hospital Plan's fiduciary net position is available in the separately issued Plan financial report.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To The Hospital Plan

For the year ended June 30, 2025, the Hospital recognized pension expense of \$9,000,000. At June 30, 2025, the Hospital 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
Differences in experience	\$ 15,324,000	\$ —
Changes in assumptions	3,246,000	(1,752,000)
Difference between expected and actual investment earnings	5,610,000	—
Total	\$ 24,180,000	\$ (1,752,000)

Amounts reported as deferred outflows of resources and deferred inflows of resources June 30, 2025 related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Amount
2026	\$ 13,645,000
2027	14,195,000
2028	(4,674,000)
2029	(1,596,000)
2030	461,000
Thereafter	397,000
Total	\$ 22,428,000

Below is a summary of pension-related amounts reported by the primary government of the City:

	LAGERS	Police & Fire	Hospital	Total
Net pension asset	\$ 1,268,901	\$ 6,135,142	\$ 27,892,000	\$ 35,296,043
Deferred outflows of resources	2,680,478	3,087,852	24,180,000	29,948,330
Deferred inflows of resources	—	6,854,491	1,752,000	8,606,491
Pension expense	1,555,880	3,030,369	9,000,000	13,586,249

North Kansas City Hospital Deferred Compensation Plan And Trust

The North Kansas City Hospital Deferred Compensation Plan and Trust (“Deferred Compensation Plan”) is a defined contribution, eligible governmental plan under Section 457(b) of the Internal Revenue Code. The Deferred Compensation Plan allows employees of the Hospital who execute a participation agreement to make salary deferral contributions (including catch-up contributions) to the Deferred Compensation Plan during the calendar year, up to the maximum contribution permitted to Section 457(b) plans under the Internal Revenue Code. Eligible employees may also make rollover contributions to the Deferred Compensation Plan. While the Hospital’s Board of Trustees (the “Board”) retains the authority to amend the Deferred Compensation Plan, the Board has appointed a Committee to interpret and administer the Deferred Compensation Plan. The Deferred Compensation Plan is maintained on a calendar-year basis. Deferred Compensation Plan participants made aggregate contributions to the Deferred Compensation Plan during the fiscal year 2025 equal to \$.6 million. The Hospital does not contribute to the Deferred Compensation Plan.

North Kansas City Hospital Executive Retirement Plan And Trust

The North Kansas City Hospital Executive Retirement Plan and Trust (“Executive Retirement Plan”) is a defined contribution, governmental profit sharing plan under Section 401(a) of the Internal Revenue Code. Certain classifications of employees, as defined by the Executive Retirement Plan, are eligible to receive an annual employer contribution, up to the maximum amount permitted under Section 415(c) of the Internal Revenue Code. The employer contribution is solely at the discretion of the Hospital. Eligible employees may also make rollover contributions to the Executive Retirement Plan. While the Hospital’s Board retains the authority to amend the Executive Retirement Plan, the Board has appointed a Committee to interpret and administer the Executive Retirement Plan. The Executive Retirement Plan is maintained on a calendar-year basis. The Hospital made aggregate employer contributions to the Executive Retirement Plan during the fiscal year 2025 equal to \$.3 million.

North Kansas City Hospital Section 403(b) Plan

The North Kansas City Hospital Section 403(b) Plan (the 403(b) Plan) is a defined contribution, governmental tax-sheltered annuity plan under Section 403(b) of the Internal Revenue Code. The 403(b) Plan allows employees of the Hospital who execute an enrollment form to make salary deferral contributions (including catch-up contributions) and Roth contributions for the calendar year, up to 100 percent of their compensation during a payroll period, but not to exceed the maximum amount permitted under Section 402(g) of the Internal Revenue Code for the calendar year. Employee contributions are subject to the applicable maximum contribution limit permitted under the Internal Revenue Code. Eligible employees may also make rollover contributions to the Plan. The Hospital's Board of Trustees has the authority to interpret, administer and amend the Plan. The Plan is maintained on a calendar-year basis. Effective January 1, 2024, the 403(b) Plan was amended to allow certain eligible employees as defined by the 403(b) Plan to receive a matching employer contribution equal to 50% of their salary deferral contributions made to the 403(b) Plan (up to 4% of eligible compensation). Certain other employees as defined by the 403(b) Plan are eligible to receive a discretionary non-elective employer contribution equal to 2% of eligible compensation. 403(b) Plan participants made aggregate employee contributions to the 403(b) Plan during July 1, 2024 through June 30, 2025, equal to \$10.7 million. NKC Health made employer contributions to the 403(b) Plan equal to \$2.7 million during fiscal year 2025.

Meritas Health Corporation 457 Plan And Trust

The Meritas Health Corporation 457 Plan and Trust (the Meritas 457 Plan) is a defined contribution, eligible governmental plan under Section 457(b) of the Internal Revenue Code. The Meritas 457 Plan allows certain employees who execute a participation agreement to make salary deferral contributions (including catch-up contributions) and Roth contributions to the Meritas 457 Plan during the calendar year, up to the maximum contribution permitted to Section 457(b) plans under the Internal Revenue Code. Eligible employees may also make rollover contributions to the Meritas 457 Plan. While the Meritas Board of Directions retains the authority to amend the Meritas 457 Plan, the Meritas 457 Plan establishes a Committee to interpret and administer the Meritas 457 Plan. The Meritas 457 Plan is maintained on a calendar-year basis. Meritas 457 Plan participants made aggregate contributions to the Meritas 457 Plan during the 2025 calendar year equal to \$3.1 million.

Meritas Health Corporation Deferred Compensation Plan And Trust

The Meritas Health Corporation Deferred Compensation Plan and Trust (the Meritas Deferred Compensation Plan) is a defined contribution, eligible governmental plan under Section 457(b) of the Internal Revenue Code. The Meritas Deferred Compensation Plan allows certain employees who execute a participation agreement to make salary deferral contributions (including catch-up contributions) and Roth contributions to the Meritas Deferred Compensation Plan during the calendar year, up to the maximum contribution permitted to Section 457(b) plans under the Internal Revenue Code. Eligible employees may also make rollover contributions to the Meritas Deferred Compensation Plan. While the Meritas Board of Directors retains the authority to amend the Meritas Deferred Compensation Plan, the Meritas Deferred Compensation Plan establishes a Committee to interpret and administer the Meritas Deferred Compensation Plan. The Meritas Deferred Compensation Plan is maintained on a calendar-year basis. Contributions actually made by plan participants aggregated \$3.7 million during 2025.

Meritas Health Corporation Retirement Plan And Trust

The Meritas Health Corporation Retirement Plan and Trust (the Meritas Retirement Plan) is a defined contribution, governmental profit sharing plan under Section 401(a) of the Internal Revenue Code. Certain employees, as defined by the Meritas Retirement Plan, are eligible to receive a matching employer contribution equal to 50 percent of their salary deferral contributions made to the Meritas Health Corporation 457 Plan and Trust (up to 6 percent of compensation), in addition to a regular employer contribution. The matching employer contribution is allocated on a payroll period basis. The regular employer contribution is made solely at the discretion of Meritas and is allocated on a calendar-year basis. Certain other employees, as defined by the Meritas Retirement Plan, are eligible to receive a non-elective employer contribution in the amount of \$20,000. The non-elective employer contribution is pro-rated and allocated on a payroll period basis. All contributions are limited to the maximum amount permitted under the Internal Revenue Code. Eligible employees may also make rollover contributions to the Meritas Retirement Plan. The Meritas Retirement Plan is maintained on a calendar-year basis. While the Meritas Board of Directors retains the authority to amend the Meritas Retirement Plan, the Meritas Retirement Plan establishes a Committee to interpret and administer the Meritas Retirement Plan. Meritas made aggregate employer contributions to the Meritas Retirement Plan for the 2025 calendar year equal to \$6.1 million.

Meritas Health Corporation Matching Contribution Plan

The Meritas Health Matching Contribution Plan (the Meritas Matching Contribution Plan) is a defined contribution, governmental profit sharing plan under Section 401(a) of the Internal Revenue Code. Certain employees, as defined by the Meritas Matching Contribution Plan, are eligible to receive a matching employer contribution equal to 50 percent of their salary deferral contributions made to the Meritas Health Corporation Deferred Compensation Plan (up to 6 percent of compensation). Effective January 1, 2024, the matching contribution was changed to 50% of certain employee's salary deferral contributions made to the Meritas Deferred Compensation Plan (up to 4% of compensation). The matching employer contribution is allocated on a payroll period basis. Certain other employees, as defined by the Meritas Matching Contribution Plan, are eligible to receive a non-elective employer contribution equal to \$19,000. The non-elective employer contribution is pro-rated and allocated on a payroll period basis. Effective January 1, 2024, the Meritas Matching Contribution Plan was amended to provide that certain other employees, as defined by the Plan, are eligible to receive a discretionary non-elective employer contribution equal to 2% of eligible compensation. All contributions are limited to the maximum amount permitted under the Internal Revenue Code. Eligible employees may also make rollover contributions to the Meritas Matching Contribution Plan. The Meritas Matching Contribution Plan is maintained on a calendar-year basis. While the Meritas Board of Directors retains the authority to amend the Meritas Retirement Plan, the Meritas Matching Contribution Plan establishes a Committee to interpret and administer the Meritas Matching Contribution Plan. Meritas made aggregate employer contributions for the 2025 calendar year equal to \$1.2 million.

10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; injuries to employees; natural disasters and employee health, dental and accident benefits. However, the City is entitled to the defense of sovereign and official immunity against tort action that may be brought against it under Section 537.600, RSMo (1978). This defense provides immunity except in two areas: motor vehicles and the condition of property of governmental entities.

The City carries commercial insurance for property and casualty, workers' compensation, employee health, life and dental insurance. During the last three years, settled claims have not exceeded insurance coverage.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

The Hospital, as an enterprise fund, has assumed the risk of loss for malpractice, general liability and workers’ compensation. Costs and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred but not reported.

At year end, the amount of these liabilities was approximately \$9,615,000. This liability is the Hospital’s best estimate based on available information. Changes in the reported liability for the last two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Beginning Of Year</u>	<u>Provisions</u>	<u>Payments</u>	<u>End Of Year</u>
2024	\$ 8,739,000	\$ 3,025,000	\$ 2,767,000	\$ 8,997,000
2025	8,997,000	3,489,000	2,871,000	9,615,000

At year-end, the Hospital had approximately \$10,800,000 in an escrow account to pay prior and current year-end claims and to provide for catastrophic losses.

These liabilities are classified as part of the reserve for liability risks balance of \$2,871,000 current and \$6,744,000 long-term on the accompanying statement of net position as of June 30, 2025.

11. Operating Agreements

Community Center Fund

On November 18, 2014, the City Council approved an ordinance which approved the facility operating and cooperative agreement by and between the City of North Kansas City and the Young Men’s Christian Association of Greater Kansas City (YMCA) which gives the YMCA the right to operate the City’s Community Center, with the City retaining ownership of the Community Center. This agreement took effect on January 1, 2015 and was modified on December 3, 2024 with an effective date of January 1, 2025. This agreement does not meet the definition of a service concession agreement as defined by GASB Statement No. 60.

Under the amended agreement, the City maintains the building and grounds, excluding janitorial duties and the YMCA will maintain operations at the building.

The original agreement included subsidy payments from the City to the YMCA for maintenance and operation. When the original term expired on December 31, 2024, the City paid \$294,983 for management fees and operational deficit subsidies. This represented the final subsidy payment from the City.

Communications Fund: On September 2, 2014, the City signed an agreement with DataShack, LLC (DataShack) which authorized KC Fiber, LLC (a subsidiary of DataShack) to operate and maintain the City's fiber optic network known as liNKCity for a term of 10 years with the City retaining ownership of the network. The agreement commenced on September 30, 2014. This agreement does not meet the definition of a service concession agreement as defined by GASB Statement No. 60.

Per the terms of the agreement, the City will share the profits and losses equally with losses capped at \$150,000 per year for the City. The amount due to KC Fiber, LLC as of September 30, 2025 of \$55,017 is recorded in the City's Communication Fund, a nonmajor enterprise fund.

12. Patient Service Revenues

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's billings at established rates for services and amounts reimbursed by third-party payers. These payment arrangements include:

Medicare - Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain inpatient non-acute services and defined medical education costs are paid based on a cost reimbursement methodology. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare Administrative Contractor. The Hospital's Medicare cost reports have been reviewed by the Medicare Administrative Contractor through June 30, 2021. Medicare patients accounted for approximately 39 percent of gross patient service revenues of the Hospital.

Medicaid - The State of Missouri's Medicaid program operates primarily on a prospective basis, and accordingly, provision for contractual adjustments is made in the period in which the related services are rendered. Medicaid patients accounted for approximately 10 percent of gross patient service revenues of the Hospital.

CITY OF NORTH KANSAS CITY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The Hospital receives reimbursement from the State of Missouri through the Medicaid program in relation to the Medicaid and indigent population they serve. Funding received in excess of costs (as defined by Medicaid regulations) to provide these services may be refunded to the State of Missouri. At June 30 2025, the Hospital has recorded a liability of approximately \$21.6 million included in estimated reimbursements payable on the balance sheets. Changes in liability are recorded within net patient service revenue on the statements of revenues, expenses and changes in net position, for the estimated portion of funding received in excess of costs (as defined by Medicaid regulations) in the respective year. It is reasonably possible that circumstances related to the state's Medicaid program could change materially in the near term.

Commercial - A majority of inpatient services rendered to Blue Cross subscribers are reimbursed at prospectively determined rates per discharge or per diem reimbursement. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The prospectively determined rates are not subject to retroactive adjustment. Outpatient services are reimbursed at a percentage of established charges. Commercial patients accounted for approximately 48 percent of net patient service revenues of the Hospital.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

On July 3, 2025, the U.S. Congress enacted the One Big Beautiful Bill Act (OBBBA), a comprehensive budget reconciliation law introducing significant changes to federal healthcare programs, tax policy, and energy-related incentives. The legislation includes substantial reductions in Medicaid funding, modifications to provider tax structures, and new eligibility and cost-sharing requirements for Medicaid beneficiaries. The OBBBA has no impact on the results of operations and financial condition as of and for the year ended June 30, 2025. NKC Health is currently evaluating what impact the OBBBA may have on the financial results, cash flows and financial position for future periods.

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

13. Commitments And Contingencies

In the normal course of business, the City and the Hospital are, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Hospital's self-insurance program or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The City and Hospital evaluate such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

As of September 30, 2025, various claims and lawsuits were on file against the City. City management believes that the potential settlements against the City not covered by insurance would not materially affect the financial position of the City.

Excelsior Springs Medical Center

On February 28, 1994, the Hospital and Excelsior Springs Medical Center (the Medical Center) entered into an affiliation agreement to cooperate in several areas including, but not limited to, providing more geographic coverage of health care services, entering joint managed care arrangements and improving employee educational opportunities. Additionally, the Medical Center granted the Hospital the right of first refusal upon the lease of all or a majority of the assets of the Medical Center or similar management agreement, which would have the effect of transferring authority and responsibility for operation to any other person or entity.

The Hospital entered into a management agreement with the Medical Center effective July 1, 2014. Under the management agreement, the Hospital will provide operational oversight to the Medical Center through the employment of the Medical Center's Chief Executive Officer. On June 1, 2025, the management agreement between the Hospital and Excelsior Springs Medical Center ended.

14. Patient Accounts Receivable

The Hospital grants credit without collateral to its patients that are insured under third- party payer agreements. The mix of gross accounts receivable from patients and third-party payers as of June 30, 2025 was as follows:

Medicare	26%
Medicaid	4%
Commercial insurance	6%
Patients	33%
Contracted payers	31%
	<hr/>
	100%
	<hr/>

15. Major Customer

Revenue generated by two utility customers of the City amounted to \$9,239,636 of the Sewer Fund (Water Pollution). Revenue generated by two utility customer of the City amounted to \$1,493,586 of the Water Fund. Revenue generated by these customers comprised 68 percent and 44 percent of total operating revenue for the Sewer Fund and Water Fund, respectively, for the year ended September 30, 2025.

16. Reimbursable Developer Project Costs

Reimbursable developer project costs represent project costs that have been certified by the City as eligible for reimbursement to the applicant from various revenues attributable to a development project. Costs are certified upon project completion and may be certified in phases. Under the agreements, the City may reimburse approved certified cost amounts from incremental taxes generated from the redevelopment project plan for a period up to 23 years from the date of such plan approval. Reimbursement is made in accordance with the terms of an agreement entered into between an applicant and the City. Accordingly, certified project costs in excess of amounts reimbursed to date are tracked by the City for future repayment upon collection of attributable taxes. The City is only obligated for the amount of incremental taxes received attributable to the project and then, only in accordance with the terms of the agreement. Any project costs in excess of the incremental taxes received are the responsibility of the applicant. In accordance with GASB 48 *Pledged Revenue*, the City will record a liability when the City has received amounts that apply to certified developer costs and have yet to be distributed to the developer. Through September 30, 2025, \$3,064,240 as been distributed to the developer.

17. Tax Abatements

The City administers two tax abatement programs: The Chapter 100 program provides property tax abatement and sales tax exemption to purchase, construct, improve and equip certain industrial development projects through the issuance of industrial development bonds per Sections 100.010 - 100.200 RSMo. Eligible types of projects include warehouses, distribution facilities, office industries and others listed within Section 100.010 RSMo. Project improvements and equipment financed with Chapter 100 bonds are deeded to City, and exempt from ad valorem taxes per Section 137.100 RSMo, as long as the bonds are outstanding. Companies commit to operational standards for payroll and investment. Failing to meet those standards may result in the company repaying a portion of the abated taxes. The City received PILOTs in the amount of \$577,456 during the fiscal year. A jeweler receives a 100 percent tax abatement.

The Chapter 353 program provides property tax abatement to encourage developers to improve and/or remove blight (e.g., renovating abandoned buildings for new uses) per Chapter 353 RSMo. A financial need analysis, proof of a blight study, and a plan approved by City Council are required. The program also requires the formation of an Urban Redevelopment Corporation, rezoning to an Urban Revitalization District, compliance with MWDBE and Prevailing Wage requirements and submission of annual project reports. Developers under this program are normally granted 25 years of property tax abatement on improvements made to real property. Abatements generally occur in two phases (Phase I - 100 percent abatement of property taxes on the assessed value of the improved property, followed by a Phase II - 50 percent abatement of property taxes for 15 years). Recapture of abated taxes may occur if the recipient does not fulfill their commitments under the redevelopment plan agreements. The development agreement may also require an annual PILOT during the first phase. The City received PILOTs of approximately \$14,500 during the fiscal year. All PILOTs are remitted to the Clay County collector for distribution to the respective taxing jurisdictions.

In 2022, the City updated its tax incentive program to incorporate the City's strategic plan. Two strategic priorities for the City are housing stock and stormwater abatement due to its location to the Missouri River and levees. Recent approved tax abatement projects have focused on both of those strategies and have made significant improvements to stormwater infrastructure while also addressing housing. Other abatement incentives support the City's industrial base and both maintain and grow jobs.

Required Supplementary Information

CITY OF NORTH KANSAS CITY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION MISSOURI LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM For The Year Ended September 30, 2025

Schedule Of Changes In Net Pension Liability And Related Ratios

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 693,272	\$ 594,629	\$ 510,558	\$ 502,234	\$ 521,171	\$ 497,858	\$ 467,536	\$ 468,036	\$ 453,532	\$ 442,508
Interest on the total pension liability	2,376,818	2,240,687	2,114,555	2,051,253	2,145,118	2,080,929	1,995,606	1,973,791	1,922,857	1,847,804
Difference between expected and actual experience	739,834	944,490	933,365	72,736	(328,132)	(205,731)	148,101	(664,549)	(245,346)	(834,924)
Changes of assumptions	—	—	—	—	(939,717)	—	—	—	—	980,848
Benefit payments, including refunds	(1,835,120)	(1,930,389)	(1,669,866)	(1,780,252)	(1,569,423)	(1,431,274)	(1,466,633)	(1,485,325)	(1,387,628)	(1,424,612)
Net Change In Total Pension Liability	1,974,804	1,849,417	1,888,612	845,971	(170,983)	941,782	1,144,610	291,953	743,415	1,011,624
Total Pension Liability, Beginning	34,515,813	32,666,396	30,777,784	29,931,813	30,102,796	29,161,014	28,016,404	27,724,451	26,981,036	25,969,412
Total Pension Liability, Ending	\$ 36,490,617	\$ 34,515,813	\$ 32,666,396	\$ 30,777,784	\$ 29,931,813	\$ 30,102,796	\$ 29,161,014	\$ 28,016,404	\$ 27,724,451	\$ 26,981,036
Plan Fiduciary Net Position										
Contributions - employer	\$ 662,257	\$ 620,141	\$ 594,428	\$ 563,874	\$ 563,471	\$ 552,982	\$ 568,854	\$ 578,390	\$ 655,589	\$ 628,991
Pension plan net investment income	2,199,820	1,889,012	1,287,427	22,648	8,407,765	400,186	1,966,403	3,416,713	3,065,800	(85,854)
Benefit payments, including refunds	(1,835,120)	(1,930,389)	(1,669,866)	(1,780,252)	(1,569,423)	(1,431,274)	(1,466,633)	(1,485,325)	(1,387,628)	(1,424,612)
Pension plan administrative expense	(24,911)	(26,353)	(29,071)	(20,218)	(17,969)	(24,196)	(21,606)	(14,510)	(14,326)	(14,297)
Other	(417,402)	(501,734)	433,271	(779,436)	(9,977)	(300,220)	(102,127)	(546,890)	95,318	(154,085)
Net Change In Fiduciary Net Position	584,644	50,677	616,189	(1,993,384)	7,373,867	(802,522)	944,891	1,948,378	2,414,753	(1,049,857)
Plan Fiduciary Net Position, Beginning	37,174,874	37,124,197	36,508,008	38,501,392	31,127,525	31,930,047	30,985,156	29,036,778	26,622,025	27,671,882
Plan Fiduciary Net Position, Ending	\$ 37,759,518	\$ 37,174,874	\$ 37,124,197	\$ 36,508,008	\$ 38,501,392	\$ 31,127,525	\$ 31,930,047	\$ 30,985,156	\$ 29,036,778	\$ 26,622,025
Employer Net Pension Liability (Asset)	\$ (1,268,901)	\$ (2,659,061)	\$ (4,457,801)	\$ (5,730,224)	\$ (8,569,579)	\$ (1,024,729)	\$ (2,769,033)	\$ (2,968,752)	\$ (1,312,327)	\$ 359,011
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability (Asset)	103%	108%	114%	119%	129%	103%	109%	111%	105%	99%
Covered Payroll	6,008,496	5,310,522	4,533,807	3,952,981	4,121,626	4,140,786	3,849,708	3,614,267	3,540,619	3,444,549
Employer's Net Pension Liability (Asset) As A Percentage Of Covered Payroll	-21.1%	-50.1%	-98.3%	-145.0%	-207.9%	-24.7%	-71.9%	-82.1%	-37.1%	10.4%

Note: Amounts presented are determined as of June 30, the measurement date.

CITY OF NORTH KANSAS CITY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM For The Year Ended September 30, 2025

Schedule Of Funding Progress

Years Ended September 30,	Statutorily Required Contribution	Contributions In Relation To The Statutorily Required Contribution	Contributions Deficiency	City's Covered Payroll	Contributions As A Percentage Of Covered Payroll
2025	\$ 670,962	\$ 670,962	\$ —	\$ 5,784,155	11.60%
2024	622,708	622,708	—	5,510,687	11.30%
2023	597,136	597,136	—	5,060,472	11.80%
2022	599,693	599,693	—	4,409,510	13.60%
2021	558,416	558,416	—	4,230,422	13.20%
2020	546,878	546,878	—	4,206,757	13.00%
2019	556,493	556,493	—	4,032,553	13.80%
2018	569,401	569,401	—	3,796,007	15.00%
2017	620,761	620,761	—	3,762,188	16.50%
2016	637,568	637,568	—	3,602,080	17.70%

Notes To Schedule Of Contributions

Valuation Date

The roll-forward of total pension liability from February 28, 2025 to June 30, 2025 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods And Assumptions Used To Determine Contribution Rates:

Valuation date	February 28, 2025
Actuarial cost method	Entry-age normal and modified terminal funding
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple bases from 6 to 15 years
Asset valuation method	5-year smoothed fair value; 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75% including wage inflation
Investment rate of return	7.00% net of investment expenses
Retirement age eligibility	Experience-based table of rates specific to type of

Mortality: The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females.

CITY OF NORTH KANSAS CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
POLICE AND FIRE RETIREMENT PLAN
For The Year Ended September 30, 2025**

Schedule Of Changes In Net Pension Liability And Related Ratios Police And Fire Retirement Plan (Pension Trust)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 1,316,043	\$ 1,327,593	\$ 1,248,038	\$ 1,148,715	\$ 1,095,551	\$ 1,120,285	\$ 1,034,219	\$ 1,145,064	\$ 1,182,171	\$ 1,096,000
Interest on the total pension liability	4,274,476	4,170,688	3,974,982	3,798,750	3,680,174	3,598,943	3,391,638	3,242,135	3,300,630	3,056,149
Difference between expected and actual experience	1,685,020	945,628	1,325,080	803,805	583,288	(26,865)	861,941	(53,922)	(1,812,895)	226,581
Changes of assumptions	568,958	(662,152)	—	109,027	(280,076)	(180,477)	708,032	649,332	(1,040,818)	2,034,904
Benefit payments, including refunds	(4,314,595)	(4,032,334)	(3,201,271)	(3,295,433)	(3,320,284)	(3,154,604)	(2,630,573)	(2,512,858)	(2,470,951)	(3,006,169)
Current period benefit changes	2,998,401	—	—	—	—	—	—	—	—	—
Net Change In Total Pension Liability	6,528,303	1,749,423	3,346,829	2,564,864	1,758,653	1,357,282	3,365,257	2,469,751	(841,863)	3,407,465
Total Pension Liability, Beginning	66,602,422	64,852,999	61,506,170	58,941,306	57,182,653	55,825,371	52,460,114	49,990,363	50,832,226	47,424,761
Total Pension Liability, Ending	\$ 73,130,725	\$ 66,602,422	\$ 64,852,999	\$ 61,506,170	\$ 58,941,306	\$ 57,182,653	\$ 55,825,371	\$ 52,460,114	\$ 49,990,363	\$ 50,832,226
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,452,338	\$ 1,400,455	\$ 1,314,813	\$ 1,211,120	\$ 1,164,944	\$ 1,168,758	\$ 1,126,830	\$ 1,104,033	\$ 1,195,816	\$ 1,047,105
Contribution - employee	241,166	217,495	217,814	193,708	181,981	178,950	178,117	172,931	155,688	162,914
Pension plan net investment income	8,609,748	12,908,781	6,502,428	(10,992,638)	12,828,467	5,494,326	2,197,787	4,165,680	6,544,486	4,667,066
Benefit payments, including refunds	(4,314,595)	(4,032,334)	(3,201,271)	(3,295,433)	(3,320,284)	(3,154,604)	(2,630,573)	(2,512,858)	(2,481,478)	(3,006,169)
Pension plan administrative expense	(155,210)	(191,887)	(160,683)	(180,657)	(169,552)	(148,175)	(193,174)	(151,499)	(137,080)	(124,523)
Net Change In Fiduciary Net Position	5,833,447	10,302,510	4,673,101	(13,063,900)	10,685,556	3,539,255	678,987	2,778,287	5,277,432	2,746,393
Plan Fiduciary Net Position, Beginning	73,432,420	63,129,910	58,456,809	71,520,709	60,835,153	57,295,898	56,616,911	53,838,625	48,561,193	45,814,800
Plan Fiduciary Net Position, Ending	\$ 79,265,867	\$ 73,432,420	\$ 63,129,910	\$ 58,456,809	\$ 71,520,709	\$ 60,835,153	\$ 57,295,898	\$ 56,616,912	\$ 53,838,625	\$ 48,561,193
Employer Net Pension Liability (Asset)	\$ (6,135,142)	\$ (6,829,998)	\$ 1,723,089	\$ 3,049,361	\$ (12,579,403)	\$ (3,652,500)	\$ (1,470,527)	\$ (4,156,798)	\$ (3,848,262)	\$ 2,271,033
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability (Asset)	108%	110%	97%	95%	121%	106%	103%	108%	108%	96%
Covered Payroll	7,224,863	7,184,341	6,731,723	6,088,406	5,703,321	5,861,423	5,491,347	5,007,936	5,112,351	5,111,644
Employer's Net Pension Liability (Asset) As A Percentage Of Covered Payroll	-84.9%	-95.1%	25.6%	50.1%	-220.6%	-62.3%	-26.8%	-83.0%	-75.3%	44.4%

CITY OF NORTH KANSAS CITY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION POLICE AND FIRE RETIREMENT PLAN For The Year Ended September 30, 2025

Schedule Of City Contributions Police And Fire Retirement Plan (Pension Trust)

	Actuarially Determined Contribution	Contributions In Relation To The Actuarially Required Contribution	Contributions Deficiency (Excess)	City's Covered Payroll	Contributions As A Percentage Of Covered Payroll
2025	\$ 892,450	\$ 1,452,338	\$ (559,888)	\$ 7,224,863	20.10%
2024	991,434	1,400,455	(409,021)	7,184,341	19.49%
2023	797,188	1,314,814	(517,626)	6,731,723	19.53%
2022	654,822	1,211,120	(556,298)	5,703,321	21.24%
2021	799,299	1,164,944	(365,645)	5,861,423	19.87%
2020	936,047	1,168,758	(232,711)	5,491,347	21.28%
2019	800,951	1,126,830	(325,879)	5,007,936	22.50%
2018	940,605	1,104,033	(163,428)	5,112,351	21.60%
2017	1,199,032	1,195,815	3,217	5,111,644	23.39%
2016	1,011,064	1,047,105	(36,041)	5,213,425	20.08%

Assumptions

Valuation date	October 1, 2025
Actuarial cost method	Entry Age Normal
Inflation	2.5%
Salary increases	4.0%
Investment rate of return	6.5%, net of investment expenses
Retirement age (percent retiring)	
45 – 49	5.0%
50 – 54	10.0%
55	30.0%
56 – 64	20.0%
65	100.0%

Mortality: Mortality rates were based on the Public Safety 2016 (formerly 2010) tables projected with generational improvements using the scale MP-2024 (formerly scale MP-2021 was used). For disabled mortality, the Healthy Annuitant Mortality Table is set forward five years.

CITY OF NORTH KANSAS CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
POLICE AND FIRE RETIREMENT PLAN
For The Year Ended September 30, 2025**

Schedule Of Investment Returns

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	11.06%	20.60%	11.14%	-15.74%	21.22%	10.08%	3.98%	7.80%	13.60%	10.45%

CITY OF NORTH KANSAS CITY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS NORTH KANSAS CITY HOSPITAL PENSION PLAN For The Year Ended September 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ —	\$ 5,660,000	\$ 6,760,000	\$ 7,279,000	\$ 6,802,000	\$ 6,843,000	\$ 7,334,000	\$ 6,949,000	\$ 6,588,000	\$ 6,535,000
Interest on the total pension liability	14,958,000	15,953,000	19,666,000	19,139,000	18,619,000	18,708,000	18,654,000	17,802,000	17,441,000	16,381,000
Changes of benefit terms	—	—	(49,306,000)	—	461,000	571,000	(7,239,000)	—	—	—
Difference between expected and actual experience	2,746,000	4,674,000	9,207,000	10,775,000	5,694,000	3,006,000	5,081,000	4,116,000	5,873,000	7,401,000
Changes of assumptions	—	(2,388,000)	416,000	177,000	10,005,000	(1,526,000)	2,385,000	—	—	—
Benefit payments, including refunds	(73,412,000)	(40,289,000)	(40,154,000)	(28,058,000)	(24,982,000)	(27,790,000)	(25,037,000)	(21,744,000)	(16,108,000)	(14,309,483)
Other changes	—	—	—	—	—	—	—	7,162,000	(5,495,000)	(1,373,000)
Net Change In Total Pension Liability	(55,708,000)	(16,390,000)	(53,411,000)	9,312,000	16,599,000	(188,000)	1,178,000	14,285,000	8,299,000	14,634,517
Total Pension Liability, Beginning	230,166,000	246,556,000	299,967,000	290,655,000	274,056,000	274,244,000	273,066,000	258,781,000	250,482,000	235,846,733
Total Pension Liability, Ending	\$ 174,458,000	\$ 230,166,000	\$ 246,556,000	\$ 299,967,000	\$ 290,655,000	\$ 274,056,000	\$ 274,244,000	\$ 273,066,000	\$ 258,781,000	\$ 250,481,250
Plan Fiduciary Net Position										
Contributions - employer	\$ —	\$ —	\$ —	\$ 3,000,000	\$ 11,988,000	\$ 30,288,000	\$ 4,533,000	\$ 9,400,000	\$ 12,000,000	\$ 15,000,000
Pension plan net investment income	27,901,000	38,748,000	(57,063,000)	39,337,000	48,538,000	53,069,000	(13,013,000)	35,114,000	17,714,000	(362,019)
Benefit payments, including refunds	(73,412,000)	(40,289,000)	(40,154,000)	(28,058,000)	(24,982,000)	(27,790,000)	(25,037,000)	(21,744,000)	(16,108,000)	(14,309,483)
Pension plan administrative expense	(377,000)	(350,000)	(347,000)	(383,000)	(397,000)	(468,000)	(333,000)	(110,000)	(140,000)	(164,167)
Net Change In Fiduciary Net Position	(45,888,000)	(1,891,000)	(97,564,000)	13,896,000	35,147,000	55,099,000	(33,850,000)	22,660,000	13,466,000	164,331
Plan Fiduciary Net Position, Beginning	248,238,000	250,129,000	347,693,000	333,797,000	298,650,000	243,551,000	277,401,000	254,741,000	241,275,000	241,110,549
Plan Fiduciary Net Position, Ending	\$ 202,350,000	\$ 248,238,000	\$ 250,129,000	\$ 347,693,000	\$ 333,797,000	\$ 298,650,000	\$ 243,551,000	\$ 277,401,000	\$ 254,741,000	\$ 241,274,880
Employer Net Pension Liability (Asset)	\$ (27,892,000)	\$ (18,072,000)	\$ (3,573,000)	\$ (47,726,000)	\$ (43,142,000)	\$ (24,594,000)	\$ 30,693,000	\$ (4,335,000)	\$ 4,040,000	\$ 9,206,370
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability	116%	108%	101%	116%	115%	109%	89%	102%	98%	96%
Covered Payroll	N/A	228,678,000	195,278,000	186,149,000	183,679,000	166,915,000	166,595,000	151,889,000	142,840,000	137,742,000
Employer's Net Pension Liability As A Percentage Of Covered Payroll	N/A	-7.9%	-1.8%	-25.6%	-23.5%	-14.7%	18.4%	-2.9%	2.8%	6.7%

Note:

The actuarial cost method used to determine normal cost and actuarial accrued liabilities is the Entry Age Normal cost method, for the contribution requirements, the Aggregate Actuarial Cost Method was used.

Changes: Mortality assumption used is Scale MP-2021. Previous to 2022, Scale MP-2020 was used. The actuarial cost method used for determining the Plan's contribution requirements is Entry Age Normal Cost Method. Previous to 2020, the cost method used for determining the Plan's contribution requirements was the Aggregate Cost Method.

CITY OF NORTH KANSAS CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
NORTH KANSAS CITY HOSPITAL PENSION PLAN
For The Year Ended September 30, 2025**

Year	Actuarially Determined Contribution	Contributions In Relation To The Actuarially Required Contribution	Contributions Deficiency (Excess)	Covered Payroll	Contributions As A Percentage Of Covered Payroll
2025	\$ —	\$ —	\$ —	N/A	N/A
2024	—	—	—	228,678,000	0.00%
2023	2,218,000	—	2,218,000	195,278,000	0.00%
2022	—	3,000,000	(3,000,000)	186,149,000	1.61%
2021	—	11,988,000	(11,988,000)	183,679,000	6.53%
2020	3,018,000	30,289,000	(27,271,000)	168,511,000	17.97%
2019	10,289,000	4,533,000	5,756,000	166,915,000	2.72%
2018	5,980,000	9,400,000	(3,420,000)	166,595,000	5.64%
2017	7,100,000	12,000,000	(4,900,000)	142,840,000	8.40%
2016	6,566,000	9,000,000	(2,434,000)	137,742,000	6.53%

Valuation date	January 1, 2025
Actuarial cost method - normal cost and actuarial	Entry Age Normal
Actuarial cost method - contributions	Entry Age Normal
Salary and taxable wage base increase	N/A
Investment rate of return	7.0%
Retirement age	65
Mortality tables	MP-2021

*The Plan benefits, which are pay-related, were frozen on December 31, 2023. Consistent with standard reporting practice, covered payroll is marked as N/A on year-ends beginning after December 31, 2023, as current payroll has no bearing on the evaluation's results.

CITY OF NORTH KANSAS CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
NORTH KANSAS CITY HOSPITAL PENSION PLAN
For The Year Ended September 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	11.6%	17.7%	-17.6%	12.3%	16.7%	22.0%	-4.9%	14.1%	7.5%	-0.2%

CITY OF NORTH KANSAS CITY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE**

**BUDGET TO ACTUAL - GENERAL FUND
For The Year Ended September 30, 2025**

	Budget		Actual	Variance
	Original	Final		With Final Budget (Over) Under
Revenues				
Taxes	\$ 11,753,270	\$ 11,753,270	\$ 12,657,633	\$ (904,363)
Intergovernmental	18,000	18,000	24,757	(6,757)
Licenses and permits	2,215,400	2,215,400	2,579,664	(364,264)
Charges for services	1,705,602	1,705,602	1,079,034	626,568
Fines and forfeitures	233,605	233,605	295,623	(62,018)
Gaming	3,100,000	3,100,000	2,592,863	507,137
Investment earnings	255,000	255,000	1,001,001	(746,001)
Miscellaneous	4,000	4,000	63,453	(59,453)
Total Revenues	19,284,877	19,284,877	20,294,028	(1,009,151)
Expenditures				
Current:				
General government	3,633,368	3,633,368	3,140,239	493,129
Public safety	15,769,309	15,803,509	14,718,226	1,085,283
Public works	1,038,125	1,038,125	983,591	54,534
Interdepartmental	2,154,572	2,184,572	2,377,927	(193,355)
Capital Outlay	15,010	15,010	23,176	(8,166)
Total Expenditures	22,610,384	22,674,584	21,243,159	1,431,425
Revenues Under Expenditures	(3,325,507)	(3,389,707)	(949,131)	(2,440,576)
Net Change In Fund Balances	\$ (3,325,507)	\$ (3,389,707)	(949,131)	\$ (2,440,576)
Fund Balances - Beginning Of Year			23,142,063	
Fund Balances - End Of Year			\$ 22,192,932	

CITY OF NORTH KANSAS CITY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON INFORMATION September 30, 2025

Budgetary Data

The reported budgetary data represents the final approved budget after amendments, as adopted by the City Council. Appropriations lapse at year end. The City Council follows these procedures in establishing the budgetary data recorded in the basic financial statements:

- Prior to September 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1, the budget for all funds is legally enacted through passage of a resolution.
- Any revision that increases the budget of any fund (the legal level of control) must be approved by the City Council.
- The City is required by state statute to adopt an annual budget. The City's policy is to prepare the annual operating budget for the General Fund, special revenue funds and capital projects fund types on a basis consistent with GAAP. The Fire and Police Pension Tax Fund (special revenue fund) does not prepare a budget.

Supplementary Information

**Combining And Individual Fund
Financial Statements And Schedules**

CITY OF NORTH KANSAS CITY, MISSOURI

**COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025**

	Special Revenue					Capital Projects	Total
	Parks And Recreation	Public Library	Convention And Tourism Sales Tax	Fire And Police Pension Tax	Transportation Sales Tax	Capital Projects	
Assets							
Cash and cash equivalents	\$ 1,682,194	\$ 1,007,702	\$ 370,422	\$ 171,361	\$ 1,559,129	\$ 6,013,683	\$ 10,804,491
Investments	1,721,669	2,256,573	1,965,671	(81,918)	3,351,063	999,981	10,213,039
Receivables, net of allowance for uncollectibles:							
Taxes	16,148	24,230	—	17,764	47,520	—	105,662
Accounts	218,682	—	53,517	—	—	—	272,199
Accrued interest	11,929	15,722	—	(568)	23,348	6,967	57,398
Due from other governmental units	1,250,000	—	—	—	469,644	27,775	1,747,419
Prepaid items	291	168	—	—	41,665	—	42,124
Property held for resale	—	—	—	—	—	417,424	417,424
Total Assets	\$ 4,900,913	\$ 3,304,395	\$ 2,389,610	\$ 106,639	\$ 5,492,369	\$ 7,465,830	\$ 23,659,756
Liabilities, Deferred Inflows And Fund Balances							
Liabilities							
Accounts payable and accrued expenditures	\$ 648,598	\$ 43,417	\$ 1,156	\$ —	\$ 185,701	\$ 34,376	\$ 913,248
Deferred Inflows Of Resources							
Property taxes	12,772	18,289	—	13,408	47,520	—	91,989
Total Deferred Inflows Of Resources	12,772	18,289	—	13,408	47,520	—	91,989
Fund Balances							
Nonspendable:							
Prepaid items	—	—	—	—	41,665	—	41,665
Restricted:							
Capital projects	—	—	2,388,454	—	—	7,431,454	9,819,908
Bridges and streets	—	—	—	—	5,217,483	—	5,217,483
Assigned:							
Culture and recreation	4,239,543	3,242,689	—	—	—	—	7,482,232
Fire and police pension	—	—	—	93,231	—	—	93,231
Total Fund Balances	4,239,543	3,242,689	2,388,454	93,231	5,259,148	7,431,454	22,654,519
Total Liabilities, Deferred Inflows And Fund Balances	\$ 4,900,913	\$ 3,304,395	\$ 2,389,610	\$ 106,639	\$ 5,492,369	\$ 7,465,830	\$ 23,659,756

CITY OF NORTH KANSAS CITY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

For The Year Ended September 30, 2025

	Special Revenue					Capital Projects	Total
	Parks And Recreation	Public Library	Convention And Tourism Sales Tax	Fire And Police Pension Tax	Transportation Sales Tax	Capital Projects	
Revenues							
Taxes	\$ 2,204,905	\$ 1,319,184	\$ 480,461	\$ 967,154	\$ 2,655,773	\$ —	\$ 7,627,477
Intergovernmental	1,250,000	7,796	—	—	438,987	—	1,696,783
Charges for services	359,273	—	—	—	—	—	359,273
Investment earnings	77,163	102,474	101,399	(3,743)	24,364	45,207	346,864
Miscellaneous, primarily tax increment financing	7,828	10,993	—	—	2,538	9,441,385	9,462,744
Total Revenues	3,899,169	1,440,447	581,860	963,411	3,121,662	9,486,592	19,493,141
Expenditures							
Current:							
General government	—	—	175,419	910,000	—	3,003,556	4,088,975
Public works	—	—	—	—	1,658,124	—	1,658,124
Culture and recreation	1,509,490	939,364	—	—	—	—	2,448,854
Transportation	—	—	—	—	770,945	—	770,945
Capital outlay	2,954,885	35,133	—	—	579,940	—	3,569,958
Total Expenditures	4,464,375	974,497	175,419	910,000	3,009,009	3,003,556	12,536,856
Revenues Over (Under) Expenditures	(565,206)	465,950	406,441	53,411	112,653	6,483,036	6,956,285
Other Financing Sources (Uses)							
Transfers in	1,150,000	—	—	—	22,300	—	1,172,300
Transfers out	—	—	—	—	—	(1,800,000)	(1,800,000)
Total Other Financing Sources (Uses)	1,150,000	—	—	—	22,300	(1,800,000)	(627,700)
Net Change In Fund Balances	584,794	465,950	406,441	53,411	134,953	4,683,036	6,328,585
Fund Balances - Beginning Of Year	3,654,749	2,776,739	1,982,013	39,820	5,124,195	2,748,418	16,325,934
Fund Balances - End Of Year	\$ 4,239,543	\$ 3,242,689	\$ 2,388,454	\$ 93,231	\$ 5,259,148	\$ 7,431,454	\$ 22,654,519

CITY OF NORTH KANSAS CITY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2025**

	Special Revenue								
	Parks And Recreation		Public Library		Convention And Tourism Sales Tax		Transportation Sales Tax		
	Final		Final		Final		Final		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
Revenues									
Taxes	\$ 2,033,193	\$ 2,204,905	\$ 1,117,400	\$ 1,319,184	\$ 440,000	\$ 480,461	\$ 2,500,000	\$ 2,655,773	
Intergovernmental	1,250,000	1,250,000	—	7,796	—	—	341,155	438,987	
Charges for services	190,250	359,273	—	—	—	—	—	—	
Investment earnings	5,500	77,163	12,000	102,474	10,000	101,399	35,000	24,364	
Miscellaneous, primarily tax increment financing	—	7,828	6,500	10,993	—	—	—	2,538	
Total Revenues	3,478,943	3,899,169	1,135,900	1,440,447	450,000	581,860	2,876,155	3,121,662	
Expenditures									
Current:									
General government	—	—	—	—	283,189	175,419	—	—	
Public works	—	—	—	—	—	—	2,168,576	1,658,124	
Culture and recreation	1,494,147	1,509,490	1,266,449	939,364	—	—	—	—	
Transportation	—	—	—	—	—	—	800,000	770,945	
Capital outlay	4,668,557	2,954,885	708,000	35,133	—	—	994,000	579,940	
Total Expenditures	6,162,704	4,464,375	1,974,449	974,497	283,189	175,419	3,962,576	3,009,009	
Revenues Over (Under) Expenditures	(2,683,761)	(565,206)	(838,549)	465,950	166,811	406,441	(1,086,421)	112,653	
Other Financing Sources									
Transfers in	1,150,000	1,150,000	—	—	—	—	22,300	22,300	
Net Change In Fund Balances	(1,533,761)	584,794	(838,549)	465,950	166,811	406,441	(1,064,121)	134,953	
Fund Balances - Beginning Of Year	(3,974,504)	3,654,749	665,262	2,776,739	(541,070)	1,982,013	646,355	5,124,195	
Fund Balances - End Of Year	\$ (5,508,265)	\$ 4,239,543	\$ (173,287)	\$ 3,242,689	\$ (374,259)	\$ 2,388,454	\$ (417,766)	\$ 5,259,148	

CITY OF NORTH KANSAS CITY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS
For The Year Ended September 30, 2025**

	Capital Projects Funds			
	Gaming Revenue		Capital Projects	
	Final		Final	
	Budget	Actual	Budget	Actual
Revenues				
Gaming	\$ 6,058,127	\$ 6,013,451	\$ —	\$ —
Investment earnings	400,000	1,156,985	30,000	45,207
Miscellaneous, primarily tax increment financing	40,000	15,870	2,601,000	9,441,385
Total Revenues	6,498,127	7,186,306	2,631,000	9,486,592
Expenditures				
Current:				
General government	51,700	51,700	3,370,670	3,003,556
Public safety	1,215,000	1,377,234	—	—
Capital outlay	19,723,186	2,276,304	—	—
Total Expenditures	20,989,886	3,705,238	3,370,670	3,003,556
Revenues Over (Under) Expenditures	(14,491,759)	3,481,068	(739,670)	6,483,036
Other Financing Sources (Uses)				
Sale of capital assets	—	—	—	—
Transfers in	1,800,000	1,800,000	—	—
Transfers out	(2,267,283)	(2,267,283)	(1,800,000)	(1,800,000)
Total Other Financing Uses	(467,283)	(467,283)	(1,800,000)	(1,800,000)
Net Change In Fund Balances	(14,959,042)	3,013,785	(2,539,670)	4,683,036
Fund Balances - Beginning Of Year	(35,542,606)	32,023,854	(3,533,193)	2,748,418
Fund Balances - End Of Year	\$ (50,501,648)	\$ 35,037,639	\$ (6,072,863)	\$ 7,431,454

CITY OF NORTH KANSAS CITY, MISSOURI

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS September 30, 2025

	Health And Community Center	Water	Water Pollution Control	Communications	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 365,054	\$ 3,733,555	\$ 1,867,698	\$ 651,921	\$ 6,618,228
Investments	491,950	7,601,631	10,271,664	409,818	18,775,063
Receivables, net of allowance for uncollectibles:					
Accounts	—	58,455	1,344,037	19,202	1,421,694
Special assessments	—	—	144,792	—	144,792
Accrued interest	3,428	52,963	71,566	2,856	130,813
Inventory	—	32,462	—	—	32,462
Prepaid items	66	9,718	269	44,491	54,544
Total Current Assets	860,498	11,488,784	13,700,026	1,128,288	27,177,596
Noncurrent assets:					
Receivables, special assessments	—	—	379,396	—	379,396
Net pension asset	—	156,075	82,479	—	238,554
Capital assets, net	9,381,044	20,884,190	7,717,194	645,279	38,627,707
Total Noncurrent Assets	9,381,044	21,040,265	8,179,069	645,279	39,245,657
Total Assets	10,241,542	32,529,049	21,879,095	1,773,567	66,423,253
Deferred outflows of resources	—	329,699	174,231	—	503,930
Liabilities And Net Position					
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	409,362	363,397	1,306,879	532,780	2,612,418
Compensated absences	186	7,549	4,167	—	11,902
Total Current Liabilities	409,548	370,946	1,311,046	532,780	2,624,320
Noncurrent liabilities					
Compensated absences	2,911	118,274	65,291	—	186,476
Total Liabilities	412,459	489,220	1,376,337	532,780	2,810,796
Deferred inflows of resources	—	—	—	—	—
Net Position					
Net investment in capital assets	9,381,044	20,884,190	7,717,194	645,279	38,627,707
Restricted for pension	—	156,075	82,479	—	238,554
Unrestricted	448,039	11,329,263	12,877,316	595,508	25,250,126
Total Net Position	\$ 9,829,083	\$ 32,369,528	\$ 20,676,989	\$ 1,240,787	\$ 64,116,387

CITY OF NORTH KANSAS CITY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For The Year Ended September 30, 2025**

	Health And Community Center	Water	Water Pollution Control	Communications	Total
Operating Revenues					
Charges for services	\$ —	\$ 4,024,880	\$ 13,663,485	\$ 1,117,081	\$ 18,805,446
Operating Expenses					
Personal services	87,364	1,223,602	784,979	—	2,095,945
Contractual services	309,974	628,882	10,059,024	1,346,088	12,343,968
Materials and supplies	29,690	1,004,215	88,075	—	1,121,980
Depreciation	477,468	1,059,718	834,735	452,016	2,823,937
Total Operating Expenses	904,496	3,916,417	11,766,813	1,798,104	18,385,830
Operating Income (Loss)	(904,496)	108,463	1,896,672	(681,023)	419,616
Nonoperating Revenues					
Gain on sale of capital assets	—	—	13,000	—	13,000
Investment earnings	21,773	354,423	483,266	17,062	876,524
Total Nonoperating Revenue	21,773	354,423	496,266	17,062	889,524
Income (Loss) Before Transfers And Capital Contributions	(882,723)	462,886	2,392,938	(663,961)	1,309,140
Transfers (Net)	694,983	400,000	—	—	1,094,983
Changes In Net Position	(187,740)	862,886	2,392,938	(663,961)	2,404,123
Total Net Position - Beginning Of Year	10,016,823	31,506,642	18,284,051	1,904,748	61,712,264
Total Net Position - End Of Year	\$ 9,829,083	\$ 32,369,528	\$ 20,676,989	\$ 1,240,787	\$ 64,116,387

CITY OF NORTH KANSAS CITY, MISSOURI

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For The Year Ended September 30, 2025

		Health And Community Center	Water	Water Pollution Control	Communications	Total
Cash Flows From Operating Activities						
Receipts from customers and users	\$	—	\$ 4,096,894	\$ 13,689,182	\$ 1,117,081	\$ 18,903,157
Payments to suppliers		(406,244)	(1,638,516)	(10,189,438)	(1,291,070)	(13,525,268)
Payments to employees		(84,267)	(1,102,885)	(722,945)	—	(1,910,097)
Gain on sale of capital assets		—	—	(13,000)	—	(13,000)
Net Cash Provided By (Used In) Operating Activities		(490,511)	1,355,493	2,763,799	(173,989)	3,454,792
Cash Flows Provided By Noncapital Financing Activities						
Proceeds from interfund accounts		694,983	400,000	—	—	1,094,983
Cash Flows From Capital And Related Financing Activities						
Purchases of capital assets		(264,961)	(616,671)	(596,239)	—	(1,477,871)
Proceeds from sale of capital assets		—	—	13,000	—	13,000
Net Cash Used In Capital And Related Financing Activities		(264,961)	(616,671)	(583,239)	—	(1,464,871)
Cash Flows From Investing Activities						
Interest and dividends received		21,574	335,779	442,721	18,824	818,898
Purchase of investments		68,146	—	(4,890,277)	—	(4,822,131)
Proceeds from sale of investments		—	(1,648,123)	—	391,205	(1,256,918)
Net Cash Provided By (Used in) Investing Activities		89,720	(1,312,344)	(4,447,556)	410,029	(5,260,151)
Increase In Cash And Cash Equivalents		29,231	(173,522)	(2,266,996)	236,040	(2,175,247)
Cash And Cash Equivalents - Beginning Of Year		335,823	3,907,077	4,134,694	415,881	8,793,475
Cash And Cash Equivalents - End Of Year	\$	365,054	\$ 3,733,555	\$ 1,867,698	\$ 651,921	\$ 6,618,228
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$	(904,496)	\$ 108,463	\$ 1,896,672	\$ (681,023)	\$ 419,616
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation		477,468	1,059,718	834,735	452,016	2,823,937
Gain on sale of capital assets		—	—	(13,000)	—	(13,000)
Changes in assets and liabilities:						
Receivables		—	72,014	25,697	—	97,711
Prepaid items and inventory		(66)	(742)	(270)	—	(1,078)
Accounts payable and accrued expenses		(66,514)	(4,677)	(42,069)	55,018	(58,242)
Compensated absences		—	12,145	4,659	—	16,804
Pension related deferred outflows		—	(62,418)	(32,985)	—	(95,403)
Pension related deferred inflows		—	—	—	—	—
Net Pension Asset/Liability		3,097	170,990	90,360	—	264,447
Net Cash Provided By (Used In) Operating Activities	\$	(490,511)	\$ 1,355,493	\$ 2,763,799	\$ (173,989)	\$ 3,454,792

CITY OF NORTH KANSAS CITY, MISSOURI

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

September 30, 2025

	Hospital Pension	Police And Fire Retirement	Total
Assets			
Investments:			
Vanguard Funds	\$ —	\$ 53,542,971	\$ 53,542,971
Fixed Income Funds	57,798,711	17,774,591	75,573,302
International Equity	33,575,294	—	33,575,294
Domestic equity funds	86,465,290	—	86,465,290
Real Estate fund	—	7,655,547	7,655,547
Money Market Mutual Funds	24,511,659	341,238	24,852,897
Total Assets	202,350,954	79,314,347	281,665,301
Net Position Restricted For Pensions	\$ 202,350,954	\$ 79,314,347	\$ 281,665,301

CITY OF NORTH KANSAS CITY, MISSOURI

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For The Year Ended September 30, 2025

	Hospital Pension	Police And Fire Retirement	Total
Additions			
Contributions			
Employer	\$ —	\$ 1,452,338	\$ 1,452,338
Plan member deposits	—	241,166	241,166
Total Contributions	—	1,693,504	1,693,504
Investment Income (Loss)			
Net appreciation in fair value of investments	15,253,803	8,658,228	23,912,031
Interest and dividends	12,748,390	—	12,748,390
Investment expenses	(100,000)	—	(100,000)
Net Investment Income	27,902,193	8,658,228	36,560,421
Total Additions	27,902,193	10,351,732	38,253,925
Deductions			
Benefits	73,411,906	4,314,595	77,726,501
Administrative expenses	377,435	155,210	532,645
Total Deductions	73,789,341	4,469,805	78,259,146
Change In Net Position	(45,887,148)	5,881,927	(40,005,221)
Net Position Restricted For Pensions - Beginning Of Year	248,238,102	73,432,420	321,670,522
Net Position Restricted For Pensions - End Of Year	\$ 202,350,954	\$ 79,314,347	\$ 281,665,301

Statistical Section

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CITY OF NORTH KANSAS CITY, MISSOURI
Statistical Section
September 30, 2025

This part of the City of North Kansas City, Missouri's (the City) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.	102 - 107
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax.	108 - 109
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	110 - 113
Demographic And Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	114 - 115
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	116 - 118

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The City implemented GASB 34 in fiscal year 2004; schedules presenting government-wide information include information beginning in that year.

CITY OF NORTH KANSAS CITY, MISSOURI

NET POSITION BY COMPONENT Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net investment in capital assets	\$ 62,384,233	\$ 66,658,524	\$ 79,097,669	\$ 80,292,369	\$ 80,939,198	\$ 81,445,874	\$ 84,034,388	\$ 88,295,329	\$ 88,368,695	\$ 89,944,887
Restricted	5,879,897	5,667,945	5,464,739	5,049,499	7,229,464	11,328,780	11,023,138	17,406,553	25,192,215	22,212,378
Unrestricted	58,372,025	58,778,459	54,907,047	55,937,807	55,204,913	62,357,324	67,788,429	54,627,661	51,772,608	60,742,176
Total Governmental Activities Net Position	\$ 126,636,155	\$ 131,104,928	\$ 139,469,455	\$ 141,279,675	\$ 143,373,575	\$ 155,131,978	\$ 162,845,955	\$ 160,329,543	\$ 165,333,518	\$ 172,899,441
Business-type activities:										
Net investment in capital assets	\$ 242,384,316	\$ 270,740,452	\$ 277,054,847	\$ 284,845,255	\$ 297,212,326	\$ 284,241,459	\$ 299,812,907	\$ 333,397,822	\$ 306,882,773	\$ 308,185,707
Restricted	102,000	729,000	5,190,000	627,000	25,050,000	43,594,000	48,211,000	5,378,067	19,189,904	28,130,554
Unrestricted	431,418,887	404,137,355	400,012,785	424,505,371	390,846,631	406,567,070	361,251,508	399,595,442	417,648,587	409,112,126
Total Business-Type Activities Net Position	\$ 673,905,203	\$ 675,606,807	\$ 682,257,632	\$ 709,977,626	\$ 713,108,957	\$ 734,402,529	\$ 709,275,415	\$ 738,371,331	\$ 743,721,264	\$ 745,428,387
Primary government:										
Net investment in capital assets	\$ 304,768,549	\$ 337,398,976	\$ 356,152,516	\$ 365,137,624	\$ 378,151,524	\$ 365,687,333	\$ 383,847,295	\$ 421,693,151	\$ 395,251,468	\$ 398,130,594
Restricted	6,901,897	6,396,945	10,654,739	5,676,499	32,279,464	54,922,780	59,234,138	22,784,620	44,382,119	50,342,932
Unrestricted	489,790,912	462,915,814	454,919,832	480,443,178	446,051,544	468,924,394	429,039,937	454,223,103	469,721,195	469,854,302
Total Primary Government Net Position	\$ 801,461,358	\$ 806,711,735	\$ 821,727,087	\$ 851,257,301	\$ 856,482,532	\$ 889,534,507	\$ 872,121,370	\$ 898,700,874	\$ 909,354,782	\$ 918,327,828

GASB Statement No. 34 Implemented in Fiscal Year

CITY OF NORTH KANSAS CITY, MISSOURI

CHANGES IN NET POSITION

Last Ten Fiscal Years

Page 1 Of 3

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental activities:										
General government	\$ 1,485,072	\$ 3,244,548	\$ 3,593,867	\$ 4,571,994	\$ 4,521,067	\$ 5,268,141	\$ 5,642,767	\$ 6,622,963	\$ 6,612,204	\$ 9,830,889
Public safety	15,473,191	12,443,789	14,032,962	11,664,108	11,424,906	8,543,544	13,916,591	15,494,106	16,641,304	19,998,447
Public works	3,278,598	2,572,462	1,491,115	3,709,337	3,790,908	3,700,926	3,892,668	4,351,134	4,951,275	4,710,755
Culture and recreation	1,704,827	1,971,491	1,858,736	2,272,090	2,182,029	2,201,170	2,291,655	2,571,992	2,956,504	3,049,886
Transportation	331,103	391,161	420,874	426,440	340,118	274,445	453,342	336,665	557,466	770,945
Total Governmental Activities Expenses	22,272,791	20,623,451	21,397,554	22,643,969	22,259,028	19,988,226	26,197,023	29,376,860	31,718,753	38,360,922
Business-type activities:										
Hospital	525,310,000	568,089,000	577,356,000	590,974,000	617,061,000	684,234,000	712,140,000	715,591,000	796,332,000	852,192,000
Health and community center	5,790,001	3,447,377	3,840,521	3,843,229	3,008,958	3,205,369	3,293,895	3,687,927	3,520,299	904,496
Water	1,926,481	1,969,289	1,989,566	1,954,291	2,218,713	2,197,380	2,658,739	3,018,336	3,514,792	3,916,417
Water pollution control	4,921,234	4,773,075	6,944,342	8,880,418	8,987,643	7,297,210	9,892,615	13,687,951	10,986,660	11,766,813
Communications	1,659,392	1,331,561	1,759,755	1,674,622	1,386,031	1,521,847	1,469,854	1,771,080	1,593,291	1,798,104
Total Business-Type Activities Expenses	539,607,108	579,610,302	591,890,184	607,326,560	632,662,345	698,455,806	729,455,103	737,756,294	815,947,042	870,577,830
Total Primary Government Expenses	561,879,899	600,233,753	613,287,738	629,970,529	654,921,373	718,444,032	755,652,126	767,133,154	847,665,795	908,938,752
Program revenue:										
Governmental activities:										
Charges for services										
General government	5,913,315	6,138,564	6,145,032	5,984,416	5,847,457	6,367,086	3,819,101	4,227,604	3,832,319	3,523,543
Public safety	355,945	353,831	273,722	359,045	247,311	158,384	293,161	242,055	208,479	289,478
Culture and recreation	161,043	155,702	187,927	171,724	93,965	132,180	161,491	219,599	291,322	274,853
Transportation	—	—	—	136,268	146,841	156,630	159,591	152,908	192,193	326,823
Operating grants and contributions										
Public safety	22,218	24,769	18,693	16,493	19,357	67,265	9,526	—	41,678	24,757
Public works	—	—	—	—	—	461,181	—	—	—	—
Culture and recreation	5,553	9,010	6,120	26,451	33,939	56,712	21,046	7,694	7,736	1,257,796
Transportation	313,977	303,394	286,770	170,870	166,852	178,594	189,417	223,771	236,171	255,008
Total Governmental Activities Program Revenue	6,772,051	6,985,270	6,918,264	6,865,267	6,555,722	7,578,032	4,653,333	5,073,631	4,809,898	5,952,258

CITY OF NORTH KANSAS CITY, MISSOURI

CHANGES IN NET POSITION *(Continued)*

Last Ten Fiscal Years

Page 2 Of 3

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities:										
Charges for services:										
Hospital	\$ 543,981,000	\$ 570,304,000	\$ 586,546,000	\$ 597,225,000	\$ 584,974,000	\$ 675,299,000	\$ 698,358,000	\$ 715,440,000	\$ 772,628,000	\$ 812,661,000
Health and community center	4,661,574	2,536,416	2,744,406	2,779,145	2,486,339	2,259,163	2,345,256	2,749,273	2,768,608	—
Water	2,604,180	2,662,902	2,723,942	2,653,753	2,493,804	2,265,820	2,539,237	2,849,368	3,367,559	4,024,880
Water pollution control	4,303,046	4,224,119	5,593,661	6,851,818	7,364,089	7,313,660	11,309,568	16,963,220	11,962,572	13,663,485
Communications	1,036,502	789,601	1,149,335	1,120,056	996,924	1,038,037	1,019,936	1,170,780	1,038,225	1,117,081
Capital grants and contributions:										
Hospital	262,000	316,000	—	—	—	—	—	—	—	—
Total Business-Type Activities										
Program Revenues	556,848,302	580,833,038	598,757,344	610,629,772	598,315,156	688,175,680	715,571,997	739,172,641	791,764,964	831,466,446
Total Primary Government										
Program Revenues	563,620,353	587,818,308	605,675,608	617,495,039	604,870,878	695,753,712	720,225,330	744,246,272	796,574,862	837,418,704
Net (expense) revenue:										
Governmental activities	(15,500,740)	(13,638,181)	(14,479,290)	(15,778,702)	(15,703,306)	(12,410,194)	(21,543,690)	(24,303,229)	(26,908,855)	(32,408,664)
Business-type activities	17,241,194	1,222,736	6,867,160	3,303,212	(34,347,189)	(10,280,126)	(13,883,106)	1,416,347	(24,182,078)	(39,111,384)
Total Primary Government Net										
Expense	1,740,454	(12,415,445)	(7,612,130)	(12,475,490)	(50,050,495)	(22,690,320)	(35,426,796)	(22,886,882)	(51,090,933)	(71,520,048)

CITY OF NORTH KANSAS CITY, MISSOURI

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

Page 3 Of 3

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,499,278	\$ 2,473,990	\$ 2,594,165	\$ 2,436,800	\$ 2,457,918	\$ 2,555,527	\$ 2,469,399	\$ 2,665,618	\$ 2,861,087	\$ 3,102,626
Franchise taxes	2,751,507	2,804,315	2,882,225	2,729,337	2,488,705	2,424,750	2,357,154	2,302,069	2,367,003	2,477,755
Sales taxes	5,127,842	5,342,598	7,836,800	7,603,094	7,378,316	9,071,570	9,988,543	10,108,667	11,305,661	12,242,231
Other taxes	1,750,901	1,824,935	1,813,000	1,980,309	2,020,637	2,091,032	2,232,584	2,345,590	2,462,810	2,567,869
Gaming	7,308,228	7,258,412	7,045,450	7,085,344	5,681,811	9,324,703	9,392,805	8,570,434	8,459,981	8,606,314
Investment earnings	249,208	408,414	664,396	1,366,457	879,305	329,937	96,972	517,059	2,823,327	2,481,550
Gain on disposal of capital assets	—	113,975	125,814	—	—	—	—	—	—	—
Miscellaneous	1,324,203	1,157,649	1,202,300	1,635,231	2,098,252	2,660,407	3,645,210	3,247,380	3,098,664	9,591,225
Transfers	(454,182)	(3,277,334)	(1,320,333)	(7,247,650)	(5,207,738)	(4,289,329)	(925,000)	(7,970,000)	(1,465,703)	(1,094,983)
Total Governmental Activities	20,556,985	18,106,954	22,843,817	17,588,922	17,797,206	24,168,597	29,257,667	21,786,817	31,912,830	39,974,587
Business-type activities:										
Investment earnings	13,037,261	(3,908,650)	(2,866,878)	16,812,132	18,797,007	25,943,830	(26,933,008)	11,040,569	24,148,184	26,614,524
Gain on disposal of capital assets	62,139	30,283	7,210	—	—	—	—	—	—	—
Miscellaneous	9,673	159,901	—	357,000	13,473,775	1,340,539	11,796,000	8,669,000	4,696,124	13,109,000
Transfers	454,182	3,277,334	1,320,333	7,247,650	5,207,738	4,289,329	925,000	7,970,000	1,465,703	1,094,983
Distributions to minority owner	—	—	—	—	—	—	—	—	(778,000)	—
Special item	—	—	—	—	—	—	—	—	—	—
Total Business-Type Activities	13,563,255	(441,132)	(1,539,335)	24,416,782	37,478,520	31,573,698	(14,212,008)	27,679,569	29,532,011	40,818,507
Total Primary Government	34,120,240	17,665,822	21,304,482	42,005,704	55,275,726	55,742,295	15,045,659	49,466,386	61,444,841	80,793,094
Changes in net position:										
Governmental activities	5,056,245	4,468,773	8,364,527	1,810,220	2,093,900	11,758,403	7,713,977	(2,516,412)	5,003,975	7,565,923
Business-type activities	30,804,449	781,604	5,327,825	27,719,994	3,131,331	21,293,572	(28,095,114)	29,095,916	5,349,933	1,707,123
Total Primary Government	\$ 35,860,694	\$ 5,250,377	\$ 13,692,352	\$ 29,530,214	\$ 5,225,231	\$ 33,051,975	\$ (20,381,137)	\$ 26,579,504	\$ 10,353,908	\$ 9,273,046

CITY OF NORTH KANSAS CITY, MISSOURI

**FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Nonspendable	\$ 10,479	\$ —	\$ 438,908	\$ 385,115	\$ 612,774	\$ 104,088	\$ —	\$ —	\$ —	\$ 8,140
Restricted	145,266	159,196	6,232,879	184,576	115,431	202,196	206,973	196,888	167,754	9,498
Assigned	294,914	269,966	252,496	233,619	207,772	153,386	211,750	258,405	266,650	275,507
Unassigned	10,745,912	12,045,647	14,143,557	16,537,903	17,592,442	19,845,515	22,195,504	22,381,429	22,707,659	21,899,787
Total General Fund	\$ 11,196,571	\$ 12,474,809	\$ 21,067,840	\$ 17,341,213	\$ 18,528,419	\$ 20,305,185	\$ 22,614,227	\$ 22,836,722	\$ 23,142,063	\$ 22,192,932
All Other Governmental Funds:										
Nonspendable	\$ 3,171	\$ 55,587	\$ 82,073	\$ 530,974	\$ —	\$ 458,758	\$ 41,334	\$ 43,350	\$ 99,152	\$ 41,665
Restricted/committed/assigned:										
Capital projects	3,016,318	3,097,074	2,871,583	2,328,171	2,779,610	5,927,319	4,825,283	4,373,523	4,730,431	9,819,908
Bridges and streets	1,361,097	1,069,279	1,108,931	1,106,016	1,269,387	2,453,268	3,551,812	4,182,041	5,025,043	5,217,483
Fire and police pension	15,907	9,337	17,264	9,978	8,597	31,304	24,927	38,479	39,820	93,231
Culture and recreation	1,341,349	1,377,466	1,493,005	1,582,392	3,216,692	2,897,653	2,590,726	5,186,023	6,431,488	7,482,232
Capital projects and redevelopment	48,170,877	46,720,534	39,380,366	—	—	—	37,258,422	29,971,705	32,023,854	35,085,993
Total All Other Governmental Funds	\$ 53,908,719	\$ 52,329,277	\$ 44,953,222	\$ 5,557,531	\$ 7,274,286	\$ 11,768,302	\$ 48,292,504	\$ 43,795,121	\$ 48,349,788	\$ 57,740,512

CITY OF NORTH KANSAS CITY, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Taxes	\$ 12,129,528	\$ 12,445,838	\$ 15,126,190	\$ 14,749,548	\$ 14,345,577	\$ 16,142,879	\$ 17,047,680	\$ 17,387,954	\$ 18,996,558	\$ 20,285,110
Intergovernmental	341,748	337,173	311,583	338,082	762,858	902,382	361,580	384,373	459,778	1,769,894
Licenses and permits	2,038,423	2,418,462	2,113,255	2,402,795	1,989,009	2,132,703	2,377,091	2,222,865	2,533,406	2,579,664
Charges for services	879,030	798,070	1,082,804	1,071,938	1,263,730	1,385,201	1,614,961	1,891,456	1,599,052	1,438,307
Fines and forfeitures	360,080	358,885	277,232	362,667	252,381	162,277	299,707	254,552	217,665	295,623
Gaming	10,460,998	10,331,092	10,178,840	10,175,081	8,849,947	9,324,703	9,392,805	8,570,434	8,459,981	8,606,314
Investment earnings	249,208	408,414	664,396	1,366,457	880,768	329,807	96,966	517,059	2,823,328	2,504,850
Miscellaneous	1,324,203	1,157,649	1,216,326	1,235,271	1,216,396	2,660,405	3,645,210	3,247,380	3,098,664	9,542,067
Total Revenues	27,783,218	28,255,583	30,970,626	31,701,839	29,560,666	33,040,357	34,836,000	34,476,073	38,188,432	47,021,829
Expenditures:										
General government	2,813,200	2,931,256	2,875,409	3,206,311	3,471,975	4,020,041	4,133,442	4,821,043	5,179,361	7,280,914
Public safety	9,957,949	10,058,868	10,723,024	10,972,492	11,166,837	11,670,316	12,611,290	13,648,141	15,329,395	16,095,460
Public works	2,458,898	2,524,270	2,671,738	2,290,809	2,275,384	2,200,414	2,360,325	2,633,558	2,870,613	2,641,715
Culture and recreation	1,720,500	1,759,787	1,874,595	1,867,213	1,759,378	1,800,745	1,826,546	2,072,907	2,457,504	2,448,854
Transportation	371,985	396,333	412,237	426,440	340,118	274,445	453,342	336,665	557,466	770,945
Interdepartmental	693,285	688,511	674,635	991,728	1,043,105	1,001,753	1,158,143	1,297,888	1,314,124	2,377,927
Capital outlay	5,736,586	7,034,363	15,416,996	4,653,204	3,745,101	3,878,937	7,889,740	6,325,135	4,154,258	5,869,438
Total Expenditures	23,752,403	25,393,388	34,648,634	24,408,197	23,801,898	24,846,651	30,432,828	31,135,337	31,862,721	37,485,253
Excess Of Revenues Over (Under)										
Expenditures	4,030,815	2,862,195	(3,678,008)	7,293,642	5,758,768	8,193,706	4,403,172	3,340,736	6,325,711	9,536,576
Other Financing Sources (Uses):										
Transfers in	1,327,728	1,310,106	1,465,140	1,164,035	5,628,607	2,352,017	5,937,970	4,707,630	2,649,717	2,972,300
Transfers out	(1,781,910)	(4,587,440)	(2,785,473)	(8,411,685)	(10,836,345)	(6,641,346)	(6,862,970)	(12,677,630)	(4,115,420)	(4,067,283)
Proceeds from sale of capital assets	601,388	113,975	125,714	—	—	2,995,601	—	354,376	—	—
Total Other Financing (Uses)	147,206	(3,163,359)	(1,194,619)	(7,247,650)	(5,207,738)	(1,293,728)	(925,000)	(7,615,624)	(1,465,703)	(1,094,983)
Net Changes In Fund Balance	\$ 4,178,021	\$ (301,164)	\$ (4,872,627)	\$ 45,992	\$ 551,030	\$ 6,899,978	\$ 3,478,172	\$ (4,274,888)	\$ 4,860,008	\$ 8,441,593

Note: The City made no debt service expenditures from its governmental funds, so the ratio of total debt service expenditures to total noncapital expenditures is not applicable.

CITY OF NORTH KANSAS CITY, MISSOURI

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

		Property	Local Option Sales Taxes	Utility Franchise Taxes	Other Tax	Total
2016	\$	2,846,738	\$ 5,127,842	\$ 2,861,750	\$ 1,293,198	\$ 12,129,528
2017		2,473,990	5,342,598	2,804,315	1,824,935	12,445,838
2018		2,594,165	7,836,800	2,882,225	1,813,000	15,126,190
2019		2,436,800	7,603,094	2,729,337	1,980,309	14,749,540
2020		2,457,918	7,378,316	2,488,705	2,020,637	14,345,576
2021		2,555,527	9,071,570	2,424,750	2,091,032	16,142,879
2022		2,469,399	9,988,543	2,357,154	2,232,584	17,047,680
2023		2,665,618	10,108,667	2,302,069	2,345,590	17,421,944
2024		2,861,087	11,305,661	2,367,003	2,462,810	18,996,561
2025		3,102,626	12,242,231	2,477,755	2,567,869	20,390,481

As set out in Section 32.057 of the Missouri Revised State Statutes, it is a violation to make known in any manner the tax returns or departmental records derived from the Missouri Department of Revenue, including sales taxes, franchise fees and other tax sources. Due to the confidentiality of earnings information, the above alternative information is provided to assist the users in understanding these revenue sources, including sales taxes, the City's largest own-source revenue.

CITY OF NORTH KANSAS CITY, MISSOURI

PRINCIPAL SALES TAX INDUSTRIES

September 30, 2025

Industry	Percentage Of Total City Sales Tax Revenues	
	2025	2016
Lumber and construction materials	11.9%	9.0%
Eating and drinking places	11.8%	9.6%
Jewelry stores	10.4%	0.0%
Machinery equipment and supplies	8.7%	4.5%
Plumbing, heating, and air conditioning	6.8%	9.4%
Convenience stores	5.1%	3.8%
Wholesale trade agents and brokers	4.6%	0.0%
Utilities - regulations, elec, liquified petrol & water	4.6%	11.7%
Miscellaneous business services	3.2%	6.2%
General government not elsewhere classified	2.0%	4.1%
Automotive parts & repair	1.6%	0.0%
Telephone com, cellular & paging service	0.4%	2.9%
Total percentage of sales tax revenues	71.1%	61.2%
City direct sales tax rate	2.25%	1.50%

Source: Monthly sales tax distribution records.

CITY OF NORTH KANSAS CITY, MISSOURI

LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years

Legal Debt Margin Calculation For Fiscal Year 2025

Assessed Value	\$ 417,724,413
Debt limit (20% of assessed value)	
Debt applicable to limit:	83,544,883
General Obligation bonds	—
Less amount set aside for repayment of general obligation debt	—
Total net debt applicable to limit	<u><u>\$ 83,544,883</u></u>

Legal Debt Margin

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 53,180,635	\$ 55,207,333	\$ 55,287,662	\$ 65,644,470	\$ 66,846,324	\$ 66,811,806	\$ 73,988,360	\$ 76,566,692	\$ 84,765,029	\$ 83,544,883
Total net debt applicable to limit	—	—	—	—	—	—	—	—	—	—
Legal Debt Margin	\$ 53,180,635	\$ 55,207,333	\$ 55,287,662	\$ 65,644,470	\$ 66,846,324	\$ 66,811,806	\$ 73,988,360	\$ 76,566,692	\$ 84,765,029	\$ 83,544,883
Total net debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total debt as a percentage of total personal income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total debt as a percentage of debt per capita	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Comprehensive Annual Reports.

Debt ratio coverage calculation includes City backed debt only

CITY OF NORTH KANSAS CITY, MISSOURI

**PLEGDED REVENUE COVERAGE
Last Ten Fiscal Years**

	Gross Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Hospital Revenue Bonds		Coverage
				Debt Service (3)		
				Principal	Interest	
2016	\$ 557,261,000	\$ 494,344,000	\$ 62,917,000	\$ 12,196,200	\$ 2,093,000	4.40
2017	567,072,000	539,492,000	27,580,000	18,530,000	1,565,000	1.37
2018	583,529,000	549,389,000	34,140,000	13,721,000	1,499,000	2.24
2019	597,225,000	558,136,000	39,089,000	5,586,000	1,112,000	5.84
2020	584,974,000	614,307,000	(29,333,000)	4,715,000	1,421,000	(4.78)
2021	675,299,000	681,492,000	(6,193,000)	4,193,000	1,315,000	(1.12)
2022	698,358,000	709,504,000	(11,146,000)	2,477,000	1,501,000	(2.80)
2023	715,440,000	712,358,000	3,082,000	2,517,000	2,032,000	0.68
2024	772,628,000	793,378,000	(20,750,000)	2,608,000	2,026,000	(4.48)
2025	812,661,000	847,535,000	(34,874,000)	14,291,000	2,141,000	(2.12)

CITY OF NORTH KANSAS CITY, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As Of September 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable To City
Debt repaid with property taxes:			
North Kansas City School District	\$ 494,765,000	11.0%	\$ 54,479,904
City of North Kansas City			—
Total Direct and Overlapping Debt			\$ 54,479,904

Sources: North Kansas City School District, Dominic Accurso, Controller

Notes: Details regarding the City’s outstanding debt can be found in the notes to the financial statements. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of North Kansas City. This process recognizes that, when considering the City’s ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident - and therefore responsible for repaying the debt of each overlapping government.

CITY OF NORTH KANSAS CITY, MISSOURI

DEBT OUTSTANDING BY TYPE Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	Notes Payable	Subscriptions	Leases	Financing Arrangements
2016	\$ 56,555,000	\$ 8,189,000	\$ —	\$ 13,316,000	\$ —
2017	51,074,000	1,349,000	—	18,169,000	—
2018	45,488,000	948,000	—	16,724,000	—
2019	40,773,000	524,000	—	12,090,000	—
2020	36,681,000	77,000	—	7,093,000	—
2021	64,982,000	—	—	3,363,000	—
2022	63,794,000	—	22,456,000	3,413,000	—
2023	61,316,000	—	17,866,000	3,360,000	—
2024	58,799,000	—	15,269,000	4,924,000	1,408,000
2025	56,191,000	—	15,914,000	8,145,000	1,350,000

CITY OF NORTH KANSAS CITY, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Fiscal Years

	Population (1)	Personal Income (2)	Per Capita Income (2)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
2016	4,208	\$ 10,794,462	\$ 45,210	*	1,483	6.4%
2017	4,208	11,178,401	46,026	*	1,500	4.1%
2018	4,208	11,919,617	48,381	*	1,598	3.3%
2019	4,208	*	*	*	1,583	2.7%
2020	4,208	*	*	*	1,583	4.6%
2021	4,467	*	51,619	36.8	1,892	3.6%
2022	4,510	*	55,738	46.7	1,597	2.6%
2023	4,510	*	56,118	46.7	1,597	2.5%
2024	4,510	*	57,103	47.1	1,690	2.6%
2025	4,553	*	60,043	47.1	1,690	4.0%

Sources

- (1) U.S. Census Bureau (ten year increments)
 - (2) U.S. Bureau of Economic Analysis - Data for Clay County
 - (3) North Kansas City High School
 - (4) Missouri Department of Economic Development
- *Information is unavailable

CITY OF NORTH KANSAS CITY, MISSOURI

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND 9 YEARS AGO**

Industry	2025		
	Employees	Rank	Percentage Of Total City Employment
Health Care Services	4,700	1	21%
Manufacturing	281	2	1%
Wholesale	246	3	1%
Manufacturing	224	4	1%
Entertainment, restaurants and taverns	208	5	1%
Manufacturing	195	6	1%
Auto parts or repair	164	7	1%
Health and fitness	160	8	1%
Health and fitness	159	9	1%
Computer equipment, software and systems	150	10	1%
	<u>6,487</u>		<u>30%</u>

Industry	2016		
	Employees	Rank	Percentage Of Total City Employment
Computer equipment, software and systems	4,181	1	22%
Medical services and products	3,613	2	19%
Entertainment, restaurants and taverns	1,807	3	9%
Building and construction companies	1,166	4	6%
Manufacturing	934	5	5%
Wholesale	820	6	4%
Printing, lithographic, graphic design and stationary	564	7	3%
Auto parts and repair services	517	8	3%
Building material manufacture and supply	373	9	2%
Storage and moving companies	347	10	2%
	<u>14,322</u>		<u>75%</u>

Sources

- (1) Business License Applications

Note: Due to the confidential nature of this information, the employer's names are not presented.

CITY OF NORTH KANSAS CITY, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY
FUNCTIONS/PROGRAMS
Last Ten Fiscal Years

<u>Functions/Program</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Government										
Elected	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
City Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deputy City Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Clerk	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.5	3.5
Computer Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Legal	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Intern	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.3	—	—
Court	3.5	3.3	3.3	3.3	3.3	3.3	3.3	3.3	2.8	3.0
Community Development										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Codes Inspectors	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Intern	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	—	—
Police										
Officers	40.0	40.0	40.0	40.0	39.0	39.0	38.0	38.0	34.0	34.0
Civilians	18.0	20.1	18.1	16.1	16.1	16.1	15.6	15.5	12.5	12.5
Fire										
Firefighters and Officers	61.0	61.0	61.0	61.0	61.0	61.0	61.0	61.0	57.0	57.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Public Works										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Buildings & Grounds Keepers	6.0	5.3	5.3	5.3	5.3	5.3	5.3	4.3	4.3	4.3
Street Maintenance	7.0	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.9	6.9
Parks and Recreation										
General & Administrative	3.5	3.5	3.5	3.5	3.5	2.7	2.3	2.2	3.2	3.0
Recreation	3.5	2.4	2.4	2.4	2.4	2.6	2.5	2.0	2.0	2.3
Attendants	6.0	3.5	3.5	3.5	3.5	3.3	3.3	3.3	2.5	2.5
Library										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.9	2.0
Public Services	10.9	10.6	10.6	10.6	10.6	10.3	10.9	10.6	11.2	11.0
Water										
Administration	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Plant Operators	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Distribution Services	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Water Pollution Control										
Administration	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Lab Technicians	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Distribution Services	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
	212.2	210.2	207.2	205.2	202.2	201.1	199.7	198.6	187.7	184.9

Sources: Adjusted annual city budgets

CITY OF NORTH KANSAS CITY, MISSOURI
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Physical arrests	2,108	2,591	956	972	694	770	1,080	1,022	920	721
Traffic violations	3,236	3,528	2,240	2,826	1,797	2,536	3,082	3,030	1,968	3,397
Parking violations	1,109	1,092	1,208	867	503	408	580	1,986	2,585	1,303
Fire:										
Number of calls answered	2,015	2,117	2,038	2,075	2,119	2,361	2,659	2,577	2,732	2,498
Number of inspections conducted	1,487	1,276	1,106	1,019	546	731	630	743	816	572
In-house training hours	8,960	16,763	18,623	20,716	16,049	15,427	14,110	14,959	12,662	18,201
Patients transported	1,520	1,261	1,196	1,224	1,304	1,410	1,935	1,688	1,548	1,479
Building safety										
Commercial building permits	303	206	184	139	78	93	64	51	151	65
Residential building permits	120	122	119	104	61	50	60	58	97	72
Certificates of occupancy	82	91	87	72	37	57	46	104	48	36
Water										
Number of service connections	2,212	2,012	2,176	2,176	2,176	2,251	2,089	2,034	2,051	2,125
Daily average consumption in gallons	2.84 mgd	2.69 mgd	2.74 mgd	2.74 mgd	2.5 mgd	2.55 mgd	3.62 mgd	3.62 mgd	3.62 mgd	3.66 mgd
Water Pollution Control:										
Daily average flow in gallons	1.60mgd	2.20 mgd	2.33 mgd	2.74 mgd	2.33 mgd	2.33 mgd	2.41 mgd	2.41 mgd	2.41 mgd	2.38 mgd

Sources: City records

CITY OF NORTH KANSAS CITY, MISSOURI
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Number of streetlights (leased)	961	964	964	964	964	964	964	964	964	964
Number of streetlights (owned)	439	371	434	434	434	434	434	434	434	434
Streets (lane miles)	135	135	137	137	137	137	137	137	137	137
Parks & Recreation										
Acreage	108	108	108	108	108	108	108	108	108	108
Parks	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	2	2	2	2	2	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Parks with playground equipment	2	2	2	2	2	2	2	2	2	2
One mile walking trail	1	1	1	1	1	1	1	1	1	1
Half mile roller blading trail	1	1	1	1	1	1	1	1	1	1
Park shelter	6	6	6	6	6	7	7	7	7	7
Dog Park	1	1	1	1	1	1	1	1	1	1
Spray Park	1	1	1	1	1	1	1	1	1	1
Library										
Facilities	1	1	1	1	1	1	1	1	1	1
Water										
Miles of water mains	41	41	42	42	42	42	42	42	42	42
Number of fire hydrants	348	348	364	364	364	364	364	364	364	364
Maximum daily capacity in gallons	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd
Water pollution control										
Sanitary sewers (miles)	37	37	39	39	39	39	39	39	39	39
Storm sewers (miles)	41	41	43	43	43	43	43	43	43	43
Hospital										
Facilities	1	1	1	1	1	1	1	1	1	1
Number of patient beds	451	451	451	451	451	451	451	451	451	451

Sources: City records

