Kansas City International Airport
Community Improvement District (KCICID)
(a component unit of the City of Kansas City, Missouri)

Annual Financial Report

For the years ended April 30, 2022 and 2021

Prepared by:
Finance and Accounting Division
Kansas City Aviation Department

AGH
CPAs & ADVISORS

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AGH CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Board of Directors
Kansas City International Airport
Community Improvement District
Kansas City, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the Kansas City International Airport Community Improvement District (KCICID), a component unit of the City of Kansas City, Missouri, as of and for the years ended April 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the KCICID's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the KCICID as of April 30, 2022 and 2021, and the respective changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

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

In performing an audit in accordance with GAAS, we

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, KS
August 18, 2022

MANAGEMENT'S DISCUSSION & ANALYSIS

This management's discussion and analysis (MD&A) of the Kansas City International Airport Community Improvement District (KCICID) financial performance provides an introduction and overview of the KCICID's financial activities for the fiscal years ended April 30, 2022 and 2021. Please review this analysis in conjunction with the KCICID's financial statements and related footnotes.

KCICID is a component unit of the City of Kansas City, Missouri (the City).

OVERVIEW OF THE FINANCIAL STATEMENTS

The accompanying government-wide financial statements (i.e., the statement of net position and the statement of activities) display information on all the activities of the KCICID. These statements are reported using the total economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Expenditures are recorded when the related liability is incurred.

The general fund is the only fund of the KCICID. At April 30, 2022 and 2021, the KCICID had no assets that are not current economic resources. Thus, there are no adjustments needed to convert the government fund financial statements to government-wide financial statements except reclassifying the fund balance to net position.

The statement of activities - governmental activities presents information showing how the KCICID's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

SUMMARY OF OPERATING REVENUES

For fiscal year ended April 30, 2022, the KCICID earned $960,215 in revenue as compared to $616,345 and $1,010,778 for the years ended April 30, 2021 and 2020, respectively. Of the amounts for fiscal years 2022 and 2021, respectively, $960,215 and $616,345 were generated from earnings, utility tax and sales and use tax.

SUMMARY OF OPERATING EXPENSES

For fiscal year ended April 30, 2022, total operating expenses were $960,042 as compared to $616,280 and $1,010,740 for the years ended April 30, 2021 and 2020, respectively. In fiscal year 2022, $950,486 was paid to the KCI Overhaul Base Fund while $606,771 and $1,001,240 were remitted in the fiscal years 2021 and 2020, respectively.

SUMMARY OF NET POSITION

As of April 30, 2022, the KCICID had $3,063 in unrestricted net position as compared to $2,890 and $2,825 as of April 30, 2021 and 2020, respectively. The unrestricted net position balance consisted of cash balances in the amounts of $2,999 and $2,883, sales tax receivable balances of $69,964 and $35,337 and current liabilities of $69,900 and $35,330 for the fiscal years 2022 and 2021, respectively.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the KCICID's finances and to demonstrate its accountability for the funds it receives and expends. For additional information about this report, please contact the undersigned at Kansas City International Airport, P.O. Box 20047, Kansas City, Missouri 64195-0047.

This report is respectfully submitted by,

Fred O'Neill
Deputy Director of Aviation Accounting & Finance
Department of Aviation
City of Kansas City, Missouri

Governmental Fund Balance Sheets/Statements of Net Position
As of April 30, 2022 and 2021

	FYE 2022			FYE 2021		
	General Fund	Adjust-ments	Statement of Net Position	General Fund	Adjust-ments	Statement of Net Position
Assets						
Cash and cash equivalents	$ 2,999	$ -	$ 2,999	$ 2,883	$ -	$ 2,883
Sales taxes receivables	69,964	-	69,964	35,337	-	35,337
Total assets	$ 72,963	$ -	$ 72,963	$ 38,220	$ -	$ 38,220
Liabilities						
Due KCI Overhaul Base fund	$ 69,900	$ -	$ 69,900	$ 35,330	$ -	$ 35,330
Total liabilities	69,900	-	69,900	35,330	-	35,330
Fund balance						
Unassigned fund balance	3,063	(3,063)	-	2,890	(2,890)	-
Total liabilities and fund balance	$ 72,963			$ 38,220		
Net Position Unrestricted		$ 3,063	$ 3,063		$ 2,890	$ 2,890

See Notes to the Basic Financial Statements

KANSAS CITY INTERNATIONAL AIRPORT COMMUNITY IMPROVEMENT DISTRICT (A COMPONENT UNIT OF THE CITY OF KANSAS CITY, MISSOURI)

Governmental Fund Statements of Revenues, Expenditures and Changes in Fund Balance/Statements of Activities For Fiscal Years Ending April 30, 2022 and 2021

	FYE 2022			FYE 2021		
	General Fund	Adjust-ments	Statement of Activities	General Fund	Adjust-ments	Statement of Activities
Revenues						
Earnings and utility tax revenue	$ 145,475	$ -	$ 145,475	$ 140,053	$ -	$ 140,053
Sales and use tax revenue	814,740	-	814,740	476,292	-	476,292
	$ 960,215	$ -	$ 960,215	$ 616,345	$ -	$ 616,345
Expenses/Expenditures						
KCI Overhaul Base fund	$ 950,486	$ -	$ 950,486	$ 606,771	$ -	$ 606,771
Administrative and other	9,556	-	9,556	9,509	-	9,509
Total expenses	$ 960,042	$ -	$ 960,042	$ 616,280	$ -	$ 616,280
Changes in net position/fund balance	173	-	173	65	-	65
Total net position/fund balance - beginning of the year	2,890	-	2,890	2,825	-	$ 2,825
Total net position/fund balance - end of the year	$ 3,063	$ -	$ 3,063	$ 2,890	$ -	$ 2,890

See Notes to the Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Organization

The City of Kansas City, Missouri (the "City") has established the Kansas City International Airport Community Improvement District (the "KCICID" or "District") for the purpose of or cause to be provided for:

1. the benefit of the KCICID for certain services described in the petition to establish the CID; and
2. authorize and collect sales tax on eligible retail sales occurring within the CID.

On March 24, 2005, the KCICID's Board of Directors authorized a one percent (1.0%) sales and use tax on eligible retail sales transactions occurring within the boundaries of the KCICID, which encompasses the real property owned by the City that constitutes Kansas City International Airport ("MCI") as of March 24, 2005. The collection of the sales tax commenced on October 1, 2005. Pursuant to the Cooperative Agreement (the "Agreement") by and between the KCICID and the City, dated August 1, 2005 the KCICID has covenanted and agreed to cause the sales tax to be imposed as long as any MCI Overhaul Base Bonds are outstanding.

The MCI Overhaul Base is located at Kansas City International Airport and was originally leased by the City to American Airlines pursuant to the terms of the lease agreement. For the purposes of the lease, the Overhaul Base consists of two primary facilities; (i) one hangar with two wide body bays and all of the related and associated shops (the "Super Hangar"), and (ii) the balance of the land, property and improvements at the Overhaul Base.

The original lease agreement required the City to provide $40.0 million in funds to be used in connection with repairs, improvements and other rehabilitation undertakings for the Overhaul Base. Bond proceeds were to be used by the City to satisfy a portion of the obligations of the Overhaul Base Project relating to the Super Hangar. The remaining portion of funds, approximately $13.3 million, were provided by the Missouri Development Finance Board ("MDFB") from proceeds derived from the sale of certain State of Missouri income tax credits. Bonds in the amount of $31.0 million were sold in August 2005 and had a final maturity of September 1, 2029. In combination with the revenue derived from the lease of the Overhaul Base, the sales tax received from the KCICID will support the debt service.

On September 8, 2010, the KCICID's Board of Directors met to amend the current Cooperative Agreement to remove the requirement that the CID sales tax revenues be used for the purpose of repayment of the Overhaul Base Special Facility Bonds and replaced it with a new purpose allowing use of the CID sales tax revenue for repair, maintenance and rehabilitation of the Overhaul Base. On September 9, 2010, Ordinance Number 100756 was passed to defease the Special Facility Revenue Bonds. Finally, on September 20, 2010, the Missouri Development Finance Board made an amendment to the original Tax Credit agreement allowing use of the tax credit proceeds to be used for Capital Improvements in the remainder facilities and for tenant improvements. The City may only spend the tax credit proceeds on an at least 1-to-2 matching basis with other City funds (i.e. for every $1 of tax credit proceeds that the City spends, the City must at the same time also spend, at a minimum, $2 of City funds). The matching component may include, but is not limited to, the CID monies.

The KCICID is a political subdivision created pursuant to Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, and was formed by the City Council of Kansas City, Missouri by Ordinance Number 050203 adopted on March 10, 2005. The KCICID is generally located between I-29 on the East, Kansas City, Missouri limits on the West, I-29 on the North, and NW Tiffany Springs Road on the South and was organized for the purpose of providing eligible services for the benefit of those within the KCICID through the provision of improvements to airport property and physical infrastructure; specifically, debt service on revenue bonds related to improvements to the airport overhaul base; developing marketing materials to attract commercial and retail users to airport property; improving parking management and facilities; improving visual appearance of the KCICID through landscaping and other amenities; acquisition of land, buildings and other incentives to maintain and increase the employment base of the City; prevention of physical deterioration of property and to other related activities.

The KCICID may by resolution impose a sales tax, not to exceed one percent (1.0%) upon all eligible retail sales within the KCICID. The life of the KCICID will continue to exist and function for thirty (30) years after the KCICID is established.

The KCICID is included as a component unit in the financial statements of the City.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information on all the activities of the KCICID. These statements are reported using the total economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. The KCICID considers amounts collected within 60 days to be available. Expenditures are recorded when the related liability is incurred. The general fund is the only fund of KCICID. At April 30, 2022 and 2021, the KCICID had no assets that are not current economic resources. Thus, there are no adjustments needed to convert the government fund financial statements to government-wide financial statements except reclassifying the fund balance to net position.

C. Revenue Recognition

The KCICID program revenues are derived from one percent (1.0%) sales and use tax on retail sales occurring within the boundaries of the KCICID and fifty percent (50%) of the incremental earnings, franchise and utility tax revenues remitted from the City effective February 2018. Sales tax revenue is recognized in the month that it is reported and paid to the State of Missouri by the businesses paying the tax. The KCICID has taken all actions to collect the KCICID sales tax through April 30, 2022. The incremental earnings, franchise and utility tax revenue is paid once a year by the City.

Throughout the Term (as defined in the Cooperative Agreement), the KCICID shall at all times cause to be assessed and collect the KCICID sales tax, as in effect on the Issue Date (October 1, 2005), including, but not limited to, any extensions or renewals thereof and the provision of any applicable notices.

D. Expense/Expenditure Recognition

The KCICID program expenditures are incurred for the purpose of providing eligible services for the benefit of those within the KCICID through the provision of improvements and physical infrastructure to airport property.

According to the Cooperative Agreement by and between the City and KCICID, Article III, Section 3.3, the KCICID is authorized to utilize sales tax revenues to pay its reasonable administrative and professional service fees, costs and expenses, including staff time, in connection and assessment of the CID sales tax; provided, however, the payment of such expenses shall not exceed $15,000 per year without the prior written consent of the City. The KCICID has elected to retain a nominal amount for the payment of such fees pending the receipt of additional sales tax revenues. This retained amount is reflected in the unassigned fund balance and unrestricted net position financial statement captions within the governmental fund balance sheet and statement of net position.

Administrative and professional service fees for the fiscal years ended April 30, 2022 and 2021, totaled $9,556 and $9,509, respectively. On April 27, 2021, the Board of Directors approved and adopted the KCICID budget for the fiscal year ended April 30, 2022. The Kansas City Council received and filed Communication #210474 from the City Clerk regarding the Board's adoption of the 2022 KCICID budget on May 27, 2021, and on August 17, 2021 the City Clerk received a completed fiscal year 2021 KCICID Annual Financial Report.

Accordingly, and pursuant to the Petition to Establish the Kansas City International Airport Community Improvement District, all remaining funds, after the payment of administrative and other expenses are transferred to the KCI Overhaul Base Fund, an enterprise fund of the City, for the purposes as described in Footnote A. The KCICID has taken all actions to expend those remaining funds through April 30, 2022, except for those nominal amounts previously mentioned.

E. Cash and Cash Equivalents

For the presentation in the financial statements, the KCICID considers all highly liquid short-term investments with a maturity of three months or less to be cash equivalents.

F. Net Position

On the Statement of Net Position, equity is shown as net position and is classified as unrestricted. Unrestricted net position includes net position without constraints placed on their use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. In the general fund, equity is also shown as fund balance and is classified as unrestricted.

G. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the KCICID management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results may differ from those estimates.

H. Income Taxes

The KCICID, as a political subdivision, is exempt from all federal, state and local income taxes.

I. Subsequent Events

Subsequent events have been evaluated through August 18, 2022, which is the date the financial statements were available to be issued.

J. Legislative Activity

The KCICID began collecting a 1.0% sales tax on every business entity within the District in the 2006 fiscal year. The rental car agencies raised opposition to the 1.0% sales tax and further escalated the issue with the Missouri Department of Revenue during the 2008 fiscal year. The Missouri Department of Revenue, in turn, sided with the rental car companies and interpreted the law in such a way that the rental car agencies inside the KCICID are exempt from the 1.0% sales tax because of the nature of their business, renting versus selling. This decision by the Missouri Department of Revenue forced the KCICID to collect less revenues during the 2008 and successive fiscal years than at first anticipated. The rental car agencies did not remit the tax under protest in previous years, therefore they are not entitled to a refund for previous fiscal year collections.

Likewise, a similar event happened effective August 28, 2008, whereas the Missouri Department of Revenue found that the sales by public utilities and sales by or to providers of communications, cable or video services were also exempt from the 1.0% sales tax levied on the KCICID. These two events have put some downward pressure on the KCICID in its revenue generating abilities.

In July 2016, resolution 2016-3 was approved by the Board of the Directors for a second amendment to the Cooperative Agreement by and between the KCICID and the City. Under the amendment, 230 acres of land was added to the KCICID. The amended agreement calls for the City to remit 50% of the incremental earnings, franchise and utility tax revenues earned within the boundaries of the KCICID to the KCICID. The additional revenues are to be utilized for public improvements within the boundaries of the KCICID. The amendment to the cooperative agreement between KCICID and the City that would enforce the additional revenue stream was executed in February 2018.

K. Risks and Uncertainties

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended worldwide mitigation measures. The extent of COVID-19's effect on the KCICID's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As the pandemic is still on-going, it is not currently possible to ascertain the overall impact of COVID-19 on the operations. However, if the pandemic continues to evolve; this could result in a decrease in sales tax revenues received which will limit the KCICID's ability to provide community improvement activity.

KANSAS CITY INTERNATIONAL AIRPORT COMMUNITY IMPROVEMENT DISTRICT (A COMPONENT UNIT OF THE CITY OF KANSAS CITY, MISSOURI)

Required Supplementary Information
Budgetary Comparison Information
Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance/Budget and Actual
For Fiscal Year Ending April 30, 2022

	Budgeted Amounts	Actual	Over (Under)
Revenues			
Earnings and utility tax revenue	$ 125,000	$ 145,475	$ 20,475
Sales tax revenue	550,000	814,740	264,740
Total revenues	675,000	960,215	285,215
Expenditures			
KCI Overhaul Base fund	$ 540,460	$ 805,011	$ 264,551
Development area	125,000	145,475	20,475
Annual audit	9,500	9,500	-
Other	40.00	56	16
Total expenditures	675,000	960,042	285,042
Excess of revenues over expenditures	$ -	$ 173	$ 173
Fund balance - beginning of the year	-	2,890	2,890
Fund balance - end of the year	$ -	$ 3,063	$ 3,063

Other Supplementary Information (Unaudited)

GOVERNANCE

The Kansas City International Airport Community Improvement District (the "KCICID") is a political subdivision created pursuant to Chapter 67 of the Revised Statutes of Missouri and was formed by the City Council of Kansas City, Missouri by Ordinance Number 050203 adopted on March 10, 2005.

The KCICID shall be a separate political subdivision and shall have all of the powers granted to and/or exercisable by a community improvement district pursuant to the Act (1) except to the extent such powers are expressly limited by this Petition (2). The KCICID shall be governed by a Board of Directors (the "Board") consisting of five (5) directors. Each director must meet the following requirement - be and must declare to be either an owner of Real Property within the KCICID or an owner of a business operating within the KCICID, as provided in the Act.

The Board shall be appointed by the Mayor of the City with the consent of the City Council. Of the initially appointed directors, three (which shall include the last person appointed) shall be appointed to serve a two-year term, two shall be appointed to serve a four-year term. Directors shall serve for their terms until such directors' successors are appointed.

Successor directors, whether to serve a new term or to fill a vacancy on the Board, shall be appointed in the same manner as the initial directors and shall serve for a term of four years.

The KCICID may, by resolution, impose a sales tax, not to exceed one percent (1.0%) upon all eligible retail sales within the KCICID. The life of the KCICID will continue to exist and function for thirty (30) years after the KCICID is established.

(1) The Community Improvement District Act, Sections 67.1401 to 67.1571, Revised Statutes of Missouri
(2) Petition to establish the Kansas City International Airport Community Improvement District

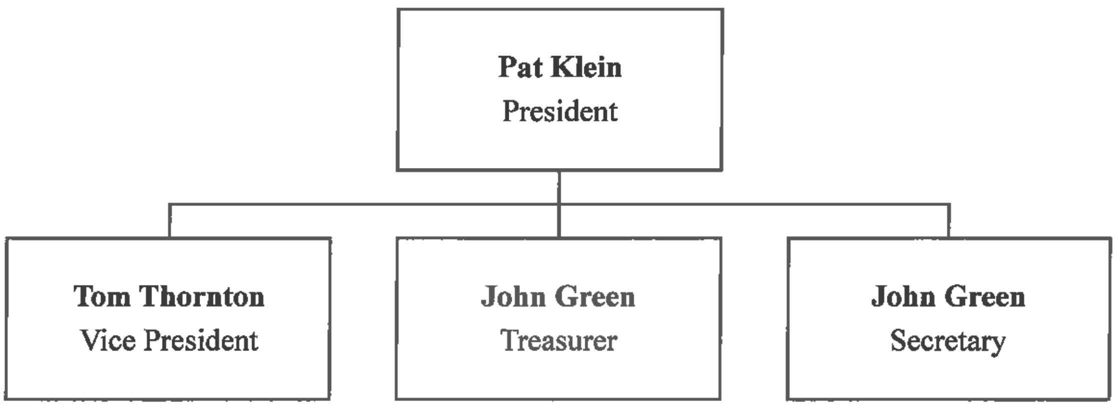
Kansas City International Airport Community Improvement District

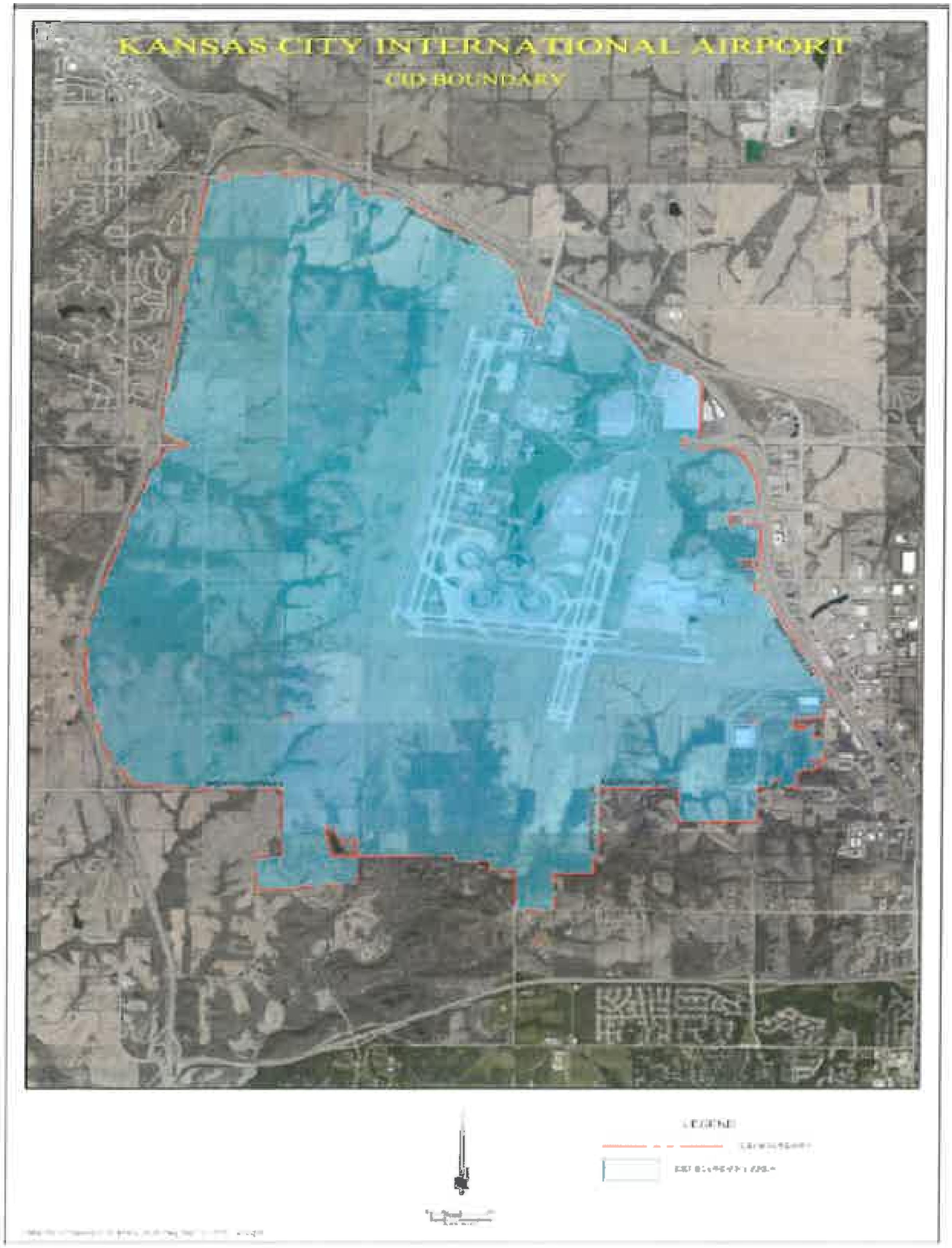
Quinton Lucas, Mayor

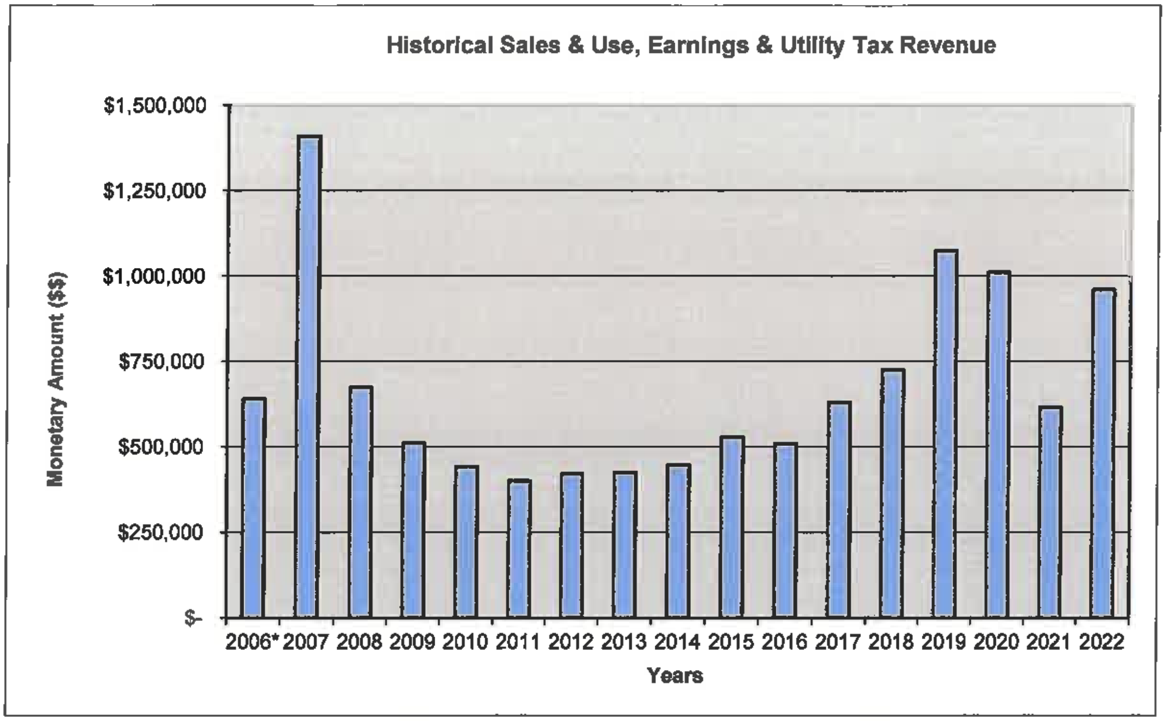
Board of Directors

	Term	Expires
Pat Klein, Director of Aviation Pat.Klein@kcmo.org 816-243-3100	4 years	2025
Tom Thornton, Trammell Crow TThornton@Trammellcrow.com 314-330-5442	4 years	2024
John Green John.Green@kcmo.org 816-243-3124	4 years	2024
Susan Doolen Susan.Doolen@hmshost.com 816-365-6916	4 years	2025
Chad Gillespie Chad.Gillespie@paradies-na.com 816-243-6414	4 years	2025

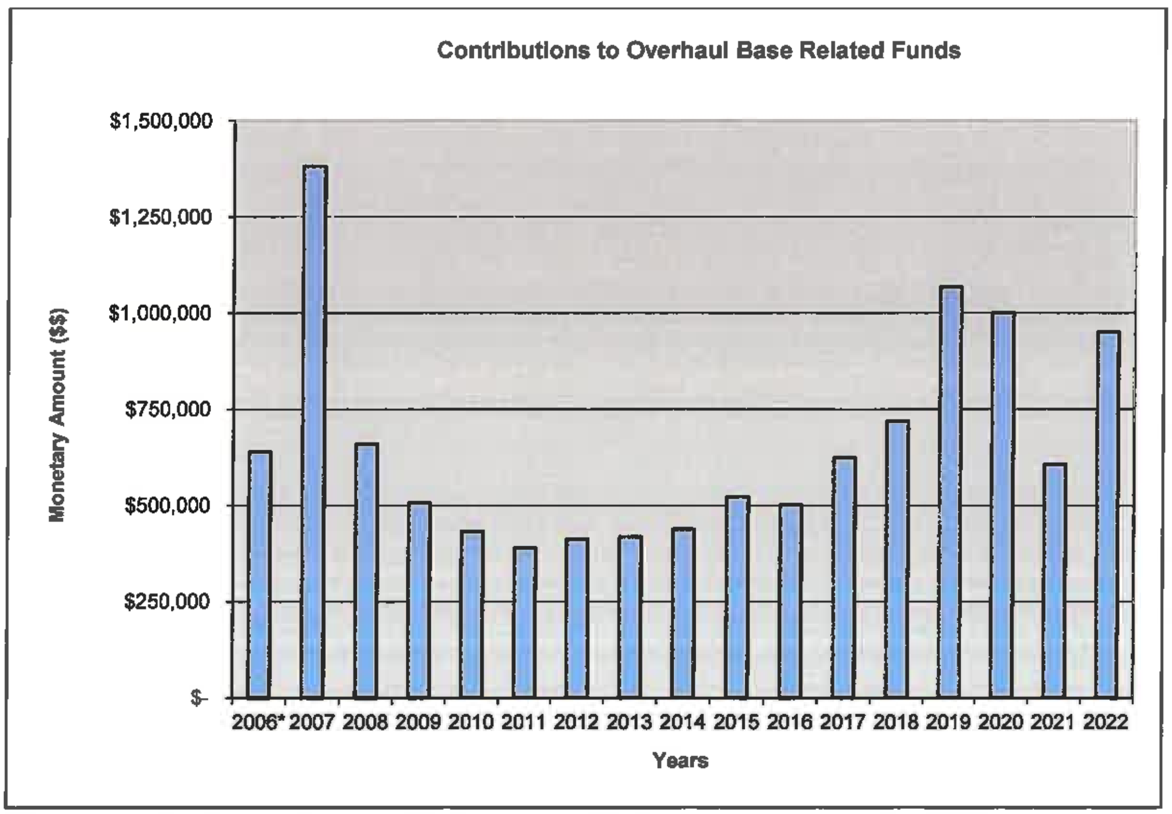
ORGANIZATIONAL CHART




KANSAS CITY INTERNATIONAL AIRPORT
CID BOUNDARY



*The inception of the Fund was October 1, 2005. Earnings and Utility Tax Revenue collected starting FY2018



*The inception of the Fund was October 1, 2005. Earnings and Utility Tax Revenue collected starting FY2018

*SCHEDULE OF KANSAS CITY INTERNATIONAL CID BUSINESSES **

American Airline Inc.
Aviation Technical Services
Avis Rent A Car System LLC
Delta Airlines Inc.
Executive Beechcraft Inc.
Frontier Airlines Inc.
Host / LJA Joint Venture
Kansas City Airport Marriott
KCI Car Care Center
Paradies Kansas City LLC
Southwest Airlines
The Hertz Corp
UPSCO United Parcel
United Airlines

*** Partial list of tax paying entities furnished by the Missouri Department of Revenue as of April 2022**

KANSAS CITY INTERNATIONAL AIRPORT COMMUNITY IMPROVEMENT DISTRICT

Resolution Approving the Recommendation of Board Members to the Kansas City Mayor and City Council.

WHEREAS, the Bylaws of the Kansas City International Airport Community Improvement District ("the District") provide for the District to be managed by a Board of Directors; and

WHEREAS, the Board of Directors of the District conducted a Board of Directors meeting on April 27, 2021; and

WHEREAS, during the Board of Directors meeting, the Board of Directors passed a motion recommending appointments to the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District as follows:

That the Board recommends to the Mayor and City Council of Kansas City, Missouri the following Board of Director appointments

Patrick Klein – Kansas City Aviation Department	Term – June 1, 2021 – May 31, 2025
Susan Doolen – HMS Host	Term – June 1, 2021 – May 31, 2025
Chad Gillespie – Paradies	Term – June 1, 2021 – May 31, 2025

And a Board of Director replacement due to a resignation of Jim Didion with Trammell Crow/Corvis Realty

Tom Thornton – Trammell Crow/Corvis Realty	Term – June 1, 2021 – May 31, 2024

The undersigned hereby certifies that this resolution was approved by a majority vote of the Board on the 27th of April, 2021.

John Green, Secretary

414 E. 12th Street
Kansas City, MO
64106

Kansas City

Legislation Text

File #: 220416

RESOLUTION NO. 220416

Appointing Patrick Klein, Susan Doolen, Chad Gillespie, and Tom Thornton as successor directors to the Kansas City International Airport Community Improvement District.

WHEREAS, the Kansas City International Airport Community Improvement District (the "District") was established by petition of the property owners (the "Petition") and approved by the City Council by Ordinance No. 050203; and

WHEREAS, the Petition provides for successor directors to be appointed by the Mayor, with the consent of the City Council, according to slates which have been submitted by the District; and

WHEREAS, the District has submitted a slate to the City Clerk as provided by the Petition; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

That the following persons are hereby appointed as successor directors to the Kansas City International Airport Community Improvement District to serve such terms as is provided for by the Petition, each term to commence the date upon which the preceding term shall have expired:

Patrick Klein
Susan Doolen
Chad Gillespie
Tom Thornton

SEAL OF KANSAS CITY 1850 MISSOURI

Authenticated as Passed

Quinton Lucas, Mayor

Marilyn Sanders, City Clerk

MAY 2 6 2022

Date Passed

AGH CPAs & ADVISORS

Board of Directors
Kansas City International Airport
Community Improvement District
Kansas City, Missouri

We are pleased to present this report related to our audit of the basic financial statements of the Kansas City International Airport Community Improvement District (KCICID) as of and for the year ended April 30, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the KCICID's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

This letter includes other comments and suggestions with respect to matters that came to our attention in connection with our audit of the KCICID's financial statements. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the KCICID's practices and procedures.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

Our Responsibilities with Regard to the Financial Statement Audit
Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated July 27, 2022. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit
We have issued a separate communication dated August 9, 2022 regarding the planned scope and timing of our audit. We made no significant changes to the scope or timing of our procedures.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices - Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies - Management has the ultimate responsibility for the appropriateness of the accounting policies used by the KCICID. The KCICID did not adopt any significant new accounting policies during the current year.

Significant Accounting Policies - We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant or Unusual Transactions - We did not identify any significant or unusual transactions.

Management's Judgments and Accounting Estimates - Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates.

Audit Adjustments
There were no audit adjustments made to the original trial balance presented to us to begin our audit.

Uncorrected Misstatements
We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Management Representations
In connection with our audit procedures, we have obtained a written management representation letter. This representation letter constitutes written acknowledgments by management that it has the primary responsibility for the fair presentation of the financial statements in conformity with generally accepted accounting principles and also includes the more significant and specific oral representations made by officers and employees during the course of the audit. The letter is intended to reduce the possibility of misunderstandings between us and the KCICID and reminds the signing officers to consider seriously whether all material liabilities, commitments and contingencies or other important financial information have been brought to our attention.

Other Information Included in Annual Reports
Our responsibility for other information included in the annual report is to read the information and consider whether its content or the manner of its presentation is materially inconsistent with the financial information covered by our auditor's report, whether it contains a material misstatement of fact or whether the information is otherwise misleading. We read the KCICID's other supplementary information. We did not identify material inconsistencies with the audited basic financial statements.

Observations About the Audit Process
We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit year; we encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements; we are not aware of any consultations management had with other accountants about accounting or auditing matters; no significant issues arising from the audit were discussed or the subject of correspondence with management; we did not encounter any difficulties in dealing with management relating to the performance of the audit; and we did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Other Matters

Cybersecurity Risk

Effective cybersecurity risk management has never been more important than in today's environment. Boards of directors, owners and executive management (the governance team) face an enormous challenge: to oversee how the organization manages cybersecurity risk.

Based on our inquiries, we understand the organization is completing some testing of cybersecurity; however, it is not currently completing a vulnerability assessment. As a result, we believe the organization is still at risk for a cybersecurity breach.

An effective cybersecurity risk management program provides reasonable, but not absolute, assurance that material breaches are prevented or detected, and mitigated in a timely manner. The combined effects of an organization's dependency on IT, the complexity of IT networks and business applications, extensive reliance on third parties and human nature (i.e., susceptibility to social engineering) are only likely to increase the need for effective cybersecurity risk management programs. Elements of an effective cyber risk management program should include:

- A comprehensive and documented risk assessment. Such assessment should not fall solely on the IT team. It is a governance and management challenge that should involve executive management and others charged with governance.
- Control assessments should include, at a minimum, an information technology systems general controls review, social engineering testing and, potentially, internal and/or external penetration testing.
- A vulnerability assessment will identify potential network vulnerabilities that can leave an organization open to significant risk. Using automated scanners, this will help the organization identify and resolve vulnerabilities before they are exploited by cybercriminals.

Both control assessments and vulnerability assessments should be completed on a periodic basis which is dependent on the annual risk assessment. At a minimum, we strongly believe these assessments should be done on an annual basis, IF NOT MORE OFTEN. The executive management should be involved with the review and summary reports should also be shared with the governance team.

Comprehensive Policy and Procedure Review

Given the broad and deep scope of your operations, you should consider completing a comprehensive evaluation of the adequacy and effectiveness of the entity's internal financial policies, processes and procedures, including a comparison to best practices among organizations the same size.

For entities that have experienced budget cuts in the finance area or those that have experienced turnover, a periodic review of controls is imperative. Even if your finance team has been stable over the years, we remind you that even the best design of controls is only as good as the people who carry out and execute such controls.

Financial policies, procedures and processes are a key element of sound fiscal administration. When policies are effective, they can preserve or enhance the fiscal health and wealth of the organization and create efficiencies for staff members.

This comprehensive evaluation could include:

1. Evaluation of existing controls
2. Identification of financial policies that could lead to vulnerability to fraud and/or abuse
3. For those identified weaknesses and risks, recommendations for improvements

AGHUniversity Resources

As part of AGH's ongoing commitment to serve as a trusted advisor, we offer these resources as a key part of the additional value AGH provides beyond the engagement itself:

- AGHUniversity.com - a full schedule of complimentary CPE or current and relevant topics and other updates to clients throughout the year. Free registration and webinars are available for the City's staff and council members at aghuniversity.com. A sample of recent topics include Management and Key Position Succession Planning; Destroying the Myths about Employee Engagement; Preventing Fraud in Small and Medium Sized Organizations; Measuring What Matters in Your 401(k) Plan for Recruitment, Retention and Reward; Planning The Transition: Taking Your Company To Market; and The How and Why of Business Valuations.

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- Also available from the home page of www.aghlc.com are COVID-19 resources for employers and taxpayers. You can access tax and HR-related alerts, webinars and other third-party resources to help you navigate through the COVID-19 pandemic.

Closing
We will be pleased to respond to any questions you have about this report or set up an introductory meeting to discuss the other recommendations at no charge. We appreciate the opportunity to continue to be of service to Kansas City International Airport Community Improvement District.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, KS
August 18, 2022

AGH
CPAs & ADVISORS

Board of Directors
Kansas City International Airport
Community Improvement District
Kansas City, Missouri

We are pleased to present this report related to our audit of the basic financial statements of the Kansas City International Airport Community Improvement District (KCICID) as of and for the year ended April 30, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the KCICID's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

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Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, KS
August 18, 2022