

Certificate of the Board

McKinney Independent School District

Collin

43-907

Name of School District

County

District Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) approved disapproved for the year ended June 30, 2022 at a meeting of the Board of Trustees of such school district on the 25th day of October 2022.

Stephanie O'Sell

[Signature]



Board of Trustees

Dr. Ryan G. McDaniel
Superintendent

Dr. Miller

John Ruff

Shawn Pratt

Suzy Woods

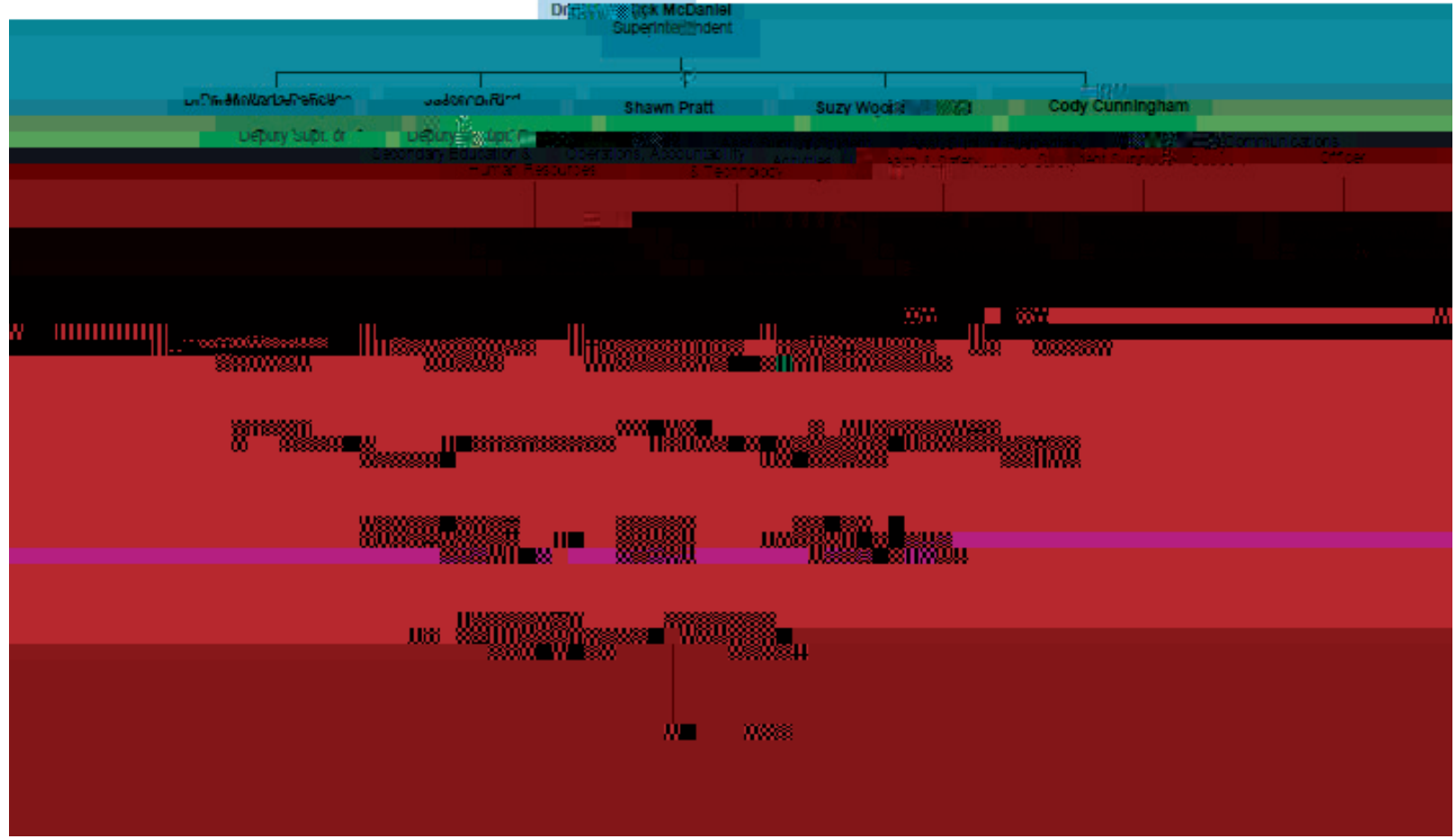
Cody Cunningham

Deputy Superintendent

Deputy Superintendent

Human Resources & Technology

Special Assistant to the Superintendent





government-wide and fund financial statements are summarized below:

Type of Statement	Government-Wide	Fund Financials		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District's government (except fiduciary funds)	The activities of the District that are not propriety or fiduciary	Activities the District operates similar to private business-health insurance and worker's compensation	Instances in which the District is the trustee or agent for someone else's resources
Required Financial Statements	<ul style="list-style-type: none"> x Statement of net position x Statement of activities 	<ul style="list-style-type: none"> x Balance sheet x Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> x Statement of net position x Statement of revenues, expenditures, and changes in fund balance 	<ul style="list-style-type: none"> x Statement of fiduciary net position x Statement of change in net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after year-end, expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenue and expenses during the year, regardless of when cash is received or paid.	All revenue and expenses during the year, regardless of when cash is received or paid.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector company. These statements include:

The Statement of Net Position (Exhibit A-1) focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the District owns (assets), what it owes (liabilities), and the net difference (net position). Net position may be further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in the District's net position may serve as a useful indicator of whether the District's financial health is improving or deteriorating.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's combined net position increased \$18.1 million from the previous year, as restated, as can be seen on the following table.

	Amount	%	Amount	%	Increase (Decrease) Amount
Current and other assets	\$ 311,680,221	35	\$ 237,750,380	29	\$ 73,929,841
Capital assets, net of accumulated depreciation/amortization	587,239,699	65	591,371,878	71	(4,132,179)
Total assets	898,919,920	100	829,122,258	100	69,797,662
Total deferred outflows of resources	45,508,733	100	37,891,775	100	7,616,958
Other liabilities	56,888,554	8	37,290,726	6	19,597,828
Long-term liabilities outstanding	629,130,950	92	612,071,705	94	17,059,245
Total liabilities	686,019,504	100	649,362,431	100	36,657,073
Total deferred inflows of resources	94,164,916	100	71,530,025	100	22,634,891

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Governmental Activities

Funding for government-wide activities is by the specific program revenue or through general revenues such as property taxes and investment earnings. Revenues for the District's governmental activities decreased \$8.9 million while total expenses increased by \$ million which resulted in a net increase of net position of

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$258.5 million, an increase of \$56.1 million over restated beginning fund balance of \$202.4 million. Approximately 44 percent of this total amount (\$113

Long-Term Debt

At the end of 2022, the District had \$629 million in long-term liabilities which include general obligation bonds, net pension liability, and net OPEB liability. The District's long-term liabilities increased by \$17.8 million due to the issuance of a \$128,230,000 Limited Tax School Building and Refunding Bond in 2021. Additional information on the District's long-term debt can be found in Note 6 of this report.

	Amount	%	Amount	%	Amount	%
General obligation bonds (net)	\$ 532,762,480	85	\$ 494,705,888	58	\$ 38,056,592	8
Net pension liability	32,053,109	5	53,666,330	9	(21,613,221)	(40)
Net OPEB liability	64,315,361	10	62,874,931	10	1,440,430	0,430

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Business Services Group, McKinney ISD, #1 Duval Street, McKinney, Texas 75069.

McKinney Independent School District
 Statement of Activities (Exhibit B1), continued
 Year Ended June 30, 2022

3	4	5	Net (Expense) Revenue and Changes in Net Position
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
\$ 8,337,213	\$ 14,683,509	\$ 1,103,967	\$ (145,332,075)
-	84,299	-	(4,758,730)
-	110,855	-	(2,943,530)
-	168,247	-	(4,518,735)
-	520,798	-	(15,537,181)
-	3,633,692	-	(6,037,907)

McKinney Independent School District
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit 2)
 Year Ended June 30, 2022

Data Control Codes	Revenues	199 General Fund	599 Debt Service Fund
5700	Local and intermediate revenues	\$ 194,583,115	\$ 70,317,357
5800	St 9.r-5 0 Tw ()Tj 18.693 0 Td (-)Tj 0.001 Tw -7.973 0 Td ()Tj 0 Tw ()Tj ET Q q 73.016 51		

McKinney Independent School District

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit C) continued
 Year Ended June 30, 2022

699 Capital Projects Fund	Total Nonmajor Funds	98 Total Governmental Funds
\$ 306,485	\$ 9,304,369	\$ 274,511,326
-	2,041,722	32,991,645
<u>1,103,967</u>	<u>28,076,786</u>	<u>33,739,867</u>
<u>1,410,452</u>	<u>39,422,877</u>	<u>341,242,838</u>
2,227,417	14,299,030	159,960,713
-	133,781	4,559,173
-	92,407	3,254,655
-	175,396	4,965,005
-	568,317	16,845,309
-	3,475,366	9,465,272
-	366,226	514,581
-	7,920	3,075,003
-	25,581	10,600,009
-	11,477,624	11,477,624
-	1,055,039	7,970,619
-	11,965	4,986,959
-	645,411	21,632,962
-	288,618	2,591,602
-	-	4,500,906
-	2,093,644	2,299,674
635,115	44,040	70,687,349
38,998,515	-	38,998,515
-	-	3,419,538
-	-	1,770,748
<u>41,861,047</u>	<u>34,760,365</u>	<u>383,576,216</u>
<u>(40,450,595)</u>	<u>4,662,512</u>	<u>(42,333,378)</u>
-	-	44,735,000
83,495,000	-	83,495,000
5,823,395	-	5,823,395
9,140,115	-	16,670,918
-	-	(51,939,750)
-	-	(384,982)
<u>98,458,510</u>	<u>-</u>	<u>98,399,581</u>
58,007,915	4,662,512	56,066,203
<u>36,184,642</u>	<u>9,347,811</u>	<u>204,575,515</u>
-	511,597	(2,144,807)
<u>36,184,642</u>	<u>9,859,408</u>	<u>202,430,708</u>
<u>\$ 94,192,557</u>	<u>\$ 14,521,920</u>	<u>\$ 258,496,911</u>

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McKinney Independent School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Major Governmental
Funds— Special Revenue Funds (Exhibit H)
Year Ended June 30, 2022

Data Control Codes	205	206	211
	Head Start	ESEA Title X Part C Homeless	ESEA Title I Improving Basic Program
Revenues			
5700 Local and intermediate revenues	\$ -	\$ -	\$ -
5800 State program revenues	-	-	-
5900 Federal program revenues	491,169	71,996	1,978,054
5020 Total revenues	491,169	71,996	1,978,054
Expenditures			
Current			
0011 Instruction	490,770	1,538	1,855,753
0012 Instructional resources and media services	-	-	100
0013 Curriculum and instructional staff development	24	-	1,335
0021 Instructional leadership	-	62,255	-
0023 School leadership	-	-	12,008
0031 Guidance, counseling, and evaluation services	-	5,598	87,995
0032 Social work services	-	-	-
0033 Health services	-	-	-
0034 Student transportation	-	-	20,000
0035 Food service	-	-	-
0036 Extracurricular activities	-	-	-
0041 General administration	-	-	-
0051 Plant maintenance and operations	-	-	-
0052 Security and monitoring services	-	-	-
0061 Community services	375	2,605	863
Debt service			
0071 Debt service	-	-	-
6030 Total expenditures	491,169	71,996	1,978,054
1100 Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200 Net change in fund balances	-	-	-
0100 Fund balances, beginning	-	-	-
1300 Prior period adjustment	-	-	-
Fund balance, beginning as restated	-	-	-
3000 Fund balances, ending	\$ -	\$ -	\$ -

McKinney Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Major Governmental Funds
– Special Revenue Funds (Exhibit H)

McKinney Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Major Governmental Funds
– Special Revenue Funds (Exhibit 1) – Continued
Year Ended June 30, 2022





