

McKinney ISD

20-21 Budget Narrative

The 20-21 Budget is for the Fiscal Year beginning July 1, 2020 and ending June 30, 2020. The budget consists of three separate funds:

- **The General Fund** is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other special purposes funds.
- **The Food Service Fund** is used to provide nutritional meals for students, and includes federal funding to provide free hot meals for eligible children.
- **The Debt Services Fund** is a restricted fund used to pay principal and interest on long-term general obligation debts for construction, major renovations, and maintenance of facilities.

Revenues -- Total budgeted revenues increased by \$4,187,931 from the previous year due to formula funding changes and student population changes.

Expenditures – Total budgeted expenses increased by \$13,198,386 from the previous year due to compensation increases (3% mid-point for exempt and 5% for non-exempt), staffing changes and formula funding changes associated with HB3.

Financial Status – The Budget is projected to be a deficit budget. End of Year Fund Balance level is scheduled to be approximately \$96,187,257.