

McKinney ISD

21-22 Budget Narrative

The 21-22 Budget is for the Fiscal Year beginning July 1, 2021 and ending June 30, 2022. 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 \$675,559 from the previous year due to formula funding changes and student population changes.

This amount does not include any potential funds from ESSER I, II, or III. ESSER I was fully supplanted by State. Estimated amounts for ESSER II and III are \$6,000,000 and \$16,500,000, respectively with a spend requirement completion by end of 23-24.

Expenditures – Total budgeted expenses increased by \$5,083,578 from the previous year due to compensation increases (2% mid-point for exempt and 2% 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 \$98,269,364 excluding any estimated ESSER I, II or III funds. Including estimated ESSER funds, End of Year Fund Balance level is scheduled to be approximately \$105,769,364.