Annual Comprehensive Financial Report of the

McKinney Independent School District

McKinney, Texas

For the Year Ended June 30, 2023

Prepared by the Business and Finance Department

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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, 2023 at a meeting of the Board of Trustees of such school district on the 23rd day of October 2023.

Signature of Board Secretary	Signature of Board President

If the board of trustees disapproves of the auditors' report, the reason(s) for disapproving it is/are: (attach list if necessary)

INTRODUCTORY SECTION

MCKINNEY

INDEPENDENT SCHOOL DISTRICT

BUSINESS SERVICES

October 23, 2023

Board of Trustees
McKinney Independent School District
#1 Duvall Street
McKinney, TX 75069

Members of the Board:

Texas Education Code requires school districts to submit financial statements to Texas Education Agency within 150 days of the close of the fiscal year. The reports must adhere to Generally Accepted Accounting Principles and be audited by a firm of licensed Certified Public Accountants. In compliance with this requirement, McKinney Independent School District (ISD) hereby submits the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023.

The ACFR represents the financial position of the District as measured by the activity of all funds of the District. The financial position of the District is discussed in detail in the Management's Discussion and Analysis (MDA) presented within the ACFR.

The ACFR was prepared by the District's Business Services Department. The District assumes full responsibility for the accuracy, completeness, and fairness of the reports. The ACFR was audited by Eide Bailly LLP, a licensed certified public accounting firm. The audit is intended to provide the District with reasonable assurance that the financial statements for the fiscal year ended, June 30, 2023, are free from material misstatement. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. The independent auditor's report presented within verifies there was a reasonable basis to issue an unmodified opinion. This opinion states that the reports are presented in conformity with Generally Accepted Accounting Principles and without material misstatements.

PROFILE & GOVERNANCE OF THE DISTRICT

McKinney ISD is an independent public education agency recognized as a political subdivision of the state of Texas. Founded in 1926, the District provides educational services to students in pre-kindergarten through grade 12. McKinney ISD has twenty-one elementary schools, five middle schools, three high schools, one alternative campus, and one early childhood education school. The ages and capabilities of these facilities can be found in the statistical section. The District had enrollment of 23,342 students in the 22/23 school year. Enrollment is predicted to be 23,100 in 23/24.

Located in Collin County in north central Texas, the District provides services wholly or partially to the communities of McKinney, Allen, Fairview, Lucas, and Princeton. Governance is by an elected and uncompensated Board of seven trustees. The Board's primary role is governance and oversight while the operational functions of the District are delegated to the Superintendent and administrative staff.

Board members serve four year overlapping terms with elections in May. Regular Board meetings are conducted on the fourth Monday of the month unless otherwise noted on the website.

In general, the Board adopts policies, approves curriculum, employs the superintendent, and oversees the operations of the District and its schools. Besides general Board business, trustees are charged with numerous statutory regulations, including appointing the tax assessor/collector, calling trustee and other school elections, and canvassing the results, organizing the Board, and electing its officers. The Board is also responsible for setting the tax rate, salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget.

The Board solicits and evaluates community input and support concerning school policies and has final control over local school matters limited only by the state legislature, by the courts and by the will of the people as expressed in School Board elections. Board decisions are based on a majority vote of a quorum of the Board.

The Board has responsibilities and control over all activities related to public-school education within its geographic boundaries. Even though there is considerable association between such other entities as the Collin County Tax Office and the Collin County Central Appraisal District, this report is restricted only to the actual activities of the District.

MISSION & AWARDS

The mission of the District is stated as:

"We will provide engaging leaning experiences so students can become effective communicators, quality contributors, and socially responsible citizens."

The vision of the District is stated as:

"A cohesive, diverse community providing engaging learning experiences for all."

Both the mission and vision are evident throughout all District programs/services including regular and enriched academic education, special education for disabled children, career, and technology education, gifted and talented programs, and programs for those with limited English proficiency. In addition, the programs are supplemented with a wide variety of co-curricular offerings that include fine arts and athletics.

MISD strives to provide students with quality educational experiences and has attained high ratings in the state accountability system. The District continues to outperform the region and state in all subjects and grade levels as measured by STAAR assessments. The latest statistics from Texas Education Agency (TEA) report the Class of 2022's graduation rate at 96.8%.

McKinney ISD boasts one of the most distinguished Fine Arts programs in the state of Texas. It is one of only a few districts in the state to send groups from every level (Elementary, Middle School, High School) to perform at the Texas Music Educators Association (TMEA) conferences. Recent invitational performances at TMEA include the Faubion Middle School Cambiata Tenor Bass Chorus in 2022, the Cockrill Middle School Honor Band in 2020 and the Eddins Elementary Honor Choir in 2019. During the 2022-23 school year, MISD Fine Arts organizations continue to receive state, national, and international recognitions. Additionally, the McKinney Boyd High School Percussion Ensemble qualified for the Percussive Arts Society International Conference in Bloomington, Indiana, and the Faubion Middle School Orchestra qualified for the Midwest Clinic in Chicago, Illinois. Furthermore, the McKinney Boyd Bronco Marching Band qualified for the 6A UIL Marching Band Championships for the first time in our District's history; Faubion Middle School Bella Voce Treble Chorus performed in Cincinnati, Ohio as an elite national honor group for the American Choral Directors Association. 13 MISD visual art students qualified for the State VASE competition of whom 12 medaled and 2 received the prestigious Gold Seal Award; and the McKinney High School Marquettes and McKinney Boyd Bailadoras each won grand national championships at dance competitions. Numerous MISD middle and high school bands, choirs and orchestras have earned "Mark of Excellence" awards from the Foundation of Music Education, and MISD has been named one or the nations "Best Communities for Music Education" for six consecutive years

(2017-22) by the National Association of Music Merchants.

McKinney ISD Athletics ended the 2022-2023 school year with outstanding accomplishments. We supported 141 programs across all campuses with over 4,700 student-athletes participating in our athletic programs. We had 67 athletes sign scholarships to continue athletic participation at the collegiate level. The district had 758 student-athletes named Academic All-District, with 200 named Academic All-State. Our athletic teams accounted for 6 district championships and had many student athletes advance to the state level competition in their respective sports, winning 3 state championship trophies overall. Our coaching staff was honored for their leadership with 6 McKinney ISD coaches being named district coach of the year. It was a successful year on the athletic field, as well as in the classroom with our student athletes maintaining a 3.3 GPA overall.

In 1999, the 76th Texas Legislature, approved legislation requiring the commissioner of education in consultation with the Comptroller of Public Accounts to develop a rating system for school district financial accountability. The 77th Texas Legislature in 2001 subsequently adopted rules for the implementation and administration of the financial accountability rating system known as School FIRST, Financial Integrity Rating System of Texas. The financial accountability rating system benefits the public by having in place a system to ensure that school districts will be held accountable for the quality of their financial management practices. McKinney ISD has met or exceeded the standard rating provided each year since the implementation of the rating system in the 2001-02 year.

The Texas Comptroller of Public Accounts has implemented a program to recognize local governments for going beyond posting the usual financial data to their websites. The program recognizes government entities that provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data, and other relevant information. The District earned the prestigious Transparency Stars recognition from the State Comptroller for transparency in the areas of Traditional Finance and Debt Obligations for five years running.

ECONOMIC CONDITIONS & OUTLOOK

McKinney ISD is situated in Collin County, 36 miles north of Dallas on U.S. Highway 75 in the city of McKinney. The city is an integral part of the Dallas Fort Worth metroplex. It enjoys easy access to major transportation and shipping hubs located 37 miles from DFW airport and 32 miles from Love Field. In addition, McKinney's National Airport will accommodate all types of business aircraft.

McKinney is home to several industries such as Raytheon, Encore Wire, Emerson Process Management, Baylor Medical Center, and Globe Life Insurance. As the county seat of Collin County, public employers include the County, City of McKinney, McKinney ISD, and Collin College. Contributing to the area's growth has been the relocation of Toyota Motor Company's Headquarters as well as the State Farm Insurance Company's and Liberty Mutual regional offices in neighboring cities. These factors have created an increased residential demand and a rapidly expanding economy.

The 2016 voter authorized multi-year bond program continues through building refresh, technology enhancements, and instructional programming.

The 2020-21 school year marks the continuation of the $220,000,000 2016 Bond Program approved by voters in May 2016 and the beginning of the $275,000,000 2021 Bond Program approved by voters in May 2021. Projects include comprehensive upgrades to almost every campus, fine arts, athletics, and technology system within McKinney ISD. These multi-year bond programs positively impact every child in McKinney ISD.

2022/23 BUDGET & TAX RATE

The Board of Trustees is required to adopt a final budget no later than the close of the fiscal year, June 30. Annual budgets for the General Operating Fund, Debt Service Fund and Food Service Fund were adopted by the Board of Trustees on June 27, 2023. The budgets are allocated by fund and function.

Site based decisions are made throughout the year as campuses and departments manage their funds. Budget transfers between functions, however, require approval from the Board of Trustees. The Budget is tightly controlled in all areas of operation. The District adopted a maintenance and operations tax rate of $0.7575, and a debt service rate of $0.3700 for the 2023-24 school year. For additional information about the financial status of the District, readers should refer to Management's Discussion and Analysis section of this report.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of Business Services. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation.

We also wish to thank the members of the Board of Trustees for their continued consideration and support, and for planning and conducting the financial operations of the district in a responsible and progressive manner.

Shawn Pratt
Superintendent

Marlene Harbeson
Chief Financial Officer

BOARD OF TRUSTEES

Name and Title	Elected	Term Expires
Amy Dankel, Vice President	2019	2027
Phillip Hassler, President	2021	2025
Stephanie O'Dell, Trustee	2019	2027
Larry Jagours, Trustee	2021	2025
Chad Green, Trustee	2021	2025
Lynn Sperry, Trustee	2019	2027
Harvey Oaxaca, Secretary	2021	2025

SELECTED ADMINISTRATIVE STAFF

Name	Position	Length of Service
Shawn Pratt	Superintendent of Schools	30 Years
Dr. Melinda DeFelice	Deputy Superintendent of Secondary Student Support	33 Years
Melanie Raleeh	Assistant Superintendent of Elementary Leadership	30 Years
Shelly Spaulding	Assistant Superintendent of Public Relations & Communications	19 Years
Gordon Butler	Assistant Superintendent of Strategic Process & Community Engagement	13 Years
Amy Epperson	Assistant Superintendent of Teaching, Learning, & Accountability	24 Years
Dr. Dennis Womack	Assistant Superintendent of Business, Operations, Tech, & HR	27 Years
Marlene Harbeson	Chief Financial Officer	19 Years
Jan Shaw	Director of Accounting	22 Years

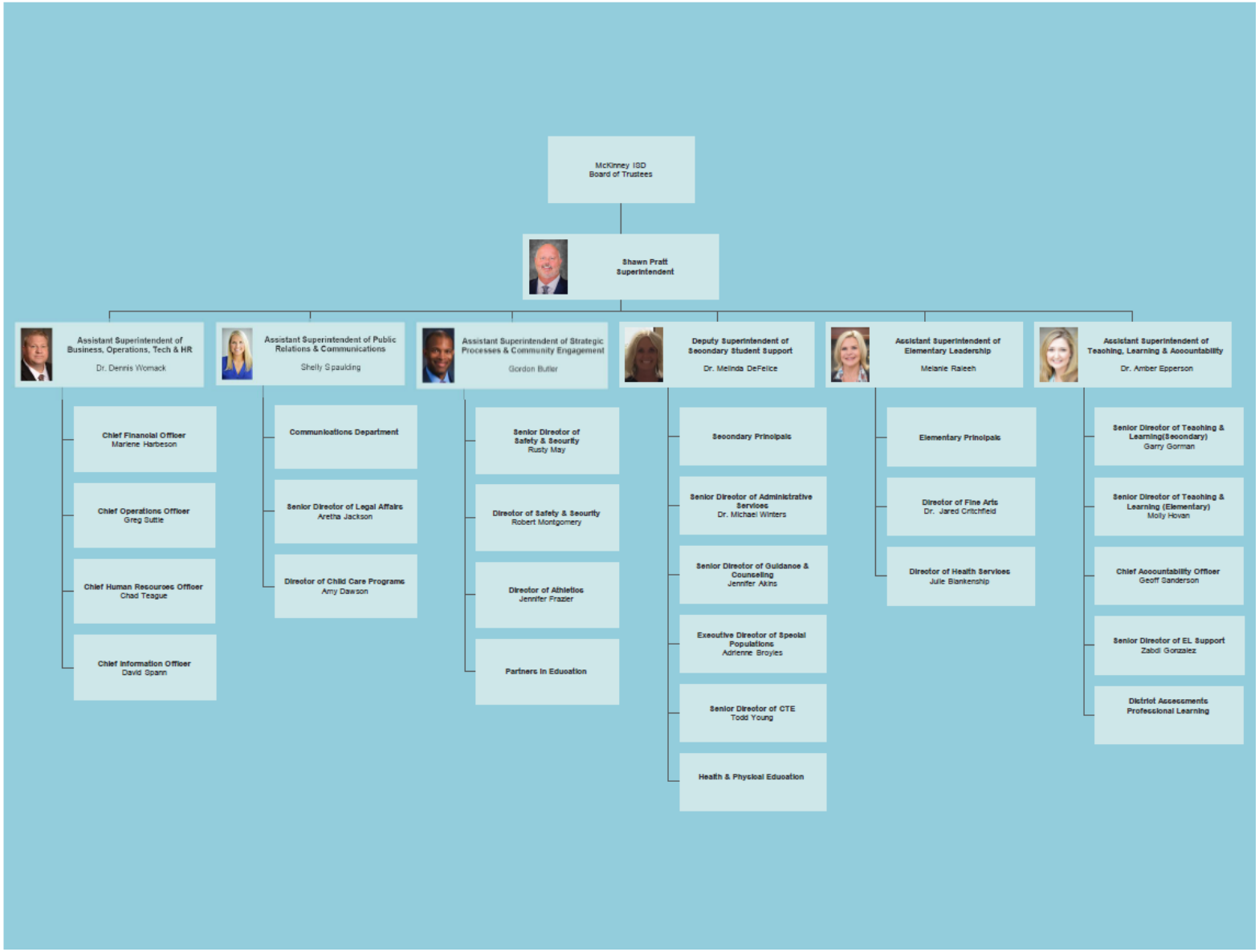
CONSULTANTS AND ADVISORS

Auditors	Eide Bailly, LLP	Abilene, Texas
Bond Counsel	Norton Rose Fulbright US, LLP	Dallas, Texas
Financial Advisor	Hilltop Securities, Inc.	Dallas, Texas

McKinney Independent School District

Executive Organizational Chart

June 30, 2023



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

McKinney Independent School District
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Trustees of
McKinney Independent School District
1 Duval Street
McKinney, Texas 75069

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the McKinney Independent School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District'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, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 (*Government Auditing Standards*). 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 District, 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.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the District has adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) for the year ended June 30, 2023. As a result of implementing the standard there was no effect on governmental activities' beginning net position. 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 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 District'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 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 District'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 District'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 management's discussion and analysis, pension plan schedules, OPEB plan schedules, and budgetary comparison information 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 GAAS, 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 District's basic financial statements. The combining nonmajor fund financial statements, TEA required schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for 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 nonmajor fund financial statements, TEA required schedules and the Schedule of Expenditures of Federal Awards 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 report. The other information comprises the introductory and statistical sections 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 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated October 12, 2023 on our consideration of the District'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 solely to 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 District'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 District's internal control over financial reporting and compliance.

Ede Bailly LLP

Abilene, Texas
October 12, 2023

The management of McKinney Independent School District ("the District") offer readers of the annual comprehensive financial report this narrative discussion and analysis of the District's financial performance for the twelve-month period ended June 30, 2023. Readers are encouraged to consider the information presented here in conjunction with the District's financial statements, which follow this analysis.

FINANCIAL HIGHLIGHTS

- At the close of the twelve-month period ended June 30, 2023, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources. Net position was $203.7 million.

- The government-wide statements reported total revenues of $376.7 million, which exceeded total expenditures of $337.2 million and resulted in a net increase of net position of $39.5 million over beginning net position of $164.2 million.

- The governmental funds financial statements reported combined ending fund balance of $280.8 million for the twelve-month period ending June 30, 2023, an increase of $22.3 million over beginning fund balance of $258.4 million. This balance consists of $118.3 million in the General Fund, $111.9 million of which is unassigned and available for spending at the District's discretion, $3.7 million is nonspendable for inventory and prepaid items and $2.5 million is assigned for insurance and contingencies. Restricted fund balance totals $156.1 million and is included in the Debt Service Fund, Capital Projects Fund and Non-Major Funds. Committed fund balance for campus activities totals $6.4 million.

- 2022-23 property values increased as total appraised property values continue to improve, resulting in the following for the General Fund:
    - Local property tax revenue of $206.7 million increased by $16.2 million, or 8.5%, from prior year.
    - Recapture expense of $20.6 million increased by $17.2 million, or 503%, from prior year.
    - State revenue of $31.9 million increased by $1.4 million, or 4.5%, from prior year.

- The General Fund had $253.8 million in revenues, which primarily consisted of local property taxes and state aid. Expenditures and other financing uses of $258.6 million, including $20.6 million in recapture, resulted in a decrease in fund balance by $1 million for the twelve-month period ended June 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.
    - The *governmental funds* statements tell how general government services were financed in the short term as well as what remains for future spending.
    - *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Major features of the District's 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	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net position • Statement of revenues, expenditures, and changes in fund balance	• Statement of fiduciary net position • 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. 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 financial health is improving or deteriorating.

The Statement of Activities. The Statement of Activities (Exhibit B-1) presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing for when cash is received or paid. 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).

To assess the overall health of the District, additional nonfinancial factors should be considered, such as changes in the District's property tax base, student enrollment, and facility conditions.

The government-wide financial statements consist of the Governmental activities—Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, rather than the District as a whole. 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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by State law and by bond covenants, while many other funds are established by the District to help manage resources for particular purposes and compliance with various grant provisions. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out of those funds and (2) the balances left at year-end that are available for spending in future periods. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's educational programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explain the relationship (or differences) between them.

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 and the Debt Service Fund, both of which are considered major funds. Data from the other governmental funds, including the National School Breakfast and Lunch Program, and a Local Capital Outlay Fund, are combined into a single aggregated presentation as nonmajor funds.

Fiduciary Funds. The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that, because of a trust arrangement, may be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary funds are excluded from the District's government-wide financial statements because these resources are not available to finance District operations.

Notes to the 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 other supplementary information, including schedules required by the Texas Education Agency.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's combined net position increased $39.5 million from the previous year, as can be seen on the following table.

	Governmental Activities				
	2023		2022		Increase (Decrease)
	Amount	%	Amount	%	Amount
Current and other assets	$ 342,527,902	36	$ 311,680,221	35	$ 30,847,681
Capital assets, net of accumulated depreciation/amortization	611,035,120	64	587,239,699	65	23,795,421
Total assets	953,563,022	100	898,919,920	100	54,643,102
Total deferred outflows of resources	51,312,969	100	45,508,733	100	5,804,236
Other liabilities	64,347,895	9	56,888,554	8	7,459,341
Long-term liabilities outstanding	652,276,057	91	629,130,950	92	23,145,107
Total liabilities	716,623,952	100	686,019,504	100	30,604,448
Total deferred inflows of resources	84,499,689	100	94,164,916	100	(9,665,227)
Net position:					
Net investment in capital assets	180,398,243	89	149,894,787	91	30,503,456
Restricted for grants	8,861,689	4	8,567,590	5	294,099
Restricted for debt service	28,077,988	14	23,993,989	15	4,083,999
Restricted for capital projects	638,902	0.3	492,640	0.3	146,262
Unrestricted	(14,224,472)	(7)	(18,704,773)	(11)	4,480,301
Total net position	$ 203,752,350	100	$ 164,244,233	100	$ 39,508,117

The District's capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 64 percent of total assets. The remaining assets consist mainly of investments, cash, grants, property taxes receivable, state revenue receivable, inventories and prepaid assets.

The District's long-term liabilities include repayment of general obligation bonds and net pension and OPEB liability. Other liabilities consist almost entirely of recapture and payables on accounts and salaries and benefits.

The District's net position includes its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The District has restrictions for grants, debt service and capital grants. The remaining balance of unrestricted net position may be used to meet the district's ongoing obligations to students, employees, and creditors.

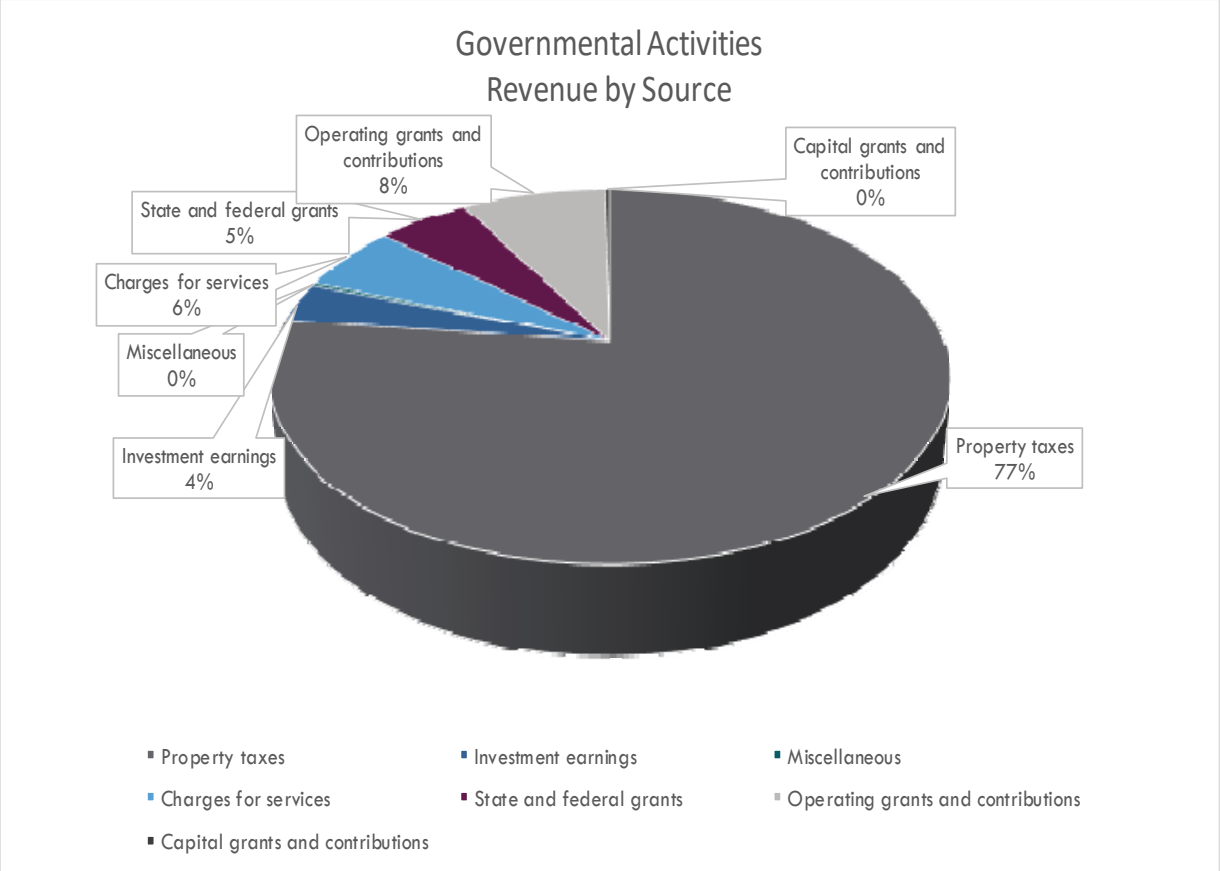
Unrestricted net position of $14,224,472 remains a deficit due to adjustments made in a prior fiscal year from the implementation of GASB Statement No. 75 for OPEB (other post-employment benefit) plans. The deficit is primarily due to reporting the District's proportionate share of the net OPEB liability.

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 increased $42.8 million while total expenses increased by $21.4 million which resulted in a net increase of net position of $39.5 million over beginning net position of $164.2 million.

Revenues

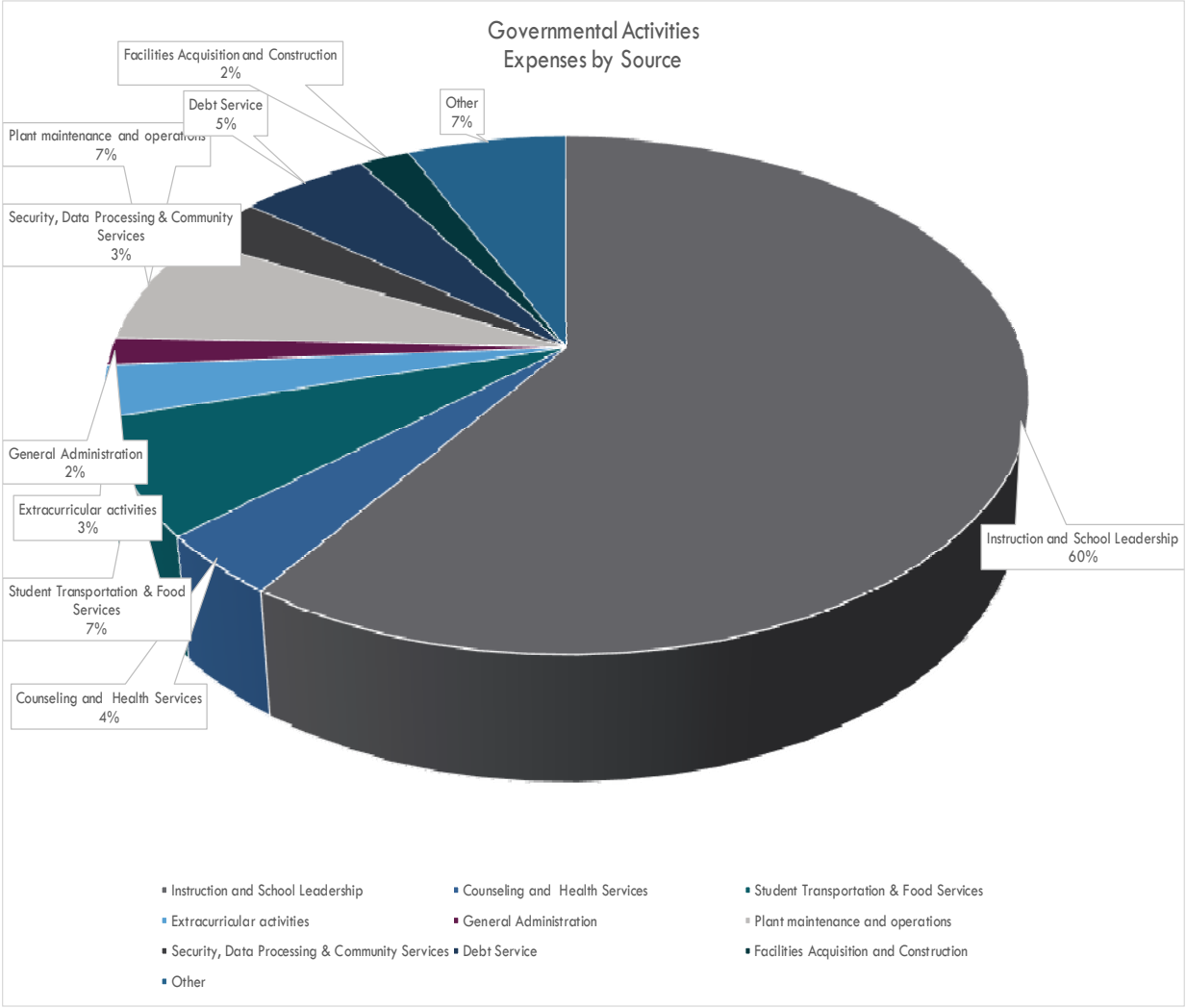
The District's total revenues were $376.7 million, representing an increase of $42.8 million from the previous year. As seen below, approximately 77% of the District's revenue comes from local property taxes, 5% from state and federal sources, 8% from operating grants and contributions; 4% from investment earnings; and 6% for charges and services.



Expenses

The District's total expenses were $337.2 million, representing an increase of $21.4 million from the previous year. The majority of this increase is due to an increase in recapture payments. The District's primary functional expenses are:

- Instruction and school leadership - $201 million, or 60 percent of total expenses
- Facilities acquisition and construction - $7 million, or 2 percent
- Plant maintenance and operations - $23.6 million, or 7 percent



In total, governmental activities increased the District's net position by $39.5 million dollars over beginning net position of $164 million. Key elements of this change are as follows:

McKinney Independent School District's Net Position

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenue:						
Program revenues:						
Charges for services	$ 21,831,293	6	$ 18,918,721	6	$ 2,912,572	15
Operating grants and contributions	30,991,067	8	34,584,114	10	(3,593,047)	(10)
Capital grants and contributions	938,272	0.3	1,103,967	0.3	(165,695)	(15)
General revenues:						
Property taxes, levied for general purpose	207,720,295	55	189,353,002	57	18,367,293	10
Property taxes, levied for debt service	81,660,996	22	69,596,386	21	12,064,610	17
State Aid - Formula Grants	19,766,839	5	18,714,002	6	1,052,837	6
Grants and contributions not restricted to specific programs	-		-		-	-
Investment earnings	12,748,659	3	592,760	0.2	12,155,899	2,051
Miscellaneous	1,059,397	0.3	1,033,852	0.3	25,545	2
Total revenues	376,716,818	100	333,896,804	100	42,820,014	13
Expenses:						
Instruction	171,993,587	51	169,456,764	54	2,536,823	1
Instructional resources and media services	4,792,178	1	4,843,029	2	(50,851)	(1)
Curriculum and instructional staff development	3,370,139	1	3,054,385	1	315,754	10
Instructional leadership	4,404,974	1	4,686,982	1	(282,008)	(6)
School leadership	16,511,277	5	16,057,979	5	453,298	3
Guidance, counseling, and evaluation services	9,481,667	3	8,821,539	3	660,128	7
Social work services	576,964	0	502,863	0	74,101	15
Health services	2,943,834	1	2,885,852	1	57,982	2
Student transportation	10,520,437	3	10,593,740	3	(73,303)	(1)
Food service	13,776,747	4	13,104,853	4	671,894	5
Extracurricular activities	10,912,339	3	10,327,005	3	585,334	6
General administration	5,740,200	2	5,325,400	2	414,800	8
Facilities maintenance and operations	23,661,455	7	21,954,417	7	1,707,038	8
Security and monitoring services	2,437,656	1	2,731,830	1	(294,174)	(11)
Data processing services	5,703,129	2	5,243,490	2	459,639	9
Community services	2,783,598	1	2,295,925	1	487,673	21
Debt service -interest on long-term debt	18,005,554	5	16,417,857	5	1,587,697	10
Bond issuance costs	-	-	-	-	-	-
Facilities acquisition and construction	7,065,056	2	12,279,952	4	(5,214,896)	(42)
Contracted instructional services between schools	20,626,414	6	3,419,538	1	17,206,876	503
Other intergovernmental charges	1,901,496	1	1,770,748	1	130,748	7
Total expenses	337,208,701	100	315,774,148	100	21,434,553	7
Change in net position	39,508,117		18,122,656		21,385,461	
Net position, beginning of year	164,244,233		146,121,577		18,122,656	
Net position - ending	$ 203,752,350		$ 164,244,233		$ 39,508,117	

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 spendable resources. Such information is useful in assessing the District'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.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of $280.8 million, an increase of $22.3 million over beginning fund balance of $258.4 million. Approximately 40 percent of this total amount ($112 million) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been 1) used to purchase inventories and food services ($3.7 million), 2) restricted to pay debt service ($34.4 million), 3) restricted for grants ($8.8 million), or 4) restricted for future capital projects ($112.8 million), 5) committed for campus activities ($6.4 million) 6) assigned for insurance and contingencies ($2.5 million). Assignments reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds.

General Fund. The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was $112 million, while total fund balance reached $118.2 million. 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 43 percent of total General Fund expenditures, while total fund balance represents 46 percent of that same amount.

The fund balance of the District's General Fund decreased by $1 million during the current fiscal year. Key factors are as follows:

- Revenues totaled $253.8 million which is a 10.5 percent increase from previous year. Total state program revenues increased by $1.3 million, or 4.5 percent, and federal funds increased by $1 million.
- Expenditures totaled $258.6 million which is a 9 percent increase from previous year. This includes a $1.5 million increase in facilities maintenance and operations and a $17.2 million increase in recapture.

Debt Service Fund. The Debt Service Fund has a total fund balance of $34.4 million, all of which is restricted for the payment of debt service. The net increase in fund balance was $3.8 million. Revenues totaled $84.3 million which is a 19.2 percent increase from previous year.

Local Capital Projects Fund. The Local Capital Projects Fund has a total fund balance of $112.8 million, which is a $18.7 million increase, all of which is restricted for capital acquisition and improvements. The increase is due to issuance of bonds in the Capital Projects Fund, the proceeds of which were not spent before year-end.

Budgetary Highlights

The District adopts an annual appropriated budget for the General Fund, the National School Breakfast and Lunch Program, and the Debt Service Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with statutory requirements.

General Fund. The most significant fund for the District is the General Fund, funded primarily through local property tax revenue. The District's budget amendments presented to the Board of Trustees throughout the year are summarized as follows:

- ***Variances of original expenditure budget compared to amended budget.***
  The amended expenditure budget did not change in total from the original budget.

- ***Variances of amended budget to actual expenditures.***
  Expenditures were $9.7 million less than final budgeted amounts. This was primarily due to decreased expenditures in instruction, guidance, counseling and evaluation services and plant maintenance and operations.

- ***Variances of original revenue budget compared to actual revenue***
  Revenues exceeded the amended budget by $5.2 million. The amended budget was adopted with higher projections for State program revenue. Local, state and federal program revenue all exceeded amended budget projections.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of 2023, the District had invested $611 million in a broad range of capital assets, including land, buildings, and equipment. This amount represents a net increase of $23.7 million, or more than four percent over last year. Major capital asset events conducted during the fiscal year included the completion of renovations to Slaughter Elementary, Scott Johnson Middle School along with the completion of a new campus, Frazier Elementary, and significant improvements to various athletic facilities and stadiums. Additional information on the District's capital assets can be found in Note 5 of this report.

McKinney Independent School District's
Capital Assets

	Governmental Activities	
	2023	2022
Land	$ 39,390,469	$ 39,556,241
Construction in progress	49,129,001	16,942,938
Buildings and improvements	817,300,022	816,971,399
Furniture and equipment	37,262,976	30,327,300
Intangible asset - right to use asset	3,074,660	30,145
Total at historical cost	946,157,128	903,828,023
Less accumulated depreciation	(335,122,008)	(316,588,324)
Net capital assets	$ 611,035,120	$ 587,239,699

Long-Term Debt

At the end of 2023, the District had $652 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 $23.1 million due to the issuance of a $104,600,000 Unlimited Tax School Building and Refunding Bond in 2022. Additional information on the District's long-term debt can be found in Note 6 of this report.

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds (net)	$ 539,281,977	83	$ 532,762,480	85	$ 6,519,497	1
Net pension liability	74,593,775	11	32,053,109	5	42,540,666	133
Net OPEB liability	38,400,305	6	64,315,361	10	(25,915,056)	(40)
Totals	$ 652,276,057	100	$ 629,130,950	100	$ 23,145,107	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

McKinney ISD is situated in Collin County, 36 miles north of Dallas on U.S. Highway 75 in the city of McKinney. The city is an integral part of the Dallas Fort Worth metroplex. It enjoys easy access to major transportation and shipping hubs located 37 miles from DFW Airport and 32 miles from Love Field. In addition, McKinney's National Airport will accommodate all types of business aircraft.

McKinney is home to several industries such as Raytheon, Encore Wire, Emerson Process Management, Baylor Medical Center, and Globe Life Insurance. As the county seat of Collin County, public employers include the County, City of McKinney, McKinney ISD, and Collin College. Contributing to the area's growth has been the relocation of Toyota Motor Company's Headquarters as well as the State Farm Insurance Company's and Liberty Mutual regional offices in neighboring cities. These factors have created an increased residential demand and rapidly expanding economy.

The 2016 voter authorized multi-year bond program continues through building refresh, technology enhancements, and instructional programming.

The 2020-21 school year marks the continuation of the $220,000,000 2016 Bond Program approved by voters in May 2016 and the beginning of the $275,000,000 2021 Bond Program approved by voters in May 2021. Projects include comprehensive upgrades to almost every campus, fine arts, athletic and technology system within McKinney ISD. These multi-year bond programs positively impact every child in McKinney ISD.

McKinney ISD continues to experience above state average property value growth based on existing property value increases and strong new construction values.

The Board of Trustees is required to adopt a final budget no later than the close of the fiscal year, June 30. Annual budgets for the General Operating Fund, Debt Service Fund, and Food Service Fund were adopted by the Board of Trustees on June 27, 2023. The budgets are allocated by fund and function. Site based decisions are made throughout the year as campuses and departments manage their funds. Budget transfers between functions, however, require approval from the Board of Trustees. The Budget is strictly monitored in all areas of operation.

The Maintenance and Operations (M&O) tax rate decreased to $0.7575 per $100 valuation for the 2023-24 year. The Interest and Sinking (I&S) tax rate remained at $0.3700 per $100 valuation for the 2023-24 year.

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.

Data Control Codes		1 Primary Government Governmental Activities
	Assets	
1110	Cash and cash equivalents	$ 1,101,212
1120	Investments - current	321,507,489
1220	Property taxes receivable (delinquent)	7,081,878
1230	Allowance for uncollectible taxes	(213,000)
1240	Due from other governments	8,281,741
1290	Other receivables	1,054,419
1300	Inventories at cost	575,516
1410	Prepaid expenses	3,138,647
	Capital assets	
1510	Land	39,390,469
1520	Buildings, net	502,757,552
1530	Furniture and equipment, net	16,683,438
1550	Right-to-use assets, net of accumulated amortization	3,074,660
1580	Construction in progress	49,129,001
1000	Total assets	953,563,022
	Deferred outflows of resources	
1705	Deferred outflows - pension	36,533,792
1706	Deferred outflows - OPEB	13,194,633
1710	Deferred charge on refunding	1,584,544
1700	Total deferred outflows of resources	51,312,969
	Liabilities	
2110	Accounts payable	3,982,705
2140	Interest payable	7,739,509
2160	Accrued wages payable	25,362,287
2177	Due to trust and custodial funds	374,261
2180	Due to other governments	24,172,207
2200	Accrued expenses	2,037,379
2300	Unearned revenue	679,547
	Noncurrent liabilities	
2501	Due within one year	32,199,357
2502	Due in more than one year	507,082,620
2540	Net pension liability	74,593,775
2545	Net OPEB liability	38,400,305
2000	Total liabilities	716,623,952

Data Control Codes		1 Primary Government Governmental Activities
	Deferred Inflows of Resources	
2605	Deferred inflows - pension	14,236,502
2606	Deferred inflows - OPEB	65,069,073
2610	Deferred gain on refunding	5,194,114
2600	Total deferred inflows of resources	84,499,689
	Net Position	
3200	Net investment in capital assets	180,398,243
3820	Restricted for grants	8,861,689
3850	Restricted for debt service	28,077,988
3860	Restricted for capital projects	638,902
3900	Unrestricted	(14,224,472)
3000	Total net position	$ 203,752,350

Data Control Codes	Functions/Programs	1 Expenses
	Primary government	
	Governmental activities	
11	Instruction	$ 171,993,587
12	Instructional resources and media services	4,792,178
13	Curriculum and instructional staff development	3,370,139
21	Instructional leadership	4,404,974
23	School leadership	16,511,277
31	Guidance, counseling, and evaluation services	9,481,667
32	Social work services	576,964
33	Health services	2,943,834
34	Student transportation	10,520,437
35	Food service	13,776,747
36	Extracurricular activities	10,912,339
41	General administration	5,740,200
51	Plant maintenance and operations	23,661,455
52	Security and monitoring services	2,437,656
53	Data processing services	5,703,129
61	Community services	2,783,598
71	Debt service	18,005,554
81	Facilities acquisition and construction	7,065,056
91	Contracted instructional services between schools	20,626,414
99	Other intergovernmental charges	1,901,496
TG	Total governmental activities	337,208,701
TP	Total primary government	$ 337,208,701

	3	4 Program Revenues		5	Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Governmental Activities
	$ 6,684,347	$ 15,427,519		$ 938,272	$ (148,943,449)
	-	112,319		-	(4,679,859)
	-	123,467		-	(3,246,672)
	-	240,378		-	(4,164,596)
	-	586,562		-	(15,924,715)
	-	3,900,127		-	(5,581,540)
	-	113,850		-	(463,114)
	-	79,681		-	(2,864,153)
	-	26,758		-	(10,493,679)
	5,071,397	8,074,924		-	(630,426)
	6,344,179	126,233		-	(4,441,927)
	-	102,435		-	(5,637,765)
	777,768	446,940		-	(22,436,747)
	-	202,042		-	(2,235,614)
	-	69,324		-	(5,633,805)
	2,953,602	19,427		-	189,431
	-	1,339,081		-	(16,666,473)
	-	-		-	(7,065,056)
	-	-		-	(20,626,414)
	-	-		-	(1,901,496)
	21,831,293	30,991,067		938,272	(283,448,069)
	$ 21,831,293	$ 30,991,067		$ 938,272	$ (283,448,069)
	General revenues:				
	Taxes:				
MT	Property taxes, levied for general purposes				207,720,295
DT	Property taxes, levied for debt services				81,660,996
SF	State aid - Formula grants				19,766,839
IE	Investment earnings				12,748,659
MI	Miscellaneous				1,059,397
TR	Total general revenues				322,956,186
CN	Change in net position				39,508,117
NB	Net position - beginning				164,244,233
	Beginning net position				164,244,233
NE	Net position - ending				$ 203,752,350

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects Fund
	Assets			
1110	Cash and cash equivalents	$ 1,079,525	$ 21,647	$ -
1120	Current investments	169,821,105	33,982,497	117,703,887
1220	Property taxes - delinquent	5,101,319	1,980,559	-
1230	Allowance for uncollectable taxes	(153,000)	(60,000)	-
1240	Due from other governments	3,972,153	38,423	17,181
1260	Due from other funds	-	84,767	19,295
1290	Other receivables	451,668	-	602,426
1300	Inventories	575,516	-	-
1410	Prepaid expenditures	3,133,767	-	-
1000	Total assets	183,982,053	36,047,893	118,342,789
1000a	Total assets and deferred outflows of resources	$ 183,982,053	$ 36,047,893	$ 118,342,789
	Liabilities			
2110	Accounts payable	$ 88,870	$ -	$ 3,879,642
2160	Accrued wages payable	22,738,926	-	-
2170	Due to other funds	14,844,228	-	-
2180	Due to other governments	23,941,811	230,396	-
2200	Accrued expenditures	436,773	-	1,569,575
2300	Unearned revenue	21,742	-	-
2000	Total liabilities	62,072,350	230,396	5,449,217
	Deferred inflows of resources			
2600	Unavailable revenue	3,659,013	1,415,351	-
	Total deferred inflows of resources	3,659,013	1,415,351	-
	Fund balances			
3410	Nonspendable - inventories	575,516	-	-
3430	Nonspendable - prepaid items	3,133,767	-	-
3450	Restricted - grants	-	-	-
3470	Restricted - capital acquisitions and contractual obligations	-	-	112,893,572
3480	Restricted - debt service	-	34,402,146	-
3545	Committed - other	-	-	-
3580	Assigned - insurance	2,500,000	-	-
3590	Assigned - other	50,000	-	-
3600	Unassigned	111,991,407	-	-
3000	Total fund balances	118,250,690	34,402,146	112,893,572
4000	Total liabilities, deferred inflows of resources, and fund balances	$ 183,982,053	$ 36,047,893	$ 118,342,789

ONMF Other Non-Major Governmental Funds	98 Total Governmental Funds
$ 40	$ 1,101,212
-	321,507,489
-	7,081,878
-	(213,000)
4,253,984	8,281,741
16,036,072	16,140,134
325	1,054,419
-	575,516
4,880	3,138,647
20,295,301	358,668,036
$ 20,295,301	$ 358,668,036
$ 14,193	$ 3,982,705
2,623,361	25,362,287
1,670,167	16,514,395
-	24,172,207
31,031	2,037,379
657,805	679,547
4,996,557	72,748,520
-	5,074,364
-	5,074,364
-	575,516
4,880	3,138,647
8,861,689	8,861,689
-	112,893,572
-	34,402,146
6,432,175	6,432,175
-	2,500,000
-	50,000
-	111,991,407
15,298,744	280,845,152
$ 20,295,301	$ 358,668,036

Total Fund Balances - Governmental Funds (Exhibit C-1)		$ 280,845,152
Capital assets, net of accumulated depreciation, are not financial resources and therefore are not reported as assets in governmental funds.		611,035,120
Some liabilities, including bonds payable, leases, and subscriptions are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	(475,320,000)	
Deferred charge on refunding	1,584,544	
Deferred gain on refunding	(5,194,114)	
Unamortized premiums on bonds payable	(61,378,665)	
Subscription liability	(80,719)	
Lease liability	(2,502,593)	(542,891,547)
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.		(7,739,509)
Certain assets are not available to pay for current period expenditures and therefore are deferred in the funds. These are:		
Deferred resource inflow for property taxes		5,074,364
The government-wide statements includes the District's proportionate share of the TRS net pension liabilities and TRS-Care net OPEB liabilities, as well as certain pension and OPEB related transactions accounted for as deferred inflows and outflows of resources:		
Net pension liability	(74,593,775)	
Deferred outflows of resources - TRS pension	36,533,792	
Deferred inflows of resources - TRS pension	(14,236,502)	
Net OPEB liability	(38,400,305)	
Deferred outflows of resources - TRS-Care OPEB	13,194,633	
Deferred inflows of resources - TRS-Care OPEB	(65,069,073)	(142,571,230)
Total Net Position - Governmental Activities (Exhibit A-1)		$ 203,752,350

Data Control Codes		10 General Fund	50 Debt Service Fund
	Revenues		
5700	Local and intermediate revenues	$ 216,659,211	$ 82,880,858
5800	State program revenues	31,944,461	1,448,809
5900	Federal program revenues	5,238,648	-
5020	Total revenues	253,842,320	84,329,667
	Expenditures		
	Current		
0011	Instruction	143,048,744	-
0012	Instructional resources and media services	4,331,930	-
0013	Curriculum and instructional staff development	3,436,070	-
0021	Instructional leadership	4,410,298	-
0023	School leadership	16,521,140	-
0031	Guidance, counseling, and evaluation services	6,258,111	-
0032	Social work services	476,596	-
0033	Health services	3,089,593	-
0034	Student transportation	10,432,809	-
0035	Food service	-	-
0036	Extracurricular activities	7,217,119	-
0041	General administration	5,725,942	-
0051	Plant maintenance and operations	22,511,932	-
0052	Security and monitoring services	1,941,643	-
0053	Data processing services	4,894,585	-
0061	Community services	225,912	-
	Debt service		
0071	Debt service	1,596,644	80,807,838
	Capital outlay		
0081	Facilities acquisition and construction	-	-
	Intergovernmental		
0091	Contracted instructional services between schools	20,626,414	-
0099	Other intergovernmental charges	1,901,496	-
6030	Total expenditures	258,646,978	80,807,838
1100	Excess (deficiency) of revenues over (under) expenditures	(4,804,658)	3,521,829
	Other financing sources (uses)		
7901	Refunding debt issued	-	36,165,000
7911	Issuance of bonds	-	-
7912	Sale of real and personal property	-	-
7913	Proceeds from leases and SBITAs	3,866,129	-
7916	Premium on issuance of bonds	-	4,194,666
8940	Payment to bond refunding escrow agent	-	(40,072,564)
7080	Total other financing sources (uses)	3,866,129	287,102
1200	Net change in fund balances	(938,529)	3,808,931
0100	Fund balances, beginning	119,189,219	30,593,215
3000	Fund balances, ending	$ 118,250,690	$ 34,402,146

60 Capital Projects Fund	ONMF Other Non-Major Governmental Funds	98 Total Governmental Funds
$ 5,275,421	$ 13,652,156	$ 318,467,646
-	1,034,612	34,427,882
1,738,272	22,682,957	29,659,877
7,013,693	37,369,725	382,555,405
5,321,532	13,855,961	162,226,237
-	162,613	4,494,543
-	94,384	3,530,454
-	213,112	4,623,410
-	578,295	17,099,435
-	3,689,435	9,947,546
-	109,711	586,307
-	10,357	3,099,950
-	24,172	10,456,981
-	12,852,222	12,852,222
-	1,247,961	8,465,080
-	22,974	5,748,916
-	684,837	23,196,769
-	330,437	2,272,080
-	-	4,894,585
-	2,592,119	2,818,031
518,065	124,311	83,046,858
56,641,132	-	56,641,132
-	-	20,626,414
-	-	1,901,496
62,480,729	36,592,901	438,528,446
(55,467,036)	776,824	(55,973,041)
-	-	36,165,000
68,435,000	-	68,435,000
1,649,986	-	1,649,986
-	-	3,866,129
4,083,065	-	8,277,731
-	-	(40,072,564)
74,168,051	-	78,321,282
18,701,015	776,824	22,348,241
94,192,557	14,521,920	258,496,911
$ 112,893,572	$ 15,298,744	$ 280,845,152

Total Net Changes in Fund Balances - Governmental Funds (Exhibit C-2)	$ 22,348,241
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays of $54,739,600, removing the remaining net book value of disposed assets of $2,297,368, bond principal payments of $58,530,000, lease principal payments of $561,215, subscription principal payments of $1,058,531 and recognition of deferred charges and gains on refunding of $237,901, lease issuance proceeds of $3,024,183, and subscription proceeds of $841,946 is to increase net position.	108,963,750
Government funds report debt proceeds and premium on issuance of bonds as financing sources when debt is first issued, whereas these are reported as long-term liabilities in the statement of net position. The net effect of reclassing bond proceeds of $104,600,000 and bond premium of $8,277,731 is to decrease net position.	(112,877,731)
Governmental funds report the payment to the bond refunding escrow agent as a financing use; however, the refunding payment is recorded as a reduction of outstanding principal and related premiums on the statement of net position. Additionally, a deferred charge on refunding is recorded as a result of the refunding and amortized to the statement of activities. The refunding resulted in the reduction of bond principal of $39,990,000 and related premiums of $5,647,686. A deferred charge of $5,565,122 also is recognized. The net effect is an increase in net position.	40,072,564
2023 depreciation expense of $27,825,197 increases accumulated depreciation. 2023 amortization of right to uselease and subscription assets of $1,118,918 increases accumulated amortization. The net effect of the current year's activity is to decrease net position.	(28,944,115)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing unavailable tax revenue of $5,074,364 as revenue and removing the prior year's tax collection of $3,760,018, and removing prior year collection of grant revenue of $193,669.	1,120,677
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due. The current year change in the accrual is an increase of $80,578. The net effect is to decrease net position.	(80,578)

Bond premiums are recorded as other financing sources when received in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is the current year amortization.	4,734,235
Changes in the deferred outflows of resources, deferred inflows of resources and net pension liability must be recorded as expenses. Changes in contributions made after the measurement date caused the change in net position to increase in the amount of $296,017. The District's share of the unrecognized deferred inflows and outflows for TRS as of the measurement date must be amortized and the District's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease in the amount of $2,482,553. The net effect is a decrease in net position.	(2,186,536)
Changes in the deferred outflows of resources, deferred inflows of resources and net OPEB liability must be recorded as expenses. Changes in contributions made after the measurement date caused the change in net position to increase in the amount of $137. The District's share of the unrecognized deferred inflows and outflows for TRS as of the measurement date must be amortized and the District's proportionate share of the OPEB expense must be recognized. These cause the change in net position to increase in the amount of $6,357,473. The net effect is an increase in net position.	6,357,610
Change in Net Position for Governmental Activities (Exhibit B-1)	$ 39,508,117

Data Control Codes		Private Purpose Trust Funds	865 Custodial Fund
	Assets		
1120	Current investments	$ 19,496	$ -
1260	Due from other funds	1,995	372,266
1410	Prepaid expenditures	-	12,520
1000	Total assets	21,491	384,786
	Net Position		
3800	Restricted	21,491	384,786
	Total net position	$ 21,491	$ 384,786

	Private Purpose Trust Funds	865 Custodial Fund
Additions		
Donations	$ -	$ 314,291
Total contributions	-	314,291
Investment Earnings		
Temp. deposits and investments	4,653	-
Total investment earnings	4,653	-
Total additions	4,653	314,291
Deductions		
Contracted services	-	161,754
Supplies and materials	-	92,426
Other deductions	-	76,212
Total deductions	-	330,392
Change in net position	4,653	(16,101)
Net position, beginning	16,838	400,887
Net position, ending	$ 21,491	$ 384,786

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Board of Trustees, a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the McKinney Independent School District (the District). The public elects the members of the Board of Trustees. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the TEA or to the State Board of Education are reserved for the trustees, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. There are no component units included within the reporting entity. The financial statements of the District include all activities for which the Board exercises these governance responsibilities.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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 or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements, as well as the proprietary and fiduciary fund financial statements, are reported using the *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 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 government 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 claims and judgments, are recorded only when payment is due.

The Fiduciary Funds are accounted for using the *economic resources measurement focus and the accrual basis of accounting*. Revenues are recognized in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Property taxes and penalties and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following major governmental funds:

The *General Fund* – is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The Debt Service Fund – a governmental fund type, is used to account for the District's current portion of voter approved debt and the Foundation School Program's facilities allotment for bonded indebtedness.

Capital Projects Fund – a governmental fund type, is used to account for the proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

Additionally, the District reports the following nonmajor fund types:

Special revenue funds - a governmental fund type, account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District accounts for each federal and state grant in a separate special revenue fund.

The *fiduciary funds*, the District has the following:

Private purpose trust funds – Donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The Virginia Dodson Finch Trust Fund is intended to serve children in need at Finch Elementary. The District's other private purpose trust fund is intended to serve the District's libraries.

Custodial funds – The District accounts for resources held for others in a custodial capacity in custodial funds. The District's Custodial Fund is the student activity fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from *nonoperating items*. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the transportation internal service fund are District contributions for the transportation fund. Operating expenses include depreciation and other operating expense and administrative expense for administering the transportation fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as they are needed.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments in investment pools are reported at amortized cost.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements and in the proprietary fund financial statements. The District defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-40
Furniture and equipment	5-10

Right-to-use lease assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right-to-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right-to-use lease assets are amortized over the shorter of the lease term or useful live of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the District's right to use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful live of the underlying asset using the straight-line method. The amortization period varies from 1 to 3 years.

Inventory

The District reports inventories of supplies at weighted average cost including consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and revenue when received. When requisitioned, inventory is decreased and expenditures are charged for an equal amount.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the District.

Subscription liabilities represent the District's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the District.

Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources are separate elements of the financial statements. The District has deferred inflows of resources, which arises under the modified accrual basis of accounting, unavailable revenue from property taxes, deferred gains on refunded debt, and for its proportionate share of TRS's deferred inflow related to pensions as described in Note 10 and its OPEB liability as described in Note 11. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has deferred outflows of resources for deferred charges on refunded debt, its proportionate share of TRS's deferred outflow related to pensions as described in Note 10, and for its proportionate share of TRS-Care's deferred outflow related to OPEB as described in Note 11.

Property Tax

In the governmental fund financial statements, property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by January 31 of the year following the October 1 levy date. The assessed value of the property tax roll (net of exemptions), upon which the levy for the June 30, 2023 fiscal year was based, was $22,695,831,000. Taxes are delinquent if not paid by February 1. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

Current tax collections for the year ended June 30, 2023 were 99.08% of the year-end adjusted tax levy. Allowances for uncollectible taxes within the General Fund are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2023, property taxes receivable, net of estimated uncollectible taxes, totaled $6,868,878.

The tax rate to finance general governmental services was $0.9429 per $100 and the tax rate to finance the payment of principal and interest on long-term obligations was $0.37 per $100 for the year ended June 30, 2023.

Fund Balance

The District classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) 54, Fund Balance Reporting and Governmental Fund Type Definitions:

Nonspendable fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At June 30, 2023, the District had nonspendable fund balance for inventories and prepaid items of $575,516 and $3,138,647, respectively.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2023, the District had restricted fund balance for grant funding of $8,861,689, $112,893,572 restricted for capital acquisitions and contractual obligations, and $34,402,146 for debt service.

Committed fund balance is established and modified by a resolution from the District's Board, the District's highest level of decision-making authority, and can be used only for the specific purposes determined by the Board's resolution. At June 30, 2023, the District had committed $5,563,803 for campus activities and $868,372 for other purposes.

Assigned fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. The Board has delegated the authority to assign fund balance to the Superintendent or the Chief Financial Officer. At June 30, 2023, the District had $2,500,000 assigned for insurance and $50,000 assigned for contingencies.

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. The District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District does not have a formal minimum fund balance policy.

Pensions

The fiduciary net position of the Teacher Retirement System (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. 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. The General Fund is typically used to liquidate pension liabilities.

OPEB

The fiduciary net position of the TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources relating to other-post employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account. The General Fund is typically used to liquidate OPEB liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Implementation of GASB Statement No. 96

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs).* The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the District recognized a right to use subscription asset and subscription liability of $297,304 and $297,304 as of July 1, 2022, respectively. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Notes 5 and 8.

New Accounting Pronouncements

GASB Statement No. 91: Conduit Debt Obligations. Statement 91 was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This standard becomes effective for the District in fiscal year 2023. The District has no conduit debt obligations.

GASB Statement No. 99: Omnibus 2022. Statement 99 was issued in April 2022. The objective of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement include the classification and reporting of derivative instruments within the scope of *Statement No. 53, Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument. Clarification of provisions in *Statement No. 87, Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives. Clarification of provisions in *Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset. Clarification of provisions in *Statement No. 96, Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability. Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt. Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP). Disclosures related to nonmonetary transactions. Pledges of future revenues when resources are not received by the pledging government.t Clarification of provisions in *Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as amended, related to the focus of the government-wide financial statements. Terminology updates related to certain provisions of *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Terminology used in Statement 53 to refer to resource flows statements.

The requirements of Statement 99 that are related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District has implemented this statement.

GASB issued Statement No. 100, Accounting Changes and Error Corrections- Statement 100 was issued in June 2022 and is an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The District has implemented this statement.

GASB issued Statement No. 101, Compensated Absences. Statement 101 was issued in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged The District does not vest vacation and sick leave; therefore, as no liability exists for unused vacation and sick leave, this change is not applicable for the District.

Note 2 - Stewardship, Compliance and Accountability

Budgetary Information

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in the Texas Education Agency's (TEA) Financial Accounting Resource (FAR) module and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to June 19 of the preceding fiscal year for the subsequent fiscal year beginning July 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, and the Child Nutrition Program. The remaining special revenue funds adopt project-length budgets that do not correspond to the District's fiscal year.

Note 3 - Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Note 4 - Detailed Notes on All Funds

Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with the District's agent, bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) coverage. In order to maximize return on cash balances, the District uses consolidated bank accounts from which all disbursements are made, with cash in excess of the District's total daily requirement being invested for future needs.

At June 30, 2023, the bank balance of $2,010,254 was on deposit with the contracted depository bank. District funds are insured up to $250,000 for the combined amount of all time and savings accounts, and up to an additional $250,000 for the combined total of al Demand Deposit Accounts (DDA's). Interest-bearing accounts were collateralized by pledged United States government securities with a fair value of $5,052,652 at June 30, 2023, held by the American National Bank. Because the American National Bank holds the pledged securities in trust on behalf of the District, the deposits were deemed collateralized under Texas law. All campus activity funds were centralized and were on deposit with the contracted depository.

Investments

The Texas legislature passed the Public Funds Investment Act of 1995 ("Public Funds Investment Act") which authorizes the District to invest its excess funds in the following:

- Obligations of the United States or its agencies and instrumentalities,
- Obligations of the State of Texas or its agencies, and instrumentalities,
- Other obligations guaranteed by the United States or the State of Texas or their agencies and instrumentalities,
- Public funds investment pools,
- No load money market funds with a weighted average maturity of 90 days or less,
- Fully collateralized repurchase agreements,

- Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality not less than an "A", or its equivalent, by a nationally recognized investment rating firm,
- Commercial paper having a stated maturity of 365 days or fewer from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies or one nationally recognized credit agency and is fully secured by an irrevocable letter of credit,
- Guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds,
- Guaranteed or secured certificates of deposit, issued by state and national banks domiciled in Texas, and insured by federal depository insurance or secured by the obligations mentioned above,
- Bonds issued, assumed or guaranteed by the State of Israel, and Secured corporate bonds rated not lower than "AA—" or the equivalent.

The Public Funds Investment Act requires an annual review and approval of investment policies and practices. The review disclosed that in this area of investment practices, management reports and establishment of appropriate policies, the District materially adhered to the requirements of the Public Funds Investment Act. Additionally, investment practices of the District were in accordance with local policies, which are more restrictive than state statutes.

As of June 30, 2023, the following are the District's cash equivalents and investments, with respective maturities and credit rating:

Type of Investment	Book Value	Percent	Fair Value	Percent	Maturity in Less Than 1 Year	Maturity in 1-10 years	Credit Rating
Cash	$ 1,101,212	0.3%	$ 1,101,212	0.3%	$ 1,101,212	$ -	N/A
Investment pools:							
TexPool	152,688,624	47%	152,688,624	47%	152,688,624	-	AAAm
Tex STAR	168,838,361	52%	168,838,361	52%	168,838,361	-	AAAm
Total investment pools	321,526,985	99.7%	321,526,985	99.7%	321,526,985	-	
Total cash and investments	$ 322,628,197	100%	$ 322,628,197	100%	$ 322,628,197	$ -	

Investment Pools are measured at amortized cost or net asset value, i.e. fair value. As such, these investments are not required to be reported in the fair value hierarchy.

The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both Participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool Shares. Audited financial statements of the pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

TexSTAR is a local government investment pool tailored to provide investment solutions to local government investment plans whether as a liquidity component, for a more comprehensive investment strategy or as a method to diversify an investment program primarily based on traditional banking services. TexSTAR is administered by Hilltop Securities and J.P. Investment Management Inc, who serve as administrators for TexSTAR under an agreement with the TexSTAR board of directors. TexSTAR is conservatively managed in full compliance with the Texas Public Funds Investment Act. TexSTAR was created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. The fund maintains a maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The fund seeks to maintain a constant dollar objective and fulfills all requirements of the Texas PFIA for local government investment pools.

Interest Rate Risk

In accordance with the District's investment policy, investments are made in a manner that ensures the ensure the safety of the principal, to maintain liquidity and to maximize financial returns within current market conditions. Investments shall be made in a manner to ensure the preservation of capital in the overall portfolio, and offsets during a twelve-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. The District's investment strategy states that no individual transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

Credit Risk

The District's investments in Local Government Investment Pools (LGIP's) include: TexPool and TexSTAR. These are public funds investment pools operating in full compliance with the Public Funds Investment Act. Both are rated "AAAm by Standard and Poor's.

Concentration of Credit Risk
The District's investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity or specific issuer.

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. All deposits not covered by FDIC insurance but held in the depository bank, American National Bank, were fully collateralized.

Foreign Currency Risk

As of June 30, 2023, there are no foreign currency investments in the District's portfolio.

Due from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2023, are summarized below:

Governmental Activities	Local	State Grants/ Entitlements	Federal Grants	Total
General Fund	$ 120,055	$ 3,852,098	$ -	$ 3,972,153
Debt Service Fund	38,423	-	-	38,423
Capital Projects Fund	-	-	17,181	17,181
Nonmajor Governmental Funds	-	10,000	4,243,984	4,253,984
	$ 158,478	$ 3,862,098	$ 4,261,165	$ 8,281,741

Interfund Receivables/Payable

In the fund financial statements, interfund balances are the results of normal transactions between funds and will be liquidated in the subsequent fiscal year.

Interfund balances at June 30, 2023, resulting from payroll and accumulated fund charges, consisted of the following individual fund balances:

Due From/To Other Funds	Interfund Receivables	Interfund Payables
General Fund	$ -	$ 14,844,228
Debt Service Fund	84,767	-
Capital Projects Fund	19,295	-
Nonmajor Governmental Funds	16,036,072	1,670,167
Private Purpose Trust Fund	1,995	-
Custodial Funds	372,266	-
Totals	$ 16,514,395	$ 16,514,395

Note 5 - Capital Asset Activity

Capital asset activity for the District for the year ended June 30, 2023, was as follows on the next page:

	Beginning Balance (restated)	Additions	Reductions	Ending Balance Balance
Governmental activities				
Depreciable assets				
Capital assets, not being depreciated				
Land and improvements	$ 39,556,241	$ -	$ (165,772)	$ 39,390,469
Construction in progress	16,942,938	32,186,063	-	49,129,001
Total capital assets, not being depreciated	56,499,179	32,186,063	(165,772)	88,519,470
Capital assets, being depreciated				
Buildings and improvements	816,971,399	10,257,292	(9,928,669)	817,300,022
Furniture and equipment	30,327,300	8,430,116	(1,494,440)	37,262,976
Total capital assets, being depreciated	847,298,699	18,687,408	(11,423,109)	854,562,998
Less accumulated depreciation for				
Buildings and improvements	(298,397,839)	(24,541,018)	8,396,387	(314,542,470)
Furniture and equipment	(18,190,485)	(3,284,179)	895,126	(20,579,538)
Total accumulated depreciation	(316,588,324)	(27,825,197)	9,291,513	(335,122,008)
Total capital assets, being depreciated, net	530,710,375	(9,137,789)	(2,131,596)	519,440,990
Right-to-use lease assets being amortized				
Office space	328,864	-	(328,864)	-
Equipment	1,050,430	3,024,183	(1,050,430)	3,024,183
Total right-to-use lease assets being amortized	1,379,294	3,024,183	(1,379,294)	3,024,183
Less accumulated amortization for				
Office space	(298,719)	(30,145)	328,864	-
Equipment	(1,050,430)	(554,434)	1,050,430	(554,434)
Total accumulated amortization, lease assets	(1,349,149)	(584,579)	1,379,294	(554,434)
Net right-to-use lease assets	30,145	2,439,604	-	2,469,749
Right to use subscription IT assets being amortized	297,304	841,946	-	1,139,250
Less accumulated amortization, IT assets	-	(534,339)	-	(534,339)
Net right-to-use subscription IT assets	297,304	307,607	-	604,911
Total right-to-use assets, net	327,449	2,747,211	-	3,074,660
Governmental activities capital assets, net	$ 587,537,003	$25,795,485	$ (2,297,368)	$ 611,035,120

Depreciation expense was charged to the District's functions as follows:

	Governmental Activities	
11	Instruction	$ 20,131,530
12	Instructional resources and media services	528,679
23	School leadership	306,078
34	Student transportation	41,738
35	Food service	1,892,114
36	Extracurricular activities	2,782,519
41	General administration	264,339
51	Plant maintenance and operations	751,280
52	Security and monitoring services	180,864
53	Data processing services	946,056
	Total depreciation expense-governmental activities	$ 27,825,197

Amortization expense was charged to the District's functions as follows:

	Governmental Activities	
11	Instruction	$ 1,118,918
	Total amortization expense-governmental activities	$ 1,118,918

Construction Commitments

Estimated costs to complete construction in progress as of June 30, 2023 are $110,154,264. The District has signed contracts for the purchase of new buses for $10,809,056.

Note 6 - Long-Term Debt

The long-term indebtedness of the District pertains to the Governmental Activities of the District. Expenditures for the debt service requirements of the long-term debt are accounted for in the General Fund, Debt Service Fund, and other nonmajor funds.

On July 21, 2022, the District issued $104,600,00 in Unlimited Tax School Building and Refunding Bonds, Series 2022. The bonds were issued with a premium of $8,277,731. The proceeds of the refunding were used to refund outstanding debt of the School Building and Refunding Bonds, Series 2012. The District established a defeasance escrow to defease the District's outstanding Unlimited Tax School Building Bonds, Series 2011. The District deposited directly with a paying agent for the defeased bonds funds in the amount of $40,072,564, sufficient to provide the final payment and redemption of the defeased bonds. The defeased bonds are no longer regarded as being outstanding, except for the purpose of being paid from funds on deposit in the escrow fund. The payment to the escrow was recorded as other financing uses paid from the Debt Service Fund. The defeasance resulted in a cash flow savings of approximately $3.9 million and an economic gain of approximately $3.2 million for the District.

A summary of bond issuances and other general long-term debt original amounts issued, interest rates, and maturity dates as of June 30, 2023 is as follows:

Bond Issuances	Amounts Original Issued	Interest Rate Payable	Maturity Date
2012 School Building and Refunding	$ 53,975,000	3.02%	February 15, 2037
2013 School Building	39,305,000	4.00%	February 15, 2038
2014 School Building and Refunding	99,360,000	4.45%	February 15, 2039
2015 Refunding	47,170,000	3.74%	February 15, 2031
2015A Building and Refunding	66,355,000	4.58%	February 15, 2025
2016 Refunding	34,635,000	3.77%	February 15, 2033
2016A Building	77,950,000	4.63%	February 15, 2036
2017 Building	78,545,000	4.75%	February 15, 2037
2018 Building	40,180,000	5.00%	February 15, 2038
2019 Building and Refunding	29,305,000	5.00%	February 15, 2034
2020 Building and Refunding	21,300,000	5.00%	February 15, 2023
2021 Unlimited Building and Refunding	128,230,000	2% to 5%	August 31, 2041
2022 Unlimited Building and Refunding	104,600,000	4% to 5%	August 31, 2042
Leases			
ImageNet Copier Lease	3,024,183	3.66%	July 31, 2027
Subscription IT			
Canvas	132,645	3.79%	August 31, 2023
Microsoft Office	166,694	4.51%	September 30, 2023
Munis	405,602	3.84%	June 30, 2024
Naviance	164,659	3.92%	June 30, 2024
Sophos	269,650	4.98%	June 30, 2026

A summary of changes in general long-term debt for the year ended June 30, 2023 is as follows

Bond Series Name	Beginning Balance (restated)	Debt Issued	Principal Retired	Ending Balance	Due Within One Year
2012 School Building and Refunding	$ 39,990,000	$ -	$ (39,990,000)	$ -	$ -
2013 School Building	32,235,000	-	(1,405,000)	30,830,000	1,465,000
2014 School Building and Refunding	32,060,000	-	(2,150,000)	29,910,000	2,265,000
2015 Refunding	31,860,000	-	(2,935,000)	28,925,000	3,075,000
2015A Building and Refunding	44,710,000	-	(2,780,000)	41,930,000	2,910,000
2016 Refunding	27,750,000	-	(1,920,000)	25,830,000	2,030,000
2016A Building	58,230,000	-	(2,985,000)	55,245,000	3,135,000
2017 Building	60,075,000	-	(2,905,000)	57,170,000	3,055,000
2018 Building	30,940,000	-	(1,685,000)	29,255,000	1,345,000
2019 Building and Refunding	7,395,000	-	(460,000)	6,935,000	490,000
2020 Building and Refunding	1,465,000	-	(1,465,000)	-	-
2021 Unlimited Building and Refunding	102,530,000	-	(5,610,000)	96,920,000	7,240,000
2022 Unlimited Building and Refunding	-	104,600,000	(32,230,000)	72,370,000	4,530,000
Total bonds payable	469,240,000	104,600,000	(98,520,000)	475,320,000	31,540,000
Total leases payable	39,625	3,024,183	(561,215)	2,502,593	578,638
Total subscription IT liabilities	297,304	841,946	(1,058,531)	80,719	80,719
Total general long-term debt	$ 469,576,929	$ 108,466,129	$ (100,139,746)	$ 477,903,312	$ 32,199,357

Debt service requirements for the District's bonds are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2024	$ 31,540,000	$ 20,753,350	$ 52,293,350
2025	68,485,000	19,185,125	87,670,125
2026	30,165,000	15,876,950	46,041,950
2027	30,980,000	14,470,575	45,450,575
2028	31,325,000	12,968,150	44,293,150
2029-2033	145,865,000	44,502,994	190,367,994
2034-2038	111,885,000	15,087,988	126,972,988
2039-2042	25,075,000	1,460,000	26,535,000
Totals	$ 475,320,000	$ 144,305,132	$ 619,625,132

Payment requirements for the District's leases are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2024	$ 578,638	$ 80,508	$ 659,146
2025	600,391	58,691	659,082
2026	622,740	36,277	659,017
2027	645,921	13,029	658,950
2028	54,903	6	54,909
Totals	$ 2,502,593	$ 188,511	$ 2,691,104

Payment requirements for the District's SBITAs are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2024	$ 80,719	$ 31	$ 80,750
Totals	$ 80,719	$ 31	$ 80,750

A summary of changes in total bonds payable and other long-term debt follows:

	Beginning Balance (restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
General obligation bonds	$ 469,240,000	$ 104,600,000	$ (98,520,000)	$ 475,320,000	$ 31,540,000
Less deferred amounts					
Premium on bond payable	63,482,855	8,277,731	(10,381,921)	61,378,665	-
Total bonds payable, net	532,722,855	112,877,731	(108,901,921)	536,698,665	31,540,000
Lease liabilities	39,625	3,024,183	(561,215)	2,502,593	578,638
Subscription IT liabilities	297,304	841,946	(1,058,531)	80,719	80,719
Governmental activities					
long-term liabilities	$ 533,059,784	$ 116,743,860	$(110,521,667)	$ 539,281,977	$ 32,199,357

Note 7 - Leases

During the current year, the District entered into a lease agreement for the use of copy machines with ImageNet beginning August 1, 2022. Under the terms of the lease, the District pays a monthly base fee of $55,069. The District is required to make annual principal and interest payments through July 2027.

The District entered an agreement to lease the Eldorado Shopping Center for the Club 360 after school program beginning May 1, 2013 and renewed the lease on May 1, 2018. Under the terms of the lease, the District pays a monthly base fee of $2,691. The District also pays a pro rata share of insurance maintenance and property taxes, which are not included in the measurement of the lease liability as they are variable in nature. Variable costs were not considered significant. The District exercised its option to terminate the lease on April 30, 2023.

At June 30, 2022, the District has recognized a right to use asset, net of accumulated amortization, of $2,469,749 and a lease liability of $2,502,593 related to the agreement. During the fiscal year, the District recorded $584,579 in amortization expense and $92,192 in interest expense for the right to use copy machines. The District used a discount rate of 3.74% on the shopping center lease and 3.66% for the copier lease. The discount rates were based on the estimated incremental borrowing rate of the District.

Remaining obligations associated with these leases are as follows:

Year Ending June 30,	Principal	Interest
2024	$ 578,638	$ 80,508
2025	600,391	58,691
2026	622,740	36,277
2027	645,921	13,029
2028	54,903	6
Total	$ 2,502,593	$ 188,511

Note 8 - Subscription-Based Information Technology Arrangement (SBITAs)

The District has entered into five SBITA contracts for educational and productivity software. The District is required to make principal and interest payments through June 2024. The subscription liability was valued using discount rates between 3.79% and 4.98%. The discount rates were based on the estimated incremental borrowing rate of the District.

Remaining obligations associated with the SBITA arrangements are as follows:

Year Ending June 30,	Principal	Interest
2024	$ 80,719	$ 31
Total	$ 80,719	$ 31

Note 9 - Contingencies

The District is not a party to any legal actions that are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 10 - Defined Benefit Pension Plan

Defined Benefit Pension Plan

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401 (a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Contribution

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates	
	2022	2023
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%

	2022	2023
Member Contributions	$ 13,289,055	$ 13,418,844
NECE On-Behalf Contributions	9,215,475	9,282,937
Employer Contributions	5,812,932	6,208,077

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.7% of the member’s salary beginning in fiscal year 2022, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of the TRS the employer shall pay both the member contribution and State contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2021 actuarial valuation rolled forward to August 31, 2022 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91%
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions, please see the actuarial valuation report dated November 12, 2021.

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and State contributions will be 8.5% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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.

The long-term expected rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 of geometric real rates of return for each major asset class included in the System's target allocation as of August 31, 2022 (see page 54 of the TRS ACFR) are summarized on the following page.

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return as of August 31, 2022

Asset Class	Target Allocation[1]	Long-Term Expected Geometric Real Rate of Return[2]	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return[4]	0.0%	3.7%	0.0%
Stable Value Hedge Funds	5.0%	3.4%	0.18%
Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy and Natural Resources and Infrastructure	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
Risk Parity			
Risk Parity	8.0%	4.6%	0.43%
Leverage			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0%	3.6%	-0.05%
Inflation Expectation			2.70%
Volatility Drag[3]			-0.91%
Expected Return	100%		8.19%

[1]Target Allocation based on the FY2022 policy manual.
[2] Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022).
[3] The volatility drag results from the conversion between arithmetic and geometric mean returns.
[4] Absolute Return includes Credit Sensitive instruments.

Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.00%, and what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase Discount Rate (8.00%)
Total TRS net pension liability	$ 92,353,208,735	$ 59,367,428,259	$ 32,630,904,839
District's proportionate share of the net pension liability	$ 116,039,631	$ 74,593,775	$ 40,999,963

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2023, the District reported a liability of $74,593,775 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 74,593,775
State's proportionate share that is associated with the District	115,169,997
Total	$ 189,763,772

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

On August 31, 2022, the employer's proportion of the collective net pension liability was 0.125647644% which was a decrease of .000216365% from its proportion measured as of August 31, 2021.

Changes since the Prior Actuarial Valuation

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

For the year ended June 30, 2023, the District recognized pension expense of $11,008,946 and revenue of $9,052,392 for support provided by the State.

At June 30, 2023, the District reported its proportionate share of the TRS's 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 between expected and actuarial economic experience	$ 1,081,604	$ 1,626,286
Changes in actuarial assumptions	13,899,248	3,464,081
Difference between projected and actual investment earnings	7,369,626	-
Changes in proportion and differences between District contributions and the proportionate share of contributions	8,993,475	9,146,135
Contributions paid to TRS subsequent to the measurement date	5,189,839	-
Total	$ 36,533,792	$ 14,236,502

$5,189,839 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2024.

The net amount of employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2024	$ 4,280,879
2025	1,758,674
2026	(189,856)
2027	9,548,546
2028	1,709,208
Thereafter	-
Totals	$ 17,107,451

Note 11 - Postemployment Health Benefits

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code, Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend the benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet https://www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table.

TRS-Care Monthly Premium Rates

	Medicare	Non-Medicare
Retiree or Surving Spouse	$ 135	$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor:

Contributions Rates

	2022	2023
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%

	2022	2023
Employer Contributions	$ 1,313,067	$ 1,316,791
Member Contributions	1,086,501	1,090,293
NECE On-behalf Contributions	2,030,420	2,037,967

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When hiring a TRS retiree, employers are required to pay to TRS Care, a monthly surcharge of $535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of$ 83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19 related health care costs during fiscal year 2022.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for the TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension plan actuarial valuation that was rolled forward to August 31, 2022:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Rates of Disability

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Rates. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

Additional Actuarial Methods and Assumptions

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	4.25% to 8.5% The initial medical trend rates were 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65; 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Discount Rate

A single discount rate of 3.91% was used to measure the total OPEB liability. This was an increase of 1.96 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2021 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (3.91%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Discount Rate (3.91%)	1% Increase Discount Rate (4.91%)
Total TRS net OPEB liability	$ 28,231,881,036	$ 23,944,005,302	$ 20,470,275,606
District's proportionate share of the Net OPEB liability	$ 45,277,005	$ 38,400,305	$ 32,829,296

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed:

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Total TRS net OPEB liability	$ 19,729,968,204	$ 23,944,005,302	$ 29,406,962,102
District's proportionate share of the Net OPEB liability	$ 31,642,024	$ 38,400,305	$ 47,161,546

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At June 30, 2023, the District reported a liability of $38,400,305 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District was as follows:

District's Proportionate share of the collective Net OPEB liability	$	38,400,305
State's proportionate share that is associated with the District		46,842,339
Total	$	85,242,644

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At June 30, 2023, the District's proportion of the collective Net OPEB Liability was 0.160375444% compared to 0.166730388% as of June 30, 2022.

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability since the prior measurement period:

- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the Total OPEB Liability.

Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ending June 30, 2023 , the District recognized OPEB benefit of $6,647,306 and revenue of $1,606,812 for support provided by the State.

At June 30, 2023, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actuarial economic experience	$ 2,134,921	$ 31,990,901
Changes in actuarial assumptions	5,849,127	26,678,247
Difference between projected and actual investment earnings	114,384	-
Changes in proportion and differences between District contributions and the proportionate share of contributions	4,002,912	6,399,925
Contributions paid to TRS subsequent to the measurement date	1,093,289	-
Totals	$ 13,194,633	$ 65,069,073

$1,093,289 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended June 30, 2024.

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	OPEB Expense Amount
2024	$ (9,414,830)
2025	(9,414,415)
2026	(7,785,991)
2027	(5,581,390)
2028	(6,897,890)
Thereafter	(13,873,213)
Totals	$ (52,967,729)

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries know as Medicare Part D. One of the provisions of Medicare Part D allows for TRS-Care to receive retiree drug subsidy payments from federal governments to offset certain prescriptions drug expenditures for eligible TRS-Care participants. These on-behalf payments have been recognized as equal revenues and expenditures by the District in the amount of $856,718, $714,896, and $745,758 for the years ended June 30, 2023, 2022 and 2021, respectively.

Note 12 - Unavailable Revenue

Unavailable revenue at year-end in the fund financial statements consisted of the following:

	General Fund	Debt Service	Total
Unavailable tax collections	$ 3,659,013	$ 1,415,351	$ 5,074,364
Total	$ 3,659,013	$ 1,415,351	$ 5,074,364

Note 13 - Revenues from Local and Intermediate Sources

	General	Debt Service	Capital Projects Fund	Nonmajor Governmental	Total
Property taxes	$ 206,761,595	$ 81,305,350	$ -	$ -	$ 288,066,945
Penalties, interest, and other tax-related	800,766	258,631	-	-	1,059,397
Investment income	6,429,977	1,316,877	5,001,805	-	12,748,659
Food sales	-	-	-	5,071,397	5,071,397
Co-curricular/extra-curricular student activities	717,022	-	-	5,429,011	6,146,033
Tuition and fees	32,025	-	-	-	32,025
Gifts and bequests	-	-	-	198,146	198,146
Day care fees	-	-	-	2,953,602	2,953,602
Other	1,917,826	-	273,616	-	2,191,442
Total	$ 216,659,211	$ 82,880,858	$ 5,275,421	$ 13,652,156	$ 318,467,646

Note 14 - General Fund Federal Source Revenues

Revenues from federal sources, which are reported in the General Fund, consist of:

	CFDA	Amount
School of Health and Related Services	N/A	$ 5,238,648
		$ 5,238,648

Note 15 - Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Health Care Coverage

For the year ended June 30, 2023, all employees of the District were offered health care coverage under the TRS ActiveCare insurance plan (the Plan), which is a statewide health coverage program for public education employees established by the 77th Texas Legislature. The District contributed $306 per month per enrolled employee to the Plan, and employees, at their option, authorized payroll withholdings to pay the additional cost of premiums for themselves and dependents.

Workers' Compensation Insurance

During the year ended June 30, 2023, the District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's workers' compensation program is authorized by Chapter 504, Texas Labor Code. All districts participating in the Fund execute Inter-local Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members and their injured employees.

The District participates in the Fund's reimbursable aggregate deductible program. As such, the District is responsible for a certain amount of claims liability as outlined on the District's Contribution and Coverage Summary document. After the District's deductible has been met, the Fund is responsible for additional claims.

The Fund and its members are protected against higher-than-expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self- insured retention of $2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully fund those reserves. As of August 31, 2022, the Fund carries a discounted reserve of $50,647,775 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended June 30, 2023, the Fund anticipates no additional liability beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each plan year on August 31 and is approved by the Fund's Board of Trustee in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available at the TASB offices and have been filed with the Texas State Board of Insurance in Austin.

Tax Abatements

In compliance with GASB Statement No. 77, the District did not have any outstanding tax abatements for the year ended June 30, 2023.

Note 16 - Subsequent Events

On July 27, 2023, the District issued $48,345,000 in Unlimited Tax School Building and Refunding Bonds, Series 2023. The bond proceeds will be used to refund the Unlimited Tax School Building Bonds, Series 2013 bond and also to renovate and equip school buildings of the District.

Required Supplementary Information
June 30, 2023

McKinney Independent School District

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final
	Revenues		
5700	Local and intermediate revenues	$ 197,129,854	$ 212,499,103
5800	State program revenues	30,385,032	31,584,825
5900	Federal program revenues	4,525,000	4,525,000
5020	Total revenues	232,039,886	248,608,928
	Expenditures		
	Current		
0011	Instruction	150,966,797	147,816,226
0012	Instructional resources and media services	4,398,698	4,433,618
0013	Curriculum and instructional staff development	3,550,829	3,702,638
0021	Instructional leadership	4,385,446	4,504,525
0023	School leadership	16,684,336	16,757,224
0031	Guidance, counseling, and evaluation services	9,629,407	9,054,725
0032	Social work services	552,341	644,920
0033	Health services	3,191,158	3,187,353
0034	Student transportation	9,859,504	10,948,293
0036	Extracurricular activities	7,121,286	7,408,819
0041	General administration	5,546,922	5,852,242
0051	Plant maintenance and operations	24,169,293	24,225,568
0052	Security and monitoring services	2,902,693	2,154,747
0053	Data processing services	4,425,352	5,535,420
0061	Community services	205,139	340,636
0071	Debt service	-	1,594,930
	Intergovernmental		
0091	Contracted instructional services between schools	4,168,302	18,348,769
0095	Payments to JJAEP	150,000	-
0099	Other intergovernmental charges	1,794,062	1,904,062
6030	Total expenditures	253,701,565	268,414,715
1100	Excess of revenues over expenditures	(21,661,679)	(19,805,787)
	Other financing sources (uses)		
7912	Proceeds from leases and SBITAs	-	-
7915	Transfers in	150,000	150,000
7080	Total other financing sources (uses)	150,000	150,000
1200	Net change in fund balance	(21,511,679)	(19,655,787)
0100	Fund balance, beginning	119,189,219	119,189,219
3000	Fund balance, ending	$ 97,677,540	$ 99,533,432

Actual	Variance with Final Budget Positive (Negative)
$ 216,659,211	$ 4,160,108
31,944,461	359,636
5,238,648	713,648
253,842,320	5,233,392
143,048,744	4,767,482
4,331,930	101,688
3,436,070	266,568
4,410,298	94,227
16,521,140	236,084
6,258,111	2,796,614
476,596	168,324
3,089,593	97,760
10,432,809	515,484
7,217,119	191,700
5,725,942	126,300
22,511,932	1,713,636
1,941,643	213,104
4,894,585	640,835
225,912	114,724
1,596,644	(1,714)
20,626,414	(2,277,645)
-	-
1,901,496	2,566
258,646,978	9,767,737
(4,804,658)	15,001,129
3,866,129	3,866,129
-	-
3,866,129	3,866,129
(938,529)	18,717,258
119,189,219	-
$ 118,250,690	$ 18,717,258

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.12564764%	0.1258640%	0.1002023%	0.1399813%	0.1382331%	0.1340302%	0.1289138%	0.1322152%	0.0893256%
District's proportionate share of the net pension liability	$ 74,593,775	$ 32,053,109	$ 53,666,330	$ 72,766,653	$ 76,086,879	$ 42,855,649	$ 48,714,622	$ 46,736,313	$ 23,860,103
State's proportionate share of the net pension liability associated with the District	115,169,997	53983427	127,252,744	105,756,584	114,043,598	68,064,935	82,732,771	78,939,744	67,991,156
Totals	$ 189,763,772	$ 86,036,536	$ 180,919,074	$ 178,523,237	$ 190,130,477	$ 110,920,584	$ 131,447,393	$ 125,676,057	$ 91,851,259
District's covered payroll	$ 167,187,277	$ 137,661,752	$ 158,789,220	$ 153,920,464	$ 147,901,986	$ 142,291,152	$ 136,704,162	$ 130,962,482	$ 133,137,785
District's proportionate share of the net pension liability as a percentage of its covered payroll	44.62%	23.28%	33.80%	47.28%	51.44%	30.12%	35.64%	35.69%	17.92%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note 1: The information disclosed for each fiscal year is reported as of the measurement date of the net pension liability which is August 31 of the preceding fiscal year.

Note 2: Plan information was unavailable prior to 2015.

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 6,208,077	$ 5,812,932	$ 4,441,208	$ 4,258,033	$ 4,895,693	$ 4,587,320	$ 4,340,564	$ 4,063,118	$ 2,004,467
Contributions in relation to the contractually required contributions	(6,208,077)	(5,812,932)	(4,441,208)	(4,258,033)	(4,895,693)	(4,587,320)	(4,340,564)	(4,063,118)	(2,004,467)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 167,738,217	$ 167,187,277	$ 137,661,752	$ 158,789,220	$ 153,920,464	$ 147,901,986	$ 142,291,152	$ 136,704,162	$ 130,962,482
Contributions as a percentage of covered payroll	3.70%	3.48%	3.23%	2.68%	3.18%	3.10%	3.05%	2.97%	1.53%

Note 1: The information disclosed for each fiscal year is reported as of the District’s fiscal year-end date.

Note 2: Plan information was unavailable prior to 2015.

	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.1603754%	0.1667304%	0.1653972%	0.1725949%	0.1705562%	0.1609143%
District's proportionate share of the net OPEB liability	$ 38,400,305	$ 64,315,361	$ 62,874,931	$ 81,622,239	$ 85,160,272	$ 69,975,572
State's proportionate share of the net OPEB liability associated with the District	46,842,339	86,168,251	84,488,835	108,457,700	130,498,742	115,098,583
Totals	$ 85,242,644	$ 150,483,612	$ 147,363,766	$ 190,079,939	$ 215,659,014	$ 185,074,155
District's covered payroll	$ 167,187,277	$ 137,661,752	$ 158,789,220	$ 153,920,464	$ 147,901,986	$ 142,291,152
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	22.97%	46.72%	39.60%	53.03%	57.58%	49.18%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

Note 1: The information disclosed for each fiscal year is reported as of the measurement date of the net OPEB liability which is August 31 of the preceding fiscal year.

Note 2: Plan information was unavailable prior to 2018.

	2023	2022	2021	2020	2019	2018
Contractually required contributions	$ 1,316,791	$ 1,313,067	$ 1,081,724	$ 1,255,158	$ 1,218,026	$ 1,118,921
Contributions in relation to the contractually required contributions	(1,316,791)	(1,313,067)	(1,081,724)	(1,255,158)	(1,218,026)	(1,118,921)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 167,738,217	$ 167,187,277	$ 137,661,752	$ 158,789,220	$ 147,901,986	$ 142,291,152
Contributions as a percentage of covered payroll	0.79%	0.79%	0.79%	0.79%	0.82%	0.79%

Note 1: The information disclosed for each fiscal year is reported as of the District’s fiscal year-end date.

Note 2: Plan information was unavailable prior to 2018.

Note 1 - Budget

Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than June 19 and adopted by June 30 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to July 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year-end.

Note 2 - Pension

Changes of Benefit Terms

There were no changes in benefit terms that affected the measurement of the total pension liability during the measurement period.

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

Note 3 - OPEB

Changes of Benefit Terms

There were minor benefit revisions that have been adopted since the prior measurement date. These changes are not expected to have a significant impact on plan costs.

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability since the prior measurement period:

- The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022. Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the Total OPEB Liability.

Other Supplementary Information
June 30, 2023

McKinney Independent School District

COMBINING AND OTHER STATEMENTS
Included in this section are combining nonmajor governmental funds financial statements.

GOVERNMENTAL FUNDS
Following is a description of the purposes of the governmental funds:

REPORTED AS MAJOR FUNDS IN THE BASIC FINANCIAL STATEMENTS

General Fund is the District's primary operating fund. It is used to account for all financial resources not required to be reported in another fund. It is always a major fund.

Debt Service Fund is the District's fund to account for the accumulation of resources and payments of principal and interest on general obligation bonds. Resources are provided by an annual ad valorem levy and State of Texas Foundation Program revenues. Proceeds of refunding bond issues are also accounted for in this fund.

Capital Projects Fund is the District's fund to account for the accumulation of resources and payments for construction of facilities. Resources are provided by transfers of resources based on action by the Board and issuances of school building bonds.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- Funds 200 through 289 are used to account for the receipt and expenditure of federally funded programs. Revenues are generally recognized to the extent of eligible expenditures.
- Funds 380 through 429 are used to account for the State of Texas funded programs. Revenues are generally recognized to the extent of eligible expenditures.
- Fund 460 through 499 are used to account for the receipt and expenditure of local and intermediate source funded programs.

FIDUCIARY FUNDS
Private Purpose Trust Fund includes the District's funds to account for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The Virginia Dodson Finch Trust Fund is intended to serve children in need at Finch Elementary. The District's other private purpose trust fund is intended to serve the District's libraries.

Custodial Fund is the District's fund to account for resources held for others in a custodial capacity in custodial funds. The District's Custodial Fund is the student activity fund.

McKinney Independent School District

Combining Balance Sheet – Nonmajor Governmental Funds –
Special Revenue Funds (Exhibit H-1)
June 30, 2023

Data Control Codes		205 Head Start	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs
	Assets			
1110	Cash and cash equivalents	$ -	$ -	$ -
1240	Due from other governments	255,375	30,692	604,759
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Prepayments	-	-	-
1000	Total assets	$ 255,375	$ 30,692	$ 604,759
	Liabilities			
2110	Accounts payable	$ -	$ -	$ -
2160	Accrued wages payable	80,317	8,236	317,778
2170	Due to other funds	175,058	22,231	286,981
2210	Accrued expenditures	-	225	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	255,375	30,692	604,759
	Fund Balances			
3430	Nonspendable - prepaid items	-	-	-
3450	Restricted - grants	-	-	-
	Total fund balances	-	-	-
	Total liabilities and fund balances	$ 255,375	$ 30,692	$ 604,759

224	225	226	240	244
IDEA - Part B Formula	IDEA - Part B Preschool	IDEA - Part B Discretionary	National Breakfast & Lunch Program	Career & Technical - Basic Grant
$ -	$ -	$ -	$ 40	$ -
714,733	7,112	-	54,711	-
-	-	-	8,800,862	141
-	-	-	325	-
-	-	-	-	-
$ 714,733	$ 7,112	$ -	$ 8,855,938	$ 141
$ -	$ -	$ -	$ -	$ -
334,976	4,819	-	-	-
379,757	2,293	-	-	-
-	-	-	30,806	-
-	-	-	-	141
714,733	7,112	-	30,806	141
-	-	-	-	-
-	-	-	8,825,132	-
-	-	-	8,825,132	-
$ 714,733	$ 7,112	$ -	$ 8,855,938	$ 141

Data Control Codes		255 ESEA Title II Training and Recruiting	263 Title III, A English Lang. Acquisition	278 ARP Homeless I
	Assets			
1110	Cash and cash equivalents	$ -	$ -	$ -
1240	Due from other governments	147,725	67,172	18,197
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1410	Prepayments	-	-	-
1000	Total assets	$ 147,725	$ 67,172	$ 18,197
	Liabilities			
2110	Accounts payable	$ -	$ -	$ -
2160	Accrued wages payable	67,814	40,227	12,131
2170	Due to other funds	79,911	26,945	6,066
2210	Accrued expenditures	-	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	147,725	67,172	18,197
	Fund Balances			
3430	Nonspendable - prepaid items	-	-	-
3450	Restricted - grants	-	-	-
3545	Committed - other	-	-	-
	Total fund balances	-	-	-
	Total liabilities and fund balances	$ 147,725	$ 67,172	$ 18,197

280	282	284	289	385
ARP Homeless II	ARP ESSER III	IDEA-B Formula ARP	Other Federal Special Revenue Funds	Visually Impaired SSVI
$ -	$ -	$ -	$ -	$ -
20,415	1,920,447	222,604	180,042	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 20,415	$ 1,920,447	$ 222,604	$ 180,042	$ -
$ -	$ -	$ -	$ -	$ -
13,610	1,500,490	148,483	-	-
6,805	419,957	74,121	180,042	-
-	-	-	-	-
-	-	-	-	-
20,415	1,920,447	222,604	180,042	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 20,415	$ 1,920,447	$ 222,604	$ 180,042	$ -

Data Control Codes		397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds
	Assets			
1110	Cash and cash equivalents	$ -	$ -	$ -
1240	Due from other governments	-	-	10,000
1260	Due from other funds	36,557	627,464	-
1290	Other receivables	-	-	-
1410	Prepayments	-	-	-
1000	Total assets	$ 36,557	$ 627,464	$ 10,000
	Liabilities			
2110	Accounts payable	$ -	$ -	$ -
2160	Accrued wages payable	-	-	-
2170	Due to other funds	-	-	10,000
2210	Accrued expenditures	-	-	-
2300	Unearned revenue	-	627,464	-
2000	Total liabilities	-	627,464	10,000
	Fund Balances			
3430	Nonspendable - prepaid items	-	-	-
3450	Restricted - grants	36,557	-	-
3545	Committed - other	-	-	-
	Total fund balances	36,557	-	-
	Total liabilities and fund balances	$ 36,557	$ 627,464	$ 10,000

461 Campus Activity Fund	480 Club 360 After School Program	481 Facility Maintenance/ Replacement	Total Nonmajor Governmental Funds (See Exhibit C-1)
$ -	$ -	$ -	$ 40
-	-	-	4,253,984
5,589,660	574,676	406,712	16,036,072
-	-	-	325
4,880	-	-	4,880
$ 5,594,540	$ 574,676	$ 406,712	$ 20,295,301
$ 13,760	$ 433	$ -	$ 14,193
12,097	82,383	-	2,623,361
-	-	-	1,670,167
-	-	-	31,031
-	30,200	-	657,805
25,857	113,016	-	4,996,557
4,880	-	-	4,880
-	-	-	8,861,689
5,563,803	461,660	406,712	6,432,175
5,568,683	461,660	406,712	15,298,744
$ 5,594,540	$ 574,676	$ 406,712	$ 20,295,301

Data Control Codes		205 Head Start	206 ESEA Title X Part C Homeless	211 ESEA Title I Improving Basic Programs
	Revenues			
5700	Local and intermediate revenues	$ -	$ -	$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	523,874	88,128	2,005,328
5020	Total revenues	523,874	88,128	2,005,328
	Expenditures			
	Current			
0011	Instruction	523,076	9,359	1,858,616
0012	Instructional resources and media services	-	-	252
0013	Curriculum and instructional staff development	-	-	4,103
0021	Instructional leadership	-	74,007	-
0023	School leadership	-	-	9,260
0031	Guidance, counseling, and evaluation services	-	3,540	103,447
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	21,005
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	798	1,222	8,645
	Debt service			
0071	Debt service	-	-	-
6030	Total expenditures	523,874	88,128	2,005,328
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances, beginning	-	-	-
3000	Fund balances, ending	$ -	$ -	$ -

224	225	226	240	244
IDEA - Part B Formula	IDEA - Part B Preschool	IDEA - Part B Discretionary	National Breakfast & Lunch Program	Career & Technical - Basic Grant
$ -	$ -	$ -	$ 5,071,397	$ -
-	-	-	56,913	-
3,620,420	32,560	108,101	8,337,168	188,715
3,620,420	32,560	108,101	13,465,478	188,715
3,618,357	32,560	108,101	-	188,715
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,063	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	12,852,222	-
-	-	-	-	-
-	-	-	-	-
-	-	-	319,157	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,620,420	32,560	108,101	13,171,379	188,715
-	-	-	294,099	-
-	-	-	294,099	-
	-	-	8,531,033	-
$ -	$ -	$ -	$ 8,825,132	$ -

Data Control Codes		255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	278 ARP Homeless I
	Revenues			
5700	Local and intermediate revenues	$ -	$ -	$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	507,272	261,644	73,495
5020	Total revenues	507,272	261,644	73,495
	Expenditures			
	Current			
0011	Instruction	421,224	131,757	-
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	40,400	28,119	-
0021	Instructional leadership	45,648	93,457	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	73,495
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	3,167	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	-	5,144	-
	Debt service			
0071	Debt service	-	-	-
6030	Total expenditures	507,272	261,644	73,495
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances, beginning	-	-	-
3000	Fund balances, ending	$ -	$ -	$ -

280	282	284	289	385
ARP Homeless II	ARP ESSER III	IDEA-B Formula ARP	Other Federal Special Revenue Funds	Visually Impaired SSVI
$ -	$ -	$ -	$ -	$ -
-	-	-	-	4,047
82,170	6,219,705	422,238	212,139	-
82,170	6,219,705	422,238	212,139	4,047
-	2,593,477	422,238	32,097	4,047
-	10,668	-	-	-
-	-	-	-	-
-	-	-	-	-
-	70,772	-	-	-
82,170	3,424,720	-	-	-
-	109,711	-	-	-
-	10,357	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	180,042	-
-	-	-	-	-
-	-	-	-	-
82,170	6,219,705	422,238	212,139	4,047
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ -	$ -	$ -	$ -	$ -

Data Control Codes		397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds
	Revenues			
5700	Local and intermediate revenues	$ -	$ -	$ -
5800	State program revenues	4,466	716,681	252,505
5900	Federal program revenues	-	-	-
5020	Total revenues	4,466	716,681	252,505
	Expenditures			
	Current			
0011	Instruction	-	632,740	239,300
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	4,466	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0032	Social work services	-	-	-
0033	Health services	-	-	-
0034	Student transportation	-	-	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	13,205
0061	Community services	-	-	-
	Debt service			-
0071	Debt service	-	83,941	-
6030		4,466	716,681	252,505
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-
1200	Net change in fund balances	-	-	-
0100	Fund balances, beginning	36,557	-	-
3000	Fund balances, ending	$ 36,557	$ -	$ -

461 Campus Activity Fund	480 Club 360 After School Program	481 Facility Maintenance/ Replacement	Total Nonmajor Governmental Funds (See Exhibit C-2)
$ 5,627,157	$ 2,953,602	$ -	$ 13,652,156
-	-	-	1,034,612
-	-	-	22,682,957
5,627,157	2,953,602	-	37,369,725
3,040,297	-	-	13,855,961
151,693	-	-	162,613
17,296	-	-	94,384
-	-	-	213,112
498,263	-	-	578,295
-	-	-	3,689,435
-	-	-	109,711
-	-	-	10,357
-	-	-	24,172
-	-	-	12,852,222
1,247,961	-	-	1,247,961
22,974	-	-	22,974
338,000	-	27,680	684,837
137,190	-	-	330,437
12,787	2,563,523	-	2,592,119
-	40,370	-	124,311
5,466,461	2,603,893	27,680	36,592,901
160,696	349,709	(27,680)	776,824
160,696	349,709	(27,680)	776,824
5,407,987	111,951	434,392	14,521,920
$ 5,568,683	$ 461,660	$ 406,712	$ 15,298,744

	828 Virginia Dodson Finch Trust	829 Private Purpose Trust Fund	Total Private Purpose Trust Funds
Assets			
Due from other funds	$ 969	$ 1,026	$ 1,995
Restricted assets	19,496	-	19,496
Total assets	20,465	1,026	21,491
Net Position			
Restricted	20,465	1,026	21,491
Total net position	$ 20,465	$ 1,026	$ 21,491

	828 Virginia Dodson Finch Trust	829 Private Purpose Trust Fund	Total Private Purpose Trust Funds
Additions			
Earnings from temporary deposits	$ 4,409	$ 244	$ 4,653
Total additions	4,409	244	4,653
Change in net position	4,409	244	4,653
Net position, beginning	16,056	782	16,838
Net position, ending	$ 20,465	$ 1,026	$ 21,491

Required TEA Schedules
June 30, 2023

McKinney Independent School District

Year Ended June 30,	1 Tax Rates Maintenance	2 Tax Rates Debt Service	3 Assessed/Appraised Value For School Tax Purposes
2014 and prior years	$ Various	$ Various	$ Various
2015	1.170000	0.50000	10,373,443,772
2016	1.170000	0.50000	11,093,163,831
2017	1.170000	0.45000	12,262,813,944
2018	1.170000	0.45000	13,684,265,230
2019	1.170000	0.42000	14,903,140,708
2020	1.068350	0.42000	15,954,057,007
2021	1.054700	0.37000	17,830,713,769
2022	1.006700	0.37000	18,683,481,223
2023 (school year under audit)	0.942900	0.37000	22,695,831,000
1000 Totals			
8000 Taxes Refunded			

10 Beginning Balance July 1, 2022	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance June 30, 2023
$ 557,404	$ -	$ 10,282	$ 5,670	$ (76,677)	$ 464,775
148,669	-	4,745	2,028	(1,999)	139,897
203,990	-	10,668	4,559	1	188,764
236,128	-	12,611	4,850	(404)	218,263
284,871	-	18,134	6,974	(10,700)	249,063
371,342	-	269,582	96,773	380,236	385,223
435,984	-	363,628	142,953	731,059	660,462
536,477	-	498,679	332,155	968,809	674,452
2,157,167	-	1,488,029	546,907	547,008	669,239
-	287,931,880	204,876,427	80,394,820	771,107	3,431,740
$ 4,932,032	$ 287,931,880	$ 207,552,785	$ 81,537,689	$ 3,308,440	$ 7,081,878
		$ 1,674,272			

McKinney Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – National School Breakfast and Lunch (Exhibit J-2)

Year Ended June 30, 2023

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
	Revenues				
5700	Local and intermediate revenues	$ 5,253,618	$ 5,503,618	$ 5,071,397	$ (432,221)
5800	State program revenues	47,545	47,545	56,913	9,368
5900	Federal program revenues	6,544,283	7,182,927	8,337,168	1,154,241
5020	Total revenues	11,845,446	12,734,090	13,465,478	731,388
	Expenditures				
	Current				
	Support services - student (pupil)				
0035	Food service	12,304,870	15,484,864	12,852,222	2,632,642
0051	Plant maintenance and operations	446,040	445,435	319,157	126,278
	Total support services - student (pupil)	12,750,910	15,930,299	13,171,379	2,758,920
6030	Total expenditures	12,750,910	15,930,299	13,171,379	2,758,920
1100	(Deficiency) excess of revenues (under) over expenditures	(905,464)	(3,196,209)	294,099	3,490,308
1200	Net change in fund balance	(905,464)	(3,196,209)	294,099	3,490,308
0100	Fund balance, beginning	8,531,033	8,531,033	8,531,033	-
3000	Fund balance, ending	$ 7,625,569	$ 5,334,824	$ 8,825,132	$ 3,490,308

McKinney Independent School District

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund

(Exhibit J-3)

Year Ended June 30, 2023

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
	Revenues				
5700	Local and intermediate revenues	$75,054,869	$ 80,362,533	$82,880,858	$ 2,518,325
5800	State program revenues	500,000	500,000	1,448,809	948,809
5020	Total revenues	75,554,869	80,862,533	84,329,667	3,467,134
	Expenditures				
	Debt service:				
0071	Principal on long-term debt	35,641,225	58,530,000	58,530,000	-
0072	Interest on long-term debt	39,863,644	21,995,430	21,995,430	-
0073	Issuance costs and fees	50,000	337,103	282,408	54,695
	Total debt service	75,554,869	80,862,533	80,807,838	54,695
6030	Total expenditures	75,554,869	80,862,533	80,807,838	54,695
1100	Excess of revenues over expenditures	-	-	3,521,829	3,521,829
	Other financing sources (uses)				
7901	Refunding bonds issued	-	36,165,000	36,165,000	-
7916	Premium on issuance of bonds	-	4,194,666	4,194,666	-
8949	Payment to bond escrow	-	-	(40,072,564)	(40,072,564)
7080	Total other financing sources (uses)	-	40,359,666	287,102	(40,072,564)
1200	Net change in fund balance	-	40,359,666	3,808,931	(36,550,735)
0100	Fund balance, beginning	30,593,215	30,593,215	30,593,215	-
3000	Fund balance, ending	$30,593,215	$ 70,952,881	$34,402,146	$ (36,550,735)

Data Control Codes		Responses
	Section A: Compensatory Education Programs	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the LEA's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the LEA's fiscal year.	$ 12,432,871
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	$ 7,217,168
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	$ 2,195,808
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	$ 10,380,198

STATISTICAL SECTION

STATISTICAL SECTION

(UNAUDITED - for Analytical Purposes Only)

This part of McKinney Independent School District's 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 District's overall financial health.

TABLE	CONTENTS
	Financial Trends
	These tables contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.
	Entity-wide Information:
S-1	Net position by component, last ten fiscal years
S-2	Changes in net position, last ten fiscal years
	Governmental Funds Information:
S-3	Fund balances of governmental funds, last ten fiscal years
S-4	Revenues
S-5	Expenditures and debt service ratios, last ten fiscal years
S-6	Other financing sources and uses
	Revenue Capacity
	These tables contain information to help the reader assess the District's most significant local revenue source, the property tax.
S-7	Assessed value and actual value of taxable property, last ten tax fiscal years
S-8	Direct and overlapping property tax rates, last ten fiscal years
S-9	Principal property taxpayers, current year and nine years ago
S-10	Property tax levies and collections, last ten fiscal years
	Debt Capacity
	These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.
S-11	Outstanding debt by type, last ten fiscal years
S-12	Direct and overlapping governmental activities debt as of June 30, 2023
S-13	Legal debt margin information, last ten fiscal years
	Demographic and Economic Information
	These tables offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.
S-14	Demographic and economic statistics, last ten fiscal years
S-15	Principal employers, current year and nine years ago
	Operating Information
	These tables contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and activities it performs.
S-16	Full-time equivalent district employees by type, last ten fiscal years
S-17	Operating statistics, last ten fiscal years
S-18	Teacher base salaries, last ten fiscal years
S-19	School building information, last ten fiscal years

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

McKinney Independent School District

Net Position by Component (Exhibit S-1)

Last Ten Fiscal Years

(*UNAUDITED* – accrual basis of accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Governmental Activities										
Net Investment in Capital Assets	$ 25,773,308	$ 33,022,837	$ 44,433,335	$ 66,043,366	$ 88,038,813	$ 96,405,441	$ 103,927,456	$ 62,589,186	$ 149,894,787	$ 180,398,243
Restricted	24,855,650	25,329,735	27,345,958	28,916,470	31,601,007	34,138,253	34,430,156	106,832,837	33,054,219	37,578,579
Unrestricted	60,236,148	42,436,066	59,561,814	58,641,773	(32,859,875)	(29,740,918)	(30,256,533)	(21,135,595)	(18,704,773)	(14,224,472)
Total Governmental Activities	110,865,106	100,788,638	131,341,107	153,601,609	86,779,945	100,802,776	108,101,079	148,286,428	164,244,233	203,752,350
Primary Government										
Net Investment in Capital Assets	25,773,308	33,022,837	44,433,335	66,043,366	88,038,813	96,405,441	103,927,456	62,589,186	149,894,787	180,398,243
Restricted	24,855,650	25,329,735	27,345,958	28,916,470	31,601,007	34,138,253	34,430,156	106,832,837	33,054,219	37,578,579
Unrestricted	60,236,148	42,436,066	59,561,814	58,641,773	(32,859,875)	(29,740,918)	(30,256,533)	(21,135,595)	(18,704,773)	(14,224,472)
Total Net Position	$ 110,865,106	$ 100,788,638	$ 131,341,107	$ 153,601,609	$ 86,779,945	$ 100,802,776	$ 108,101,079	$ 148,286,428	$ 164,244,233	$ 203,752,350

Source: Statement of Net Position McKinney Independent School District Financial Reports

McKinney Independent School District

Changes in Net Position (Exhibit S-2)

Last Ten Fiscal Years

(*UNAUDITED* – accrual basis of accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
EXPENSES										
Governmental Activities:										
Instruction	$ 140,828	$ 151,572	$ 157,383	$ 163,241	$ 117,786	$ 183,478	$ 194,278	$ 180,448	$ 169,457	$ 171,994
Instructional Resources & Media Services	4,138	4,279	5,241	4,661	3,367	4,787	10,101	4,776	4,843	4,792
Curriculum & Instructional Staff Development	2,690	2,870	3,065	3,295	2,491	3,640	3,637	3,198	3,054	3,370
Instructional Leadership	2,812	2,876	3,198	3,269	2,343	4,251	4,869	4,691	4,687	4,405
School Leadership	12,806	13,465	14,086	14,927	10,067	16,506	17,890	17,011	16,058	16,511
Guidance, Counseling & Evaluation Services	6,154	6,637	6,924	7,193	4,549	8,536	9,031	9,149	8,821	9,482
Social Work Services	416	448	445	427	366	424	424	404	503	577
Health Services	1,944	2,151	2,349	2,455	1,622	2,812	3,222	3,006	2,886	2,944
Student (Pupil) Transportation	7,547	7,350	7,421	7,970	9,666	10,195	8,712	8,643	10,594	10,520
Food Services	9,210	9,653	9,913	10,860	11,099	11,256	10,535	9,977	13,105	13,777
Cocurricular/Extracurricular Activities	7,837	8,232	8,850	9,523	8,867	11,389	11,499	10,019	10,327	10,912
General Administration	4,168	4,103	4,697	4,688	3,492	5,526	5,246	5,476	5,325	5,740
Facilities Maintenance & Operations	18,597	18,178	19,256	19,009	21,014	28,822	23,779	20,944	21,954	23,661
Security & Monitoring Services	1,171	1,050	1,268	1,605	1,594	2,240	2,863	2,622	2,732	2,438
Data Processing Services	5,009	4,269	4,772	5,036	4,108	4,820	5,123	5,047	5,243	5,703
Community Services	2,241	2,545	2,705	2,816	2,779	3,023	2,828	2,274	2,296	2,784
Interest on Long Term Debt	20,379	22,028	19,328	18,625	20,122	20,060	19,449	15,217	15,450	17,206
Bond Issuance Cost & Fees	178	556	429	285	294	188	170	142	968	800
Contracted Instructional Services Between Schools	-	348	1,092	2,138	3,604	5,220	1,237	-	3,420	20,626
Payments to Fiscal Agent/Member Districts of SSA	-	-	-	132	-	-	-	-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	208	75	50	1,314	222	105	66	-	-	-
Other Intergovernmental Charges	993	1,083	1,187	-	1,452	1,546	1,660	1,699	14,051	8,967
Total Governmental Activities Expenses	$ 249,326	$ 263,768	$ 273,659	$ 283,469	$ 230,904	$ 328,824	$ 336,619	$ 304,743	$ 315,774	$ 337,209

Source: Statement of Activities McKinney Independent School District Annual Financial Reports

(*UNAUDITED* – accrual basis of accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Instruction	$ 217	$ 283	$ 188	$ 214	$ 163	$ 198	$ 113	$ 41	$ 8,337	$ 6,684
Food Service	4,560	4,296	4,350	4,526	4,744	5,037	3,836	1,592	1,808	5,071
Cocurricular/Extracurricular Activities	491	577	509	560	604	597	605	589	5,913	6,344
Plant Maintenance & Operations	658	590	561	533	717	929	668	265	513	778
Community Services	2,755	3,008	3,137	3,065	3,038	3,018	2,133	1,321	2,348	2,954
Operating Grants & Contributions	20,785	24,101	25,395	24,183	(12,653)	37,465	41,601	45,319	35,688	31,929
Total Governmental Activities Program Revenues	29,466	32,855	34,140	33,081	(3,387)	47,244	48,956	49,127	54,607	53,760
NET (EXPENSE)/REVENUE										
Total Primary Government Net Expense	$ 219,860	$ 230,913	$ 239,519	$ 250,388	$ 234,291	$ 281,580	$ 287,663	$ 255,616	$ 261,167	$ 283,449
GENERAL REVENUES & OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes:										
Property Taxes Levied for General Purposes	$ 111,279	$ 121,443	$ 131,620	$ 145,984	$ 163,334	$ 178,403	$ 175,622	$ 182,115	$ 189,353	$ 207,720
Property Taxes Levied for Debt Service	47,554	51,929	56,288	56,195	62,861	64,076	69,049	72,427	69,596	81,661
State Aid-Formula Grants	65,240	66,112	67,950	57,961	47,705	32,917	37,565	30,383	18,714	19,767
Unrestricted Grants & Contributions	303	813	6,645	3,838	917	816	734	944	-	-
Investment Earnings	105	143	459	1,294	3,620	6,188	3,509	174	593	12,749
Miscellaneous Local & Intermediate Revenue	6,042	7,086	7,109	7,377	11,877	13,202	8,482	9,758	1,034	1,059
Extraordinary Item	-	700	-	-	-	-	-	-	-	-
Total General Revenue	230,523	248,226	270,071	272,649	290,314	295,602	294,961	295,801	279,290	322,956
Change in Net Position (Deficit)	$ 10,663	$ 17,313	$ 30,552	$ 22,261	$ 56,023	$ 14,022	$ 7,298	$ 40,185	$ 18,123	$ 39,508

Source: Statement of Activities McKinney Independent School District Annual Financial Reports

McKinney Independent School District

Fund Balances of Governmental Funds (Exhibit S-3)

Last Ten Fiscal Years

(*UNAUDITED* – accrual basis of accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
General Fund:										
Nonspendable	$ 1,228	$ 1,152	$ 1,058	$ 1,183	$ 1,267	$ 1,734	$ 1,718	$ 2,145	$ 2,840	$ 3,709
Reserved	-	-	-	-	-	-	-	-	-	-
Assigned	240	1,064	1,772	673	809	3,059	3,058	2,550	2,550	2,550
Unreserved Designated	-	-	-	-	-	-	-	-	-	-
Unassigned	58,630	70,593	85,023	88,864	97,820	104,977	116,564	125,529	113,799	111,991
Unreserved	-	-	-	-	-	-	-	-	-	-
Total General Fund	$ 60,098	$ 72,809	$ 87,853	$ 90,720	$ 99,896	$ 109,770	$ 121,340	$ 130,224	$ 119,189	$ 118,250
All Other Governmental Funds:										
Nonspendable	532	675	6	23	31	10	4	8	554	-
Restricted:	-	-	-	-	-	-	-	-	-	-
Debt Service	20,064	19,991	21,461	23,622	26,314	28,097	28,540	28,819	30,593	34,402
Capital Projects	24,898	26,062	28,084	64,389	92,589	92,191	54,201	36,185	93,700	112,894
Food Service	3,603	4,159	4,559	3,879	3,973	4,685	4,430	4,163	8,568	8,862
Federal Special Revenue	-	-	-	-	-	-	36	-	-	-
State Special Revenue	-	-	-	-	-	-	6,153	-	-	-
Committed	-	-	-	-	-	-	-	-	5,356	6,432
Assigned	-	-	-	-	-	-	-	-	537	-
Unreserved Designated	-	-	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	4,260	4,876	5,268	5,425	5,688	6,032	-	5,176	-	4
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	53,357	55,763	59,378	97,338	128,595	131,015	93,364	74,351	139,308	162,594
Total Governmental Funds	$ 113,455	$ 128,572	$ 147,231	$ 188,058	$ 228,491	$ 240,785	$ 214,704	$ 204,575	$ 258,497	$ 280,845

Source: McKinney ISD Annual Financial Reports

McKinney Independent School District

Governmental Funds, Revenues (Exhibit S-4)

Last Ten Fiscal Years

(UNAUDITED)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Federal Sources										
Federal Grants	$ 7,445	$ 8,331	$ 8,130	$ 9,568	$ 10,530	$ 13,798	$ 11,189	$ 19,355	$ 19,960	$ 21,323
Food Services	4,822	5,203	5,369	5,499	5,687	5,976	5,346	6,616	13,780	8,337
Total Federal Sources	12,267	13,534	13,499	15,067	16,217	19,774	16,535	25,971	33,740	29,660
State Sources										
State Education Finance Program	73,050	74,350	77,916	57,929	47,706	32,917	37,565	29,795	18,496	19,767
State Grants & Other	1,011	3,144	4,139	11,340	12,678	11,691	18,063	15,396	14,496	14,661
Total State Sources	74,061	77,494	82,055	69,269	60,384	44,608	55,628	45,191	32,992	34,428
Local Sources										
Ad Valorem Taxes	159,375	174,461	188,469	201,851	224,333	240,493	243,773	254,542	261,556	289,126
Food Service Sales	4,560	4,296	4,350	4,526	4,744	5,037	3,836	1,592	1,808	5,071
Interest & Other Income	105	143	459	1,294	3,620	2,860	1,887	174	9,808	23,109
Other Revenue	9,074	10,562	10,381	11,647	16,763	22,927	14,377	11,628	1,339	1,161
Total Local Sources	173,114	189,462	203,659	219,318	249,460	271,317	263,873	267,936	274,511	318,467
Total Revenues	$ 259,442	$ 280,490	$ 299,213	$ 303,654	$ 326,061	$ 335,699	$ 336,036	$ 339,098	$ 341,243	$ 382,555

Source: McKinney ISD Annual Financial Reports

McKinney Independent School District

Governmental Funds – Expenditures and Debt Service Ratios (Exhibit S-5)

Last Ten Fiscal Years

(UNAUDITED)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Expenditures										
Instruction & Instructional Related Services	$ 132,774	$ 144,966	$ 146,106	$ 147,866	$ 157,496	$ 158,554	$ 169,578	$ 165,378	$ 167,775	$ 170,251
Instructional & School Leadership	15,276	16,133	16,507	17,542	18,144	19,172	20,356	20,908	21,810	21,723
Support Services - Student	30,702	32,630	33,014	36,056	38,015	39,192	36,724	36,546	43,103	45,408
Administrative Support Services	3,804	3,945	4,263	4,333	4,441	4,704	4,562	5,153	4,987	5,749
Support Services - Nonstudent	22,318	22,164	23,979	25,708	24,293	25,239	26,207	26,642	28,725	30,363
Ancillary Services	2,261	2,544	2,691	2,793	2,963	2,950	2,733	2,271	2,300	2,818
Debt Service - Principal on Long-Term Debt	25,270	31,045	35,010	34,155	38,295	39,265	45,855	51,005	48,610	60,150
Debt Service - Interest on Long-Term Debt	21,680	20,706	19,886	21,237	23,558	24,765	24,111	22,064	21,105	22,097
Debt Service - Bond Issuance Cost & Fees	178	556	429	285	295	188	170	142	973	800
Facilities Acquisition & Construction	21,480	23,991	29,419	59,562	65,023	48,199	32,522	21,073	38,999	56,641
Intergovernmental Charges	1,201	1,506	2,328	3,583	5,277	6,871	2,963	1,699	5,190	22,528
Total Expenditures	$ 276,944	$ 300,186	$ 313,632	$ 353,120	$ 377,800	$ 369,099	$ 365,781	$ 352,881	$ 383,577	$ 438,528
Capital Expenditures	$ 21,480	$ 23,991	$ 29,419	$ 59,562	$ 65,023	$ 31,522	$ 21,860	$ 21,073	$ 27,494	$ 54,740
Debt Service as a Percentage of Noncapital Expenditures (1)	7.76%	7.99%	9.38%	16.87%	17.21%	8.54%	5.98%	5.97%	19.58%	21.43%

(1) Noncapital expenditures consist of total expenditures less capital outlays noted in the reconciliation of governmental funds to governmental activities. Debt service includes principal and interest only.

Source: McKinney ISD Annual Financial Reports

McKinney Independent School District

Governmental Funds – Other Financing Sources and Uses (Exhibit S-6)

Last Ten Fiscal Years

(UNAUDITED)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Excess of Revenues Over/(Under) Expenditures	$ (17,503)	$ (19,696)	$ (14,418)	$ (49,466)	$ (51,739)	$ (33,400)	$ (29,745)	$ (13,783)	$ (42,333)	$ (55,973)
Other Financing Sources/(Uses)										
Capital Related Debt Issued (Regular Bonds)	39,305	146,530	100,990	77,950	78,545	40,180	29,305	21,300	128,230	104,600
Sale of Real & Personal Property	276	449	257	5	1,874	-	-	19	5,823	1,650
Transfers In	400	400	750	750	341	311	3,500	-	-	-
Premium or Discount on Bonds Issued	864	14,481	14,194	12,338	11,753	5,513	2,226	590	16,671	8,278
Transfers Out/(Use)	(400)	(400)	(750)	(750)	(341)	(311)	(3,500)	-	(385)	-
Other/(Uses)	-	(127,348)	(82,364)	-	-	-	(27,866)	(18,255)	(51,940)	(40,073)
Other Revenue	-	700	-	-	-	-	-	-	-	3,866
Total Other Financing Sources/(Uses)	40,445	34,812	33,077	90,293	92,172	45,693	3,665	3,654	98,399	78,321
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ 22,942	$ 15,116	$ 18,659	$ 40,827	$ 40,433	$ 12,293	$ (26,080)	$ (10,129)	$ 56,066	$ 22,348

Source: McKinney ISD Annual Financial Reports

McKinney Independent School District

Assessed Value and Actual Value of Taxable Property (Exhibit S-7)

Last Ten Fiscal Years

(UNAUDITED)

(Amounts Expressed in Thousands)

Fiscal Year Ended June 30,	Actual Value: Single Family Property	Multi Family Property	Vacant Lot Tracts	Acreage (Land Only)	Commercial & Industrial (Real)	Utilities	Commercial & Industrial (Personal)	Other	Less: Exemptions	Less: Adjustments	Total Assessed Value	Total District Rate
2014	$ 6,600,515	$ 508,953	$ 118,611	$ 840,887	$ 1,693,637	$ 128,555	$ 855,378	$ 374,770	$ (1,412,607)	$ (171,908)	$ 9,536,791	$ 1.6700
2015	7,374,821	583,332	127,437	876,987	1,773,553	144,172	879,732	390,200	(1,520,011)	(256,779)	10,373,444	1.6700
2016	8,352,915	643,492	134,105	947,620	1,937,808	148,631	927,063	448,223	(1,984,657)	(462,036)	11,093,164	1.6700
2017	9,372,064	732,331	156,522	1,007,627	2,094,892	160,988	998,113	502,711	(2,158,701)	(603,733)	12,262,814	1.6200
2018	10,448,259	896,911	171,479	1,079,843	2,334,801	163,497	1,031,825	587,184	(2,276,682)	(752,851)	13,684,266	1.6200
2019	11,319,909	1,005,909	165,485	1,141,905	2,598,383	181,083	1,097,242	621,379	(2,317,827)	(910,327)	14,903,141	1.5900
2020	11,848,100	1,118,718	224,513	1,153,721	2,891,528	208,082	1,248,619	646,865	(2,267,103)	(1,118,986)	15,954,057	1.4884
2021	12,186,438	1,239,714	269,404	1,194,303	3,073,154	208,911	1,300,955	650,078	(2,292,243)	-	17,830,714	1.4747
2022	13,328,263	1,341,400	315,503	1,157,159	3,326,177	226,118	1,380,243	625,871	(2,348,007)	(669,246)	18,683,481	1.3767
2023	17,911,285	1,602,184	430,520	1,189,488	3,798,580	249,081	1,680,900	869,473	(5,035,680)	-	22,695,831	1.3129

Source: McKinney ISD Annual Financial Reports and Collin County Tax Office

McKinney Independent School District

Direct and Overlapping Property Tax Rates (Exhibit S-8)

Last Ten Fiscal Years

(UNAUDITED)

(Amounts Expressed in Thousands)

	District Direct Rates			Overlapping Rates						
Fiscal Year	Maintenance & Operations	Debt Service	Total	City of Allen	Collin County	Collin College	Town of Fairview	City of Lucas	City of McKinney	City of Princeton
2014	$ 1.1700	$ 0.5000	$ 1.6700	$ 0.5500	$ 0.2375	$ 0.0836	$ 0.3600	$ 0.3556	$ 0.5855	$ 0.7390
2015	1.1700	0.5000	1.6700	0.5400	0.2350	0.0820	0.3599	0.3207	0.5830	0.7218
2016	1.1700	0.5000	1.6700	0.5300	0.2250	0.0820	0.3599	0.3207	0.5830	0.6919
2017	1.1700	0.4500	1.6200	0.5200	0.2084	0.0812	0.3600	0.3180	0.5730	0.6899
2018	1.1700	0.4500	1.6200	0.5100	0.1923	0.0798	0.3600	0.3180	0.5402	0.6899
2019	1.1700	0.4200	1.5900	0.4980	0.1808	0.0812	0.3497	0.3032	0.5252	0.6888
2020	1.0684	0.4200	1.4884	0.4980	0.1750	0.0812	0.3472	0.3032	0.5156	0.6763
2021	1.0547	0.4200	1.4747	0.4850	0.1730	0.0810	0.3472	0.3032	0.5156	0.6763
2022	1.0067	0.3700	1.3767	0.4700	0.1680	0.0810	0.3460	0.2880	0.4980	0.6030
2023	0.9429	0.3700	1.3129	0.4210	0.1524	0.0812	0.3216	0.2680	0.4580	0.6030

Source: McKinney ISD Annual Financial Reports and Hilltop Securities

(UNAUDITED)
(Amounts Expressed in Thousands)

	2023		
Taxpayer	Taxable Value	Rank	Percentage of Total Taxable Value
Encore Wire Limited	$ 230,465,841	1	1.02%
Raytheon Company	157,745,239	2	0.70%
Oncor Electric Delivery Company	118,925,184	3	0.52%
Raytheon TI Systems Inc	106,173,118	4	0.47%
Columbia Medical Center of McKinney	82,100,000	5	0.36%
Saxon Lennox	80,000,000	6	0.35%
NREA Retreat	70,290,711	7	0.31%
Fairways Wilson Creek Apartment	70,000,000	8	0.31%
Orion McKinney LLC	67,344,619	9	0.30%
TMK Properties LP	62,632,183	10	0.28%
Total	$ 1,045,676,895		4.61%
Total Taxable Value	$ 22,695,831		

	2014		
Taxpayer	Taxable Value	Rank	Percentage of Total Taxable Value
Encore Wire Limited	$ 127,941,871	1	1.20%
Raytheon Company	77,740,677	2	0.73%
Oncor Electric Delivery Company	77,501,281	3	0.73%
The Village at Fairview LP	51,193,931	4	0.48%
Council 380 LLC	51,027,851	5	0.38%
Columbia Medical Center of McKinney	40,050,871	6	0.38%
Covington Cameron Acquisition LLC	37,860,512	7	0.36%
TMK Properties LP	37,087,724	8	0.35%
Saxon Woods Associates LP	37,065,943	9	0.35%
Western Rim Investors	36,270,000	10	0.34%
Total	$ 573,740,661		5.29%
Total Taxable Value	$ 10,630,223		

Source: McKinney ISD Official Bond disclosure statements

McKinney Independent School District

Property Tax Levies and Collections (Exhibit S-10)

Last Ten Fiscal Years

(UNAUDITED)
(Amounts Expressed in Thousands)

Fiscal Year Ended	Original Amount Levied	Supplements & Corrections	Total Adjusted Levy for Fiscal Year	Collected Within the First Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Levy		Amount	Percent of Levy
2014	$ 159,264,411	$ 28,473	$ 159,292,884	$ 157,062,371	98.60%	$ 2,417,373	$ 159,472,646	100.13%
2015	173,236,511	(430,345)	172,806,166	170,975,366	98.94%	1,975,799	172,938,670	99.83%
2016	187,285,283	(620,366)	186,664,917	184,811,639	99.01%	2,600,437	187,400,317	100.06%
2017	200,402,713	2,694,403	203,097,116	199,350,732	98.16%	2,316,975	201,598,544	100.60%
2018	221,685,097	3,273,948	224,959,045	223,118,683	99.18%	3,857,531	226,709,461	102.27%
2019	236,959,937	4,714,791	241,674,728	239,227,710	98.99%	2,650,099	240,741,455	101.60%
2020	237,452,207	7,607,752	245,059,959	242,337,912	98.89%	4,463,712	242,337,912	102.06%
2021	254,125,211	7,223,806	261,349,017	243,476,273	93.16%	2,622,717	248,408,305	97.75%
2022	257,215,486	3,041,220	260,256,706	255,437,771	99.31%	2,034,936	255,437,771	99.31%
2023	287,931,880	3,308,440	291,240,320	285,271,247	97.95%	-	289,090,474	100.40%

** Total collections, net of penalties, interest and other judgements, may result in collections that exceed 100% of adjusted levy.

Source: McKinney ISD Annual Financial Reports and Collin County Tax Office

McKinney Independent School District

Outstanding Debt by Type (Exhibit S-11)

Last Ten Fiscal Years

(UNAUDITED)

(Dollars in Thousands, Except Per Capita)

Fiscal Year	Governmental Activities: Unlimited Tax Bonds[2]	Governmental Activities: Unamortized Bond Premium	Total Primary Government	Resources Restricted for Debt Service	Net Bonded Debt Outstanding	Gross Bonded Debt as % of Personal Income[1]	Gross Bonded Debt Per Capita	Net Bonded Debt as % of Assessed Value	Net Bonded Debt Per Capita
2014	$ 487,801	$ 21,836	$ 509,637	$ 21,252	$ 488,385	11%	$ 3,248	5.12%	$ 3,113
2015	491,961	33,801	525,762	21,171	504,591	10%	3,228	4.86%	3,098
2016	447,930	44,828	492,758	22,786	469,972	8%	3,003	4.24%	2,865
2017	491,725	53,429	545,154	25,038	520,116	9%	3,164	4.24%	3,019
2018	592,831	60,857	653,688	27,628	626,060	10%	3,636	4.58%	3,482
2019	594,659	61,769	656,428	29,453	626,975	9%	3,495	4.21%	3,338
2020	548,194	59,654	607,848	29,964	577,884	8%	3,052	3.62%	2,901
2021	494,706	54,061	548,767	30,300	518,467	5%	2,564	2.91%	2,422
2022	469,240	63,483	532,723	23,994	508,729	4%	2,559	2.72%	2,444
2023	475,320	61,379	536,699	28,077	508,622	2%	2,221	2.72%	2,388

(1) Refer to Exhibit S-14, Demographic & Economic Statistics for per capita personal income information

(2) Unlimited tax bonds equals GO Bonds Payable plus bond premium

Source: McKinney ISD Annual Financial Reports and Collin County Tax Office

McKinney Independent School District

Direct and Overlapping Governmental Activities Debt (Exhibit S-12)

As of June 30, 2022

(UNAUDITED)
(Amounts Expressed in Thousands)

Governmental Unit	Gross Bonded Debt	Estimated Percentage Applicable	Estimated Share of Direct & Overlapping Debt
City of Allen	$ 119,955	0.07%	$ 84
Collin County	478,430	11.50%	55,019
Collin College	498,565	11.50%	57,335
Town of Fairview	23,635	36.40%	8,603
City of Lucas	18,575	8.02%	1,490
City of McKinney	335,895	62.79%	210,908
City of Princeton	71,880	1.64%	1,179
Subtotal, Overlapping Debt			334,618
District Gross Bonded Debt			536,699
Lease liability			2,503
Total Direct & Overlapping Debt			$ 873,820

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district.

Source: McKinney ISD Bond Disclosure Statement

McKinney Independent School District
Legal Debt Margin Information (Exhibit S-13)
Last Ten Fiscal Years

(UNAUDITED)
(Amounts Expressed in Thousands)

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a % of Debt Limit	Assessed Values
2014	$ 953,679	$ 467,737	$ 485,942	49.05%	$ 9,536,791
2015	1,037,344	471,960	565,384	45.50%	10,373,443
2016	1,121,469	426,469	695,000	38.03%	11,214,688
2017	1,226,281	468,104	758,177	38.17%	12,262,814
2018	1,368,427	505,661	862,766	36.95%	13,684,265
2019	1,490,314	566,562	923,752	38.02%	14,903,141
2020	1,595,406	519,654	1,075,752	32.57%	15,954,057
2021	1,783,071	465,887	1,317,184	26.13%	17,830,714
2022	1,868,348	469,240	1,399,108	25.12%	18,683,481
2023	2,091,464	475,320	1,616,144	22.73%	22,695,831

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value	$ 22,695,831
Debt Limit (10% of Assessed Value)	2,091,464
Total Bonded Debt	475,320
Less: Reserve for Retirement of Debt	34,402
Debt Applicable to Limit	440,918
Legal Debt Margin	$ 1,650,546

McKinney Independent School District

Demographic and Economic Statistics (Exhibit S-14)

Last Ten Fiscal Years

(UNAUDITED)

(Amounts Expressed in Thousands)

Fiscal Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Unemployment Rate
2014	156,898	$ 4,770,450	$ 30,405	4.50%
2015	162,898	5,528,921	33,941	3.60%
2016	164,066	5,858,141	35,706	3.00%
2017	172,298	5,907,409	34,286	4.20%
2018	179,804	6,308,244	35,084	3.30%
2019	187,802	7,005,765	37,304	3.40%
2020	199,177	7,722,092	38,770	13.20%
2021	214,035	12,167,462	56,848	3.20%
2022	208,146	12,465,656	59,889	3.50%
2023	214,302	27,988,620	130,717	3.70%

Sources: Numbers furnished from World Population Review

McKinney Independent School District

Principal Employers (Exhibit S-15)

Current Year and Ten Years Ago

(UNAUDITED)

	2023		
Employer	Employees	Rank	Percentage of Total District Employment
Raytheon Intelligence and Space	4,347	1	4.08%
McKinney ISD	2,749	2	2.58%
Collin County	1,964	3	1.84%
Globe Life	1,600	4	1.50%
City of McKinney	1,600	5	1.50%
Encore Wire Corporation	1428	6	1.34%
Independent Financial	1325	7	1.24%
Collin College	1064	8	1.00%
Baylor	700	9	0.66%
Medical City of McKinney	670	10	0.63%
Total	17,447		16.37%

	2014		
	Employees	Rank	Percentage of Total District Employment
Raytheon TI Systems Inc	3,600	1	4.86%
McKinney ISD	3,147	2	4.25%
Collin County	1,815	3	2.45%
Torchmark/United American	1,100	4	1.49%
Encore Wire	1,000	5	1.35%
Medical Center of McKinney	949	6	1.28%
City of McKinney	938	7	1.27%
Watson & Chalin	558	8	0.74%
Collin College	550	9	0.74%
Baylor Medical Center	425	10	0.57%
Total	14,082		19.00%

Sources: City of McKinney, Texas ACFR

McKinney Independent School District

Full-Time Equivalent District Employees by Type (Exhibit S-16)

Last Ten Fiscal Years

(UNAUDITED)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Teachers	1,649	1,651	1,671	1,670	1,663	1,656	1,621	1,643	1,631	1,589
Librarians	26	25	24	23	28	28	27	23	25	24
Educational Aides	232	227	241	264	274	275	287	293	287	296
	1,907	1,903	1,936	1,957	1,965	1,959	1,935	1,959	1,943	1,909
Campus Administration										
Principal	30	32	30	30	31	32	32	34	31	30
Assistant Principal	51	49	54	56	58	57	57	57	58	60
Instructional Officer	-	-	-	-	1	1	-	-	-	-
Athletic	2	1	-	-	-	-	-	-	-	
	83	82	84	86	90	90	89	91	89	90
Student Services										
Audiologist	1	1								
Counselor	43	48	47	48	53	61	59	57	56	59
Educational Diagnostician	14	14	14	13	13	14	17	19	18	21
Occupational Therapist	4	4	3	5	4	6	5	4	5	5
Certified Orientation & Mobility Specialist	1	1	1	1	1	1	1	1	1	1
Physical Therapist	-	-	1	-	1	-	1	1	-	1
School Nurse	29	29	30	29	30	30	29	29	30	31
LSSP/Psychologist	13	13	12	14	13	13	13	11	13	12
Speech Therapist/Language Pathologist	34	34	33	36	38	39	41	44	46	46
Truant Officer	1	-	-	-	-	-	-	-	-	-
Work Based Learning Site Coordinator	-	-	-	-	-	-	-	-	-	-
Teacher Facilitator	31	56	68	76	77	89	70	68	41	59
Department Head	16	18	16	12	11	18	21	13	9	2
Athletic Trainer	4	2	3	3	4	4	5	5	4	1
Campus Professional Personnel	5	1	5	4	5	5	4	4	4	5
Other Non-Instructional District Prof. Personnel	46	47	50	54	54	53	55	56	91	60
	241	267	283	295	304	333	321	312	318	303
Support & Administration										
Superintendent, Deputy, Assoc. & Assistant	7	7	8	8	8	8	8	10	9	9
Business Manager	1	1	1	1	1	1	1	1	1	1
District Instr. Prog. Director/Exec. Director	19	23	24	24	26	23	25	29	30	29
Auxiliary Staff	324	331	336	335	333	366	370	352	361	365
Athletic Director	2	2	2	3	3	4	4	2	2	4
Teacher Supervisor	5	6	10	10	6	8	8	4	4	7
	358	370	381	381	377	410	416	398	407	415
Total	2,589	2,622	2,684	2,719	2,736	2,792	2,761	2,760	2,757	2,717

Source: Fall Public Education Information Management System (PIEMS) with full time equivalents as of the last Friday in October

Notes:

Full-time instructional employees of the district are employed for 188 contract days. Assistant middle school and elementary principals and secondary bookkeepers are employed 210 contract days. Campus principals, student services employees, central administrative, and non campus professional employees are employed 226 days. Auxiliary staff are employed 260 contract days.

McKinney Independent School District
Operating Statistics (Exhibit S-17)
Last Ten Fiscal Years

(UNAUDITED)

Fiscal Year	Enrollment[1]	Operating Expenditures[2]	Cost Per Pupil	Percentage Change	Expenditures Excluding Recapture	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil Teacher Ratio	Percentage of Students Receiving Free or Reduced Price Meals
2014	24,655	$ 204,400,227	$ 8,290	2.32%	-	-	2.32%	1,649	15.0	30.30%
2015	24,811	215,105,328	8,670	4.58%	214,669,726	8,652	4.37%	1,651	15.0	30.90%
2016	24,765	225,669,500	9,112	5.11%	224,607,903	9,070	4.82%	1,671	14.8	30.70%
2017	24,880	243,171,170	9,774	7.26%	241,033,878	9,688	6.81%	1,751	14.2	30.20%
2018	24,959	250,007,957	10,017	2.49%	250,007,957	10,016	3.39%	1,760	14.2	31.00%
2019	24,717	255,926,792	10,354	3.36%	250,706,935	10,143	1.27%	1,751	14.1	35.10%
2020	24,621	263,122,861	10,687	3.21%	261,885,722	10,637	4.87%	1,705	14.4	35.20%
2021	23,398	258,595,932	11,052	3.42%	258,595,932	11,052	3.90%	1,715	13.6	34.00%
2022	23,379	273,890,352	11,715	6.00%	270,470,814	11,569	4.68%	1,704	13.7	33.00%
2023	23,342	298,840,456	12,803	9.28%	278,214,042	11,992	3.66%	1,642	14.2	37.00%

(1) Enrollment is as of the October reporting date to Texas Education Agency (TEA) through the Public Education Information System (PIEMS)

(2) Operating expenditures are total governmental fund expenditures less debt service and capital projects other than function 11.

McKinney Independent School District

Teacher Base Salaries (Exhibit S-18)

Last Ten Fiscal Years

(UNAUDITED)

Fiscal Year	Minimum Salary	Maximum Salary	District Average Salary	Statewide Average Salary
2014	$ 46,450	$ 66,350	$ 51,091	$ 49,692
2015	47,650	67,850	52,283	50,715
2016	49,000	63,000	53,456	51,892
2017	50,900	64,500	54,784	52,525
2018	52,350	65,550	56,226	53,334
2019	53,850	75,250	57,701	54,122
2020	55,650	77,350	59,550	57,091
2021	56,850	78,850	62,091	57,641
2022	57,800	80,100	62,792	58,887
2023	58,800	81,400	63,941	61,600

Source: McKinney ISD Compensation Plans
State financial data reported to NEA

McKinney Independent School District
School Building Information (Exhibit S-19)
Last Ten Fiscal Years

(UNAUDITED)

				Fiscal Year									
				2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SCHOOLS													
Elementary													
Finch Elementary													
Site	7.85 acres		Square Feet	68,789	68,789	68,789	68,789	68,789	68,789	68,789	68,789	68,789	68,789
Opened		1938	Enrollment	446	426	426	425	388	358	340	320	333	325
Webb Elementary													
Site	6.0 acres		Square Feet	83,035	83,035	83,035	83,035	83,035	83,035	83,035	83,035	83,035	83,035
Opened		1953	Enrollment	417	400	427	422	394	404	396	369	343	355
Burks Elementary													
Site	5.41 acres		Square Feet	54,678	54,678	54,678	54,678	54,678	54,678	54,678	54,678	54,678	54,678
Opened		1954	Enrollment	469	539	544	488	460	404	391	351	332	329
Caldwell Elementary													
Site	5.641 acres		Square Feet	76,366	76,366	76,366	76,366	76,366	76,366	76,366	76,366	76,366	76,366
Opened		1961	Enrollment	544	537	542	533	530	533	529	486	455	458
Slaughter Elementary													
Site	9.194 acres		Square Feet	92,999	92,999	92,999	92,999	92,999	92,999	92,999	92,999	92,999	92,999
Opened		1975	Enrollment	660	650	658	633	589	621	620	587	587	578
Valley Creek Elementary													
Site	8.492 acres		Square Feet	69,052	69,052	69,052	69,052	69,052	69,052	69,052	69,052	69,052	69,052
Opened		1992	Enrollment	490	505	514	540	551	509	530	465	487	569
Glen Oaks Elementary													
Site	9.285 acres		Square Feet	68,052	68,052	68,052	68,052	68,052	68,052	68,052	68,052	68,052	68,052
Opened		1994	Enrollment	489	481	468	471	477	489	505	480	493	526
Johnson Elementary													
Site	7.432 acres		Square Feet	67,228	67,228	67,228	73,019	73,019	73,019	73,019	73,019	73,019	73,019
Opened		1995	Enrollment	598	583	525	512	502	508	491	455	407	380
Eddins Elementary													
Site	8.0 acres		Square Feet	69,052	69,052	69,052	69,052	69,052	69,052	69,052	69,052	69,052	69,052
Opened		1998	Enrollment	500	469	443	420	384	388	383	359	358	344
Walker Elementary													
Site	10.678 acres		Square Feet	67,229	67,229	67,229	67,229	67,229	67,229	67,229	67,229	67,229	67,229
Opened		2000	Enrollment	545	572	578	580	567	527	506	451	455	433

(UNAUDITED)

				Fiscal Year									
				2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SCHOOLS (continued)													
Elementary (continued)													
Wolford Elementary													
Site	9.15 acres		Square Feet	69,052	69,052	69,052	69,052	69,052	69,052	69,052	69,052	69,052	69,052
Opened		2001	Enrollment	573	568	539	520	476	447	421	394	395	405
McNeil Elementary													
Site	12.603 acres		Square Feet	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788	68,788
Opened		2001	Enrollment	465	445	419	368	419	396	416	367	382	372
Malvern Elementary													
Site	20.01 acres		Square Feet	71,515	71,515	71,515	83,335	83,335	83,335	83,335	83,335	83,335	83,335
Opened		2001	Enrollment	492	540	497	531	522	511	496	432	419	441
Vega Elementary													
Site	8.005 acres		Square Feet	71,513	71,513	71,513	71,513	71,513	71,513	71,513	71,513	71,513	71,513
Opened		2002	Enrollment	611	591	547	511	521	493	460	430	425	477
Bennett Elementary													
Site	9.844 acres		Square Feet	74,280	74,280	74,280	74,280	74,280	74,280	74,280	74,280	74,280	74,280
Opened		2002	Enrollment	511	491	464	486	515	559	584	554	559	522
Minshew Elementary													
Site	16.407 acres		Square Feet	92,255	92,255	92,255	92,255	92,255	92,255	92,255	92,255	92,255	92,255
Opened		2005	Enrollment	598	656	653	639	673	653	644	564	522	512
Wilmeth Elementary													
Site	9.67 acres		Square Feet	92,256	92,256	92,256	92,256	92,256	92,256	92,256	92,256	92,256	92,256
Opened		2006	Enrollment	648	635	640	645	671	647	652	596	548	544
McGowen Elementary													
Site	11.687 acres		Square Feet	93,326	93,326	93,326	93,326	93,326	93,326	93,326	93,326	93,326	93,326
Opened		2008	Enrollment	699	674	679	650	669	643	612	548	568	578
Press Elementary													
Site	10 acres		Square Feet	93,328	93,328	93,328	93,328	93,328	93,328	93,328	93,328	93,328	93,328
Opened		2008	Enrollment	509	495	449	538	584	602	651	654	770	830
McClure Elementary													
Site	12.9 acres		Square Feet	92,213	92,213	92,213	92,213	92,213	92,213	92,213	92,213	92,213	92,213
Opened		2010	Enrollment	579	629	664	658	645	638	652	601	632	630
Frazier Elementary													
Site	12.0 acres		Square Feet	-	-	-	-	-	-	-	-	-	107,200
Opened		2023	Enrollment	-	-	-	-	-	-	-	-	-	-

(UNAUDITED)

			Fiscal Year									
			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SCHOOLS (continued)												
Middle School												
Faubion Middle School												
Site	37.101* acres	Square Feet	208,278	208,278	208,278	208,278	208,278	208,278	208,278	208,278	208,278	208,278
Opened	1960	Enrollment	934	976	1,141	1,210	1,291	1,289	1,297	1,339	1,310	1,251
Dowell Middle School												
Site	23.065 acres	Square Feet	123,298	172,777	172,777	172,777	172,777	172,777	172,777	172,777	172,777	172,777
Opened	1995	Enrollment	1,157	1,092	1,165	1,225	1,192	1,182	1,154	1,108	1,067	1,076
Johnson Middle School												
Site	23.756 acres	Square Feet	159,285	159,285	159,285	159,285	159,285	159,285	159,285	159,285	159,285	159,285
Opened	2002	Enrollment	900	876	923	934	918	936	941	935	918	940
Evans Middle School												
Site	21.008 acres	Square Feet	182,980	182,980	182,980	182,980	182,980	189,838	189,838	189,838	189,838	189,838
Opened	2004	Enrollment	1,461	1,443	1,219	1,126	1,120	1,072	1,025	944	892	830
Cockrill Middle School												
Site	21.01 acres	Square Feet	184,995	184,995	184,995	184,995	184,995	190,867	190,867	190,867	190,867	190,867
Opened	2008	Enrollment	1,354	1,349	1,243	1,263	1,322	1,275	1,263	1,233	1,306	1,280
High School												
McKinney High School												
Site	60.02 acres	Square Feet	535,880	535,880	535,880	535,880	597,180	597,180	597,180	597,180	597,180	597,180
Opened	1987	Enrollment	2,074	2,486	2,734	2,863	2,958	2,964	3,038	2,976	2,957	2,918
McKinney North High School												
Site	62.03 acres	Square Feet	439,422	439,422	439,422	486,516	486,516	437,260	437,260	437,260	437,260	437,260
Opened	2001	Enrollment	2,035	2,089	2,105	2,123	2,117	2,137	2,140	2,171	2,160	2,156
Serenity High School												
Site	(on MLC Site)	Square Feet	6,400	6,400	6,400	6,400	6,400	2,162	2,162	2,162	2,162	2,162
Opened	1999	Enrollment	6	6	8	5	10	5	4	6	3	4
	(Housed in MNHS)											
	(Serenity accepts enrollments from various county schools)											

(UNAUDITED)

				Fiscal Year									
				2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SCHOOLS (continued)													
High School, continued													
County Residential Center													
Site	(county facilities)		Square Feet	-	-	-	-	-	-	-	-	-	-
Opened		-	Enrollment	79	90	86	88	66	86	93	73	78	93
McKinney Boyd High School													
Site	56.4 acres		Square Feet	530,680	530,680	530,680	530,680	530,680	537,274	537,274	537,274	537,274	537,274
Opened		2006	Enrollment	3,043	2,881	2,845	2,815	2,824	2,834	2,835	2,743	2,718	2,651
Alternative Education Center													
Juvenile Justice Alternative Ed.													
Site	(county facilities)		Square Feet	-	-	-	-	-	-	-	-	-	-
Opened		-	Enrollment	11	5	5	3	14	9	15	2	2	13
McKinney Learning Center[1]													
Site	6.563 acres		Square Feet	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600
Opened		1968	Enrollment	-	-	-	-	-	-	-	-	-	-
Early Childhood School													
Lawson Early Childhood School													
Site	9.0 acres		Square Feet	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621
Opened		2009	Enrollment	667	615	626	590	598	537	405	405	498	522
Total													
Square Feet				4,014,445	4,063,924	4,063,924	4,128,629	4,189,929	4,155,759	4,155,759	4,155,759	4,155,759	4,262,959
Enrollment				24,733	24,765	24,851	24,959	24,717	24,621	23,398	23,398	23,379	23,342
OTHER MISD FACILITIES													
Administrative													
Duvall Street													
Site	37.101 acres*		Square Feet	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Opened		1968											
Greer Annex													
Site	2.9 acres		Square Feet	41,773	41,773	41,773	41,773	41,773	41,773	41,773	41,773	41,773	41,773
Opened		1910											

Note 1: (McKinney Learning Center housed Learning in a New Context ((LINC)) and Disciplinary Alternative Education Program((DAEP)) until 2012. LINC enrollment was moved to high school campuses and was deactivated. DAEP is now housed at McKinney Learning Center. DAEP students are reported as enrolled at their home campus).

(UNAUDITED)

			Fiscal Year									
			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OTHER MISD FACILITIES, continued												
Facility Services												
Maintenance Facility												
Site	1.785 acres	Square Feet	18,718	18,718	18,718	18,718	18,718	18,718	18,718	18,718	18,718	18,718
Opened	Purchased 1968											
Tennessee St. Warehouse												
Site	.32 acres	Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Opened	Purchased 2003											
Louisiana St. Warehouse												
Site	.9 acres	Square Feet	35,900	35,900	35,900	35,900	35,900	35,900	35,900	35,900	35,900	35,900
Opened	Purchased 2010											
Central Distribution Center												
Site	7.29 acres	Square Feet	16,400	16,400	16,400	16,400	16,400	16,400	16,400	16,400	16,400	16,400
Opened	Purchased 1997											
Transportation Facility												
Site	15.28 acres	Square Feet	10,165	10,165	10,165	10,165	10,165	10,165	10,165	10,165	10,165	10,165
Opened	2003											
Agriculture Barn												
Site	44.15 acres	Square Feet	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145
Opened	1986											
Athletics												
Ron Poe Stadium												
Site	37.101 acres*	Square Feet	29,857	29,857	29,857	29,857	29,857	29,857	29,857	29,857	29,857	29,857
Opened	1962											

(UNAUDITED)

			Fiscal Year									
			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OTHER MISD FACILITIES (continued)												
Athletics (continued)												
Al Alford Baseball Field												
Site	37.101 acres*	Square Feet	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771	6,771
Opened	1970		-	-	-	-	-	73,008	73,008	73,008	73,008	
District Football Stadium												
Site	60.464 acres	Square Feet	-	-	-	-	-	-	-	-	-	-
Opened	2018											
	Total Other MISD Facilities											
	Square Feet		201,729	201,729	201,729	201,729	201,729	274,737	274,737	274,737	274,737	274,737
	Grand Total MISD Facilities		4,216,174	4,265,653	4,265,653	4,330,358	4,391,658	4,430,496	4,430,496	4,430,496	4,430,496	4,537,696

Single Audit Section
June 30, 2023

McKinney Independent School District

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of
McKinney Independent School District
McKinney, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of McKinney Independent School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 12, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's Summary Schedule of Prior Audit Findings. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Abilene, Texas
October 12, 2023

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

The Board of Trustees of
McKinney Independent School District
McKinney, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited McKinney Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control* over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ede Bailly LLP

Abilene, Texas
October 12, 2023

Fund Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass Through Entity Identifying Number	Expenditures
	U.S. Department of Agriculture			
	Passed - Through Texas Education Agency			
	Child Nutrition Cluster			
240	National School Breakfast Program	10.553	71402301	$ 1,465,475
240	National School Lunch Program - Cash Assistance*	10.555	71302301	5,011,891
	National School Lunch Program - Noncash Assistance*	10.555	71302301	643,993
	2022 Supply Chain Assistance Grant*	10.555	71302301	666,725
	Summer Food Service Program for Children	10.559	71302301	549,084
	Total Child Nutrition Cluster			8,337,168
	Total U.S. Department of Agriculture			8,337,168
	U.S. Department of Education			
	Passed - Through Region 10 ESC			
211	Title I. Part A - Improving Basic Programs****	84.010A	S010A220043	1,743,714
255	Title II, Part A - Supporting Effective Instruction	84.367A	S367A220041	507,272
263	Title III, Part A - English Language Acquisition	84.365A	S365A220043	261,644
289	Title IV, Part A - Academic Enrichment	84.424A	S424A220045	180,042
	Total Passed - Through Education Service Center, Region 10			2,692,672
	U.S. Department of Education			
	Passed - Through Texas Education Agency			
	Title I Grants to Local Education Agencies			
211	Title I, Part D, Subpart 2****	84.010A	23610103043907	261,614
	Special Education Cluster (IDEA)			
224	IDEA- Part B, Formula**	84.027A	236600010439076600	2,709,923
224	IDEA- Part B, Formula**	84.027A	226600010439076600	910,497
225	IDEA- Part B, Preschool***	84.173A	236610010439076610	14,142
225	IDEA- Part B, Preschool***	84.173A	226610010439076610	18,418
226	IDEA - Part B, Discretionary**	84.027A	66002312	108,101
284	IDEA- Part B, Formula ARP**	84.027A	225350020439075350	422,238
	Total Special Education Cluster (IDEA)			4,183,319
	Career and Technical Education -- Basic Grants to States			
244	Career and Technical Education -- Basic Grants to States	84.048A	23420006043907	175,309
244	Career and Technical Education -- Basic Grants to States	84.048A	22420006043907	13,406
	Total Career and Technical Education - Basic Grants to States (ALN 84.048A)			188,715

Fund Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Financial Assistance Listing Number	Pass Through Entity Identifying Number	Expenditures
278	COVID-19 ARP Homeless I - Texas Education for Homeless Children and Youth (TEHCY) Program	84.425W	215330017110054	$ 73,495
280	COVID-19 ARP Homeless II - Texas Education for Homeless Children and Youth (TEHCY) Program	84.425W	21533002043907	82,170
282	COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425U	21528001043907	6,219,705
	Total Elementary and Secondary School Emergency Relief Fund			6,375,370
289	LEP Summer School	84.369A	69552202	16,271
289	LEP Summer School	84.369A	69552102	15,826
	Total LEP Summer School			32,097
206	2021-2022 Texas Education for Homeless Children and Youth	84.196A	224600057110011	24,271
206	2022-2023 Texas Education for Homeless Children and Youth	84.196A	234600057110054	63,857
	Total Texas Education for Homeless Children and Youth (ALN 84.196A)			88,128
	Total Passed - Through Texas Education Agency			11,129,243
	Total U.S. Department of Education			13,821,915
	U.S. Department of Health and Human Services			
	Passed - Through Region 10 ESC			
205	Head Start	93.600	06CH010655	523,874
	Total Passed - Through Education Service Center, Region 10			
	Total U.S. Department of Heath and Human Services			523,874
	Federal Communications Commission			
699	COVID-19 Emergency Connectivity Fund Program	32.009	140471	800,000
	Total Federal Communications Commission			800,000
	Total Federal Financial Assistance			$ 23,482,957

*	Total National School Lunch Program (ALN 10.555)	$ 6,322,609
**	Total IDEA - Part B, Formula/Discretionary/ARP (ALN 84.027A)	4,150,759
***	Total IDEA- Part B, Preschool (ALN 84.173A)	32,560
****	Total Title I, Part A (ALN 84.010A)	2,005,328

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

Note 2 - Summary of Significant Accounting Policies

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant.

School health and related services revenues are considered earned income at the local government level and thus are not included in the Schedule of Expenditures of Federal Awards. The following is a reconciliation of Federal Revenues on Exhibit C-2 to the Schedule of Expenditures of Federal Awards:

Total expenditures of federal awards per Exhibit K-1	$	23,482,957
General fund - federal revenue		
School Health and Related Services (SHARS)		5,238,648
E-rate		938,272
Total federal revenues per Exhibit C-2	$	29,659,877

Note 3 - Indirect Cost Rate

The District is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the District has previously received a negotiated indirect cost rate for its federal awards.

Note 4 - Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed.

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing/ALN Number
COVID-19 Emergency Connectivity Fund Program	32.009
COVID-19 Elementary and Secondary School Emergency Relief Fund & ARP Homeless Federal Grants I and II	84.425U; 84.425W
Title I Grants to Local Educational Agencies (Title I, Part A)	84.010A
Supporting Effective Instruction State Grants	84.367A

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings and questioned costs required to be reported.

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	$ -

Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings
June 30, 2023
Prepared by Management of

McKinney Independent School District

Finding 2022-001

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Eide Bailly LLP prepared our draft financial statements and accompanying notes to the financial statements. They also proposed material audit adjustments that would not have been identified because of our existing controls and, therefore, could have resulted in a material misstatement of our financial statements.

Status: Corrective action was taken.