

**MCKINNEY
INDEPENDENT SCHOOL DISTRICT**

Financial Report For the Year Ended

June 30, 2007

MCKINNEY INDEPENDENT SCHOOL DISTRICT

MCKINNEY INDEPENDENT SCHOOL DISTRICT

CERTIFICATE OF BOARD

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FINANCIAL SECTION

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TEXAS SOCIETY of CPAs

**UNQUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS
ACCOMPANIED BY REQUIRED SUPPLEMENTAL INFORMATION AND OTHER
SUPPLEMENTARY INFORMATION
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Government Auditing Standards

Governmental Auditing Standards

Audits of States, Local Governments, and Non-Profit Organizations

/s/ Pingleton, Howard & Company, P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the McKinney Independent School District annual financial report presents an **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets (Exhibit A-1) and the Statement of Activities (Exhibit B-1). These

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District's combined net assets were \$82,487,036 on June 30, 2007. (See Table A-1).

Table A-1
The District's Net Assets

	Governmental Activities		Percentage
	2007	2006	Change
Current & Other Assets	108,499,999	146,205,966	-25.79%
Capital & Non-Current Assets	392,880,871	346,468,328	13.40%
Total Assets	501,380,870	492,674,294	1.77%
Current Liabilities	53,512,722	42,644,298	25.49%
Long Term Liabilities	365,381,112	386,770,812	-5.53%
Total Liabilities	418,893,834	429,415,110	-2.45%
Net Assets			
Invested in Capital Assets			
net of related debt	4,299,738	19,181,910	-77.58%
Restricted	34,565,113	14,310,805	141.53%
Unrestricted	43,622,185	29,766,469	46.55%
Total Net Assets	82,487,036		

Governmental Activities-Changes in Net Assets

- State aid increased as legislation required a lowering of the property tax rate and additional state funding was granted to hold the school district harmless for the resulting decrease in revenue per pupil.
- Investment earnings increased due to higher interest rates and early receipt of increased state funding.
- Resolution of several claims from School Health Related Services increased funding for unrestricted grants.
- Expenditures for data processing services increased due to additional staffing and the purchase of new software systems for both business and student applications.
- The increases in most expense categories were associated with additional staffing to accommodate student enrollment growth.
- The increase in extracurricular activities reflects the addition of a third high school in 2006-2007.

Table A-3 presents the cost of each of the District's largest functions as well as each function's *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all

General Fund Budgetary Highlights

During the course of the fiscal year, the District reviews and revises its budget on a monthly basis in accordance with TEA FARG standards. General Fund revenues for the fiscal year ended June 30, 2007 exceeded budget by \$7,374,960 due primarily to an increase in state revenues under the new school finance system. In addition, rising interest rates increased investment income \$1,099,656 over budget and property tax collections exceeded projections by \$1,538,354. Total expenditures for the fiscal year were \$6,197,760 under budget.

At the end of fiscal year 2006, the ending general fund balance of \$34.5 million represented 24.0% of the 2006-2007 operating budget. At fiscal year-end 2007, the ending fund balance of \$49.7 million represented 30.5% of the 2007-2008 operating budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of 2007, the District had invested \$329,880,871 in a broad range of capital assets, including land, equipment, buildings, and construction in progress. (See Table A-4.) Buildings and Improvements and Furniture and Equipment increased with the construction of Naomi Press Elementary, Jesse McGowan Elementary, and Phase 2 of McKinney Boyd High School. Additional information on capital assets is contained in Note 4, Section D of the Notes to the Financial Statements.

**Table A-4
District's Capital Assets
Governmental Activities 1**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Net taxable appraised value used for the 2008 budget preparation has increased approximately \$940 million, which represents an increase of 12.5% from 2007 values. New construction for 2008 amounts to approximately \$489 million, with a net of \$42 million lost to new exemptions.
- A comparison of budgeted general operating fund spending per pupil (based on average daily

TEA implemented and has annually assigned financial accountability ratings to Texas state school districts since the 2001-2002 fiscal audit. The McKinney ISD has received a 'Superior Achievement' rating for all applicable fiscal years, which represents the highest rating that a district can achieve.

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 funds received. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Business Services Group
McKinney Independent School District
#1 Duvall Street
McKinney, TX 75069
469-742-4000



BASIC FINANCIAL STATEMENTS

MCKINNEY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2007

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 96,367,016
1220 Property Taxes Receivable (Delinquent)	5,391,069
1230 Allowance for Uncollectible Taxes	(161,732)
1240 Due from Other Governments	12,362,479
1250 Accrued Interest	845,970
1290 Other Receivables, net	778,180
1300 Inventories	532,950
1410 Deferred Expenses	407,036
1420 Capitalized Bond and Other Debt Issuance Costs	525,368
1430 Premium or Discount on Issuance of Debt	(8,548,337)
Capital Assets:	
1510 Land	18,998,673
1520 Buildings, Net	322,530,360
1530 Furniture and Equipment, Net	3,029,064
1580 Construction in Progress	48,322,774
1000 Total Assets	501,380,870
LIABILITIES	
2140 Interest Payable	6,921,801
2160 Accrued Wages Payable	14,481,385
2200 Accrued Expenses	9,932,262
2300 Deferred Revenues	380,222
Noncurrent Liabilities	
2501 Due Within One Year	21,797,052
2502 Due in More Than One Year	366,784,081
2600 Deferred Loss on Refunding Bonds	(1,402,969)
2000 Total Liabilities	418,893,834
NET ASSETS	
3200 Invested in Capital Assets, Net of Related Debt	4,299,738
3820 Restricted for Federal and State Programs	783,377
3850 Restricted for Debt Service	15,119,440
3860 Restricted for Capital Projects	18,662,296
3900 Unrestricted Net Assets	43,622,185
3000 Total Net Assets	\$ 82,487,036

The notes to the financial statements are an integral part of this statement.

MCKINNEY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

EXHIBIT B-1

Data	Program Revenues			Net (Expense)
Control	1	3	4	Revenue and
Codes	Expenses	Charges for	Operating	Changes in Net
		Services	Grants and	Assets
			Contributions	Primary Gov.
				Governmental
				Activities

Primary Government:

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 103,241,209	\$ 960,952	\$ 10,234,025	\$ (92,046,232)
12 Instructional Resources and Media Services	3,539,342	-	85,495	(3,453,847)
13 Curriculum and Instructional Staff Development	1,428,476	-	155,315	(1,273,161)
21 Instructional Leadership	3,081,143	-	288,164	(2,792,979)
23 School Leadership	9,455,140	-	329,635	(9,125,505)
31 Guidance, Counseling and Evaluation Services	4,679,032	-	467,921	(4,211,111)
32 Social Work Services	265,005	-	-	(265,005)
33 Health Services	1,505,979	-	68,844	(1,437,135)
34 Student (Pupil) Transportation	5,613,619	-	29,835	(5,583,784)
35 Food Services	7,280,247	4,282,690	2,620,411	(377,146)
36 Cocurricular/Extracurricular Activities	6,453,308	564,588	123,715	(5,765,005)
41 General Administration	4,110,085	-	88,497	(4,021,588)
51 Plant Maintenance and Operations	15,373,577	731,787	103,564	(14,538,226)
52 Security and Monitoring Services	418,655	-	10,917	(407,738)
53 Data Processing Services	6,319,733	-	704,499	(5,615,234)
61 Community Services	2,751,554	2,596,253	4,055	(151,246)
72 Debt Service - Interest on Long Term Debt	19,817,196	-	-	(19,817,196)
73 Debt Service - Bond Issuance Cost and Fees	55,858	-	-	(55,858)
93 Payments to Fiscal Agent/Member Districts of SSA	2,319	-	2,319	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	106,265	-	-	(106,265)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 195,497,742	\$ 9,136,270	\$ 15,317,211	(171,044,261)

Data
Control
Codes

General Revenues:

	Taxes:	
MT	Property Taxes, Levied for General Purposes	101,944,081
DT	Property Taxes, Levied for Debt Service	35,062,776
SF	State Aid - Formula Grants	40,777,551
GC	Grants and Contributions not Restricted	956,937
IE	Investment Earnings	7,173,477
		4,357,291

Other Funds	Total Governmental Funds
\$ 2,061,356	\$ 96,367,016
-	5,391,069
-	(161,732)
1,943,906	12,362,479
-	845,970
-	778,180
-	532,950
25,020	407,036
<u>\$ 4,030,282</u>	<u>\$ 116,522,968</u>
\$ 620,479	\$ 14,481,385
250,213	9,932,262
108,224	5,609,559
<u>\$ 978,916</u>	<u>\$ 30,023,206</u>
\$ -	\$ 532,950
-	15,119,440
-	382,016
783,377	783,377
-	18,662,296
-	1,059,486
-	47,692,208
2,267,989	2,267,989
<u>\$ 3,051,366</u>	<u>\$ 86,499,762</u>
<u>\$ 4,030,282</u>	<u>\$ 116,522,968</u>

MCKINNEY INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 JUNE 30, 2007

Total Fund Balances - Governmental Funds	\$	86,499,762
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$406,451,007 and the accumulated depreciation was \$59,982,679. In addition, long-term liabilities, including bonds payable of \$399,785,312, and loans payable of \$2,877,052, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net assets.		(56,194,036)
2 Current year capital outlays of \$57,364,040 and long-term debt principal payments of \$16,651,860 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 current year capital outlays and debt principal payments is to increase net assets.		74,015,900
3 Accrued interest payable on long-term debt is not reflected on the fund financial statements, but is shown on the government-wide financial statements. The effect of showing accrued interest payable is to decrease net assets.		(6,921,801)
4 Accreted interest on capital appreciation bonds has not been included in the fund financial statements. The effect of showing accreted interest on capital appreciation bonds is to decrease net assets.		(2,570,629)
5 The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(10,774,577)
6 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net assets.		(1,567,583)
19 Net Assets of Governmental Activities	\$	82,487,036

The notes to the financial statements are an integral part of this statement.

MCKINNEY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

MCKINNEY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

MCKINNEY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007

	Private Purpose Trust Funds	Agency Fund
ASSETS	14,866	176,389

MCKINNEY INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF CHANGES IN NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	Private Purpose Trust Funds
<hr/>	
ADDITIONS:	
Local and Intermediate Sources	\$ 863
Total Additions	<u>863</u>
Change in Net Assets	863
Total Net Assets - July 1 (Beginning)	<u>14,003</u>
Total Net Assets - June 30 (Ending)	<u><u>\$ 14,866</u></u>

The notes to the financial statements are an integral part of this statement.

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

measurement focus *modified accrual basis of accounting* *current financial resources*

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Assets, Liabilities, and Net Assets or Equity

Vacation and Sick Leave

Long-term Obligations

Fund Equity

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Assets, Liabilities, and Net Assets or Equity

Data Control Codes

Financial Accountability System Resources Guide

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

net assets - governmental activities *fund balance - total governmental funds*

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

net changes in fund balances - total governmental funds *changes in net assets of governmental activities*

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

B. Encumbrance Accounting

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Depository Contract Law

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 4 DETAILED NOTES ON ALL FUNDS

B. Property Taxes

C. Due From Other Governments

_____	_____	_____	_____	_____
	_____	_____	_____	_____
	=====	=====	=====	=====

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 4 DETAILED NOTES ON ALL FUNDS

E. Construction Commitments

F. Loans Payable

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 4 DETAILED NOTES ON ALL FUNDS

G. Bonds Payable

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MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 5 OTHER INFORMATION

C. Revenues from Local and Intermediate Sources

MCKINNEY INDEPENDENT SCHOOL DISTRICT

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 5 OTHER INFORMATION

F. Pension Plan Obligations

MCKINNEY INDEPENDENT SCHOOL DISTRICT

NOTE 5 OTHER INFORMATION

H. Subsequent Event

REQUIRED SUPPLEMENTAL INFORMATION

COMBINING STATEMENTS

MCKINNEY INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

Control

212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Vocational Ed Basic Grant	255 ESEA II,A Training and Recruiting
\$ (6,642)	\$ (263,513)	\$ (41,042)	\$ (164,577)	\$ 965,566	\$ -	\$ (32,126)	\$ (38,012)
10,957	591,814	42,244	164,577	42,503	-	33,026	94,719
-	7,602	-	-	-	-	500	-
<u>4,315</u>	<u>335,903</u>	<u>1,202</u>	<u>-</u>	<u>1,008,069</u>	<u>-</u>	<u>1,400</u>	

MCKINNEY INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2007

Data Control Codes	262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition	269 Title V, Pt.A Innovative Programs	272 Medicaid Admin. Claim MAC	
ASSETS					
1110	Cash and Cash Equivalents	\$ (505)	\$ (24,490)	\$ (6,488)	\$ (7,179)
1240	Due from Other Governments	505	28,418	6,488	7,179
1410	Deferred Expenditures	-	8,445	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 12,373</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2160	Accrued Wages Payable	\$ -	\$ 12,373	\$ -	\$ -
2200	Accrued Expenditures	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>12,373</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved For:					
3450	Food Service	-	-	-	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 12,373</u>	<u>\$ -</u>	<u>\$ -</u>

289 Other Federal Special Revenue Funds	392 Non-Ed. Community Based Support	394 Pregnancy, Education and Parenting	397 Advanced Placement Incentives	399 Investment Capital Funds	404 Student Success Initiative	409 Basic Skills Program High School	411 Technology Allotment
\$ 11,068	\$ (10,845)	\$ (4,274)	\$ 23,225	\$ (17,873)	\$ (71,479)	\$ -	\$ 62,170
-	10,845	4,274	-	17,873	71,479	-	4,080
-	-	-	4,391	-	-	-	-
<u>\$ 11,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,250</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
11,068	-	-	27,616	-	-	-	-
<u>11,068</u>	<u>-</u>	<u>-</u>	<u>27,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	66,250
-	-	-	-	-	-	-	66,250
<u>\$ 11,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,250</u>

MCKINNEY INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2007

Data Control Codes	418 Employee Health Insurance	423 HB-1 High School Allotment	428 Excellence Award Program	429 Other State Special Revenue Funds	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ 587,218	\$ (5,067)	\$ -
1240	Due from Other Governments	-	312,163	5,067	-
1410	Deferred Expenditures	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 899,381</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2160	Accrued Wages Payable	\$ -	\$ -	\$ -	\$ -
2200	Accrued Expenditures	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved For:					
3450	Food Service	-	-	-	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	899,381	-	-
3000	Total Fund Balances	<u>-</u>	<u>899,381</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 899,381</u>	<u>\$ -</u>	<u>\$ -</u>

461 Campus Activity Funds	480 After School Day Care Program	Total Nonmajor Governmental Funds
\$ 1,368,676	\$ 17,709	\$ 2,061,356
-	-	1,943,906
452	3,630	25,020
<u>\$ 1,369,128</u>	<u>\$ 21,339</u>	<u>\$ 4,030,282</u>

\$ -	\$ -	\$ -
18,569	-	250,213
48,201	21,339	108,224
<u>66,770</u>	<u>21,339</u>	<u>978,916</u>

- - 783,377

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MCKINNEY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

Data Control Codes	204 ESEA Title IV Safe & Drug Free Schools	205 Head Start	206 ESEA Title III - B Homeless	211 ESEA I, A Improving Basic Program
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	66,694	347,716	117,943	1,451,359
5020 Total Revenues	<u>66,694</u>	<u>347,716</u>	<u>117,943</u>	<u>1,451,359</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	347,716	114,050	1,449,186
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	66,694	-	3,893	2,173
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Cocurricular/Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of	-	-	-	-
6030 Total Expenditures	<u>66,694</u>	<u>347,716</u>	<u>117,943</u>	<u>1,451,359</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MCKINNEY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	262	263	269	272
Data	Title II, D	Title III, A	Title V, Pt.A	Medicaid
Control	Education	English Lang.	Innovative	Admin. Claim
Codes	Technology	Acquisition	Programs	MAC

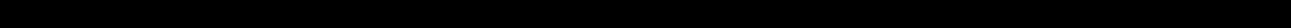
REVENUES:

289 Other Federal Special Revenue Funds	392 Non-Ed. Community Based Support	394 Pregnancy, Education and Parenting	397 Advanced Placement Incentives	399 Investment Capital Funds	404 Student Success Initiative	409 Basic Skills Program High School	411 Technology Allotment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	46,647	51,520	46,682	90,566	209,797	79,970	538,300
251,660	-	-	-	-	-	-	-
<u>251,660</u>	<u>46,647</u>	<u>51,520</u>	<u>46,682</u>	<u>90,566</u>	<u>209,797</u>	<u>79,970</u>	<u>538,300</u>
199,235	46,647	51,065	46,682	23,104	209,797	39,556	795,640
-	-	-	-	-	-	-	-
13,241	-	455	-	63,397	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
11,865	-	-	-	-	-	40,414	-
-	-	-	-	-	-	-	-
25,000	-	-	-	457	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,608	-	-	-
2,319	-	-	-	-	-	-	-
<u>251,660</u>	<u>46,647</u>	<u>51,520</u>	<u>46,682</u>	<u>90,566</u>	<u>209,797</u>	<u>79,970</u>	<u>795,640</u>
-	-	-	-	-	-	-	(257,340)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(257,340)
-	-	-	-	-	-	-	323,590
						<u>\$ -</u>	<u>\$ 66,250</u>

MCKINNEY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2007

	418	423	429428	429
Employee		HB-1	Excellence	Other State
Health		High School	Award	Special
Insurance		Allotment	Program	Revenue Funds

REVENUES:



461 Campus Activity Funds	480 After School Day Care Program	Total Nonmajor Governmental Funds
\$ 2,860,140	\$ 2,610,248	\$ 9,753,078
-	-	2,530,870
-	-	8,470,513
<u>2,860,140</u>	<u>2,610,248</u>	<u>20,754,461</u>
1,333,417	-	8,258,596
303,188	-	307,551
16,528	-	142,500
2,143	-	192,912
670,465	-	677,294
-	-	303,889
-	-	9,712
-	-	28,107
-	-	6,505,212
206,783	-	207,362
-	-	44
104,213	-	108,604
61,889	-	62,151
-	-	212,688
96,314	2,510,530	2,611,361
-	-	2,319
<u>2,794,940</u>	<u>2,510,530</u>	<u>19,630,302</u>
<u>65,200</u>	<u>99,718</u>	<u>1,124,159</u>
-	-	103,159
-	(100,528)	(123,121)
-	(100,528)	(19,962)
65,200	(810)	1,104,197
<u>1,237,158</u>	<u>810</u>	<u>1,947,169</u>
<u>\$ 1,302,358</u>	<u>\$ -</u>	<u>\$ 3,051,366</u>

MCKINNEY INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET ASSETS
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2007

	828 Private Purpose Trust Fund	829 Private Purpose Trust Fund	Total Private Purpose Trust Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 14,297	\$ 569	\$ 14,866
Total Assets	<u>14,297</u>	<u>569</u>	<u>14,866</u>
NET ASSETS			
Investments in Capital Assets, Net of Debt	10,000	-	10,000
Unrestricted Net Assets	<u>4,297</u>	<u>569</u>	<u>4,866</u>
Total Net Assets	<u><u>14,297</u></u>	<u><u>569</u></u>	<u><u>4,866</u></u>

REQUIRED T.E.A. SCHEDULES

MCKINNEY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2007

Last 10 Years	Tax Rates		Value for School Tax Purposes
	Maintenance	Debt Service	

(10) Beginning Balance 7/1/2006	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2007
\$ 202,164	\$ -	\$ 14,185	\$ 4,183	\$ (19,771)	\$ 164,025
85,078	-	2,351	599	(51,755)	30,373
94,440	-	3,201	684	(53,592)	36,963
119,013	-	9,372	2,055	(47,286)	60,300
171,726	-	22,466	6,076	(23,017)	120,167
300,282	-	62,555	20,496	(12,485)	204,746
298,161	-	45,662	14,612	(13,127)	224,760
784,131	-	222,643	74,215	(31,502)	455,771
4,047,057	-	2,547,455	849,156	15,876	666,322
-	137,299,482	99,564,650	34,229,894	(77,296)	3,427,642
<u>\$ 6,102,052</u>	<u>\$ 137,299,482</u>	<u>\$ 102,494,540</u>	<u>\$ 35,201,970</u>	<u>\$ (313,955)</u>	<u>\$ 5,391,069</u>

MCKINNEY INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
FOR THE YEAR ENDED JUNE 30, 2007

UNAUDITED

1	Total General Fund Balance as of 6/30/07 (Exhibit C-1 object 3000 for the General Fund Only)		\$ 49,666,660
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund Only)	\$	██████████
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund Only)	1,059,486	
4	Estimated amount needed to cover fall cash flow deficits in the Generm/3390 Tzall cash flow deficits in the		

MCKINNEY INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2007

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		

MCKINNEY INDEPENDENT SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2007

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
	REVENUES:			
5700 Total Local and Intermediate Sources	\$ 35,592,265	\$ 35,592,265	\$ 36,335,710	\$ 743,445
5800 State Program Revenues	1,018,241	1,018,241	1,198,186	179,945
5020 Total Revenues	36,610,506	36,610,506	37,533,896	923,390
EXPENDITURES:				
Debt Service:	16,151,860	16,151,860	16,151,860	-

FEDERAL AWARDS SECTION

PINGLETON, HOWARD & COMPANY, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 148

FRISCO, TEXAS 75034

972-335-9754/FAX 972-335-9758

TOM W. PINGLETON, CPA
RANDY HOWARD, CPA
R. WAYNE NABORS, CPA
ROBIN J. TURNBULL, CPA

MEMBERS
AMERICAN INSTITUTE of CPAs
AICPA DIVISION for CPA FIRMS
TEXAS SOCIETY of CPAs

GOVERNMENT AUDITING STANDARDS

McKinney Independent School District

/s/ Pingleton, Howard & Company, P.C.

MCKINNEY INDEPENDENT SCHOOL DISTRICT

MCKINNEY INDEPENDENT SCHOOL DISTRICT

- NONE -

MCKINNEY INDEPENDENT SCHOOL DISTRICT

- NONE -

MCKINNEY INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Collin County Community College</u>			
Vocational Ed. Tech Prep	84.243		\$ 104,820
Total Passed Through Collin County Community College			\$ 104,820
<u>Passed Through Region X ESC</u>			
ESEA, Title I, Part C - Migratory Children	84.011		\$ 15,619
Total Passed Through Region X ESC			\$ 15,619
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	7610101043907	\$ 1,451,359
IDEA - Part B, Formula	84.027	7660001043907	2,615,628
IDEA - Part B, Discretionary	84.027	7660006043907	171,281
Total CFDA Number 84.027			2,786,909