

McKINNEY COMMUNITY DEVELOPMENT CORPORATION
Project Grant Application
Fiscal Year 2022

Applications must be completed in full, using this form, and received by MCDC, via email or on a thumb drive. Contact us to discuss your plans and schedule a meeting with the Projects Subcommittee prior to completing the application.

Please submit application, including all supporting documentation, via email or on a thumb drive for consideration by the MCDC to:

McKinney Community Development Corporation
5900 S. Lake Forest Blvd., Suite 110
McKinney, TX 75070

Attn: Cindy Schneible (cschneible@mckinneycdc.org)

2022 Project Grant Application Schedule

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: December 31, 2021	January 27, 2022	February 24, 2022
Cycle II: March 31, 2022	April 28, 2022	May 26, 2022
Cycle III: June 30, 2022	July 28, 2022	August 25, 2022

APPLICATION

Project Grants support for projects eligible for consideration under Sections 501 and 505 of the Texas Local Government Code. These include:

- Projects Related to the Creation or Retention of Primary Jobs
- Infrastructure Improvement Projects Necessary to Develop New or Expanded Business Enterprises
- Public Parks and Open Space Improvements
- Projects Related to Recreational or Community (city/public access) Facilities
- Professional and Amateur Sports and Athletic Facilities, including Children's Sports
- Entertainment, Tourist and Convention Facilities
- Projects Related to Low Income Housing
- Mass Transit-Related Facilities (facilities and/or equipment)
- Airport Facilities

McKinney Community Development Corporation – Overview

In 1996 McKinney voters approved the creation of a 4B (now Type B) sales tax corporation to support community and economic development projects and initiatives to enhance quality of life improvements and economic growth for McKinney residents. MCDC receives revenue from a half-cent sales tax and awards grant funds for projects, promotional activities and community events that showcase the City of McKinney and support business development and tourism.

Guided by a City Council-appointed board of seven McKinney residents, the impact of investments made by MCDC can be seen throughout the community.

Projects eligible for funding are authorized under The Development Corporation Act and Chapters 501 to 505 of the Texas Local Government Code.

McKinney Community Development Corporation – Mission

To proactively work, in partnership with others, to promote and fund community, cultural and economic development projects that maintain and enhance the quality of life in McKinney and contribute to business development.

Guiding Principles:

- Serve ethically and with integrity
- Provide responsible stewardship
- Embrace our role and responsibility
- Honor the past – provide innovative leadership for the future
- Make strategic and transparent decisions that best serve the community

McKinney Community Development Corporation – Goals

- Ensure application/project eligibility for MCDC consideration under Sections 501 to 505 of the Texas Local Government Code (see information below)
- Meet citizen needs for quality of life improvements, business development and sustainable economic growth for residents in the City of McKinney
- Provide support for cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and increased McKinney sales tax revenue
- Highlight and promote McKinney as a unique destination for residents and visitors alike
- Demonstrate informed financial planning – addressing long-term costs, budget consequences and sustainability of projects for which funding is requested
- Educate the community about the impact that local dining and shopping has on investment in quality of life improvements in McKinney

General Guidelines

- Applications must be completed in full, **and provide all information requested**, to be considered by the MCDC board.
- Applicant must have been in business (preferably within the City of McKinney) for a minimum of two (2) years. The MCDC board may waive this requirement for economic development projects.

General Guidelines - continued

- The land, building or facility where the proposed project will be located should be owned by the Applicant. However, if the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed use of the property or facility; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- **Preference may be given** to Applicants who have **not** received funding from MCDC within the previous 12-month period.
- Performance agreements are required for all approved grants.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding for ten (10) years.
- Grant recipients must maintain financial books and records of the funded project and of their operations as a whole for at least two years, should MCDC or the City of McKinney require an audit. The books and records must be available upon request, and create a clear audit trail documenting revenues and expenses of the funded project.
- Within 30 days of completion of the funded project, the grant recipient is required to submit a final report that includes detailed information on the activity; visual documentation of pre and post-project completion; and any outstanding receipts for expenditures included under the scope of the grant.
- Grant recipient must recognize McKinney Community Development Corporation as a sponsor/funder of the project improvements. MCDC will provide a logo for grant recipient use.

Process

The McKinney Community Development Corporation Board of Directors are responsible for reviewing and voting on applications for grant funding, in accordance with requirements of the Texas Local Government Code.

- A completed application form must be submitted to MCDC in accordance with the schedule outlined above.
- The application will be evaluated to determine eligibility for MCDC funding under State law.
- Once eligibility for consideration is confirmed, a public hearing will be conducted, during a regularly scheduled MCDC board meeting, on the grant application submitted.
- Prior to the public hearing, notice will be published and posted in accordance with the requirements of the Open Meetings Act and the Texas Local Government Code. **The application, along with all documents/attachments will become public information once submitted to MCDC.**
- Following the public hearing, grant requests will be referred to a subcommittee of the MCDC board for evaluation and recommendation of approval or denial to the full board.
- Board action on the grant application will be scheduled for the board meeting the month following the public hearing.

- If a grant is approved, a performance agreement will be drafted for execution between MCDC and applicant.
- Funds awarded for approved applications are provided on a reimbursement basis, following submission of receipts and documentation of payment for qualified expenditures.
- The final 20% of the award may be withheld until a final project report is submitted to MCDC and compliance with all requirements of the executed performance agreement are confirmed.

APPLICANT INFORMATION

Name: Housing and Community Development Department

Company: City of McKinney

Federal Tax I.D.: 75-6000599

Incorporation Date: 1849

Mailing Address: PO Box 517

City: McKinney

ST: Texas

Zip: 75070

Phone: 972-547-7519

Fax: 972-547-2681

Email: ctodd@mckinneytexas.org

Website: www.mckinneytexas.org/HousingServices

Check One:

- Corporation
 Partnership
 Sole Proprietorship
 Governmental entity
 Nonprofit – 501(c) Attach a copy of IRS Determination Letter
 Other

PROJECT INFORMATION:

Project/Business Name: Property Maintenance Program (PMP)

Location of Project: City of McKinney

Physical Address: Site specific locations throughout the city on an application basis

City: McKinney

ST: TX

Zip:

Property Size: N/A acres

Collin CAD Property ID: N/A

Please provide the information requested below:

- An expansion/improvement Yes No
- A replacement/repair Yes No
- A multi-phase project Yes No
- A new project Yes No

PROPERTY OWNER INFORMATION *(if different from Applicant info above):*

Name:

Company:

Mailing Address:

City:

ST:

Zip:

Phone

Fax:

Email:

Cell:

DETAILED PROJECT INFORMATION:

Project Details and Proposed Use: Property Maintenance Program – Assist low income families that need exterior home repairs to prevent code violations. This program improves the quality of life so residents are living in safe, sanitary, affordable housing.

Estimated Date of Project Completion: September 30, 2023

Days/Hours of Business Operation: M-F, 8am-5pm

Estimated Annual Taxable Sales: N/A

Current Appraised Value of Property: N/A Estimated Appraised Value (*Post-Improvement*): N/A

Estimated Construction Cost for Total Project: Estimating \$20,000 per home (at least 8) assisted with funding.

Total Estimated Cost for Project Improvements included in grant request: \$160,000

Total Grant Amount Requested: \$160,000

Will funding be requested from any other City of McKinney entity (e.g. TIRZ Grant, City of McKinney 380, CDBG Grant)?

Yes

No

If yes, please provide details and funding requested: N/A

Has a request for grant funding been submitted to MCDC in the past?

Yes

No

Date(s): 2019 Project Grant Cycle II: March 30, 2019 - \$150,000

Will the project be competitively bid?

- Yes No

If yes, please attach bids for the project – **Each project will be competitively bid as homeowners are approved.**

Has a feasibility study or market analysis been completed for this proposed project? *If so, please attach a copy of the Executive Summary.*

Additional Information – please attach the following

- Business plan
- Current financial report
- Audited financials for previous two years (if not available, please indicate why)
- Plat/map of property extending 200' beyond property in all directions (if applicable to your project)
- Detailed budget for the project
- Describe planned support activities; use; admission fees if applicable
- Timeline and schedule – from design to completion
- Plans for future expansion/growth

Acknowledgements

If funding is approved by the MCDC board of directors, Applicant acknowledges the following:

- The Project for which financial assistance is sought will be administered by or under the supervision of the applying individual/company.
- All funds awarded will be used exclusively for the purpose described in this application.
- Applicant owns the land, building or facility where the proposed infrastructure improvements will be made. If the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed improvements and use of the property or building; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- MCDC will be recognized as a funder of the Project. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement.
- Individual/company representative who has signed the application is authorized to submit the application.
- Applicant will comply with the Grant Guidelines in executing the Project for which funds were awarded.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding from Grant for ten (10) years.

Acknowledgements - *continued*

- A final report detailing the successful completion of the Project will be provided to MCDC no later than 30 days following completion of the Project.
- Grant funding is provided on a reimbursement basis subsequent to submission of a reimbursement request, with copies of invoices and paid receipts for qualified expenses.
- Up to 20% of the grant funds awarded may be withheld until a final report on completion of the Project is provided to MCDC.
- A performance agreement will be required that may outline requirements for acknowledging MCDC funding support for the project. Additionally, it will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120th day after the date the MCDC notifies the applicant of the violation.

[The Remainder of this Page Intentionally Left Blank]

BY SIGNING THIS APPLICATION, I CERTIFY THAT I AM THE LEGAL OWNER OF THE ABOVE REFERENCED PROPERTY OR THAT I AM AUTHORIZED TO REPRESENT AND ACT ON THE BEHALF OF THE OWNER OF THE ABOVE REFERENCED PROPERTY. I ALSO CERTIFY THAT ALL OF THE INFORMATION PROVIDED HEREON IS ACCURATE AND TRUE SO FAR AS I AM AWARE AND UNDERSTAND THAT I AM LEGALLY RESPONSIBLE FOR THE ACCURACY OF THIS APPLICATION. I FURTHER UNDERSTAND THAT I AM NOT GUARANTEED A GRANT.

Applicant's Signature

Cristel Todd

Signature

Cristel Todd, Affordable Housing Administrator
Printed Name

12/30/21
Date

Property Owner's Signature

N/A

Signature

Printed Name

Date

INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.

A FINAL REPORT IS TO BE PROVIDED TO MCDC WITHIN 30 DAYS OF THE COMPLETION OF THE PROJECT. FINAL PAYMENT OF FUNDING AWARDED WILL BE MADE UPON RECEIPT OF FINAL REPORT.

City of McKinney, Texas

Single Audit Report

For the Fiscal Year Ended September 30, 2020

City of McKinney, Texas
Single Audit Report
For the Fiscal Year Ended September 30, 2020
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**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***

The Honorable Mayor and Members of the City Council of the
City of 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, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of McKinney, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

The Honorable Mayor and Members of the City Council of the
City of McKinney, Texas

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 10, 2021



Independent Auditor's Report on Compliance for Each Major Federal and State Program, Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State of Texas *Uniform Grant Management Standards*

To the Honorable Mayor and Members of the City Council of the City of McKinney, Texas

Report on Compliance for Each Major Federal and State Program

We have audited the City of McKinney, Texas (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas *Uniform Grant Management Standards* issued by the Texas Governor's Office of Budget and Planning that could have a direct and material effect on each of the City's major federal and state programs for the year ended September 30, 2020. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Uniform Grant Management Standards* issued by the Texas Governor's Office of Budget and Planning. Those standards, the Uniform Guidance, and the State of Texas Uniform Grant Management Standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2020.

The Honorable Mayor and Members of the City Council of the City of McKinney, Texas

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and Uniform Grant Management Standards, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 or state program on a timely basis. *A material weakness in internal control over compliance is a deficiency*, or 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 or state 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 or state 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance and the State of Texas *Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

The Honorable Mayor and Members of the City Council of the
City of McKinney, Texas

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State of Texas *Uniform Grant Management Standards*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic statements. We issued our report thereon dated February 10, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State of Texas *Uniform Grant Management Standards* and is 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 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 10, 2021

City of McKinney, Texas
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2020

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through To Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Programs:				
Homeland Security Grant Program	97.067	3691901	\$ 45,000	\$ -
Homeland Security Grant Program	97.067	3690701	74,063	-
Passed through Texas Office of the Governor - Homeland Security Grants Division:				
Homeland Security Grant Program	97.067	3616301	5,474	-
Homeland Security Grant Program	97.067	3916201	45,000	-
Total CFDA #97.067			169,537	-
Direct Programs:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2017-FH-00144	428,587	-
Total U.S. Department of Homeland Security			598,124	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grants/Entitlement Grants Cluster	14.218	B19MC480043	588,891	86,784
Passed through Texas Department of Housing & Community Affairs:				
Tenant Based Rental Assistance (TBRA)	14.239	1002853	83,274	-
Total U.S. Department of Housing and Urban Development			672,165	86,784
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
Watershed Rehabilitation Program	10.916	EFAL4-FED-59052	2,379,853	-
Total U.S. Department of Agriculture			2,379,853	-
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Federal Seizures - Equitable Sharing	16.922	TX0430500	76,166	-
Victims of Crime Assistance Formula Grant	16.575	3376602	58,837	-
Edward Byrne Justice Assistance Grant Program - COVID-19	16.738	N/A	30,229	-
Passed through City of Plano:				
Edward Byrne Justice Assistance Grant Program	16.738	2019-DJ-BX-0571	14,115	-
Total U.S. Department of Justice			179,347	-
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Texas Department of Transportation:				
Airport Improvement Program	20.106	17MPMCKNY	8,915	-
Airport Improvement Program	20.106	1918MCKNY	322,813	-
Airport Improvement Program	20.106	2018MCKNY	582,425	-
Total CFDA #20.106			914,153	-
Direct Programs:				
Urbanized Area Formula Program - Federal Transit Cluster	20.507	TX-2019-025-00	105,503	-
Direct Programs:				
STEP Comprehensive - Highway Safety Cluster	20.600	2020-McKinney-S-1YG-00107	67,943	-
Total U.S. Department of Transportation			1,087,599	-

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of McKinney, Texas

Schedule of Expenditures of Federal and State Awards – Continued For the Fiscal Year Ended September 30, 2020

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through To Subrecipients
U.S. DEPARTMENT OF TREASURY				
Passed through Collin County:				
Coronavirus Aid, Relief and Economic Security Act - Municipal Direct Expense Funding	21.019	N/A	8,961,155	4,174,000
Coronavirus Aid, Relief and Economic Security Act - COVID-19 Emergency Housing and Living Assistance Program	21.019	N/A	2,030,698	2,030,698
Coronavirus Aid, Relief and Economic Security Act - COVID-19 Emergency Housing and Living Assistance Program - Food Card Program	21.019	N/A	1,010,700	1,010,700
Total CFDA #21.019			12,002,553	7,215,398
Total U.S. Department of Treasury			12,002,553	7,215,398
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed through National Endowment for Arts (NEA):				
Texas Care Act	45.025	20-77746498	1,362	-
Total Institute of Museum and Library Services			1,362	-
TOTAL FEDERAL ASSISTANCE			\$ 16,921,003	\$ 7,302,182

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of McKinney, Texas

Schedule of Expenditures of Federal and State Awards – Continued

For the Fiscal Year Ended September 30, 2020

State Grantor/Pass-Through Grantor Program Title	Grantor or Pass-Through Grantor's Number	Program Award Expenditures
NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS		
JARC - MUTD	GR1806	\$ 6,539
Total Texas Department of Transportation		6,539
TEXAS STATE SOIL AND WATER CONSERVATION BOARD		
Dam Rehab NRCS Lake-4	EFAL4-RHB-ST2-009-20	688,328
Total Texas State Soil and Water Conservation Board		688,328
TEXAS HISTORICAL COMMISSION		
THS-MPAC	GR1911	14,600
Total Texas Historical Commission		14,600
TEXAS CARES ACT		
Monarch Butterflies	20-46498	5,625
Total Texas Cares Act		5,625
TEXAS DEPARTMENT OF TRANSPORTATION		
McKinney Urban Transit	URB 1902(33)	221,097
Routine Airport Maintenance Program	M2018MCKN	50,000
Airport Cares Grant	N/A	157,000
Custer Road Utility Relocations	CSJ:2351-01-022, -02-015	5,874,336
Total Texas Department of Transportation		6,302,433
NORTH CENTRAL TEXAS TRAUMA REGIONAL ADVISORY COUNCIL		
EMS NCTRAC	N/A	3,447
Total North Central Texas Trauma Regional Advisory Council		3,447
TEXAS DEPARTMENT OF HEALTH AND HUMAN SERVICES		
EMS - COVID-19	N/A	41,815
Total Texas Department of Health and Human Services		41,815
TOTAL STATE ASSISTANCE		\$ 7,062,787

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of McKinney, Texas

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1. General and Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (Schedule) includes the federal and state award activity of the City of McKinney, Texas (City) under programs of the federal and state governments for the year ended September 30, 2020. The accompanying notes are an integral part of this Schedule. The information in this Schedule 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) and the State of Texas *Uniform Grant Management Standards* issued by the Texas Governor's Office of Budget and Planning. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 2. Subrecipients

Of the state expenditures presented in the Schedule, the City provided no state awards to subrecipients.

Note 3. Non-Cash Assistance

The City received non-cash assistance from Texas Department of Transportation in the form of capital assets during the fiscal year ended September 30, 2020. The expenditures are listed within the Schedule of Federal Awards under the Airport Improvement Program for \$914,153.

Note 4. Loans

At September 30, 2020, the City had no loans or loan guarantees outstanding with federal or state awarding agencies.

Note 5. Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of McKinney, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2020

Section 1. Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

Noncompliance material to the financial statements noted? Yes No

Federal and State Awards

An unmodified opinion was issued on compliance for the major programs.

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or State of Texas *Uniform Grant Management Standards*? Yes No

Identification of major programs:

CFDA Number/Grant Identification Number

Major Federal Programs:

20.106
21.019

Name of Federal and State Program or Cluster

Airport Improvement Program
Coronavirus Aid, Relief, and Economic Security Grant (CARES)

Major State Program:

CSJ: 2351-01-022, -02-015

Custer Road Utility Relocations

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000 for federal programs
\$300,000 for state programs

Auditee qualified as low-risk auditee? Yes No

City of McKinney, Texas

Schedule of Findings and Questioned Costs – Continued
For the Fiscal Year Ended September 30, 2020

Section 2. Financial Statement Findings

None

Section 3. Federal and State Award Findings and Questioned Costs

None

Section 4. Schedule of Prior Year Findings and Questioned Costs

None

City of McKinney, Texas

Single Audit Reports

September 30, 2019

City of McKinney, Texas
September 30, 2019

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City of McKinney, Texas
Schedule of Expenditures of Federal and State Awards
Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Homeland Security</u>				
Direct Program				
Homeland Security Grant Program	97.067		\$ -	\$ 30,937
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		-	335,070
Total Department of Homeland Security			-	366,007
<u>Department of Justice</u>				
Direct Programs				
Federal Seizures - Equitable Sharing	16.922		-	68,881
Victims of Crime Assistance Formula Grant	16.575		-	57,557
Passed through from City of Plano				
Edward Byrne Justice Assistance Grant Program	16.738	2017-DJ-BX-0573, 2018-DJ-BX-0403	-	24,360
Total Department of Justice			-	150,798
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Direct Program				
TAP- Safety Access School	20.205		-	18,800
Total Highway Planning and Construction Cluster			-	18,800
Direct Program				
Urbanized Area Formula Program	20.507		-	82,861
Passed through from Texas Department of Transportation				
Urbanized Area Formula Program	20.507	5339-U-2016-McKinney*-00294	-	106,678
Highway Safety Cluster				
Direct Program				
STEP- Comprehensive	20.600		-	80,628
Total Highway Safety Cluster			-	80,628
Total Department of Transportation			-	288,967
<u>Department of Agriculture</u>				
Direct Program				
Watershed Rehabilitation Program	10.916		-	882,459
Total Department of Agriculture			-	882,459
<u>Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Direct Program				
Community Development Block Grants/Entitlement Grants	14.218		113,393	708,588
Passed through from Texas Department of Housing & Community Affairs				
Tenant Based Rental Assist. (TBRA)	14.239	1002853	-	58,006
Total Department of Housing & Urban Development			113,393	766,594

City of McKinney, Texas
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Institute of Museum and Library Services</u>				
Passed through from Texas State Library and Archives Commission FY2019 ILL Lending Reimbursement Program	45.310	901384	\$ -	\$ 10,512
Total Institute of Museum and Library Services			-	10,512
Total Federal Awards Expended			\$ 113,393	\$ 2,465,337

City of McKinney, Texas
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended September 30, 2019

Granting Agency/Grant Program	Grant or Identifying Number	Amount Expended
North Central Texas Council of Governments		
JARC - MUTD	PK4396	\$ 3,675
TWDB Flood Protection	1600012047	<u>75,425</u>
Total North Central Texas Council of Governments		<u>79,100</u>
Texas State Soil and Water Conservation Board		
Dam Rehab NRCS Lake 4	EFALA-ST-50035	<u>451,412</u>
Texas Historical Commission		
THC-MPAC	GR1911	<u>29,400</u>
Texas Department of Transportation (TXDOT)		
Routine Airport Maintenance Program	M1918MCKN	50,000
McKinney Urban Transit	URB 1702 (33)	146,776
McKinney Urban Transit	URB 1902 (33)	<u>136,773</u>
Total Texas Department of Transportation (TXDOT)		<u>333,549</u>
		<u>\$ 893,461</u>

City of McKinney, Texas
Notes to Schedules of Expenditures of Federal and State Awards
September 30, 2019

Notes to Schedule

1. The accompanying schedule of expenditures of federal and state awards (Schedule) includes the federal and state award activity of the City of McKinney, Texas (City) under programs of the federal and state governments for the year ended September 30, 2019. The accompanying notes are an integral part of this Schedule. The information in this Schedule 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) and the State of Texas *Uniform Grant Management Standards*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of the Financial Statements Performed in
Accordance with *Government Auditing Standards* and the State of Texas *Uniform
Grant Management Standards***

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of McKinney, Texas
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, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of McKinney, Texas (City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 may exist that have not been identified.

The Honorable Mayor and Members of the City Council
McKinney, Texas
Page 6

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 determination of financial statement amounts. 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*.

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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Dallas, Texas
January 29, 2020

Report on Compliance for the Major Federal and State Programs; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State of Texas *Uniform Grant Management Standards*

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of McKinney, Texas
McKinney, Texas

Report on Compliance for the Major Federal and State Programs

We have audited the City of McKinney, Texas (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on the City's major federal and state programs for the year ended September 30, 2019. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with statutes, regulations, contracts and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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) and the State of Texas *Uniform Grant Management Standards*. Those standards, Uniform Guidance and the State of Texas *Uniform Grant Management Standards* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audits provide a reasonable basis for our opinion on compliance for the major federal and state programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal and State Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal and state programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal and state programs 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 or state 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 and the State of Texas *Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State of Texas *Uniform Grant Management Standards*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of McKinney, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise City's basic financial statements. We issued our report thereon dated January 29, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and the State of Texas *Uniform Grant Management Standards* 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 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 auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Dallas, Texas
January 29, 2020

City of McKinney, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2019

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified Qualified Adverse Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? Yes None reported

Material weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards program disclosed:

Significant deficiency(ies)? Yes None reported

Material weakness(es)? Yes No

5. The opinion expressed in the independent auditor's report on compliance for a major federal award was:

Unmodified Qualified Adverse Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

Yes No

City of McKinney, Texas
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2019

7. The City's major federal program was:

Cluster/Program	CFDA Number
Watershed Rehabilitation Program	10.916

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The City qualified as a low-risk auditee?

Yes No

State Awards

10. The independent auditor's report on internal control over compliance for a major state award program disclosed:

Significant deficiency(ies)? Yes None reported

Material weakness(es)? Yes No

11. The opinions expressed in the independent auditor's report on compliance for a major state award were:

Unmodified Qualified Adverse Disclaimer

12. The audit disclosed findings required to be reported by the State of Texas *Uniform Grant Management Standards*:

Yes No

13. The City's major state program was:

Grant Program
Dam Rehab NRCS Lake 4

14. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the State of Texas *Uniform Grant Management Standards* was \$300,000.

15. The City qualified as a low-risk auditee as that term is defined in the State of Texas *Uniform Grant Management Standards*?

Yes No

City of McKinney, Texas
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2019

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding	Questioned Costs
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No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding	Questioned Costs
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No matters are reportable.

Findings Required to be Reported by the State of Texas *Uniform Grant Management Standards*

Reference Number	Finding	Questioned Costs
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No matters are reportable.

City of McKinney, Texas
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2019

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Summary of Finding	Status
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No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Summary of Finding	Status
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No matters are reportable.