

McKINNEY COMMUNITY DEVELOPMENT CORPORATION
Project Grant Application
Fiscal Year 2023

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
7300 SH 121, SB, Suite 200
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 30, 2022	January 26, 2023	February 23, 2023
Cycle II: March 31, 2023	April 27, 2023	May 25, 2023
Cycle III: June 30, 2023	July 27, 2023	August 24, 2023

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
- Destination Entertainment, Tourist and Convention Facilities
- Projects Related to Low Income Housing
- Airport Facilities

McKinney Community Development Corporation – Overview

In 1996 McKinney voters approved the creation of an economic development sales tax corporation (Type B 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 grants are considered only if eligible for funding 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 that are authorized in the Texas Local Government Code
- 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.: 75-60000599

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

Cell:

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 provides quality of life so residents are living in safe, sanitary, affordable housing. We recently added owner occupied mobile homes to the program. There are three mobile home parks in the City of McKinney.

1. Bramblewood (200 Robilyn Dr) – 200 units (83 need extensive repairs)
2. High Point (2201 S Hwy 5) – 175 units (81 need extensive repairs)
3. Southward (1414 S Tennessee St) – 52 units (28 need extensive repairs)

Repairs needed for the mobile home units range from broken windows, broken/missing entry steps, carpports cracked and sagging, deck boards missing and/or damaged, exposed electrical, wood trims missing and/or damaged around the perimeter of the home, dry rot on patio overhangs and handrails, damaged wooden wheelchair ramps, water leaks, and large holes and cracks along the siding of the homes.

Estimated Date of Project Completion: September 30, 2024

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 single family home (up to 8) assisted with funding. Estimating \$10,000 per mobile home (at least 4) assisted with funding.

Total Estimated Cost for Project Improvements included in grant request: \$200,000

Total Grant Amount Requested: \$200,000

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): 2022 Project Grant Cycle III - \$160,000 & 2019 Project Grant Cycle II: \$150,000

Will the project be competitively bid?

Yes

No

If yes, please attach bids for the project

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.

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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

Property Owner's Signature

Signature

Signature

Cristel Todd, Affordable Housing Administrator
Printed Name

Printed Name

6/30/23
Date

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, 2022



City of McKinney, Texas
Single Audit Report
For the Fiscal Year Ended September 30, 2022
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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 aggregate 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, 2022, 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 15, 2023.

Report on 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 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 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 were not identified.

Report on 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 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 15, 2023



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 Texas Grant Management Standards

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

Opinion on Each Major Federal and State Program

We have audited the City of McKinney, Texas (the City)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the Texas Grant Management Standards 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, 2022. 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.

In our opinion, the City 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 and state programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal and State 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*); 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 Texas Grant Management Standards (TxGMS) issued by the Texas Governor's Office of Budget and Planning. Our responsibilities under those standards, the Uniform Guidance, and TxGMS 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 City 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 and state program. Our audit does not provide a legal determination of the City'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 City's federal and state programs.

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

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 City'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*, the Uniform Guidance, and TxGMS 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 City's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS, 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 City'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 City'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 and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the City'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 or state 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 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.

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

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 and TxGMS. 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 Texas 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 as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic statements. We issued our report thereon dated February X, 2023, 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 Texas 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 15, 2023

City of McKinney, Texas

Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended September 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through To Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Texas Office of the Governor - Homeland Security Grants Division:				
Homeland Security Grant Program	97.067	EMW-2020-SS-00054	\$ 83,962	\$ -
Homeland Security Grant Program	97.067	EMW-2021-SS-00062	22,830	-
Homeland Security Grant Program	97.067	EMW-2019-SS-00034-S01	47,979	-
Total Assistance Listing #97.067			<u>154,771</u>	<u>-</u>
Total U.S. Department of Homeland Security			154,771	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Continuum of Care - Rapid Housing Grant	14.267	TX0550LST002001	124,200	-
Continuum of Care - Rapid Housing Grant	14.267	TX0550L6T002102	10,003	-
Total Assistance Listing # 14.267			<u>134,203</u>	<u>-</u>
Community Development Block Grants - 2018	14.218	B18MC480043	66,267	-
Community Development Block Grants - 2020	14.218	B20MC480043	273,702	24,389
Community Development Block Grants - 2021	14.218	B21MC480043	385,524	93,859
COVID-19 - Community Development Block Grants	14.218	B19MC480043	21,619	3,867
COVID-19 - Community Development Block Grants - MELAP	14.218	B20MW480043	1,034,004	1,034,004
Passed through Texas Department of Housing & Community Affairs:				
COVID-19 - Community Development Block Grants - TERAP	14.218	B20DW480001	64	-
Total CDBG Entitlement Grants Cluster			<u>1,781,180</u>	<u>1,156,119</u>
Passed through Texas Department of Housing & Community Affairs:				
Tenant Based Rental Assistance (TBRA)	14.239	1003095	18,532	-
Total U.S. Department of Housing and Urban Development			<u>1,933,915</u>	<u>1,156,119</u>
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Federal Seizures - Equitable Sharing	16.922	TX0430500	129,277	-
Victims of Crime Assistance Formula Grant	16.575	2020-V2-GX-0004	66,992	-
Passed through City of Plano:				
Edward Byrne Justice Assistance Grant Program	16.738	15PBJA-21-GG-01894-JAGX	16,675	-
Total U.S. Department of Justice			<u>212,944</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Texas Department of Transportation:				
Airport Improvement Program	20.106	2118KINNY	75,030	-
Airport Improvement Program	20.106	22CVKINNY	148,000	-
Total Assistance Listing #20.106			<u>223,030</u>	<u>-</u>
Highway Planning and Construction Cluster	20.205	CSJ: 2351-01-017	154,198	-
Passed through North Texas Central Texas Council of Governments:				
Highway Planning and Construction Cluster	20.205	Regional MIIP	23,883	-
Total Highway Planning and Construction Cluster			<u>178,081</u>	<u>-</u>
Direct Programs:				
Urbanized Area Formula Program	20.507	TX-2019-025-00	353,128	-
COVID-19 - Urbanized Area Formula Program	20.507	TX-2020-133-00	716,880	-
Total Federal Transit Cluster			<u>1,070,008</u>	<u>-</u>
STEP Comprehensive - Highway Safety Cluster	20.600	2022-McKinney-S-1YG-00103	54,972	-
Total Highway Safety Cluster			<u>54,972</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,526,091</u>	<u>-</u>

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, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through To Subrecipients
U.S. DEPARTMENT OF TREASURY				
Passed through Collin County:				
Emergency Rental Assistance Program	21.023	B-20DW-48-0001	4,733,947	4,695,784
Total U.S. Department of Treasury			4,733,947	4,695,784
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed through Texas State Library and Archives Commission:				
Interlibrary Loan Lending Reimbursement Program	45.310	LS-249990-OLS-21	4,251	-
Total Institute of Museum and Library Services			4,251	-
TOTAL FEDERAL ASSISTANCE			\$ 8,565,919	\$ 5,851,903

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, 2022

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	\$ 1,988
Passed through Texas Department of Transportation: E Louisiana Infrastructure Improvement Phase 1	CSJ:0918-24-258	<u>396,310</u>
Total North Central Texas Council of Governments		398,298
TEXAS CARES ACT		
Silos Art Mural	77748687	<u>82,000</u>
Total Texas Cares Act		82,000
TEXAS DEPARTMENT OF TRANSPORTATION		
McKinney Urban Transit - 2020	STATE-U-2020-McKinney*-00210	296,610
McKinney Urban Transit - 2021	STATE-U-2021-McKinney*-00095	162,853
Extend Runway 18-36 & Parallel Taxiway B 1500' South	2018MCKNY	818,428
Routine Airport Maintenance Program	M2218MCKN	50,000
US 75 High Mast Lighting Upgrades	TR2026	10,055
Custer Road Utility Relocations	CSJ:2351-01-022, -02-015	<u>134,620</u>
Total Texas Department of Transportation		<u>1,472,566</u>
TOTAL STATE ASSISTANCE		<u>\$ 1,952,864</u>

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, 2022. 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, 2022. The expenditures are listed within the Schedule of Federal Awards under the Airport Improvement Program for \$75,030 and within the Schedule of State Awards under the Extend Runway Program for \$818,428.

Note 4. Loans

At September 30, 2022, 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, 2022

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:

Assistance Listing/Grant Identification Number

Major Federal Programs:

20.507
21.023

Name of Federal and State Program or Cluster

Federal Transit Cluster
COVID-19 Emergency Rental Assistance Program

Major State Program:

2018MCKNY

Extend Runway 18-36 & Parallel Taxiway B
1500' South

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

\$750,000 for federal programs
\$750,000 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, 2022

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 Report

For the Fiscal Year Ended September 30, 2021



City of McKinney, Texas
Single Audit Report
For the Fiscal Year Ended September 30, 2021
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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, 2021, 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 9, 2022.

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 9, 2022



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, 2021. 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic statements. We issued our report thereon dated February 9, 2022, 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 9, 2022

City of McKinney, Texas
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through To Subrecipients
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Texas Office of the Governor - Homeland Security Grants Division:				
Homeland Security Grant Program	97.067	3616301	\$ 94,436	\$ -
Homeland Security Grant Program	97.067	4126301	78,657	-
Total Assistance Listing #97.067			173,093	-
Direct Programs:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2017-FH-00144	193,084	-
Total U.S. Department of Homeland Security			366,177	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Continuum of Care - Rapid Housing Grant	14.267	TX0550LST001900	94,683	-
Continuum of Care - Rapid Housing Grant	14.267	TX0550LST002001	13,813	-
Total Assistance Listing #14.267			108,496	-
Community Development Block Grants	14.218	B17MC480043	64,163	-
Community Development Block Grants	14.218	B18MC480043	201,341	-
Community Development Block Grants	14.218	B20MC480043	408,928	125,896
COVID-19 - Community Development Block Grants - MELAP	14.218	B20MW480043	186,571	93,529
COVID-19 - Community Development Block Grants	14.218	B19MC480043	5,097	2,023
Passed through Texas Department of Housing & Community Affairs:				
COVID-19 - Community Development Block Grants - TERAP	14.218	B20DW480001	205,309	200,695
Total CDBG Entitlement Grants Cluster			1,071,409	422,143
Passed through Texas Department of Housing & Community Affairs:				
Tenant Based Rental Assistance (TBRA)	14.239	1002853	50,627	-
COVID-19 - Tenant Based Rental Assistance (TBRA)	14.239	2020-0034COVID	35,487	-
Total Assistance Listing #14.239			86,114	-
Total U.S. Department of Housing and Urban Development			1,266,019	422,143
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
Watershed Rehabilitation Program	10.916	EFAL4-FED-59052	454,052	-
Total U.S. Department of Agriculture			454,052	-
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Federal Seizures - Equitable Sharing	16.922	TX0430500	134,467	-
Victims of Crime Assistance Formula Grant	16.575	3376603	65,646	-
COVID-19 - Edward Byrne Justice Assistance Grant Program	16.034	2020-VD-BX-1573	30,408	-
Passed through City of Plano:				
Edward Byrne Justice Assistance Grant Program	16.738	2020-DJ-BX-0639	13,430	-
Total U.S. Department of Justice			243,951	-
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Texas Department of Transportation:				
Airport Improvement Program	20.106	2018MCKNY	755,324	-
COVID-19 - Airport Improvement Program	20.106	Airfield Pavement Rehab - CARES	21,588	-
COVID-19 - Airport CRRSAA	20.106	21CRKINNY	91,162	-
Total Assistance Listing #20.106			868,074	-
Passed through Texas Department of Transportation:				
Highway Planning and Construction Cluster	20.205	CSJ #0135-02-063: 0135-03-051	577,980	-
Direct Programs:				
Urbanized Area Formula Program - Federal Transit Cluster	20.507	TX-2019-025-00	138,939	-
COVID-19 - Urbanized Area Formula Program - Federal Transit Cluster	20.507	TX-2020-133-00	2,976	-
Total Assistance Listing #20.507			141,915	-
Direct Programs:				
STEP Comprehensive - Highway Safety Cluster	20.600	2021-McKinney-S-1YG-00108	60,999	-
Total U.S. Department of Transportation			1,648,968	-

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, 2021

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through To Subrecipients
U.S. DEPARTMENT OF TREASURY				
Passed through Collin County:				
COVID-19 - Coronavirus Relief Fund - Municipal Direct Expense Funding	21.019	N/A	1,150,783	-
COVID-19 - Coronavirus Relief Fund - Emergency Housing and Living Assistance Program	21.019	N/A	1,618,304	1,618,304
COVID-19 - Coronavirus Relief Fund - Emergency Housing and Living Assistance Program - Food Card Program	21.019	N/A	1,848,700	1,848,700
Total Assistance Listing #21.019			<u>4,617,787</u>	<u>3,467,004</u>
Emergency Rental Assistance Program	21.023	B-20DW-48-0001	3,216,840	3,216,840
Total U.S. Department of Treasury			<u>7,834,627</u>	<u>6,683,844</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
COVID-19 - Provider Relief Fund	93.498	N/A	23,375	-
Total U.S. Department of Health and Human Services			<u>23,375</u>	<u>-</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed through Texas State Library and Archives Commission:				
Interlibrary Loan Lending Reimbursement Program	45.310	901384	8,873	-
Total Institute of Museum and Library Services			<u>8,873</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 11,846,042</u>	<u>\$ 7,105,987</u>

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, 2021

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	\$ 11,075
Traffic Sign Controller	N/A	7,648
Total Texas Department of Transportation		<u>18,723</u>
TEXAS STATE SOIL AND WATER CONSERVATION BOARD		
Dam Rehab NRCS Lake-4	EFAL4-RHB-ST2-009-20	232,265
Total Texas State Soil and Water Conservation Board		<u>232,265</u>
TEXAS CARES ACT		
Monarch Butterflies	20-46498	11,875
Total Texas Cares Act		<u>11,875</u>
TEXAS DEPARTMENT OF TRANSPORTATION		
McKinney Urban Transit	URB 2102(26)	261,156
Routine Airport Maintenance Program	M2018MCKN	50,000
US 75 High Mast Lighting Upgrades	N/A	29,945
Custer Road Utility Relocations	CSJ:2351-01-022, -02-015	1,516,079
Total Texas Department of Transportation		<u>1,857,180</u>
TEXAS STATE ECONOMIC DEVELOPMENT & TOURISM		
2019 NCAA National Champ	N/A	82,783
Total North Central Texas Trauma Regional Advisory Council		<u>82,783</u>
TOTAL STATE ASSISTANCE		<u><u>\$ 2,202,826</u></u>

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, 2021. 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, 2021. The expenditures are listed within the Schedule of Federal Awards under the Airport Improvement Program for \$868,074.

Note 4. Loans

At September 30, 2021, 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, 2021

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:

Assistance Listing/Grant Identification Number

Name of Federal and State Program or Cluster

Major Federal Programs:

- 14.218
- 21.106
- 21.019
- 21.023

- CDBG Entitlement Grants Cluster
- Airport Improvement Program
- COVID-19 Coronavirus Relief Fund
- COVID-19 Emergency Rental Assistance Program

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, 2021

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