

LEWISVILLE CITY COUNCIL

REGULAR SESSION

April 6, 2026

6:30 P.M.

Present:

TJ Gilmore, Mayor

Council Members:

Ronni Cade, Mayor Pro Tem - absent
Bob Troyer, Deputy Mayor Pro Tem
William Meridith
Lonnie Tipton
Kristin Green
Patrick Kelly

City Staff:

Claire Powell, City Manager - absent
Gina McGrath, Deputy City Manager
Shante Akafia, Assistant City Manager
Liz Plaster, City Attorney
Lauren Crawford, Deputy City Attorney
Jennifer Malone-Ippolito, City Secretary

With a quorum of the Council Members present, the workshop session of the Lewisville City Council was called to order by Mayor Gilmore at 6:30 p.m. on Monday, April 6, 2026, in the City Council Conference Room of Lewisville City Hall, 151 West Church Street, Lewisville, Texas. City Department Heads were also in attendance.

WORKSHOP SESSION

Discussion of Regular Agenda Items and Consent Agenda Items

(Agenda Item A)

Mayor Gilmore led a discussion of regular agenda items and consent agenda items and received questions and comments from City Council and City staff.

Planning Director Richard Luedke answered questions regarding Item Nos. D-1 and D-2; Director of Public Services Aaron Russell answered questions regarding Item No. F-7; Deputy City Manager Gina McGrath answered questions regarding Item Nos. F-8 and F-13; Arts Center Manager Denise Helbing answered questions regarding Item No. F-11; and, Fire Chief Mark McNeal answered a question regarding Item No. F-12.

**Review Annual Comprehensive Financial
Report & Popular Annual Financial Report
for FY 2025**

(Agenda Item B)

At the request of Mayor Gilmore, John DeBurro, Partner, Weaver and Tidwell gave a presentation regarding a Review Annual Comprehensive Financial Report & Popular Annual Financial Report for FY 2025 and received questions and comments from City Council and City staff.

Mayor Gilmore RECESSED Workshop Session at 7:00 p.m.

Mayor Gilmore RECONVENED Workshop Session at 7:02 p.m.

Special Event Grant Program

(Agenda Item C)

This workshop will be rescheduled to a future meeting.

REGULAR SESSION

With a quorum of the Council Members present, the regular session of the Lewisville City Council was called to order by Mayor Gilmore at 7:00 p.m. on Monday, April 6, 2026.

Mayor Gilmore RECESSED Regular Session at 7:01 p.m.

Invocation

(Agenda Item A)

Mayor Gilmore gave the invocation.

Pledge to the American and Texas Flags

(Agenda Item B)

At the request of Mayor Gilmore, Councilmember William Meridith gave the pledge to the United States and Texas flags.

**Proclamation Declaring the Month of April,
2026 as “Child Abuse Prevention Month.”**

(Agenda Item C-1)

Mayor Gilmore presented the proclamation to Jeff Underwood, a representative with CASA of Denton County, and other representatives from CASA of Denton County. Mr. Underwood spoke regarding the proclamation.

Recognition of the National Merit Finalists

(Agenda Item C-2)

Mayor Gilmore presented recognitions to the LISD National Merit Finalists.

**Proclamation Declaring April 12-16, 2026, as
“Public Safety Telecommunicators Week”.**

(Agenda Item C-3)

Mayor Gilmore presented the proclamation to Police Chief Brook Rollins, Dispatch Manager Connie Allen and Police Department staff. Ms. Allen spoke regarding the proclamation.

Continued Public Hearing: Consideration of an Ordinance of the Lewisville City Council, Amending the Zoning Ordinance by Rezoning Approximately 0.6158 Acres of Land, Legally Described as Lots 5 and 6 and a Portion of Lots 11 and 12, Block 3, O.B. Dick Subdivision; Located at the Southwest Corner of South Cowan Avenue and Hickory Street; From Old Town Mixed Use Two (OTMU-2) District Zoning to Planned Development Old Town Mixed Use Two (PD-OTMU-2) District Zoning; Correcting the Official Zoning Map; Preserving all Other Portions of the Zoning Ordinance; Determining That the Zoning Amendment Herein Made Promotes the Health, Safety, and General Welfare of the City; Providing for a Savings Clause, Repealer, Severability, a Penalty, and an Effective Date, as Requested by Steven Homeyer, Homeyer Engineering Inc., on Behalf of 421 S Cowan St LLC., the Property Owner (Case No. 24-12-3-PZ).

(Agenda Item D-1)

The owner purchased the property located at 421 South Cowan Avenue and the property to the west in 2023. The applicant is proposing to develop the two properties as a 13 unit townhome community. A Letter of Design Approval from the Old Town Development Review Committee was granted in November 2024 for the exterior elevations and site layout. The Planning and Zoning Commission recommended approval of this request by a vote of 4-1 on December 2, 2025. On January 5, 2026, the City Council continued this public hearing to the January 26, 2026, City Council meeting to give the applicant an opportunity to be present to address City Council concerns. That meeting was cancelled due to inclement weather. Subsequently, the applicant requested that the public hearing be continued to provide additional time to prepare and submit an economic incentive application related to a revised townhouse layout on the property. Staff readvertised the public hearing to appear on the March 2, 2026 City Council agenda since the meeting that the original public hearing was continued to was cancelled. At that meeting, the City Council continued the

public hearing to April 6, 2026. Since that time, the property owner has requested that the application be withdrawn.

The City staff's recommendation was that the City Council close the public hearing and take no action.

Richard E. Luedke, AICP, Planning Director was available to answer questions posed by the City Council.

MOTION: Upon a motion made by Deputy Mayor Pro Tem Troyer and seconded by Councilmember Green, the Council voted five (5) "ayes" and no (0) "nays" to close the public hearing and take no action. The motion carried.

Mayor Gilmore closed the public hearing at 7:18 p.m.

Public Hearing: Consideration of Ordinance No. 0830-26-SUP, an Ordinance of the Lewisville City Council, Amending the Zoning Ordinance by Granting a Special Use Permit for a Backyard Cottage on Approximately 0.3084 Acres Legally Described as Lot 1, Block A, Park Place Addition, Located at 1001 Forest Park Drive, and Zoned Single Family Residential (R-12) District; as Requested by Ainsley Stelling and Jeff Woods, the Property Owners. (Case No. 26-01-2-SUP)

(Agenda Item D-2)

The property owners are seeking to replace an existing detached garage with a backyard cottage to provide housing for a family member. The Unified Development Code includes supplemental regulations for backyard cottages, including a requirement of ten feet of separation from the principal building. The property owners cannot meet this requirement and are requesting a special use permit to allow the backyard cottage to have less than ten feet of separation. The Planning and Zoning Commission recommended unanimous approval, (6-0), with Commissioner Ainsley Stelling recusing herself, on March 17, 2026.

The City staff's recommendation was that the City Council approve the ordinance as set forth in the caption.

Richard E. Luedke, AICP, Planning Director was available to answer questions posed by the City Council.

Mayor Gilmore opened the public hearing at 7:19 p.m.

MOTION: Upon a motion made by Councilmember Kelly and seconded by Councilmember Green, the Council voted five (5) “ayes” and no (0) “nays” to close the public hearing. The motion carried.

Mayor Gilmore closed the public hearing at 7:19 p.m.

MOTION: Upon a motion made by Councilmember Green and seconded by Councilmember Kelly, the Council voted five (5) “ayes” and no (0) “nays” to approve **Ordinance No. 0830-26-SUP**, as set forth in the caption. The motion carried.

Mayor Gilmore explained that Item Nos. D-3 and D-4 are related items. For the sake of efficiency, the public hearings for both items will be opened and the hearings will be conducted concurrently, including hearing presentations and public testimony for both items. Once the public hearings are closed, the City Council will take separate votes on each item.

Public Hearing: Consideration of Ordinance No. 0831-26-ZON, an Ordinance of the Lewisville City Council, Amending Ordinance Number 0428-22-ZON by Amending Section IV, Crown Centre Subdistrict, to Include new Standards for Concept Plan Amendments That Outline Major and Minor Concept Plan Modification Criteria, a Modified Schedule of Uses That Deletes “Extended Stay Facilities”, Modified Standards Applicable to Multi Family Dwellings to Adjust the Allowable Unit Counts, Building Height, and Non Residential Square Footage Requirements, Modified Site Design and Development Standards for On Street Parking and Screening to Provide Additional Parking and Screening Options Along Pedestrian Priority Frontages, and new Standards Regarding Ground Floor Uses to Provide Specific Requirements for Live/Work Units; Providing for a Repealer, Severability, a Penalty, and an Effective Date.

(Agenda Item D-3)

Crown Centre is a subdistrict located within Castle Hills that was first brought forth to City Council as a variance package in 2020. It has since been adopted in the Castle Hills Planned Development with its own unique set of development standards. It consists of approximately 140

acres located at the southwest corner of SH 121 Business and the SH 121 Frontage Road (Sam Rayburn Tollway) and is bisected by FM 544. The Castle Hills Planned Development Ordinance, 0428-22-ZON, allows for text amendments following the same process as text amendments to the Unified Development Code. The office market has shifted since Crown Centre's development standards were originally adopted. Staff has worked with the developer's planning consultant team over the past few months to produce amendments to the text of the Crown Centre Subdistrict portion of the planned development to reflect this shift. The proposed ordinance is a companion item to item number D.4 on this meeting agenda. The Planning and Zoning Commission recommended unanimous approval (7-0) on March 3, 2026.

The City staff's recommendation was that the City Council approve the ordinance as set forth in the caption.

Richard E. Luedke, AICP, Planning Director was available to answer questions posed by the City Council.

Mayor Gilmore opened the public hearing at 7:22 p.m.

Public Hearing: Consideration of Ordinance No. 0832-26-ZON, an Ordinance of the Lewisville City Council, Amending the Zoning Ordinance by Amending Exhibit B to Ordinance No. 0428 22 ZON to Amend the Planned Development Concept Plan set Forth in Exhibit 4B (the Crown Centre Subdistrict Conceptual Plan), the Planned Development Framework Plan set Forth in Exhibit 4C (the Crown Centre Subdistrict Framework Plan), and the Planned Development Circulation Cross Sections set Forth in Exhibit 4D (the Crown Centre Subdistrict Circulation Cross Sections) Therein, Thereto by Amending the Concept Plan, Framework Plan, and Circulation Cross Sections for Approximately 114.133 Acres of Land, out of the Samuel H. Hayden Survey, A 537, the J. E. McWhorter Survey, A 1690, the B.B.B. and C.R.R. Co. Survey, A 180, and the Harrison Young Survey, A 1448, With Portions Legally Described as Crown Centre Tract A Phase 1 Addition, Block A, Lots 5X, 6, 7X, 9; and Castle Hills Crown Centre Tract B Phase I

Addition, Block A, Lot 2; Located on the Southwest Corner of State Highway 121 Business and State Highway 121 (Sam Rayburn Tollway), Correcting the List of Existing Planned Development Districts; Preserving all Other Portions of the Zoning Ordinance; Determining That the Zoning Amendment Herein Made Promotes the Health, Safety, and General Welfare of the City; Providing for a Savings Clause, Repealer, Severability, a Penalty, and an Effective Date as Requested by Marissa Brewer, McAdams, On Behalf of Bright Realty, the Property Owner (Case No 25-12-5-PZ).

(Agenda Item D-4)

Crown Centre is a specific area located within Castle Hills that was first brought forth to City Council as a variance package in 2020. It has since been adopted in the Castle Hills Planned Development (PD) as a subdistrict within the overall PD with its own unique set of development standards. It consists of approximately 140 acres located at the southwest corner of SH 121 Business and the SH 121 Frontage Road (Sam Rayburn Tollway) and is bisected by FM 544. Crown Centre, which has three subareas, was originally proposed to provide a pedestrian oriented, mixed use urban development environment, with a high concentration of office uses. The office market has shifted since Crown Centre's development layout was originally adopted and, as such, the developer is seeking to amend the associated exhibits to reflect this shift. The applicant is proposing amendments to the following Crown Centre Subdistrict exhibits: 1. Concept Plan Exhibit 4B; 2. Framework Plan Exhibit 4C; and, 3. Circulation Cross Section Exhibit 4D. The proposed ordinance is a companion to item D.3 on this meeting agenda. The Planning and Zoning Commission recommended unanimous (7-0) approval on March 3, 2026.

The City staff's recommendation was that the City Council approve the ordinance as set forth in the caption.

Richard E. Luedke, AICP, Planning Director was available to answer questions posed by the City Council.

Mayor Gilmore opened the public hearing at 7:24 p.m.

Mr. Luedke gave a presentation.

MOTION: Upon a motion made by Councilmember Meridith and seconded by Councilmember Kelly, the Council voted five (5) “ayes” and no (0) “nays” to close the public hearing. The motion carried.

Mayor Gilmore closed the public hearing at 7:38 p.m.

Item No. D-3:

MOTION: Upon a motion made by Councilmember Kelly and seconded by Councilmember Green, the Council voted five (5) “ayes” and no (0) “nays” to approve **Ordinance No. 0831-26-ZON**, as set forth in the caption. The motion carried.

Item No. D-4:

MOTION: Upon a motion made by Councilmember Green and seconded by Councilmember Tipton, the Council voted five (5) “ayes” and no (0) “nays” to approve **Ordinance No. 0832-26-ZON**, as set forth in the caption. The motion carried.

Visitors Forum

(Agenda Item E)

There were no speakers for Visitors Forum.

CONSENT AGENDA

(Agenda Item F)

MOTION: Upon a motion made by Deputy Mayor Pro Tem Troyer, and seconded by Councilmember Green, the Council voted five (5) “ayes” and no (0) “nays” to approve the Consent Agenda as presented.

5. **APPROVAL OF MINUTES:** City Council Minutes of the March 2, 2026, Workshop Session and Regular Session
6. Approval of a Bid Award for the Construction of the King Arthur Boulevard Traffic Calming Project to Quick Set Construction, LLC, Inc., in the Amount of \$441,947.17; and Authorization for the City Manager, or Her Designee, to Execute the Agreement.
7. Approval of a Bid Award for the Prairie Creek Wastewater Treatment Plant Aeration Basin Expansion Project to Crescent Constructors, INC., in the Amount of \$92,340,268.65; and Authorization for the City Manager, or Her Designee, to Execute the Agreement.
8. Approval of a Bid Award for Annual Requirements Contracts for Mowing & Landscape Services of Zones 4, 5, 7, 8 and 9 to Yellowstone

Landscape in an Estimated Annual Amount of \$836,508; and Authorization for the City Manager, or Her Designee, to Execute the Contracts.

9. Approval of a Professional Services Agreement with Kleinfelder, Inc. for Construction Material Testing Services for the Midway Branch Force Main Project in the Amount of \$158,340, and Authorization for the City Manager, or her Designee, to Execute the Agreement.
10. Approval of a Professional Services Agreement with Dunaway Associates, LLC. in the Amount of \$762,323 for Design Services for the McKenzie Hembry Group Neighborhood Street Improvements and Authorization for the City Manager, or Her Designee, to Execute the Agreement.
11. Approval of the Contracts with Six Artists for the Artwork Being Loaned to the City for the Sculpture Garden Exhibition at the Lewisville Grand Theater, and Authorization for the City Manager, or Her Designee, to Sign the Agreements.
12. Approval of **Resolution No. 0833-26-RES**, a Resolution Authorizing the Submission of a Grant Application to the Texas Office of the Governor, Homeland Security Grant Program, eGrant number 5906301, FY2026 State Homeland Security Program Regular Projects City of Lewisville Mobile EOC Support Unit Technology and Equipment Upgrades; Designating the Fire Chief or His Designee to Accept, Reject, Alter, or Terminate the Grant, if Awarded; Designating the Director of Finance or His Designee to Submit Financial and/or Performance Reports or Alter the Grant, if Awarded; Affirming that in the Event of Loss or Misuse of Grant Funds, the Grant Funds Shall Be Returned; and Providing an Effective Date.
13. Approval of **Resolution No. 0834-26-RES**, a Resolution of The City Council of The City Of Lewisville, Texas, Authorizing the City Manager or Her Designee to Prepare, For Subsequent Approval, The Final Advance Funding Agreement Between the City Of Lewisville and The State Of Texas for The South Mill Street Project from Purnell Street to Harvard Street and Providing an Effective Date.
14. Approval of an Art Project Grant Agreement to Greater Lewisville Arts Alliance, in the Amount of \$6,000, as Recommended by the Arts Advisory Board; and Authorize the City Manager, or Her Designee, to Execute the Agreement.
15. Acceptance of the Fiscal Year 2025 Annual Comprehensive Financial Report (ACFR).
16. Approval of a Temporary Street Closure on Church Street (Between Mill Street and Charles Street) and Charles Street (Between Main Street and Church Street)

Associated With The Little India Fair Food Festival on May 9, 2026.

The motion carried.

REGULAR HEARING

Consideration of the Proposed FY 2026-27 Budget Calendar

(Agenda Item G-17)

During the February 2026 annual City Council Retreat, City staff presented a proposed calendar showing the important upcoming dates for City Council meetings regarding the City's budget process. Each year, staff brings the budget calendar to City Council for formal approval during a regularly scheduled City Council meeting. The Budget Workshop is currently scheduled for August 8, 2026.

The staff's recommendation was that the City Council approve the proposed FY 2026-27 budget calendar as set forth in the caption above.

MOTION: Upon a motion made by Councilmember Green and seconded by Councilmember Meridith, the Council voted five (5) "ayes" and no (0) "nays" to approve the proposed FY 2026-27 budget calendar as set forth in the caption.

City Council and Staff Reports

(Agenda Item H)

- Deputy Mayor Pro Tem Troyer reported on the activities at the Lewisville Grand Theater.
- Councilmember Kelly encouraged everyone to vote and reminded everyone know that early voting begins on April 20, 2026.
- Councilmember Green reported that the Garden Ridge median looks great right now and encouraged everyone to go and take a look. She also reminded everyone that applications are open for City boards and commissions now through May 1, 2026.
- Mayor Gilmore reminded everyone that the Keep Lewisville Beautiful community cleanup and Mariposa event are scheduled for Saturday, April 11, 2026

Return to Workshop if Necessary

(Agenda Item I)

Closed Session

(Agenda Item J)

Mayor Gilmore RECESSED into Closed Session at 7:45 p.m.

In Accordance with Texas Government Code, Subchapter D,

1. Section 551.072 (Real Estate): Property Acquisition
2. Section 551.087 (Economic Development): Deliberation Regarding Economic Development Negotiations.

**Reconvene and Consider Action, if any, on
Items Discussed in Closed Session**

(Agenda Item K)

Mayor Gilmore RECONVENED into Regular Session at 8:17 p.m.

There was no action taken on items discussed in Closed Session.

Adjournment

(Agenda Item L)

There being no further business to come before the Council, Mayor Gilmore adjourned the meeting of the Lewisville City Council at 8:18 p.m. on Monday, April 6, 2026.

These minutes approved by the Lewisville City Council on the 20th of April, 2026.

APPROVED

TJ Gilmore
MAYOR

ATTEST:

Jennifer Malone-Ippolito
CITY SECRETARY

City of Lewisville

City Council Meeting

April 6, 2026



Overview

- ▶ Introduction
- ▶ Audit Results
- ▶ Audit Process
- ▶ Required Communications
- ▶ Financial Highlights
- ▶ Upcoming Changes
- ▶ Discussion

Engagement Leadership



We know your questions don't end when the audit does, so the team leadership remains available to you throughout the year.

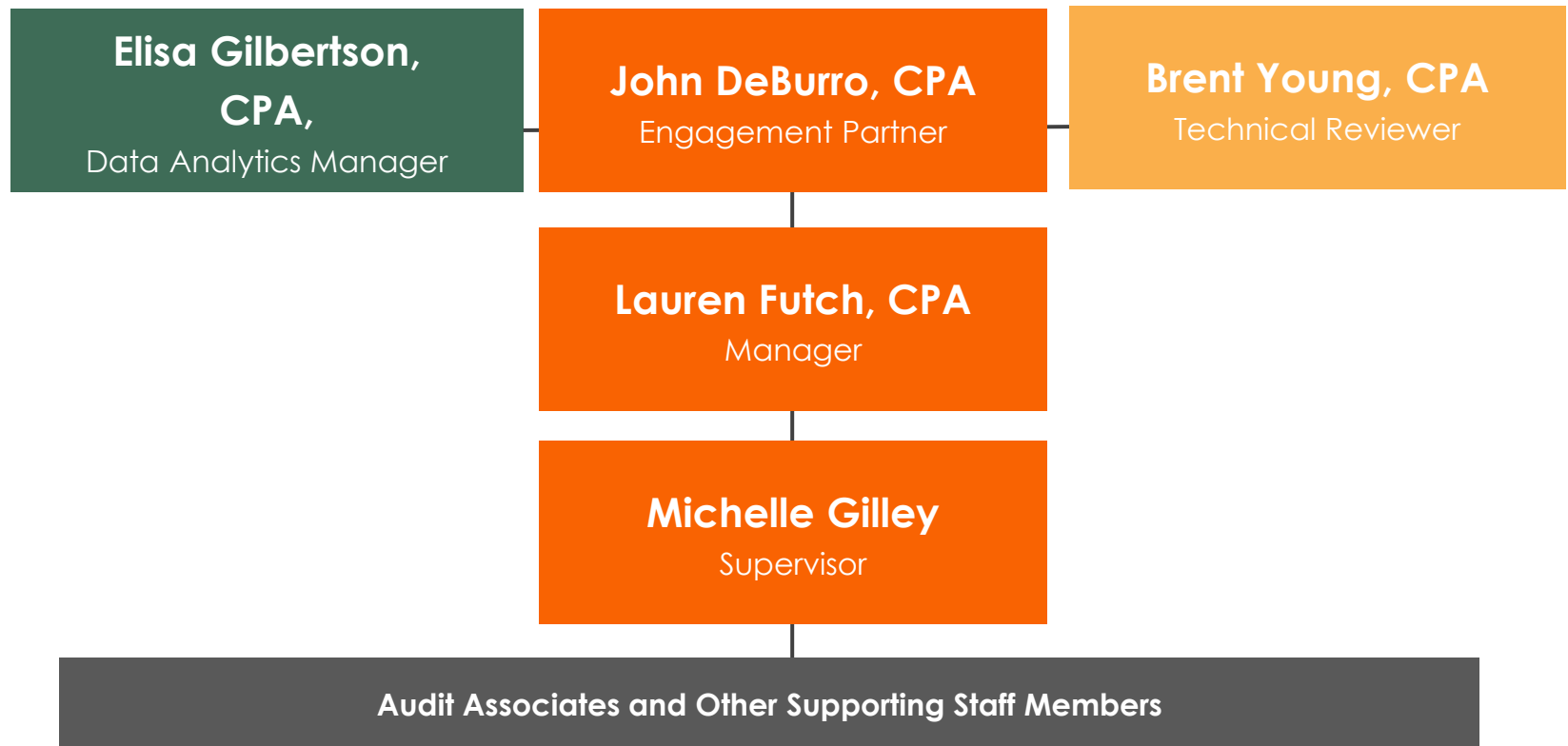
John DeBurro, CPA

Partner, Assurance Services

Lauren Futch, CPA

Manager,
Assurance Services

Engagement Team



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Audit Results

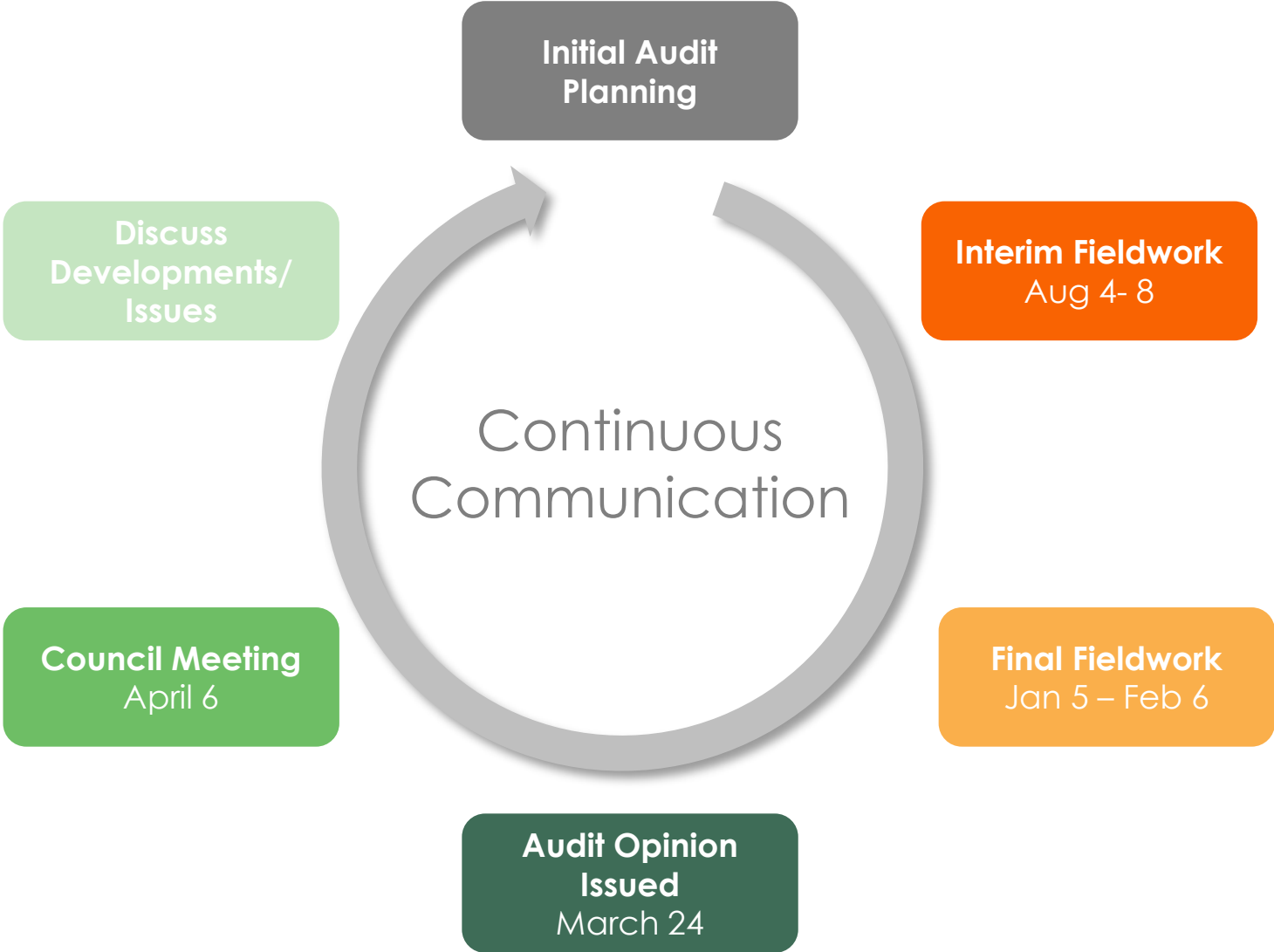
Audit Results

- We issued the Independent Auditor's Report on the financial statements
 - ✓ **Unmodified Opinion**
- We issued the 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
 - ✓ **One finding noted**
- We issued the Independent Auditor's Reports on Compliance for Each Major Federal and State Program and Reports on Internal Control over Compliance and on the Schedules of Expenditures of Federal and State Awards in Accordance with The Uniform Guidance and Texas Grant Management Standards
 - ✓ **No findings noted**
 - ✓ **Unmodified Opinion**

Audit Process



Engagement Timeline



Interim fieldwork and risk assessment were performed in August 2025. Procedures included:

- **Interim fieldwork** included:
 - Walkthroughs of accounting controls over significant transaction cycles:
 - A. Cash Disbursements and Purchases
 - B. Payroll Disbursements (including TMRS data)
 - C. Investments
 - D. Receipts - Municipal Court, Utility Billing, Taxes, Permits
 - E. Budget and Financial Close Process
 - **Tests of compliance** with the Public Funds Investment Act
 - **Control testing** over cash disbursements and payroll transactions
 - **Testing** of capital projects

Final fieldwork- performed in January / February 2026

- Procedures included:

- **Testing account balances and current year activity** using a combination of:
 - analytics,
 - vouching of material transactions, and
 - Sampling
- **Evaluating estimates** for reasonableness
- Identification and testing of the City's **major federal program**:
 - **Coronavirus State and Local Fiscal Recovery Funds**– CFDA# 21.027 - \$6,434,514
- Identification and testing of the City's **major state programs**:
 - **Regional Toll Revenue (RTR) Transportation Projects** - \$26,966,925



Auditor Communications

for the year ended September 30, 2025



WeaverViews

Required Communications to Those in Charge of Governance



Communication

Generally accepted auditing standards

Results

The financial statements are the responsibility of the City. Our audit was designed to provide for reasonable rather than absolute assurance that the financial statements are free of material misstatement. Our responsibility is to express an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Required Communications to Those in Charge of Governance

Communication

Generally accepted government auditing standards

Results

In addition to the GAAS responsibilities, we are required to issue a written report on our consideration of internal controls and identify significant deficiencies, including material weaknesses, if any. Our reports do not provide assurance on internal controls. We design our audit to provide reasonable assurance of detecting material misstatements resulting from noncompliance with provisions of contracts or grant agreements that have a direct or material effect on the financial statements. We issue a written report on the results of these procedures; however, our report does not express an opinion on compliance.

Required Communications to Those in Charge of Governance

Communication

Auditor's Responsibility under The Uniform Guidance (Federal) and Texas Grants Management Standards (State)

Results

Our testing includes all major federal and state financial assistance programs. We report on such testing and disclose any significant deficiencies in internal control over compliance, including material weaknesses we identify. Our reports do not provide assurance on internal control over compliance. We perform procedures for the purpose of expressing opinions on whether major federal and state financial assistance programs have been administered in compliance with applicable laws and regulations.

Required Communications to Those in Charge of Governance



Communication	Results
Unusual transactions and the adoption of new accounting principles	<p>The significant accounting policies used by the City are described in Note 1 to the financial statements.</p> <p>During fiscal year 2025, the City implemented GASB Statement No. 101, "<i>Compensated Absences</i>" and GASB Statement No. 102, "<i>Certain Risk Disclosures</i>".</p> <p>The implementation of these pronouncements had no effect on the City's fiscal year 2025 financial statements.</p>

Required Communications to Those in Charge of Governance

Communication	Results
Fraud and illegal acts	No indication of any fraud, irregularities, or illegal acts were noted.
Other information contained in documents containing audited financial statements	We provided an “in relation to opinion” on supplementary information accompanying the financial statements. We performed limited procedures on the required supplementary information. We did not provide any assurance on this information. The Introductory and Statistical sections were both unaudited.
Management judgments and accounting estimates	Management's estimates of Incurred-but-not-reported (IBNR) workers' comp, health, and dental claims; net pension and OPEB liabilities; allowance for uncollectible receivables; and estimated useful lives for capital assets were evaluated and determined to be reasonable in relation to the financial statements as a whole.

Required Communications to Those in Charge of Governance

Communication	Results
Material weakness in internal control	No material weaknesses noted.
One finding (2025-001)- significant deficiency in internal control over financial reporting: revenue recognition	The finding involved a timing issue between the time \$3.4 million of construction expenditures were incurred (fiscal year 2024) and when the revenue was recognized (fiscal year 2025). The charges were properly accrued for in fiscal year 2024, but the revenue was not recognized until fiscal year 2025.

Excerpt from Report on 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.

Required Communications to Those in Charge of Governance

Communication	Results
Difficulties encountered	No difficulties or disagreements arose during the course of our audit.
Management representations	We requested certain representations from management that were included in the management representation letter.
Management consultations	We are not aware of management consulting with other accountants for a second opinion.
Auditor independence	No independence issues noted.
Audit adjustments	Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no corrected misstatements made as a result of our audit procedures. There was one passed adjustment regarding prior year revenue recognition that was determined to be immaterial.

A low-angle, black and white photograph of several classical stone columns. The columns are massive and fluted, with visible textures and shadows. They rise from the bottom left towards the top right, creating a strong sense of height and grandeur. The background is a bright, clear sky. A dark green horizontal band is overlaid across the middle of the image, containing the title text.

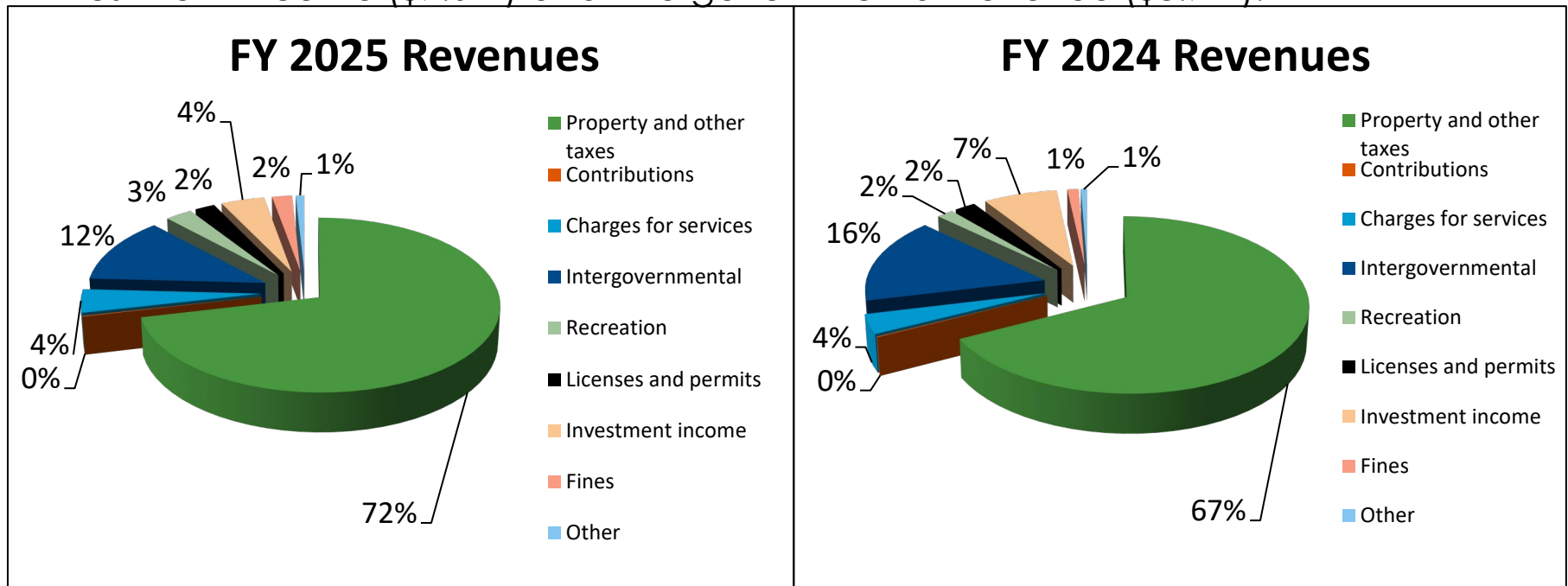
Financial Highlights

Weaver**Views**

Financial Highlights

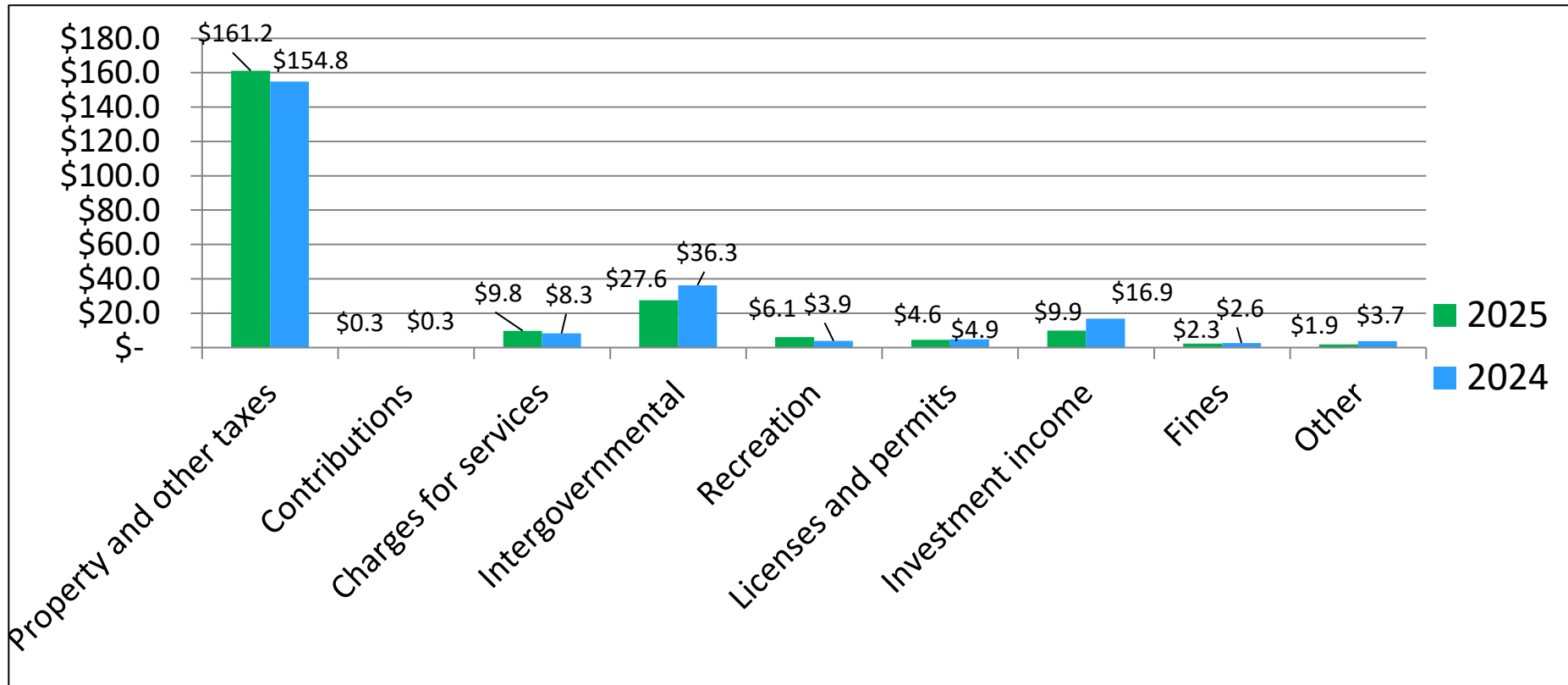
Comparison of Governmental Revenues by Source

Governmental Funds Revenues for the FY 2025 totaled \$233.7 million, an \$8.0 million or 3.5% decrease. This decrease is primarily the net effect of increases in Property and Other Taxes (\$6.4M) and Recreation Revenue (\$2.2M), and decreases in Investment Income (\$7.0M) and Intergovernmental Revenue (\$8.7M).



Financial Highlights

Comparison of Governmental Funds Revenues by Source

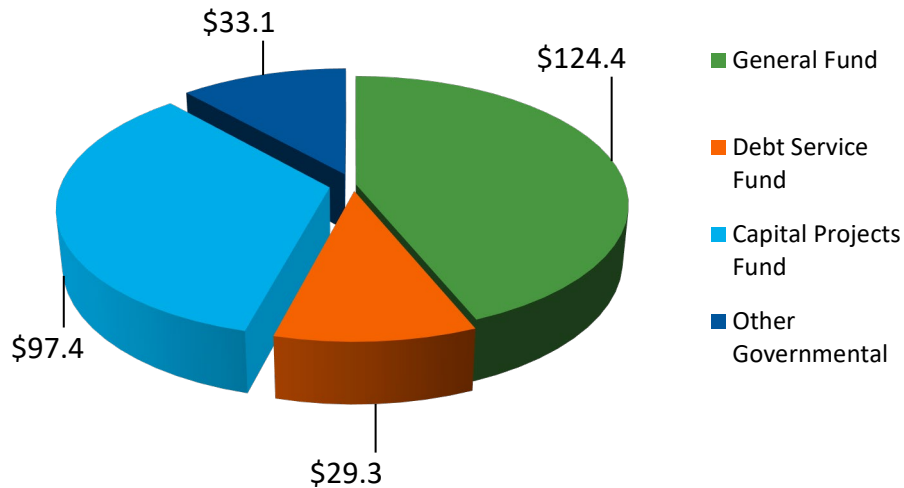


(2-year comparison in millions of dollars)

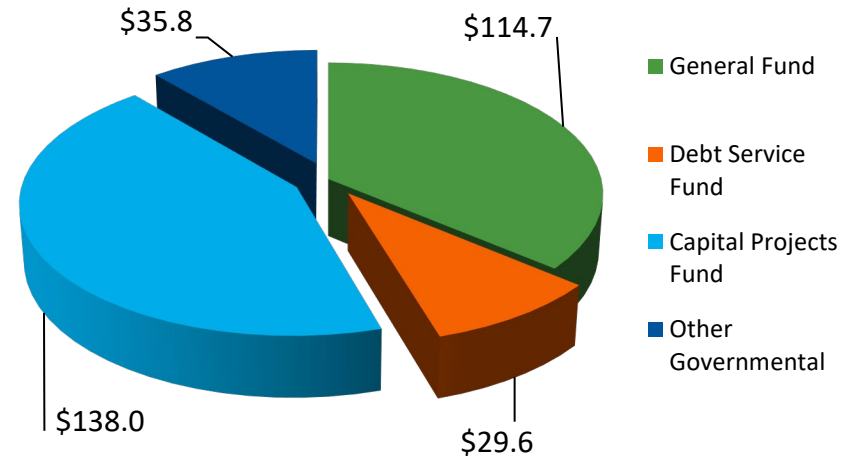
Financial Highlights

Comparison of Governmental Funds Expenditures by Fund (In millions of dollars)

Fiscal Year 2025



Fiscal Year 2024



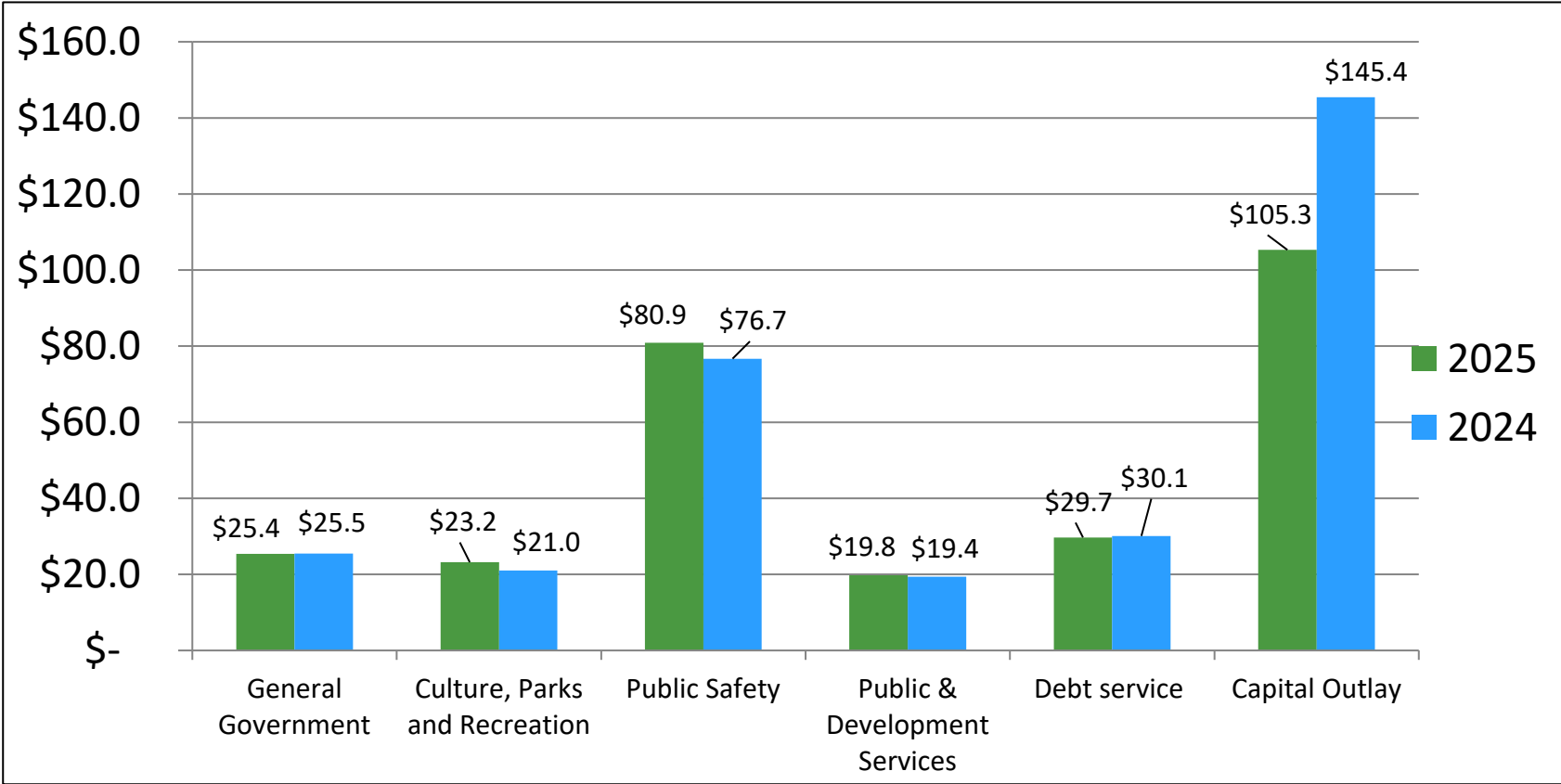
Governmental Fund Expenditures for FY2025 totaled \$284.3 million, a \$33.8 million or 10.6% decrease. This decrease is primarily the result of the net effect of:

- Capital outlay expenditures decreasing \$40.1 million.
- Public safety expenditures increasing \$4.2 million.
- Culture, parks, and recreation expenditures increased \$2.2 million.

Financial Highlights



Comparison of Governmental Funds Expenditures *



*(2-year comparison in millions of dollars)

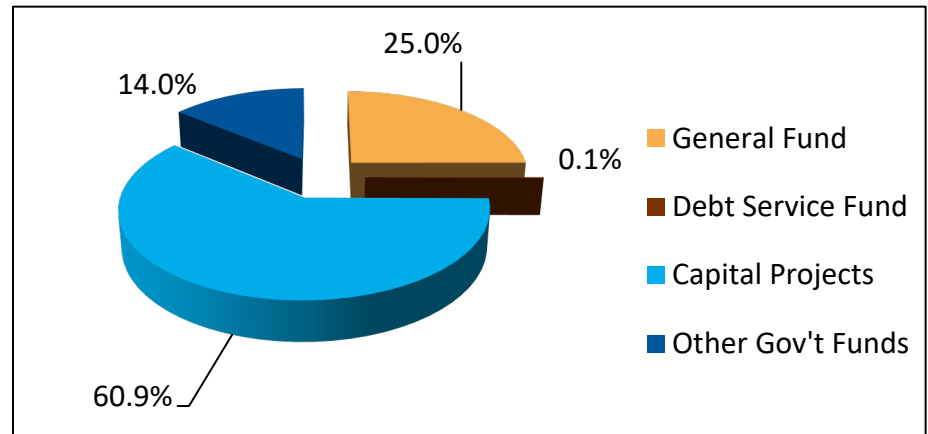
Financial Highlights

Fund Balances

Governmental Funds Fund Balance

The City's governmental funds reported an ending fund balance of \$191.0 million at September 30, 2025 as follows:

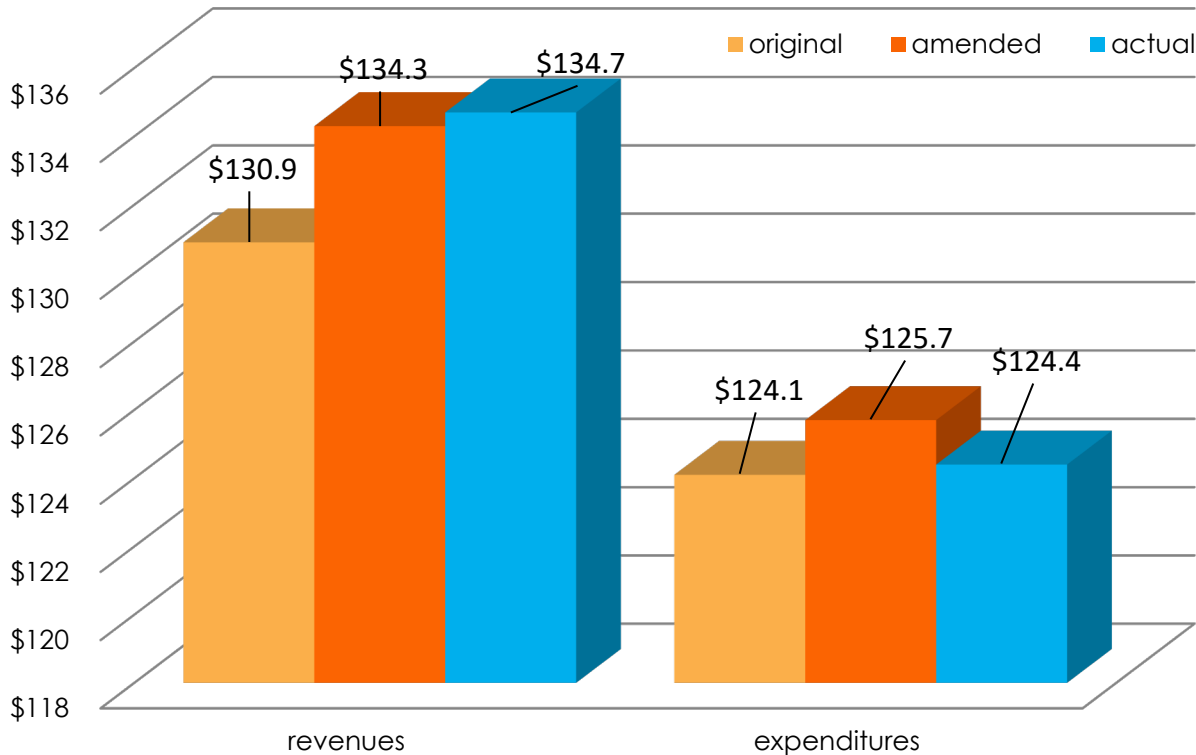
• General Fund	\$47,668,521
• Debt Service	204,703
• Capital Projects	116,251,825
• Other Gov't Funds	<u>26,839,661</u>
	<u>\$190,964,710</u>



- Governmental Funds' fund balance decreased by \$42.1M, primarily due to the \$41.6M decrease in the General Capital Projects Fund, the result of current year spending on capital projects.
- Unassigned fund balance in the General Fund (\$45.0M) represents 36.2% of General Fund expenditures.

General Fund Budget vs Actual

FY2025 General Fund Budget and Actual – in \$ millions



Overall, favorable budgetary variance of \$2.4 million:

- Revenues exceeded budget by \$0.4 million.
- Expenditures were \$1.3 million below budget.
- Other Financing Uses (net) were below budget by \$0.7 million.

Enterprise Funds- Current and Prior Year



Statement of Revenues, Expenses and Changes in Net Position-
Enterprise Funds

	2025	2024	\$ Change	% Change
Operating revenues	\$ 62,557,660	\$ 57,913,054	\$ 4,644,606	8%
Operating expenses	(47,007,958)	(42,196,570)	4,811,388	11%
(Net)Nonoperating revenue	4,564,083	5,720,373	(1,156,290)	-20%
Capital contributions and transfers	7,066,360	12,390,201	(5,323,841)	-43%
Change in net position	\$ 27,180,145	\$ 33,827,058	(6,646,913)	-20%

Net position increased by \$27.2 million over prior year:

- Operating revenues increased \$4.6 million –primarily due to an increase in rates.
- Operating expenses increased \$4.8 million – primarily due to an increase in cost of water purchases
- Net Nonoperating revenues decreased \$1.2 million – primarily due to a decrease in investment earnings from the prior year.
- Capital contributions and transfers–decreased by \$5.3 million – primarily due to decreases in developer contributions and impact fees.

Upcoming Changes

GASB 103 and GASB 104:

Effective for
periods
beginning
after
6/15/2025
(FY2026)

Financial Reporting Model Improvements

- GASB 103 improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

Disclosure of Certain Capital Assets

- This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets.



We appreciate the opportunity to work with **City of Lewisville** and look forward to our continued relationship.

Discussion

Contact Us

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