

City of Lewisville, Texas

Federal Single Audit Report
Year Ended September 30, 2023

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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 City Council of
City of Lewisville, Texas

We have audited, in accordance with the 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 City of Lewisville, Texas (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 12, 2024.

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 have not been 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 City Council of
City of Lewisville, 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 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.

The Woodlands, Texas
March 12, 2024



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

The Honorable Mayor and City Council of
City of Lewisville, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the 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 programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the 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 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 programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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, 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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Honorable Mayor and City Council of
City of Lewisville, 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. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lewisville, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated March 12, 2024 which contained unmodified opinions 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 awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal 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.

The Woodlands, Texas
March 12, 2024

City of Lewisville, Texas

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2023

Section 1. Summary of the Auditor's Results

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- | | | |
|---|-----------|-----------------------|
| Material weakness(es) identified? | _____ Yes | ___X___ No |
| Significant deficiency(ies) identified that are not considered a material weakness? | _____ Yes | ___X___ None Reported |
- c. Noncompliance material to financial statements noted?
- | | |
|-----------|------------|
| _____ Yes | ___X___ No |
|-----------|------------|

Major Federal Programs

- d. Internal control over major federal programs:
- | | | |
|--|-----------|-----------------------|
| Material weakness(es) identified? | _____ Yes | ___X___ No |
| Significant deficiency (ies) identified that are not considered a material weakness? | _____ Yes | ___X___ None Reported |
- e. An unmodified opinion was issued on compliance for major Federal programs.
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)?
- | | |
|-----------|------------|
| _____ Yes | ___X___ No |
|-----------|------------|
- g. Identification of major federal program:

<u>Program/Cluster Name</u>	<u>Federal Assistance Listing Number</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027

- h. The dollar threshold used to distinguish between type A and type B programs.
- \$750,000
- i. Auditee qualified as a low-risk auditee?
- | | |
|-------------|----------|
| ___X___ Yes | _____ No |
|-------------|----------|

City of Lewisville, Texas

Schedule of Findings and Questioned Costs – Continued
For the Year Ended September 30, 2023

Section 2. Financial Statement Findings

None

City of Lewisville, Texas

Schedule of Findings and Questioned Costs – Continued
For the Year Ended September 30, 2023

Section 3. Findings and Questioned Costs for Federal Awards

None

City of Lewisville, Texas

Summary of Prior Year Audit Findings
For the Year Ended September 30, 2023

Section 4. Summary of Prior Year Audit Findings.

None

City of Lewisville, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

(1) Federal and State/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2A) Grant Number	(3) Federal Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through Governor's Division of Emergency Management/ Homeland Security Grant Program:			
Homeland Security Investigations (HSI)	97.067	DA36C524DA0003	\$ 1,201
HSCP/UASI (2021) Wastewater Plant Surveillance	97.067	4354301	26,325
HSCP/UASI (2022) Ballistic Protective Equipment BPE	97.067	4571101	129,991
Total Assistance Listing Number 97.067			157,517
Total Passed Through Governor's Division of Emergency Management/ Homeland Security Grant Program			157,517
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			157,517
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
CDBG - Entitlement Grants Cluster			
CDBG Program	14.218	B-18-MC-48-0039	232,415
CDBG Program	14.218	B-20-MC-48-0039	53
CDBG Program	14.218	B-21-MC-48-0039	109,736
CDBG Program	14.218	B-22-MC-48-0039	156,071
CDBG-CV Program	14.218	B-20-MW-48-0039	411,168
Total CDBG - Entitlement Grants Cluster			909,443
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			909,443
U.S. DEPARTMENT OF JUSTICE			
Passed Through the Office of Justice Programs:			
Equitable Sharing	16.922	TX0610600	272,615
OCDETF	16.111	SWE-TXE-0426	20,212
Joint East Texas Fugitive Task Force	16.111	JLEO-M-22-D78-O-000102	2,845
Total Assistance Listing Number 16.111			23,057
Total Passed Through the Office of Justice Programs			295,672
TOTAL U.S. DEPARTMENT OF JUSTICE			295,672
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through the Texas Department Of Transportation:			
TPWD - La Gloria Park	20.219	PWD 1067B-P4000	597,065
Green Ribbon - Landscaping IH35/Valley Ridge/3040/SHB121	20.205	0364-03-102: 0196-02-136	532,709
Electrical Vehicle Charging Stations (EV)	20.205	789265	63,519
Total Assistance Listing Number 20.205			596,228
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			1,193,293
U.S. DEPARTMENT OF THE TREASURY			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0271	2,746,696
TOTAL U.S. DEPARTMENT OF THE TREASURY			2,746,696
INSTITUTE OF MUSEUM & LIBRARY SERVICES			
Passed Through the Texas State Library and Archives Commission:			
LSTA Grants to States Program	45.310	LS-246561-OLS-20	5,289
TOTAL INSTITUTE OF MUSEUM & LIBRARY SERVICES			5,289
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 5,307,910

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

City of Lewisville, Texas

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Note 1. Basis of Presentation

The City accounts for its grants primarily in Special Revenue Funds. Special Revenue Funds are governmental funds which can be used to account for resources restricted to, or committed for, specific purposes by a grantor. Generally, unused balances are returned to the grantor at the close of specified project periods.

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City, and is presented on the modified accrual basis of accounting as described in Note 1 to the basic financial statements for the year ended September 30, 2023.

The City elected not to use the de minimis indirect cost rate as allowed in the Uniform Guidance, section 414.