

City of Lewisville, Texas

Texas Grant Management Standards 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 reports 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 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 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.

The Woodlands, Texas
March 12, 2024

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of Lewisville, Texas' (the City) compliance with the types of compliance requirements identified as subject to audit in the Texas Grant Management Standards (TxGMS) issued by the Texas Comptroller of Public Accounts that could have a direct and material effect on each of the City's major state programs for the year ended September 30, 2023. The City's major 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 state programs for the year ended September 30, 2023.

Basis for Opinion on Each Major 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); and TxGMS. Our responsibilities under those standards 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 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 state 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 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 state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, 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 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 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 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 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 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.

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

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 TxGMS. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards Required by 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 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. 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 City's basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by TxGMS 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 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.

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

Basic Financial Statements

Unmodified opinions were issued on the financial statements.

Internal control over financial reporting:

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

Noncompliance which is material to the basic financial statements noted?

☐ Yes ☒ No

State Awards

Internal control over major state programs:

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

Unmodified opinions were issued on compliance for major state programs.

Any audit findings disclosed that are required to be reported in accordance with Texas Grant Management Standards?

☐ Yes ☒ No

Identification of major state programs:

State Grant Number(s)	Name of State Grant or Program
0918-46-240 TX-TFMS 220006 Border Support	Corporate Drive FM544 to Josey TIFMAS 2023 Border Support

Dollar threshold used to distinguish
Between type A and type B programs:

\$750,000

Auditee qualified as low-risk?

☒ 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 State Awards

None

City of Lewisville, Texas

Summary of Prior Year Audit Findings
For the Year Ended September 20, 2023

Section 4. Summary of Prior Year Audit Findings

None

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

Grantor/Pass-Through Grantor/Program Title	Grant/ Contract Number	State Expenditures
TEXAS DEPARTMENT OF TRANSPORTATION		
Corporate Drive FM 544 to Josey	0918-46-240	\$ 8,383,319
Corporate Drive DGNO to Elm Fork Bridge	0918-46-236	1,335
Corporate Drive @ Elm Fork Bridge	0918-46-237	6,635
Corporate Drive-Elm Fork Bridge to Holford's Prairie	0918-46-238	112,796
Corporate Drive-Holford's Prairie to FM2281	0918-46-239	44,048
Holford's Prairie Road	14-0908	2,700
I35 Utility Relocation	0196-02-115	79,108
Civic Circle & Valley Parkway	23-40-C	87
TOTAL TEXAS DEPARTMENT OF TRANSPORTATION		8,630,028
TEXAS DIVISION OF EMERGENCY MANAGEMENT		
TIFMAS -nCoV 2020	nCoV 2020 TX-TFMS 200003	619
Windland Fire Deployment	TX-TFMS-220009 Spring Weather ST151	535
TIFMAS Border Security	TX-TFMS 220006 Border Support	400,916
TIFMAS 2023 Border Support	TX-TFMS 220006 Border Support	751,896
TIFMAS 2023 Border Support 4.9.23	TX-TFMS 220006 Border Support	145,793
TIFMAS 2023 Border Support 4.23.23	TX-TFMS 220006 Border Support	144,356
TIFMAS 2023 Border Support 5.7.23	TX-TFMS 220006 Border Support	127,000
TIFMAS 2023 Border Support 5.21.23	TX-TFMS 220006 Border Support	120,909
TIFMAS 2023 Border Support # 12	TX-TFMS 220006 Border Support	126,993
TIFMAS 2023 Border Support 6.18.23	TX-TFMS 220006 Border Support	131,758
TIFMAS 2023 Border Support 7.2.23	TX-TFMS 220006 Border Support	128,274
TIFMAS 2023 Border Support 7.16.23	TX-TFMS 220006 Border Support	120,075
TIFMAS 2023 Border Support 7.30.23	TX-TFMS 220006 Border Support	114,700
TIFMAS 2023 Border Support 8.13	TX-TFMS 220006 Border Support	113,328
TIFMAS 2023 Border Support 8.27	TX-TFMS 220006 Border Support	114,463
TIFMAS 2023 Border Support 9.10	TX-TFMS 220006 Border Support	118,361
TIFMAS 2023 Border Support 9.24	TX-TFMS 220006 Border Support	50,219
TIFMAS Elm Fork	TX-TFMS-220010 ST 179 & 186	12,122
Severe Weather November Task Force	22-0027 Severe Weather	5,168
Severe Weather January Task Force	23-0002 Severe Weather 02JAN	4,270
TIFMAS Lubbock West Texas Fire	TX-TFMS-23002 Winter Fire Weather	17,105
TIF2 - March Weather	23-006 02MAR SV WX	3,740
Texas Forest Service EOC	TX-TFMS 230003	7,914
Severe Weather April Task Force	23-0008 02 APR SV WX	3,836
TIFMAS All Hazard Panhandle	TX-TFMS 230004	17,571
Task Force 2 Severe Weather	23-0017 15JUNE Severe Weather	11,846
TIFMAS Wildfire Stephenville	TX-TFMS 230007 Summer Fire Weather	39,441
TIFMAS July Wildfires	TX-TFMS 230007 Summer Fire Weather	85,984
TIFMAS August Wildfire 2	TX-TFMS 230007 Summer Fire Weather	101,184
College Station IMT TFS	TX-TXS-023902 FY23 Wildfire Support	47,525
College Station TFS EOC	TX-TFMS-230007 Overhead	17,302
TIFMAS August Wildfire 3	TX-TFMS-230007 Summer Fire Weather	112,686
TIFMAS September Wildfires	TX-TFMS 230007 Summer Fire Weather	58,951
TOTAL TEXAS DIVISION OF EMERGENCY MANAGEMENT		3,256,840
TEXAS DEPARTMENT OF STATE HEALTH SERVICES		
NCTIRAC	FY23 EMS	2,677
EMTF - Mineral Wells Fire Dempsey Fire	TX EMTF 22-0009 Wildfire Outlook	747
AHIMT Wildfire Perryton	TX-TXS 023004 15 June Weather Event	17,079
IMT Deployment Pittsburg	TX-TXS-023902	19,803
TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES		40,306
TEXAS COMMISSION ON THE ARTS		
Texas Commission on the Arts	77754816, 77754823, 77758085	6,675
TOTAL TEXAS COMMISSION ON THE ARTS		6,675
TOTAL EXPENDITURES OF STATE AWARDS		\$ 11,933,849

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

City of Lewisville, Texas

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

Note 1. General

The accompanying Schedule of Expenditures of State Awards presents the activity of all applicable state awards of the City of Lewisville, Texas (the City). The City's reporting entity is defined in Note 1 to the financial statements. State awards are received directly from state agencies as well as state awards passed through other government agencies are included on the schedules.

Note 2. Basis of Accounting

The accompanying Schedule of Expenditures of State Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 to the financial statements.

Note 3. Relationship to State Financial Reports

Amounts reported in the accompanying schedule may not agree with amounts reported in the related state financial reports with grantor agencies because of accruals which would be included in the next report filed with the agencies.