

# City of Lewisville, Texas

Federal Single Audit Reports

Year Ended September 30, 2019

# CONTENTS

Page

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 <i>Government Auditing Standards</i> .....	1
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance.....	3
Schedule of Findings and Questioned Costs.....	6
Summary of Prior Audit Findings.....	9
Schedule of Expenditures of Federal Awards.....	10
Notes to Schedule of Expenditures of Federal Awards.....	11

**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  
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 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 9, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Mayor and City Council  
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 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  
March 9, 2020

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

The Honorable Mayor and City Council  
City of Lewisville, Texas

**Report on Compliance for Each Major Federal Program**

We have audited City of Lewisville's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of City of Lewisville's major federal programs for the year ended September 30, 2019. City of Lewisville's major federal 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 awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of City of Lewisville's major federal 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). Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about City of Lewisville'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 the major federal program. However, our audit does not provide a legal determination of City of Lewisville's compliance.

**Opinion on Each Major Federal Program**

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

## **Report on Internal Control over Compliance**

Management of the City of Lewisville 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 City of Lewisville's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program as a basis for designing the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Lewisville'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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The Honorable Mayor and City Council  
City of Lewisville, Texas

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

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Lewisville, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated March 9, 2020, 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 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* (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 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

Dallas, Texas  
March 9, 2020

# City of Lewisville, Texas

## Schedule of Findings and Questioned Costs

### For the Year Ended September 30, 2019

#### I. 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 Programs

- d. Internal control over major 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 program:
- | Program/Cluster Name                     | CFDA # | Amount       |
|--|--------|--------------|
| SAFER Grant - Assistance to Firefighters | 97.083 | \$ 1,122,751 |
- 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  
For the Year Ended September 30, 2019

**II. Findings Relating to the Financial Statements Which Are Required To Be Reported in  
Accordance with *Generally Accepted Government Auditing Standards*.**

None

**City of Lewisville, Texas**  
Schedule of Findings and Questioned Costs – Continued  
For the Year Ended September 30, 2019

**III. Findings and Questioned Costs for Federal Awards**

None

**City of Lewisville, Texas**  
Summary of Prior Audit Findings  
For the Year Ended September 30, 2018

**IV. Summary of Prior Year Findings.**

None

# City of Lewisville, Texas

## Schedule of Expenditures of Federal Awards

### For the Year Ended September 30, 2019

Federal and State/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through Governor's Division of Emergency Management / Homeland Security Grant Program			
SAFER Grant - Assistance to Firefighters	97.083	EMW-2017-FH-00233	\$ 1,122,751
EMPG	97.042	18TX-EMPG-0134	36,778
HSGP/UASI (2016)	97.067	EMW-2016-SS-00056	17,075
HSGP/UASI (2017)	97.067	EMW-2017-SS-00005	103,042
HSGP/UASI (2018)	97.067	EMW-2018-SS-00022-S01	117,881
Total Passed Through Governor's Division of Emergency Management / Homeland Security Grant Program			<u>1,397,527</u>
Total U.S. Department of Homeland Security			<u>1,397,527</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Direct			
CDBG Program	14.218	B-14-MC-48-0039	13,985
CDBG Program	14.218	B-15-MC-48-0039	39,583
CDBG Program	14.218	B-16-MC-48-0039	47,114
CDBG Program	14.218	B-17-MC-48-0039	40,961
CDBG Program	14.218	B-18-MC-48-0039	244,932
Total U.S. Department of Housing and Urban Development			<u>386,575</u>
<b>U. S. DEPARTMENT OF JUSTICE</b>			
Passed through Office of Justice Programs			
Equitable Sharing	16.922	TX0610600	67,678
OCDETF	16.111	SW-TXE-0342	11,710
Total Passed Through the Office of Justice Programs			<u>79,388</u>
Total U.S. Department of Justice			<u>79,388</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through the Texas Department Of Transportation			
Step IDM	20.616	2018-LewisvPD-IDM-00007	7,290
Step Speed	20.600	2018-LewisvPD-S-1YG-0046	75,723
Garden Ridge Trail	20.205	0918-46-283	302,705
Total U.S. Department of Transportation			<u>385,718</u>
<b>INSTITUTE OF MUSEUM &amp; LIBRARY SERVICES</b>			
Passed Through the Texas State Library and Archives Commission			
LSTA Grants to States Program	45.310	LS-00-17-0044-17	1,314
Total Institute of Museum & Library Services			<u>1,314</u>
Total Federal Financial Assistance			<u><u>\$ 2,250,522</u></u>

# City of Lewisville, Texas

## Notes to Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2019

### 1. Basis of Presentation

The City accounts for its grants 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, 2019.

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

### 2. Amounts Passed through to Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

<u>Program/Cluster Name</u>	<u>CFDA #</u>	<u>Amount</u>
CDBG Program	14.218	\$ 104,971