

LEWISVILLE CITY COUNCIL

REGULAR SESSION

MARCH 20, 2017

Present:

Rudy Durham, Mayor

Council Members:

TJ Gilmore, Mayor Pro Tem

R Neil Ferguson

Brent Daniels

Brandon Jones

City Staff:

Donna Barron, City Manager

Eric Ferris, Assistant City Manager

Claire Swann, Assistant City Manager

Melinda Galler, Assistant City Manager

Julie Heinze, City Secretary

Lizbeth Plaster, City Attorney

WORKSHOP SESSION – 6:00 P.M.

With a quorum of the Council Members present, the workshop session of the Lewisville City Council was called to order by Mayor Durham at 6 p.m. on Monday, March 20, 2017, in the City Council Conference Room of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas. All City Department Heads were in attendance.

Teen Court Overview

(Agenda Item A)

Judge Holman introduced Teen Court Manager Pam Everitt. He conducted the attached PowerPoint Presentation for City Council consideration.

Presentation of the 2017 Comprehensive Annual Financial Report (CAFR)

(Agenda Item B)

At the request of City Manager Barron, John DeBurro, Partner, Assurances Services with Weaver, conducted the attached PowerPoint for City Council consideration.

WORKSHOP SESSION – 6:00 P.M.

(Agenda Item C)

**Discussion of Regular Agenda Items and
Consent Agenda Items**

Mayor Durham reviewed Agenda Item A, Invocation. There was no discussion on this item.

Mayor Durham reviewed Agenda Item B, Pledge to the American and Texas Flags. There was no discussion on this item.

Mayor Durham reviewed Agenda Item C, Presentation: Portrait of Former City Attorney Ronald J. Neiman by Margaret Barnes. There was no discussion on this item. City Manager Donna Barron advised that Margaret Barnes would be making the presentation.

Mayor Durham reviewed Agenda Item D, Public Hearing: Consideration of a First Amendment to the Strategic Partnership Agreement Between the City of Lewisville and Denton County Fresh Water Supply Districts 1-A, 1-B, 1-C, 1-D, 1-E, 1-F, 1-G, and 1-H; and Consideration of an Ordinance Providing for Limited Purpose Annexation of a Certain 575.51 Acres of Land, Specifically Described in the Attached Exhibit B, Plus all Street Rights-Of-Way and Alley Rights-Of-Way Dedicated by Separate Instruments Within the Denton County Fresh Water Supply Districts No. 1-A, 1-B, 1-C, 1-D, 1-E, 1- F, 1-G, 1-H, Denton County, Texas, Pursuant to Section 43.0751, Local Government Code, for the Sole Purpose of Imposing a Sales and Use Tax. There was no discussion on this item.

Mayor Durham reviewed Agenda Item E, Visitors/Citizens Forum. There was no discussion on this item.

Mayor Durham reviewed Agenda Item F-1, Approval of City Council Minutes of the March 6, 2017, Workshop Session and Regular Session. There was no discussion on this item.

Mayor Durham reviewed Agenda Item F-2, Approval of a Bid Award for an Annual Requirements Agreement for Electrical Maintenance for Water and Wastewater Facilities to Russell Madden, Inc., Aubrey, Texas, for an Estimated Annual Amount of \$104,000; and Authorization for the City Manager to Execute the Agreement. There was no discussion on this item.

Mayor Durham reviewed Agenda Item F-3, Approval of an Award for an Annual Requirements Agreement for Contract Mowing to Carruthers Landscape Mgt., Inc., Dallas, Texas, for the Estimated Amount of \$512,515; and Authorization for the City Manager to Execute the Agreement. There was no discussion on this item.

WORKSHOP SESSION – 6:00 P.M.

(Agenda Item C)

**Discussion of Regular Agenda Items and
Consent Agenda Items (cont'd)**

Mayor Durham reviewed Agenda Item F-4, Approval of a Transportation Consultation Services Agreement With Innovative Transportation Solutions, Inc. in the Amount of \$90,000; and Authorization for the City Manager to Execute the Agreement. There was no discussion on this item.

Mayor Durham reviewed Agenda Item F-5, Approval of Waiving the Penalty and Interest on Property Tax Account 1629DEN for 2016. There was no discussion on this item.

Mayor Durham reviewed Agenda Item F-6, Acceptance of the Fiscal Year 2016 Comprehensive Annual Financial Report (CAFR). There was no discussion on this item.

Mayor Durham reviewed Agenda Item G-7, Consideration of Upcoming Meeting Dates for the City's Budget Process. There was no discussion on this item.

Mayor Durham reviewed Agenda Item H, Reports. There was no discussion on this item.

Mayor Durham reviewed Agenda Item I-Closed Session. There was no discussion on this item.

With no further discussion, the workshop session of the Lewisville City Council was adjourned at 6:49 p.m. on Monday, March 20, 2017.

REGULAR SESSION – 7:00 P.M.

With a quorum of the Council Members present, the regular session of the Lewisville City Council was called to order by Mayor Durham at 7:00 p.m. on Monday, March 20, 2017, in the Council Chambers of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas.

Invocation

(Agenda Item A)

At the request of Mayor Durham, Councilman Jones gave the invocation.

Pledge to the American and Texas Flags

(Agenda Item B)

At the request of Mayor Durham, Councilman Ferguson gave the pledge to the American and Texas flags.

Presentation: Portrait of Former City Attorney Ronald J. Neiman by Margaret Barnes

(Agenda Item C)

Margaret Barnes presented a portrait of former City Attorney Ronald J. Neiman.

Public Hearing: Consideration of a First Amendment to the Strategic Partnership Agreement Between the City of Lewisville and Denton County Fresh Water Supply Districts 1-A, 1-B, 1-C, 1-D, 1-E, 1-F, 1-G, and 1-H; and Consideration of Ordinance No. 4363-03-2017 Providing for Limited Purpose Annexation of a Certain 575.51 Acres of Land, Specifically Described in the Attached Exhibit B, Plus all Street Rights-Of-Way and Alley Rights-Of-Way Dedicated by Separate Instruments Within the Denton County Fresh Water Supply Districts No. 1-A, 1-B, 1-C, 1-D, 1-E, 1-F, 1-G, 1-H, Denton County, Texas, Pursuant to Section 43.0751, Local Government Code, for the Sole Purpose of Imposing a Sales and Use Tax

(Agenda Item D)

This is the second of two public hearings to consider the First Amendment to the City's Strategic Partnership Agreement (SPA) between the City and Denton County Fresh Water Supply Districts 1-A, 1-B, 1-C, 1-D, 1-E, 1-F, 1-G, and 1-H. The First Amendment adds additional commercial tracts to the existing SPA for limited annexation for sales and use tax purposes only. Texas Local Government Code Section 43.0751 requires governing bodies of the municipality and the specified Districts, to hold two public hearings regarding limited annexation. The City held the first hearing at its March 6 meeting. All Districts have held the public hearings and have approved the First Amendment. The ordinance authorizing the First Amendment is submitted for consideration.

The City staff's recommendation was that the City Council conduct the public hearing and approve the ordinance as set forth in the caption above.

Mayor Pro Tem Gilmore opened the public hearing.

MOTION: Upon a motion made by Councilman Jones and seconded by Councilman Ferguson, the Council voted four (4) "ayes" and no (0) "nays" to close the public hearing. The motion carried.

Public Hearing: Consideration of a First Amendment to the Strategic Partnership Agreement Between the City of Lewisville and Denton County Fresh Water Supply Districts 1-A, 1-B, 1-C, 1-D, 1-E, 1-F, 1-G, and 1-H; and Consideration of Ordinance No. 4363-03-2017 Providing for Limited Purpose Annexation of a Certain 575.51 Acres of Land, Specifically Described in the Attached Exhibit B, Plus all Street Rights-Of-Way and Alley Rights-Of-Way Dedicated by Separate Instruments Within the Denton County Fresh Water Supply Districts No. 1-A, 1-B, 1-C, 1-D, 1-E, 1- F, 1-G, 1-H, Denton County, Texas, Pursuant to Section 43.0751, Local Government Code, for the Sole Purpose of Imposing a Sales and Use Tax (cont'd)

(Agenda Item D)

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance of the City Council of the City of Lewisville, Texas; Providing for Limited Purpose Annexation of a Certain 575.51 Acres of Land, Specifically Described in the Attached Exhibit B, Plus all Street Rights-Of-Way and Alley Rights-Of-Way Dedicated by Separate Instruments Within the Denton County Fresh Water Supply Districts No. 1-A, 1-B, 1-C, 1-D, 1-E, 1- F, 1-G, 1-H, Denton County, Texas, Pursuant to Section 43.0751, Local Government Code, for the Sole Purpose of Imposing a Sales and Use Tax.”

MOTION: Upon a motion made by Councilman Ferguson and seconded by Councilman Daniels, the Council voted four (4) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 4363-03-2017**, as previously captioned. The motion carried.

Visitors/Citizens Forum

(Agenda Item E)

No one appeared to speak at this time.

CONSENT AGENDA

(Agenda Item F)

MOTION: Upon a motion made by Councilman Ferguson and seconded by Councilman Jones, the Council voted four (4) “ayes” and no (0) “nays” to approve and adopt all items on the Consent Agenda, as recommended and as follows:

1. APPROVAL OF MINUTES: City Council Minutes of the March 6, 2017, Workshop Session and Regular Session.
2. Approval of a Bid Award for an Annual Requirements Agreement for Electrical Maintenance for Water and Wastewater Facilities to Russell Madden, Inc., Aubrey, Texas, for an Estimated Annual Amount of \$104,000; and Authorization for the City Manager to Execute the Agreement.
3. Approval of an Award for an Annual Requirements Agreement for Contract Mowing to Carruthers Landscape Mgt., Inc., Dallas, Texas, for the Estimated Amount of \$512,515; and Authorization for the City Manager to Execute the Agreement.
4. Approval of a Transportation Consultation Services Agreement With Innovative Transportation Solutions, Inc. in the Amount of \$90,000; and Authorization for the City Manager to Execute the Agreement.
5. Approval of Waiving the Penalty and Interest on Property Tax Account 1629DEN for 2016.
6. Acceptance of the Fiscal Year 2016 Comprehensive Annual Financial Report (CAFR).

The motion carried.

END OF CONSENT AGENDA

**Consideration of Upcoming Meeting Dates for
the City's Budget Process**

(Agenda Item G-7)

City staff has provided a calendar showing the important upcoming dates for Council meetings regarding the City's budget process. The Budget Workshop is currently scheduled for August 12. A special called City Council meeting is also recommended for September 5th (Tuesday) to hold the second public hearing on the budget and tax rate.

The City staff's recommendation was that the City Council review the proposed calendar, direct City staff regarding any necessary changes, and adopt the calendar.

MOTION: Upon a motion made by Councilman Daniels and seconded by Councilman Jones, the Council voted four (4) "ayes" and no (0) "nays" to adopt the proposed calendar as presented and call a special meeting for September 5th to hold the second public hearing on the budget and tax rate. The motion carried.

Reports

(Agenda Item H)

- Police Chief Russ Kerbow advised that the next Lewisville Police Department's "Coffee with Cops" would be held on Wednesday, March 22nd from 5:30-7:00 p.m. at the Starbucks located at 699 South Interstate 35E. He reminded everyone that the purpose of "Coffee with Cops" is for police and community members to come together in an informal, neutral space to discuss community issues, build relationships, and drink free coffee. Everyone in the Lewisville community, whether they live here, work here, or just spend time here, is invited to attend.
- Director of Public Services Keith Marvin the lake was just under the conservation level.
- Councilman Daniels reminded everyone of the April 1st Keep Lewisville Beautiful Annual Spring Clean Up event.
- Councilman Jones advised of his recent attendance at the National League of Cities Congressional Cities Conference in Washington D.C.
- Councilman Ferguson read a letter received from a resident regarding his appreciation for the City. Councilman Ferguson gave an update on upcoming events at the MCL Grand Theater.
- Mayor Pro Tem Gilmore thanked the Policer Officers that were present along with all their fellow officers for the exemplary service to the community. Mayor Pro Tem Gilmore advised that MARTY would be attending Coffee with Cops on March 22nd to help residents learn more about their City.

There were no additional reports at this time.

Mayor Durham advised there would not be a closed session as there were no items to discuss.

**LEWISVILLE CITY COUNCIL
REGULAR SESSION
MARCH 20, 2017**

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Adjournment

(Agenda Item K)

MOTION: Upon a motion made by Councilman Ferguson and seconded by Councilman Jones, the Council voted four (4) “ayes” and no (0) “nays” to adjourn the Regular Session of the Lewisville City Council at 7:14 p.m. on Monday, March 20, 2017. The motion carried.

These minutes approved by the Lewisville City Council on the 3rd day of April, 2017.

APPROVED

Rudy Durham
MAYOR

ATTEST:

Julie Heinze
CITY SECRETARY



Lewisville Teen Court

Origin and Purpose

- In 1994, the Lewisville City Council adopted an ordinance to create a Teen Court and the first court session was held on October 11, 1994
- In 2002, Lewisville and Flower Mound entered into an interlocal agreement to create a Joint Teen Court to serve youth from both communities



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.



Origin and Purpose

- A volunteer program providing first-time juvenile offenders an alternative to paying a fine by performing community service and jury duty
- Cases are presented to a jury of peer volunteers and defendants
- Volunteers serve as attorneys (prosecuting and defense), bailiffs, clerks and jurors. Holly Fox serves as the Teen Court Judge
- Teen jurors assess community service and jury terms according to a discipline grid and upon successful completion, the case is dismissed

Goals of Teen Court

- Hold juvenile offenders accountable and help them recognize the consequences of their actions
- Provide offenders with an opportunity to give back (Restitution)
- Offer volunteers and offenders an opportunity to learn “firsthand” about the criminal justice and legal system
- Promote a positive relationship between the community and its youth

Why choose Teen Court?

Defendants:

- Low Cost (\$20 per case)
- Successful Completion = Dismissal
- Juveniles Time vs. Parent's Money
- Opportunity for Positive Learning Experience
- Opportunity to Give Back (Restitution)

Volunteers:

- Service Hours
- Develop skills in problem solving, critical and strategic thinking
- Public Speaking Opportunities
- Resume Builder

Who is eligible
for Teen
Court?

**Defendants
vs.
Volunteers**

Who is eligible for Teen Court?

Defendants must:

- have received a citation from either LV or FM
- plead guilty or no contest to the charge
- not have been a defendant in Teen Court in the preceding 12 months
- must remain a student in an accredited secondary school / program while completing the Teen Court sentence
- have parent or guardian accompany the defendant to Teen Court

Defendant Participation

	Lewisville	Flower Mound	Total Cases	Ratio of LV/FM
2012/13	58	78	136	43% / 57%
2013/14	28	43	71	40% / 60%
2014/15	41	20	61	68% / 32%
2015/16	57	31	88	64% / 36%
2016/17*	12	12	24	50% / 50%

Who is eligible for Teen Court?

Volunteers must be:

- between 13 and 17 (18*) years of age
- currently enrolled in High School within the LISD;
- in a private school in the LISD area; or
- home-schooled in the LISD area

Volunteers are recruited from LISD Middle and High Schools

- Service Organization Hours
- Future Career Path

Volunteer Participation

	Lewisville	Flower Mound	Total Volunteers	Ratio of LV/FM
2012/13	N/A	N/A	40	N/A
2013/14	N/A	N/A	39	N/A
2014/15	N/A	N/A	45	N/A
2015/16	23	29	52	44% / 56%
2016/17	21	27	48	43% / 57%

Teen Court Financing

	Revenue from JCM Fund
12/13	\$78,919
13/14	\$81,271
14/15	\$83,424
15/16	\$78,132
16/17	\$75,307
	Revenue from Flower Mound
12/13	\$30,948
13/14	\$30,110
14/15	\$27,556
15/16	\$15,676*
16/17	\$21,914*

*FM used to refer all curfew cases to Teen Court. As of 2014, FM stopped doing that, which reduced referrals significantly. Also, As of Sept. 1, 2013, as part of juvenile justice reform, school offenses (disruption of class, disruption of transportation, disorderly conduct) were made much more difficult to file. This reduced caseload as well.

Teen Court Sentencing

Class 1 through Class 4

- 1 - 4 Jury Terms
- 6 - 60 Community Service Hours

Additional Sentencing Options

- **Alcohol Awareness Class**
(mandatory for alcohol cases)
- **MADD Victim Impact Panel**
(mandatory for alcohol cases)
- **Essays and Reports**
- **Counseling** (Individual and Family)
- **Other**

Teen Court Schedule

Held twice a month on Tuesday nights alternating between Lewisville and Flower Mound

Location: Lewisville and Flower Mound Courts

Time: Volunteers report at 5:30 pm

Court: Cases are called at 6:00 pm

Challenges to/for Teen Court?

- Juveniles Time vs. Parent's Money
- Too Hard!
- No Parental Support/Conflicting Schedules
- Age Restrictions on some Community Service Options
- Embarrassment

Teen Court Achievements

- **Scholarship Program**
- **Teen Court Competition**
- **Teen Talks**
- **Substance Abuse Awareness
("National Night Out")**

City of Lewisville

Council Meeting

March 20, 2017



Overview



- Introduction
- Audit Process
- Required Communications
- Audit Results
- Financial Highlights
- New Accounting Pronouncements
- Questions



Introductions

Weaver**Views**

The Firm of Texas



Weaver is the largest independent accounting firm based in Texas and the Southwest. We've served Texas public sector entities for 66 years.

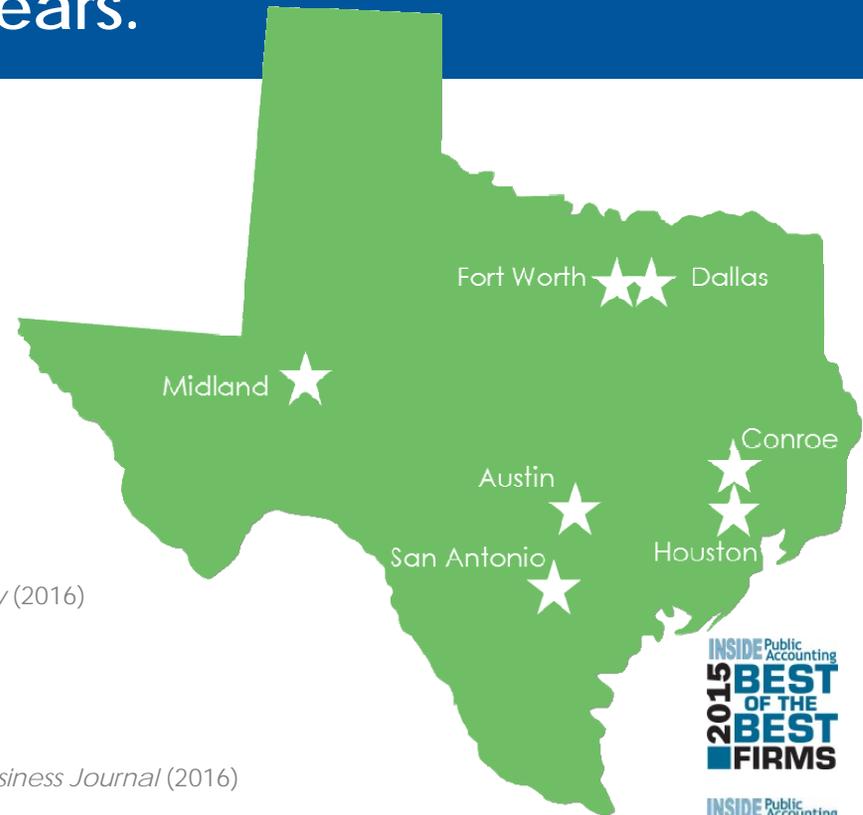
Headquartered In
Fort Worth
since 1950

9 U.S.
locations

Approximately
600
employees

80+
partners

Largest Independent
accounting firm based in the
Southwest



REGIONAL AND NATIONAL RANKINGS

Largest Firm based in the Southwest Region of the U.S. | *Accounting Today* (2016)

#4 National Leaders in Tax (firms under \$100M) | *Accounting Today* (2016)

Top 40 Firms | *INSIDE Public Accounting* (2015)

Top 50 Firms | *Accounting Today* (2016)

2015 BEST of the BEST Firm to Watch | *INSIDE Public Accounting*

#9 Largest Houston-Area Accounting Firms: Global Revenue | *Houston Business Journal* (2016)

#8 Largest North Texas Accounting Firms | *Dallas Business Journal* (2016)

#3 Largest Tarrant County Accounting Firms | *Fort Worth Business Press* (2015)

#7 Largest San Antonio Accounting Firms | *San Antonio Business Journal* (2016)

Best and Brightest Companies to Work For® | Dallas/Fort Worth (2016) and Houston (2015)

Engagement Leadership



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

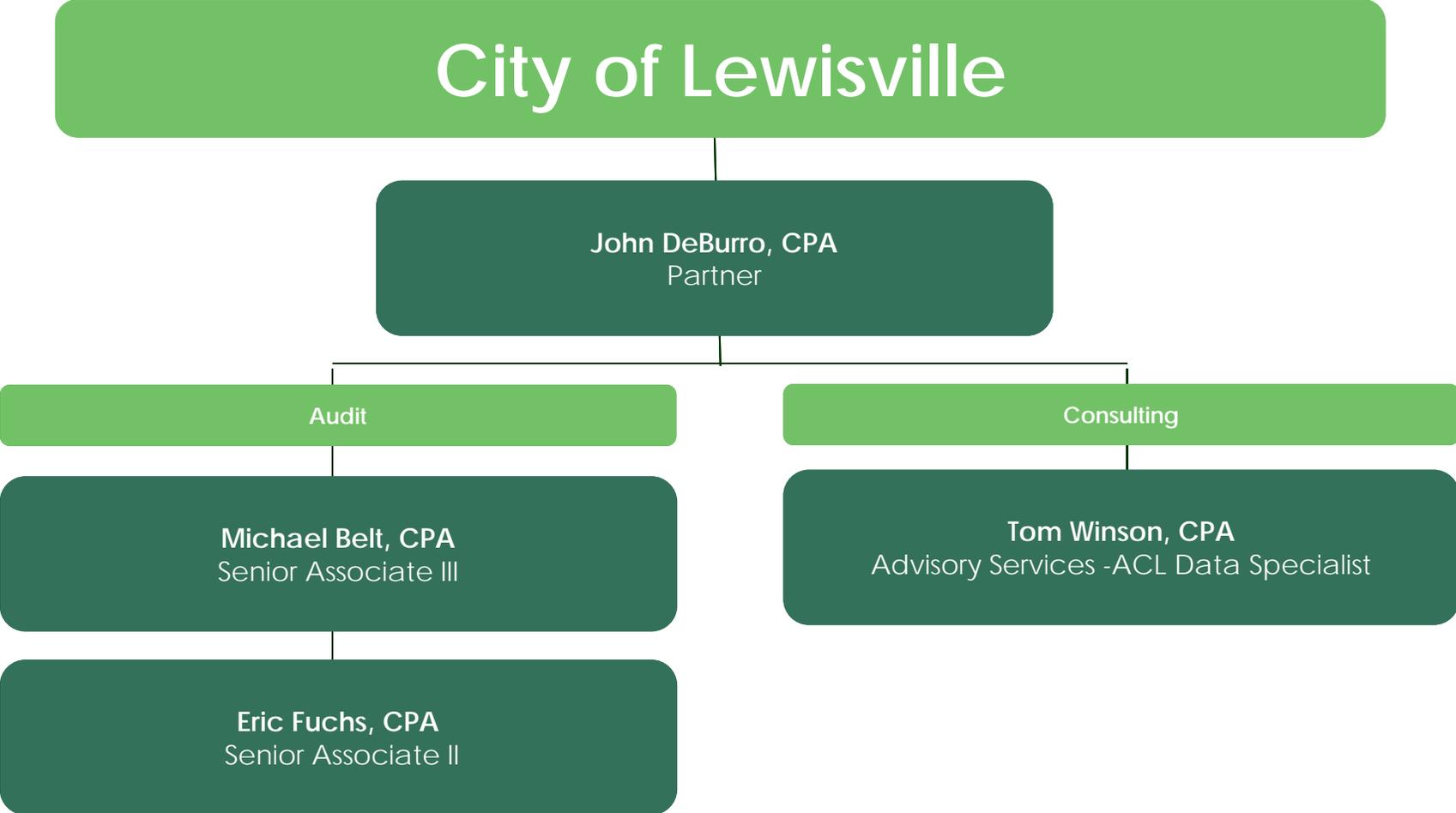
John DeBurro

Partner, Assurance Services

Jerry Gaither

Partner, Assurance Services

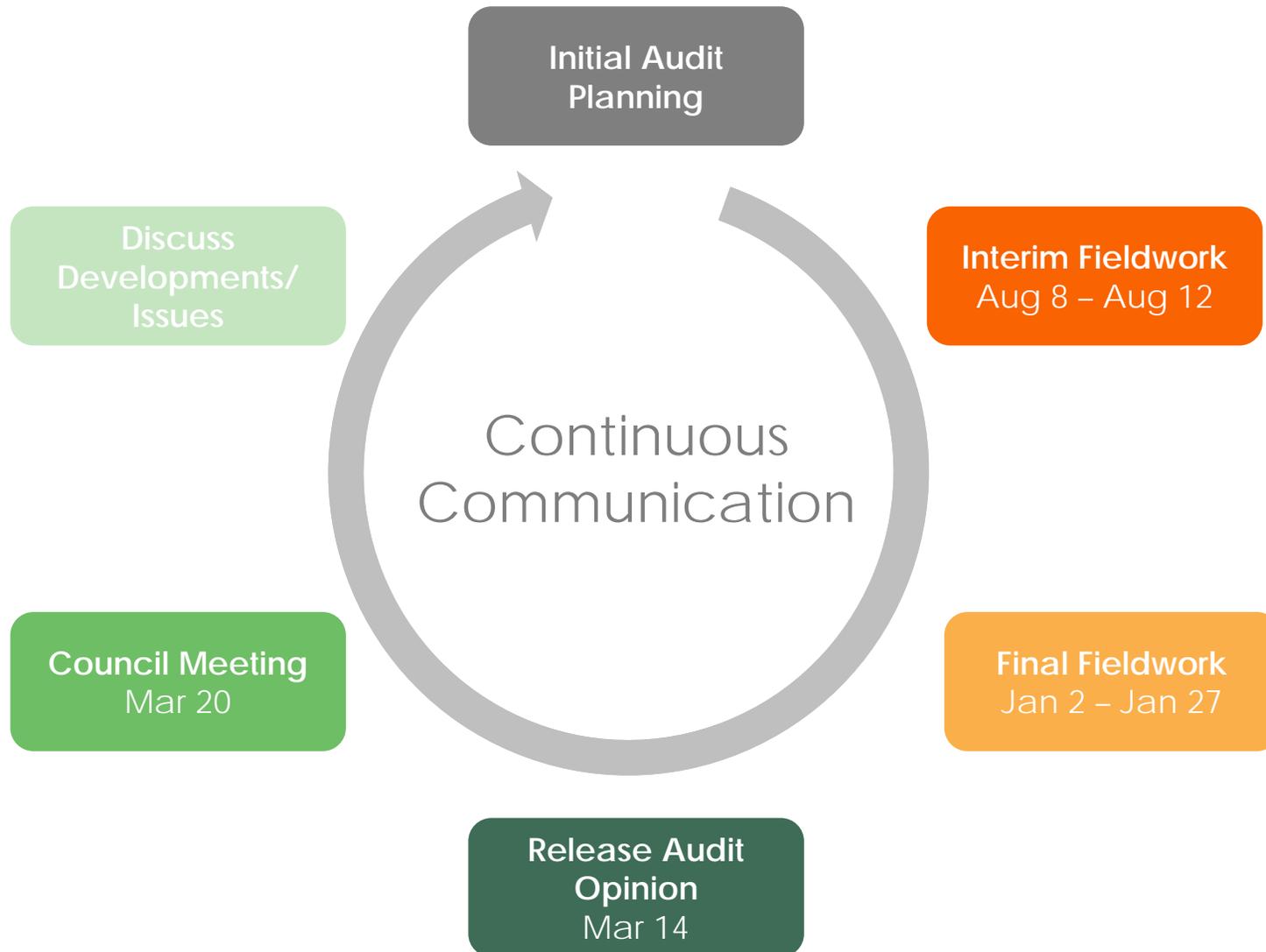
Engagement Team



Audit Process



Engagement Timeline



Audit Process

- The audit was performed in accordance with **Generally Accepted Auditing Standards (GAAS)**, **Generally Accepted Government Auditing Standards (GAGAS)**, and Title 2 U.S. Code of Federal Regulations (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.
- The audit process was a **risk-based approach** in which we identified potential areas of risk that could lead to material misstatement of the financial statements. We tailored our audit programs and resources to specifically address the following areas of risk:
 - Revenue recognition and related receivables
 - Capital projects, purchasing and compliance with bidding procedures
 - Payables, accrued liabilities, and expenditures
 - Federal grant revenues and expenditures and compliance requirements related thereto



Audit Process

Interim fieldwork and risk assessment were performed in August 2016. Procedures included:

- Walkthrough of accounting controls over significant transaction cycles:
 - Purchasing and accounts payable – including P-cards
 - Payroll
 - Cash receipts – taxes, municipal court, utility billing
 - Capital assets
- Test of internal controls:
 - Cash disbursements
 - Payroll
- Test of compliance:
 - Public Funds Investment Act
 - Bidding procedures
- Test of construction-in-progress

Interim fieldwork and risk assessment – Continued

- Identification of major federal financial assistance program and testing of compliance and controls over compliance
- Major program: Federal Land Access Program (FLAP) –
 - CFDA#20.224
 - Major federal program expenditures tested = \$3,318,505
 - Represents 79% of overall federal expenditures
- Controls over compliance tested:
 - Activities Allowed or Unallowed
 - Allowable Costs / Cost Principles
 - Matching, Level of Effort, and Earmarking
 - Period of Performance

Audit Process



Final fieldwork- performed in January 2017 - Procedures included:

- Testing of significant account balances using a combination of vouching of material transactions, sampling transactions and applying analytical procedures.
- Completion of testing of major federal financial assistance program (Federal Land Access Program) - compliance and controls over compliance.



Auditor Communications

for the year ended September 30, 2016

Weaver**Views**

Required Communications to Those in Charge of Governance



Communication

Auditor's responsibility under generally accepted auditing standards (GAAS)

Results

The financial statements are the responsibility of the City. Our audit was designed in accordance with GAAS in the U.S. and provides 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 prepared by management with your oversight 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.

The audit of the fiscal year 2016 financial statements has been completed and we have issued an unmodified opinion.

Required Communications to Those in Charge of Governance



Communication	Results
Auditor's Responsibility under Government Auditing Standards	<p>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 report does 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.</p> <p>No findings noted.</p>

Required Communications to Those in Charge of Governance



Communication

Auditor's Responsibility under Uniform Guidance

Results

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

The audits of the fiscal year 2016 major federal financial assistance programs have been completed and we issued a clean opinion.

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 basic financial statements.</p> <p>New GASB pronouncements implemented in 2016 include GASB Statement No. 72, "Fair Value Measurement and Application" which expands disclosure requirements related to fair value measurements of the City's investments.</p> <p>We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.</p>

Required Communications to Those in Charge of Governance



Communication	Results
Fraud and illegal acts	No fraud, irregularities, or illegal acts were noted.
Material weakness in internal control	No material weaknesses 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 Management’s Discussion and Analysis (MD&A) and Required Supplementary Information (RSI). 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 allowances for uncollectible receivables; estimates of incurred-but-not-reported workers’ compensation and health/dental claims; net pension liability, and estimated useful lives of capital assets were evaluated and determined to be reasonable in relation to the financial statements as a whole.
Management representations	We requested certain representations from management that were included in the management representation letter.

Required Communications to Those in Charge of Governance



Communication	Results
Difficulties encountered	No difficulties or disagreements arose during the course of our audit.
Management consultations	We are not aware of management consulting with other accountants for a second opinion.
Auditor independence	No independence issues noted.
Audit adjustments	<p>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.</p> <p>There were no significant audit adjustments made as a result of our audit procedures. In addition, management has determined that the effects of the uncorrected misstatement listed on page 20 is immaterial, both individually, and in the aggregate, to the financial statements as a whole.</p>
Other material written communications between Weaver and Tidwell, L.L.P., and the City	Nothing to note.

Required Communications to Those in Charge of Governance



Passed audit adjustment:

Account	Description	Debit	Credit
Proposed JE # 3001			
To reclassify contra-revenue amounts to expenditures			
101-10-480-000-4361	Contract Obligations	450,685.00	
285-40-380-033-4361	Contract Obligations	59,203.00	
286-08-271-000-4361	Contract Obligations	59,215.00	
794-20-110-000-4361	Contract Obligations	112,671.00	
101-01-100-000-3130	Sales Tax		450,685.00
285-01-100-000-3130	Sales Tax		59,203.00
286-01-100-000-3130	Sales Tax		59,215.00
794-01-100-000-3130	Sales Tax		112,671.00
Total		<u>681,774.00</u>	<u>681,774.00</u>

The background of the slide is a close-up, grayscale photograph of a pencil tip resting on a document. The pencil is positioned diagonally from the upper left towards the lower right. The document has some faint, illegible markings. A semi-transparent orange horizontal band is overlaid across the middle of the image, containing the text 'Auditor Results' in white. In the bottom right corner, the text 'WeaverViews' is displayed in white, with 'Views' in a bold font. Below it, the number '21' is written in a smaller white font.

Auditor Results

Weaver**Views**

Auditor Results



- We have issued the Independent Auditor's Report on the financial statements
 - Unmodified opinion
- We have 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
 - No findings noted
- We have issued the 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 (SEFA) in Accordance with the Uniform Guidance
 - Unmodified opinions on compliance
 - No findings noted
 - In-relation-to opinion on SEFA

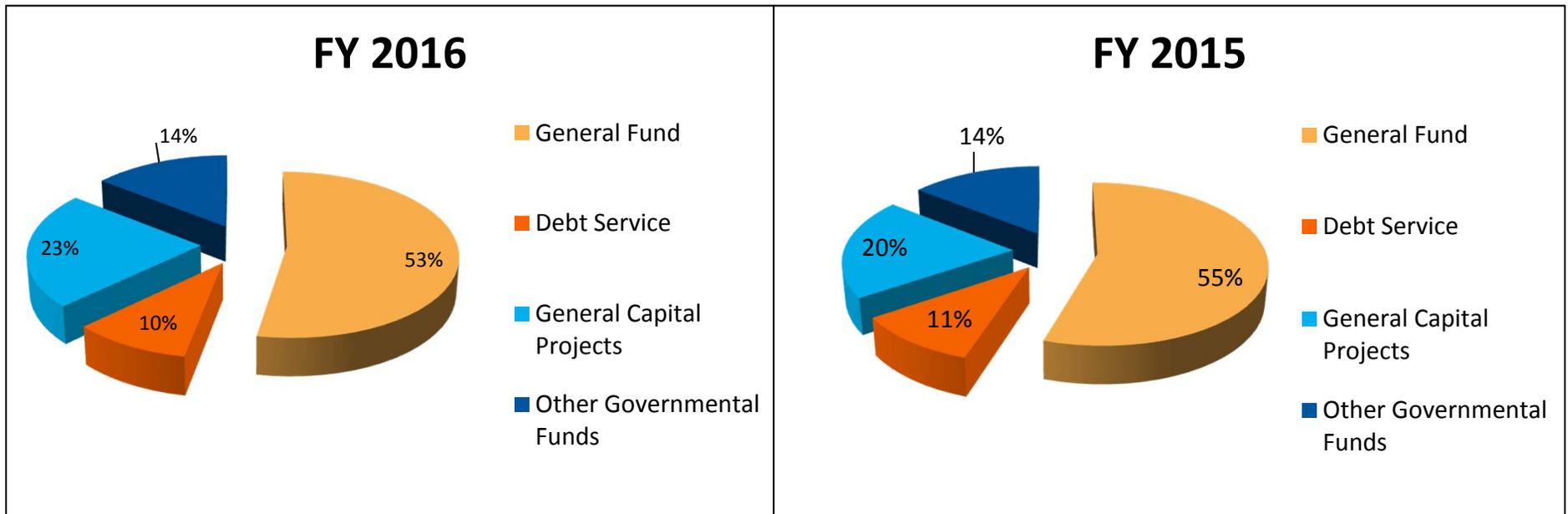
Financial Highlights

Weaver**Views**

Financial Highlights



Comparison of Governmental Funds Expenditures by Fund



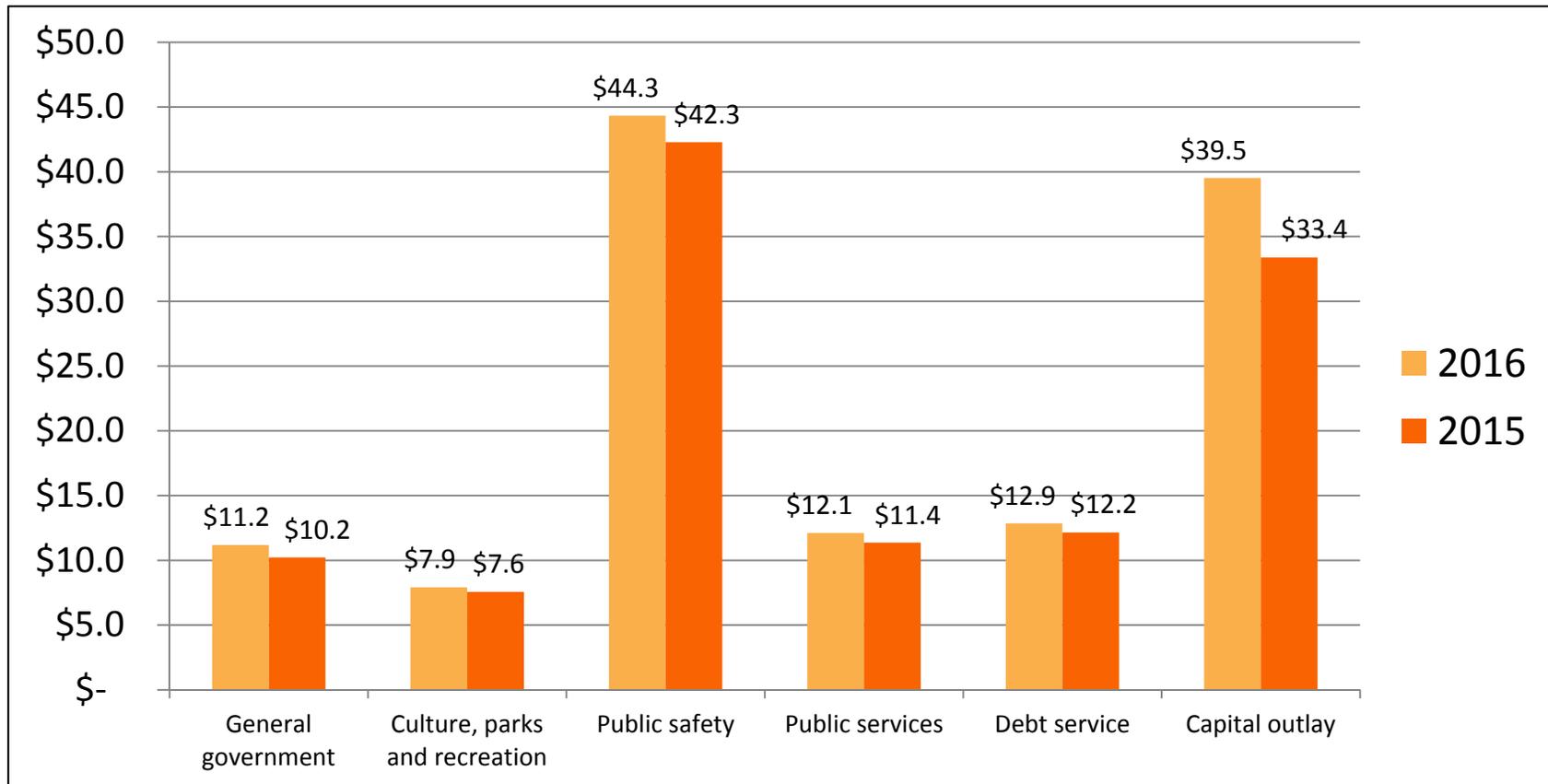
Governmental Funds Expenditures for FY 2016 totaled \$127.9 million, a \$10.8 million or 9% increase

- Capital outlay increased \$6.1 million as a result of increased capital projects activity.
- Public safety expenditures increased \$2.0 million.

Financial Highlights



Comparison of Governmental Funds Expenditures

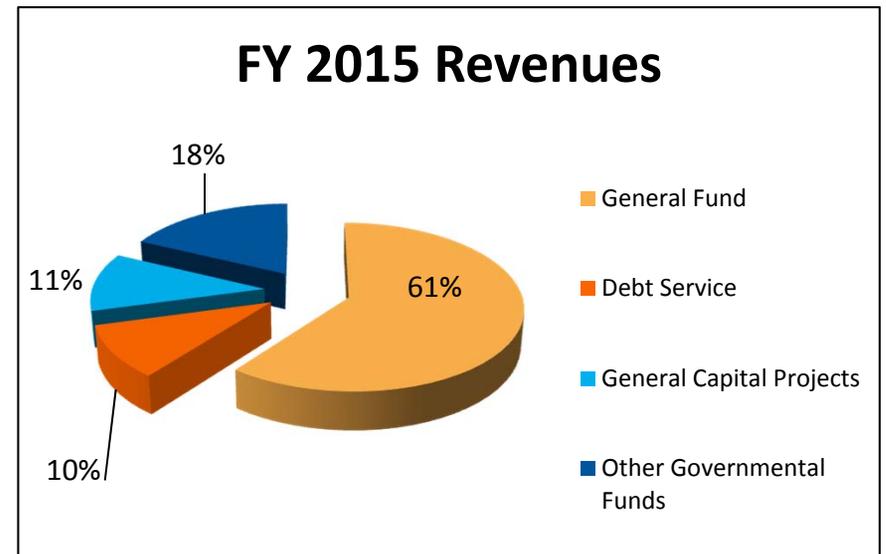
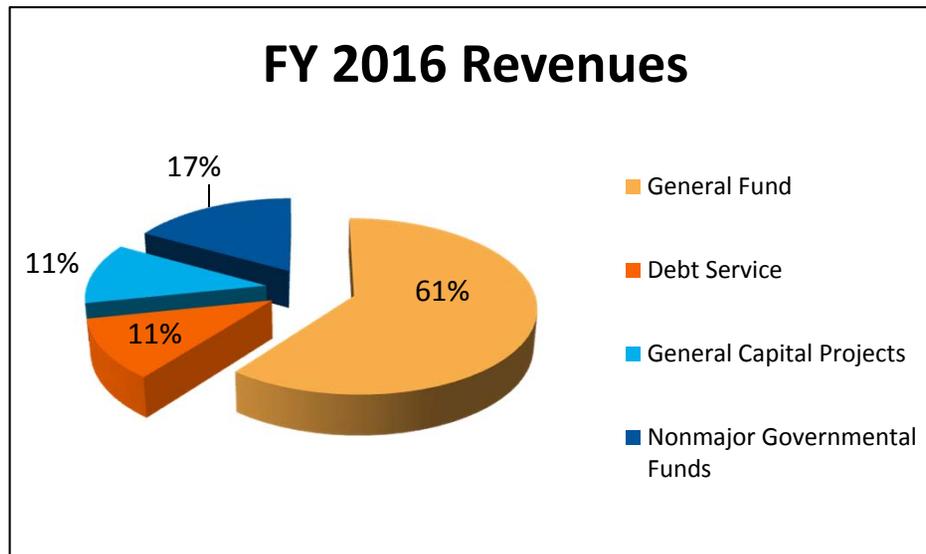


(2-year comparison – current year and prior year – in millions)

Financial Highlights

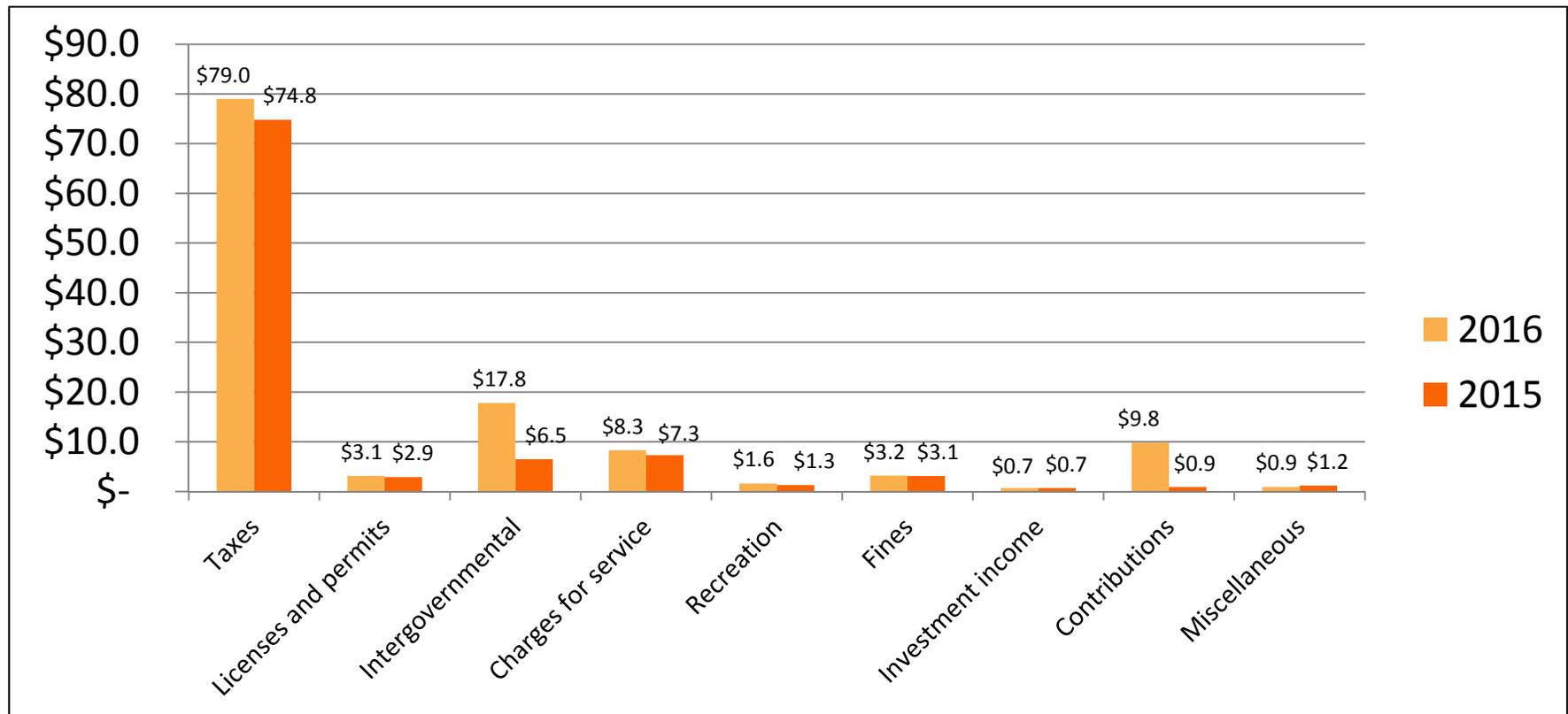
Comparison of Governmental Revenues by Source

Governmental Revenues for FY 2016 totaled \$124.4 million, a \$25.7 million or 26% increase. Significant revenue increases include contributions and donations (\$9 million) and intergovernmental (\$11.2 million).



Financial Highlights

Comparison of Governmental Revenues by Source



(2-year comparison – current year and prior year – in millions)

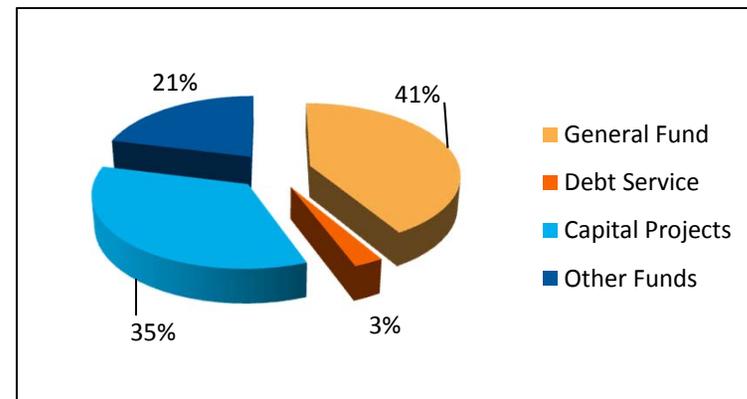
Financial Highlights

Fund Balances

Governmental Funds' Fund Balances

As of September 30, 2016, the City's governmental funds reported a combined ending fund balance of \$105.1 million as follows:

• General Fund	\$37,906,452
• Debt Service	2,801,894
• Capital Projects	43,661,244
• Other Funds	<u>20,778,043</u>
	<u>\$105,147,633</u>



- Overall, fund balance of the Governmental Funds increased by \$15.4 million, primarily the result of a \$12.6 million increase in the General Capital Projects Fund and an increase of \$1.9 million in the Other Governmental Funds.
- Fund balance in the General Fund increased by \$0.7 million during fiscal year 2016. The General Fund unassigned fund balance, \$36,616,542, represents approximately 54% of fiscal year 2016 General Fund expenditures.

Financial Highlights



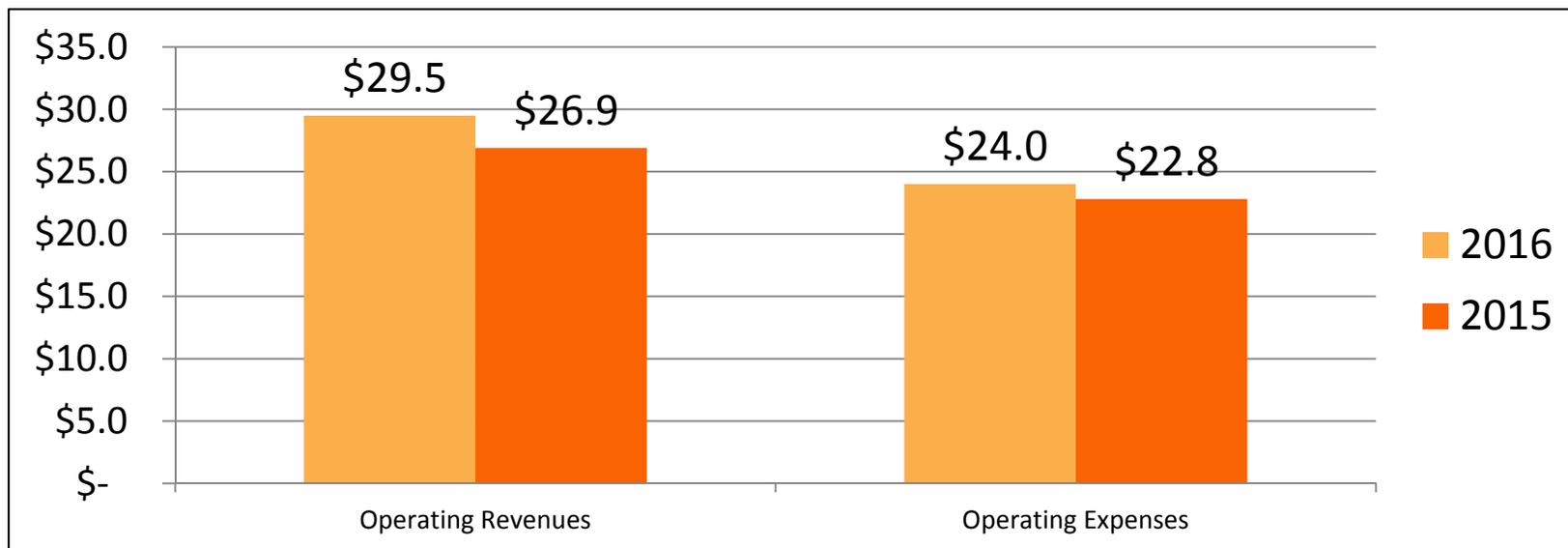
Budgetary Highlights – General Fund

The City had a favorable budget variance of \$15.9 million (net change in fund balance):

- Actual revenues were \$5.4 million more than budgeted
 - Taxes were \$2.9 million more than budgeted
 - Licenses and permits and were \$1.3 million more than budgeted
 - Charges for service were \$1.4 million more than budgeted
- Actual expenditures were below budget by \$2.8 million
- Transfers in were \$7.7 million more than budgeted

Financial Highlights

Comparison of Utility Fund Operating Revenues and Expenses – FY 2016 and FY 2015 (in millions)



- Utility Fund net position increased by \$12.1 million during fiscal year 2016, primarily the result of \$5.5 million in operating income and \$7.9 million in developer contributions.
- Operating revenues increased \$2.6 million due primarily to increased water consumption.
- Operating expenses increased \$1.2 million due to a \$0.9 million increase in cost of sales and services.

Standards Required to be Implemented in FY2017



Effective for the year ended September 30, 2017

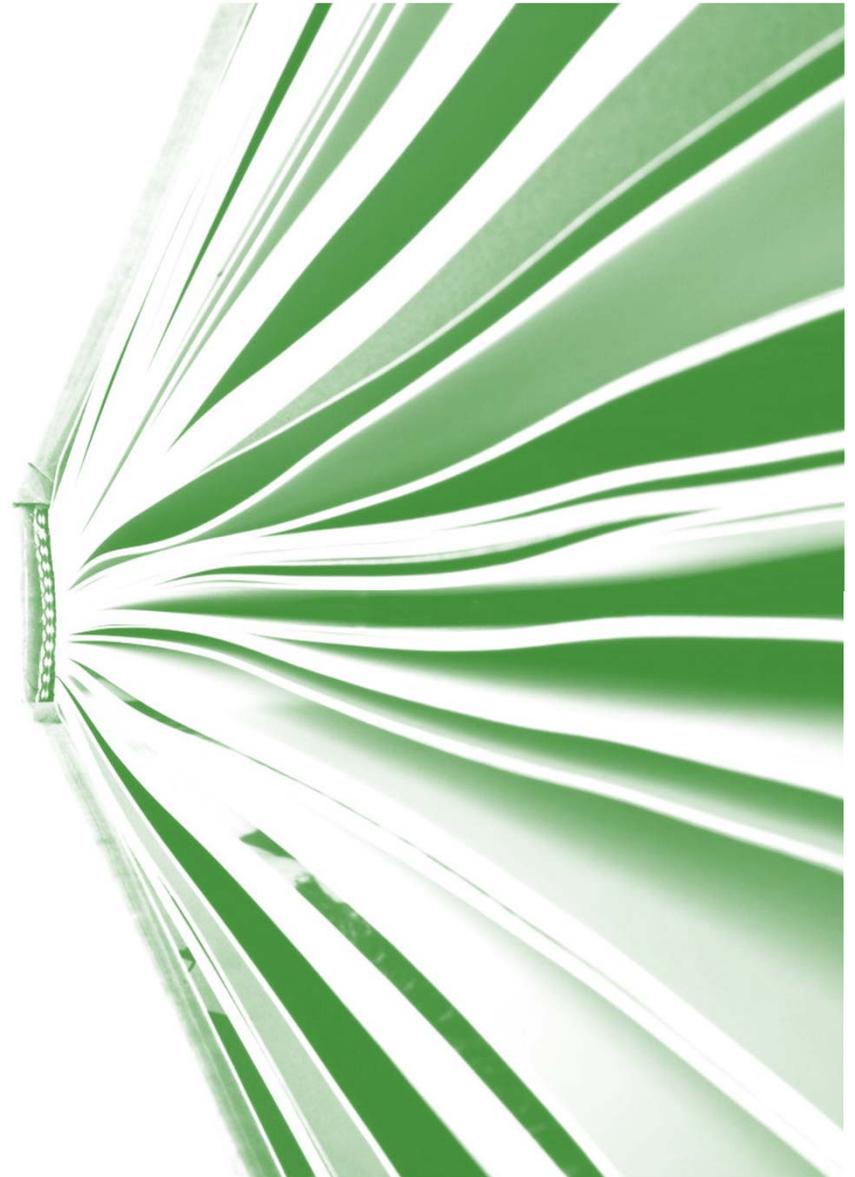
GASB 77 – Tax Abatements

- **Objective:** to require governments that enter into tax abatement agreements to disclose certain information about tax abatement programs that reduce the reporting government's tax revenues.
- **Effect:** GASB 77 will require management to review existing tax abatement agreements to determine proper disclosure.

GASB 82 – Pension Issues – an Amendment of GASB Statement No.s 67, 68 and 73

- **Objective:** to address certain issues that have been raised with respect to GASB Statements 67, 68 and 73.
- **Effect:** GASB 82 will not have a significant effect on the City's financial reporting.

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





Questions?

Contact Us

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