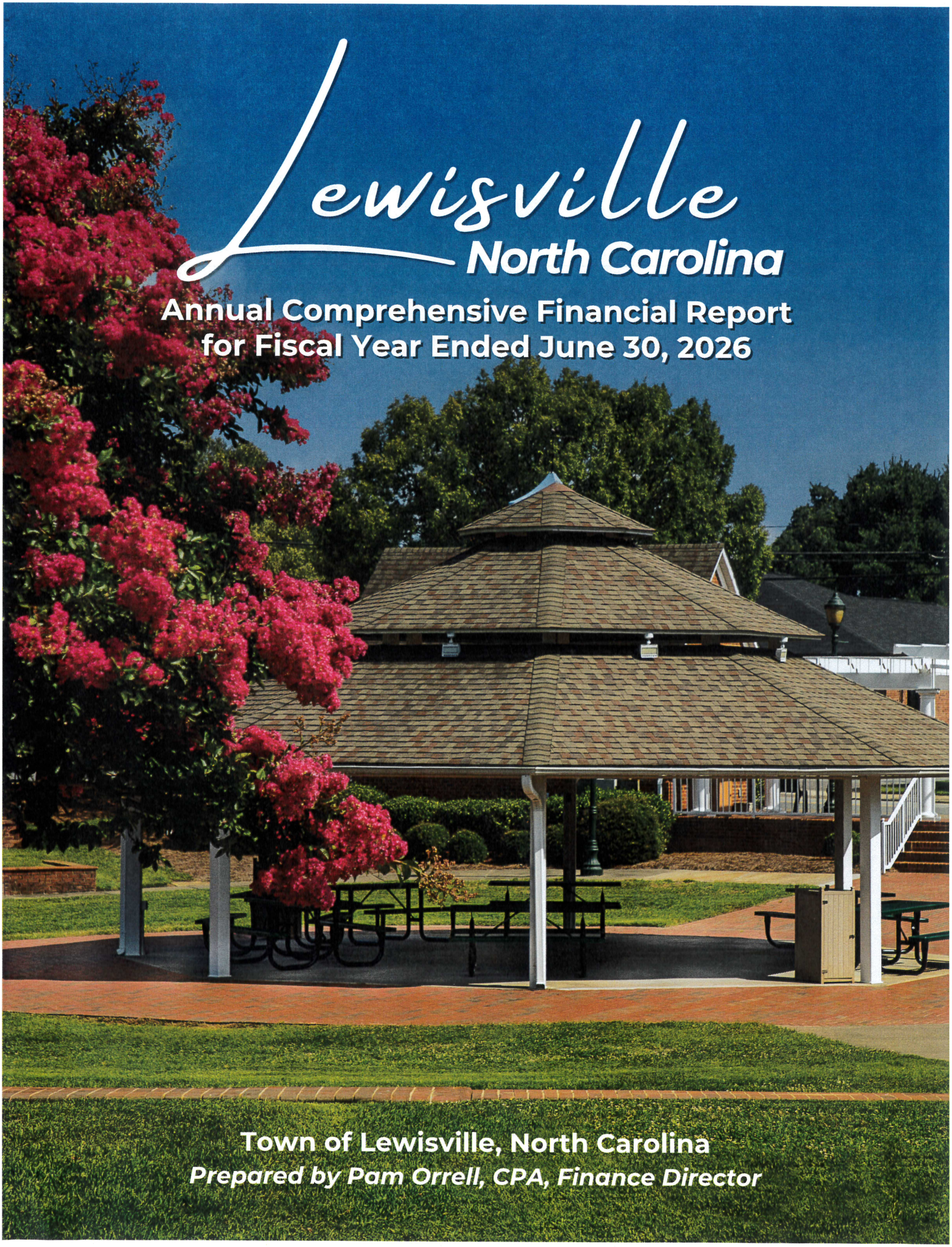

Lewisville
North Carolina
Annual Comprehensive Financial Report
for Fiscal Year Ended June 30, 2026
Town of Lewisville, North Carolina
Prepared by Pam Orrell, CPA, Finance Director

TOWN OF LEWISVILLE,
NORTH CAROLINA
Annual Comprehensive Financial Report
For the Fiscal Year
Ended June 30, 2026

Prepared by:
Pam Orrell, CPA
Finance Director

TOWN OF LEWISVILLE, NORTH CAROLINA

Table of Contents
June 30, 2026

	Page
Introductory Section	
Letter of Transmittal	i - viii
Members of Town Council and Town Staff	ix - x
Organizational Chart	xi
Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year Ended June 30, 2025	xii
Financial Section	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 14
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18

TOWN OF LEWISVILLE, NORTH CAROLINA

Table of Contents
June 30, 2026

	Page
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	20
Notes to the Financial Statements	21 - 43

Required Supplementary Information

General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	44
Willow Run Municipal Service District Special Revenue Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	45
Notes to Required Supplementary Information - Budgetary Comparisons	46 - 53
Schedule of the Proportionate Share of Net Pension Liability (Asset) - Local Governmental Employees' Retirement System	54
Schedule of Contributions - Local Governmental Employees' Retirement System	55
Notes to Required Supplementary Information - Local Governmental Employees' Retirement System	56

TOWN OF LEWISVILLE, NORTH CAROLINA

Table of Contents
June 30, 2026

	Page
Individual Fund Schedules	
Other Major Governmental Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception - Special Revenue Fund - American Rescue Plan Act	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception - Capital Projects Fund - Great Wagon Road Improvements	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception - Capital Projects Fund - Roundabout at Lewisville-Vienna Road and Robinhood Road	59
Non-Major Governmental Funds	
Combining Balance Sheet for Non-Major Governmental Funds	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Non-Major Governmental Funds	61
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sidewalks, Bike Paths, and Greenways Capital Reserve	62
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Municipal Buildings/Land Capital Reserve	63
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Parks and Recreation Capital Reserve	64

TOWN OF LEWISVILLE, NORTH CAROLINA

Table of Contents
June 30, 2026

	Page
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception - Capital Projects Fund - Community Center	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception - Capital Projects Fund - Jack Warren Park Improvements	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception - Capital Projects Fund - Public Works Facility	67

Other Schedules

Schedule of Ad Valorem Taxes Receivable	68
Analysis of Current Tax Levy - Town-Wide Levy	69

Statistical Section

Statistical Section - Contents	70
Schedule 1 - Net Position by Component - Last Ten Fiscal Years	71
Schedule 2 - Changes in Net Position - Last Ten Fiscal Years	72 - 73
Schedule 3 - Fund Balances of Governmental Funds - Last Ten Fiscal Years	74
Schedule 4 - Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	75 - 76

TOWN OF LEWISVILLE, NORTH CAROLINA

Table of Contents
June 30, 2026

	Page
Schedule 5 - Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	77
Schedule 6 - Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	78
Schedule 7 - Principal Property Taxpayers - Current Year and Nine Years Ago	79
Schedule 8 - Property Tax Levies and Collections - Last Ten Fiscal Years	80
Schedule 9 - Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	81
Schedule 10 - Direct and Overlapping Governmental Activities Debt as of June 30, 2026	82
Schedule 11 - Legal Debt Margin Information - Last Ten Fiscal Years	83
Section 12 - Demographic and Economic Statistics - Last Ten Fiscal Years	84
Section 13 - Principal Employers - Current Year and Nine Years Ago	85
Section 14 - Full-Time Equivalent Employees by Function - Last Ten Fiscal Years	86
Section 15 - Operating Indicators by Function/Program - Last Ten Fiscal Years	87

TOWN OF LEWISVILLE, NORTH CAROLINA

Table of Contents
June 30, 2026

	Page
Section 16 - Capital Asset Statistics by Function - Last Ten Fiscal Years	88

Compliance Section

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*	89 - 90

Introductory Section

LEWISVILLE
INCORPORATED 1991

TOWN OF LEWISVILLE

6510 Shallowford Road P.O. Box 547
Lewisville, North Carolina 27023
336-945-5558
www.lewisvillenc.net

October 22, 2026

The Honorable Billy Carter, Jr., Mayor
Members of the Town Council
Residents of the Town of Lewisville, North Carolina

Financial Report

It is our pleasure to present the Annual Comprehensive Financial Report of the Town of Lewisville, North Carolina, for the fiscal year ended June 30, 2026. State law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose.

Gibson & Company, P.A., a certified public accounting firm, has issued an unmodified opinion on the Town of Lewisville's financial statements for the year ended June 30, 2026. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.



Description of the Town



The Town of Lewisville, incorporated in 1991, is located in Forsyth County, which is in the northwestern Piedmont section of North Carolina. The County is considered an urban county with nine municipalities. The County is part of the State's Piedmont Triad Region, which is nationally recognized as a major trading area.

The Town has a council-manager form of government. A mayor and six Council members are elected at large in November of the odd numbered years. The mayor is a voting member and the presiding officer of the Council. The Council typically meets on the first Thursday of the month in a briefing session and on the second Thursday of each month for its regular session, with special meetings as necessary to work on the budget or other special projects.

Lewisville residents enjoy a full range of municipal services including waste and recycling collection, community policing, planning and zoning, street maintenance, stormwater management, parks and recreation, and cultural development. Water and sewer are provided to the residents of Lewisville by the Winston-Salem/Forsyth County Utility Commission. Fire protection is provided by the Lewisville Fire Department and the Vienna Fire Department. These fire departments act separately from the Town as individual fire districts.

The town manager is appointed by the Council and serves at its pleasure. The town manager is responsible for implementing policies and managing daily operations. The town manager, with a staff of eleven, administers Town functions in accordance with Council policies, ordinances, and the annual budget ordinance. The staff positions are assistant town manager/public works director, finance director, planning director, town clerk, communications specialist, customer service representative/events coordinator, recreation center manager, accounting technician, building maintenance mechanic, (2) public works maintenance technicians. Town management is committed to providing staff with training opportunities to help each employee work to his or her full potential. The Town staff administers contracts for many of its services.

The financial reporting entity includes all the funds of the Town. The annual budget ordinance creates a legal limit for expenditures and, as such, is the basis for financial planning and control. The annual budget is adopted in accordance with North Carolina General Statutes. Activities of the General Fund, including Powell Bill funds, the Willow Run Municipal Service District Special Revenue Fund, and the capital reserve funds are included in the annual budget ordinance. The Town Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget. The town manager is further authorized to transfer funds from one appropriation to another in a different department within the same fund with a maximum

of $10,000. No transfers shall be made between funds, except by the Town Council in the budget ordinance as amended. Budget to actual comparisons are included in this report.

Management is responsible for developing an internal control system designed to protect the government's assets from loss, theft, or misuse and to maintain reliable records for compilation and presentation of the Town's financial information in conformity with generally accepted accounting principles. The Town has a small staff but employees are cross-trained and checks and balances have been included in financial procedures. Because the cost of a control should not exceed the benefits to be derived, the system is designed to provide reasonable internal control and reasonable assurance that the financial statements will be free from material misstatement.

Economic Condition and Outlook

The local economy has experienced a shift from the tobacco, textile, and furniture industries that have provided a strong base for the region to health services and allied professions, higher education, financial services, and information technology. According to 2024 census data, 48.3 percent of Lewisville's population works in management, business, science, and arts occupations, 17.0 percent work in sales and office occupations, 13.4 percent work in service occupations, and 18.5 percent of the working population works at home. Most workers who travel to a place of employment have on average a 26-minute commute. These figures support the fact that Lewisville is a residential community within an urban area.

Lewisville has experienced healthy growth in the last decade. Since 2017, the Town Council has approved one apartment complex with 120 units and 22 subdivisions with 960 lots in total.

Long-Term Financial Planning

This report reflects the dedication by our elected officials to make sound financial decisions that provide quality services, programs and capital improvements for the residents of Lewisville. These decisions have resulted in the Town's strong financial position, which is demonstrated by maintaining a healthy available fund balance. The Town's prudent use of debt issuance and careful management of revenue and cash resources allows for the creation of capital reserve funds that enable future capital projects.

Major Initiatives

Community Policing. In order to provide for the safety of Lewisville's residents and the continued growth of the Town, the Town contracts with the Forsyth County Sheriff's Office to provide for deputies assigned specifically to Lewisville. One deputy is a sergeant who supervises the other six deputies. The total cost of this contract was $1,049,210 for the fiscal year ended June 30, 2026. The Town reviews the need for more community policing officers each fiscal year during the annual budget process. It is the desire of the Town to provide residents with twenty-

four-hour community policing coverage. The Town has accomplished that goal through this contract.

Mary Alice Warren Community Center. This 12,000 square foot community center, opened in November 2021, was constructed on a 15-acre site donated by Lewisville resident Mary Alice Warren. The mission of the Mary Alice Warren Community Center is "to nurture a sense of community belonging by providing facilities, programs, educational classes, activities and events primarily designed to enhance the lives of Lewisville and neighboring area residents and their families." The community center boasts 3 multi-purpose rooms, an arts and crafts room, a small conference room and a catering kitchen.



Jack Warren Park. This 15-acre park, located adjacent to the Mary Alice Warren Community Center is also built on land donated by Mary Alice Warren. It contains a children's playground, a paved walking trail, and a multi-purpose playing field. More recent additions to the park, with the aid of a PARTF grant, include a 18-hole disc golf course, nature walking trails, and the Mike Horn Amphitheater.









Shallowford Square. The Town hosts an array of entertainment opportunities in Shallowford Square that includes musical concerts and starlight movie nights. The Town also just completed construction of a new inclusive, wheelchair-friendly playground in Shallowford Square. The playground provides a space where children of all physical abilities can play, learn, and have fun together.









Street Paving. The Town continues a paving program to maintain streets within its boundaries. Overall, paving and maintenance of the 57.4 miles of Town-owned streets continues to be a priority for future years.

Planning and Zoning. The Town operates under a Comprehensive Plan and a Parks and Recreation Master Plan which were adopted in 2022. With Lewisville facing an increase in growth and development, the Comprehensive Plan serves as a guide to maintain the focus and vision of Lewisville residents. It provides a clear direction for land use initiatives within our Town boundaries. The Parks and Recreation Master Plan aims to help Lewisville better serve their residents through parks, open space, and recreational opportunities. The Parks and Recreation Master Plan identifies existing facilities, needs for future parks around Town, and an implementation plan offering guidance to fulfill those needs. Planning policies and decisions are guided by both of these plans to ensure the vision of Lewisville continues to be considered.

The Lewisville Town Council also adopted a major revision of the Unified Development Ordinance (UDO) in the current fiscal year. The UDO contains all regulations pertaining to land use, zoning, subdivision, and environmental management within the Town of Lewisville.

Interlocal Agreement with Winston-Salem/Forsyth County Utility Commission. The Town of Lewisville has an agreement with the Winston-Salem/Forsyth County Utility Commission whereby the Commission will continue the operation of the water and sewer systems within the Town of Lewisville. This agreement establishes a capital reserve account to be funded primarily by a multiplier of water and sewer rates. The capital reserve account is held by the Commission and expenditures from the capital reserve account are to be used to pay the cost of constructing water lines and sewer system facilities and the cost of future capacity purchases as they may become necessary. The balance in the reserve at June 30, 2026 was $10,262,724.

Great Wagon Road. The Town of Lewisville remains committed to the construction of the Great Wagon Road. The Council's creation of a GWR ROW/Construction Capital Reserve Fund and the GWR ROW/Construction Capital Projects Fund allowed the Town to make expenditures for planning and engineering fees as well as purchase of right-of-way for the construction of the road in prior years. During fiscal year 2018, the North Carolina Department of Transportation assumed financial responsibility for the remaining work to be done on the Great Wagon Road to include design, right-of-way acquisition, and construction. As construction of the Great Wagon Road progresses, the Town of Lewisville will participate financially with the North Carolina Department of Transportation on enhancements such as street trees, streetlights, and sidewalk expansion, as well as the design and installation of water and sewer infrastructure. The funds in the GWR ROW/Construction Capital Reserve and the GWR



ROW/Construction Capital Project have been consolidated into one fund called the Great Wagon Road Improvements Capital Projects Fund. The amount in this fund at June 30, 2026 was $2,933,023.

Roundabout at Robinhood Road and Lewisville-Vienna Road. The Town has been awarded funding for the construction of a single lane roundabout at Robinhood Road and Lewisville-Vienna Road. The project includes necessary sidewalk connections at the roundabout and streetscape, lighting, and landscaping. This is a project utilizing $4,707,188 in federal STBG-DA (Surface Transportation Block Grant – Direct Attributable) funds, CMAQ (Congestion Mitigation and Air Quality) funds, and CRPDA (Carbon Reduction Program) funds. Construction will be completed in fiscal year 2026-2027.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Town of Lewisville for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. This is the twenty-first year the Town of Lewisville has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe that our current annual comprehensive financial report meets the Certificate of Achievement Program requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

This report was prepared by Finance Director Pam Orrell, with the assistance of Town Manager Stacy Y. Tolbert. Credit is also given to the Mayor and the Town Council for their continued support in maintaining the highest standards of professionalism in the management of the Town of Lewisville's finances.

Stacy Y. Tolbert
Town Manager

Pam Orrell, CPA
Finance Director

TOWN OF LEWISVILLE

NORTH CAROLINA

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2026

Town Council

Billy Carter, Jr., Mayor
Stacy Howard, Mayor Pro Tem
Brady Allen
Fred Franklin
Gerry Gallagher
Suzanne Newsome
Mack Wilder

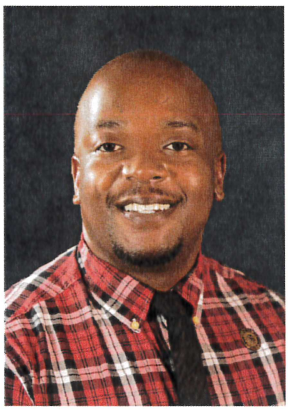
Town Staff

Stacy Y. Tolbert, Town Manager
Jon Hanna, Assistant Town Manager/Public Works Director
Pam Orrell, Finance Director
Angela Lord, Town Clerk

LEWISVILLE
INCORPORATED 1991

2025-2027

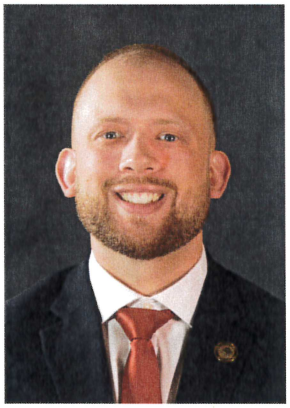
Town Council



Billy Carter Jr.,
Mayor



Stacy Howard,
Mayor Pro Tem



Brady Allen,
Council Member



Fred Franklin,
Council Member



Gerry Gallagher,
Council Member

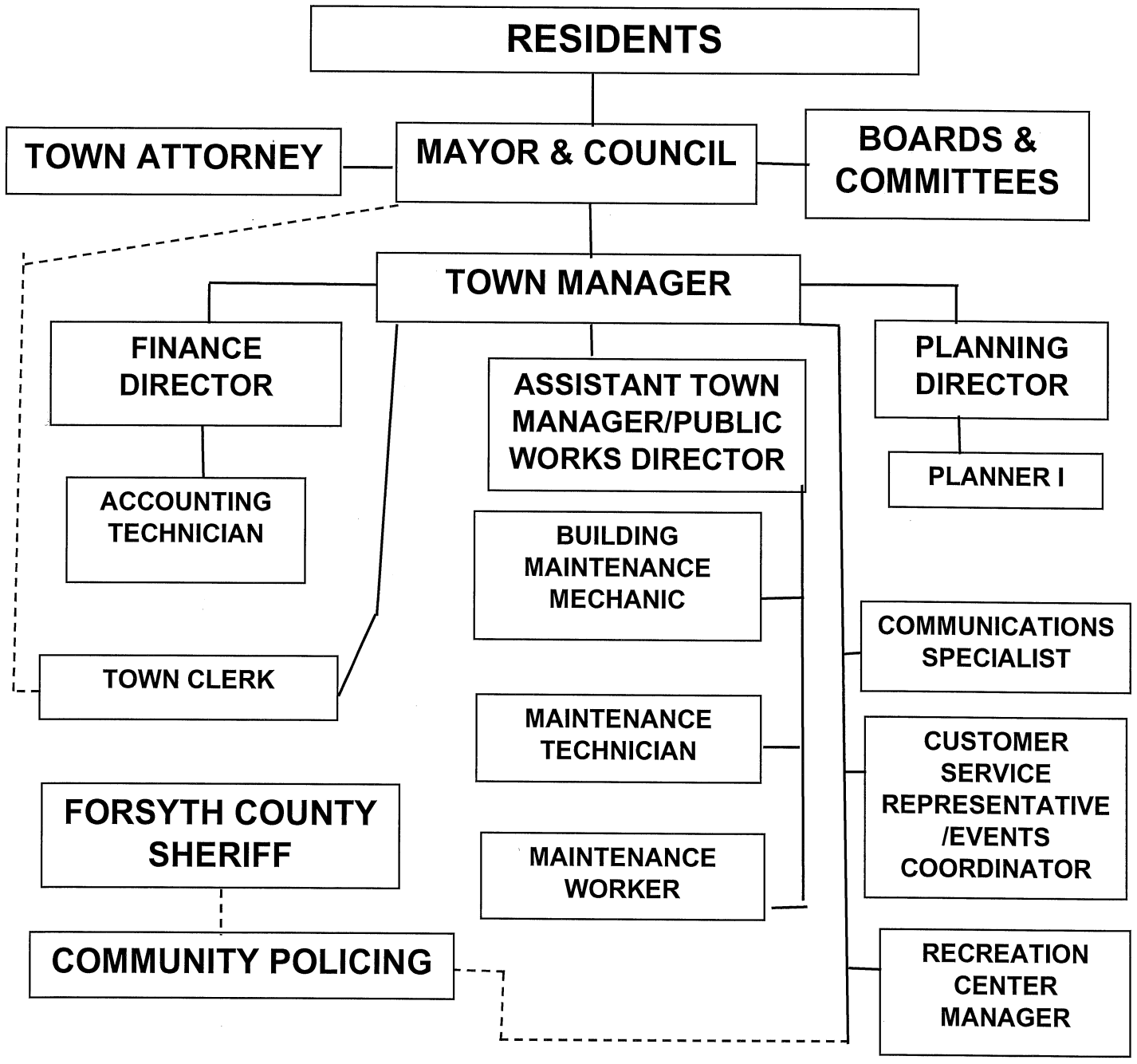


Suzanne Newsome,
Council Member



Mack Wilder,
Council Member

TOWN OF LEWISVILLE
ORGANIZATIONAL CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Lewisville
North Carolina

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morrill

Executive Director/CEO

Financial Section



GIBSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Honorable Mayor
and Members of the Town Council
Town of Lewisville, North Carolina

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lewisville, North Carolina as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise Town of Lewisville's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Lewisville as of June 30, 2026, and the respective changes in financial position, and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Lewisville and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the Town of Lewisville's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

106 York Way, Suite 202
Bermuda Run, NC 27006

336/760-8910
FAX 336/760-8913

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Governmental Auditing Standards* will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards* we:

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lewisville's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Lewisville's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14, the respective budgetary comparison for the General Fund, page 44, and major annually budgeted Special Revenue Fund, page 45, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 54 through 55, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an

opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lewisville's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are 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 by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2026 on our consideration of the Town of Lewisville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Lewisville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Lewisville's internal control over financial reporting and compliance.

Dilon & Company, P.A.

Bermuda Run, North Carolina
October 22, 2026

Management's Discussion and Analysis



As management of the Town of Lewisville, we offer readers of the Town of Lewisville's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements of the Town of Lewisville for the year ended June 30, 2026, focusing on why amounts changed from the prior year. We encourage readers to consider the information presented here in conjunction with additional information furnished in this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Lewisville's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Lewisville.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private sector business. The government-wide financial statements include the Town's governmental activities.

The *statement of net position* presents financial information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave).

Government-wide financial statements reflect the functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government, public works, planning, parks and recreation, and public safety.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are included in one category, *governmental funds*.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Willow Run Municipal Service District Special Revenue Fund, the American Rescue Plan Act Special Revenue Fund, the Great Wagon Road Improvements Capital Projects Fund, and the Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the non-major governmental funds section of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The Town uses notes to present information in greater detail than is possible within the financial statements themselves, explain the nature of amounts reported in the financial statements and how those amounts were determined, and report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain *required supplementary information*. The Town presents budgetary comparison schedules for the General Fund and the Willow Run Municipal Service District Special Revenue Fund, as well as the Town's progress in funding its obligations to provide pension benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgetary comparisons and the pension.

Financial Summary and Detailed Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $28,994,120 at the close of the most recent fiscal year ended June 30, 2026, an increase of $921,211.

Town of Lewisville's Net Position
Figure 1

	Governmental Activities	
	2026	2025
Current and other assets	$ 16,537,261	$ 14,828,214
Capital assets	15,403,588	15,557,548
Deferred outflows of resources	309,244	386,257
Total asssets and deferred outflows of resources	32,250,093	30,772,019
Long-term liabilities outstanding	1,466,919	1,715,026
Other liabilities	1,772,828	983,372
Deferred inflows of resources	16,226	712
Total liabilities and deferred inflows of resources	3,255,973	2,699,110
Net position:		
Net investment in capital assets	13,524,318	14,352,357
Restricted	1,984,898	1,744,688
Unrestricted	13,484,904	11,975,864
Total net position	$ 28,994,120	$ 28,072,909

The largest portion of the Town's net position, $13,524,318, reflects its investment in capital assets (e.g., land, buildings, furniture and equipment, vehicles, park facilities, and infrastructure), net of accumulated depreciation/amortization and less any related outstanding debt that was used to acquire those assets. The Town uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, $1,984,898, represents resources that are subject to external restrictions on how they may be used. As of the end of the current fiscal year, the Town's unrestricted net position was $13,484,904. The following section analyzes the finances of the governmental activities.

Governmental Activities. Current and other assets increased by $1,709,047 (11.52%). This includes cash and cash equivalents which increased by $1,679,412 ($14,453,996 at June 30, 2026 versus $12,774,584 at June 30, 2025). The increase in cash and cash equivalents is due to the overall increase in the fund balance for all governmental funds of $907,098. Cash and cash equivalents are also up due to the increase in accounts payable and accrued liabilities across all governmental funds of $902,998 ($1,361,077 at June 30, 2026 versus $458,079 at June 30, 2025). Construction of the roundabout at Lewisville-Vienna Road and Robinhood Road was well underway at year end and there was $690,077 in accounts payable at year end due for construction and engineering and inspection costs for the month of June, 2026. Accounts payable for the General Fund was also up with $186,462 in payables related to the newly constructed playground in Shallowford Square.

Capital assets decreased by $153,960 (.99%) from capitalized capital outlay expenditures of $1,319,869 offset by depreciation expense $873,829 and a loss on disposition of sewer rights of $600,000.

Total liabilities increased $541,349 (20.06%). As mentioned above, accounts payable and accrued liabilities increased by $902,998 from the prior year due to payables at year end for the roundabout project and the new Shallowford Square playground. This increase in accounts payable is offset by the principal payments made on the direct placement financing agreement in the amount of $200,000 and the net decrease in the net pension liability of $59,598 ($544,842 at June 30, 2026 versus $604,440 at June 30, 2025).

Town of Lewisville's Change in Net Position
Figure 2

	Governmental Activities	
	2026	2025
Revenues		
Program revenues:		
Charges for services	$ 118,835	$ 93,955
Operating grants and contributions	473,750	853,046
Capital grants and contributions	583,729	546,616
General revenues:		
Property taxes	4,943,606	3,958,023
Other taxes	63,894	63,115
Unrestricted intergovernmental revenues	2,572,973	2,267,599
Unrestricted investment earnings	463,729	511,513
Other	7,166	16,147
Total revenues	9,227,682	8,310,014
Expenses		
General government	1,708,235	1,775,722
Public works	4,566,828	3,142,779
Planning	174,573	240,580
Parks and recreation	780,026	675,443
Public safety	1,058,158	1,011,010
Interest on long-term debt	18,651	22,251
Total expenses	8,306,471	6,867,785
Change in net position before transfers	921,211	1,442,229
Transfers	-	-
Change in net position	921,211	1,442,229
Net position, beginning	28,072,909	26,630,680
Net position, ending	$ 28,994,120	$ 28,072,909

The Town's overall net position increased $921,211 from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities.

Governmental Activities. Governmental activities increased the Town's net position by $921,211. Current year ad valorem revenue increased $985,583 ($4,943,606 in FY 25-26 versus $3,958,023 in FY 24-25) over the prior year. Forsyth County performed a revaluation of real property as of January 1, 2025. This revaluation resulted in an overall increase in real property values in Lewisville of 55%. The FY 24-25 tax rate was 21.7 cents and the revenue neutral tax rate was calculated at 15.17 cents per $100 of valuation for FY 25-26. The Town Council chose to not adopt the revenue neutral rate, but instead lowered the tax rate to 18 cents for FY 25-26. This accounts for the overall increase in ad valorem revenue for FY 25-26.

Sales tax revenue also increased $269,289 ($1,559,273 in FY 25-26 versus $1,289,984 in FY 24-25) over the prior year. When Forsyth County shares the sales tax revenue collected from the State with all of its municipalities, they use the "ad valorem" method. Sales tax is distributed based on the ad valorem levies of Forsyth County and all the municipalities in Forsyth County from the previous year. The previous year or FY 24-25 represents the year when the Town's property tax rate increased from 17.7 cents to 21.7 cents or 4 cents. This increase in the Town's ad valorem rate in FY 24-25 had the effect of increasing the Town's share of the sales tax revenue in FY 25-26 compared to Forsyth County and its other municipalities.

Revenue is also up due to the $583,729 in federal highway money received for the construction of the roundabout at Lewisville-Vienna Road and Robinhood Road.

This increase in government-wide revenues is offset by the increase in government-wide expenses of $1,438,686 ($8,306,471 in FY 25-26 versus $6,867,785 in FY 24-25). The increase in expense is due to several factors. The Willow Run Municipal Service District spent $365,256 on repairs to Marblehead Dam. The Town spent $185,052 ($760,296 in FY 25-26 versus $575,244 in FY 24-25) more on repaving of Town-maintained streets. In addition, the Town relinquished its rights to sewer capacity in the Harper Road Lift Station which had a carrying value of $600,000 on the Town's books.

Detailed Analysis of Government Funds

As noted earlier, the Town of Lewisville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town reports five major funds individually in the governmental fund financial statements, the General Fund, the Willow Run Municipal Service District Special Revenue Fund, the American Rescue Plan Act Special

Revenue Fund, the Great Wagon Road Improvements Capital Projects Fund, and the Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Projects Fund.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the fiscal year, the Town's fund balance available was $8,736,258, while total fund balance was $9,548,191. The Governing Body of the Town has determined that the Town should maintain an available fund balance of 65% of general fund expenditures and transfers out in case of unforeseen needs or opportunities, in addition to meeting cash flow needs. The Town currently has an available fund balance of 117.83% of General Fund expenditures and transfers out, and total fund balance represents 128.78% of the same amount.

On June 30, 2026, the governmental funds reported a combined fund balance of $15,040,309, with a net increase of $907,098.

The total fund balance of the General Fund increased by $871,754. General Fund revenues were $8,286,073 in FY 25-26 compared to $7,051,084 in FY 24-25 for an increase of $1,234,989. Ad valorem revenue collected in the General Fund increased by $946,608 ($4,821,952 in FY 25-26 versus $3,875,344 in FY 24-25) due to the revaluation as of January 1, 2025 that saw real property values increase by approximately 55%. This out-weighed the effect of the decrease in the ad valorem tax rate from 21.7 cents in fiscal year 24-25 to 18 cents per $100 of valuation in fiscal year 25-26, as the revenue neutral rate was lower at 15.17 cents. The increase in the General Fund balance is also attributable to the increase in sales tax revenue over the prior year of $269,289 ($1,559,273 in FY 25-26 versus $1,289,984 in FY 24-25). As described above, the Town's percentage share of the sales tax revenue distributed from Forsyth County increased in FY 25-26 as a result of the increase in the ad valorem tax rate for the Town of Lewisville in FY 24-25.

General Fund expenditures increased by $1,013,279 ($7,189,319 in FY 25-26 versus $6,176,040 in FY 24-25). The following accounted for the additional expenditures in FY 25-26.

- There were some significant capital outlays during the current year. The Town purchased several items for the public works department to include a new Ford F550 truck ($83,932), a new tractor ($50,921), and snow plow/salt spreader equipment ($18,967).
- The Town spent $419,038 in equipment and landscaping costs to install a new playground in Shallowford Square.
- The Town also spent $73,100 in land improvements to the lot donated by Fred Moser on Shallowford Road. These improvements included the abandonment of two wells, care of existing trees and grass, establishment of electric and water service, installation of pole lights, and construction of a gravel walking path. This property will be made available to the public in FY 26-27 as park space.

- The Town also spent $185,052 ($760,296 in FY 25-26 versus $575,244 in FY 24-25) more in repaving costs for the Town-maintained streets than in the previous year.
- The restrooms at Jack Warren Park required sewer repairs in the amount of $40,607.
- The cost of garbage and recycling collection increased $57,207 ($1,497,534 in FY 25-26 versus $1,440,327 in FY 24-25). According to the Town's contract with Waste Management, the fees increase 4% on July 1st of each year.
- The Town's community policing contract with the Forsyth County Sheriff's Office increased $70,240 ($1,049,210 in FY 25-26 versus $978,970 in FY 24-25). The increase was due to increased salaries and related payroll taxes and benefits.
- The cost of snow and ice removal was also up $34,158 ($100,967 in FY 25-26 versus $66,809 in FY 24-25) as there were more snow and ice storms during the winter of 2026. Winter storms in the Lewisville area are normally followed shortly thereafter by an increase in temperatures that aid in melting. The storms in 2026 were followed by relentless days of sub-freezing temperatures that delayed melting and presented the need for more treatment of the town-maintained roads.

Willow Run Municipal Service District Special Revenue Fund. The fund balance of the Willow Run Municipal Service District Special Revenue Fund decreased by $222,139 due to the cost of the repairs to Marblehead Dam in the amount of $365,256.

American Rescue Plan Act Special Revenue Fund. The fund balance of the American Rescue Plan Act Special Revenue Fund decreased by $176,287. The fund collected investment revenue of $5,759 during FY 25-26 before the project was approved for close out by the U.S. Treasury. The amount remaining in the fund of $182,046 represents the investment earnings that have accumulated on the grant proceeds since the beginning of the project. These funds were transferred to the Great Wagon Road Improvements Capital Projects Fund when the American Rescue Plan Act Special Revenue Fund was closed during the current year.

Great Wagon Road Improvements Capital Projects Fund. The Great Wagon Road Improvements Capital Projects Fund increased by $894,427. The increase is due to $97,084 in investment earnings along with transfers from three capital project funds that were closed during the current year, the American Rescue Plan Act Special Revenue Fund ($182,046), the Community Center Capital Projects Fund ($259,713), and the Jack Warren Park Improvements Capital Projects Fund ($355,584).

Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Projects Fund. The fund balance in this fund decreased by $76,244. Construction of the new roundabout began during the current year. Costs for preliminary engineering, utility relocation, and construction in the amount of $729,661 were offset by $583,729 of federal highway funding and investment earnings within the fund of $69,688 for a net decrease of $69,688.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets. The Town's capital assets as of June 30, 2026 totaled $15,403,588 (net of accumulated depreciation), a decrease of 153,960 or .99% over the prior year. These assets include land, buildings, furniture and equipment, vehicles, infrastructure, park facilities, and construction in progress.

Major capital asset events during the year include the following:

- The Town spent $419,038 on grading, landscaping, and equipment to construct a new inclusive playground in Shallowford Square. These costs are included in construction in progress in the statement of net position. Construction on the playground will conclude in FY 26-27.
- A fence was installed outside the public works building at a cost of $17,350.
- The improvements to the new public works building were completed and the building was put into service during the current year. $827,258 was transferred from construction in progress to land and buildings during the current year.
- A John Deere 3039R compact utility tractor was purchased for the public works department in the amount of $50,921.
- Snow plow equipment and salt spreaders were purchased for the public works department in the amount of $18,967.
- A new Ford F550 truck with a flatbed was purchased for the public works department in the amount of $83,932.
- The Town spent $729,661 in preliminary engineering, utility relocation, and construction costs related to the new Roundabout at Lewisville-Vienna Road and Robinhood Road. These costs are included in construction in progress in the statement of net position.
- The Town relinquished its sewer capacity in the Harper Road Lift Station. The loss of $600,000 is included as an expense in the statement of activities.

Town of Lewisville's Capital Assets
(net of accumulated depreciation)
Figure 3

	Governmental Activities	
	2026	2025
Land	$ 2,445,677	$ 2,065,877
Sewer rights	-	600,000
Construction in progress	2,215,475	1,876,684
Buildings	4,471,924	4,416,902
Furniture and equipment	183,064	239,713
Vehicles	74,687	21,274
Infrastructure	4,989,601	5,199,007
Park	1,023,160	1,138,091
Total	$ 15,403,588	$ 15,557,548

Additional information on the Town's capital assets can be found in Note II.A.3 of the basic financial statements.

Long-Term Financing. As of June 30, 2026, the Town of Lewisville had long-term financing liabilities of $1,770,199, composed of a direct placement financing agreement for the construction of the Mary Alice Warren Community Center, net pension liability, and the liability for compensated absences. Changes in long-term financing liabilities are as follows:

Town of Lewisville's Long-Term Financings
Figure 4

	Governmental Activities	
	2026	2025
Direct placement financing agreement- Mary Alice Warren Community Center	$ 1,000,000	$ 1,200,000
Net pension liability	544,842	604,440
Compensated absences	225,357	208,589
Total	$ 1,770,199	$ 2,013,029

The Town's total long-term financing liabilities decreased by $242,830 or 12.1% from the prior year. The scheduled principal payment of $200,000 was made on the direct placement financing

agreement. There was also a decrease in the net pension liability for the Local Government Employees' Retirement System (LGERS) of $59,598. The accrual for earned but unpaid vacation and sick leave also increased by $16,768.

North Carolina general statutes limit the amount of general obligation and installment financing debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Lewisville is $213,543,689.

Additional information regarding the Town of Lewisville's long-term financings can be found in Note II.B.5 of this report.

Currently Known Facts, Decisions, or Conditions

The Town of Lewisville was aware of the following items that will impact future finances and were considered in developing the 2027 fiscal year budget.

- The U.S. conflict with Iran shows no sign of being resolved and has led to rising energy prices. Inflation remains elevated above the Federal Reserve's 2% target. For August, 2026, the Consumer Price Index for All Urban Consumers (CPI-U) increased 3.4% from August, 2025. These elevated prices have a direct impact on the Town's ability to purchase goods and provide services to its citizens.

- North Carolina voters will decide on a proposed amendment to the State Constitution in the November 3, 2026 general election. It will require the General Assembly to enact laws limiting increases in property tax levies by local governments. It includes no details about the structure of the limit that the General Assembly would put in place. The property tax is the Town of Lewisville's largest revenue source and the effect of any limit on the Town's ability to raise revenue through the property tax is yet to be determined.

- Things are changing for planning and development regulations in North Carolina. The NC General Assembly has recently adopted an array of amendments altering local government authority for planning, zoning, building codes, and more. The practical implications for the Town of Lewisville are yet to be determined.

Requests for Information

This report is designed to provide an overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to Pam Orrell, Finance Director, Town of Lewisville P.O. Box 547 Lewisville, NC 27023. One can also call 336-945-5558, visit our website at www.lewisvillenc.net, or email finance@lewisvillenc.net for more information.

Basic Financial Statements



TOWN OF LEWISVILLE, NORTH CAROLINA
Statement of Net Position
June 30, 2026

Exhibit 1

	Governmental Activities	Total
ASSETS		
Current Assets		
Cash and cash equivalents	$ 14,453,996	$ 14,453,996
Taxes receivable, net	42,149	42,149
Due from other governments	1,145,483	1,145,483
Other receivables	18	18
Restricted cash and cash equivalents	895,615	895,615
Total current assets	16,537,261	16,537,261
Noncurrent Assets		
Capital Assets		
Land, non-depreciable improvements, and construction in progress	4,661,152	4,661,152
Other capital assets, net of depreciation	10,742,436	10,742,436
Total capital assets	15,403,588	15,403,588
Total assets	31,940,849	31,940,849
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals	309,244	309,244
Total deferred outflows of resources	309,244	309,244
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	1,361,077	1,361,077
Accrued interest payable	14,745	14,745
Current portion of long-term liabilities	303,280	303,280
Payable from restricted assets	93,726	93,726
Total current liabilities	1,772,828	1,772,828
Long-Term Liabilities		
Net pension liability	544,842	544,842
Due in more than one year	922,077	922,077
Total long-term liabilities	1,466,919	1,466,919
Total liabilities	3,239,747	3,239,747
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	16,226	16,226
Total deferred inflows of resources	16,226	16,226
NET POSITION		
Net investment in capital assets	13,524,318	13,524,318
Restricted for:		
Stabilization by State Statute	1,183,009	1,183,009
Streets	801,889	801,889
Unrestricted	13,484,904	13,484,904
Total net position	$ 28,994,120	$ 28,994,120

The notes to the financial statements are an integral part of this statement.

TOWN OF LEWISVILLE, NORTH CAROLINA

Statement of Activities

For the Year Ended June 30, 2026

Exhibit 2

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary government:						
Governmental Activities:						
General government	$ 1,708,235	$ -	$ -	$ -	$ (1,708,235)	$ (1,708,235)
Public works	4,566,828	250	473,750	583,729	(3,509,099)	(3,509,099)
Planning	174,573	15,350	-	-	(159,223)	(159,223)
Parks and recreation	780,026	103,235	-	-	(676,791)	(676,791)
Public safety	1,058,158	-	-	-	(1,058,158)	(1,058,158)
Interest on long-term debt	18,651	-	-	-	(18,651)	(18,651)
Total governmental activities	8,306,471	118,835	473,750	583,729	(7,130,157)	(7,130,157)
Total primary government	$ 8,306,471	$ 118,835	$ 473,750	$ 583,729	$ (7,130,157)	$ (7,130,157)
General revenues:						
Taxes:						
Property taxes, levied for general purpose					4,943,606	4,943,606
Local occupancy tax					63,894	63,894
Unrestricted intergovernmental revenues					2,572,973	2,572,973
Unrestricted investment earnings					463,729	463,729
Miscellaneous					7,166	7,166
Total general revenues not including transfers					8,051,368	8,051,368
Transfers					-	-
Total general revenues and transfers					8,051,368	8,051,368
Change in net position					921,211	921,211
Net position, beginning of year					28,072,909	28,072,909
Net position, end of year					$ 28,994,120	$ 28,994,120

The notes to the financial statements are an intergral part of this statement.

TOWN OF LEWISVILLE, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2026

Exhibit 3

	Major Fund						
	General Fund	Willow Run Municipal Service District Special Revenue Fund	American Rescue Plan Act Special Revenue Fund	Great Wagon Road Improvements Capital Projects Fund	Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Projects Fund	Total Non-Major Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 8,604,400	$ 289,512	$ -	$ 2,933,023	$ 2,140,790	$ 486,271	$ 14,453,996
Restricted cash	895,615	-	-	-	-	-	895,615
Receivables, net:							
Taxes	41,265	884	-	-	-	-	42,149
Other	18	-	-	-	-	-	18
Due from other governments	585,596	5,537	-	-	554,350	-	1,145,483
Due from other fund	37,508	-	-	-	-	-	37,508
Advance to other fund	188,811	-	-	-	-	-	188,811
Total assets	10,353,213	295,933	-	2,933,023	2,695,140	486,271	16,763,580
Liabilities							
Accounts payable and accrued liabilities	670,031	969	-	-	690,077	-	1,361,077
Due to other fund	-	37,508	-	-	-	-	37,508
Advance from other fund	-	188,811	-	-	-	-	188,811
Developer deposits	93,726	-	-	-	-	-	93,726
Total liabilities	763,757	227,288	-	-	690,077	-	1,681,122
Deferred Inflows of Resources							
Property taxes receivable	41,265	884	-	-	-	-	42,149
Total deferred inflows of resources	41,265	884	-	-	-	-	42,149
Fund Balances							
Nonspendable							
Interfund loan	188,811	-	-	-	-	-	188,811
Restricted							
Stabilization by State Statute	623,122	5,537	-	-	554,350	-	1,183,009
Streets	801,889	-	-	-	-	-	801,889
Committed							
Special Revenue Funds	-	62,224	-	-	-	-	62,224
Capital Projects Funds	-	-	-	2,933,023	1,450,713	486,271	4,870,007
Assigned							
Subsequent year's expenditures	95,827	-	-	-	-	-	95,827
Unassigned	7,838,542	-	-	-	-	-	7,838,542
Total fund balances	9,548,191	67,761	-	2,933,023	2,005,063	486,271	15,040,309
Total liabilities, deferred inflows of resources, and fund balances	$ 10,353,213	$ 295,933	$ -	$ 2,933,023	$ 2,695,140	$ 486,271	$ 16,763,580

The notes to the financial statements are an integral part of this statement.

TOWN OF LEWISVILLE, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2026 *Exhibit 3*

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balance, governmental funds		$ 15,040,309
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	$ 23,466,321	
Accumulated depreciation	(8,062,733)	15,403,588
Deferred outflows of resources related to pensions are not reported in the funds.		309,244
Earned revenues considered deferred inflows of resources in fund statements.		42,149
not financial uses and therefore are not reported in the funds.		
Compensated absences		(225,357)
Financing agreement		(1,000,000)
Accrued interest payable		(14,745)
Net pension liability		(544,842)
Deferred inflows of resources related to pensions are not reported in the funds.		(16,226)
Net position of governmental activities		$ 28,994,120

The notes to the financial statements are an integral part of this statement.

TOWN OF LEWISVILLE, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2026

Exhibit 4

	Major Funds						
	General Fund	Willow Run Municipal Service District Special Revenue Fund	American Rescue Plan Act Special Revenue Fund	Great Wagon Road Improvements Capital Projects Fund	Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Projects Fund	Total Non-Major Funds	Total Governmental Funds
REVENUES							
Ad valorem taxes	$ 4,821,952	$ 106,832	$ -	$ -	$ -	$ -	$ 4,928,784
Unrestricted intergovernmental	2,547,448	25,525	-	-	-	-	2,572,973
Restricted intergovernmental	537,644	-	-	-	583,729	-	1,121,373
Investment earnings	253,128	14,836	5,759	97,084	69,688	23,234	463,729
Miscellaneous	125,901	100	-	-	-	-	126,001
Total revenues	8,286,073	147,293	5,759	97,084	653,417	23,234	9,212,860
EXPENDITURES							
Current:							
General government	1,525,392	-	-	-	-	-	1,525,392
Public works	3,454,580	369,432	-	-	729,661	17,350	4,571,023
Planning	169,811	-	-	-	-	-	169,811
Parks and recreation	761,420	-	-	-	-	-	761,420
Public safety	1,056,516	-	-	-	-	-	1,056,516
Debt service:							
Principal	200,000	-	-	-	-	-	200,000
Interest and other charges	21,600	-	-	-	-	-	21,600
Total expenditures	7,189,319	369,432	-	-	729,661	17,350	8,305,762
Excess (deficiency) of revenues over expenditures	1,096,754	(222,139)	5,759	97,084	(76,244)	5,884	907,098
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	-	-	-	797,343	-	225,000	1,022,343
Transfers to other funds	(225,000)	-	(182,046)	-	-	(615,297)	(1,022,343)
Total other financing sources (uses)	(225,000)	-	(182,046)	797,343	-	(390,297)	-
Net change in fund balance	871,754	(222,139)	(176,287)	894,427	(76,244)	(384,413)	907,098
Fund balances, beginning as previously presented and reported	8,412,610	-	176,287	2,038,596	2,081,307	1,424,411	14,133,211
Adjustment	-	553,727	-	-	-	(553,727)	-
Restatement	263,827	(263,827)	-	-	-	-	-
Fund balances, beginning as adjusted and restated	8,676,437	289,900	176,287	2,038,596	2,081,307	870,684	14,133,211
Fund balances, ending	$ 9,548,191	$ 67,761	$ -	$ 2,933,023	$ 2,005,063	$ 486,271	$ 15,040,309

The notes to the financial statements are an integral part of this statement.

TOWN OF LEWISVILLE, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2026 *Exhibit 4*

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds		$ 907,098
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay expenditures which were capitalized	$ 1,319,869	
Depreciation expense for governmental activities	(873,829)	
Loss on disposal of asset	(600,000)	(153,960)
Contributions to pension plan in the current fiscal year are not included on the statement of activities.		140,736
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues		14,821
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the pirncipal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments on long-term debts	$ 200,000	
Decrease in accrued interest payable	2,950	202,950
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(16,768)
Pension expense		(173,666)
Total change in net position of governmental activities		$ 921,211

The notes to the financial statements are an integral part of this statement.

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Lewisville conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

A. Reporting Entity

The Town of Lewisville is a municipal corporation that is governed by an elected mayor included in a seven-member council.

B. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Statements for the governmental fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, federal and State grants, and various other taxes and licenses. The primary expenditures are for administration, planning, public works, public safety, street maintenance and construction, and sanitation services.

Willow Run Municipal Service District Special Revenue Fund. The Willow Run Municipal Service District is a special taxing district of the Town. The proceeds of the special tax are used for the maintenance of the lakes and dams in the district.

American Rescue Plan Act Special Revenue Fund. This is a grant project ordinance that accounts for the funds received under the American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds and are restricted to expenditures related to mitigating the costs associated with the Covid-19 pandemic.

Great Wagon Road Improvements Capital Projects Fund. This fund is used to account for the funds used to install and construct improvements along the Great Wagon Road that include but are not limited to street trees, streetlights, sidewalk expansion, and water and sewer lines.

Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Projects Fund. This fund is used to account for the funds to be used in the construction of a roundabout at the intersection of Lewisville-Vienna Road and Robinhood Road.

The Town reports the following non-major governmental funds:

Sidewalks, Bike Paths and Greenways Capital Reserve Fund. This fund is used to account for funds to be used in future projects involving the construction of sidewalks, bike paths, and greenways.

Municipal Buildings/Land Capital Reserve Fund. This fund is used to account for funds to be used in the future construction of buildings and land purchases.

Parks & Recreation Capital Reserve Fund. This fund is used to account for the funds to be used in the purchase of land for parks and/or construction of amenities and facilities for parks and recreation.

Community Center Capital Projects Fund. This fund is used to account for the funds to be used in the construction of the Mary Alice Warren Community Center.

Jack Warren Park Improvements Capital Projects Fund. This fund is used to account for the funds used in the addition of amenities to the existing Jack Warren Park. Additional amenities include a nature trail with connector paths and sidewalks, an 18-hole disc golf course, and an amphitheater.

Public Works Facility Capital Projects Fund. This fund is used to account for the funds to be used in the purchase and renovation of a public works facility.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-Wide Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from

property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgements, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under leases and IT subscriptions are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Lewisville because the tax is levied by Forsyth County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the Town are made in board-designated official depositories and are secured as required by G.S. 159-31. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

G.S. 159-30(c) authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high-quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are generally reported at fair value. The North Carolina Capital Management Trust (NCCMT) Government Portfolio is a SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code, Title 20, Chapter 03, Section .0700, Rule .0713. The Government Portfolio is a 2a-7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAm by S&P and AAAmf by Moody's Investors Service and is reported at fair value.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

3. Restricted Assets

Powell Bill funds are classified as restricted cash because it can be expended only for the purpose outlined in G.S. 136-41.1 through 136-41.4. Developer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

Town of Lewisville Restricted Cash

Governmental Activities:	
General Fund:	
Streets	$ 801,889
Developer Deposits	93,726
Total Governmental Activities	895,615
Total Restricted Cash	$ 895,615

4. Ad Valorem Taxes Receivable

In accordance with G.S. 105-347 and G.S. 159-13(a), the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2025.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, buildings, improvements, infrastructure, furniture and equipment, and vehicles, $5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (in Years)
Park and infrastructure	10 - 30
Buildings	20
Vehicles	5
Furniture and equipment	3 - 10

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension deferrals for the 2026 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future

period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category, property taxes receivable and pension deferrals.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

9. Compensated Absences

The Town recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – *vacation* and *sick* leave. The liability for compensated absences is reported as incurred in the government-wide statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

Vacation

The vacation policy of the Town provides for accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

Sick Leave

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. All sick leave lapses when employees leave the employ of the Town and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

10. Reimbursements for Pandemic-Related Expenditures

During fiscal year ended June 30, 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent Covid-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The Town of Lewisville was allocated $4,024,472 of fiscal recovery funds to be paid in two equal installments. The first installment of $2,012,236 was received in July, 2021. The second installment of $2,012,236 was

received in July, 2022. The Lewisville Town Council elected to use $4,024,472 of the ARPA funds for revenue replacement in the fiscal years ended June 30, 2022, 2023, 2024, and 2025. The $4,024,472 used for revenue replacement was transferred to the General Fund from the American Rescue Plan Act Special Revenue Fund during the years ended June 30, 2022, 2023, 2024, and 2025. On May 13, 2026, the Town of Lewisville received notification from U.S. Treasury that it is in compliance with the award closeout process. During the fiscal year ended June 30, 2026, the Town closed the American Rescue Plan Act Special Revenue Fund and transferred the accumulated investment earnings in the amount of $182,046 to the Great Wagon Road Improvements Capital Projects Fund.

11. Net Position/Fund Balances

Net Position

Net position in government-wide financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

> *Interfund Loan* – Portion of fund balance that represents the long-term portion of advances made to other funds of the Town.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

> *Restricted for Stabilization by State Statute* – G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "Restricted by State Statute" and is defined as follows. *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.*

Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for Streets – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Committed Fund Balance – Portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Lewisville's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Willow Run MSD Special Revenue Fund – This fund is used to account for the revenue collected by and expenditures paid out of the Willow Run MSD Special Revenue Fund.

Committed for American Rescue Plan Act Special Revenue Fund – This grant project ordinance accounts for the funds received under the American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds.

Committed for Capital Projects Funds – These funds are used to account for the revenues and expenditures of the various capital projects funds of the Town.

Assigned Fund Balance – Portion of fund balance that the Town of Lewisville intends to use for specific purposes.

Subsequent year's expenditures – Portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing board approves the appropriation.

Unassigned Fund Balance – The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Town of Lewisville has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance

classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

The Town of Lewisville has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 65% of budgeted expenditures.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Lewisville's employer contributions are recognized when due and the Town of Lewisville has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

II. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agent in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Polling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2026, the Town's deposits had a carrying amount of $3,068,706 and a bank balance of $3,149,024. Of the bank balance, $250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2026, the Town's petty cash fund totaled $200.

2. Investments

At June 30, 2026, the Town of Lewisville had $12,280,705 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's and AAAmf by Moody's Investors Service. The Town has no policy regarding credit risk.

3. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2026, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 2,065,877	$ 379,800	$ -	$ 2,445,677
Sewer rights	600,000	-	600,000	-
Construction in progress	1,876,684	1,166,049	827,258	2,215,475
Total capital assets not being depreciated	4,542,561	1,545,849	1,427,258	4,661,152
Capital assets being depreciated:				
Buildings	7,915,673	447,458	-	8,363,131
Furniture and equipment	807,113	69,888	-	877,001
Vehicles	130,819	83,932	-	214,751
Infrastructure	6,282,174	-	-	6,282,174
Park	3,068,112	-	-	3,068,112
Total capital assets being depreciated	18,203,891	601,278	-	18,805,169
Less accumulated depreciation for:				
Buildings	3,498,771	392,436	-	3,891,207
Furniture and equipment	567,400	126,537	-	693,937
Vehicles	109,545	30,519	-	140,064
Infrastructure	1,083,167	209,406	-	1,292,573
Park	1,930,021	114,931	-	2,044,952
Total accumulated depreciation	7,188,904	873,829	-	8,062,733
Total capital assets being depreciated, net	11,014,987			10,742,436
Governmental activity capital assets, net	$ 15,557,548			$ 15,403,588

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	$	153,599
Public works		279,444
Planning		1,499
Parks and recreation		437,644
Public safety		1,643
Total depreciation expense	$	873,829

Construction Commitments

The Town of Lewisville has active construction projects as of June 30, 2026. At year-end, the Town's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Roundabout at Lewisville-Vienna Road and Robinhood Road	$ 641,572	$ 2,952,824
Great Wagon Road Improvements	-	6,773,829
	$ 641,572	$ 9,726,653

B. Liabilities

1. Pension Plan Obligations

a) Local Governmental Employees' Retirement System

Plan Description. The Town of Lewisville is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of the member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable services as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Lewisville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Lewisville's contractually required contribution rate for the year ended June 30, 2026, was 14.35% of compensation for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Lewisville were $140,736 for the year ended June 30, 2026.

Refunds of Contributions. Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2026, the Town reported a liability of $544,842 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2025 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2025 (measurement date), the Town's proportion was .008817%, which was an decrease of .000149% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, the Town recognized pension expense of $173,666. At June 30, 2026, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 132,886	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	16,226
Changes in proportion and differences between Town contributions and proportionate share of contributions	35,622	-
Town contributions subsequent to the mesurement date	140,736	-
Total	$ 309,244	$ 16,226

$140,736 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30		
2027	$	140,415
2028		36,511
2029		(4,557)
2030		(20,087)
2031		-
Thereafter		-
	$	152,282

Actuarial Assumptions. The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29%	2.4%
Global Equity	42%	6.8%
Real Estate	8%	6.1%
Alternatives	8%	7.9%
Opportunistic Fixed Income	7%	5.1%
Inflation Sensitive	6%	4.2%
	100%	

The information above is based on 30-year expectations developed with the consulting actuary for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized figures. Source data is provided in the 2025 Annual Comprehensive Financial Report (ACFR) published on the website of the Office of the State Controller.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.5 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	$ 1,039,168	$ 544,842	$ 138,857

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

b) 457 Retirement Plan

All permanent full-time employees of the Town are eligible to participate in the Town's 457 Retirement Plan, a cost-sharing multiple-employer defined contribution plan administered by the International City Management Association Retirement Corporation (ICMA). Participation begins at the time of employment. Under the provisions of the plan, employees may contribute up to 100% of compensation, subject to a maximum established by the Internal Revenue Code. The Town's contribution to each full-time employee's plan is 1.5% plus a match of the employee's contribution with a maximum contribution from the Town of 5%. Total contributions for the year ended June 30, 2026 amounted to $2,012, which consisted of $1,800 from employees and $212 from the Town. Information regarding the plan may be obtained by writing to ICMA Retirement Corporation, 777 North Capitol Street NE, Washington, D.C. 20002-4200.

c) Supplemental Retirement Income Plan

All permanent full-time employees of the Town are eligible to participate in the Supplemental Retirement Income Plan, a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Participation begins at the time of employment. Under the provisions of the plan, employees may contribute up to 100% of compensation, subject to a maximum established by the Internal Revenue Code. The Town's contribution to each full-time employee's plan is 1.5% plus a match of the employee's contribution with a maximum contribution from the Town of 5%. Total contributions for the year ended June 30, 2026 amounted to $76,586, which consisted of $36,829 from employees and $39,757 from the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. The report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

2. Deferred Outflows and Inflows of Resources

Deferred outflows of resources reported on the Statement of Net Position is comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	$ 140,736
Differences between expected and actual experience	132,886
Changes in proportion and differences between Town contributions and proportionate share of contributions	35,622
Total	$ 309,244

Deferred inflows of resources at year-end is comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Taxes receivable (General Fund)	$ -	$ 41,265
Taxes receivable (Special Revenue Fund)	-	884
Net difference between projected and actual earnings on pension plan investments	16,226	-
Total	$ 16,226	$ 42,149

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in two self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of $5 million per occurrence, property coverage up to the total insured values of the property policy and workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance and excess insurance purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded coverage in any of the past three fiscal years.

The Town is a participant in the National Flood Insurance Program. Residents of the Town are eligible to purchase flood insurance up to the limits under the Regular Phase of the Program.

In accordance with G.S. 159-29, the Town's employees that have access to $100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance director is individually bonded for $1,000,000. The remaining employees that have access to funds are bonded under a blanket bond for various amounts.

4. Commitments

The Town has entered into a contract for solid waste and recycling collection expiring June 30, 2029 for approximately $1,614,862 per year.

The Town has also entered into a community policing contract with the Forsyth County Sheriff's Department expiring June 30, 2029 for $1,133,920 per year.

5. Long-Term Obligations

a) Direct Placement Financing Agreement – Mary Alice Warren Community Center

On September 4, 2020, the Town entered into a direct placement financing agreement with a bank for $2,000,000 to be used to construct the Mary Alice Warren Community Center. Principal payments of $200,000 plus interest at 1.80% are due each September 4 through September 4, 2030. The loan is secured by a Deed of Trust on the Mary Alice Warren Community Center building. In the event of default, the bank may declare the unpaid principal components of the installment payments due and payable. A summary of the annual requirements of the financing agreement follows:

Year Ending June 30	Principal	Interest
2027	200,000	18,000
2028	200,000	14,400
2029	200,000	10,800
2030	200,000	7,200
2031	200,000	3,600
	$ 1,000,000	$ 54,000

b) Long-Term Obligation Activity

Compensated absences and pension liabilities for governmental activities typically have been liquidated in the general fund.

	Beginning Balance	Net Increase	Net Decrease	Ending Balance	Current Portion of Balance
Direct placement financing agreement	$ 1,200,000	$ -	$ 200,000	$ 1,000,000	$ 200,000
Compensated absences	208,589	16,768	-	225,357	103,280
Net pension liability (LGERS)	604,440	-	59,598	544,842	-
Total long-term liabilities	$ 2,013,029	$ 16,768	$ 259,598	$ 1,770,199	$ 303,280

The change in compensated absences above is a net change for the year.

At June 30, 2026, the Town of Lewisville had a legal debt margin of $213,543,689.

C. Transfer Activity

Transfers from the General Fund to Non-Major Funds

From the General Fund to the Sidewalks, Bike Paths, and Greenways Capital Reserve Fund to fund the future construction of sidewalks, bike paths, and greenways	$ 100,000
From the General Fund to the Municipal Buildings/Land Capital Reserve Fund to fund the future construction of buildings and purchase of land	25,000
From the General Fund to the Parks and Recreation Capital Reserve Fund to fund the future purchase of land for parks and/or construction of amenities and facilities for parks and recreation	100,000
	$ 225,000

Transfers from Major Funds to Other Major Funds

From the American Rescue Plan Act Special Revenue Fund to the Great Wagon Road Improvements Capital Projects Fund to finance the enhancements along the newly constructed Great Wagon Road	$	182,046
	$	182,046

Transfers from Non-Major Funds to Major Funds

From the Community Center Capital Projects Fund to the Great Wagon Road Improvements Capital Projects Fund to finance the enhancements along the newly constructed Great Wagon Road	$	259,713
From the Jack Warren Park Improvements Capital Projects Fund to the Great Wagon Road Improvements Capital Projects Fund to finance the enhancements along the newly constructed Great Wagon Road		355,584
	$	615,297

Transfers are used to move unrestricted revenues to finance various programs that the Town must account for in other funds in accordance with budgetary authorizations, including amounts providing matching funds for various grant programs.

D. Interfund Balances

In fiscal year 2024-2025, the General Fund loaned the Willow Run Municipal Service District Special Revenue Fund (WRMSD) $263,827 to finance the repairs to Marblehead Dam. The terms of the arrangement require the WRMSD to repay the General Fund over 8 years (equal payments of $37,508 for seven years in fiscal years 2026-2032 and one final payment of $1,271 in fiscal year 2033). In the General Fund, $37,508 that will be due within the next year is presented as due from other fund with the remaining $188,811 presented as an advance to other fund.

E. Net Investment in Capital Assets

Net investment in capital assets on the Statement of Net Position is calculated as follows:

Capital assets	$	15,403,588
Less accounts payable:		
Roundabout at Lewisville-Vienna Road and Robinhood Road		690,077
General Fund - Construction in progress - Shallowford Square Playground		186,462
General Fund - Vehicles		2,731
Less long-term debt		1,000,000
Net investment in capital assets	$	13,524,318

F. Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total Fund Balance - General Fund	$	9,548,191
Less:		
Interfund loan		188,811
Restricted for Stabilization by State Statute		623,122
Restricted for streets		801,889
Appropriated fund balance in FY 2026-2027 budget		95,827
Remaining fund balance	$	7,838,542

III. Jointly Governed Organizations

The Town, in conjunction with twelve counties and sixty-one other municipalities established the Piedmont Triad Regional Council. The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town paid membership fees of $2,868 to the Council during the fiscal year ended June 30, 2026.

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

V. Other Matter

Effective July 14, 2014, the Town of Lewisville entered into an agreement with the Winston-Salem/Forsyth County Utility Commission whereby the Commission will operate the water and sewer systems within the Town of Lewisville's area of influence. This agreement established a Capital Reserve Account to be funded by a multiplier of water and sewer rates. Expenditures from the Capital Reserve Account are to be used to pay the cost of the construction of water and sewer system facilities within the Town's area of influence. As of June 30, 2026, the Capital Reserve Account has a balance of $10,262,724.

VI. Subsequent Events

Subsequent events have been evaluated through October 22, 2026, which is the date the financial statements were available to be issued.

VII. Adjustments and Restatements of Beginning Balances

For the year ended June 30, 2026, GASB Statement No. 103, *Financial Reporting Model Improvements*, was implemented. The objective of this Statement is to improve 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. The Statement changes the Management's Discussion and Analysis to limit discussion areas while requiring detailed analysis to explain why balances and results of operations changed. Also, budgetary comparison information is now required to be presented as Required Supplementary Information. No restatements were required as a result of implementation.

One of the Town's funds, which had been reported as a non-major governmental fund in previous years, now meets the quantitative thresholds that require it to be reported as a major fund. The Willow Run Municipal Service District Special Revenue Fund is reported as a major fund in the current year fund statements. The effect of this change within the financial reporting

entity is summarized below in the column labeled "Adjustment – Willow Run Municipal Service District Special Revenue Fund as Major Fund."

During fiscal year 2025-2026, the Town determined that the advance of $263,827 made from the General Fund to the Willow Run Municipal Service District Special Revenue Fund (WRMSD) in the prior year was incorrectly classified as a transfer between funds rather than as a due to/from other fund on the balance sheet. Therefore, assets were understated and expenses overstated in the General Fund by $263,827 in fiscal year 2024-2025. And liabilities were understated and revenues overstated in the WRMSD by $263,827 in fiscal year 2024-2025. The effect of correcting that error is summarized below in the column labeled "Error Correction".

	Net Position/Fund Balances 6/30/2025 as Previously Presented and Reported	Adjustment - Willow Run Municipal Service District Special Revenue Fund as Major Fund	Error Correction	Net Position/Fund Balances 6/30/2025 as Restated/Adjusted
Government-Wide				
Governmental Activities	$ 28,072,909	$ -	$ -	$ 28,072,909
Total Government-Wide	$ 28,072,909	$ -	$ -	$ 28,072,909
Governmental Funds				
Major Funds				
General Fund	$ 8,412,610	$ -	$ 263,827	$ 8,676,437
Willow Run Municipal Service District Special Revenue Fund	-	553,727	(263,827)	289,900
American Rescue Plan Act Special Revenue Fund	176,287	-	-	176,287
Great Wagon Road Improvements Capital Projects Fund	2,038,596	-	-	2,038,596
Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Projects Fund	2,081,307	-	-	2,081,307
Non-Major Funds	1,424,411	(553,727)	-	870,684
Total Governmental Funds	$ 14,133,211	$ -	$ -	$ 14,133,211

Required Supplementary Information

LEWISVILLE
INCORPORATED 1991

TOWN OF LEWISVILLE, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Required Supplementary Information
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Orginal Budget - Over (Under) Final Budget	Actual	Variance with Final Budget - Over(Under) Actual
	Original	Final			
Revenues					
Ad valorem taxes	$ 4,656,701	$ 4,656,701	$ -	$ 4,821,952	$ 165,251
Unrestricted intergovernmental	2,322,960	2,322,960	-	2,547,448	224,488
Restricted intergovernmental	528,265	528,265	-	537,644	9,379
Investment earnings	174,000	174,000	-	253,128	79,128
Miscellaneous	102,000	102,000	-	125,901	23,901
Total revenues	7,783,926	7,783,926	-	8,286,073	502,147
Expenditures					
Current:					
General government					
Governing body	381,979	391,979	10,000	284,154	(107,825)
Administration	1,031,827	1,111,497	79,670	929,086	(182,411)
Finance	335,088	335,088	-	312,152	(22,936)
Total general government	1,748,894	1,838,564	89,670	1,525,392	(313,172)
Public works					
Public works	738,987	738,987	-	666,104	(72,883)
Beautification	139,044	137,394	(1,650)	129,263	(8,131)
Powell Bill	867,500	867,500	-	676,906	(190,594)
Stormwater	260,072	260,072	-	145,959	(114,113)
Solid waste	1,668,536	1,668,536	-	1,500,962	(167,574)
Recycling	4,910	6,560	1,650	5,761	(799)
Streets	344,870	444,870	100,000	329,625	(115,245)
Total public works	4,023,919	4,123,919	100,000	3,454,580	(669,339)
Planning	331,574	331,574	-	169,811	(161,763)
Parks and recreation	441,411	888,831	447,420	761,420	(127,411)
Public safety	1,063,880	1,063,880	-	1,056,516	(7,364)
Debt service:					
Principal	200,000	200,000	-	200,000	-
Interest and other charges	21,600	21,600	-	21,600	-
	221,600	221,600	-	221,600	-
Total expenditures	7,831,278	8,468,368	637,090	7,189,319	(1,279,049)
Revenues over (under) expenditures	(47,352)	(684,442)	(637,090)	1,096,754	1,781,196
Other Financing Sources (Uses):					
Transfers from other funds	37,508	37,508	-	-	(37,508)
Transfers to other funds	(225,000)	(225,000)	-	(225,000)	-
Total other financing sources (uses)	(187,492)	(187,492)	-	(225,000)	(37,508)
Net change in fund balance *	$ (234,844)	$ (871,934)	$ (637,090)	871,754	$ 1,743,688
Fund balance, beginning as previously reported				8,412,610	
Restatement				263,827	
Fund balance, beginning as restated				8,676,437	
Fund balance, ending				$ 9,548,191	

* *The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.*

See Notes to Required Supplementary Information.

TOWN OF LEWISVILLE, NORTH CAROLINA

Special Revenue Fund - Willow Run Municipal Service District

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Required Supplementary Information

For the Fiscal Year Ended June 30, 2026

	Original and Final Budget	Actual	Variance with Final Budget - Over (Under) Actual
Revenues			
Ad valorem taxes	$ 102,542	$ 106,832	$ 4,290
Unrestricted intergovernmental	-	25,525	25,525
Investment earnings	4,000	14,836	10,836
Miscellaneous income	-	100	100
Total revenues	106,542	147,293	40,751
Expenditures			
Public works	531,997	369,432	(162,565)
Total expenditures	531,997	369,432	(162,565)
Revenues over (under) expenditures	(425,455)	(222,139)	203,316
Other financing sources (uses)			
Transfers to other funds			
General Fund	(37,508)	-	(37,508)
Total other financing sources (uses)	(37,508)	-	(37,508)
Net change in fund balance *	$ (462,963)	(222,139)	$ 240,824
Fund balance, beginning as previously reported		553,727	
Restatement		(263,827)	
Fund balance, beginning as restated		289,900	
Fund balance, ending		$ 67,761	

** The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.*

See Notes to Required Supplementary Information.

1. Budgetary Basis of Accounting

The Town's budgets are adopted as required by North Carolina General Statutes. All annual budget appropriations lapse at the fiscal year end. An annual budget is adopted for the following funds:

- General Fund
- Willow Run Municipal Service District Special Revenue Fund
- Sidewalks, Bike Paths, and Greenways Capital Reserve Fund
- Municipal Buildings/Land Capital Reserve Fund
- Parks & Recreation Capital Reserve Fund

Project ordinances are adopted for the following funds:

- American Rescue Plan Act Special Revenue Fund
- Community Center Capital Projects Fund
- Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Projects Fund
- Jack Warren Park Improvements Capital Projects Fund
- Great Wagon Road Improvements Capital Projects Fund
- Public Works Facility Capital Projects Fund

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. The Town Manager shall have the authority per G.S. 159-15 to transfer appropriations from one line item to another line item within a departmental budget. The Town Manager is further authorized to transfer funds from one appropriation to another in a different department within the same fund with a maximum of $10,000. No transfers shall be made between funds, except as approved by the Town Council in the budget ordinance as amended. The annual budget ordinance must be adopted by the Town Council by July 1st of the fiscal year. If not, the Town Council must adopt an interim budget that covers that time until the annual ordinance can be adopted. All instances of expenditures over appropriations are statutory violations of State law.

2. General Fund Budgetary Highlights

During the fiscal year, the Town revised the General Fund's budget on several occasions. Generally budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases to appropriations that become necessary to maintain services. The following significant amendments were made to adjust original budgetary expenditures.

Governing Body Department

- The advertising budget was increased by $5,000. There were more Town Council public hearings than anticipated for annexations and rezonings. These public hearings require advertising ahead of time in the local newspaper.

- Appropriations were also increased by $5,000 to fund a donation to the Winston-Salem Foundation's School Supply Fund.

Administration Department

- The budget was increased by $75,000 to fund some land improvements to the lot donated by Fred Moser at 6665 Shallowford Road. These improvements included the abandonment of two wells, care of existing trees and grass, establishment of electric and water service, installation of pole lights, and construction of a gravel walking path.

- The janitorial company used for Town Hall and the Town Hall Annex went out of business at the beginning of the fiscal year. The new janitorial service is more expensive and required an increase in the maintenance budget of $4,670.

Streets Department

- The budget for snow and ice removal was amended. There were more snow and ice days than anticipated during the winter months. The original budget of $75,000 was depleted quickly. As it was still early in the winter season and there was still a chance of more snow and ice, the Town Council increased appropriations by $100,000. Fortunately, only $26,000 of the additional appropriation was actually spent.

Parks and Recreation Department

- The budget for capital outlay was amended by $430,000 to fund a new playground area in Shallowford Square.

- The maintenance budget for Shallowford Square was amended by $12,052 to fund the relocation of some crepe myrtles within the park.

- The janitorial company used to clean the G. Galloway Reynolds Community Center and the restrooms at Jack Warren Park and Shallowford Square went out of business at the beginning of the fiscal year. The new janitorial service is more expensive and required an increase in the maintenance budget of $5,368.

3. General Fund - Final Budget Compared to Actual Results

The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Estimated Revenues	Actual Revenues	Difference
Ad valorem taxes	$ 4,656,701	$ 4,821,952	$ 165,251
Unrestricted intergovernmental	2,322,960	2,547,448	224,488
Investment earnings	174,000	253,128	79,128

Ad valorem taxes. The Forsyth County Tax Department calculates property valuation within the Town of Lewisville, bills the property tax to residents of the Town, collects the tax, and then remits the tax to the Town of Lewisville. Each year, the Town budgets ad valorem tax revenue based on early estimates provided by Forsyth County. As the estimates are subject to change, the Town used a collection rate of 98% which is significantly lower than the actual collection rate of 99.44%. This accounts for the variance of $165,251 between estimated ad valorem tax in the budget and actual revenue collected.

Unrestricted intergovernmental. The largest unrestricted intergovernmental revenue is the local sales tax. Local sales tax revenue came in over estimates by $267,853 ($1,559,273 actual vs. $1,291,420 estimated revenue in the budget). The reason for the overage in revenue collected can be traced to how the sales tax is distributed once it is collected by the State of North Carolina. When the State collects sales tax on the sale of goods and services within the State, it distributes the local portion to the 100 counties based on a series of formulas involving population and point of delivery. Once that distribution is made, the counties share with their municipalities based on one of two methods, proportion of ad valorem levy or population. Forsyth County distributes based on proportion of ad valorem levy. The fiscal year 2025-2026 sales tax distributions were based on the ad valorem levy during the fiscal year 2024-2025. Fiscal year 2024-2025 was the year the Town of Lewisville raised its property tax rate from 17.7 cents to 21.7 cents per $100 of valuation. This 4 cent increase represented a 22.6% increase in the tax rate. As a result of the Town increasing its tax rate 4 cents in fiscal year 2024-2025, the percentage share of the local sales tax distribution for the Town of Lewisville increased as well by approximately 20.44% in fiscal year 2025-2026. This increase in our percentage share of the local sales tax was not anticipated when the original fiscal year 2025-2026 budget was prepared by the Town.

Investment earnings. Investment earnings came in over budget by $79,128. These earnings came from the Town's investment in a mutual fund administered by the NC Capital Management Trust. The portfolio consists of U.S. Treasury obligations and U.S. Government Agency Debt. The earnings in this Government Fund fluctuate with the Federal Funds Rate controlled by the Federal Reserve. The Government Fund's rate of return has been steadily declining as the Federal Reserve has lowered the Federal Funds Rate. When estimating investment income for fiscal year 2025-2026, the Town budgeted conservatively that the Federal Reserve might continue to lower interest rates.

A review of actual expenditures compared to the appropriations in the final budget yields several significant variances.

Governing Body Department

Town Council salaries and related payroll taxes came in under budget by $4,665 ($23,360 budget vs. $18,695 actual). The mayor is paid $2,000 per year plus $50 for each Town Council meeting he attends. The other Council members are paid $1,000 per year plus $50 for each Town Council meeting they attend. It is Town practice to build into the budget funding for any special meetings that might arise during the year. The need for any special meetings was much less than anticipated in the budget.

Legal fees came in under budget by $8,765 ($40,000 budget vs. $31,235 actual). The Town usually budgets for legal fees based on historical data. There were fewer issues in FY 25-26 that required legal consultations than we had anticipated in the budget.

Audit fees for the FY 24-25 financials came in under budget by $7,500 ($33,510 budget vs. $26,010 actual). When preparing the budget, the Town anticipated they might have four federal and/or State programs that would require a single audit. Only one single audit was actually needed in the end. The three unnecessary single audits were budgeted at $2,500 each.

Fees for the November 2025 Town Council election came in under budget by $42,747 ($65,974 budget vs. $23,227 actual). The November 2025 election was the first election in the Town that was conducted on a partisan basis. Partisan elections meant that primaries might have been necessary if more than seven candidates were seeking election in each party. The Town's elections are managed by the Forsyth County Board of Election. The Board of Election advised that our budget include a provision for primaries and runoffs. As it turned out, primaries and runoffs were not necessary and the Town only bore the cost of the general election in November.

Administration Department

Salaries in this department came in under budget by $12,521 ($431,795 budget vs. $419,274 actual). The position of customer service representative was vacant for a portion of the year. Overtime expense also came in under budget by $39,878 ($40,290 budget vs. $412 actual). The Town's non-exempt employees have the option of being paid for any overtime hours or they can bank the hours to be used as time off in the future. Any hours banked and unused at June 30th are paid out at the employees hourly pay rate. Most employees choose to bank and use their excess hours as additional time off thus accounting for the difference in overtime budgeted versus actually paid out. This also explains why payroll taxes came in under budget by $4,875 ($36,115 budget vs. $31,240 actual) and why the Town's contributions to 401(k) and the pension plan came in under budget by $12,446 ($91,349 budget vs. $78,903 actual). Medical benefits also came in under budget by $15,677 ($71,542 budget vs. $55,865 actual). One of the new hires in the department declined enrollment in the Town's medical insurance plan saving the Town approximately $10,000 for the year.

Maintenance and repair costs for the Town Hall building came under budget by $22,217 ($30,000 budget vs. $7,783 actual). Service calls for system repairs within the building were down compared to prior years. Electricity and natural gas costs also came in under budget by $6,389 ($38,025 budget vs. $31,636 actual). Those expenses usually fluctuate with the weather temperatures.

IT contracting also came under budget by $8,265 ($18,000 budget vs. $9,735 actual). The contractor is paid on an hourly basis as needed. Fewer hours of IT assistance were needed than anticipated when the budget was prepared.

$10,000 in contingency was built into this department's budget but was not utilized.

Public Works Department

Salaries within this department came in under budget by $5,654 ($270,998 budget vs. $265,344 actual). Overtime came in under budget by $18,315 ($24,270 budget vs. $5,955 actual). Similar to the Administration Department above, non-exempt employees in Public Works are allowed to bank their overtime hours and use them for paid time off in the future. Most employees are choosing this option reducing the need to payout overtime dollars. This also accounts for actual payroll taxes coming in under budget by $2,831 ($22,588 budget vs. $19,757 actual) and actual contributions to retirement accounts coming in under budget by $6,424 ($57,135 budget vs. $50,711 actual).

Vehicle maintenance and repairs also came in under budget by $7,991 ($18,000 budget vs. $10,009 actual). The need for repairs to the Town's fleet was down compared to other years.

Contracted services to remove fallen trees and debris from town-owned properties also came in under budget by $13,103 ($15,003 budget vs. $1,900 actual). There were fewer storms that caused tree damage in FY 25-26 compared to other years.

Powell Bill Department

Paving and resurfacing of roads paid for out of Powell Bill funds came in under budget by $139,704 ($780,000 budget vs. $640,296 actual). A number of town-owned streets were chosen for repaving out of the most recent pavement condition study and included in the request for bids. The bids came in much lower than anticipated based on the cost of labor and asphalt. Thus, not all budgeted funds were needed for the FY 25-26 repaving schedule.

In addition, the $31,000 in Powell Bill funds budgeted for street repairs and maintenance went unspent as no repairs were necessary during the fiscal year.

Maintenance of the Town's right-of-ways paid for out of Powell Bill funds also came in under budget by $19,390 ($53,500 budget vs. $34,110 actual). These funds pay for the mowing of the right-of-ways and also the removal of fallen trees in the right-of-ways. There were fewer storms during FY 25-26 that required the removal of fallen trees which accounted for the unspent funds.

Stormwater Department

As part of the Town's federal MS4 stormwater permit, the Town has contracted with a consultant to map the Town's stormwater features within all the public right-of-ways. The amount included in the FY 25-26 budget for this project was $39,025. The project was still incomplete at June 30, 2026. Only $12,595 had been spent. The difference under budget of $26,430 was re-appropriated in the FY 26-27 budget.

Drainage system repairs also came in under budget by $68,311 ($112,500 budget vs. $44,189 actual). There was no shortage of systems that needed work. Instead the difficulty was finding enough contractors to perform the repairs.

Street sweeping of the Town's residential streets also came in under budget by $4,796 ($19,186 budget vs. $14,390 actual). Normally, the residential streets are only swept three times per year during the period of time when leaves are falling. An additional street sweeping was included in the budget for one of the spring months. This street sweeping did not occur.

Solid Waste Department

The cost of the Town's contract with Waste Management for garbage and recycling collection also came in under budget by $165,002 ($1,617,400 budget vs. $1,452,398 actual). The number of households receiving garbage/recycling collection at the beginning of the fiscal year was 5,240. In anticipation that Waste Management might update the unit count during the year, the Town included collection for an additional 602 units in the budget. This number was based on the number of additional lots approved for construction in the Town. As it turned out, Waste Management did not update the unit count during FY 25-26. The additional 602 units times the cost of garbage collection ($14.63 per month) and recycling collection ($8.21 per month) accounts for $164,996 of the budget to actual difference.

Streets Department

The amount budgeted for street tree removal and replacement came in under budget by $17,475 ($38,000 budget vs. $20,525 actual). The plan for FY 25-26 was to remove the street trees in the Ridgecrest neighborhood and the Brook Forest neighborhood. These trees had matured and grown to a point they were becoming destructive to the sidewalks. The plan was to replace these trees with trees that would not grow to the size they would do harm to the sidewalks. Only the Ridgecrest neighborhood was completed in FY 25-26 leaving $17,475 unspent. The Brook Forest work is now planned for FY 26-27.

Street light repairs also came in under budget by $12,090 ($14,000 budget vs. $1,910 actual). The Town contracts with a local electrician for this repair work. The need for repairs was not as great as predicted when the budget was prepared.

The budget for snow and ice removal also came in under budget by $74,033 ($175,000 budget vs. $100,967 actual). As described in the budgetary highlights above, there were more snow and ice days than anticipated during the winter months. The original budget of $75,000 was depleted quickly. As it was still early in the winter season and there was still a chance of more snow and ice, the Town Council increased appropriations by $100,000. Fortunately, only $26,000 of the additional appropriation was actually spent.

Planning Department

Salaries in this department came in under budget by $61,849 ($147,173 budget vs. $85,324 actual) and $4,692 in overtime budgeted went unspent. The personnel budget included the addition of a planner I. This position was never filled accounting for the unspent funds. Because this position was not filled, payroll taxes also came in under budget by $5,078 ($11,618 budget vs. $6,540 actual) and retirement contributions came in under budget by $15,863 ($29,387 budget vs. $13,524 actual). Other employee benefits came in under budget as well by $21,969 ($33,202 budget vs. $11,233 actual).

Amounts budgeted for travel and training totaling $7,587 also went unspent as the Planning Director did not travel to or attend any conferences or classes during the year.

The Town contracts with the City of Winston-Salem for code enforcement and zoning inspection services. These services came in under budget by $5,217 ($12,000 budget vs. $6,783 actual) as there was not as much need for their services.

The Town contracted with a consultant to rewrite its Unified Development Ordinance (UDO). $51,195 was included in the FY 25-26 budget to complete the project. Only $29,686 was spent during FY 25-26. The difference of $21,509 was actually spent in the prior FY 24-25.

Parks and Recreation

Water and sewer expense in Jack Warren Park came in under budget by $10,401 ($18,080 budget vs. $7,679 actual). Rain fall was adequate to help alleviate the need for irrigation.

Maintenance and repairs for Shallowford Square came in under budget by $6,326 ($38,877 budget vs. $32,551 actual) and maintenance and repairs came in under budget for Jack Warren Park by $38,478 ($99,525 budget vs. $61,047 actual). Fewer repairs were necessary at the two parks during FY 25-26 than in past years.

The amount spent on entertainment in Shallowford Square came in under budget by $17,292 ($88,764 budget vs. $71,472 actual). The cost of the bands and other related production costs were lower than anticipated when the budget was prepared.

$10,000 in contingency was built into this department's budget but was not utilized.

4. Willow Run Municipal Service District Special Revenue Fund - Final Budget Compared to Actual Results

Total fund expenses came in under budget by $162,565 ($531,997 budget vs. $369,432 actual). During the year, Marblehead Dam underwent major repairs. The construction phase of the repairs was budgeted by engineering estimates at $509,510 in the FY 25-26 budget. Actual construction cost came in at $365,256, $144,254 under budget.

TOWN OF LEWISVILLE, NORTH CAROLINA

Town of Lewisville's Proportionate Share of Net Pension Liability (Asset)

Required Supplementary Information

Last Ten Fiscal Years *

Local Governmental Employees' Retirement System

	2026	2025	2024	2023	2022
Lewisville's proportion of the net pension liability (asset) (%)	0.008817%	0.008966%	0.008038%	0.00766%	0.00630%
Lewisville's proportion of the net pension liability (asset) ($)	$ 544,842	$ 604,440	$ 532,364	$ 432,133	$ 96,619
Lewisville's covered payroll	$1,000,928	$ 965,517	$ 805,291	$ 730,273	$ 589,454
Lewisville's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	54.43%	62.60%	66.11%	59.17%	16.39%
Plan fiduciary net position as a percentage of the total pension liability **	85.68%	83.30%	82.49%	84.14%	95.51%

	2021	2020	2019	2018	2017
Lewisville's proportion of the net pension liability (asset) (%)	0.00663%	0.00666%	0.00796%	0.00709%	0.00769%
Lewisville's proportion of the net pension liability (asset) ($)	$ 236,918	$ 181,879	$ 188,838	$ 108,316	$ 163,208
Lewisville's covered payroll	$ 624,634	$ 617,225	$ 610,359	$ 577,000	$ 629,911
Lewisville's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.93%	29.47%	30.94%	18.77%	25.91%
Plan fiduciary net position as a percentage of the total pension liability **	88.61%	90.86%	91.63%	94.18%	91.47%

** The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.*

*** This will be the same percentage for all participant employers in the LGERS plan.*

See notes to required supplementary information.

TOWN OF LEWISVILLE, NORTH CAROLINA
Town of Lewisville's Contributions
Required Supplementary Information
Last Ten Fiscal Years

Local Governmental Employees' Retirement System

	2026	2025	2024	2023	2022
Contractually required contribution	$ 140,736	$ 136,126	$ 124,069	$ 97,440	$ 82,886
Contributions in relation to the contractually required contribution	140,736	136,126	124,069	97,440	82,886
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Lewisville's covered payroll	$ 980,740	$1,000,928	$ 965,517	$ 805,291	$ 730,273
Contributions as a percentage of covered payroll	14.35%	13.60%	12.85%	12.10%	11.35%

	2021	2020	2019	2018	2017
Contractually required contribution	$ 59,830	$ 55,905	$ 47,835	$ 45,777	$ 41,833
Contributions in relation to the contractually required contribution	59,830	55,905	47,835	45,777	41,833
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Lewisville's covered payroll	$ 589,454	$ 624,634	$ 617,225	$ 610,359	$ 577,000
Contributions as a percentage of covered payroll	10.15%	8.95%	7.75%	7.50%	7.25%

See notes to required supplementary information.

For 2023, 2024, 2025, and 2026 there were no changes in the actuarial assumptions since the prior year valuation.

For 2022, the assumption for inflation was changed to 2.50% from 3.0%. The assumption for salary increases was changed to 3.25% to 8.25% from 3.5% to 8.10%. The assumption for investment rate of return was changed to 6.50% from 7%.

For 2020 and 2021 there were not changes in the actuarial assumptions since the prior year valuation.

For 2019, the assumption for investment rate of return was changed to 7.00% from 7.20%.

For 2018, the assumption for salary increases was changed to 3.50% to 8.10% from 3.50% to 7.75%. The assumption for investment rate of return was changed to 7.20% from 7.25%.

For 2017, the total pension liability for the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0%
Salary increases	3.50% to 7.75%, including inflation and productivity factor
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

Other Major Governmental Funds

LEWISVILLE
INCORPORATED 1991

TOWN OF LEWISVILLE, NORTH CAROLINA
American Rescue Plan Act Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2026

		Actual			
	Project Authorization	Prior Year	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
American Rescue Plan Act funds	$ 4,024,472	$ 4,024,472	$ -	$ 4,024,472	$ -
Investment earnings	-	176,287	5,759	182,046	182,046
Total revenues	4,024,472	4,200,759	5,759	4,206,518	182,046
Expenditures					
Unassigned ARPA funding	-	-	-	-	-
Total expenditures	-	-	-	-	-
Revenues over (under) expenditures	4,024,472	4,200,759	5,759	4,206,518	182,046
Other financing sources (uses)					
Transfers to other funds					
General Fund	(4,024,472)	(4,024,472)	-	(4,024,472)	-
Great Wagon Road Improvements Capital Projects Fund	(182,046)	-	(182,046)	(182,046)	-
Total other financing sources (uses)	(4,206,518)	(4,024,472)	(182,046)	(4,206,518)	-
Fund balance appropriated	182,046	-	-	-	(182,046)
Net change in fund balance	$ -	$ 176,287	$ (176,287)	$ -	$ -
Fund balance, beginning			176,287		
Fund balance, ending			$ -		

TOWN OF LEWISVILLE, NORTH CAROLINA

Capital Projects Fund - Great Wagon Road Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2026

		Actual			
	Project Authorization	Prior Year	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	$ -	$ 114,050	$ 97,084	$ 211,134	$ 211,134
Total revenues	-	114,050	97,084	211,134	211,134
Expenditures					
Capital outlay	8,142,000	-	-	-	8,142,000
Total expenditures	8,142,000	-	-	-	8,142,000
Revenues over (under) expenditures	(8,142,000)	114,050	97,084	211,134	8,353,134
Other financing sources (uses)					
Transfers from other funds:					
General Fund	6,217,454	-	-	-	(6,217,454)
GWR ROW/Construction Capital Reserve Fund	1,131,953	1,131,953	-	1,131,953	-
GWR ROW/Construction Capital Projects Fund	792,593	792,593	-	792,593	-
Community Center Capital Projects Fund	-	-	259,713	259,713	259,713
Jack Warren Park Improvements Capital Projects Fund	-	-	355,584	355,584	355,584
American Rescue Plan Act Special Revenue Fund	-	-	182,046	182,046	182,046
Total other financing sources (uses)	8,142,000	1,924,546	797,343	2,721,889	(5,420,111)
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	$ -	$ 2,038,596	894,427	$ 2,933,023	$ 2,933,023
Fund balance, beginning			2,038,596		
Fund balance, ending			$ 2,933,023		

TOWN OF LEWISVILLE, NORTH CAROLINA

Capital Projects Fund - Roundabout at Lewisville-Vienna Road and Robinhood Road

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2026

		Actual			
	Project Authorization	Prior Year	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Grant revenue	$ -	$ 826,308	$ 583,729	$ 1,410,037	$ 1,410,037
Investment earnings	-	67,724	69,688	137,412	137,412
Total revenues	-	894,032	653,417	1,547,449	1,547,449
Expenditures					
Capital outlay	5,213,933	1,066,777	729,661	1,796,438	3,417,495
Total expenditures	5,213,933	1,066,777	729,661	1,796,438	3,417,495
Revenues over (under) expenditures	(5,213,933)	(172,745)	(76,244)	(248,989)	4,964,944
Other financing sources (uses)					
Transfers from other funds:					
General Fund	3,520,178	560,297	-	560,297	(2,959,881)
Gateway Project Capital Projects Fund	1,026,148	1,026,148	-	1,026,148	-
Lewisville-Vienna Multipurpose Path Capital Projects Fund	384,786	384,786	-	384,786	-
Shallowford Road CMAQ Sidewalk Capital Projects Fund	282,821	282,821	-	282,821	-
Total other financing sources (uses)	5,213,933	2,254,052	-	2,254,052	(2,959,881)
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	$ -	$ 2,081,307	(76,244)	$ 2,005,063	$ 2,005,063
Fund balance, beginning			2,081,307		
Fund balance, ending			$ 2,005,063		

Non-Major Governmental Funds

LEWISVILLE
INCORPORATED 1991

TOWN OF LEWISVILLE, NORTH CAROLINA
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2026

	Sidewalks, Bike Paths, and Greenways Capital Reserve Fund	Municipal Buildings/Land Capital Reserve Fund	Parks & Recreation Capital Reserve Fund	Community Center Capital Projects Fund	Jack Warren Park Improvements Capital Projects Fund	Public Works Facility Capital Projects Fund	Total Non-Major Governmental Funds
Assets							
Cash and cash equivalents	$ 105,304	$ 180,902	$ 104,154	$ -	$ -	$ 95,911	$ 486,271
Taxes receivable, net	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total assets	105,304	180,902	104,154	-	-	95,911	486,271
Liabilities							
Accounts payable and accrued liabilities	-	-	-	-	-	-	-
Due to other fund	-	-	-	-	-	-	-
Advance from other fund	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Deferred Inflows of Resources							
Property taxes receivable	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances							
Restricted by stabilzation by State Statute	-	-	-	-	-	-	-
Committed	105,304	180,902	104,154	-	-	95,911	486,271
Total fund balances	105,304	180,902	104,154	-	-	95,911	486,271
Total liabilities, deferred inflows of resources, and fund balances	$ 105,304	$ 180,902	$ 104,154	$ -	$ -	$ 95,911	$ 486,271

TOWN OF LEWISVILLE, NORTH CAROLINA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2026

	(Formerly Non-Major Fund) Willow Run Municipal Service District Special Revenue Fund	Sidewalks, Bike Paths, and Greenways Capital Reserve Fund	Municipal Buildings/Land Capital Reserve Fund	Parks & Recreation Capital Reserve Fund	Community Center Capital Projects Fund	Jack Warren Park Improvements Capital Projects Fund	Public Works Facility Capital Projects Fund	Total Non-Major Governmental Funds
Revenues								
Investment earnings	$ -	$ 3,851	$ 6,735	$ 3,807	$ 1,944	$ 3,110	$ 3,787	$ 23,234
Total revenues	-	3,851	6,735	3,807	1,944	3,110	3,787	23,234
Expenditures								
Public works	-	-	-	-	-	-	17,350	17,350
Total expenditures	-	-	-	-	-	-	17,350	17,350
Revenues over (under) expenditures	-	3,851	6,735	3,807	1,944	3,110	(13,563)	5,884
Other financing sources (uses)								
Transfers from other funds	-	100,000	25,000	100,000	-	-	-	225,000
Transfers to other funds	-	-	-	-	(259,713)	(355,584)	-	(615,297)
Total other financing sources (uses)	-	100,000	25,000	100,000	(259,713)	(355,584)	-	(390,297)
Net change in fund balances	-	103,851	31,735	103,807	(257,769)	(352,474)	(13,563)	(384,413)
Fund balances, beginning as previously presented	553,727	1,453	149,167	347	257,769	352,474	109,474	1,424,411
Change within financial reporting entity (non-major to major fund)	(553,727)	-	-	-	-	-	-	(553,727)
Fund balances, beginning as restated	-	1,453	149,167	347	257,769	352,474	109,474	870,684
Fund balances, ending	$ -	$ 105,304	$ 180,902	$ 104,154	$ -	$ -	$ 95,911	$ 486,271

TOWN OF LEWISVILLE, NORTH CAROLINA

Sidewalks, Bike Paths and Greenways Capital Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2026

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ -	$ 3,851	$ 3,851
Total revenues	-	3,851	3,851
Expenditures	100,000	-	100,000
Revenues over (under) expenditures	(100,000)	3,851	103,851
Other financing sources (uses)			
Transfers from other funds			
General Fund	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	-
Fund balance appropriated	-	-	-
Net change in fund balance	$ -	103,851	$ 103,851
Fund balance, beginning		1,453	
Fund balance, ending		$ 105,304	

TOWN OF LEWISVILLE, NORTH CAROLINA
Municipal Buildings/Land Capital Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2026

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ -	$ 6,735	$ 6,735
Total revenues	-	6,735	6,735
Expenditures	25,000	-	25,000
Revenues over (under) expenditures	(25,000)	6,735	31,735
Other financing sources (uses)			
Transfers from other funds			
General Fund	25,000	25,000	-
Total other financing sources (uses)	25,000	25,000	-
Fund balance appropriated	-	-	-
Net change in fund balance	$ -	31,735	$ 31,735
Fund balance, beginning		149,167	
Fund balance, ending		$ 180,902	

TOWN OF LEWISVILLE, NORTH CAROLINA
Parks and Recreation Capital Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2026

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	$ -	$ 3,807	$ 3,807
Total revenues	-	3,807	3,807
Expenditures	100,000	-	100,000
Revenues over (under) expenditures	(100,000)	3,807	103,807
Other financing sources (uses)			
Transfers from other funds			
General Fund	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	-
Fund balance appropriated	-	-	-
Net change in fund balance	$ -	103,807	$ 103,807
Fund balance, beginning		347	
Fund balance, ending		$ 104,154	

TOWN OF LEWISVILLE, NORTH CAROLINA

Capital Projects Fund - Community Center

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2026

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues					
State grant revenue	$ -	$ 100,000	$ -	$ 100,000	$ 100,000
Investment earnings	-	26,627	1,944	28,571	28,571
Total revenues	-	126,627	1,944	128,571	128,571
Expenditures					
Capital outlay	4,947,137	4,815,995	-	4,815,995	131,142
Total expenditures	4,947,137	4,815,995	-	4,815,995	131,142
Revenues over (under) expenditures	(4,947,137)	(4,689,368)	1,944	(4,687,424)	259,713
Other financing sources (uses)					
Transfers from other funds					
General Fund	1,326,712	1,326,712	-	1,326,712	-
Municipal Buildings/Land Capital Reserve Fund	1,460,988	1,460,988	-	1,460,988	-
Storm Water Capital Reserve Fund	159,437	159,437	-	159,437	-
Transfers to other funds					
Great Wagon Road Improvements Capital Projects Fund	(259,713)	-	(259,713)	(259,713)	-
Proceeds from financing agreement	2,000,000	2,000,000	-	2,000,000	-
Total other financing sources (uses)	4,687,424	4,947,137	(259,713)	4,687,424	-
Fund balance appropriated	259,713	-	-	-	(259,713)
Net change in fund balance	$ -	$ 257,769	(257,769)	$ -	$ -
Fund balance, beginning			257,769		
Fund balance, ending			$ -		

TOWN OF LEWISVILLE, NORTH CAROLINA

Capital Projects Fund - Jack Warren Park Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2026

		Actual			
	Project Authorization	Prior Year	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Grant revenue	$ -	$ 230,940	$ -	$ 230,940	$ 230,940
Investment earnings	-	46,547	3,110	49,657	49,657
Total revenues	-	277,487	3,110	280,597	280,597
Expenditures					
Capital outlay	672,049	597,062	-	597,062	74,987
Total expenditures	672,049	597,062	-	597,062	74,987
Revenues over (under) expenditures	(672,049)	(319,575)	3,110	(316,465)	355,584
Other financing sources (uses)					
Transfers from other funds:					
General Fund	132,188	132,188	-	132,188	-
Parks and Recreation Capital Reserve Fund	518,590	518,590	-	518,590	-
Jack Warren Park Maintenance Facility/Playround Expansion Capital Projects Fund	21,271	21,271	-	21,271	-
Transfers to other funds:					
Great Wagon Road Improvements Capital Projects Fund	(355,584)	-	(355,584)	(355,584)	-
Total other financing sources (uses)	316,465	672,049	(355,584)	316,465	-
Fund balance appropriated	355,584	-	-	-	(355,584)
Net change in fund balance	$ -	$ 352,474	(352,474)	$ -	$ -
Fund balance, beginning			352,474		
Fund balance, ending			$ -		

TOWN OF LEWISVILLE, NORTH CAROLINA
Capital Projects Fund - Public Works Facility
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2026

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues					
Investment earnings	$ -	$ 20,056	$ 3,787	$ 23,843	$ 23,843
Total revenues	-	20,056	3,787	23,843	23,843
Expenditures					
Capital outlay	1,000,000	809,907	17,350	827,257	172,743
Total expenditures	1,000,000	809,907	17,350	827,257	172,743
Revenues over (under) expenditures	(1,000,000)	(789,851)	(13,563)	(803,414)	196,586
Other financing sources (uses)					
Transfers from other funds:					
General Fund	100,675	-	-	-	(100,675)
Public Works Facility Capital Reserve Fund	899,325	899,325	-	899,325	-
Total other financing sources (uses)	1,000,000	899,325	-	899,325	(100,675)
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	$ -	$ 109,474	(13,563)	$ 95,911	$ 95,911
Fund balance, beginning			109,474		
Fund balance, ending			$ 95,911		

Other Schedules

LEWISVILLE
INCORPORATED 1991

TOWN OF LEWISVILLE, NORTH CAROLINA
Schedule of Ad Valorem Taxes Receivable
June 30, 2026

Fiscal Year	Uncollected Balance June 30, 2025	Additions	Collections and Credits	Uncollected Balance June 30, 2026
2025-2026	$ -	$ 4,827,233	$ 4,800,227	$ 27,006
2024-2025	14,072	-	8,550	5,522
2023-2024	3,300	-	1,207	2,093
2022-2023	1,824	-	200	1,624
2021-2022	1,182	-	163	1,019
2020-2021	763	-	23	740
2019-2020	705	-	19	686
2018-2019	567	-	28	539
2017-2018	340	-	20	320
2016-2017	1,716	-	-	1,716
2015-2016	1,954	-	1,954	-
	$ 26,423	$ 4,827,233	$ 4,812,391	41,265
	Less: Allowance for uncollectible accounts			-
	Ad valorem taxes receivable - net			$ 41,265

Reconcilement with Revenues	
Ad valorem taxes - General Fund	$ 4,821,952
Reconciling items:	
Interest collected	(8,133)
Adjustments	(3,382)
Taxes written off	1,954
Subtotal	(9,561)
Total collections and credits	$ 4,812,391

TOWN OF LEWISVILLE, NORTH CAROLINA
Analysis of Current Tax Levy
Town-Wide Levy
June 30, 2026

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy					
Property taxed at current rate	$ 2,657,361,667	$ 0.180	$ 4,783,251	$ 4,352,549	$ 430,702
Discoveries	37,118,333	$ 0.180	66,813	66,813	-
Releases	(12,683,889)	$ 0.180	(22,831)	(22,831)	-
Total property valuation	$ 2,681,796,111				
Net levy			4,827,233	4,396,531	430,702
Unpaid (by taxpayer) at June 30, 2026			(27,006)	(27,006)	-
Current year's taxes collected			$ 4,800,227	$ 4,369,525	$ 430,702
Current levy collection percentage			99.44%	99.39%	100.00%

Statistical Section

LEWISVILLE
INCORPORATED 1991

Statistical Section

This part of the Town of Lewisville's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the Town's overall financial health.

Contents

Financial Trends
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity
These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity
These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

TOWN OF LEWISVILLE, NORTH CAROLINA

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Schedule 1

	Fiscal Year				
	2026	2025	2024	2023	2022
Governmental Activities					
Net investment in capital assets	$ 13,524,318	$ 14,352,357	$ 12,704,753	$ 11,375,177	$ 10,846,428
Restricted	1,984,898	1,744,688	1,623,245	1,701,258	1,048,345
Unrestricted	13,484,904	11,975,864	12,401,102	10,224,232	10,083,549
Total governmental activities net position	$ 28,994,120	$ 28,072,909	$ 26,729,100	$ 23,300,667	$ 21,978,322

	Fiscal Year				
	2021	2020	2019	2018	2017
Governmental Activities					
Net investment in capital assets	$ 9,118,422	$ 8,154,438	$ 7,750,583	$ 7,125,647	$ 7,223,726
Restricted	953,673	1,038,938	909,549	992,877	973,381
Unrestricted	9,859,844	10,074,621	9,587,374	8,640,880	7,681,819
Total governmental activities net position	$ 19,931,939	$ 19,267,997	$ 18,247,506	$ 16,759,404	$ 15,878,926

TOWN OF LEWISVILLE, NORTH CAROLINA

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting) *Schedule 2*

	Fiscal Year				
	2026	2025	2024	2023	2022
Expenses					
Governmental Activities:					
General government	$ 1,708,235	$ 1,775,722	$ 1,622,675	$ 3,311,046	$ 1,365,085
Public works	4,566,828	3,142,779	3,300,922	1,547,411	2,013,279
Planning	174,573	240,580	313,844	233,801	210,593
Parks and recreation	780,026	675,443	700,365	654,767	552,442
Public safety	1,058,158	1,011,010	823,241	781,717	686,204
Interest on long-term debt	18,651	22,251	25,851	29,451	32,952
Total expenses	8,306,471	6,867,785	6,786,898	6,558,193	4,860,555
Program Revenues					
Governmental activities:					
Charges for services					
Public works	250	370	1,862	3,597	7,079
Planning	15,350	16,075	10,425	13,950	8,845
Parks and recreation	103,235	77,510	79,760	80,351	-
Operating grants and contributions	473,750	853,046	1,774,088	1,502,701	1,607,748
Capital grants and contributions	583,729	546,616	2,310,500	519,558	277,430
Total program revenues	1,176,314	1,493,617	4,176,635	2,120,157	1,901,102
Net (Expense)/Revenue	(7,130,157)	(5,374,168)	(2,610,263)	(4,438,036)	(2,959,453)
General Revenues					
Governmental activities:					
Taxes					
Property taxes	4,943,606	3,958,023	3,123,014	3,055,264	2,918,633
Local option sales taxes	1,584,798	1,289,984	1,226,799	1,225,951	1,078,665
Other taxes	795,649	773,477	767,462	746,378	714,928
Other	727,315	794,913	921,421	732,788	293,610
Total general revenues	8,051,368	6,816,397	6,038,696	5,760,381	5,005,836
Change in Net Position	$ 921,211	$ 1,442,229	$ 3,428,433	$ 1,322,345	$ 2,046,383

continued

TOWN OF LEWISVILLE, NORTH CAROLINA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting) *Schedule 2*

	Fiscal Year				
	2021	2020	2019	2018	2017
Expenses					
Governmental Activities:					
General government	$ 1,237,921	$ 1,228,361	$ 1,216,653	$ 1,081,813	$ 1,025,807
Public works	1,928,082	1,821,310	1,912,092	1,678,658	1,667,179
Planning	196,793	167,653	136,217	159,518	149,045
Parks and recreation	205,165	232,562	239,533	261,365	245,620
Public safety	656,398	620,797	599,102	583,362	546,202
Interest on long-term debt	32,342	15,223	20,058	24,891	29,727
Total expenses	4,256,701	4,085,906	4,123,655	3,789,607	3,663,580
Program Revenues					
Governmental activities:					
Charges for services					
Public works	500	13,015	-	-	-
Planning	11,255	19,350	9,785	7,375	7,645
Parks and recreation	-	4,513	6,355	7,980	6,924
Operating grants and contributions	347,424	500,300	358,916	360,642	361,733
Capital grants and contributions	91,581	178,339	779,431	24,597	67,094
Total program revenues	450,760	715,517	1,154,487	400,594	443,396
Net (Expense)/Revenue	(3,805,941)	(3,370,389)	(2,969,168)	(3,389,013)	(3,220,184)
General Revenues					
Governmental activities:					
Taxes					
Property taxes	2,603,728	2,510,252	2,486,864	2,424,805	2,264,797
Local option sales taxes	924,367	853,341	833,100	770,309	757,868
Other taxes	698,623	711,772	770,187	770,859	769,550
Other	243,165	315,515	367,119	303,518	196,438
Total general revenues	4,469,883	4,390,880	4,457,270	4,269,491	3,988,653
Change in Net Position	$ 663,942	$ 1,020,491	$ 1,488,102	$ 880,478	$ 768,469

TOWN OF LEWISVILLE, NORTH CAROLINA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting) *Schedule 3*

	Fiscal Year				
	2026	**2025**	**2024**	**2023**	**2022**
General Fund					
Nonspendable	$ 188,811	$ 72,018	$ -	$ -	$ -
Restricted	1,425,011	1,510,771	1,437,936	1,397,338	995,887
Committed	-	-	-	-	-
Assigned	95,827	234,844	387,586	432,107	1,205,260
Unassigned	7,838,542	6,858,804	5,601,119	4,192,478	5,741,987
Total general fund	9,548,191	8,676,437	7,426,641	6,021,923	7,943,134
All Other Governmental Funds					
Restricted	559,887	233,917	185,309	303,920	52,458
Committed	4,932,231	5,222,857	6,397,804	5,628,110	3,225,388
Total all other governmental funds	5,492,118	5,456,774	6,583,113	5,932,030	3,277,846
Total	$ 15,040,309	$ 14,133,211	$ 14,009,754	$ 11,953,953	$ 11,220,980

	2021	**2020**	**2019**	**2018**	**2017**
General Fund					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	918,731	1,032,296	906,522	992,571	944,521
Committed	-	534,481	432,849	328,986	263,501
Assigned	425,954	230,510	75,505	99,373	58,416
Unassigned	4,823,179	5,991,906	5,699,090	5,405,088	4,362,069
Total general fund	6,167,864	7,789,193	7,113,966	6,826,018	5,628,507
All Other Governmental Funds					
Restricted	34,942	6,642	3,027	306	28,860
Committed	4,745,389	3,384,902	3,416,383	2,827,142	3,014,944
Total all other governmental funds	4,780,331	3,391,544	3,419,410	2,827,448	3,043,804
Total	$ 10,948,195	$ 11,180,737	$ 10,533,376	$ 9,653,466	$ 8,672,311

TOWN OF LEWISVILLE, NORTH CAROLINA

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting) *Schedule 4*

	Fiscal Year				
	2026	**2025**	**2024**	**2023**	**2022**
Revenues					
Ad valorem taxes	$ 4,928,784	$ 3,951,743	$ 3,123,850	$ 3,056,347	$ 2,918,524
Other taxes and licenses	-	-	-	-	-
Unrestricted intergovernmental	2,572,973	2,267,599	2,210,680	2,175,482	1,977,242
Restricted intergovernmental	1,121,373	1,462,777	4,141,810	2,079,185	1,934,803
Investment earnings	463,729	511,513	610,425	409,207	8,298
Miscellaneous	126,001	110,102	105,152	161,400	67,961
Total revenues	9,212,860	8,303,734	10,191,917	7,881,621	6,906,828
Expenditures					
General government	1,525,392	1,412,344	1,323,479	3,012,152	1,170,546
Public works	3,670,192	3,074,230	2,182,728	1,528,692	1,998,062
Planning	169,811	225,729	313,623	222,099	213,536
Parks and recreation	342,382	259,923	293,778	270,645	260,211
Public safety	1,056,516	1,010,052	823,242	781,718	686,203
Debt service					
Interest and other charges	21,600	25,200	28,800	32,400	36,000
Principal	200,000	200,000	200,000	200,000	200,000
Capital outlay	1,319,869	1,972,799	2,970,466	1,100,942	2,069,485
Total expenditures	8,305,762	8,180,277	8,136,116	7,148,648	6,634,043
Excess (deficiency) of revenues over expenses	907,098	123,457	2,055,801	732,973	272,785
Other financing sources (uses)					
Transfers from other funds	1,022,343	2,068,507	5,792,328	3,608,517	1,499,282
Transfers to other funds	(1,022,343)	(2,068,507)	(5,792,328)	(3,608,517)	(1,499,282)
Proceeds from financing agreement	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	$ 907,098	$ 123,457	$ 2,055,801	$ 732,973	$ 272,785
Debt service as a percentage of noncapital expenditures	3.17%	3.63%	4.43%	3.84%	5.17%

continued

TOWN OF LEWISVILLE, NORTH CAROLINA

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting) *Schedule 4*

	Fiscal Year				
	2021	2020	2019	2018	2017
Revenues					
Ad valorem taxes	$ 2,611,194	$ 2,510,123	$ 2,488,852	$ 2,428,349	$ 2,270,001
Other taxes and licenses	-	-	28,252	35,893	33,579
Unrestricted intergovernmental	1,818,566	1,723,949	1,703,311	1,618,089	1,599,106
Restricted intergovernmental	468,418	714,713	536,815	427,498	468,304
Investment earnings	1,080	119,176	184,112	92,135	23,265
Miscellaneous	28,850	38,307	25,400	71,664	43,001
Total revenues	4,928,108	5,106,268	4,966,742	4,673,628	4,437,256
Expenditures					
General government	1,069,240	1,052,471	1,003,369	930,331	861,327
Public works	1,801,037	1,732,329	1,821,108	1,592,046	1,581,719
Planning	191,465	162,688	136,348	157,195	156,282
Parks and recreation	114,675	131,741	138,712	160,879	145,601
Public safety	656,398	620,797	599,102	583,362	546,202
Debt service					
Interest and other charges	3,978	15,713	20,548	25,382	30,217
Principal	466,672	186,666	186,666	186,666	186,666
Capital outlay	2,857,185	556,502	180,979	56,612	173,751
Total expenditures	7,160,650	4,458,907	4,086,832	3,692,473	3,681,765
Excess (deficiency) of revenues over expenses	(2,232,542)	647,361	879,910	981,155	755,491
Other financing sources (uses)					
Transfers from other funds	3,113,166	812,200	675,000	1,075,312	597,618
Transfers to other funds	(3,113,166)	(812,200)	(675,000)	(1,075,312)	(597,618)
Proceeds from financing agreement	2,000,000	-	-	-	-
Total other financing sources (uses)	2,000,000	-	-	-	-
Net change in fund balances	$ (232,542)	$ 647,361	$ 879,910	$ 981,155	$ 755,491
Debt service as a percentage of noncapital expenditures	10.94%	5.19%	5.31%	5.83%	6.18%

TOWN OF LEWISVILLE, NORTH CAROLINA

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years *Schedule 5*

Fiscal Year Ended June 30	Tax Year Ended December 31	Real Property	Personal Property	Public Service Companies	Total Assessed Value	Property Tax Rate (Per $100 Assessed Value)	Ratio of Assessed Value to Estimated Actual Value
2026	2025	$ 2,386,589,575	$ 254,892,432	$ 26,302,528	$ 2,667,784,535	$ 0.180	100%
2025	2024	1,530,221,642	233,838,108	23,584,979	1,787,644,729	0.217	100%
2024	2023	1,498,085,032	213,978,222	22,438,390	1,734,501,644	0.177	100%
2023	2022	1,463,248,166	202,303,157	20,982,286	1,686,533,609	0.177	100%
2022	2021	1,414,036,663	196,968,160	19,742,925	1,630,747,748	0.177	100%
2021	2020	1,234,195,036	179,583,454	18,315,358	1,432,093,848	0.177	100%
2020	2019	1,212,725,080	176,554,947	18,818,781	1,408,098,808	0.177	100%
2019	2018	1,198,711,678	167,092,214	18,462,243	1,384,266,135	0.177	100%
2018	2017	1,175,454,913	155,271,324	16,732,981	1,347,459,218	0.177	100%
2017	2016	1,089,190,989	150,413,497	16,114,682	1,255,719,168	0.177	100%

Source: TR-1 reports compiled by the Forsyth County Tax Department on a calendar year basis to meet reporting requirements of the Tax Research Division of the North Carolina Department of Revenue.

Assessed value is established by the Forsyth County Tax Department at 100% of estimated market value.

TOWN OF LEWISVILLE, NORTH CAROLINA
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Schedule 6

Fiscal Year Ended June 30	(1) Town of Lewisville Direct Rate	(2) Forsyth County	(3) Countywide Fire Service District	(3) Lewisville Fire District	(3) Vienna Fire District	Combined Tax Rate Lewisville Fire District	Combined Tax Rate Vienna Fire District	(4) Municipal Service District
2026	$ 0.1800	$ 0.5352	$ 0.0179	$ 0.0630	$ 0.0590	$ 0.7961	$ 0.7921	$ 0.1000
2025	0.2170	0.6778	0.0039	0.0900	0.0850	0.9887	0.9837	0.1000
2024	0.1770	0.6778	0.0039	0.0850	0.0850	0.9437	0.9437	0.0500
2023	0.1770	0.6778	0.0039	0.0850	0.0850	0.9437	0.9437	0.0500
2022	0.1770	0.6778	0.0039	0.0800	0.0850	0.9387	0.9437	0.0500
2021	0.1770	0.7435	0.0073	0.0800	0.0850	1.0078	1.0128	0.0500
2020	0.1770	0.7535	0.0073	0.0800	0.0850	1.0178	1.0228	0.0500
2019	0.1770	0.7235	-	0.0836	0.0786	0.9841	0.9791	0.0450
2018	0.1770	0.7235	-	0.0800	0.0750	0.9805	0.9755	0.0450
2017	0.1770	0.7310	-	0.0800	0.0750	0.9880	0.9830	0.0450

All tax rates are expressed in dollars of tax per $100 of assessed valuation.

(1) Town of Lewisville tax rate is for general fund only. Municipalities set their own direct rate. This rate, combined with the county rate and any applicable fire tax district rate is the total overlapping tax rate.

(2) Forsyth County has a unified tax rate.

(3) The Forsyth County Board of Commissioners sets each fire tax district.

(4) Lewisville Municipal Service District is a separate fund. The tax rate is set by the Lewisville Town Council and only applies to those in that special district.

TOWN OF LEWISVILLE, NORTH CAROLINA
Principal Property Taxpayers
Current Year and Nine Years Ago

Schedule 7

Taxpayer	2026 Assessed Valuation	2026 Rank	2026 Percentage of Total Assessed Valuation	2017 Assessed Valuation	2017 Rank	2017 Percentage of Total Assessed Valuation
Kaplan Partners	$ 29,244,700	1	1.10%	$ 18,685,503	1	1.67%
Duke Energy Corp/Piedmont Natural Gas	23,955,489	2	0.90%	-		
Yopp Properties, LLC	12,240,400	3	0.46%	5,881,102	5	0.52%
Florence H. McKeithan 2020 Family Trust	11,818,000	4	0.44%	-		
Charter Communications, Inc.	9,790,339	5	0.37%	-		
Amherst Residential	7,613,400	6	0.29%	-		
Wood Lewisville Center, LLC	7,007,900	7	0.26%	-		
Kent Corporation	6,764,600	8	0.25%	4,580,102	6	0.41%
Firstkey Homes	6,298,100	9	0.24%	-		
Pegram Landing Limited Partnership	5,472,822	10	0.21%	-		
Jesus Ruiz	-			11,303,203	2	1.01%
Duke Energy Corp	-			11,094,706	3	0.99%
Gemini Lewisville Commons, LLC	-			6,480,599	4	0.58%
WLM Stone Point, LLC	-			4,494,486	7	0.40%
Vienna Village Inc.	-			3,354,712	8	0.30%
Windstream	-			3,034,458	9	0.27%
Millgent Properties, LLC	-			2,781,299	10	0.25%
	$ 120,205,750		4.52%	$ 71,690,170		6.40%

Source: Annual Tax Scroll from Forsyth County Tax Department and TR-1 Reports

TOWN OF LEWISVILLE, NORTH CAROLINA

Property Tax Levies and Collections

Last Ten Fiscal Years *Schedule 8*

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collection on Prior Years' Levies	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2026	$ 4,827,233	$ 4,800,227	99.44%	$ -	$ 4,800,227	99.44%
2025	3,875,713	3,861,641	99.64%	8,550	3,870,191	99.86%
2024	3,077,559	3,067,538	99.67%	7,928	3,075,466	99.93%
2023	3,010,573	3,000,441	99.66%	8,509	3,008,950	99.95%
2022	2,875,305	2,866,164	99.68%	8,122	2,874,286	99.96%
2021	2,548,309	2,542,591	99.78%	4,978	2,547,569	99.97%
2020	2,477,262	2,468,292	99.64%	8,283	2,476,575	99.97%
2019	2,451,406	2,443,795	99.69%	7,072	2,450,867	99.98%
2018	2,390,255	2,381,218	99.62%	8,717	2,389,935	99.99%
2017	2,232,149	2,222,896	99.59%	7,537	2,230,433	99.92%

A revaluation of all property is required every eight (8) years by State statute. Real property was revalued on January 1, 2009, 2013, 2017, 2021, and 2025.

Source: Forsyth County Tax Department

TOWN OF LEWISVILLE, NORTH CAROLINA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years *Schedule 9*

Fiscal Year	Installment Purchase	Percentage of Personal Income	Population	Debt per Capita
2026	$ 1,000,000	0.16%	13,871	$ 72.09
2025	1,200,000	0.21%	13,851	86.64
2024	1,400,000	0.24%	13,656	102.52
2023	1,600,000	0.28%	13,585	117.78
2022	1,800,000	0.35%	13,444	133.89
2021	2,000,000	0.36%	13,406	149.19
2020	466,672	0.09%	13,392	34.85
2019	653,338	0.12%	13,357	48.91
2018	840,004	0.17%	13,232	63.48
2017	1,026,670	0.21%	13,120	78.25

Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Percentage of personal income based on Schedule 12 Demographic and Economic Statistics.

TOWN OF LEWISVILLE, NORTH CAROLINA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2026 *Schedule 10*

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Debt repaid with property taxes			
Forsyth County	$ 648,810,660	4.01%	$ 26,017,307
Subtotal, overlapping debt			26,017,307
Town of Lewisville direct debt			1,000,000
Total direct and overlapping debt			$ 27,017,307

Source: Forsyth County Finance Department and Town of Lewisville Finance Department

Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt by those overlapping governments that is borne by the property taxpayers of the Town of Lewisville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the Town's taxable assessed value which is within Forsyth County's boundaries and dividing it by the County's total taxable assessed value.

TOWN OF LEWISVILLE, NORTH CAROLINA

Legal Debt Margin Information

Last Ten Fiscal Years *Schedule 11*

Legal Debt Margin Calculation for Fical Year 2026

Assessed value	$ 2,681,796,111
Debt limit (8% of assessed value)	214,543,689
Debt applicable to limit:	
Financing agreement	1,000,000
Legal debt margin	$ 213,543,689

	Fiscal Year				
	2026	2025	2024	2023	2022
Debt limit	$ 214,543,689	$ 142,883,429	$ 139,098,712	$ 136,071,096	$ 129,957,288
Total debt applicable to limit	1,000,000	1,200,000	1,400,000	1,600,000	1,800,000
Legal debt margin	$ 213,543,689	$ 141,683,429	$ 137,698,712	$ 134,471,096	$ 128,157,288
Total debt applicable to the limit as a percentage of debt limit	0.47%	0.84%	1.01%	1.18%	1.39%

	Fiscal Year				
	2021	2020	2019	2018	2017
Debt limit	$ 115,177,808	$ 111,966,644	$ 110,798,011	$ 108,034,124	$ 100,888,090
Total debt applicable to limit	2,000,000	466,672	653,338	840,004	1,026,670
Legal debt margin	$ 113,177,808	$ 111,499,972	$ 110,144,673	$ 107,194,120	$ 99,861,420
Total debt applicable to the limit as a percentage of debt limit	1.74%	0.42%	0.59%	0.78%	1.02%

Source: Assessed values from Forsyth County tax office

TOWN OF LEWISVILLE, NORTH CAROLINA

Demographic and Economic Statistics

Last Ten Fiscal Years *Schedule 12*

Fiscal Year	(1) Town of Lewisville Population	(2) Town of Lewisville Personal Income	(2) Town of Lewisville Per Capita Personal Income	(3) Forsyth County Unemployment Rate
2026	13,871	$ 628,911,140	$ 45,340	3.80%
2025	13,851	582,600,762	42,062	4.00%
2024	13,656	585,501,000	42,875	4.20%
2023	13,585	568,926,215	41,879	3.70%
2022	13,444	517,042,796	38,459	4.10%
2021	13,406	558,775,486	41,681	5.00%
2020	13,392	548,871,120	40,985	8.10%
2019	13,357	539,542,658	40,394	4.40%
2018	13,232	490,166,208	37,044	4.20%
2017	13,120	496,001,600	37,805	4.20%

Sources: (1) State of North Carolina Office of State Budget and Management
(2) U.S. Census Bureau - American Community Survey
(3) North Carolina Department of Commerce

TOWN OF LEWISVILLE, NORTH CAROLINA

Principal Employers

Current Year and Nine Years Ago *Schedule 13*

Employer	2026 Employees	2026 Rank	2017 Employees	2017 Rank
Kaplan Early Learning Company	336	1	275	1
Forsyth Country Day School	305	2	221	2
Lowe's Foods	104	3	106	3
Lewisville Middle School	82	4	-	
Food Lion	81	5	54	5
Lewisville Elementary School	52	6	60	4
	960		716	

Source: Employee data provided by the human resource department of each employer.

TOWN OF LEWISVILLE, NORTH CAROLINA

Full-Time Equivalent Employees by Function

Last Ten Fiscal Years

Schedule 14

	Full-Time Equivalent Employees as of June 30									
Function	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Management services	1	1	1	1	1	1	1	1	1	1
Finance	2	2	2	2	2	2	2	2	2	2
Planning	1	1	2	2	1	1	1	1	1	1
Public works	4	4	4	3	4	3	3	3	3	3
Administration	4	4	4	4	3	2	2	2	2	2
Total	12	12	13	12	11	9	9	9	9	9

Source: Town of Lewisville Finance Department

TOWN OF LEWISVILLE, NORTH CAROLINA

Operating Indicators by Function/Program

Last Ten Fiscal Years *Schedule 15*

Function/Program	Fiscal Year 2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Public Works										
Street resurfacing (miles)	2.9000	1.3600	1.4311	-	1.5600	1.1300	1.9600	2.0320	1.2152	1.8000
Planning										
Developer fees	$ 15,350	$ 16,075	$ 10,425	$ 13,950	$ 8,845	$ 11,255	$ 19,350	$ 9,785	$ 7,375	$ 7,645
Stormwater review fees	$ 250	$ 370	$ 1,862	$ 3,597	$ 7,079	$ 500	$ 13,015	$ -	$ 800	$ 100
Parks and Recreation										
Facility rentals	$ 99,105	$ 75,570	$ 79,760	$ 80,351	$ 32,397	$ 125	$ 4,512	$ 6,355	$ 7,980	$ 6,847

Source: Town of Lewisville Finance Department, Public Works Department, and Planning Department

TOWN OF LEWISVILLE, NORTH CAROLINA

Capital Asset Statistics by Function

Last Ten Fiscal Years *Schedule 16*

Function	Fiscal Year									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Police *	7	7	7	7	6	6	6	6	6	6
Town maintained street miles	57.40	57.28	56.90	56.91	56.91	56.69	56.69	56.43	56.43	56.43
Parks and recreation										
Playgrounds	2	2	2	2	2	2	2	2	2	2
Community centers	2	2	2	2	2	1	1	1	1	1
Public works										
Vehicles	5	4	4	4	4	3	2	2	2	2

** Police are contracted services from Forsyth County.*

Sources: Various departments in the Town of Lewisville

Compliance Section

LEWISVILLE
INCORPORATED 1991

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*

Independent Auditor's Report

To the Honorable Mayor and
Members of the Town Council
Town of Lewisville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lewisville, North Carolina, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprises the Town of Lewisville's basic financial statements, and have issued our report thereon dated October 22, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Lewisville's internal control over financial reporting (internal control) as a basis for designing 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 Town of Lewisville's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Lewisville'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 material weaknesses. However, material weaknesses may exist that have not been identified.

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Bermuda Run, NC 27006

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FAX 336/760-8913

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Lewisville'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 determination of financial statement. 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*.

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.

Gilson & Company, P.A.

Bermuda Run, North Carolina
October 22, 2026