

# CITY OF LEWISVILLE, TEXAS

## Comprehensive Annual Financial Report

*for the fiscal year ended  
September 30, 2012*



On Monday, June 18, 2012, the Lewisville Animal Shelter and Adoption Center opened its doors. The new 14,700 square foot shelter is located on 2.5 acres near the banks of the Trinity River, across from the north entrance of Toyota of Lewisville Railroad Park and in easy walking distance from Lewisville Dog Park. Amenities include a “get-to-know” room, “get-to-know” courtyard, cat colony area, new kitten and puppy area, training room, customer-friendly viewing cages and grooming area.

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Lewisville, TX 75029  
972-219-3400

[www.cityoflewisville.com](http://www.cityoflewisville.com)



**LEWISVILLE**  
Deep Roots. Broad Wings. Bright Future.



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

**CITY OF LEWISVILLE, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
*for the fiscal year ended September 30, 2012*



Prepared by the  
**FINANCE DEPARTMENT**



# LEWISVILLE

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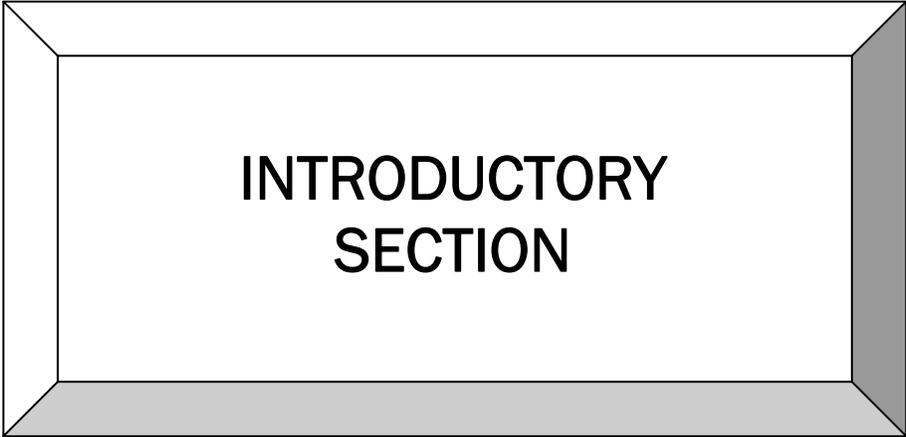
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# LEWISVILLE

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**INTRODUCTORY  
SECTION**



# LEWISVILLE

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March 14, 2013

To the Honorable Mayor,  
Members of the City Council,  
and Citizens of the City of Lewisville, Texas:

The Comprehensive Annual Financial Report (CAFR) of the City of Lewisville, Texas, for the year ended September 30, 2012, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner to fairly represent the financial position and results of operations of the City and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The CAFR for the year ended September 30, 2012, is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

## **GENERAL INFORMATION – CITY OF LEWISVILLE**

The City of Lewisville is geographically located north of the hub of the ten-county metropolitan area containing Dallas and Fort Worth, Texas. The City is characterized as a predominantly suburban residential community situated in the growth corridor linking the Dallas/Fort Worth International Airport (Tarrant County) through Lewisville (Denton County) to cities in east Collin County. Lewisville shares the metroplex economy based primarily on commerce, tourism, manufacturing, and finance.

The City of Lewisville was incorporated in 1925. The current charter was adopted in 1963 and amended as recently as September 2004. Lewisville is a home-rule city and operates under the Council-Manager form of government. The City Council is comprised of the Mayor and five members and is responsible for enacting ordinances, resolutions and regulations governing the City. In addition, the City Council appoints the members of various boards and commissions, the City Manager, City Attorney, City Judge, and City Secretary. As chief administrative officer, the City Manager is responsible for implementing Council policies, overseeing municipal operations, and appointing and supervising the various department directors.

The City provides the full range of municipal services as authorized by statute or charter. This includes public safety (police and fire), streets, water and sewer utilities, sanitation, health and social services, parks and leisure services, public improvements, community development with planning and zoning, tourism and general administrative services.

In addition, the City of Lewisville has organizations called component units. Component units are legally separate organizations for which the elected officials of the City of Lewisville are financially accountable. At September 30, 2012, the component units for the City of Lewisville are:

- Lewisville Housing Finance Corporation
- Lewisville Industrial Development Authority, Inc.
- Lewisville Parks and Library Development Corporation
- Tax Increment Reinvestment Zone Number 1, City of Lewisville, Texas (also known as Old Town TIF)
- Tax Increment Reinvestment Zone Number 2, City of Lewisville, Texas
- City of Lewisville Health Benefit Trust
- Lewisville Local Government Corporation
- Lewisville Crime Control and Prevention District
- Lewisville Fire Control, Prevention, and Medical Services District

## **ECONOMIC CONDITIONS AND OUTLOOK**

The City of Lewisville continues to experience positive annual population growth. Since 2000, Lewisville's population has increased 23.5% from 77,737 to an estimated 96,000 in 2012. Estimates are for residential population to be approximately 111,000 at the time of build-out around 2030. With Lewisville's continued pro-business policies, the City maintains its economic prosperity. Highlights include:

- The redevelopment of Lewisville's ConVergence Office Campus has helped drive the business growth in Lewisville over the past few years. The 185 acre campus in southwest Lewisville was recently purchased by Digital Realty Inc. from the Brookfield Properties Company who had made significant investment in master planning the 841,000 square feet of existing space. An additional 100 acres is master planned and available for new development. Digital Realty Inc. is one of the largest data center developers in the nation and plans to add more data center uses to the Convergence location. The ConVergence campus is already home to several major employers in Lewisville – Med Fusion, Nationstar Mortgage, Blue Lynx Media, Overhead Door, GMAC Financial Services, JP Morgan Chase, Cyrus One, Archon, and Texas Instruments.
- Majestic Airport Center is a 160-acre, master-planned business park that will total more than 3 million square feet of Class A warehouse and distribution facilities in seven buildings. Phase I is complete, which includes DFW's first 1 million square foot speculative industrial building. Kellogg relocated their southwest regional distribution facility to Majestic Airport Center, occupying 1 million square feet and creating 300 new jobs. Jafra Cosmetics and Cabin Innovations currently occupy the development, taking advantage of the Foreign Trade Zones and Triple Freeport exemption in place. Hegemeyer North America Inc. is the newest addition to the Majestic Airport Center occupying 68,692 square feet. Plans for a fifth building on approximately 60 acres and a new 1 million square foot warehouse/flex space facility are currently in review.
- AirMed International, Slimming World, and Caliber Collision Centers located their headquarters in Lewisville this year.
- Plans for the Valley Parkway Distribution Center, a 500,000 square foot warehouse and distribution facility, located at the corner of Valley Parkway and Ace Lane were announced in 2012. Industrial Developments International, an industrial real estate firm, plans to complete construction in 2013.
- A new Aldi grocery store was constructed on west Main Street.
- The City of Lewisville continues to revitalize Old Town Lewisville. The Old Town Tax Increment Reinvestment Zone was created in December 2001, with participation between the City and Denton County. Tax increment revenues from the Zone will be used to finance infrastructure improvements to stimulate revitalization of Old Town. Projects to date include parking improvements, wayfinding, infrastructure needs studies, sidewalk enhancements, beautification projects, facade improvement grant program and the Medical Center of Lewisville Grand Theater (MCL Grand Theater). New mixed use projects, including residential units, are anticipated to be constructed in the zone in the next few years. The Zone will expire in 2028. Additionally, the below items are worth noting:

- Immediately east of the MCL Grand Theater and across from City Hall, is land for a public plaza called Park Plaza which is scheduled to begin in 2013. The park space will include a great lawn for events, projection water wall, pop-up water fountains, playground, and a history walk. The project is estimated to take 10 months to complete.
- Streetscape improvements along the Main and Mill Streets corridors were approved for regional grant funding. This project will create pedestrian and bike amenities to encourage walking and biking to the rail station in Old Town Lewisville. The project is anticipated to start design in April 2013.

## MAJOR INITIATIVES

**Tax Increment Reinvestment Zone Number 2**—This zone was created in October 2008, with participation between the City and Denton County. Tax increment revenues from the Zone will be used to finance infrastructure improvements for a 427 acre mixed-use development. The development, also known as Hebron 121 Station, is at the northeast corner of I-35E and SH-121 Tollway. The project will consist of urban residential, retail, recreation, and entertainment uses. The Denton County Transit Authority (DCTA) A-Train Station was completed in June 2011. The first phase of Hebron 121 Station, a multifamily project, has 150 fully leased units. An additional 452 units and a large amenity center will be under construction in 2013. The City has started the design for a bridge over Timber Creek to connect the project to the I-35E frontage road. The Zone will expire in 2038.

**Metropolitan Transit System**— DCTA has worked since its formation in 2001 to connect Lewisville to the DFW commuter rail network. Lewisville was one of three cities in which voters approved funding the DCTA through a half-cent sales tax in September of 2003. The DCTA network, called the A-train, has been operational since June of 2011. Lewisville has completed master plans for the areas surrounding each of these three stations. The most notable plan, the Lake Lewisville Master Plan, was recognized by the Urban Land Institute in 2009, due in large part to its unique combination of lake frontage, commuter rail, and adjacency to an interstate highway. The City is currently working with Wynne Jackson, a master developer, on preparing a consolidated plan for the property.

**Other Major Roadway Projects**—Interstate Highway 35E is scheduled to be widened from 10 to 16 lanes between I-635 and US Highway 380. The expansion will include free lanes, managed/tolled lanes, and additional new frontage lanes. The State of Texas continues to identify funding and has begun purchasing right-of-way for the expansion. The City is completing a two year project for a Corridor Redevelopment Plan to guide public improvements, private developments, business retention, and new business recruitment along the corridor. An extension of the plan, the I-35 Branding Plan, was developed to create aesthetic treatments and non-vehicular travel options at highly visible overpasses and underpasses.

**Brownfield Development**— Lewisville has implemented a brownfield program, funded by a \$400,000 grant from the Environmental Protection Agency, to help plan for and initiate redevelopment. Developing in older areas with existing industrial or auto related uses typically

involves overcoming environmental challenges. The program is designed to address these challenges, and has been integrated with the redevelopment planning initiatives in Old Town and along the I-35E corridor. To date, seven Phase I and five Phase II environmental site assessments have been funded through the grant. Investigation efforts have facilitated the redevelopment of the Old Orchard Shopping Center and accelerated evaluation up of the K & W Auto Supply site, which was found to have leaking underground petroleum storage tanks. The program has also funded evaluation of property zoned for multi-family development which was previously used for explosive testing as well as analysis of contamination of a shopping center in Old Town.

**Residential Growth**— During the year, 87 building permits were issued for single-family residences, 48 for duplex or townhome units, and two for multi-family buildings. Of particular interest:

- Broadstone at Valley Parkway, a new multi-family community in southwest Lewisville, includes 333 recently constructed luxury rental units. The second phase of this project is in the final stages of approval and proposes an additional 204 units.
- Phases 1 and 2 of the Pine Prairie development propose a total of 590 multi-family dwellings located at the southwest corner of Lakeridge Road and Leora Lane.
- Uptown Village, a new townhome project, broke ground in Old Town this month. The project will have 68 new townhome units and an amenity center with price ranges from \$160,000 to \$180,000.
- Aura in Castle Hills provides for 316 apartment units at the northeast corner of State Highway 121 and FM 544. The Castle Hills Golf Course Villas propose 44 single family units.

## **FINANCIAL INFORMATION**

**Financial Policies**—The City of Lewisville has adopted (with City Council approval) formal written financial policies and administrative directives. These include, among others, policies and directives for Audit, Revenue Management, Expenditure Control, Financial Reserve/Fund Balance Levels, Debt Management, Post Issuance Compliance for Tax-Exempt Obligations, Investments, and Budget Transfers. Policies are reviewed and amended regularly.

**Accounting Procedures and Budgetary Controls**—The City's accounting records for general governmental funds are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on the accrual basis.

The legal level of budgetary control is at the fund level. Budgetary control is maintained at the fund level with encumbrances entered at the time a purchase requisition is approved. Open encumbrances are recorded as reservations of fund balance as of September 30 of each year, and

the subsequent year's budget is increased in December or January of each year to reflect these carried-forward encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue and expenditure estimates by the City's financial management staff with input from each City department. Budgets are reviewed by the City Manager who then makes final decisions and submits a recommended budget to the City Council. The proposed budget is reviewed extensively by the City Council, a process that includes a Charter-mandated public hearing, in addition to a work session, which is open to the public. The City Charter requires adoption of the City budget prior to the beginning of the fiscal year.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments and use of reserves, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update revenue and expenditure estimates for the current fiscal year. These estimates are reviewed by the Budget and Research Director, the City Manager, and the City Council concurrent with review of the proposed budget. This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department director with overall review exercised by the Budget and Research Director and the City Manager. Monthly revenue and departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget and Research Director prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Budget and Research Director. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

**Tax Rates**—All eligible property within the City is subject to assessment, levy, and collection by the City of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. Under State law and provisions of the City Charter, the City is limited to a maximum tax rate of \$2.50 per \$100 assessed valuation. As shown below, the tax rate adopted by the City Council has historically been substantially lower than the maximum provided by law.

The allocation of the property tax levy by purpose (General Fund operations and Debt Service) for fiscal year 2012-13 and the preceding five fiscal years is reflected in the following table:

<u>Purpose</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
General Fund	0.32289	0.32289	0.32289	0.32156	0.32156	0.32184
Debt Service Fund	<u>0.11732</u>	<u>0.11732</u>	<u>0.11732</u>	<u>0.11865</u>	<u>0.11865</u>	<u>0.11866</u>
Total Tax Rate	<u><u>0.44021</u></u>	<u><u>0.44021</u></u>	<u><u>0.44021</u></u>	<u><u>0.44021</u></u>	<u><u>0.44021</u></u>	<u><u>0.44050</u></u>

**Tax Appraisal/Collection Responsibilities**—Under Texas law enacted in 1979 and subsequent revisions to the State Property Tax Code, the appraised value of taxable property in Lewisville is established by the Central Appraisal District of the county in which the property exists. The City of Lewisville’s jurisdiction is predominately in Denton County, but also extends into Dallas County. Therefore, both the Denton Central Appraisal District and the Dallas Central Appraisal District provide values to the city based upon county lines. The City of Lewisville and other taxing jurisdictions in the counties provide a pro rata share of the budgeted expenditures incurred by the respective appraisal district based upon individual levy. In fiscal year 2011-12, the City’s payments to the districts for appraisal services were \$239,201, a decrease of \$3,209, or 1.3%, from the amount paid by the City in 2010-11. Since October 1997, the City has contracted with Denton County for tax collection services. The 2011-12 cost was \$20,726.

**Long-Term Financial Planning**—The City prepares a series of multi-year financial plans and forecasts that enable the City to reasonably predict future impacts on the government’s financial position. For its two largest funds, the General Fund and the Water and Sewer Utility Fund, a five-year financial plan is prepared in addition to a five-year street and drainage program and a five-year water and sewer capital improvement project plan. In the age of rapid technological advances, a five-year strategic technology plan is prepared as well.

**Debt Administration**—Two ratios traditionally used to analyze the debt structure of municipalities are presented below. Revenue debt has been excluded since service and user charges made by utility system customers are used to retire such debt and no ad valorem tax proceeds are used for utility revenue bond debt service.

Outstanding General Obligation Debt at 9-30-12 (Net of Debt Service)	\$71,948,297
Estimated Population	96,000
G. O. Debt per Capita	\$749
Net G. O. Debt per Assessed Value	1.15%

The City’s underlying bond ratings at September 30, 2012 were as follows:

	<u>General Obligation</u>	<u>Revenue</u>
Standard & Poor’s	AAA	AAA
Fitch Ratings	AAA	AA+

## OTHER INFORMATION

**Independent Audit**—According to Section 34 of the City Charter of the City of Lewisville, an annual independent audit is required to be made of the financial records of the City by a Public Accountant or Certified Public Accountant selected by the City Council. The City of Lewisville has engaged the firm of Grant Thornton, L.L.P. and the opinion is included in this report.

It should be noted that the auditors included all funds in their audit, performed their audit in accordance with generally accepted auditing standards, and stated that, in their opinion, the statements herein present fairly, in all material respects, the financial position of the City at September 30, 2012, and the changes in financial position and cash flows, where applicable, for the year then ended in conformity with generally accepted accounting principles.

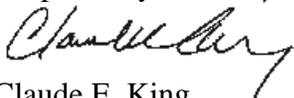
**Certificate of Achievement**—The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lewisville for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

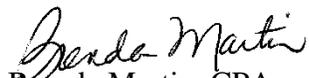
A Certificate of Achievement is valid for a period of one year only. The City of Lewisville has received a Certificate of Achievement for the last 23 consecutive years (fiscal years ended 1989-2011). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements**—The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Special appreciation is given to these staff members whose effort was instrumental in the publication of this comprehensive report.

Respectfully submitted,



Claude E. King  
City Manager



Brenda Martin, CPA  
Director of Finance

CERTIFICATE OF ACHIEVEMENT

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Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Lewisville  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Moynell*

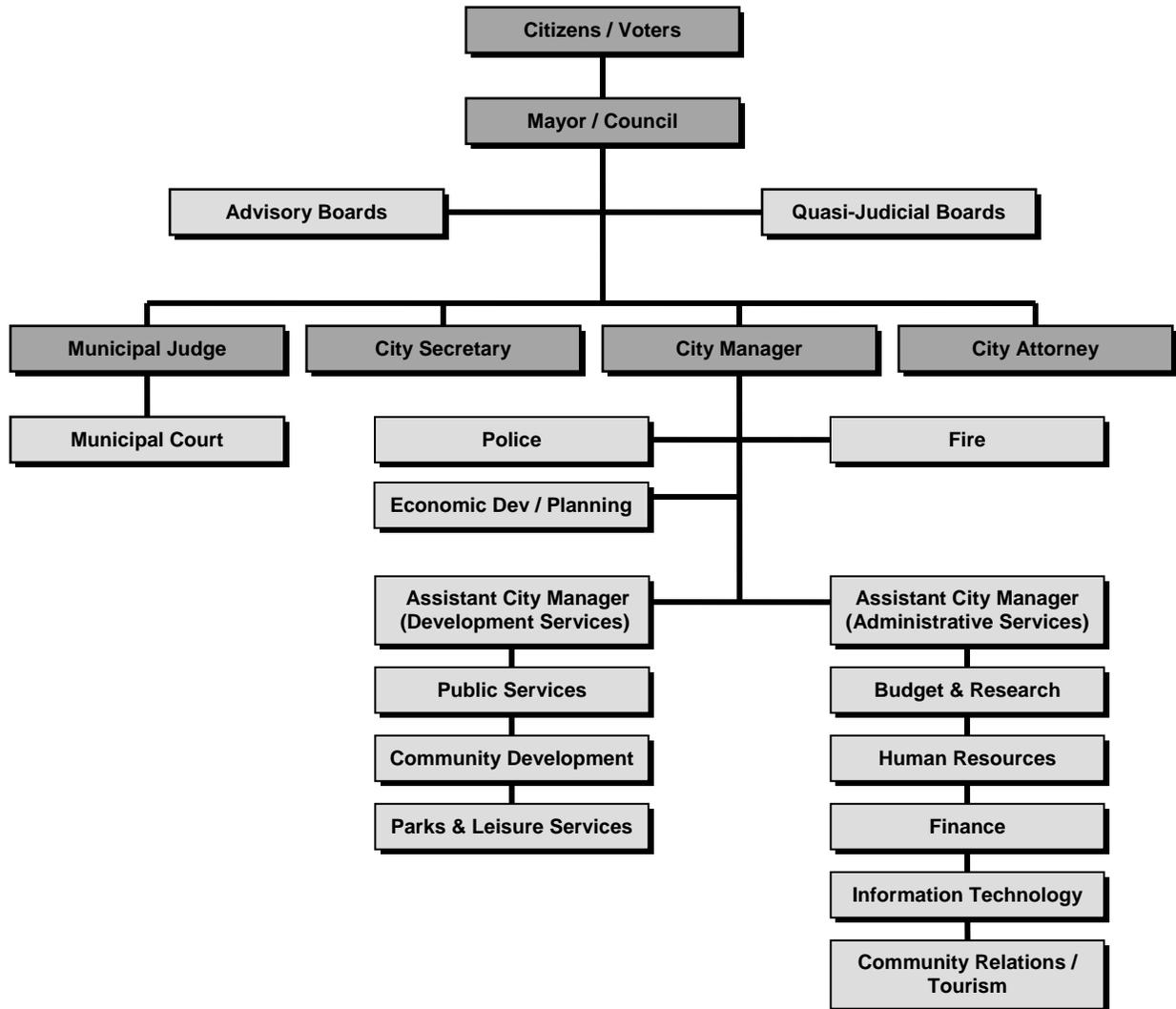
President

*Jeffrey R. Emer*

Executive Director

# CITY OF LEWISVILLE, TEXAS – ORGANIZATIONAL CHART

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**CITY OF LEWISVILLE, TEXAS – PRINCIPAL OFFICIALS**

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**– Elected Officials –**

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Mayor ..... Dean Ueckert  
Mayor Pro Tem ..... Rudy Durham  
Deputy Mayor Pro Tem ..... Leroy Vaughn  
Councilman ..... John Gorena  
Councilman ..... TJ Gilmore  
Councilman ..... Neil Ferguson

**– Appointed Officials –**

---

City Manager ..... Claude E. King  
City Secretary ..... Julie Heinze  
City Attorney ..... Lizbeth Plaster  
Municipal Judge ..... Brian S. Holman

**– Assistant City Managers –**

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Development Services ..... Steven L. Bacchus  
Administrative Services ..... Donna Barron

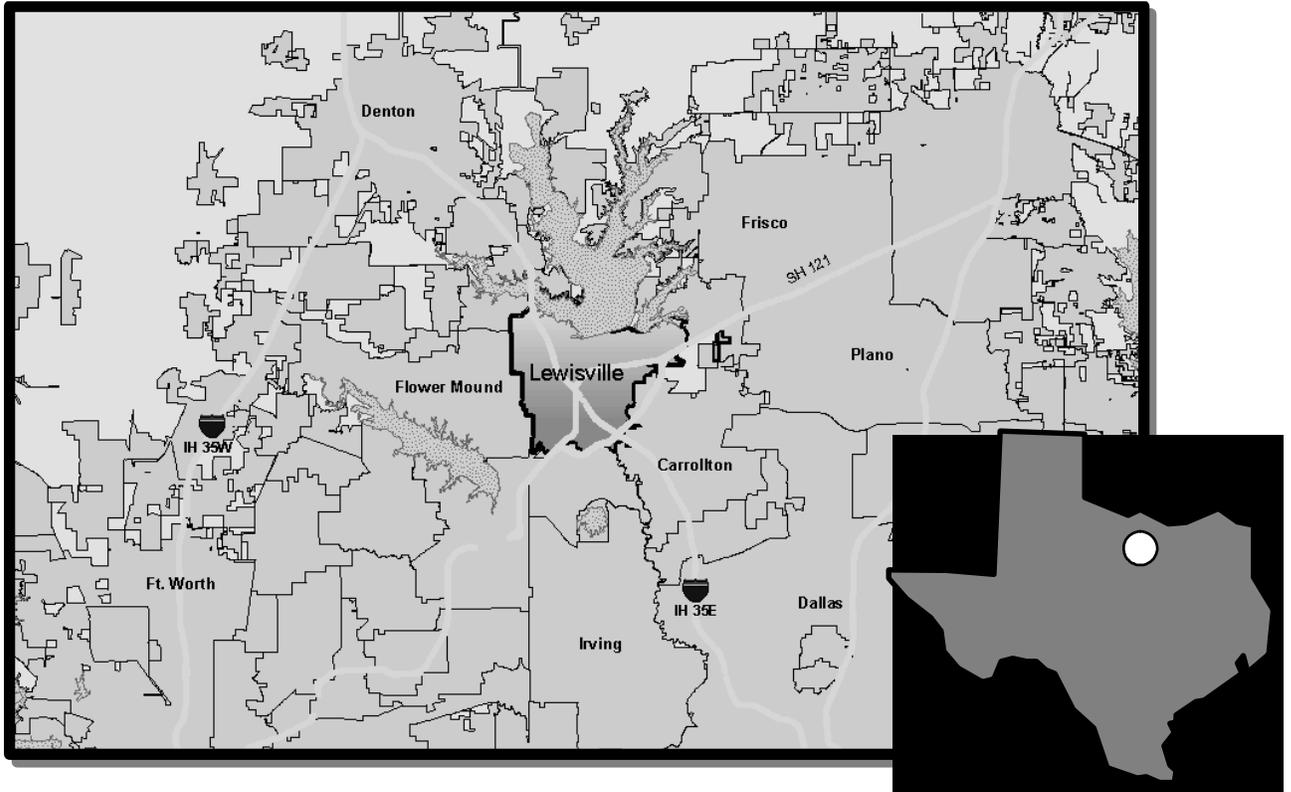
**– Department Directors –**

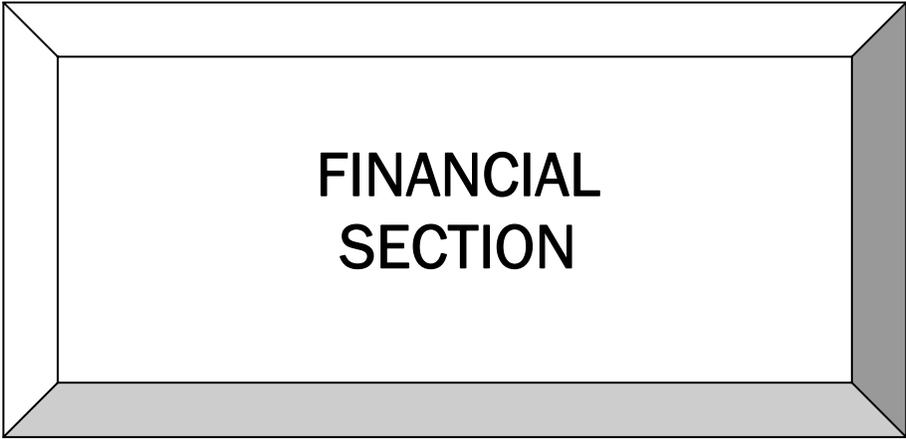
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Budget and Research ..... Gina Thompson  
Community Development ..... Eric Ferris  
Community Relations and Tourism ..... James Kunke  
Economic Development ..... Nika Reinecke  
Finance ..... Brenda Martin  
Fire ..... Tim Tittle  
Human Resources ..... Melinda Galler  
Information Technology Services ..... Larry Buchanan  
Parks and Recreation ..... Robert Monaghan  
Police ..... Russell Kerbow  
Public Services ..... Carole Bassinger

# AREA MAP

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**FINANCIAL  
SECTION**



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.



## Report of Independent Certified Public Accountants

The Honorable Mayor and Members of the City Council and City Manager  
City of Lewisville, Texas

**Grant Thornton LLP**  
1717 Main Street, Suite 1500  
Dallas, TX 75201-4667  
  
T 214.561.2300  
F 214.561.2370  
GrantThornton.com  
linkd.in/GrantThorntonUS  
twitter.com/GrantThorntonUS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lewisville, Texas (the "City"), as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lewisville, Texas, as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2013 on our consideration of the City'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 the City'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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 15 through 26 and General Fund budgetary comparison information on pages 83 through 84 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. These limited procedures consisted 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary 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. These additional procedures included comparing and reconciling the 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 established by the American Institute of Certified Public Accountants. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Dallas, Texas  
March 11, 2013

This discussion and analysis of the City of Lewisville's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2012. Please read it in conjunction with the accompanying transmittal letter and the basic financial statements.

## **FINANCIAL HIGHLIGHTS**

- The assets of the City of Lewisville exceeded its liabilities at the close of the fiscal year ending September 30, 2012 by \$577,393,386 (net assets). Of this amount, \$94,638,786 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Lewisville's total net assets increased by \$12,214,989 for the year ended September 30, 2012.
- As of September 30, 2012, the City of Lewisville's governmental funds reported combined ending fund balances of \$78,835,725, an increase of \$6,153,499 in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$30,615,982 or approximately 52 percent of total general fund expenditures.
- The City's total outstanding bonds (excluding component unit debt) increased by \$14,610,000 during the current fiscal year. In 2012, the City issued \$25,750,000 of General Obligation Refunding and Improvement Bonds and \$5,925,000 of Waterworks and Sewer System Revenue Refunding and Improvement bonds. These proceeds, with a portion of available debt service funds, were used to pay off \$4,255,000 of outstanding General Obligation Bonds, \$2,055,000 of Waterworks and Sewer System Revenue Refunding and Improvement bonds, and \$13,085,000 of Certificates of Obligation. The addition of \$9,940,000 of General Obligation Improvement Bonds and \$4,000,000 of Waterworks and Sewer System Improvement bonds was offset by amortization payments on existing debt.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis is intended to serve as an introduction to the City of Lewisville's basic financial statements. The City of Lewisville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of Lewisville's finances, in a manner similar to private-sector business. The

statement of net assets presents information on all of the City of Lewisville's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Lewisville is improving or deteriorating. The statement of net assets combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, bridges, drainage improvements, alleys, etc.), to assess the overall health or financial condition of the City.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All of the current year revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods; for example, uncollected taxes and earned but not used vacation leave. Both the statement of net assets and the statement of activities are prepared utilizing the accrual basis of accounting.

In the Statement of Net Assets and the Statement of Activities, the City is divided into three kinds of activities:

- *Governmental activities* – Most of the City's basic services are reported here, including the police, fire, library, community development, public services, information technology services, parks and leisure services, municipal court, tourism, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.
- *Business-type activities* – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system is reported here.
- *Component units* – The City includes nine separate legal entities in its report –Lewisville Housing Finance Corporation, Lewisville Industrial Development Authority, Inc., Lewisville Parks and Library Development Corporation, Tax Increment Reinvestment Zone Number 1 (Lewisville Old Town), Tax Increment Reinvestment Zone Number 2, Lewisville Local Government Corporation, Health Benefit Trust, Lewisville Crime Control and Prevention District, and Lewisville Fire Control, Prevention, and Emergency Medical Services District. Although legally separate, these component units are important because the City is financially accountable for them.

## **Reporting the City's Most Significant Funds**

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for

CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012

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using certain taxes, grants, or other money. The City's two types of funds – Governmental and Proprietary – utilize different accounting approaches.

*Governmental funds* – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

The City of Lewisville maintains twenty-one individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and the General Capital Projects Fund, all of which are considered to be major funds. Data from the other eighteen 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 elsewhere in this report.

*Proprietary funds* – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities. Because these services benefit both governmental as well as business type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Lewisville maintains one enterprise fund to account for water and sewer services provided to the City's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis are financed through user charges in a manner similar to a private business enterprise.

The City of Lewisville maintains three internal service funds to account for funds accumulated to self-insure for health, liability, property and casualty losses, worker compensation claims, life insurance, long-term disability, vehicle and equipment replacement and fleet maintenance. Individual fund data for each of these non-major business-type funds is provided in the form of combining statements elsewhere in this report.

## **The City as Trustee**

### Reporting the City's Fiduciary Responsibilities

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The activities of these funds are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for its intended purpose.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information and a statistical section that is intended to assist users in assessing the economic condition of the City.

## **THE CITY AS A WHOLE – Government-Wide Financial Analysis**

The City's combined net assets were \$577,393,386 as of September 30, 2012. Analyzing the net assets and net expenses of governmental and business-type activities separately, the business type activities net assets are \$218,683,037. This analysis focuses on the net assets (Table 1) and changes in general revenues (Table 2) and significant expenses of the City's governmental and business-type activities.

By far the largest portion of the City's net assets (83.1 percent) reflects its investment in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

**Table 1  
Net Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Current and other assets	\$ 156,769,991	\$ 142,221,204	\$ 72,115,442	\$ 70,759,709	\$ 228,885,433	\$ 212,980,913
Capital assets	336,486,504	328,087,180	197,534,583	192,213,427	534,021,087	520,300,607
Total assets	493,256,495	470,308,384	269,650,025	262,973,136	762,906,520	733,281,520
Non-current liabilities	87,467,367	70,083,847	47,383,217	47,591,953	134,850,584	117,675,800
Other liabilities	47,078,779	46,942,476	3,583,771	3,484,847	50,662,550	50,427,323
Total liabilities	134,546,146	117,026,323	50,966,988	51,076,800	185,513,134	168,103,123
Net assets:						
Invested in capital assets, net of related debt	298,329,672	305,260,721	181,437,600	181,476,154	479,767,272	486,736,875
Restricted	1,012,020	1,016,096	1,975,308	1,939,786	2,987,328	2,955,882
Unrestricted	59,368,657	47,005,244	35,270,129	28,480,396	94,638,786	75,485,640
Total net assets	\$ 358,710,349	\$ 353,282,061	\$ 218,683,037	\$ 211,896,336	\$ 577,393,386	\$ 565,178,397

**Governmental Activities**

The City's general revenues increased when compared to the prior year by 7.6% or \$4,561,454. The primary reasons for this increase were sales tax and property tax revenues. Sales tax revenue increased \$3,988,985 (21.4%) from the prior year. Of this increase, \$2,304,085 (57.8%) can be attributed to the voter approved Lewisville Crime Control and Prevention District and the Lewisville Fire Control, Prevention, and Emergency Medical Services District. Both districts began collecting one-eighth cent sales tax in April of 2012. Assessed valuation of properties in the City increased by \$193 million or 3.2% as compared to the prior year while the tax rate remained the same as 2011 at \$0.44021 per \$100 assessed valuation. Miscellaneous revenues decreased by \$680,938 from the prior year mainly due to the City not receiving fees for natural gas exploration activities in 2012 (\$685,506 in 2011). The changes in the City's general revenues are as follows (Table 2):

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

**Table 2  
General Revenues**

	<b>2012</b>	<b>2011</b>	<b>Increase (decrease)</b>
Property taxes	\$ 28,968,709	\$ 27,921,537	\$ 1,047,172
Sales taxes	22,666,950	18,677,965	3,988,985
Hotel/motel taxes	1,960,910	1,862,191	98,719
Other taxes	1,011,328	1,038,923	(27,595)
Franchise taxes	5,436,197	5,272,499	163,698
Investment earnings	365,045	459,600	(94,555)
Gain on disposal of assets	8,525	3,075	5,450
Miscellaneous	396,641	1,077,579	(680,938)
Transfers	3,985,048	3,924,530	60,518
<b>Total general revenues</b>	<b>\$ 64,799,353</b>	<b>\$ 60,237,899</b>	<b>\$ 4,561,454</b>

Governmental activities increased the City's net assets by \$5,428,288. The key elements of this increase are as follows:

**Table 3  
Changes in Net Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Revenues</b>						
Program revenues:						
Charges for service	\$ 11,965,843	\$ 12,592,913	\$ 28,375,842	\$ 28,072,610	\$ 40,341,685	\$ 40,665,523
Operating grants and contributions	2,497,973	2,190,754	-	-	2,497,973	2,190,754
Capital grants and contributions	15,109,861	3,579,450	4,254,018	2,643,208	19,363,879	6,222,658
<b>General revenues:</b>						
Property taxes	28,968,709	27,921,537	-	-	28,968,709	27,921,537
Other taxes	31,075,385	26,851,578	-	-	31,075,385	26,851,578
Other	770,211	1,540,254	312,851	281,976	1,083,062	1,822,230
<b>Total revenues</b>	<b>90,387,982</b>	<b>74,676,486</b>	<b>32,942,711</b>	<b>30,997,794</b>	<b>123,330,693</b>	<b>105,674,280</b>
<b>Expenses:</b>						
General government	11,987,014	10,997,464	-	-	11,987,014	10,997,464
Culture, parks and recreation	9,487,780	9,585,769	-	-	9,487,780	9,585,769
Public safety	39,275,855	38,558,345	-	-	39,275,855	38,558,345
Public services	25,527,286	24,634,802	22,170,962	23,055,596	47,698,248	47,690,398
Interest on long-term debt	2,666,807	2,603,426	-	-	2,666,807	2,603,426
<b>Total expenses</b>	<b>88,944,742</b>	<b>86,379,806</b>	<b>22,170,962</b>	<b>23,055,596</b>	<b>111,115,704</b>	<b>109,435,402</b>
<b>Increase (decrease) in net assets</b>						
before transfers	1,443,240	(11,703,320)	10,771,749	7,942,198	12,214,989	(3,761,122)
Transfers	3,985,048	3,924,530	(3,985,048)	(3,924,530)	-	-
<b>Increase (decrease) in net assets</b>	<b>5,428,288</b>	<b>(7,778,790)</b>	<b>6,786,701</b>	<b>4,017,668</b>	<b>12,214,989</b>	<b>(3,761,122)</b>
<b>Net assets</b>						
beginning of fiscal year	353,282,061	361,060,851	211,896,336	207,878,668	565,178,397	568,939,519
<b>Net assets</b>						
ending of fiscal year	<b>\$ 358,710,349</b>	<b>\$ 353,282,061</b>	<b>\$ 218,683,037</b>	<b>\$ 211,896,336</b>	<b>\$ 577,393,386</b>	<b>\$ 565,178,397</b>

The increase in capital grants and contributions revenue from 2011 is primarily due to infrastructure improvements in the Castle Hills Public Improvement Districts located in the City's extraterritorial jurisdiction (\$9.0 million) and commercially developed projects dedicating infrastructure and right-of-way to the City (\$3.2 million). This was offset slightly by less County funding (\$0.5 million) for road projects.

The most significant governmental expense for the City is personnel cost. For the year, payroll costs were \$49,854,327 or 56.1% of total expenses. Payroll costs were closely monitored and came in \$961,469 less than budgeted.

For activities, public safety incurred expenses of \$39,275,855. These expenses were offset by revenues of \$5,390,583, which were collected from a variety of sources, with the largest being from fines and forfeitures. The largest portion of public safety is the cost of personnel which is \$32,714,009. Other significant governmental expenses for the City include public services which incurred \$25,527,286 in expenses, of which \$6,898,872 represents personnel charges and the general government activity which incurred \$11,987,014 in expenses, of which \$5,913,500 represents personnel charges. General government encompasses mayor and council, administration, legal, finance, human resources, information technology services, tourism, economic development and general government departments. The Parks and Leisure Services Department incurred \$9,487,780 in expenses, of which \$4,327,946 represents personnel charges.

### **Business-type Activities**

Business-type activities increased the City's net assets by \$6,786,701. The increase in net revenues is the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$28,375,842. Non-cash capital contributions from developers and cash receipts in the form of development impact fees amounted to \$4,254,018. Developer contributions are public improvement infrastructure projects that are completed by the developer. Prior to transfers, the charges for services exceeded expenses by \$6.205 million.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### Capital Assets

At the end of fiscal year 2012, the City had \$534.0 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines.

CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012

Table 4  
Capital Assets at Year-end  
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Improvements	\$ 211,952,153	\$ 201,954,886	\$ 500,377	\$ 546,149	\$ 212,452,530	\$ 202,501,035
Land	48,557,117	45,233,345	2,368,892	2,368,892	50,926,009	47,602,237
Buildings	49,208,722	46,902,889	745,813	774,661	49,954,535	47,677,550
Machinery & equipment	11,619,750	9,795,749	965,193	1,144,390	12,584,943	10,940,139
Construction in progress	15,148,762	24,200,311	25,903,371	19,089,174	41,052,133	43,289,485
Water system	-	-	99,391,326	100,056,622	99,391,326	100,056,622
Sewer system	-	-	67,659,611	68,233,539	67,659,611	68,233,539
Totals	\$ 336,486,504	\$ 328,087,180	\$ 197,534,583	\$ 192,213,427	\$ 534,021,087	\$ 520,300,607

Major capital asset additions for 2011-2012 include:

Spinks Road (street/drainage improvements)	\$ 9,690,484
Valley Ridge Boulevard Extension	4,980,788
Animal Shelter	4,485,674
2011 Pierce Impel Pumpers (3 fire engines)	1,399,042
East Hill Park (park and playground equipment)	530,134
Holfords Prairie Sanitary Sewer	506,952
ADA Access Improvements for Rodeo Grounds	500,881
XIV Data Storage System (data recovery)	442,818
Convergence Business Park left turn lane	428,567
ADA Access Improvements for City Facilities	349,645
Railroad/Kealy Street Traffic Control Improvements	282,253
2012 Ford F450 Type 1 Horton ambulance	203,445
Valley Ridge Water Line Extension	126,505
City Parks Open Space Master Plan	109,162
	<u>\$ 24,036,350</u>

The City's fiscal year 2013 capital improvement program authorizes it to spend \$136 million for capital projects. These improvements are in the following categories: water and sewer, street, drainage, park, municipal/technology and public safety. The aforementioned amount of \$136 million is made up of both current year appropriations, as well as carryover amounts appropriated but not yet expended.

To support the capital improvement program, funds are obtained from the issuance of bonds, interest earnings, transfers from operating funds, developer contributions, or a combination of these sources. To illustrate, water and sewer system improvements for 2012-2013 consist of

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

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\$4.250 million in transfers from water and sewer operating funds for water lines, sewer lines, and inflow and infiltration repairs. General Fund transfers for 2012-2013 include \$3.369 million to fund concrete, asphalt, and sidewalk repairs. Municipal/technology improvements for 2012-2013 include \$1,050,000 for Community Development/Finance/Human Resources software applications, fiber expansions, and miscellaneous printer, phone, and computer replacements.

Additional information on the City of Lewisville's capital assets can be found in Note 5 of the Notes to Financial Statements included in this report.

**Debt**

At year end, the City had \$118.6 million in general obligation and revenue bonds outstanding as compared to \$104 million at the end of the prior fiscal year, an increase of 14 percent as shown in Table 5.

**Table 5  
Outstanding Debt at Year End  
(in Thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds (backed by the City)	\$ 73,405	\$ 58,235	\$ -	\$ -	\$ 73,405	\$ 58,235
Revenue bonds (backed by fee revenues)	-	-	45,220	45,780	45,220	45,780
Totals	<u>\$ 73,405</u>	<u>\$ 58,235</u>	<u>\$ 45,220</u>	<u>\$ 45,780</u>	<u>\$ 118,625</u>	<u>\$ 104,015</u>

During the current fiscal year, the City issued General Obligation Refunding and Improvement Bonds in the amount of \$25.75 million and Waterworks and Sewer System Revenue Refunding and Improvement Bonds in the amount of \$5.925 million. The General Obligation Refunding and Improvement debt provided funds for refunding portions of General Obligation debt (Series 2003 and 2004), Combination Tax and Revenue Certificates of Obligation debt (Series 2004) and \$9.94 million for constructing, expanding and improving public safety training facilities and constructing improvements to the City's streets, sidewalks and related drainage improvements. The Waterworks and Sewer System Revenue Refunding and Improvement debt provided funds for refunding portions of Revenue debt (Series 2003) and \$4.0 million for the constructing, acquiring and installing improvements, additions and extensions to the City's waterworks and sewer system. For more detailed information on long-term debt activity, refer to Note 11 in the Notes to Financial Statements.

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2012**

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The City's General Obligation Bonds carry an AAA rating from Standard and Poor's and Fitch Ratings. The City's Water and Sewer Revenue Bonds carry an AAA rating from Standard and Poor's and an AA+ rating from Fitch Ratings. Both of these entities are national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 1.15%.

### **THE CITY'S FUNDS**

At the close of the City's fiscal year on September 30, 2012, the governmental funds of the City reported a combined fund balance of \$78.8 million, a \$6.2 million increase over the previous year.

The City's General Fund balance was \$31.1 million which was \$1,752,808 more than the prior year fund balance mainly due to an increase in sales tax collections. Current year's activity resulted in a positive variance of \$4.0 million when compared to the final amended budget of \$27.1 million. Significant budgetary variances between the final amended budget and the actual results can be summarized as follows:

- Tax revenue was \$1,979,047 more than estimated. The primary reason was sales tax revenue, which was \$1,462,224 more than estimated and \$1,662,823 more than prior year receipts due mainly to a conservative budgeting policy. Property tax revenues were favorable to budget by \$306,630.
- Licenses and Permits revenue was \$237,127 higher than budgeted primarily due to increased building-related permit revenue. This category of revenue is susceptible to existing economic conditions and changes in planned construction.
- Charges for services was \$230,069 higher than budgeted primarily due to land host fee receipts being higher than anticipated.
- When combined, Police, Fire, Public Services, Community Development and Parks and Leisure Services departments had lower than expected expenditures resulting in a favorable variance of \$889,668. This variance is primarily due to salary savings from employee vacancies.

The City's Water and Sewer Fund net assets of \$218.6 million increased by \$6.9 million over the prior year net assets balance. The increase is primarily due to operating revenues and dedicated infrastructure continuing to remain well above operating expenses.

The City's Internal Service Funds net assets of \$17.8 million decreased by \$1.8 million from the prior year net asset balance. The Health Insurance Risk Pool Fund experienced premium revenues that fell short of insurance claims and other expenses by \$964,645. The Maintenance

and Replacement Fund experienced a \$370,204 decrease in net assets mostly due to planned capital replacement costs exceeding one year's lease payments.

### **General Fund Budgetary Highlights**

During fiscal year 2011-12, the City Council amended the budget for the General Fund on three separate occasions, in April for the I-35E Corridor Project, in July for the Catalyst-Market Analysis, and in December for the routine supplement completed each year for prior year encumbrances (purchases) that overlap into the next fiscal year.

Staff reviewed the supplemental appropriations and determined that reserves were sufficient to recommend approval. The net decrease to the General Fund for the year was \$260,759.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when setting the fiscal year 2013 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The population growth experienced by the City has stimulated local business and development activity. Lewisville's current population is estimated at 96,000 with a population at build-out at approximately 111,000. The economic climate in Lewisville is stable with low unemployment and as a result Lewisville enjoys an above-average income level per household. This in combination with the City's proximity to two major highways, the Dallas Fort Worth International Airport, and an active economic development program have made Lewisville a leader in the regional retail market. The City continues to attract new and existing companies due to the strategy of working diligently with businesses on relocation incentives.

These factors are taken into consideration when adopting the General Fund budget for fiscal year 2013. The combined budget appropriation for fiscal year 2012-13 totals \$115.8 million for twenty-one operating funds. Another \$13.6 million is appropriated in the City's three internal service funds.

Ad valorem tax revenue is determined by two major factors: the total assessed value established by the Denton County Central Appraisal District and the tax rate established by the Lewisville City Council. The Lewisville City Council chose to hold the tax rate steady for the current fiscal year at .44021 cents per \$100 assessed valuation. This tax rate brings in more tax revenue (\$668,496) for the 2012-13 fiscal year due to the new tax rate being applied to an increased tax base. Property values increased \$200 million or 3.18%. This brings the property tax revenue budgeted for FY 2012-13 to \$21.522 million making it the single largest General Fund revenue source.

The General Fund's second largest revenue source in fiscal year 2012-2013 is sales tax receipts. Due to the volatility of the sales tax revenue source, the City has been very conservative in projecting sales tax revenue. This conservative philosophy was formalized in the City's written

Revenue Policy adopted by the City Council. Under this policy sales tax revenue budget for subsequent fiscal years is limited to the estimated receipts for the current fiscal year. This practice effectively mitigates to a large degree the volatile nature of the sales tax revenue source. The City's budgeted sales tax revenue is \$20.155 million.

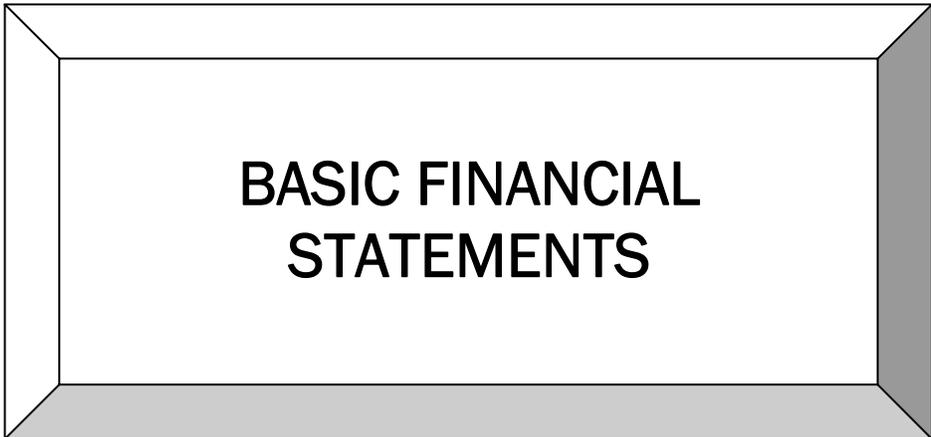
Budgeted operating expenditures in the General Fund are expected to remain fairly steady (a decrease of approximately \$19,000) from the 2011-2012 fiscal year re-estimated budget. These minor savings, along with increases in sales tax revenue, result in a change to the anticipated General Fund fund balance budgeted for FY 2012-13 of \$3.88 million, or 15.5%.

As for the City's business type activities, the City budgeted a decrease of \$1.6 million for the Water and Sewer Fund's net assets. The primary item contributing to this is the increase in the amount of the transfers to capital improvement projects for water lines, sewer lines, and inflow and infiltration repairs.

Water and sewer rates were reviewed by the City Council for fiscal year 2012-2013. There were no increases in water and sewer rates.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and reflect the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Lewisville, 151 West Church Street, Lewisville, Texas 75057.



**BASIC FINANCIAL  
STATEMENTS**



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

**CITY OF LEWISVILLE, TEXAS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2012**

**EXHIBIT 1**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Cash	\$ 29,927,917	\$ 655,806	\$ 30,583,723	\$ 2,455,200
Investments	94,375,134	28,287,409	122,662,543	7,897,114
Receivables (net of allowances for uncollectibles)	11,559,310	4,960,224	16,519,534	897,645
Internal balances	5,014,820	(5,014,820)	-	-
Due from component units	12,490,000	-	12,490,000	-
Inventory of supplies	104,672	-	104,672	-
Prepaid items	2,813,463	754	2,814,217	858
Restricted assets				
Cash	-	1,010,747	1,010,747	-
Investments	-	41,701,419	41,701,419	-
Interest receivable	-	34,859	34,859	-
Deferred charges	484,675	479,044	963,719	248,595
Capital assets				
Non-depreciable	63,705,879	28,272,263	91,978,142	50,139
Depreciable (net of accumulated depreciation)	272,780,625	169,262,320	442,042,945	7,914,490
Total assets	<u>\$ 493,256,495</u>	<u>\$ 269,650,025</u>	<u>\$ 762,906,520</u>	<u>\$ 19,464,041</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Accounts payable	\$ 2,696,678	\$ 1,634,794	\$ 4,331,472	\$ 4,347
Incurred but not reported claim reserve	1,208,652	-	1,208,652	-
Retainage payable	661,227	-	661,227	-
Accrued liabilities	1,847,589	186,204	2,033,793	21,146
Accrued interest payable	577,137	221,449	798,586	144,873
Liabilities payable from restricted assets	-	1,519,065	1,519,065	-
Deposits payable	11,800	-	11,800	-
Unearned revenue	39,665,959	-	39,665,959	-
Money held in escrow	409,737	22,259	431,996	-
Non-current liabilities				
Due within one year	11,075,118	4,815,213	15,890,331	1,631,020
Due in more than one year	76,392,249	42,568,004	118,960,253	37,296,396
Total liabilities	<u>134,546,146</u>	<u>50,966,988</u>	<u>185,513,134</u>	<u>39,097,782</u>
Net assets				
Invested in capital assets, net of related debt	298,329,672	181,437,600	479,767,272	208,937
Restricted for debt service	1,012,020	1,975,308	2,987,328	-
Restricted for tax increment reinvestment zone	-	-	-	1,353,601
Unrestricted	59,368,657	35,270,129	94,638,786	(21,196,279)
Total net assets	<u>358,710,349</u>	<u>218,683,037</u>	<u>577,393,386</u>	<u>(19,633,741)</u>
Total liabilities and net assets	<u>\$ 493,256,495</u>	<u>\$ 269,650,025</u>	<u>\$ 762,906,520</u>	<u>\$ 19,464,041</u>

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

**CITY OF LEWISVILLE, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>FUNCTIONS/PROGRAMS</b>				
Primary government				
Governmental activities				
General government	\$ 11,987,014	\$ 3,447,957	\$ 403,013	\$ -
Culture, parks and recreation	9,487,780	1,615,228	6,620	27,500
Public safety	39,275,855	5,390,583	1,211,967	-
Public services	25,527,286	1,512,075	876,373	15,082,361
Interest on long-term debt	2,666,807	-	-	-
Total governmental activities	<u>88,944,742</u>	<u>11,965,843</u>	<u>2,497,973</u>	<u>15,109,861</u>
Business-type activities				
Water and sewer	22,170,962	28,375,842	-	4,254,018
Total business-type activities	<u>22,170,962</u>	<u>28,375,842</u>	<u>-</u>	<u>4,254,018</u>
Total primary government	<u>\$ 111,115,704</u>	<u>\$ 40,341,685</u>	<u>\$ 2,497,973</u>	<u>\$ 19,363,879</u>
Component units				
Lewisville Parks and Library Development Corporation				
Corporation	\$ 3,659,953	\$ 270,313	\$ -	\$ -
Tax Increment Reinvestment Zone (Old Town)				
Total component units	<u>\$ 4,393,937</u>	<u>\$ 270,313</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Taxes				
Property taxes, levied for general purposes				
Sales taxes				
Other taxes				
Franchise taxes				
Hotel motel taxes				
Penalties and interest				
Investment earnings				
Gain on disposal of assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
NET ASSETS, beginning				
NET ASSETS, ending				

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

**EXHIBIT 2**

<b>Net (Expenses) Revenues and Changes in Net Assets</b>			
<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (8,136,044)	\$ -	\$ (8,136,044)	\$ -
(7,838,432)	-	(7,838,432)	-
(32,673,305)	-	(32,673,305)	-
(8,056,477)	-	(8,056,477)	-
(2,666,807)	-	(2,666,807)	-
<u>(59,371,065)</u>	<u>-</u>	<u>(59,371,065)</u>	<u>-</u>
-	10,458,898	10,458,898	-
-	10,458,898	10,458,898	-
<u>\$ (59,371,065)</u>	<u>\$ 10,458,898</u>	<u>\$ (48,912,167)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (3,389,640)
-	-	-	(733,984)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,123,624)</u>
28,739,963	-	28,739,963	485,997
22,666,950	-	22,666,950	5,203,845
1,011,328	-	1,011,328	-
5,436,197	-	5,436,197	-
1,960,910	-	1,960,910	-
228,746	-	228,746	-
365,045	286,958	652,003	33,760
8,525	-	8,525	-
396,641	25,893	422,534	3
<u>3,985,048</u>	<u>(3,985,048)</u>	<u>-</u>	<u>-</u>
<u>64,799,353</u>	<u>(3,672,197)</u>	<u>61,127,156</u>	<u>5,723,605</u>
5,428,288	6,786,701	12,214,989	1,599,981
<u>353,282,061</u>	<u>211,896,336</u>	<u>565,178,397</u>	<u>(21,233,722)</u>
<u>\$ 358,710,349</u>	<u>\$ 218,683,037</u>	<u>\$ 577,393,386</u>	<u>\$ (19,633,741)</u>

**CITY OF LEWISVILLE, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF SEPTEMBER 30, 2012**

**EXHIBIT 3**

	General	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 6,198,686	\$ 397,956	\$ 18,249,841	\$ 2,206,303	\$ 27,052,786
Investments	20,632,352	1,137,896	59,681,171	4,277,064	85,728,483
Receivables (net of allowances for uncollectables)					
Taxes	5,440,953	51,919	-	782,293	6,275,165
Accounts	1,837,269	-	-	2,526,429	4,363,698
Unbilled accounts	273,082	-	-	-	273,082
Interest	25,807	1,386	72,134	5,233	104,560
Court	310,385	-	-	-	310,385
Other	-	-	204,497	-	204,497
Due from other funds	753,780	4,895,000	-	-	5,648,780
Due from component units	-	12,490,000	-	-	12,490,000
Prepaid items	234,127	-	-	2,518,104	2,752,231
Total assets	<u>\$ 35,706,441</u>	<u>\$ 18,974,157</u>	<u>\$ 78,207,643</u>	<u>\$ 12,315,426</u>	<u>\$ 145,203,667</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts and contracts payable	\$ 1,294,874	\$ -	\$ 903,233	\$ 451,688	\$ 2,649,795
Accrued liabilities	1,773,663	-	-	-	1,773,663
Accrued interest payable	-	80,535	-	-	80,535
Deposits payable	8,300	-	-	3,500	11,800
Deferred revenues	1,459,498	17,436,919	39,665,959	131,401	58,693,777
Money held in escrow	97,259	-	312,478	-	409,737
Retainage payable	-	-	642,598	18,629	661,227
Due to other funds	-	-	-	2,087,408	2,087,408
Total liabilities	<u>4,633,594</u>	<u>17,517,454</u>	<u>41,524,268</u>	<u>2,692,626</u>	<u>66,367,942</u>
Fund balances					
Non spendable	234,127	-	-	2,518,104	2,752,231
Restricted for:					
Debt service	-	1,456,703	-	-	1,456,703
Capital projects	-	-	23,510,061	679,114	24,189,175
Other purposes	-	-	-	5,801,332	5,801,332
Committed to:					
Capital projects	-	-	6,213,381	-	6,213,381
Other purposes	-	-	-	599,093	599,093
Assigned to:					
Capital projects	-	-	6,959,933	-	6,959,933
Other purposes	222,738	-	-	25,157	247,895
Unassigned	30,615,982	-	-	-	30,615,982
Total fund balances	<u>31,072,847</u>	<u>1,456,703</u>	<u>36,683,375</u>	<u>9,622,800</u>	<u>78,835,725</u>
Total liabilities and fund balances	<u>\$ 35,706,441</u>	<u>\$ 18,974,157</u>	<u>\$ 78,207,643</u>	<u>\$ 12,315,426</u>	<u>\$ 145,203,667</u>

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

**CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
AS OF SEPTEMBER 30, 2012**

**EXHIBIT 4**

Total fund balances, governmental funds	\$ 78,835,725
Amounts reported for governmental activities in the statement of net assets are different because:	
Costs associated with the issuance of governmental long-term debt are expensed when incurred in the fund statements and capitalized and amortized over the life of the debt in the government-wide statements.	484,675
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	330,547,353
Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(496,602)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	19,027,818
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(87,467,367)
An internal service fund is used by management to charge the costs of certain activities, including insurance and vehicle fleet management, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the government-wide statement of net assets, net of amounts charged to enterprise funds of \$46,552.	<u>17,778,747</u>
Total net assets, governmental activities	<u>\$ 358,710,349</u>

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

## GOVERNMENTAL FUNDS

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General	Debt Service	General Capital Projects	Other Governmental	Total Governmental Funds
<b>REVENUES</b>					
Property and other taxes	\$ 47,885,587	\$ 7,712,044	\$ -	\$ 4,473,246	\$ 60,070,877
Licenses and permits	1,741,153	-	-	-	1,741,153
Charges for services	5,680,893	-	-	-	5,680,893
Recreation	1,097,600	-	-	351,253	1,448,853
Fines and forfeitures	2,874,525	-	-	-	2,874,525
Investment earnings	92,756	8,728	247,175	16,384	365,043
Grants					
Culture, parks and recreation	-	-	-	25,936	25,936
Public safety	-	-	-	580,182	580,182
Public services	-	-	-	875,473	875,473
Contributions and donations	-	-	1,065,939	9,034,685	10,100,624
Miscellaneous	577,259	2,486	12	1,301,014	1,880,771
Total revenues	<u>59,949,773</u>	<u>7,723,258</u>	<u>1,313,126</u>	<u>16,658,173</u>	<u>85,644,330</u>
<b>EXPENDITURES</b>					
Current					
General government	7,561,243	-	-	2,372,605	9,933,848
Culture, parks and recreation	5,923,550	-	-	395,318	6,318,868
Public safety	35,828,839	-	-	987,849	36,816,688
Public services	9,001,012	-	-	686,608	9,687,620
Debt service					
Principal	-	6,325,000	-	-	6,325,000
Interest and fiscal charges	-	2,344,330	61,294	-	2,405,624
Capital outlay	99,436	-	14,898,469	8,660,706	23,658,611
Total expenditures	<u>58,414,080</u>	<u>8,669,330</u>	<u>14,959,763</u>	<u>13,103,086</u>	<u>95,146,259</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,535,693</u>	<u>(946,072)</u>	<u>(13,646,637)</u>	<u>3,555,087</u>	<u>(9,501,929)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	3,884,225	192,978	4,495,072	205,808	8,778,083
Transfers out	(3,667,110)	-	-	(404,925)	(4,072,035)
Issuance of refunding bonds	-	16,490,000	-	-	16,490,000
Issuance of general obligation bonds	-	-	9,260,000	-	9,260,000
Payments to refunding bond escrow agent	-	(16,969,925)	-	-	(16,969,925)
Premium (discount) on issuance of general obligation bonds	-	499,486	741,294	-	1,240,780
Proceeds from sale of assets	-	-	-	8,525	8,525
Contributions from other sources	-	920,000	-	-	920,000
Net other financing sources (uses)	<u>217,115</u>	<u>1,132,539</u>	<u>14,496,366</u>	<u>(190,592)</u>	<u>15,655,428</u>
Net change in fund balances	1,752,808	186,467	849,729	3,364,495	6,153,499
<b>FUND BALANCES, beginning</b>	<u>29,320,039</u>	<u>1,270,236</u>	<u>35,833,646</u>	<u>6,258,305</u>	<u>72,682,226</u>
<b>FUND BALANCES, ending</b>	<u>\$ 31,072,847</u>	<u>\$ 1,456,703</u>	<u>\$ 36,683,375</u>	<u>\$ 9,622,800</u>	<u>\$ 78,835,725</u>

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

**CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT 6**

Net change in fund balances, total governmental funds	\$ 6,153,499
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Dispositions of capital assets decrease net assets. Capital outlay increased net assets \$18,724,589 for the current fiscal year. There were no dispositions.	18,724,589
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	4,989,921
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(16,464,899)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond principal payments of \$10,580,000, less bond proceeds of \$25,750,000, plus \$288,399 loss on refunding, less \$1,373,309 premium paid, less amortization of \$10,008 is the net effect of these differences in the treatment of long-term debt and related items.	(16,264,918)
Current year changes in the long-term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(223,549)
Current year changes in the long-term liability for net pension benefit obligations do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(979,869)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(182,120)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	11,315,207
Internal service funds are used by management to charge the costs of certain activities, such as the purchase of equipment and insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	<u>(1,639,573)</u>
Change in net assets, governmental activities	<u>\$ 5,428,288</u>

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

**CITY OF LEWISVILLE, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2012**

	<b>Business-Type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 655,806	\$ 2,875,131
Investments	28,287,409	8,646,651
Receivables (net of allowances for uncollectables of \$344,122)		
Accounts	1,740,205	-
Unbilled accounts	3,189,780	-
Interest	30,239	10,910
Other	-	17,013
Due from other funds	-	1,500,000
Inventory of supplies, at cost	-	104,672
Prepaid items	754	61,232
Restricted assets		
Cash	1,010,747	-
Investments	41,701,419	-
Interest receivable	34,859	-
Total currents assets	<u>76,651,218</u>	<u>13,215,609</u>
Noncurrent assets		
Deferred bond issuance costs, net of amortization	<u>479,044</u>	<u>-</u>
Capital assets		
Land	2,368,892	-
Land improvements	106,700	-
Buildings	1,131,504	-
Other improvements	658,008	274,272
Water system	140,191,934	-
Sewer system	100,766,762	-
Machinery and equipment	4,224,505	5,239,754
Motor vehicles	-	19,466,810
Construction in progress	25,903,371	-
Total capital assets	<u>275,351,676</u>	<u>24,980,836</u>
Less - Accumulated depreciation	<u>(77,817,093)</u>	<u>(19,041,685)</u>
Capital assets, net of accumulated depreciation	<u>197,534,583</u>	<u>5,939,151</u>
 Total noncurrent assets	 <u>198,013,627</u>	 <u>5,939,151</u>
 Total assets	 <u>\$ 274,664,845</u>	 <u>\$ 19,154,760</u>

<b>LIABILITIES AND NET ASSETS</b>	<b>Business-Type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
	<u>                    </u>	<u>                    </u>
Current liabilities		
Current liabilities payable from restricted assets		
Deposits payable	\$ 1,439,552	\$ -
Accrued interest payable	221,449	-
Contracts and retainage payable	79,513	-
Money held in escrow	22,259	-
Current maturities of revenue bonds	4,375,000	-
Total current liabilities payable from restricted assets	<u>6,137,773</u>	<u>-</u>
Accounts payable	1,634,794	46,883
Incurred but not reported claim reserve	-	1,208,652
Accrued liabilities	186,204	73,926
Compensated absences	440,213	-
Due to other funds	1,106,372	-
Total current liabilities	<u>9,505,356</u>	<u>1,329,461</u>
Noncurrent liabilities		
Revenue bond payable	40,845,000	-
Deferred loss on refunding	(392,802)	-
Premium	1,156,801	-
Discount	(68,559)	-
Due to other funds	3,955,000	-
Compensated absences	354,493	-
Net pension obligation	673,071	-
Total noncurrent liabilities	<u>46,523,004</u>	<u>-</u>
Total liabilities	<u>56,028,360</u>	<u>1,329,461</u>
Net assets		
Invested in capital assets, net of related debt	181,437,600	5,939,151
Restricted		
For revenue bond retirements	1,975,308	-
Unrestricted	35,223,577	11,886,148
Total net assets	<u>\$ 218,636,485</u>	<u>\$ 17,825,299</u>

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

**CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF THE ENTERPRISE FUND STATEMENT OF NET ASSETS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
AS OF SEPTEMBER 30, 2012**

**EXHIBIT 8**

Total net assets, enterprise fund \$ 218,636,485

Amounts reported for business-type activities in the statement of net assets  
are different because:

An internal service fund is used by management to charge the costs of certain activities, including insurance and vehicle fleet management, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the government-wide statement of net assets. The amount shown as the accumulated amount is allocated to business type activities since the adoption of GASB 34.

46,552

Total net assets, business-type activities

\$ 218,683,037

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



**LEWISVILLE**

Deep Roots. Broad Wings. Bright Future.

## PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	<b>Business-Type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 28,375,842	\$ 10,464,396
Miscellaneous	25,893	661
Total operating revenues	<u>28,401,735</u>	<u>10,465,057</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services, net of reimbursements	7,898,561	8,297,936
Administrative	7,435,047	1,430,380
Depreciation	5,389,666	2,107,345
Total operating expenses	<u>20,723,274</u>	<u>11,835,661</u>
 Total operating income (loss)	 <u>7,678,461</u>	 <u>(1,370,604)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment earnings	286,958	40,883
Interest expense	(1,287,921)	-
Amortization	(31,021)	-
Gain on disposal of assets	-	78,958
Total non-operating revenues (expenses)	<u>(1,031,984)</u>	<u>119,841</u>
 <b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	 <u>6,646,477</u>	 <u>(1,250,763)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers in	-	500,000
Transfers out	(3,985,048)	(1,221,000)
Contributions from other funds	-	203,444
Contributions from developers	3,169,562	-
Contributions - impact fees	1,084,456	-
Total transfers and capital contributions	<u>268,970</u>	<u>(517,556)</u>
 <b>CHANGE IN NET ASSETS</b>	 6,915,447	 (1,768,319)
<b>NET ASSETS, beginning</b>	<u>211,721,038</u>	<u>19,593,618</u>
<b>NET ASSETS, ending</b>	<u>\$ 218,636,485</u>	<u>\$ 17,825,299</u>

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

**CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS OF THE ENTERPRISE FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT 10**

Net change in fund net assets, enterprise fund	\$ 6,915,447
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Amounts reported for business-type activities in the statement of activities are different because:

Internal services funds are used by management to charge the costs of certain activities, such as the purchase of equipment and insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. The amount shown represents the net revenue (expense) allocated to business-type activities.

(128,746)

Change in net assets, business-type activities	<u>\$ 6,786,701</u>
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The accompanying notes to financial statements are an integral part of this statement.

**CITY OF LEWISVILLE, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

	<b><u>Business-Type Activities - Enterprise Fund</u></b>	<b><u>Governmental Activities - Internal Service Funds</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 28,357,525	\$ -
Cash received from transactions with other funds	(796,419)	10,254,654
Cash paid to employees for services	(5,963,522)	(365,687)
Cash paid for goods and services	(9,186,002)	(2,131,091)
Cash paid for claims	-	(7,345,743)
Cash received for miscellaneous items	-	661
	<u>12,411,582</u>	<u>412,795</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in from other funds	-	500,000
Transfers out to other funds	(3,985,048)	(1,221,000)
	<u>(3,985,048)</u>	<u>(721,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(6,987,591)	(1,897,083)
Proceeds from the sale of equipment	-	89,887
Proceeds from the sale revenue bonds	5,925,000	
Principal paid on revenue bond maturities	(4,430,000)	-
Principal refunded	(2,055,000)	-
Impact fees	1,084,456	-
Interest paid	(1,603,005)	-
Reduction of unamortized bond issuance cost	38,428	-
Bond issuance cost paid	(91,312)	-
	<u>(8,119,024)</u>	<u>(1,807,196)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(85,092,295)	(18,071,541)
Proceeds from sale and maturities of investments	83,628,213	20,092,358
Interest received	288,414	46,743
	<u>(1,175,668)</u>	<u>2,067,560</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(868,158)</b>	<b>(47,841)</b>
<b>CASH, beginning of year</b>	<b><u>2,534,711</u></b>	<b><u>2,922,972</u></b>
<b>CASH, end of year</b>	<b><u>\$ 1,666,553</u></b>	<b><u>\$ 2,875,131</u></b>
Classified as		
Unrestricted cash and cash equivalents at end of year	\$ 655,806	\$ 2,875,131
Restricted cash and cash equivalents at end of year	1,010,747	-
<b>TOTAL CASH AT END OF YEAR</b>	<b><u>\$ 1,666,553</u></b>	<b><u>\$ 2,875,131</u></b>

	<b>Business-Type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
	<u>                    </u>	<u>                    </u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 7,678,461	\$ (1,370,604)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	5,389,666	2,107,345
Provision for uncollectible accounts	86,565	-
Change in assets and liabilities		
(Increase) decrease in receivables	(180,207)	65,663
(Increase) decrease in inventory of supplies	-	(1,820)
(Increase) decrease in prepaid items	672	(3,787)
(Increase) decrease in due from other funds	107,819	-
Increase (decrease) in accounts and claims payable	194,210	(113,513)
Increase (decrease) in net pension obligations	110,098	-
Increase (decrease) in accrued liabilities	(89,507)	4,915
Increase (decrease) in deposits payable	56,633	-
Increase (decrease) in contracts and retainage payable	(53,637)	-
Increase (decrease) in compensated absences	15,047	-
Increase (decrease) in due to other funds	(904,238)	(275,405)
	<u>4,733,121</u>	<u>1,783,399</u>
Total adjustments		
	<u>\$ 12,411,582</u>	<u>\$ 412,795</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
From contributions of capital assets	\$ 3,169,562	\$ -
Increase (decrease) in fair value of investments	(26,536)	6,204
From intragovernmental contributions	-	203,444
From prior year prepayment of capital asset	-	1,167,461

The accompanying notes to financial statements are an integral part of these statements.

**CITY OF LEWISVILLE, TEXAS  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET ASSETS  
 SEPTEMBER 30, 2012**

**EXHIBIT 12**

	<b>Castle Hills Debt Service Agency Fund</b>	<b>Lewisville OPEB Liability Trust Fund</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash	\$ 10,081,960	\$ 38,139
Investments		
Mutual funds - equity	-	2,079,373
Mutual funds - fixed income	-	1,219,476
Interest receivable	-	2
Total assets	<u>10,081,960</u>	<u>3,336,990</u>
<b>LIABILITIES</b>		
Accounts payable	-	3,807
Due to debt holders	10,081,960	-
Total liabilities	<u>10,081,960</u>	<u>3,807</u>
<b>NET ASSETS</b>		
Held in trust for retiree health benefits	<u>\$ -</u>	<u>\$ 3,333,183</u>

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

**CITY OF LEWISVILLE, TEXAS  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT 13**

	<b>Lewisville OPEB Liability Trust Fund</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Employer contributions	\$ 359,300
Investment earnings	87,181
Unrealized/realized gain(loss), net	451,152
Total additions	<u>897,633</u>
<b>DEDUCTIONS</b>	
Benefits	302,500
Total deductions	<u>302,500</u>
<b>CHANGE IN NET ASSETS</b>	595,133
<b>NET ASSETS, beginning</b>	<u>2,738,050</u>
<b>NET ASSETS, ending</b>	<u><u>\$ 3,333,183</u></u>

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

**CITY OF LEWISVILLE, TEXAS**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**STATEMENT OF NET ASSETS (DEFICIT)**  
**SEPTEMBER 30, 2012**

**EXHIBIT 14**

	<b>Governmental Activities</b>					<b>Total Component Units</b>
	<b>Lewisville Housing Finance Corporation</b>	<b>Lewisville Industrial Development Authority, Inc.</b>	<b>Lewisville Parks and Library Development Corporation</b>	<b>Tax Increment Reinvestment Zone (Old Town)</b>	<b>Tax Increment Reinvestment Zone #2</b>	
<b>ASSETS</b>						
Cash	\$ 1,025	\$ 1,594	\$ 2,137,023	\$ 310,397	\$ 5,161	\$ 2,455,200
Investments	3,352	5,212	6,856,600	1,015,072	16,878	7,897,114
Receivables						
Accounts	-	-	22	-	-	22
Taxes	-	-	888,001	-	-	888,001
Interest	4	6	8,354	1,237	21	9,622
Deferred charges	-	-	197,896	50,699	-	248,595
Prepaid items	-	-	858	-	-	858
Capital assets						
Non-depreciable	-	-	-	50,139	-	50,139
Depreciable (net of accum deprec)	-	-	-	7,914,490	-	7,914,490
Total assets	<u>\$ 4,381</u>	<u>\$ 6,812</u>	<u>\$ 10,088,754</u>	<u>\$ 9,342,034</u>	<u>\$ 22,060</u>	<u>\$19,464,041</u>
<b>LIABILITIES</b>						
Current						
Accounts and contracts payable	\$ -	\$ -	\$ 1,855	\$ 2,492	\$ -	\$ 4,347
Accrued liabilities	-	-	21,146	-	-	21,146
Accrued interest payable	-	-	101,501	43,372	-	144,873
Noncurrent liabilities						
Due within one year	-	-	1,466,020	165,000	-	1,631,020
Due within more than one year	-	-	29,705,704	7,590,692	-	37,296,396
Total liabilities	<u>-</u>	<u>-</u>	<u>31,296,226</u>	<u>7,801,556</u>	<u>-</u>	<u>39,097,782</u>
<b>NET ASSETS (DEFICIT)</b>						
Invested in capital assets, net of related debt	-	-	-	208,937	-	208,937
Unrestricted	4,381	6,812	(21,207,472)	1,331,541	22,060	(19,842,678)
Total net assets (deficit)	<u>4,381</u>	<u>6,812</u>	<u>(21,207,472)</u>	<u>1,540,478</u>	<u>22,060</u>	<u>(19,633,741)</u>
Total liabilities and net assets (deficit)	<u>\$ 4,381</u>	<u>\$ 6,812</u>	<u>\$ 10,088,754</u>	<u>\$ 9,342,034</u>	<u>\$ 22,060</u>	<u>\$19,464,041</u>

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

CITY OF LEWISVILLE, TEXAS  
DISCRETELY PRESENTED COMPONENT UNITS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT 15

	Governmental Activities					Total Component Units
	Lewisville Housing Finance Corporation	Lewisville Industrial Development Authority, Inc.	Lewisville Parks and Library Development Corporation	Tax Increment Reinvestment Zone (Old Town)	Tax Increment Reinvestment Zone #2	
<b>EXPENSES</b>						
General government	\$ -	\$ -	\$ -	\$ 13,786	\$ -	\$ 13,786
Culture, parks and recreation	-	-	2,246,549	-	-	2,246,549
Interest on long term debt	-	-	1,413,404	349,957	-	1,763,361
Depreciation	-	-	-	370,241	-	370,241
Total expenses	-	-	3,659,953	733,984	-	4,393,937
<b>PROGRAM REVENUES</b>						
Charges for services						
Culture, parks and recreation	-	-	270,313	-	-	270,313
Total program revenues	-	-	270,313	-	-	270,313
<b>GENERAL REVENUES</b>						
Property taxes	-	-	-	477,076	8,921	485,997
Sales taxes	-	-	5,203,845	-	-	5,203,845
Investment earnings	14	22	28,887	4,767	70	33,760
Miscellaneous	-	-	2	-	1	3
Total general revenues	14	22	5,232,734	481,843	8,992	5,723,605
<b>CHANGE IN NET ASSETS (DEFICIT)</b>	14	22	1,843,094	(252,141)	8,992	1,599,981
Net assets (deficit), beginning	4,367	6,790	(23,050,566)	1,792,619	13,068	(21,233,722)
Net assets (deficit), ending	\$ 4,381	\$ 6,812	\$ (21,207,472)	\$ 1,540,478	\$ 22,060	\$ (19,633,741)

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



**LEWISVILLE**

Deep Roots. Broad Wings. Bright Future.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Reporting Entity**

The City of Lewisville is a municipal corporation governed by an elected mayor and a five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the government.

**Blended Component Units**

- The Lewisville Health Benefit Trust was established by the City under the Texas Political Subdivision Employees Uniform Group Benefits Act (Chapter 172 Texas Local Government Code) to account for health insurance of employees, retirees and dependents. The City Council appoints a board and board members are removable by the City Council. The City Council approves the trust's annual budget. The activities of the Lewisville Health Benefit Trust are accounted for as a blended component unit and included with the internal service funds as the Health Insurance Risk Pool Fund. The Health Benefit Trust is reported as a blended component unit since it provides services exclusively for the City of Lewisville.
- The Local Government Corporation was established July 2006 to assist in economic development initiatives. Allowable under Chapter 431 of the Texas Transportation Code, this corporation cannot incur any debt without City Council approval. The City Council appoints a board and board members are removable by the City Council. The existing four person board is comprised of current City Council members. The City Council approves the corporation's annual budget. In the event of dissolution, title to all assets transfer to the City. The activities of the Lewisville Local Government Corporation are accounted for as a blended component unit and included with the non-major governmental funds. The Local Government Corporation is reported as a blended component unit since its governing body is substantially the same as the City's.
- In November 2011, the City of Lewisville voters approved, in special election, the creation of the Lewisville Crime Control and Prevention District. The District was formed for the purpose of providing crime control and prevention programs derived from one-eighth cent sales tax within the City of Lewisville. Allowable under Chapter 363 of the Texas Local Government Code, the City Council appointed their own membership as the board of directors of the District. The City Council approves the district's annual budget. In the event of dissolution, title to all assets transfer to the City. The activities of the Lewisville Crime Control and Prevention District are accounted for as a blended component unit and included with the non-major governmental funds. The District is reported as a blended component unit since its governing body is the same as the City's.

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- In November 2011, the City of Lewisville voters approved, in special election, the creation of the Lewisville Fire Control, Prevention, and Emergency Medical Services District. The District was formed for the purpose of providing fire safety and emergency medical service programs derived from one-eighth cent sales tax within the City of Lewisville. Allowable under Chapter 344 of the Texas Local Government Code, the City Council appointed their own membership as the board of directors of the District. The City Council approves the district's annual budget. In the event of dissolution, title to all assets transfer to the City. The activities of the Lewisville Fire Control, Prevention, and Emergency Medical Services District are accounted for as a blended component unit and included with the non-major governmental funds. The District is reported as a blended component unit since its governing body is the same as the City's.

Discretely Presented Component Units

The following entities are accounted for as discretely presented component units since the services provided are not entirely or exclusively for the City.

- The Lewisville Housing Finance Corporation has been established to assist in evaluating housing needs within the City. The City Council appoints a board and board members are removable by City Council. The City Council approves the corporation's annual budget. In the event of dissolution, title to all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Housing Finance Corporation, P.O. Box 299002, Lewisville, Texas 75029.
- The Lewisville Industrial Development Authority, Inc. has been established to assist in evaluating and considering approval of applications for financial participation by the Authority in commercial development projects. The City Council appoints a board and board members are removable by City Council. The City Council approves the authority's annual budget. In the event of dissolution, title to all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Industrial Development Authority, P.O. Box 299002, Lewisville, Texas 75029.
- The City of Lewisville, in conjunction with Denton County, created the Tax Increment Reinvestment Zone Number 1, City of Lewisville, Texas, to provide additional financing resources to further enhance the redevelopment of the Old Town area of the City. The City Council appoints a board, and board members are removable by the City Council. The City Council approves the zone's annual budget. In the event of dissolution, title of all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Tax Increment Reinvestment Zone Number 1, P. O. Box 299002, Lewisville, Texas 75029.
- The City of Lewisville, in conjunction with Denton County, created the Tax Increment Reinvestment Zone Number 2, City of Lewisville, Texas, to provide additional financing resources to pay for infrastructure costs to facilitate a mixed-use development project on

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approximately 427 acres at the intersection of I-35 and SH121. The City Council appoints five members of the board and an additional two positions are reserved for appointment by other taxing units levying taxes within the Zone. The City Council may remove board members and approves the zone's annual budget. Financial statement information can be obtained by contacting the Lewisville Tax Increment Reinvestment Zone Number 2, P. O. Box 299002, Lewisville, Texas 75029.

- In September 2002 the City of Lewisville voters approved, in a special election, the creation of the Lewisville Parks and Library Development Corporation. The Corporation was formed for the purpose of funding public parks, recreation projects, and library projects from revenues derived from a one-quarter cent sales tax within the City of Lewisville. The City Council appoints a board and board members are removable by the City Council. The City Council approves the corporation's annual budget. In the event of dissolution, title of all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Parks and Library Development Corporation, P. O. Box 299002, Lewisville, Texas 75029.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

*Debt Service Fund* – The City's Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

*General Capital Projects Fund* – The General Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The City reports the following non-major governmental funds:

*Special Revenue Funds* – The City's Special Revenue Funds are used to account for revenue sources that are legally restricted to expenditures for specified purposes. They include the Hotel/Motel Tax Fund, Recreation Activity Fund, Grant Fund, Public

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Improvement District Tax Fund, Municipal Court Security Fund, Municipal Court Technology Fund, Police Asset Forfeiture Fund, Employee Benevolent Fund, Fire and Police Training Fund, Law Enforcement Officer Standard Education Fund (LEOSE), Donations Fund, Police Federal Forfeiture Fund, Juvenile Case Manager Fund, Lewisville Local Government Corporation, Public, Education and Government (PEG) Programming Fund, Lewisville Crime Control and Prevention District, and Lewisville Fire Control, Prevention, and Emergency Medical Services District.

Castle Hills PID Capital Projects Fund – The City’s Castle Hills PID Capital Projects Fund accounts for the acquisition and construction of major capital facilities financed by the Castle Hills Public Improvement District.

The City reports the following major proprietary fund:

Water and Sewer Utility Enterprise Fund – The City’s Enterprise Fund is used to account for operations of the City’s sale of treated water and the disposal of sewage and solid waste for its citizens.

Additionally, the government reports the following fund types:

Internal Service Funds – The City’s Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the City.

- Self-Insurance Risk Fund – The City’s Self-Insurance Risk Fund accounts for revenues from premium charges to the departments. Expenses include claim payments, administrative costs, and reinsurance premiums for workers’ compensation, unemployment, and liability/property casualty programs.
- Health Insurance Risk Pool Fund – The City’s Health Insurance Risk Pool Fund accounts for revenues from premium charges to the departments, employee and retirees for insurance coverage. Expenses include claims payments, administrative costs, and reinsurance premiums for health and dental programs.
- Maintenance and Replacement Fund – The City’s Maintenance and Replacement Fund provides fleet maintenance services for City departments and accounts for the purchase of all vehicles and major equipment operated by the City. Departments pay monthly charges to provide funds for future replacement of capital outlay as well as to reimburse the fund for current fleet repairs and maintenance.

Agency and Trust Funds – The City’s agency fund is custodial in nature and does not involve measurement of results of operations. The City’s trust fund is used to account for assets held by the City in a trustee capacity.

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- Castle Hills Public Improvement District Debt Service Agency Fund – The City’s Castle Hills Public Improvement District Debt Service Agency Fund accounts for bond proceeds and related debt associated with the issuance of bonds held by the City as an agent for the Public Improvement District.
- Lewisville OPEB Liability Trust Fund – The City’s OPEB Liability Trust Fund accounts for the funding of post-employment healthcare benefits for retirees of the City and their dependents.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City and charges of the internal service funds to the water and sewer funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Program revenues 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Fund and of the City’s Internal Service Funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Cash, Investments, and Deposits**

The government's cash is considered to be cash on hand and demand deposits. The City pools idle cash from all funds for the purpose of increasing income through coordinated investment activities. The City follows GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Investments held by the City are reported at fair value. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "interfund receivable/payable."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds indicating that they are not available for appropriation and are not expendable, available financial resources.

**F. Property Taxes**

Property taxes attach as an enforceable lien on property located in the City as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. The Denton County Tax Assessor/Collector's office bills and collects the City's property taxes. City property tax revenues are deferred when levied and are recognized as revenue when collected.

The statutes of the State of Texas do not prescribe a legal limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population that have adopted a Home Rule charter, limits the ad valorem tax rate to \$2.50 per \$100 assessed valuation. For the fiscal year ended September 30, 2012, the City had a tax margin of \$2.05979 per \$100 assessed valuation based upon the maximum rates described above.

**G. Inventories of Supplies**

Inventories of supplies are valued at weighted average cost and consist of warehouse supplies, postage and gasoline purchased by the City to use in its vehicles. The cost of the inventories is recorded as an expense when consumed rather than when purchased.

**H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in the government-wide and fund financial statements. These items consist primarily of software support, training registration, subscriptions, and prepaid insurance.

**I. Restricted Assets**

Certain proceeds of Enterprise Fund Revenue Bonds and other amounts designated for capital improvements as well as certain resources set aside for their repayment are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants.

**J. Property, Plant, and Equipment**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of the donation. 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense capitalized by the City during the current fiscal year was \$553,669.

The City has established the Maintenance and Replacement Internal Service Fund to account for all City-owned vehicles. Charges for use of the vehicle in the form of lease payments are made by the City departments to the Maintenance and Replacement Internal Service Fund to provide for future acquisitions and replacement of City-owned vehicles.

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Property, plant, and equipment of the City, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Water and sewer system	50
Infrastructure	30
Buildings	33
Other improvements	4-50
Machinery and equipment	3-50
Vehicles	2-20
Servers	3

**K. Compensated Absences**

It is the City's policy to permit employees to accumulate certain earned but unused vacation, comp time, and sick pay benefits. Sick leave can be accrued up to 200 days but the City will compensate only for hours in excess of 30 days up to a maximum of 90 days upon termination. All vacation pay is accrued when incurred in the government-wide, proprietary, and component unit fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. Typically, the General Fund has been used in prior years to liquidate such amounts in governmental funds.

**L. Long-Term Obligations**

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**M. Fund Equity**

In the fund financial statements, governmental funds establish fund balance classifications that are comprised of a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported.

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Fund balances classified as non-spendable represent amounts that are not in a spendable form (such as inventory). Fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws and regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance. Assigned fund balances are constrained by the intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on council direction. Unassigned fund balance is available for any purpose but is only reported in the General Fund.

For the classification of Governmental Fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available.

For further details of the various fund balance classifications refer to Note 13.

**N. Budgets**

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Hotel/Motel Tax Special Revenue, Recreation Activity Special Revenue, Grant Special Revenue, Public Improvement District Tax Special Revenue, Municipal Court Security Special Revenue, Municipal Court Technology Special Revenue, Police Asset Forfeiture Special Revenue (State and Federal), Fire and Police Training Special Revenue, Law Enforcement Officer Standards and Education Special Revenue, Donations Special Revenue, Juvenile Case Manager Special Revenue, Lewisville Local Government Corporation, Lewisville Crime Control and Prevention District, Lewisville Fire Control, Prevention, and Emergency Medical Services District, Debt Service, Water and Sewer Utility Enterprise, Self-Insurance Risk Internal Service, Health Insurance Risk Pool Internal Service, Maintenance and Replacement Internal Service, Lewisville Parks and Library Development Corporation (4B Sales Tax), OPEB Liability Trust, Old Town Tax Increment Reinvestment Zone, and Tax Increment Reinvestment Zone #2 Funds.

All annual appropriations lapse at fiscal year-end. Long range financial plans are adopted for all capital project funds with all capital project appropriation balances to roll forward.

**O. Deficit Net Assets**

The Lewisville Parks and Library Development Corporation has an agreement with the City of Lewisville regarding the construction, maintenance and operation of improvements for public park and library projects that states all capital assets shall be owned and operated by the City. Therefore, all of the Corporation's capital assets are transferred to the City annually and recorded as contribution expense. The cumulative effects of these annual transfers along with results of operations have resulted in a deficit net asset balance of \$21,207,472 at September 30, 2012.

## 2. CASH, INVESTMENTS, AND DEPOSITS

At year end, the government's carrying amount of deposits was \$31,594,470 and the bank balance was \$33,074,461. All bank balances, including the bank balance of the discretely presented component units, were covered by Federal Depository Insurance or by collateral held by a third-party custodian. The custodian serves contractually as the City's agent.

Additionally, the City has an account under a safekeeping agreement with Wachovia Bank, NA. The U.S. Government Treasury and Agency investments clear via the Federal Reserve System through this account upon purchase, sale, or maturity. All assets in the account are held in the City's name.

The City is authorized to make direct investments in the following:

1. U.S. Treasury securities maturing in less than three years;
2. Short-term obligations of U.S. Government agencies which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
3. Fully insured or collateralized certificates of deposits at commercial banks;
4. Repurchase agreements collateralized by U.S. Treasury or U.S. Government agency securities in accordance with a master repurchase agreement approved by the Investment Committee;
5. Direct or unconditionally guaranteed obligations of the State of Texas; and
6. Common trusts administered by Texas banks with assets consisting of all of the above except certificates of deposit.

Investments at September 30, 2012 consisted of U.S. Government securities held by the City's agent in the City's name. The carrying amount of these investments at September 30, 2012 was \$122,858,439. At September 30, 2012, the City also had \$41,505,523 invested with TexPool, an investment pool for state and local governments in Texas. The City's portfolio average yield, including TexPool, was 0.44103% in 2012.

The State Comptroller of Public Accounts exercises oversight responsibilities over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poors. As a requirement to maintain the weekly rating portfolio, information must be submitted to Standard & Poors, as well as the office of the Comptroller of Public Accounts for review.

TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to

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compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

At year end, the City’s investment balances were as follows:

	Carrying Amount	Fair Value	Weighted Average Maturity (Days)
U.S. Government Agency securities	\$ 122,858,439	\$ 122,858,439	589
Investment in TexPool	41,505,523	41,505,523	1
Total investments	\$ 164,363,962	\$ 164,363,962	440

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investments with TexPool have maturities of less than one year or in U.S. government securities that are not highly sensitive to changes in interest rates. In accordance with its investment policy, the City further manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one and one-half years.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSROs). All investment pools policies require a rating of AA or better from a nationally recognized rating agency. While State law allows investments in commercial paper and corporate bonds that meet rating guidelines issued by NRSROs, the City’s policy further restricts investments purchases, aside from those managed by pools, to obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; and other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by, the full faith and credit of the State of Texas or the United States or its agencies and instrumentalities. The City’s investments in U.S. Government Agency securities (Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Farm Credit Bank) are rated AA+ by Standard & Poors, and AAA and Aaa by Fitch and Moody’s, respectively. The investment in Texas Local Government Pools (TexPool) carried a credit rating of AAAm by Standard and Poor’s as of September 30, 2012.

Concentration of Credit Risk

In accordance with the City's investment policy, investments are issued or explicitly guaranteed by the U.S. Government or in external investment pools which are not considered to provide a concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act of Texas and the City's investment policy requires that a financial institution secure deposits made by state or local government entities by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least the bank balances less FDIC insurance at all times. The City's investment policy further limits exposure to custodial risk on investments through the use of third party safekeeping agreements, delivery versus payment, and limiting types of investments listed earlier in this note.

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**3. RECEIVABLES**

Government-wide receivables as of year end, including the applicable allowances for uncollectable accounts, are as follows:

	General	Debt Service	General Capital Projects	Non-Major and Other Funds	Total Governmental Funds
Receivables					
Property taxes	\$ 450,499	\$ 177,292	\$ -	\$ -	\$ 627,791
Franchise taxes	1,660,187	-	-	-	1,660,187
Sales taxes	3,552,003	-	-	782,293	4,334,296
Mixed drink taxes	96,837	-	-	-	96,837
Accounts	1,219,244	-	204,497	1,871,814	3,295,555
Unbilled trade accounts	273,082	-	-	-	273,082
Interest	25,807	1,386	72,134	5,233	104,560
Court	1,366,673	-	-	-	1,366,673
Grants	-	-	-	654,615	654,615
Ambulance	1,588,357	-	-	-	1,588,357
Gross receivables	10,232,689	178,678	276,631	3,313,955	14,001,953
Less: allowance	(2,345,193)	(125,373)	-	-	(2,470,566)
Net total receivables	\$ 7,887,496	\$ 53,305	\$ 276,631	\$ 3,313,955	\$ 11,531,387

	Water and Sewer	Internal Service	Total Proprietary Funds	Total Governmental Funds	Total All Funds
Receivables					
Property taxes	\$ -	\$ -	\$ -	\$ 627,791	\$ 627,791
Franchise taxes	-	-	-	1,660,187	1,660,187
Sales taxes	-	-	-	4,334,296	4,334,296
Mixed drink taxes	-	-	-	96,837	96,837
Accounts	2,084,327	17,013	2,101,340	3,295,555	5,396,895
Unbilled trade accounts	3,189,780	-	3,189,780	273,082	3,462,862
Interest	65,098	10,910	76,008	104,560	180,568
Court	-	-	-	1,366,673	1,366,673
Grants	-	-	-	654,615	654,615
Ambulance	-	-	-	1,588,357	1,588,357
Gross receivables	5,339,205	27,923	5,367,128	14,001,953	19,369,081
Less: allowance	(344,122)	-	(344,122)	(2,470,566)	(2,814,688)
Net total receivables	\$ 4,995,083	\$ 27,923	\$ 5,023,006	\$ 11,531,387	\$ 16,554,393

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**4. INTERFUND TRANSACTIONS**

Interfund transactions and balances for the fiscal year 2012 were as follows:

**Due to/from other funds**

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Nonmajor Governmental	\$ 587,408	Short-term funding of deficit cash
General Fund	Water & Sewer Utility	166,372	Properly classify revenue & expense
Debt Service Fund	Water & Sewer Utility	4,895,000	Advance - Debt Conversion
Internal Service Fund	Nonmajor Governmental	1,500,000	Advance - Hotel/Convention Center
		<u>\$ 7,148,780</u>	

In 2010, \$7,035,000 of revenue bonds were refunded and converted to general obligation debt. The interfund balance above between Debt Service Fund and the Water & Sewer Utility Fund reflects this principal portion that will be reimbursed each year when debt service is paid on the obligation with final payment and reimbursement to be complete by 2019.

**Interfund Transfers**

Transfers In	Transfers Out	Amount	Purpose
General	Water & Sewer Utility	\$ 3,792,070	Payments in lieu of taxes, franchise fee, and indirect cost reimbursement
General	Nonmajor Governmental	92,155	Indirect cost reimbursement and excess funds transfer
Debt Service	Water & Sewer Utility	192,978	Reimburse debt service
General Capital Projects	General	3,535,903	Financing of capital improvements
General Capital Projects	Nonmajor Governmental	238,169	Financing of capital improvements
General Capital Projects	Internal Service Funds	721,000	Financing of capital improvements
Nonmajor Governmental	Nonmajor Governmental	74,601	Excess fund consolidation
Nonmajor Governmental	General	131,207	Matching funds
		<u>\$ 8,778,083</u>	

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**5. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
<u>Governmental Funds</u>					
Capital assets, not being depreciated:					
Land	\$ 45,233,345	\$ 2,705,079	\$ -	\$ 618,693	\$ 48,557,117
Construction in progress	24,200,311	12,868,416	-	(21,919,965)	15,148,762
Total capital assets, not being depreciated	69,433,656	15,573,495	-	(21,301,272)	63,705,879
Capital assets, being depreciated:					
Land improvements	312,837,985	7,527,106	-	14,867,618	335,232,709
Buildings	67,724,790	-	-	4,380,118	72,104,908
Other improvements	23,393,652	-	-	812,774	24,206,426
Machinery and equipment	23,869,477	613,909	-	1,240,762	25,724,148
Total capital assets being depreciated	427,825,904	8,141,015	-	21,301,272	457,268,191
Accumulated depreciation:					
Land improvements	(127,925,133)	(11,218,345)	-	-	(139,143,478)
Buildings	(20,821,901)	(2,074,285)	-	-	(22,896,186)
Other improvements	(6,546,634)	(1,971,759)	-	-	(8,518,393)
Machinery and equipment	(18,668,150)	(1,200,510)	-	-	(19,868,660)
Total accumulated depreciation	(173,961,818)	(16,464,899)	-	-	(190,426,717)
Total capital assets being depreciated, net	253,864,086	(8,323,884)	-	21,301,272	266,841,474
Total governmental funds capital assets, net	323,297,742	7,249,611	-	-	330,547,353
<u>Internal service funds</u>					
Capital assets, being depreciated:					
Other improvements	274,272	-	-	-	274,272
Machinery and equipment	21,835,341	3,267,988	(396,765)	-	24,706,564
Total internal service assets being depreciated	22,109,613	3,267,988	(396,765)	-	24,980,836
Accumulated depreciation:					
Other improvements	(79,256)	(20,127)	-	-	(99,383)
Machinery and equipment	(17,240,919)	(2,087,218)	385,835	-	(18,942,302)
Total accumulated depreciation	(17,320,175)	(2,107,345)	385,835	-	(19,041,685)
Total internal services funds capital assets, net	4,789,438	1,160,643	(10,930)	-	5,939,151
Governmental activities capital assets, net	\$ 328,087,180	\$ 8,410,254	\$ (10,930)	\$ -	\$ 336,486,504

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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,368,892	\$ -	\$ -	\$ -	\$ 2,368,892
Construction in progress	19,089,174	7,454,690	-	(640,493)	25,903,371
Total capital assets, not being depreciated	<u>21,458,066</u>	<u>7,454,690</u>	<u>-</u>	<u>(640,493)</u>	<u>28,272,263</u>
Capital assets, being depreciated:					
Land improvements	106,700	-	-	-	106,700
Buildings	1,131,504	-	-	-	1,131,504
Other improvements	658,008	-	-	-	658,008
Water system	137,882,185	2,183,244	-	126,505	140,191,934
Sewer system	99,298,296	961,514	-	506,952	100,766,762
Machinery and equipment	4,106,095	111,374	-	7,036	4,224,505
Total capital assets being depreciated	<u>243,182,788</u>	<u>3,256,132</u>	<u>-</u>	<u>640,493</u>	<u>247,079,413</u>
Accumulated depreciation:					
Land improvements	(75,974)	(2,378)	-	-	(78,352)
Buildings	(356,843)	(28,848)	-	-	(385,691)
Other improvements	(142,585)	(43,394)	-	-	(185,979)
Water system	(37,825,563)	(2,975,045)	-	-	(40,800,608)
Sewer system	(31,064,757)	(2,042,394)	-	-	(33,107,151)
Machinery and equipment	(2,961,705)	(297,607)	-	-	(3,259,312)
Total accumulated depreciation	<u>(72,427,427)</u>	<u>(5,389,666)</u>	<u>-</u>	<u>-</u>	<u>(77,817,093)</u>
Business-type activities capital assets, net					
Total capital assets being depreciated, net	170,755,361	(2,133,534)	-	640,493	169,262,320
Total capital assets, net	<u>\$ 192,213,427</u>	<u>\$ 5,321,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,534,583</u>

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

Governmental activities:	
General government	\$ 1,520,570
Finance	3,852
Community relations/tourism	118,259
Human resources	719
Municipal court	8,697
Information technology	160,498
Police	689,047
Fire	316,327
Public works	10,466,715
Parks and leisure	2,989,310
Community development	190,905
Internal service funds	2,107,345
Total depreciation expense - governmental activities	<u>\$ 18,572,244</u>
Business-type activities:	
Water and sewer	<u>\$ 5,389,666</u>

Outstanding commitments at September 30, 2012 under authorized construction contracts were approximately \$6.2 million. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

## **6. EMPLOYEE RETIREMENT PLAN**

### Plan Description

The City provides pension benefits for all its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

Upon retirement, benefits depend upon the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. At the inception of the City's plan, the City granted monetary credits for service rendered before the plan began (or prior service credits) of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest (3% annual), prior to establishment of the plan. Monetary credits for service since the plan began (or current service credits) are 200% of the employee's accumulated contributions. In addition, the City has granted on an annually repeating basis another type of monetary credit referred to as an updated service credit. The updated service credit is calculated by taking the difference between this hypothetical account balance and the actual reserve balance. It is then increased by 3% each

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year, not the actual interest credited to member accounts in previous years, and increased by the City 2 to 1 match currently in effect. The resulting sum is then multiplied by 100% and compared to the member's prior year updated service credit balance increased by the actual City match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or updated service credit) equal to the difference between the hypothetical calculation and the actual calculation. At retirement, the benefit is calculated as if the sum of the employee's contributions with interest and the City-financed monetary credits with interest were used to purchase an annuity.

Members may choose to receive their retirement benefit in one of seven payment options: retiree life only; one of three lifetime survivor options; or one of three guaranteed term options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum distribution (PLSD) in an amount equal to 12, 24, or 36 monthly payments under the retiree life only option, which cannot exceed 75% of the total member deposits and interest.

The City elected to increase the annuities (annuity increases) of its retirees, either annually or on an annually repeating basis, effective January 1 of a calendar year. The City has adopted annuity increases at the rate of 70% of the increase (if any) in the Consumer Price Index—all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

A member is vested after five years and can retire at age 60 and above with five or more years of service or at any age with 20 years of service. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

### Contributions

The contribution rate for employees is 7% of employee gross earnings and the City's matching ratio is currently 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method (effective with the December 31, 2007 actuarial valuation). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year.

The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for the City. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as updated service credits and annuity increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Contributions are made monthly by both the employees and the City. Since the City must know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that

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serves as the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2011 valuation is effective for rates beginning January 2013).

The annual pension costs and net pension obligation is as follows:

<b>Net Pension Obligation</b>			
	FY 2011-12	FY 2010-11	FY 2009-10
Annual required contribution (ARC)	\$ 7,838,904	\$ 8,535,905	\$ 7,903,067
Interest on net pension obligation	382,287	249,810	103,741
Adjustment to the ARC	(309,105)	(205,863)	(84,713)
Annual pension costs (APC)	7,912,086	8,579,852	7,922,095
Contributions made	(6,811,107)	(6,813,495)	(5,997,951)
Increase (decrease) in net pension obligation	1,100,979	1,766,357	1,924,144
Net pension obligation, beginning of year	5,097,161	3,330,804	1,406,660
Net pension obligation, end of year	\$ 6,198,140	\$ 5,097,161	\$ 3,330,804

<b>Three-Year Trend Information</b>			
	FY 2011-12 12/31/11	FY 2010-11 12/31/10	FY 2009-10 12/31/09
Actuarial valuation date			
Annual pension cost (APC)	\$ 7,912,083	\$ 8,579,852	\$ 7,922,095
Actual contributions made	6,811,107	6,813,495	5,997,951
Percentage of APC contributed	86.1%	79.4%	75.7%
Net pension obligation	\$ 6,198,140	\$ 5,097,161	\$ 3,330,804

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The required contribution rates for fiscal year 2012 were determined as part of the December 31, 2009 and 2010 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2011, also follows:

<b>Schedule of Actuarial Assumptions and Valuations</b>			
	FY 2011-12 12/31/11	FY 2010-11 12/31/10	FY 2009-10 12/31/09
Valuation date	12/31/11	12/31/10	12/31/09
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	26.2 years; closed period	27.2 years; closed period	28.1 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset valuation method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial assumptions:			
Investment rate of return *	7.0%	7.0%	7.5%
Projected salary increases *	Varies by age and service	Varies by age and service	Varies by age and service
Cost-of-living adjustments	2.1%	2.1%	2.1%
* Includes inflation at	3.0%	3.0%	3.0%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

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**Schedule of Actuarial Liabilities and Funding Progress**

	FY 2011-12 12/31/11	FY 2010-11 12/31/10	FY 2009-10 12/31/09
Actuarial valuation date			
Actuarial value of assets	\$ 157,296,848	\$ 144,080,655	\$ 93,785,332
Actuarial accrued liability	204,148,690	191,546,520	147,683,287
Funded ratio	77.1%	75.2%	63.5%
Unfunded actuarial accrued liability (UAAL)	46,851,842	47,465,865	53,897,955
Annual covered payroll	41,595,810	40,824,368	39,760,683
UAAL as a percentage of covered payroll	112.6%	116.3%	135.6%

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS. The report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677. In addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

**7. COMMITMENTS AND CONTINGENCIES**

Water Contract

The City purchases all of its raw water from the City of Dallas. The raw water rate for this contract during the fiscal year was \$0.4718 per 1,000 gallons. Effective October 1, 2012, the rate became \$.4587 per 1,000 gallons. The City of Dallas reserves the right and power during the term of this contract to set reasonable revised rates from time to time.

Legal

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is presently not determinable, it is the opinion of the City's attorney that the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

Grant Audit

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agreement. In the opinion of City management, such disallowances, if any, will not be significant to the City's financial position.

## 8. OTHER POST EMPLOYMENT BENEFITS

The City provides a \$15,000 fully paid life insurance policy upon retirement with ten years of service with the City of Lewisville. The City pays 100 percent of the premium cost for the life insurance policy. Expenditures for this benefit are recognized as employees retire and the insurance policy is purchased. The City recognized expenditures of \$92,595 for the year ended September 30, 2012 to purchase life insurance policies for fourteen eligible retirees.

### Lewisville OPEB Liability Trust Fund

The City established an irrevocable trust in 2008 for the systematic funding of post-employment health benefits as a single-employer, defined benefit plan. Plan assets may be used only for the payment or reimbursement of benefits provided to retirees, in accordance with the terms of the plan.

#### *Summary of Significant Accounting Policies*

Financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized when due. The City's contributions are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

#### *Plan Descriptions and Contribution Information*

The City provides comprehensive group medical benefits for employees at retirement who meet the eligibility requirements for postretirement benefits. Eligibility requirements are (1) age 60 and 5 years of service with the City, or (2) 20 years of service with Texas Municipal Retirement System, the City's pension provider. Election must be made at time of retirement to remain in the plan. Continuation of coverage is subject to the payment of required contributions by participating retirees and dependents. The City contributes a fixed amount toward each retiree's monthly premium, based on the tenure with the City. The City's substantive plan places a zero percent (0%) cap on future contribution increases. The employee remains on the plan until age 65 when they are moved to a fully insured Medicare supplement plan. The City contributes a flat \$50 per month toward the retiree's fully insured premium.

Membership of the plan consists of the following at October 1, 2011, the date of the latest actuarial valuation:

Number of retirees and beneficiaries receiving benefits	55
Active plan members	606

#### *Funding Status and Funding Progress*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarially

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determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Schedule of Funding Status and Funding Progress**

Actuarial Valuation Date	<u>10/1/2011</u>	<u>10/1/2010</u>	<u>10/1/2009</u>
Actuarial Value of Assets	\$2,738,100	\$2,637,000	\$2,258,200
Actuarial Accrued Liability (AAL)	\$5,118,100	\$4,732,000	\$5,954,000
Unfunded AAL (UAAL)	\$2,380,000	\$2,095,000	\$3,695,800
Funded Ratio	53.5%	55.7%	37.9%
Covered Payroll	\$41,107,984	\$39,581,047	\$38,868,039
UAAL as a Percentage of Covered Payroll	5.8%	5.3%	9.5%

The schedule of employer contributions present trend information about the amounts contributed to the plan by the City in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

**Schedule of Employer Contributions and Net OPEB Obligation**

Contribution Year	<u>9/30/2012</u>	<u>9/30/2011</u>	<u>9/30/2010</u>
Annual Required Contribution	\$ 359,300	\$ 494,600	\$ 482,500
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost	<u>\$ 359,300</u>	<u>\$ 494,600</u>	<u>\$ 482,500</u>
Contributions made	359,300	494,600	482,500
Change in OPEB obligation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB obligation (asset), beginning of year	-	-	-
Net OPEB obligation (asset), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of annual OPEB cost contributed	100.0%	100.0%	100.0%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions

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used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspectives of the calculations.

<b>Actuarial Assumptions</b>			
Valuation date	10/1/2011	10/1/2010	10/1/2009
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level dollar, open	Level dollar, open	Level dollar, open
Amortization period	30 years	30 years	30 years
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
General Inflation	3.0%	3.0%	3.0%

Healthcare cost trend rate is assumed to be greater than 3% annually, however is not applicable for purposes of this valuation, since the City's future costs are set at a fixed amount.

The Lewisville OPEB Liability Trust Fund does not issue a separate financial report. Additional information can be found in the Agency and Trust Funds section of this report.

**9. COMPONENTS OF RESTRICTED ASSETS**

Cash, interest receivable, investments and prepaid items	
Deposits	\$ 1,439,552
Money held in escrow	22,259
Revenue bond current debt service accounts	2,914,633
Revenue bond future debt service accounts	3,657,124
Revenue bond construction accounts	<u>34,713,457</u>
Total	<u>\$42,747,025</u>

The related liabilities payable from restricted assets at September 30, 2012 are as follows:

Deposits payable	\$1,439,552
Escrow payable	22,259
Accrued interest payable	221,449
Contracts and retainage payable	79,513
Current maturities of revenue bonds	<u>4,375,000</u>
Total	<u>\$6,137,773</u>

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The ordinance authorizing the Waterworks and Sewer System Revenue Bonds requires that the City establish a sinking fund (recorded in the revenue bond current debt service accounts) in an amount not less than the amount required to fully pay principal and interest payments as they come due. In addition, the ordinance requires that the City establish a reserve fund (recorded in the revenue bond future debt service accounts) to provide for payment of principal and interest in the event that other funds available for such purposes are insufficient. At September 30, 2012, the balances in both the sinking and reserve funds are sufficient to satisfy such bond ordinance requirements.

The ordinance further requires that the proceeds from the sale of the Revenue Bonds be expended for making improvements and extensions to the City’s combined waterworks and sanitary sewer system. The proceeds are maintained in the revenue bond and capital projects construction accounts until such time as needed to fund the construction program.

The amount of net assets restricted for revenue bond retirements is detailed as follows:

Restricted Assets	
Revenue bond current debt service accounts	\$2,914,633
Revenue bond future debt service accounts	<u>3,657,124</u>
	<u>\$6,571,757</u>
Less - Liabilities payable from restricted assets	
Accrued interest payable	\$ 221,449
Current maturities of revenue bonds	<u>4,375,000</u>
	<u>4,596,449</u>
Reserved for revenue bond retirement	<u>\$1,975,308</u>

**10. DEFERRED COMPENSATION PLAN**

The City offers its employees a choice between two deferred compensation plans (the Plan) created in accordance with Internal Revenue Code Section 457. One Plan is administered and investments managed by Nationwide Retirement Solutions (NRS). The second Plan is administered by AIG Valic. The assets and liabilities amounted to \$24,810,120 for Nationwide and \$28,998,124 for AIG Valic at September 30, 2012. The plans include numerous types of investments as participants elect how their salary deferrals are invested. Investment options include the following: fixed annuities, variable annuities, and life insurance.

The Plans are available to all City employees and permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

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All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the City’s management that the City has no liability for those losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. The City provides limited administrative duties.

In accordance with GASB Statement No. 32, the deferred compensation plans are not included in the financial statements of the City.

**11. LONG TERM LIABILITIES**

General Obligation Bonds

General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. Bonds generally are issued as 16-year serial bonds, except for refunding issues, with level debt service requirements each year. General Obligation Bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government	2.00% - 5.00%	\$73,405,000

Annual debt service requirements to maturity for General Obligation Bonds, including interest of \$18,227,407 are as follows:

<u>Year Ended September 30</u>	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	6,350,000	3,129,037	9,479,037
2014	5,900,000	2,651,240	8,551,240
2015	6,710,000	2,394,597	9,104,597
2016	6,855,000	2,101,254	8,956,254
2017	6,625,000	1,813,264	8,438,264
2018-2022	28,660,000	5,301,718	33,961,718
2023-2027	11,330,000	821,672	12,151,672
2028	975,000	14,625	989,625
	<u>\$ 73,405,000</u>	<u>\$ 18,227,407</u>	<u>\$ 91,632,407</u>

During the year, the City issued \$25,750,000 of General Obligation Refunding and Improvement bonds plus a cash contribution of \$485,046 for the purpose of refunding a portion of the City’s outstanding general obligation and certificate of obligation debt, for constructing, expanding, and

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improving public safety training facilities and constructing improvements to the City's streets, sidewalks and related drainage improvements. As a result of the refunding the City decreased its aggregate debt service payment to maturity by \$2,166,169 and realized an economic gain (difference between the present value of debt service payment on the old debt and the new debt) of \$1,914,111.

Revenue Bonds

The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service.

Revenue Bonds outstanding, at September 30, 2012, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Water supply and waste water treatment	2.00% - 5.00%	\$45,220,000
Less-Current maturities payable from restricted assets		<u>4,375,000</u>
		<u><u>\$40,845,000</u></u>

Revenue bond debt service requirements to maturity, including interest of \$10,758,821 are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Revenue Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	4,375,000	1,685,147	6,060,147
2014	4,155,000	1,518,458	5,673,458
2015	3,955,000	1,354,714	5,309,714
2016	4,050,000	1,187,470	5,237,470
2017	3,565,000	1,033,851	4,598,851
2018-2022	15,605,000	3,227,984	18,832,984
2023-2027	9,210,000	746,431	9,956,431
2027	<u>305,000</u>	<u>4,766</u>	<u>309,766</u>
	<u><u>\$ 45,220,000</u></u>	<u><u>\$ 10,758,821</u></u>	<u><u>\$ 55,978,821</u></u>

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2012, the City was in compliance with all limitations and restrictions.

During the year, the City issued \$5,925,000 of Waterworks and Sewer System Revenue Refunding and Improvement bonds, plus a cash contribution of \$30,072 for the purposes of refunding a portion of the City's outstanding Waterworks and Sewer System debt and constructing, acquiring, and installing improvements, additions, and extensions to the System. As a result of the refunding the City decreased its aggregate debt service payment to maturity

**CITY OF LEWISVILLE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

by \$158,013 and realized an economic gain (difference between the present value of debt service payment on the old debt and the new debt) of \$148,030.

In the current year, the City defeased certain general obligation, certificates of obligation, and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At September 30, 2012, \$4,255,000 of outstanding general obligation bonds, \$13,085,000 of certificates of obligations, and \$2,055,000 of revenue bonds are considered defeased.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 58,235,000	\$ 25,750,000	\$ (10,580,000)	\$ 73,405,000	\$ 6,350,000
Less deferred amount on refunding	(509,720)	(288,399)	71,905	(726,214)	-
Premium	934,825	1,240,780	(14,184)	2,161,421	-
Compensated absences	6,926,457	4,603,027	(4,379,478)	7,150,006	4,725,118
Net pension obligation	4,497,285	979,869	-	5,477,154	-
Governmental activity long-term liabilities	<u>\$ 70,083,847</u>	<u>\$ 32,285,277</u>	<u>\$ (14,901,757)</u>	<u>\$ 87,467,367</u>	<u>\$ 11,075,118</u>
Business type activities:					
Bonds payable	\$ 45,780,000	\$ 5,925,000	\$ (6,485,000)	45,220,000	\$ 4,375,000
Less deferred amount on refunding	(386,224)	(88,659)	82,081	(392,802)	-
Premium	930,371	336,020	(109,590)	1,156,801	-
Discount	(74,826)	-	6,267	(68,559)	-
Compensated absences	779,659	436,424	(421,377)	794,706	440,213
Net pension obligation	562,973	110,098	-	673,071	-
Business type activity: long-term liabilities	<u>\$ 47,591,953</u>	<u>\$ 6,718,883</u>	<u>\$ (6,927,619)</u>	<u>\$ 47,383,217</u>	<u>\$ 4,815,213</u>

In general, the General fund has been used in prior years to liquidate other long-term liabilities for the governmental activities of the City.

Component Unit Bonded Indebtedness

On September 14, 2002 voters approved the imposition of an additional sales and use tax of one-quarter of one (0.25%) percent for parks and library purposes. The tax became effective on January 1, 2003 and collections began in March 2003. The sales tax is collected solely for the benefit of the Lewisville Parks and Library Development Corporation (a non-profit corporation) established by the City to administer sales tax collections and projects.

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2012

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Proceeds of Certificates of Obligation issued in 2004 were utilized to finance the construction of park facilities and library improvements. Certificates of Obligation issued in 2007 for the Lewisville Parks and Library Development Corporation and the Tax Increment Reinvestment Zone Number 1 (TIRZ, also known as Old Town) component units were utilized for constructing an athletic complex, an arts activity center, parking lot and related improvements.

Certificates of Obligation outstanding at September 30, 2012 for the Lewisville Parks and Library Development Corporation component unit are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Park and Library Improvements	4.00% - 5.00%	\$17,835,000

Annual debt service requirements on the aforementioned debt are as follows:

<u>Year Ended September 30</u>	<u>Certificates of Obligation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	1,445,000	783,109	2,228,109
2014	1,510,000	719,109	2,229,109
2015	550,000	671,634	1,221,634
2016	580,000	644,759	1,224,759
2017	605,000	618,159	1,223,159
2018-2022	3,425,000	2,693,031	6,118,031
2023-2027	4,270,000	1,848,484	6,118,484
2028-2032	5,450,000	660,825	6,110,825
	<u>\$ 17,835,000</u>	<u>\$ 8,639,110</u>	<u>\$ 26,474,110</u>

Certificates of Obligation outstanding at September 30, 2012 for the Tax Increment Reinvestment Zone (Old Town) component unit are comprised of the following individual issue:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Arts Activity Center and Improvements	4.0% - 5.0%	\$7,740,000

CITY OF LEWISVILLE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

Annual debt service requirements on the aforementioned debt are as follows:

Year Ended September 30	Certificates of Obligation		Total
	Principal	Interest	
2013	165,000	343,266	508,266
2014	205,000	334,941	539,941
2015	245,000	324,816	569,816
2016	295,000	312,666	607,666
2017	330,000	298,604	628,604
2018-2022	2,435,000	1,227,559	3,662,559
2023-2027	4,065,000	526,558	4,591,558
	<u>\$ 7,740,000</u>	<u>\$ 3,368,410</u>	<u>\$ 11,108,410</u>

A summary of changes in discretely presented component unit long-term debt follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
LPLDC activities:					
Bonds payable:					
Tax and Revenue C.O.	\$ 32,310,000	\$ -	\$ (14,475,000)	\$ 17,835,000	\$ 1,445,000
Premium	253,607	1,790,789	(297,352)	1,747,044	-
Less deferred amount on refunding	-	(1,004,584)	24,542	(980,042)	-
Due to primary government	-	12,490,000	-	12,490,000	-
Compensated absences	24,731	44,884	(37,808)	31,807	21,020
Net pension obligation	36,903	11,012	-	47,915	-
LPLDC activities total:	<u>32,625,241</u>	<u>13,332,101</u>	<u>(14,785,618)</u>	<u>31,171,724</u>	<u>1,466,020</u>
TIRZ activities:					
Bonds payable:					
Tax and Revenue C.O.	7,780,000	-	(40,000)	7,740,000	165,000
Premium	16,758	-	(1,066)	15,692	-
TIRZ activities total:	<u>7,796,758</u>	<u>-</u>	<u>(41,066)</u>	<u>7,755,692</u>	<u>165,000</u>
Component unit long-term liabilities	<u>\$ 40,421,999</u>	<u>\$ 13,332,101</u>	<u>\$ (14,826,684)</u>	<u>\$ 38,927,416</u>	<u>\$ 1,631,020</u>

CITY OF LEWISVILLE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

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Bonded Indebtedness of Which the City Has No Liability

In addition to the outstanding General Obligation Bonds of the City and the Water and Sewer System Revenue Bonds, all of which are included in the financial statements of the City, the City has assisted in the issuance of:

\$12,860,000 Lewisville Housing Finance Corporation Housing Revenue Bonds  
Series 1997

This issue is not a direct obligation of the City of Lewisville. The City only serves as a financing conduit for the borrower. The Bonds are special limited obligations of the Issuer, payable solely from, and secured only by, the revenues, and other security pledged therefore under the Indenture. The Bonds do not constitute an indebtedness or a loan of the credit of the State of Texas, the City of Lewisville, Texas or any other municipality, county or other municipal or political corporation or subdivision of the state within the meaning of the constitutional or statutory provisions. Neither the faith and credit nor the taxing power of the City of Lewisville, Texas, the State of Texas or of any political subdivision thereof is pledged to the payment of the principal or purchase price of or interest on the Bonds. The Bonds do not create a moral obligation on the part of the State of Texas, the City of Lewisville, Texas, or any other municipality, County, or other municipal or political corporation or subdivision of the State of Texas and such governmental entities may not make payments with respect to the Bonds.

As of September 30, 2012, the Lewisville Housing Finance Corporation Housing Revenue Bonds were outstanding. The principal amount payable was \$10,235,000.

In addition, the City is the Issuer of the following Public Improvement Bond issues:

\$19,000,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 1998

\$18,150,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 2002

\$25,000,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 2004

\$10,350,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Capital Improvement Bonds, Series 2005

\$20,000,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Capital Improvement Bonds, Series 2008

\$2,840,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding and Utility System Bonds, Series 2011

**CITY OF LEWISVILLE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012**

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\$2,965,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2011

\$5,355,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Road System Bonds, Series 2011

These issues, again, are not direct obligations of the City of Lewisville. They are Revenue Bonds issued for the Castle Hills Public Improvement District located in the City's extraterritorial jurisdiction.

For all issues except the 2008 bond issue, the principal and interest payment on the bonds is from ad valorem taxes (contract revenues, billed and collected by the Denton County Fresh Water District). For the 2008 bond issue, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues and subject to special mandatory redemption prior to maturity.

In the event contract revenues were ever insufficient to pay principal and interest, the City would levy and collect special assessments from property owners in the public improvement district.

At September 30, 2012, City of Lewisville, Texas Contract Revenue and Special Assessment Improvement Bonds outstanding aggregated was \$91,895,000.

## **12. RISK MANAGEMENT**

The City established a limited risk management program for workers' compensation and healthcare coverage in 1988. Beginning September 1, 1990, liability and property and casualty risk funding was established within the Self-Insurance Internal Service Fund. Life, accidental death and dismemberment and long-term disability coverage are fully insured but accounted for within the fund. Premiums are transferred into the Self-Insurance Internal Service Fund from all other operating funds and are available to pay claims, claim reserves, reinsurance excess coverage premiums, and any other premiums or administrative costs associated with the programs. During FY 2011-12, a total of \$1,101,894 was paid in life insurance and long-term disability premiums, reinsurance premiums, and administrative costs for workers' compensation, liability, and property/casualty claims. Workers' compensation liabilities include the reserve for unpaid claims and a calculated reserve for incurred but not reported claims. The workers' compensation reinsurance provided excess coverage of \$450,000 per occurrence for sworn police and fire and \$350,000 per occurrence for all other positions. Settled claims have not exceeded this commercial coverage in any of the past five fiscal years. In July 1999, the property and casualty and liability insurance coverages were moved to a deductible program. Each line of coverage has a deductible per occurrence ranging from \$500-\$50,000.

During FY 2001-02, the City established a Health Insurance Risk Pool under Chapter 172 of the Texas Local Government Code. Since the establishment of the Risk Pool, premiums for healthcare have been transferred into the Risk Pool from all other operating funds and are

**CITY OF LEWISVILLE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012**

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available to pay claims, claim reserves, reinsurance excess coverage premiums, and the administrative costs of the medical/dental plan. For the plan year beginning October 1, 2011, the healthcare reinsurance provided excess coverage (beyond \$135,000 per occurrence) and an annual aggregate stop loss of approximately \$6,531,800 per plan year limit. The healthcare liabilities include the reserve for unpaid claims and a calculated reserve for incurred but not reported claims. During FY 2011-12, total expenses for claims, reinsurance premiums, and administrative costs for healthcare amounted to \$7,865,248.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated annually by an outside actuary who takes into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balances of claims liabilities for the year ended September 30, 2012 are as follows:

	<u>2012</u>	<u>2011</u>
Claims payable, beginning of year	\$ 1,348,807	\$ 881,267
Incurred claims	7,205,588	7,301,202
Claims payments	<u>(7,345,743)</u>	<u>(6,833,662)</u>
Claims payable, end of year	<u>\$ 1,208,652</u>	<u>\$ 1,348,807</u>

**13. FUND BALANCE CLASSIFICATIONS**

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

• Non Spendable Fund Balance

This represents the portion of fund balance that is not in a spendable form (such as inventory or prepaid items) or is required to be maintained intact pursuant to legal or contractual requirements.

• Restricted Fund Balance

This represents the portion of fund balance that is subject to externally enforceable legal restrictions. These restrictions are typically imposed by parties outside the government such as grantors, creditors, or other government entities through laws and regulations.

CITY OF LEWISVILLE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

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- Committed Fund Balance

This represents the portion of fund balance that is constrained by limitations that the governing body imposed upon itself at the highest level of decision making (City Council) and remains binding unless removed in the same manner. Any changes must take place before the end of the reporting period.

- Assigned Fund Balance

This portion of fund balance reflects the government's intended use of resources. Such intent would have to be established at either the highest level of decision making or by a body (committee) or official designated for that purpose.

Amounts in excess of non spendable, restricted, and committed fund balance in funds other than the General Fund would automatically be assigned here.

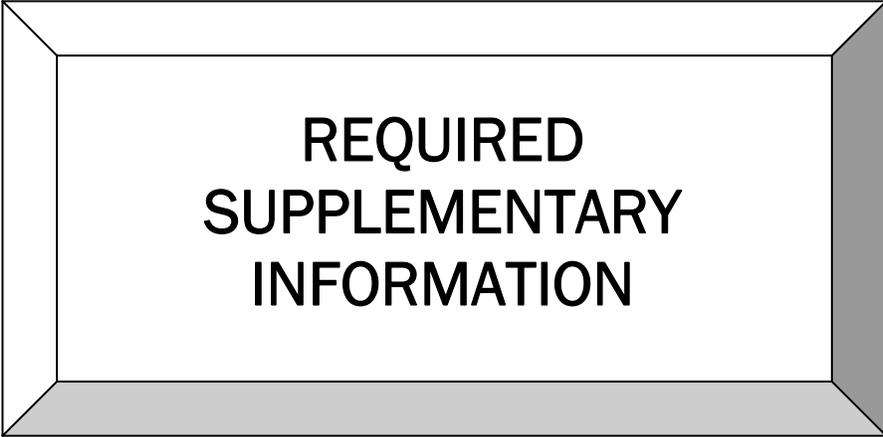
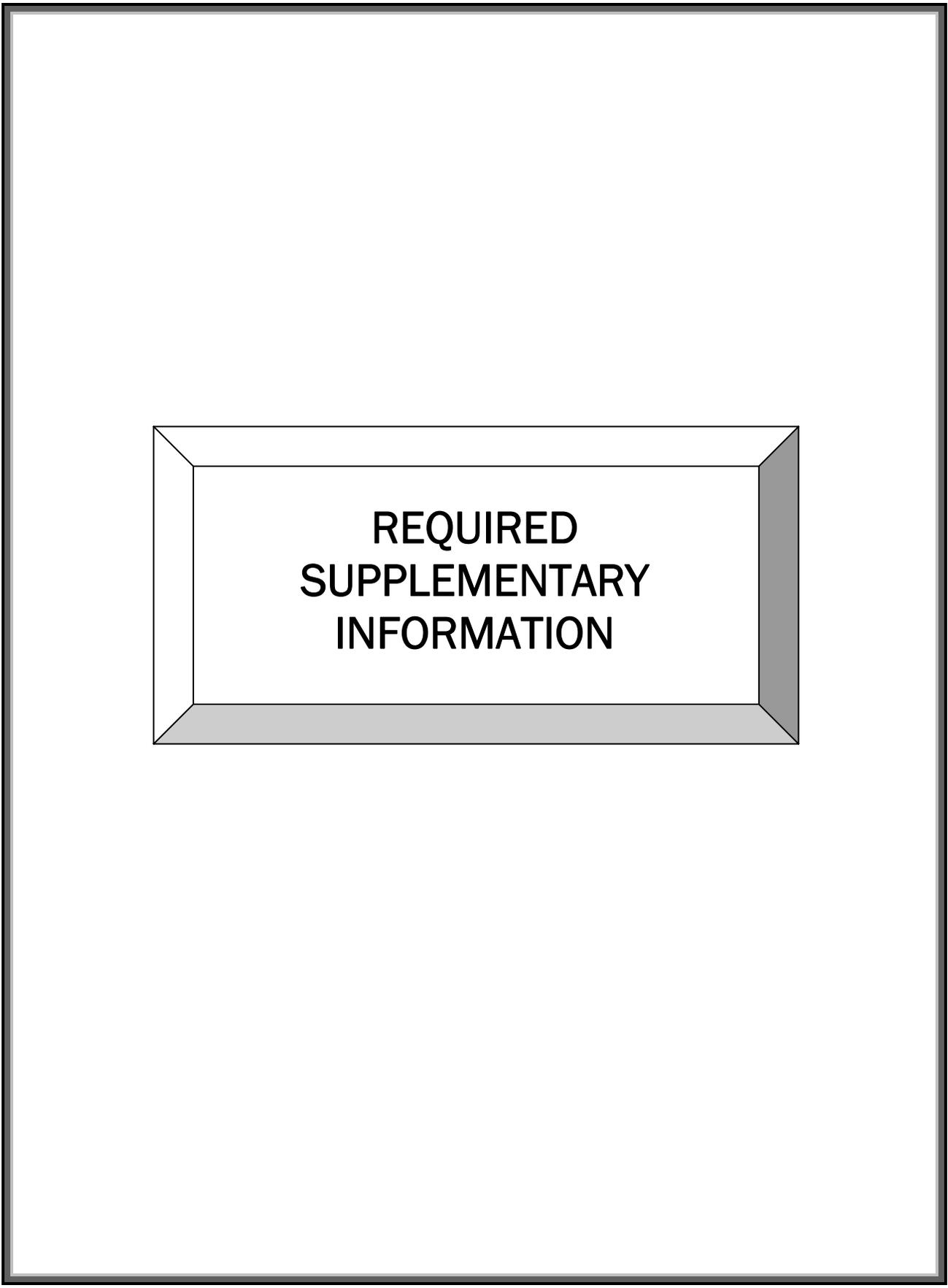
- Unassigned Fund Balance

Only the General Fund can have a positive "unassigned" fund balance. This balance represents any residual which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

A schedule of Governmental Fund Balances is provided on the following page.

CITY OF LEWISVILLE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

<b>GOVERNMENTAL FUNDS</b>				
General Fund	Debt Service Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>FUND BALANCE:</b>				
<b>Non Spendable:</b>				
Prepaid expenses	234,127	-	-	2,518,104
<b>Spendable:</b>				
<b>Restricted for:</b>				
Debt service	-	1,456,703	-	1,456,703
Capital projects - Streets	-	13,436,869	-	13,436,869
Capital projects - Drainage	-	7,799,236	-	7,799,236
Capital projects - Other	-	2,273,956	-	2,273,956
Hotel/Motel Tax Fund	-	-	2,900,484	2,900,484
Grant Funds	-	-	62,326	62,326
Public Improvement District Fund	-	-	225,559	225,559
Municipal Court Security Fund	-	-	66,177	66,177
Municipal Court Technology Fund	-	-	178,374	178,374
Police Forfeitures Fund (State)	-	-	103,176	103,176
LEOSE Fund	-	-	296	296
Police Forfeitures Fund (Federal)	-	-	662,233	662,233
Juvenile Case Manager Fund	-	-	86,073	86,073
PEG Programming Fund	-	-	193,135	193,135
Crime Control & Prevention District	-	-	537,281	537,281
Fire Control, Prevention, and Emergency Medical Services District	-	-	786,218	786,218
Castle Hills Capital Projects	-	-	679,114	679,114
<b>Committed to:</b>				
Capital projects - Streets	-	3,666,249	-	3,666,249
Capital projects - Parks	-	439,230	-	439,230
Capital projects - Other	-	2,107,902	-	2,107,902
Recreation Fund	-	-	269,678	269,678
Fire and Police Training Fund	-	-	126,468	126,468
Donations Fund	-	-	201,799	201,799
Lewisville Local Government Corporation	-	-	1,148	1,148
<b>Assigned to:</b>				
Capital projects - Streets	-	1,004,731	-	1,004,731
Capital projects - Riverside Road & Bridge	-	2,400,000	-	2,400,000
Capital projects - Other	-	3,555,202	-	3,555,202
Other	222,738	-	-	222,738
Employee Benevolent Fund	-	-	25,157	25,157
<b>Unassigned:</b>	<u>30,615,982</u>	<u>-</u>	<u>-</u>	<u>30,615,982</u>
<b>TOTAL FUND BALANCES:</b>	<u><u>31,072,847</u></u>	<u><u>1,456,703</u></u>	<u><u>36,683,375</u></u>	<u><u>9,622,800</u></u>
			<u><u>78,835,725</u></u>	



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



# LEWISVILLE

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CITY OF LEWISVILLE, TEXAS

EXHIBIT A-1

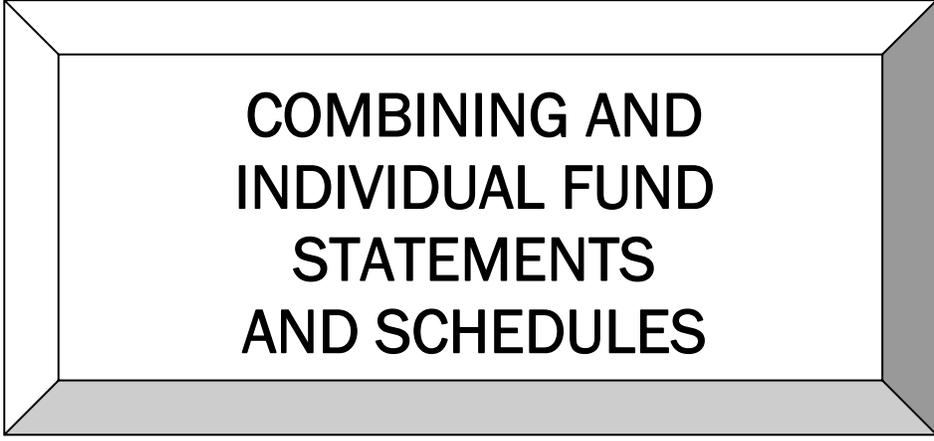
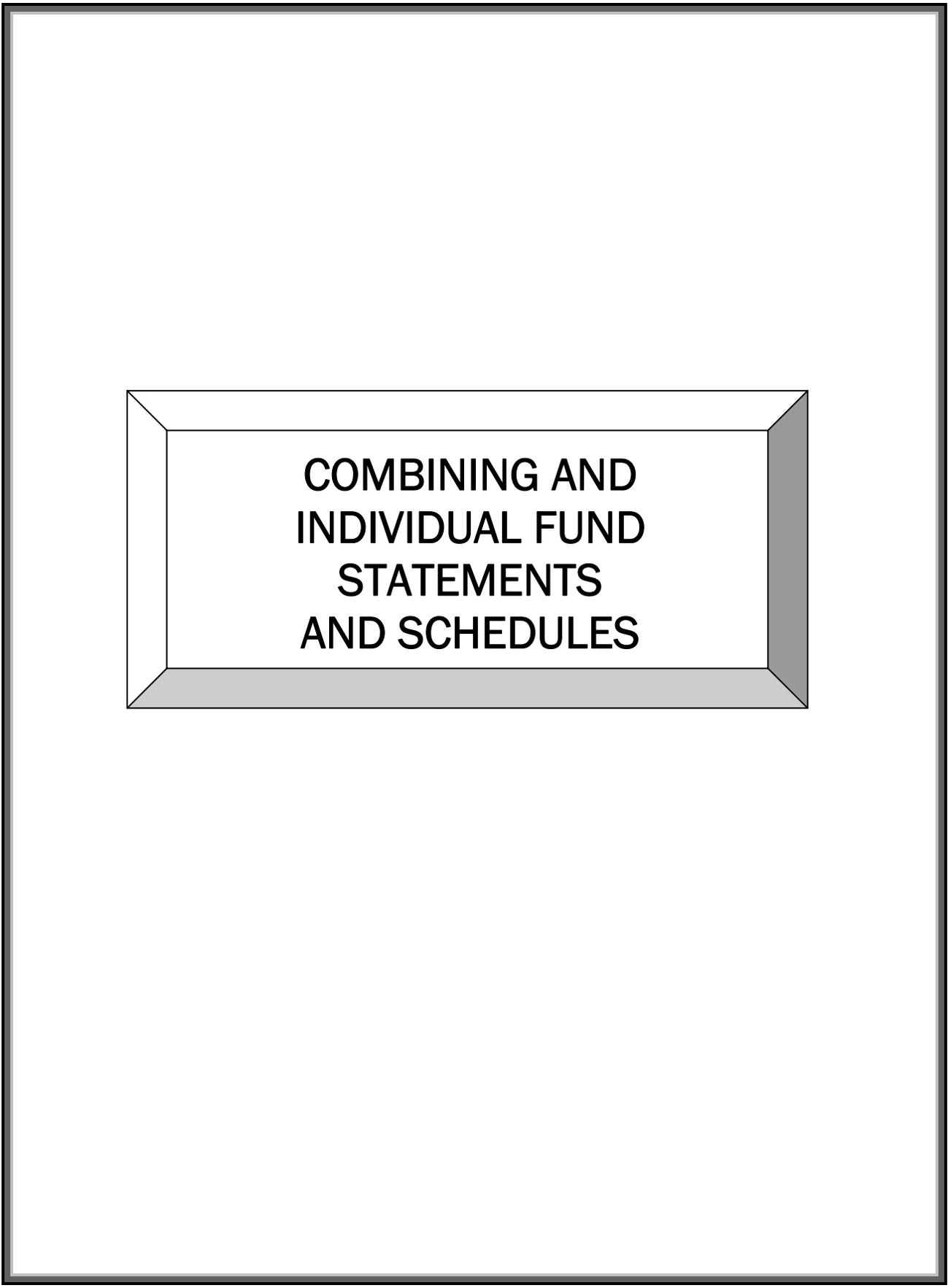
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Property and other taxes	\$ 45,906,540	\$ 45,906,540	\$ 47,885,587	\$ 1,979,047
Licenses and permits	1,504,026	1,504,026	1,741,153	237,127
Charges for services	5,450,824	5,450,824	5,680,893	230,069
Recreation	1,137,011	1,137,011	1,097,600	(39,411)
Fines and forfeitures	2,814,067	2,814,067	2,874,525	60,458
Investment earnings	122,381	122,381	92,756	(29,625)
Miscellaneous	688,198	688,198	577,259	(110,939)
Total revenues	<u>57,623,047</u>	<u>57,623,047</u>	<u>59,949,773</u>	<u>2,326,726</u>
<b>EXPENDITURES</b>				
Current				
General government	916,323	1,038,780	773,798	264,982
Mayor and council	66,850	66,850	61,180	5,670
Administrative and legal	2,190,157	2,200,157	2,121,269	78,888
Community relations/tourism	673,237	673,237	655,259	17,978
Police	19,375,985	19,354,323	19,308,354	45,969
Fire	15,790,551	15,788,343	15,645,706	142,637
Public services	4,396,858	4,366,314	4,079,005	287,309
Parks and leisure	6,058,977	6,055,932	5,923,550	132,382
Community development	5,200,580	5,203,378	4,922,007	281,371
Finance	1,273,910	1,275,703	1,256,264	19,439
Human resources	710,810	710,810	681,970	28,840
Information technology services	2,021,377	2,021,262	2,011,503	9,759
Municipal court	888,469	894,943	874,779	20,164
Capital outlay	109,678	239,192	99,436	139,756
Total expenditures	<u>59,673,762</u>	<u>59,889,224</u>	<u>58,414,080</u>	<u>1,475,144</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,050,715)</u>	<u>(2,266,177)</u>	<u>1,535,693</u>	<u>3,801,870</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,738,390	3,738,390	3,884,225	145,835
Transfers out	<u>(3,672,015)</u>	<u>(3,717,312)</u>	<u>(3,667,110)</u>	<u>50,202</u>
Total other financing sources (uses)	<u>66,375</u>	<u>21,078</u>	<u>217,115</u>	<u>196,037</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,984,340)	(2,245,099)	1,752,808	3,997,907
<b>FUND BALANCES, beginning</b>	<u>29,320,039</u>	<u>29,320,039</u>	<u>29,320,039</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 27,335,699</u>	<u>\$ 27,074,940</u>	<u>\$ 31,072,847</u>	<u>\$ 3,997,907</u>

**BUDGET BASIS OF ACCOUNTING**

The City adopts its budget of the General Fund on the modified accrual basis of accounting by department.



**COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS  
AND SCHEDULES**



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

## MAJOR GOVERNMENTAL FUNDS

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### **GENERAL FUND**

The General Fund is the primary fund of the City. This fund is used to account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

### **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general obligation, principal, and interest indebtedness from general governmental resources.

### **GENERAL CAPITAL PROJECTS FUND**

General Capital Projects Fund is used to account for acquisition and construction of major capital facilities financed by general government resources as outlined in the City's five-year capital improvement plan and comprehensive development code required improvements.



**LEWISVILLE**

Deep Roots. Broad Wings. Bright Future.

**CITY OF LEWISVILLE, TEXAS  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT B-1**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 6,198,686	\$ 5,261,787
Investments	20,632,352	20,018,431
Receivables (net of allowances for uncollectables of \$2,345,193 in 2012 and \$2,896,953 in 2011)		
Taxes	5,440,953	5,365,412
Accounts	1,837,269	1,958,386
Unbilled accounts	273,082	230,798
Interest	25,807	35,455
Court	310,385	374,390
Due from other funds	753,780	756,831
Prepaid items	234,127	230,316
Total assets	<u>\$ 35,706,441</u>	<u>\$ 34,231,806</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 1,294,874	\$ 1,332,937
Accrued liabilities	1,773,663	1,605,842
Deposits payable	8,300	6,550
Deferred revenues	1,459,498	1,755,875
Money held in escrow	97,259	102,744
Due to other funds	-	107,819
Total liabilities	<u>4,633,594</u>	<u>4,911,767</u>
 Fund balances		
Non spendable	234,127	230,316
Spendable		
Assigned	222,738	100,680
Unassigned	30,615,982	28,989,043
Total fund balances	<u>31,072,847</u>	<u>29,320,039</u>
 Total liabilities and fund balances	<u>\$ 35,706,441</u>	<u>\$ 34,231,806</u>

**CITY OF LEWISVILLE, TEXAS**

**EXHIBIT B-2**

**GENERAL FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR FISCAL YEARS ENDED  
SEPTEMBER 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Property and other taxes	\$ 47,885,587	\$ 45,475,116
Licenses and permits	1,741,153	2,210,218
Charges for services	5,680,893	5,543,470
Recreation	1,097,600	1,106,993
Fines and forfeitures	2,874,525	2,752,316
Investment earnings	92,756	113,628
Miscellaneous	577,259	525,307
Total revenues	<u>59,949,773</u>	<u>57,727,048</u>
<b>EXPENDITURES</b>		
Current		
General government	7,561,243	7,585,979
Culture, parks and recreation	5,923,550	5,893,223
Public safety	35,828,839	34,439,273
Public services	9,001,012	8,908,812
Capital outlay	99,436	11,265
Total expenditures	<u>58,414,080</u>	<u>56,838,552</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,535,693</u>	<u>888,496</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	3,884,225	4,606,067
Transfers out	<u>(3,667,110)</u>	<u>(2,942,864)</u>
Total other financing sources (uses)	<u>217,115</u>	<u>1,663,203</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,752,808	2,551,699
<b>FUND BALANCES, beginning</b>	<u>29,320,039</u>	<u>26,768,340</u>
<b>FUND BALANCES, ending</b>	<u>\$ 31,072,847</u>	<u>\$ 29,320,039</u>

**CITY OF LEWISVILLE, TEXAS  
DEBT SERVICE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT C-1**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 397,956	\$ 258,788
Investments	1,137,896	985,559
Receivables (net of allowances for uncollectables of \$125,373 in 2012 and \$165,821 in 2011)		
Taxes	51,919	60,342
Interest	1,386	1,690
Other	-	24,199
Due from other funds	4,895,000	5,815,000
Due from component units	<u>12,490,000</u>	<u>-</u>
 Total assets	 <u>\$ 18,974,157</u>	 <u>\$ 7,145,578</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accrued interest payable	\$ 80,535	\$ -
Deferred revenues	<u>17,436,919</u>	<u>5,875,342</u>
Total liabilities	<u>17,517,454</u>	<u>5,875,342</u>
Fund balances		
Spendable		
Restricted	<u>1,456,703</u>	<u>1,270,236</u>
Total fund balances	<u>1,456,703</u>	<u>1,270,236</u>
 Total liabilities and fund balance	 <u>\$ 18,974,157</u>	 <u>\$ 7,145,578</u>

**CITY OF LEWISVILLE, TEXAS  
DEBT SERVICE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT C-2**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Taxes	\$ 7,712,044	\$ 7,448,426
Investment earnings	8,728	6,907
Miscellaneous	2,486	24,202
Total revenues	<u>7,723,258</u>	<u>7,479,535</u>
<b>EXPENDITURES</b>		
Debt service		
Principal	6,325,000	6,590,000
Interest and fiscal charges	2,344,330	2,604,989
Total expenditures	<u>8,669,330</u>	<u>9,194,989</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(946,072)</u>	<u>(1,715,454)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfer in	192,978	170,912
Premium on issuance of bonds	499,486	24,898
Issuance of refunding bonds	16,490,000	1,605,000
Payment to refunding bond escrow agent	(16,969,925)	(1,610,846)
Contributions from other sources	920,000	1,220,000
Total other financing sources (uses)	<u>1,132,539</u>	<u>1,409,964</u>
<b>NET CHANGE IN FUND BALANCES</b>	186,467	(305,490)
<b>FUND BALANCES, beginning</b>	<u>1,270,236</u>	<u>1,575,726</u>
<b>FUND BALANCES, ending</b>	<u>\$ 1,456,703</u>	<u>\$ 1,270,236</u>

## CITY OF LEWISVILLE, TEXAS

## EXHIBIT C-3

## DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 7,419,527	\$ 7,419,527	\$ 7,712,044	\$ 292,517
Investment earnings	4,800	4,800	8,728	3,928
Miscellaneous	219,567	219,567	2,486	(217,081)
Total revenues	<u>7,643,894</u>	<u>7,643,894</u>	<u>7,723,258</u>	<u>79,364</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	6,325,000	6,325,000	6,325,000	-
Interest and fiscal charges	2,305,227	2,305,227	2,344,330	(39,103)
Total expenditures	<u>8,630,227</u>	<u>8,630,227</u>	<u>8,669,330</u>	<u>(39,103)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(986,333)</u>	<u>(986,333)</u>	<u>(946,072)</u>	<u>40,261</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	1,062,978	1,062,978	192,978	(870,000)
Premium on issuance of bonds	-	-	499,486	499,486
Issuance of refunding bonds	-	-	16,490,000	16,490,000
Payment to refunding bond escrow agent	-	-	(16,969,925)	(16,969,925)
Contributions from other sources	-	-	920,000	920,000
Total other financing sources (uses)	<u>1,062,978</u>	<u>1,062,978</u>	<u>1,132,539</u>	<u>69,561</u>
<b>NET CHANGE IN FUND BALANCES</b>	76,645	76,645	186,467	109,822
<b>FUND BALANCES, beginning</b>	<u>1,270,236</u>	<u>1,270,236</u>	<u>1,270,236</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 1,346,881</u>	<u>\$ 1,346,881</u>	<u>\$ 1,456,703</u>	<u>\$ 109,822</u>

**CITY OF LEWISVILLE, TEXAS  
GENERAL CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT D-1**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 18,249,841	\$ 16,064,859
Investments	59,681,171	61,180,711
Receivables		
Interest	72,134	104,791
Other	204,497	356,497
Prepaid items	-	4,428
Total assets	<u>\$ 78,207,643</u>	<u>\$ 77,711,286</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 903,233	\$ 463,904
Deferred revenue	39,665,959	40,501,816
Money held in escrow	312,478	849,632
Retainage payable	642,598	62,288
Total liabilities	<u>41,524,268</u>	<u>41,877,640</u>
Fund balances		
Non spendable	-	4,428
Spendable		
Restricted	23,510,061	18,334,807
Committed	6,213,381	7,396,348
Assigned	6,959,933	10,098,063
Total fund balances	<u>36,683,375</u>	<u>35,833,646</u>
Total liabilities and fund balances	<u>\$ 78,207,643</u>	<u>\$ 77,711,286</u>

**CITY OF LEWISVILLE, TEXAS  
GENERAL CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT D-2**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Investment earnings	\$ 247,175	\$ 322,210
Contributions	1,065,939	1,922,304
Miscellaneous	12	8
Total revenues	<u>1,313,126</u>	<u>2,244,522</u>
<b>EXPENDITURES</b>		
Interest and fiscal charges	61,294	-
Capital outlay	14,898,469	13,887,572
Total expenditures	<u>14,959,763</u>	<u>13,887,572</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(13,646,637)</u>	<u>(11,643,050)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	4,495,072	3,158,730
Transfers out	-	(8,218)
Issuance of general obligation bonds	9,260,000	-
Premium (discount) on issuance of general obligation bonds	741,294	-
Total other financing sources (uses)	<u>14,496,366</u>	<u>3,150,512</u>
<b>NET CHANGE IN FUND BALANCES</b>	849,729	(8,492,538)
<b>FUND BALANCES, beginning</b>	<u>35,833,646</u>	<u>44,326,184</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 36,683,375</u></u>	<u><u>\$ 35,833,646</u></u>



# LEWISVILLE

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## MAJOR PROPRIETARY ENTERPRISE FUND

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An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the periodic determination of revenues earned, expenses incurred, and/or net income (loss), is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

### **WATER AND SEWER UTILITY ENTERPRISE FUND**

To account for the water and sewer services provided to the City's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing, and collection. Council intent is that costs of providing the services to the general public on a continuing basis is financed primarily through user charges in a manner similar to a private business enterprise.

**CITY OF LEWISVILLE, TEXAS  
WATER AND SEWER UTILITY ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF NET ASSETS  
SEPTEMBER 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 655,806	\$ 994,480
Investments	28,287,409	26,577,509
Receivables (net of allowances for uncollectables of \$344,122 in 2012 and \$257,557 in 2011)		
Accounts	1,740,205	1,831,933
Unbilled accounts	3,189,780	3,004,410
Interest	30,239	30,142
Due from other funds	-	107,819
Prepaid items	754	1,426
Restricted assets		
Cash	1,010,747	1,540,231
Investments	41,701,419	41,947,237
Interest receivable	34,859	36,412
Total currents assets	<u>76,651,218</u>	<u>76,071,599</u>
Noncurrent assets		
Deferred bond issuance costs, net of amortization	<u>479,044</u>	<u>478,422</u>
Capital assets		
Land	2,368,892	2,368,892
Land improvements	106,700	106,700
Buildings	1,131,504	1,131,504
Other improvements	658,008	658,008
Water system	140,191,934	137,882,185
Sewer system	100,766,762	99,298,296
Machinery and equipment	4,224,505	4,106,095
Construction in progress	25,903,371	19,089,174
Total capital assets	<u>275,351,676</u>	<u>264,640,854</u>
Less - Accumulated depreciation	<u>(77,817,093)</u>	<u>(72,427,427)</u>
Capital assets, net of accumulated depreciation	<u>197,534,583</u>	<u>192,213,427</u>
 Total noncurrent assets	 <u>198,013,627</u>	 <u>192,691,849</u>
 Total assets	 <u>\$ 274,664,845</u>	 <u>\$ 268,763,448</u>

	<u>2012</u>	<u>2011</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Current liabilities payable from restricted assets		
Deposits payable	\$ 1,439,552	\$ 1,382,919
Accrued interest payable	221,449	230,224
Contracts and retainage payable	79,513	133,150
Money held in escrow	22,259	29,460
Current maturities of revenue bonds	4,375,000	4,430,000
Total current liabilities payable from restricted assets	<u>6,137,773</u>	<u>6,205,753</u>
Accounts payable	1,634,794	1,433,383
Accrued liabilities	186,204	275,711
Compensated absences	440,213	437,442
Due to other funds	1,106,372	1,070,610
Total current liabilities	<u>9,505,356</u>	<u>9,422,899</u>
Noncurrent liabilities		
Revenue bond payable	40,845,000	41,350,000
Compensated absences	354,493	342,217
Net pension obligation	673,071	562,973
Due to other funds	3,955,000	4,895,000
Deferred loss on refunding	(392,802)	(386,224)
Premium	1,156,801	930,371
Discount	(68,559)	(74,826)
Total noncurrent liabilities	<u>46,523,004</u>	<u>47,619,511</u>
Total liabilities	<u>56,028,360</u>	<u>57,042,410</u>
Net assets		
Invested in capital assets, net of related debt	181,437,600	175,661,154
Restricted		
For revenue bond retirements	1,975,308	1,939,786
Unrestricted	35,223,577	34,120,098
Total net assets	<u>\$ 218,636,485</u>	<u>\$ 211,721,038</u>

**CITY OF LEWISVILLE, TEXAS**  
**WATER AND SEWER UTILITY ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET ASSETS FOR FISCAL YEARS ENDED**  
**SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT E-2**

	<u>2012</u>	<u>2011</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Water sales	\$ 17,038,438	\$ 17,211,955
Sewer service	10,284,674	9,907,882
Tap fees	20,507	35,227
Industrial charges	133,198	80,534
Wholesale sewage treatment	683,445	622,931
Wholesale water sales	16,863	19,016
Reconnect and sample fees	198,717	195,065
Total charges for sales and service	<u>28,375,842</u>	<u>28,072,610</u>
Miscellaneous	25,893	12,337
Total operating revenues	<u>28,401,735</u>	<u>28,084,947</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services, net of reimbursements	7,898,561	8,727,633
Administrative	7,435,047	7,355,337
Depreciation	5,389,666	5,311,872
Total operating expenses	<u>20,723,274</u>	<u>21,394,842</u>
Total operating income	<u>7,678,461</u>	<u>6,690,105</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment earnings	286,958	269,639
Interest expense	(1,287,921)	(1,294,446)
Amortization	(31,021)	(73,045)
Total non-operating revenues (expenses)	<u>(1,031,984)</u>	<u>(1,097,852)</u>
<b>INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>6,646,477</u>	<u>5,592,253</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers out	(3,985,048)	(3,924,530)
Contributions from developers	3,169,562	1,370,713
Contributions - impact fees	1,084,456	1,272,495
Total transfers and capital contributions	<u>268,970</u>	<u>(1,281,322)</u>
<b>CHANGE IN NET ASSETS</b>	6,915,447	4,310,931
<b>NET ASSETS, beginning</b>	211,721,038	207,410,107
<b>NET ASSETS, ending</b>	<u>\$ 218,636,485</u>	<u>\$ 211,721,038</u>



**LEWISVILLE**

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**CITY OF LEWISVILLE, TEXAS  
WATER AND SEWER UTILITY ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 28,357,525	\$ 27,435,855
Cash received (paid) from transactions with other funds	(796,419)	(1,235,500)
Cash paid to employees for services	(5,963,522)	(5,924,551)
Cash paid for goods and services	(9,186,002)	(9,922,731)
	<u>12,411,582</u>	<u>10,353,073</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers out to other funds	(3,985,048)	(3,924,530)
	<u>(3,985,048)</u>	<u>(3,924,530)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(6,987,591)	(5,897,703)
Proceeds from the sale of revenue bonds	5,925,000	13,465,000
Principal paid on revenue bond maturities	(4,430,000)	(3,895,000)
Principal refunded on revenue bonds	(2,055,000)	(4,530,000)
Impact fees	1,084,456	1,272,495
Interest paid	(1,603,005)	(1,176,820)
Reduction of unamortized bond issuance cost	38,428	28,023
Bond issuance cost paid	(91,312)	(122,500)
	<u>(8,119,024)</u>	<u>(856,505)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(85,092,295)	(97,164,293)
Proceeds from sale and maturities of investments	83,628,213	92,463,681
Interest received	288,414	332,711
	<u>(1,175,668)</u>	<u>(4,367,901)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(868,158)	1,204,137
<b>CASH, beginning of year</b>	<u>2,534,711</u>	<u>1,330,574</u>
<b>CASH, end of year</b>	<u>\$ 1,666,553</u>	<u>\$ 2,534,711</u>
Classified as		
Unrestricted cash and cash equivalents at end of year	\$ 655,806	\$ 994,480
Restricted cash and cash equivalents at end of year	1,010,747	1,540,231
<b>TOTAL CASH AT END OF YEAR</b>	<u>\$ 1,666,553</u>	<u>\$ 2,534,711</u>

	<u>2012</u>	<u>2011</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 7,678,461	\$ 6,690,105
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	5,389,666	5,311,872
Provision for uncollectible accounts	86,565	80,798
Change in assets and liabilities		
(Increase) decrease in receivables	(180,207)	(786,922)
(Increase) decrease in prepaid items	672	952
(Increase) decrease in due from other funds	107,819	(107,819)
Increase (decrease) in accounts payable and contracts payable	194,210	70,551
Increase (decrease) in net pension obligations	110,098	194,299
Increase (decrease) in accrued liabilities	(89,507)	(122,087)
Increase (decrease) in deposits payable	56,633	48,423
Increase (decrease) in contracts and retainage payable	(53,637)	105,182
Increase (decrease) in compensated absences	15,047	(4,600)
Increase (decrease) in due to other funds	(904,238)	(1,127,681)
Total adjustments	<u>4,733,121</u>	<u>3,662,968</u>
Net cash provided by (used in) operating activities	<u>\$ 12,411,582</u>	<u>\$ 10,353,073</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
From contributions of capital assets	\$ 3,169,562	\$ 1,370,713
Increase (decrease) in fair value of investments	(26,536)	(62,008)



**LEWISVILLE**

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## **NON-MAJOR GOVERNMENTAL FUNDS**

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Special Revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally or otherwise restricted to expenditures for particular purposes. The City has fourteen Special Revenue Funds as follows:

### **HOTEL/MOTEL TAX FUND**

To account for tax revenue collected as a percentage of gross receipts for all temporary room rentals in all hotel and motel establishments within the City. Funds are expended to promote tourism and culture in the City.

### **RECREATION ACTIVITY FUND**

To account for revenues collected from recreation users for specific events. Funds are expended on costs associated with the specific events' operations.

### **GRANT FUND**

To account for revenues derived from federal and state granting agencies. The funds are expended for grant-related purposes.

### **PUBLIC IMPROVEMENT DISTRICT TAX FUND**

To account for special revenue for an area specific purpose. Funds are expended on costs associated with the specified improvements.

### **MUNICIPAL COURT SECURITY FUND**

To account for Municipal Court fees assessed to provide for court security.

### **MUNICIPAL COURT TECHNOLOGY FUND**

To account for Municipal Court fees assessed to finance the purchase of technological enhancements for Municipal Court.

### **POLICE ASSET FORFEITURE FUND**

To account for funds received under the Controlled Substances Act of the State of Texas with expenditures restricted to use solely in the investigation of any alleged violations of the criminal laws of the state and donations for the same purpose.

### **EMPLOYEE BENEVOLENT FUND**

To account for funds received from employee concessions with expenditures controlled by employee committee.

### **FIRE AND POLICE TRAINING FUND**

To allocate revenue from training tower rentals to ongoing maintenance of the facility as well as police firearms simulator rentals and maintenance costs.

### **LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION FUND**

To account for grant revenue received from the Comptroller's Office exclusively for the training of police officers. Uses can include materials, classes, registration costs, etc.



**LEWISVILLE**

Deep Roots. Broad Wings. Bright Future.

## NON-MAJOR GOVERNMENTAL FUNDS

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### **DONATIONS FUND**

To account for revenues derived from the solicitation and acceptance of donations. Funds are expended for donation-related purposes only.

### **POLICE FEDERAL FORFEITURE FUND**

To account for federally forfeited cash, property, proceeds, and any interest earned thereon received as part of the Federal Equitable Sharing Agreement between local law enforcement agencies, the Department of Justice, and the Department of Treasury for cooperating in investigations with respect to asset forfeiture and money laundering investigations and prosecutions.

### **JUVENILE CASE MANAGER FUND**

To account for Municipal Court fees used to fund a portion of the juvenile case manager position.

### **PEG PROGRAMMING FUND**

To account for Public, Education and Government (PEG) programming fees received by cable franchise entities used for capital costs associated with PEG production.

Additionally, three blended component units and one capital project fund are included as a Non-Major Governmental Funds:

### **LEWISVILLE LOCAL GOVERNMENT CORPORATION FUND**

To account for assistance efforts in economic development initiatives.

### **LEWISVILLE CRIME CONTROL AND PREVENTION DISTRICT**

To account for one-eighth cent sales tax revenues to fund crime control and prevention programs.

### **LEWISVILLE FIRE CONTROL, PREVENTION, AND EMERGENCY MEDICAL SERVICES DISTRICT**

To account for one-eighth cent sales tax revenues to fund fire safety and emergency medical service programs.

### **CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT CAPITAL PROJECTS FUND**

To account for acquisition and construction of major capital facilities financed by the Castle Hills Public Improvement District.

CITY OF LEWISVILLE, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2012

Special Revenues

	Hotel/Motel Tax	Recreation Activity	Grant	Public Improvement District	Municipal Court Security	Municipal Court Technology	Police Asset Forfeiture	Employee Benevolent
<b>ASSETS</b>								
Cash	\$ 693,584	\$ 65,329	\$ 8,382	\$ 52,772	\$ 15,648	\$ 44,400	\$ 92,041	\$ 5,910
Investments	2,134,076	213,641	27,410	172,577	51,174	134,333	141,349	19,323
Receivables								
Accounts	1,736,428	-	654,615	-	-	-	-	-
Interest	2,725	260	16	210	62	188	172	24
Prepaid items	2,507,417	-	290	-	318	-	-	-
Total assets	<u>\$ 7,074,230</u>	<u>\$ 279,230</u>	<u>\$690,713</u>	<u>\$ 225,559</u>	<u>\$ 67,202</u>	<u>\$ 178,921</u>	<u>\$ 233,562</u>	<u>\$ 25,257</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities								
Accounts and contracts payable	\$ 104,883	\$ 9,552	\$ 20,499	\$ -	\$ 707	\$ 547	\$ 130,386	\$ 100
Deferred revenues	61,446	-	9,604	-	-	-	-	-
Retainage payable	-	-	10,586	-	-	-	-	-
Due to other funds	1,500,000	-	587,408	-	-	-	-	-
Total liabilities	<u>1,666,329</u>	<u>9,552</u>	<u>628,097</u>	<u>-</u>	<u>707</u>	<u>547</u>	<u>130,386</u>	<u>100</u>
Fund balances								
Non spendable	2,507,417	-	290	-	318	-	-	-
Spendable								
Restricted	2,900,484	-	62,326	225,559	66,177	178,374	103,176	-
Committed	-	269,678	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	25,157
Total fund balances	<u>5,407,901</u>	<u>269,678</u>	<u>62,616</u>	<u>225,559</u>	<u>66,495</u>	<u>178,374</u>	<u>103,176</u>	<u>25,157</u>
Total liabilities and fund balances	<u>\$ 7,074,230</u>	<u>\$ 279,230</u>	<u>\$690,713</u>	<u>\$ 225,559</u>	<u>\$ 67,202</u>	<u>\$ 178,921</u>	<u>\$ 233,562</u>	<u>\$ 25,257</u>

Special Revenues

Fire and Police Training	LEOSE	Donations	Police Federal Forfeiture	Juvenile Case Manager	Lewisville Local Government Corporation	PEG Programming	Crime Control and Prevention District	Fire Control, Prevention, and Emergency Medical Services District	Castle Hills Capital Projects	Total Nonmajor Governmental Funds
\$ 29,589	\$ 69	\$ 80,232	\$ 154,937	\$ 20,559	\$ 268	\$ 30,245	\$ 48,676	\$ 93,209	\$ 770,453	\$ 2,206,303
96,761	227	148,496	506,679	67,233	879	98,908	159,183	304,815	-	4,277,064
-	-	71,451	-	-	-	63,935	389,796	392,497	-	3,308,722
118	-	146	617	82	1	47	194	371	-	5,233
275	2,340	1,760	-	-	-	-	780	4,924	-	2,518,104
<u>\$ 126,743</u>	<u>\$ 2,636</u>	<u>\$ 302,085</u>	<u>\$ 662,233</u>	<u>\$ 87,874</u>	<u>\$ 1,148</u>	<u>\$ 193,135</u>	<u>\$ 598,629</u>	<u>\$ 795,816</u>	<u>\$ 770,453</u>	<u>\$ 12,315,426</u>
\$ -	\$ -	\$ 38,175	\$ -	\$ 1,801	\$ -	\$ -	\$ 60,568	\$ 4,674	\$ 83,296	\$ 455,188
-	-	60,351	-	-	-	-	-	-	-	131,401
-	-	-	-	-	-	-	-	-	8,043	18,629
-	-	-	-	-	-	-	-	-	-	2,087,408
-	-	98,526	-	1,801	-	-	60,568	4,674	91,339	2,692,626
275	2,340	1,760	-	-	-	-	780	4,924	-	2,518,104
-	296	-	662,233	86,073	-	193,135	537,281	786,218	679,114	6,480,446
126,468	-	201,799	-	-	1,148	-	-	-	-	599,093
-	-	-	-	-	-	-	-	-	-	25,157
<u>126,743</u>	<u>2,636</u>	<u>203,559</u>	<u>662,233</u>	<u>86,073</u>	<u>1,148</u>	<u>193,135</u>	<u>538,061</u>	<u>791,142</u>	<u>679,114</u>	<u>9,622,800</u>
<u>\$ 126,743</u>	<u>\$ 2,636</u>	<u>\$ 302,085</u>	<u>\$ 662,233</u>	<u>\$ 87,874</u>	<u>\$ 1,148</u>	<u>\$ 193,135</u>	<u>\$ 598,629</u>	<u>\$ 795,816</u>	<u>\$ 770,453</u>	<u>\$ 12,315,426</u>

CITY OF LEWISVILLE, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Special Revenues

	<u>Hotel/Motel Tax</u>	<u>Recreation Activity</u>	<u>Grant</u>	<u>Public Improvement District</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>	<u>Police Asset Forfeiture</u>	<u>Employee Benevolent</u>	<u>Fire and Police Training</u>
<b>REVENUES</b>									
Taxes	\$ 1,960,910	\$ -	\$ -	\$ 15,174	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation	-	351,253	-	-	-	-	-	-	-
Investment earnings	9,033	913	202	747	190	713	642	79	386
Grants									
Culture, parks and recreation	-	-	25,936	-	-	-	-	-	-
Public safety	-	-	580,182	-	-	-	-	-	-
Public services	-	-	472,604	-	-	-	-	-	-
Community development	-	-	402,869	-	-	-	-	-	-
Contributions from property owners	-	-	-	-	-	-	-	-	-
Miscellaneous	2,397	39,478	4	-	61,847	82,729	7,041	4,259	57,591
Total revenues	<u>1,972,340</u>	<u>391,644</u>	<u>1,481,797</u>	<u>15,921</u>	<u>62,037</u>	<u>83,442</u>	<u>7,683</u>	<u>4,338</u>	<u>57,977</u>
<b>EXPENDITURES</b>									
Current									
General government	1,340,430	-	-	5,996	-	-	-	3,239	-
Culture, parks and recreation	-	385,992	6,620	-	-	-	-	-	-
Public safety	-	-	471,925	-	20,055	54,687	15,022	-	50,040
Public services	-	-	645,668	-	-	-	-	-	-
Capital outlay	-	-	500,018	-	-	-	-	-	-
Total expenditures	<u>1,340,430</u>	<u>385,992</u>	<u>1,624,231</u>	<u>5,996</u>	<u>20,055</u>	<u>54,687</u>	<u>15,022</u>	<u>3,239</u>	<u>50,040</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>631,910</u>	<u>5,652</u>	<u>(142,434)</u>	<u>9,925</u>	<u>41,982</u>	<u>28,755</u>	<u>(7,339)</u>	<u>1,099</u>	<u>7,937</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	14,881	131,207	-	-	-	-	-	59,720
Transfers out	-	-	-	-	(33,513)	(40,000)	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	8,525	-	-
Total other financing sources (uses)	<u>-</u>	<u>14,881</u>	<u>131,207</u>	<u>-</u>	<u>(33,513)</u>	<u>(40,000)</u>	<u>8,525</u>	<u>-</u>	<u>59,720</u>
<b>NET CHANGE IN FUND BALANCES</b>	631,910	20,533	(11,227)	9,925	8,469	(11,245)	1,186	1,099	67,657
<b>FUND BALANCES, beginning</b>	<u>4,775,991</u>	<u>249,145</u>	<u>73,843</u>	<u>215,634</u>	<u>58,026</u>	<u>189,619</u>	<u>101,990</u>	<u>24,058</u>	<u>59,086</u>
<b>FUND BALANCES, ending</b>	<u>\$ 5,407,901</u>	<u>\$ 269,678</u>	<u>\$ 62,616</u>	<u>\$ 225,559</u>	<u>\$ 66,495</u>	<u>\$ 178,374</u>	<u>\$ 103,176</u>	<u>\$ 25,157</u>	<u>\$ 126,743</u>

## Special Revenues

LEOSE	Donations	Police Federal Forfeiture	Juvenile Case Manager	Lewisville Local Government Corporation	PEG Programming	Crime Control and Prevention District	Fire Control, Prevention, and Emergency Medical Services District	Castle Hills Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,077	\$ 1,149,787	\$ 1,154,298	\$ -	\$ 4,473,246
-	-	-	-	-	-	-	-	-	351,253
11	599	1,698	236	1	58	281	499	96	16,384
-	-	-	-	-	-	-	-	-	25,936
-	-	-	-	-	-	-	-	-	580,182
-	-	-	-	-	-	-	-	-	472,604
-	-	-	-	-	-	-	-	-	402,869
-	-	-	-	-	-	-	-	9,034,685	9,034,685
1	395,715	567,454	81,788	710	-	-	-	-	1,301,014
12	396,314	569,152	82,024	711	193,135	1,150,068	1,154,797	9,034,781	16,658,173
-	313,759	-	-	-	-	22,235	-	686,946	2,372,605
-	2,706	-	-	-	-	-	-	-	395,318
6,697	-	64,312	60,950	-	-	216,230	27,931	-	987,849
-	677	-	-	-	-	40,263	-	-	686,608
-	12,905	48,228	-	-	-	95,110	335,724	7,668,721	8,660,706
6,697	330,047	112,540	60,950	-	-	373,838	363,655	8,355,667	13,103,086
(6,685)	66,267	456,612	21,074	711	193,135	776,230	791,142	679,114	3,555,087
-	-	-	-	-	-	-	-	-	205,808
-	(75,805)	-	(17,438)	-	-	(238,169)	-	-	(404,925)
-	-	-	-	-	-	-	-	-	8,525
-	(75,805)	-	(17,438)	-	-	(238,169)	-	-	(190,592)
(6,685)	(9,538)	456,612	3,636	711	193,135	538,061	791,142	679,114	3,364,495
9,321	213,097	205,621	82,437	437	-	-	-	-	6,258,305
\$ 2,636	\$ 203,559	\$ 662,233	\$ 86,073	\$ 1,148	\$ 193,135	\$ 538,061	\$ 791,142	\$ 679,114	\$ 9,622,800

**CITY OF LEWISVILLE, TEXAS  
HOTEL/MOTEL TAX SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-3**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 693,584	\$ 465,451
Investments	2,134,076	1,772,603
Receivables		
Accounts	1,736,428	1,439,834
Interest	2,725	3,319
Prepaid items	2,507,417	2,751,734
Total assets	<u>\$ 7,074,230</u>	<u>\$ 6,432,941</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 104,883	\$ 77,315
Deferred revenues	61,446	79,635
Due to other funds	1,500,000	1,500,000
Total liabilities	<u>1,666,329</u>	<u>1,656,950</u>
 Fund balances		
Non spendable	2,507,417	2,751,734
Spendable		
Restricted	2,900,484	2,024,257
Total fund balances	<u>5,407,901</u>	<u>4,775,991</u>
 Total liabilities and fund balances	<u>\$ 7,074,230</u>	<u>\$ 6,432,941</u>

**CITY OF LEWISVILLE, TEXAS  
HOTEL/MOTEL TAX SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-4**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Taxes	\$ 1,960,910	\$ 1,862,191
Investment earnings	9,033	9,271
Miscellaneous	2,397	58
Total revenues	<u>1,972,340</u>	<u>1,871,520</u>
<b>EXPENDITURES</b>		
Current		
General government	1,340,430	1,577,483
Capital outlay	-	14,960
Total expenditures	<u>1,340,430</u>	<u>1,592,443</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>631,910</u>	<u>279,077</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Total other financing sources (uses)	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	631,910	279,077
<b>FUND BALANCES, beginning</b>	<u>4,775,991</u>	<u>4,496,914</u>
<b>FUND BALANCES, ending</b>	<u>\$ 5,407,901</u>	<u>\$ 4,775,991</u>

**CITY OF LEWISVILLE, TEXAS  
HOTEL/MOTEL TAX SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES -BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-5**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 1,733,995	\$ 1,733,995	\$ 1,960,910	\$ 226,915
Investment earnings	8,114	8,114	9,033	919
Miscellaneous	1,450,000	1,450,000	2,397	(1,447,603)
<b>Total revenues</b>	<u>3,192,109</u>	<u>3,192,109</u>	<u>1,972,340</u>	<u>(1,219,769)</u>
<b>EXPENDITURES</b>				
Current				
General government	1,316,444	1,346,444	1,340,430	6,014
<b>Total expenditures</b>	<u>1,316,444</u>	<u>1,346,444</u>	<u>1,340,430</u>	<u>6,014</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,875,665</u>	<u>1,845,665</u>	<u>631,910</u>	<u>(1,213,755)</u>
<b>FUND BALANCES, beginning</b>	<u>4,775,991</u>	<u>4,775,991</u>	<u>4,775,991</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 6,651,656</u>	<u>\$ 6,621,656</u>	<u>\$ 5,407,901</u>	<u>\$ (1,213,755)</u>

**CITY OF LEWISVILLE, TEXAS  
RECREATION ACTIVITY SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-6**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 65,329	\$ 54,362
Investments	213,641	207,029
Receivables		
Interest	260	358
Total assets	<u>\$ 279,230</u>	<u>\$ 261,749</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 9,552	\$ 12,604
Total liabilities	<u>9,552</u>	<u>12,604</u>
Fund balances		
Spendable		
Committed	<u>269,678</u>	<u>249,145</u>
Total fund balances	<u>269,678</u>	<u>249,145</u>
Total liabilities and fund balances	<u>\$ 279,230</u>	<u>\$ 261,749</u>

**CITY OF LEWISVILLE, TEXAS  
RECREATION ACTIVITY SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-7**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Recreation	\$ 351,253	\$ 325,245
Investment earnings	913	1,194
Miscellaneous	39,478	2,037
Total revenues	<u>391,644</u>	<u>328,476</u>
<b>EXPENDITURES</b>		
Current		
Culture, parks and recreation	<u>385,992</u>	<u>368,551</u>
Total expenditures	<u>385,992</u>	<u>368,551</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,652</u>	<u>(40,075)</u>
<b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>14,881</u>	<u>-</u>
Total other financing sources (uses)	<u>14,881</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	20,533	(40,075)
<b>FUND BALANCES, beginning</b>	<u>249,145</u>	<u>289,220</u>
<b>FUND BALANCES, ending</b>	<u>\$ 269,678</u>	<u>\$ 249,145</u>

**CITY OF LEWISVILLE, TEXAS  
RECREATION ACTIVITY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-8**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Recreation	\$ 397,655	\$ 397,655	\$ 351,253	\$ (46,402)
Investment earnings	1,020	1,020	913	(107)
Miscellaneous	4,200	4,200	39,478	35,278
Total revenues	<u>402,875</u>	<u>402,875</u>	<u>391,644</u>	<u>(11,231)</u>
<b>EXPENDITURES</b>				
Current				
Culture, parks and recreation	402,875	427,732	385,992	41,740
Capital outlay	54,330	29,473	-	29,473
Total expenditures	<u>457,205</u>	<u>457,205</u>	<u>385,992</u>	<u>71,213</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(54,330)</u>	<u>(54,330)</u>	<u>5,652</u>	<u>59,982</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	14,881	14,881
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>14,881</u>	<u>14,881</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(54,330)</u>	<u>(54,330)</u>	<u>20,533</u>	<u>74,863</u>
<b>FUND BALANCES, beginning</b>	<u>249,145</u>	<u>249,145</u>	<u>249,145</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 194,815</u>	<u>\$ 194,815</u>	<u>\$ 269,678</u>	<u>\$ 74,863</u>

**CITY OF LEWISVILLE, TEXAS  
GRANT SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-9**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 8,382	\$ 9,338
Investments	27,410	35,559
Receivables		
Accounts	654,615	512,880
Interest	16	25
Prepaid items	290	-
Total assets	<u>\$ 690,713</u>	<u>\$ 557,802</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 20,499	\$ 151,952
Retainage payable	10,586	-
Deferred revenue	9,604	1,409
Due to other funds	587,408	330,598
Total liabilities	<u>628,097</u>	<u>483,959</u>
Fund balances		
Non spendable	290	-
Spendable		
Restricted	62,326	73,843
Total fund balances	<u>62,616</u>	<u>73,843</u>
 Total liabilities and fund balances	 <u>\$ 690,713</u>	 <u>\$ 557,802</u>

**CITY OF LEWISVILLE, TEXAS  
GRANT SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-10**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Investment earnings	\$ 202	\$ 77
Grants		
Culture, parks and recreation	25,936	24,424
Public safety	580,182	538,837
Public services	472,604	472,490
Community development	402,869	462,026
Miscellaneous	4	11
Total revenues	<u>1,481,797</u>	<u>1,497,865</u>
<b>EXPENDITURES</b>		
Current		
Culture, parks and recreation	6,620	24,137
Public safety	471,925	554,268
Public services	645,668	682,741
Capital outlay	500,018	318,040
Total expenditures	<u>1,624,231</u>	<u>1,579,186</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(142,434)</u>	<u>(81,321)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	131,207	80,134
Total other financing sources (uses)	<u>131,207</u>	<u>80,134</u>
<b>NET CHANGE IN FUND BALANCES</b>	(11,227)	(1,187)
<b>FUND BALANCES, beginning</b>	<u>73,843</u>	<u>75,030</u>
<b>FUND BALANCES, ending</b>	<u>\$ 62,616</u>	<u>\$ 73,843</u>

**CITY OF LEWISVILLE, TEXAS  
GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-11**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 625	\$ 625	\$ 202	\$ (423)
Grants				
Culture, parks and recreation	200,000	212,243	25,936	(186,307)
Public safety	247,442	919,757	580,182	(339,575)
Public services	719,405	1,302,322	472,604	(829,718)
Community development	-	345,195	402,869	57,674
Miscellaneous	-	-	4	4
Total revenues	<u>1,167,472</u>	<u>2,780,142</u>	<u>1,481,797</u>	<u>(1,298,345)</u>
<b>EXPENDITURES</b>				
Current				
Culture, parks and recreation	-	12,293	6,620	5,673
Public safety	502,134	702,824	471,925	230,899
Public services	780,352	1,708,464	645,668	1,062,796
Capital outlay	-	444,744	500,018	(55,274)
Total expenditures	<u>1,282,486</u>	<u>2,868,325</u>	<u>1,624,231</u>	<u>1,244,094</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(115,014)</u>	<u>(88,183)</u>	<u>(142,434)</u>	<u>(54,251)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>101,295</u>	<u>101,295</u>	<u>131,207</u>	<u>29,912</u>
Total other financing sources (uses)	<u>101,295</u>	<u>101,295</u>	<u>131,207</u>	<u>29,912</u>
<b>NET CHANGE IN FUND BALANCES</b>	(13,719)	13,112	(11,227)	(24,339)
<b>FUND BALANCES, beginning</b>	<u>73,843</u>	<u>73,843</u>	<u>73,843</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 60,124</u>	<u>\$ 86,955</u>	<u>\$ 62,616</u>	<u>\$ (24,339)</u>

**CITY OF LEWISVILLE, TEXAS  
PUBLIC IMPROVEMENT DISTRICT TAX SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-12**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 52,772	\$ 44,785
Investments	172,577	170,556
Receivables		
Interest	210	293
Total assets	<u>\$ 225,559</u>	<u>\$ 215,634</u>
 <b>FUND BALANCES</b>		
Spendable		
Restricted	<u>\$ 225,559</u>	<u>\$ 215,634</u>
Total fund balances	<u>225,559</u>	<u>215,634</u>
 Total liabilities and fund balances	<u>\$ 225,559</u>	<u>\$ 215,634</u>

**CITY OF LEWISVILLE, TEXAS  
PUBLIC IMPROVEMENT DISTRICT TAX SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-13**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Taxes	\$ 15,174	\$ 15,207
Investment earnings	747	869
Total revenues	<u>15,921</u>	<u>16,076</u>
<b>EXPENDITURES</b>		
Current		
General government	5,996	3,019
Total expenditures	<u>5,996</u>	<u>3,019</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>9,925</u>	<u>13,057</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	-	(1,560)
Total other financing sources (uses)	<u>-</u>	<u>(1,560)</u>
<b>NET CHANGE IN FUND BALANCES</b>	9,925	11,497
<b>FUND BALANCES, beginning</b>	<u>215,634</u>	<u>204,137</u>
<b>FUND BALANCES, ending</b>	<u>\$ 225,559</u>	<u>\$ 215,634</u>

**CITY OF LEWISVILLE, TEXAS  
PUBLIC IMPROVEMENT DISTRICT TAX SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-14**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 15,108	\$ 15,108	\$ 15,174	\$ 66
Investment earnings	535	535	747	212
Total revenues	<u>15,643</u>	<u>15,643</u>	<u>15,921</u>	<u>278</u>
<b>EXPENDITURES</b>				
Current				
General government	<u>15,000</u>	<u>15,000</u>	<u>5,996</u>	<u>9,004</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>5,996</u>	<u>9,004</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	643	643	9,925	9,282
<b>FUND BALANCES, beginning</b>	<u>215,634</u>	<u>215,634</u>	<u>215,634</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 216,277</u></u>	<u><u>\$ 216,277</u></u>	<u><u>\$ 225,559</u></u>	<u><u>\$ 9,282</u></u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT SECURITY SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-15**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 15,648	\$ 12,197
Investments	51,174	46,450
Receivables		
Interest	62	80
Prepaid items	318	350
Total assets	<u>\$ 67,202</u>	<u>\$ 59,077</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 707	\$ 1,051
Total liabilities	<u>707</u>	<u>1,051</u>
Fund balances		
Non spendable	318	350
Spendable		
Restricted	66,177	57,676
Total fund balances	<u>66,495</u>	<u>58,026</u>
 Total liabilities and fund balances	 <u>\$ 67,202</u>	 <u>\$ 59,077</u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT SECURITY SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-16**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Security fee	\$ 61,847	\$ 59,599
Investment earnings	190	243
Total revenues	<u>62,037</u>	<u>59,842</u>
<b>EXPENDITURES</b>		
Current		
Public safety	20,055	21,236
Total expenditures	<u>20,055</u>	<u>21,236</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>41,982</u>	<u>38,606</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	<u>(33,513)</u>	<u>(38,901)</u>
Total other financing sources (uses)	<u>(33,513)</u>	<u>(38,901)</u>
<b>NET CHANGE IN FUND BALANCES</b>	8,469	(295)
<b>FUND BALANCES, beginning</b>	<u>58,026</u>	<u>58,321</u>
<b>FUND BALANCES, ending</b>	<u>\$ 66,495</u>	<u>\$ 58,026</u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT SECURITY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-17**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Security fee	\$ 59,613	\$ 59,613	\$ 61,847	\$ 2,234
Investment earnings	214	214	190	(24)
Total revenues	<u>59,827</u>	<u>59,827</u>	<u>62,037</u>	<u>2,210</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>26,100</u>	<u>26,100</u>	<u>20,055</u>	<u>6,045</u>
Total expenditures	<u>26,100</u>	<u>26,100</u>	<u>20,055</u>	<u>6,045</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>33,727</u>	<u>33,727</u>	<u>41,982</u>	<u>8,255</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(33,513)</u>	<u>(33,513)</u>	<u>(33,513)</u>	<u>-</u>
Total other financing sources (uses)	<u>(33,513)</u>	<u>(33,513)</u>	<u>(33,513)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	214	214	8,469	8,255
<b>FUND BALANCES, beginning</b>	<u>58,026</u>	<u>58,026</u>	<u>58,026</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 58,240</u>	<u>\$ 58,240</u>	<u>\$ 66,495</u>	<u>\$ 8,255</u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT TECHNOLOGY SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-18**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 44,400	\$ 40,538
Investments	134,333	149,344
Receivables		
Interest	188	355
Total assets	<u>\$ 178,921</u>	<u>\$ 190,237</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 547	\$ 618
Total liabilities	<u>547</u>	<u>618</u>
 Fund balances		
Spendable		
Restricted	178,374	189,619
Total fund balances	<u>178,374</u>	<u>189,619</u>
 Total liabilities and fund balances	 <u>\$ 178,921</u>	 <u>\$ 190,237</u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT TECHNOLOGY SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-19**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Technology fee	\$ 82,729	\$ 79,447
Investment earnings	713	1,105
Total revenues	<u>83,442</u>	<u>80,552</u>
<b>EXPENDITURES</b>		
Current		
Public safety	54,687	48,318
Capital outlay	-	13,916
Total expenditures	<u>54,687</u>	<u>62,234</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>28,755</u>	<u>18,318</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	(40,000)	(171,000)
Total other financing sources (uses)	<u>(40,000)</u>	<u>(171,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(11,245)	(152,682)
<b>FUND BALANCES, beginning</b>	<u>189,619</u>	<u>342,301</u>
<b>FUND BALANCES, ending</b>	<u>\$ 178,374</u>	<u>\$ 189,619</u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT TECHNOLOGY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-20**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Technology fee	\$ 79,667	\$ 79,667	\$ 82,729	\$ 3,062
Investment earnings	753	753	713	(40)
Total revenues	<u>80,420</u>	<u>80,420</u>	<u>83,442</u>	<u>3,022</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>58,667</u>	<u>58,667</u>	<u>54,687</u>	<u>3,980</u>
Total expenditures	<u>58,667</u>	<u>58,667</u>	<u>54,687</u>	<u>3,980</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>21,753</u>	<u>21,753</u>	<u>28,755</u>	<u>7,002</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	(18,247)	(18,247)	(11,245)	7,002
<b>FUND BALANCES, beginning</b>				
	<u>189,619</u>	<u>189,619</u>	<u>189,619</u>	<u>-</u>
<b>FUND BALANCES, ending</b>				
	<u>\$ 171,372</u>	<u>\$ 171,372</u>	<u>\$ 178,374</u>	<u>\$ 7,002</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE ASSET FORFEITURE SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-21**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 92,041	\$ 33,542
Investments	141,349	67,948
Receivables		
Accounts	-	17,089
Interest	172	126
Total assets	<u>\$ 233,562</u>	<u>\$ 118,705</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 130,386	\$ 16,497
Due to other funds	-	218
Total liabilities	<u>130,386</u>	<u>16,715</u>
Fund balances		
Spendable		
Restricted	<u>103,176</u>	<u>101,990</u>
Total fund balances	<u>103,176</u>	<u>101,990</u>
 Total liabilities and fund balances	 <u>\$ 233,562</u>	 <u>\$ 118,705</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE ASSET FORFEITURE SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-22**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Investment earnings	\$ 642	\$ 342
Miscellaneous	7,041	17,450
Total revenues	<u>7,683</u>	<u>17,792</u>
<b>EXPENDITURES</b>		
Current		
Public safety	15,022	18,500
Total expenditures	<u>15,022</u>	<u>18,500</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,339)</u>	<u>(708)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from sale of assets	8,525	3,075
Total other financing sources (uses)	<u>8,525</u>	<u>3,075</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,186	2,367
<b>FUND BALANCES, beginning</b>	<u>101,990</u>	<u>99,623</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 103,176</u></u>	<u><u>\$ 101,990</u></u>

**CITY OF LEWISVILLE, TEXAS  
POLICE ASSET FORFEITURE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-23**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 438	\$ 438	\$ 642	\$ 204
Miscellaneous	23,500	23,500	7,041	(16,459)
Total revenues	<u>23,938</u>	<u>23,938</u>	<u>7,683</u>	<u>(16,255)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	20,000	20,000	15,022	4,978
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>15,022</u>	<u>4,978</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>3,938</u>	<u>3,938</u>	<u>(7,339)</u>	<u>(11,277)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	-	-	8,525	8,525
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,525</u>	<u>8,525</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	3,938	3,938	1,186	(2,752)
<b>FUND BALANCES, beginning</b>				
	<u>101,990</u>	<u>101,990</u>	<u>101,990</u>	<u>-</u>
<b>FUND BALANCES, ending</b>				
	<u>\$ 105,928</u>	<u>\$ 105,928</u>	<u>\$ 103,176</u>	<u>\$ (2,752)</u>

**CITY OF LEWISVILLE, TEXAS  
EMPLOYEE BENEVOLENT SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-24**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 5,910	\$ 5,008
Investments	19,323	19,075
Receivables		
Accounts	-	-
Interest	24	34
Total assets	<u>\$ 25,257</u>	<u>\$ 24,117</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 100	\$ 59
Total liabilities	<u>100</u>	<u>59</u>
Fund balances		
Spendable		
Assigned	<u>25,157</u>	<u>24,058</u>
Total fund balances	<u>25,157</u>	<u>24,058</u>
 Total liabilities and fund balances	 <u>\$ 25,257</u>	 <u>\$ 24,117</u>

**CITY OF LEWISVILLE, TEXAS  
EMPLOYEE BENEVOLENT SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-25**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Investment earnings	\$ 79	\$ 97
Miscellaneous	4,259	4,540
Total revenues	<u>4,338</u>	<u>4,637</u>
<b>EXPENDITURES</b>		
Current		
General government	3,239	3,577
Total expenditures	<u>3,239</u>	<u>3,577</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,099	1,060
<b>FUND BALANCES, beginning</b>	<u>24,058</u>	<u>22,998</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 25,157</u></u>	<u><u>\$ 24,058</u></u>

**CITY OF LEWISVILLE, TEXAS  
 FIRE AND POLICE TRAINING SPECIAL REVENUE FUND  
 COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-26**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 29,589	\$ 12,271
Investments	96,761	46,735
Receivables		
Interest	118	80
Prepaid items	275	-
Total assets	<u>\$ 126,743</u>	<u>\$ 59,086</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
 Fund balances		
Non spendable	\$ 275	\$ -
Spendable		
Committed	126,468	59,086
Total fund balances	<u>126,743</u>	<u>59,086</u>
 Total liabilities and fund balances	<u>\$ 126,743</u>	<u>\$ 59,086</u>

**CITY OF LEWISVILLE, TEXAS  
 FIRE AND POLICE TRAINING SPECIAL REVENUE FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
 ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-27**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Charges for services	\$ 12,995	\$ 13,062
Investment earnings	386	228
Miscellaneous	44,596	-
Total revenues	<u>57,977</u>	<u>13,290</u>
<b>EXPENDITURES</b>		
Current		
Public safety	<u>50,040</u>	<u>4,933</u>
Total expenditures	<u>50,040</u>	<u>4,933</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>7,937</u>	<u>8,357</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	<u>59,720</u>	<u>-</u>
Total other financing sources (uses)	<u>59,720</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	67,657	8,357
<b>FUND BALANCES, beginning</b>	<u>59,086</u>	<u>50,729</u>
<b>FUND BALANCES, ending</b>	<u>\$ 126,743</u>	<u>\$ 59,086</u>

**CITY OF LEWISVILLE, TEXAS  
 FIRE AND POLICE TRAINING SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-28**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 20,070	\$ 20,070	\$ 12,995	\$ (7,075)
Investment earnings	189	189	386	197
Miscellaneous	58,700	75,700	44,596	(31,104)
<b>Total revenues</b>	<b>78,959</b>	<b>95,959</b>	<b>57,977</b>	<b>(37,982)</b>
<b>EXPENDITURES</b>				
Current				
Public safety	74,598	91,598	50,040	41,558
<b>Total expenditures</b>	<b>74,598</b>	<b>91,598</b>	<b>50,040</b>	<b>41,558</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,361</b>	<b>4,361</b>	<b>7,937</b>	<b>3,576</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	59,720	59,720
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>59,720</b>	<b>59,720</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>4,361</b>	<b>4,361</b>	<b>67,657</b>	<b>63,296</b>
<b>FUND BALANCES, beginning</b>	<b>59,086</b>	<b>59,086</b>	<b>59,086</b>	<b>-</b>
<b>FUND BALANCES, ending</b>	<b>\$ 63,447</b>	<b>\$ 63,447</b>	<b>\$ 126,743</b>	<b>\$ 63,296</b>

**CITY OF LEWISVILLE, TEXAS  
LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-29**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 69	\$ 1,450
Investments	227	5,522
Receivables		
Interest	-	9
Prepaid items	2,340	2,340
Total assets	<u>\$ 2,636</u>	<u>\$ 9,321</u>
 <b>FUND BALANCES</b>		
Non spendable	\$ 2,340	\$ 2,340
Spendable		
Restricted	296	6,981
Total fund balances	<u>2,636</u>	<u>9,321</u>
 Total liabilities and fund balances	<u>\$ 2,636</u>	<u>\$ 9,321</u>

**CITY OF LEWISVILLE, TEXAS  
LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION  
SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-30**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Investment earnings	\$ 11	\$ 39
Miscellaneous	1	9,431
Total revenues	<u>12</u>	<u>9,470</u>
<b>EXPENDITURES</b>		
Current		
Public safety	<u>6,697</u>	<u>11,629</u>
Total expenditures	<u>6,697</u>	<u>11,629</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(6,685)	(2,159)
<b>FUND BALANCES, beginning</b>	<u>9,321</u>	<u>11,480</u>
<b>FUND BALANCES, ending</b>	<u>\$ 2,636</u>	<u>\$ 9,321</u>

**CITY OF LEWISVILLE, TEXAS  
LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-31**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 28	\$ 28	\$ 11	\$ (17)
Miscellaneous	10,000	10,000	1	(9,999)
Total revenues	10,028	10,028	12	(10,016)
<b>EXPENDITURES</b>				
Current				
Public safety	11,985	11,985	6,697	5,288
Total expenditures	11,985	11,985	6,697	5,288
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(1,957)	(1,957)	(6,685)	(4,728)
<b>FUND BALANCES, beginning</b>				
	9,321	9,321	9,321	-
<b>FUND BALANCES, ending</b>				
	\$ 7,364	\$ 7,364	\$ 2,636	\$ (4,728)

**CITY OF LEWISVILLE, TEXAS  
DONATIONS SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-32**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 80,232	\$ 44,755
Investments	148,496	170,451
Receivables		
Accounts	71,451	451
Interest	146	291
Prepaid items	1,760	-
Total assets	<u>\$ 302,085</u>	<u>\$ 215,948</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 38,175	\$ 2,500
Deferred revenue	60,351	351
Total liabilities	<u>98,526</u>	<u>2,851</u>
 Fund balances		
Non spendable	1,760	-
Spendable		
Committed	201,799	-
Assigned	-	213,097
Total fund balances	<u>203,559</u>	<u>213,097</u>
 Total liabilities and fund balances	<u>\$ 302,085</u>	<u>\$ 215,948</u>

**CITY OF LEWISVILLE, TEXAS  
DONATIONS SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-33**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Investment earnings	\$ 599	\$ 1,115
Miscellaneous	395,715	409,301
Total revenues	<u>396,314</u>	<u>410,416</u>
<b>EXPENDITURES</b>		
Current		
General government	313,759	228,980
Culture, parks and recreation	2,706	14,354
Public safety	-	36,265
Public services	677	-
Capital outlay	12,905	84,780
Total expenditures	<u>330,047</u>	<u>364,379</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	66,267	46,037
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	(75,805)	-
Total other financing sources	<u>(75,805)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(9,538)	46,037
<b>FUND BALANCES, beginning</b>	<u>213,097</u>	<u>167,060</u>
<b>FUND BALANCES, ending</b>	<u>\$ 203,559</u>	<u>\$ 213,097</u>

**CITY OF LEWISVILLE, TEXAS  
DONATIONS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-34**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 599	\$ 599
Miscellaneous	332,877	362,353	395,715	33,362
Total revenues	<u>332,877</u>	<u>362,353</u>	<u>396,314</u>	<u>33,961</u>
<b>EXPENDITURES</b>				
Current				
General government	330,252	366,526	313,759	52,767
Culture, parks and recreation	-	29,476	2,706	26,770
Public services	-	-	677	(677)
Capital outlay	-	13,000	12,905	95
Total expenditures	<u>330,252</u>	<u>409,002</u>	<u>330,047</u>	<u>78,955</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,625</u>	<u>(46,649)</u>	<u>66,267</u>	<u>112,916</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(75,805)	(75,805)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(75,805)</u>	<u>(75,805)</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,625	(46,649)	(9,538)	37,111
<b>FUND BALANCES, beginning</b>	<u>213,097</u>	<u>213,097</u>	<u>213,097</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 215,722</u>	<u>\$ 166,448</u>	<u>\$ 203,559</u>	<u>\$ 37,111</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE FEDERAL FORFEITURE SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-35**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 154,937	\$ 38,573
Investments	506,679	166,776
Receivables		
Interest	617	272
Total assets	<u>\$ 662,233</u>	<u>\$ 205,621</u>
 <b>FUND BALANCES</b>		
Spendable		
Restricted	<u>\$ 662,233</u>	<u>\$ 205,621</u>
Total fund balances	<u>662,233</u>	<u>205,621</u>
 Total liabilities and fund balances	<u>\$ 662,233</u>	<u>\$ 205,621</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE FEDERAL FORFEITURE SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-36**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Investment earnings	\$ 1,698	\$ 880
Miscellaneous	567,454	200,444
Total revenues	<u>569,152</u>	<u>201,324</u>
<b>EXPENDITURES</b>		
Current		
Public safety	64,312	18,623
Capital outlay	48,228	-
Total expenditures	<u>112,540</u>	<u>18,623</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>456,612</u>	<u>182,701</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	-	(165,000)
Total other financing sources (uses)	<u>-</u>	<u>(165,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	456,612	17,701
<b>FUND BALANCES, beginning</b>	<u>205,621</u>	<u>187,920</u>
<b>FUND BALANCES, ending</b>	<u>\$ 662,233</u>	<u>\$ 205,621</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE FEDERAL FORFEITURE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-37**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 644	\$ 644	\$ 1,698	\$ 1,054
Miscellaneous	94,000	94,000	567,454	473,454
Total revenues	<u>94,644</u>	<u>94,644</u>	<u>569,152</u>	<u>474,508</u>
<b>EXPENDITURES</b>				
Current				
Public safety	78,098	83,775	64,312	19,463
Capital outlay	24,000	48,228	48,228	-
Total expenditures	<u>102,098</u>	<u>132,003</u>	<u>112,540</u>	<u>19,463</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,454)</u>	<u>(37,359)</u>	<u>456,612</u>	<u>493,971</u>
<b>FUND BALANCES, beginning</b>	<u>205,621</u>	<u>205,621</u>	<u>205,621</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 198,167</u></u>	<u><u>\$ 168,262</u></u>	<u><u>\$ 662,233</u></u>	<u><u>\$ 493,971</u></u>

**CITY OF LEWISVILLE, TEXAS  
 JUVENILE CASE MANAGER SPECIAL REVENUE FUND  
 COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-38**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 20,559	\$ 17,459
Investments	67,233	66,489
Interest	82	114
Total assets	<u>\$ 87,874</u>	<u>\$ 84,062</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	<u>\$ 1,801</u>	<u>\$ 1,625</u>
Total liabilities	<u>1,801</u>	<u>1,625</u>
Fund balances		
Spendable		
Restricted	<u>86,073</u>	<u>82,437</u>
Total fund balances	<u>86,073</u>	<u>82,437</u>
Total liabilities and fund balances	<u>\$ 87,874</u>	<u>\$ 84,062</u>

**CITY OF LEWISVILLE, TEXAS  
 JUVENILE CASE MANAGER SPECIAL REVENUE FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
 ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-39**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Manager fee	\$ 81,788	\$ 78,641
Investment earnings	236	326
Total revenues	<u>82,024</u>	<u>78,967</u>
<b>EXPENDITURES</b>		
Current		
Public safety	60,950	55,976
Total expenditures	<u>60,950</u>	<u>55,976</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>21,074</u>	<u>22,991</u>
<b>OTHER FINANCING USES</b>		
Transfers out	(17,438)	(25,000)
Total other financing uses	<u>(17,438)</u>	<u>(25,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,636	(2,009)
<b>FUND BALANCES, beginning</b>	<u>82,437</u>	<u>84,446</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 86,073</u></u>	<u><u>\$ 82,437</u></u>

**CITY OF LEWISVILLE, TEXAS  
 JUVENILE CASE MANAGER SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-40**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Manager fee	\$ 78,622	\$ 78,622	\$ 81,788	\$ 3,166
Investment earnings	333	333	236	(97)
<b>Total revenues</b>	<b>78,955</b>	<b>78,955</b>	<b>82,024</b>	<b>3,069</b>
<b>EXPENDITURES</b>				
Current				
Public safety	61,411	61,411	60,950	461
<b>Total expenditures</b>	<b>61,411</b>	<b>61,411</b>	<b>60,950</b>	<b>461</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>17,544</b>	<b>17,544</b>	<b>21,074</b>	<b>3,530</b>
Transfers out	(17,438)	(17,438)	(17,438)	-
<b>Total other financing uses</b>	<b>(17,438)</b>	<b>(17,438)</b>	<b>(17,438)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>106</b>	<b>106</b>	<b>3,636</b>	<b>3,530</b>
<b>FUND BALANCES, beginning</b>	<b>82,437</b>	<b>82,437</b>	<b>82,437</b>	<b>-</b>
<b>FUND BALANCES, ending</b>	<b>\$ 82,543</b>	<b>\$ 82,543</b>	<b>\$ 86,073</b>	<b>\$ 3,530</b>

**CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE LOCAL GOVERNMENT CORPORATION FUND  
 COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-41**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 268	\$ 91
Investments	879	345
Interest	1	1
Total assets	<u>\$ 1,148</u>	<u>\$ 437</u>
 <b>FUND BALANCES</b>		
Spendable		
Committed	\$ 1,148	\$ 437
Total fund balances	<u>1,148</u>	<u>437</u>
 Total liabilities and fund balances	<u>\$ 1,148</u>	<u>\$ 437</u>

**CITY OF LEWISVILLE, TEXAS  
LEWISVILLE LOCAL GOVERNMENT CORPORATION FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-42**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Investment earnings	\$ 1	\$ 1,073
Miscellaneous	710	685,506
Total revenues	<u>711</u>	<u>686,579</u>
<b>EXPENDITURES</b>		
Current		
General government	-	4,481
Total expenditures	<u>-</u>	<u>4,481</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>711</u>	<u>682,098</u>
<b>OTHER FINANCING USES</b>		
Transfers out	-	(746,988)
Total other financing uses	<u>-</u>	<u>(746,988)</u>
<b>NET CHANGE IN FUND BALANCES</b>	711	(64,890)
<b>FUND BALANCES, beginning</b>	<u>437</u>	<u>65,327</u>
<b>FUND BALANCES, ending</b>	<u>\$ 1,148</u>	<u>\$ 437</u>

**CITY OF LEWISVILLE, TEXAS  
LEWISVILLE LOCAL GOVERNMENT CORPORATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-43**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 2,542	\$ 2,542	\$ 1	\$ (2,541)
Miscellaneous	-	-	710	710
Total revenues	<u>2,542</u>	<u>2,542</u>	<u>711</u>	<u>(1,831)</u>
<b>EXPENDITURES</b>				
Current				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,542	2,542	711	(1,831)
<b>FUND BALANCES, beginning</b>	<u>437</u>	<u>437</u>	<u>437</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 2,979</u>	<u>\$ 2,979</u>	<u>\$ 1,148</u>	<u>\$ (1,831)</u>

**CITY OF LEWISVILLE, TEXAS  
 PEG PROGRAMMING SPECIAL REVENUE FUND  
 COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-44**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 30,245	\$ -
Investments	98,908	-
Receivables		
Accounts	63,935	-
Interest	47	-
Total assets	<u>\$ 193,135</u>	<u>\$ -</u>
 <b>FUND BALANCES</b>		
Spendable		
Restricted	\$ 193,135	\$ -
Total fund balances	<u>193,135</u>	<u>-</u>
 Total liabilities and fund balances	<u>\$ 193,135</u>	<u>\$ -</u>

**CITY OF LEWISVILLE, TEXAS  
 PEG PROGRAMMING SPECIAL REVENUE FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
 ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-45**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Franchise	\$ 193,077	\$ -
Investment earnings	58	-
Total revenues	<u>193,135</u>	<u>-</u>
<b>EXPENDITURES</b>		
Current		
General government	-	-
Total expenditures	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	193,135	-
<b>FUND BALANCES, beginning</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 193,135</u></u>	<u><u>\$ -</u></u>

**CITY OF LEWISVILLE, TEXAS  
 CRIME CONTROL AND PREVENTION DISTRICT FUND  
 COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-46**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 48,676	\$ -
Investments	159,183	-
Receivables		
Accounts	389,796	-
Interest	194	-
Prepaid items	780	-
Total assets	<u>\$ 598,629</u>	<u>\$ -</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 60,568	\$ -
Total liabilities	<u>60,568</u>	<u>-</u>
 Fund balances		
Non spendable	780	-
Spendable		
Restricted	537,281	-
Total fund balances	<u>538,061</u>	<u>-</u>
 Total liabilities and fund balances	<u>\$ 598,629</u>	<u>\$ -</u>

**CITY OF LEWISVILLE, TEXAS  
 CRIME CONTROL AND PREVENTION DISTRICT FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
 ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-47**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Taxes	\$ 1,149,787	\$ -
Investment earnings	281	-
Total revenues	<u>1,150,068</u>	<u>-</u>
<b>EXPENDITURES</b>		
Current		
General government	22,235	-
Public safety	216,230	-
Public services	40,263	-
Capital outlay	95,110	-
Total expenditures	<u>373,838</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>776,230</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	(238,169)	-
Total other financing sources (uses)	<u>(238,169)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	538,061	-
<b>FUND BALANCES, beginning</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 538,061</u>	<u>\$ -</u>

**CITY OF LEWISVILLE, TEXAS  
 CRIME CONTROL AND PREVENTION DISTRICT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-48**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ -	\$ 1,259,701	\$ 1,149,787	\$ (109,914)
Investment earnings	-	12,597	281	(12,316)
Total revenues	-	1,272,298	1,150,068	(122,230)
<b>EXPENDITURES</b>				
Current				
General government	-	38,471	22,235	16,236
Public safety	-	482,395	216,230	266,165
Public services	-	149,201	40,263	108,938
Capital outlay	-	142,000	95,110	46,890
Total expenditures	-	812,067	373,838	438,229
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	460,231	776,230	315,999
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(238,169)	(238,169)	-
Total other financing sources (uses)	-	(238,169)	(238,169)	-
<b>NET CHANGE IN FUND BALANCES</b>	-	222,062	538,061	315,999
<b>FUND BALANCES, beginning</b>	-	-	-	-
<b>FUND BALANCES, ending</b>	\$ -	\$ 222,062	\$ 538,061	\$ 315,999

**CITY OF LEWISVILLE, TEXAS  
 FIRE CONTROL, PREVENTION, AND EMERGENCY  
 MEDICAL SERVICES DISTRICT FUND  
 COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-49**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 93,209	\$ -
Investments	304,815	-
Receivables		
Accounts	392,497	-
Interest	371	-
Prepaid items	4,924	-
Total assets	<u>\$ 795,816</u>	<u>\$ -</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 4,674	\$ -
Total liabilities	<u>4,674</u>	<u>-</u>
 Fund balances		
Non spendable	4,924	-
Spendable		
Restricted	786,218	-
Total fund balances	<u>791,142</u>	<u>-</u>
 Total liabilities and fund balances	<u>\$ 795,816</u>	<u>\$ -</u>

**CITY OF LEWISVILLE, TEXAS  
 FIRE CONTROL, PREVENTION, AND EMERGENCY  
 MEDICAL SERVICES DISTRICT FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
 ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-50**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Taxes	\$ 1,154,298	\$ -
Investment earnings	499	-
Total revenues	<u>1,154,797</u>	<u>-</u>
<b>EXPENDITURES</b>		
Current		
Public safety	27,931	-
Capital outlay	335,724	-
Total expenditures	<u>363,655</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	791,142	-
<b>FUND BALANCES, beginning</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 791,142</u>	<u>\$ -</u>

**CITY OF LEWISVILLE, TEXAS  
 FIRE CONTROL, PREVENTION, AND EMERGENCY  
 MEDICAL SERVICES DISTRICT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT F-51**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ -	\$ 1,259,701	\$ 1,154,298	\$ (105,403)
Investment earnings	-	12,597	499	(12,098)
Total revenues	-	1,272,298	1,154,797	(117,501)
<b>EXPENDITURES</b>				
Current				
Public safety	-	22,932	27,931	(4,999)
Public services	-	-	-	-
Capital outlay	-	352,714	335,724	16,990
Total expenditures	-	375,646	363,655	11,991
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	896,652	791,142	(105,510)
<b>FUND BALANCES, beginning</b>	-	-	-	-
<b>FUND BALANCES, ending</b>	\$ -	\$ 896,652	\$ 791,142	\$ (105,510)

**CITY OF LEWISVILLE, TEXAS  
 CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT  
 CAPITAL PROJECTS FUND  
 COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-52**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 770,453	\$ -
Total assets	<u>\$ 770,453</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 83,296	\$ -
Retainage payable	8,043	-
Total liabilities	<u>91,339</u>	<u>-</u>
Fund balances		
Spendable		
Restricted	679,114	-
Total fund balances	<u>679,114</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 770,453</u>	<u>\$ -</u>

**CITY OF LEWISVILLE, TEXAS  
 CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT  
 CAPITAL PROJECTS FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
 ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT F-53**

	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>		
Investment earnings	\$ 96	\$ -
Contributions from property owners	9,034,685	-
Total revenues	<u>9,034,781</u>	<u>-</u>
<b>EXPENDITURES</b>		
Interest and fiscal charges	686,946	-
Capital outlay	7,668,721	-
Total expenditures	<u>8,355,667</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	679,114	-
<b>FUND BALANCES, beginning</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 679,114</u>	<u>\$ -</u>

## INTERNAL SERVICE FUNDS

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Internal Service funds are used to account for the financing of goods or services provided by one department to other departments within the City, on a user charge basis.

### **SELF-INSURANCE RISK FUND**

To account for the funds accumulated for defined risk of workers' compensation, unemployment and liability/property casualty programs. Revenues are from premiums charged to departments and funds are disbursed accordingly to program expenses such as claim payments, administrative costs and reinsurance premiums.

### **HEALTH INSURANCE RISK POOL FUND**

To account for the funds accumulated from premium charges to departments and employees for health and dental coverage programs. Expenses include claim payments, administrative costs, and reinsurance premiums.

### **MAINTENANCE AND REPLACEMENT FUND**

To provide for fleet maintenance services for City departments and account for the purchase of all vehicles and major equipment operated by the City. Departments pay monthly charges to provide funds for future replacement of capital assets as well as reimburse fund for current fleet repairs and maintenance.

**CITY OF LEWISVILLE, TEXAS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2012 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2011**

	<u>Self Insurance Risk</u>	<u>Health Insurance Risk Pool</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 1,222,864	\$ 716,656
Investments	5,552,403	34,585
Receivables		
Accounts	-	-
Interest	7,192	-
Other	-	17,013
Due from other funds	-	-
Inventory of supplies, at cost	-	-
Prepaid items	35,372	20,523
Total current assets	<u>6,817,831</u>	<u>788,777</u>
Noncurrent assets		
Capital assets		
Other improvements	274,272	-
Machinery and equipment	635,926	-
Vehicles	-	-
Accumulated depreciation	(573,935)	-
Capital assets, net of accumulated depreciation	<u>336,263</u>	<u>-</u>
Total assets	<u>7,154,094</u>	<u>788,777</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	43,161	2,439
Incurred but not reported claim reserve	450,123	758,529
Accrued liabilities	-	-
Due to other funds	-	-
Total liabilities	<u>493,284</u>	<u>760,968</u>
<b>NET ASSETS</b>		
Invested in capital assets	336,263	-
Unrestricted	6,324,547	27,809
Net assets	<u>\$ 6,660,810</u>	<u>\$ 27,809</u>

**EXHIBIT G-1**

<b>Maintenance and Replacement</b>	<b>Totals</b>	
	<b>September 30, 2012</b>	<b>September 30, 2011</b>
\$ 935,611	\$ 2,875,131	\$ 2,922,972
3,059,663	8,646,651	10,667,468
-	-	74,325
3,718	10,910	16,770
-	17,013	8,351
1,500,000	1,500,000	1,500,000
104,672	104,672	102,852
5,337	61,232	1,224,906
<u>5,609,001</u>	<u>13,215,609</u>	<u>16,517,644</u>
-	274,272	274,272
4,603,828	5,239,754	4,827,552
19,466,810	19,466,810	17,007,789
(18,467,750)	(19,041,685)	(17,320,175)
<u>5,602,888</u>	<u>5,939,151</u>	<u>4,789,438</u>
<u>11,211,889</u>	<u>19,154,760</u>	<u>21,307,082</u>
1,283	46,883	20,241
-	1,208,652	1,348,807
73,926	73,926	69,011
-	-	275,405
<u>75,209</u>	<u>1,329,461</u>	<u>1,713,464</u>
5,602,888	5,939,151	4,789,438
5,533,792	11,886,148	14,804,180
<u>\$ 11,136,680</u>	<u>\$ 17,825,299</u>	<u>\$ 19,593,618</u>

**CITY OF LEWISVILLE, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET ASSETS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012 WITH  
COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	<b>Self Insurance Risk</b>	<b>Health Insurance Risk Pool</b>
	<u>          </u>	<u>          </u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 1,483,089	\$ 6,900,573
Miscellaneous	550	30
Total operating revenues	<u>1,483,639</u>	<u>6,900,603</u>
 <b>OPERATING EXPENSES</b>		
Cost of sales and services, net of reimbursements	1,185,303	7,111,700
Administrative	-	753,548
Depreciation	37,899	-
Total operating expenses	<u>1,223,202</u>	<u>7,865,248</u>
 Operating income (loss)	<u>260,437</u>	<u>(964,645)</u>
 <b>NONOPERATING REVENUES</b>		
Investment earnings	25,200	1,893
Gain (loss) on disposal of assets	-	-
Total nonoperating revenues	<u>25,200</u>	<u>1,893</u>
 <b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>285,637</u>	<u>(962,752)</u>
 <b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers in	-	500,000
Transfers out	(1,221,000)	-
Intragovernmental contributions	-	-
Contributions from other funds	-	-
Other contributions	-	-
Total transfers and capital contributions	<u>(1,221,000)</u>	<u>500,000</u>
 <b>CHANGE IN NET ASSETS</b>	(935,363)	(462,752)
 <b>NET ASSETS, beginning</b>	<u>7,596,173</u>	<u>490,561</u>
 <b>NET ASSETS, ending</b>	<u>\$ 6,660,810</u>	<u>\$ 27,809</u>

**EXHIBIT G-2**

<b>Maintenance and Replacement</b>	<b>Totals</b>	
	<b>September 30, 2012</b>	<b>September 30, 2011</b>
\$ 2,080,734	\$ 10,464,396	\$ 9,398,480
81	661	144,690
<u>2,080,815</u>	<u>10,465,057</u>	<u>9,543,170</u>
933	8,297,936	8,330,504
676,832	1,430,380	2,096,123
2,069,446	2,107,345	1,902,273
<u>2,747,211</u>	<u>11,835,661</u>	<u>12,328,900</u>
<u>(666,396)</u>	<u>(1,370,604)</u>	<u>(2,785,730)</u>
13,790	40,883	51,705
78,958	78,958	206,156
<u>92,748</u>	<u>119,841</u>	<u>257,861</u>
<u>(573,648)</u>	<u>(1,250,763)</u>	<u>(2,527,869)</u>
-	500,000	233,218
-	(1,221,000)	(225,000)
-	-	21,001
203,444	203,444	-
-	-	100,000
<u>203,444</u>	<u>(517,556)</u>	<u>129,219</u>
(370,204)	(1,768,319)	(2,398,650)
<u>11,506,884</u>	<u>19,593,618</u>	<u>21,992,268</u>
<u>\$ 11,136,680</u>	<u>\$ 17,825,299</u>	<u>\$ 19,593,618</u>

**CITY OF LEWISVILLE, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2012 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR  
ENDED SEPTEMBER 30, 2011**

	<b>Self Insurance Risk</b>	<b>Health Insurance Risk Pool</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from transactions with other funds	\$ 1,488,894	\$ 6,610,701
Cash paid to employees for services	-	-
Cash paid for goods and services	(1,069,427)	(751,466)
Cash paid for claims	(327,100)	(7,018,643)
Cash received for miscellaneous items	550	30
Net cash provided by (used in) operating activities	<u>92,917</u>	<u>(1,159,378)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in from other funds	-	500,000
Transfers out to other funds	(1,221,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(1,221,000)</u>	<u>500,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(110,838)	-
Proceeds from the sale of equipment	-	-
Net cash provided by (used in) capital and related financing activities	<u>(110,838)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(8,088,740)	(5,525,485)
Proceeds from sale and maturities of investments	8,841,170	6,529,626
Interest received	28,829	2,241
Net cash provided by (used in) investing activities	<u>781,259</u>	<u>1,006,382</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(457,662)	347,004
<b>CASH, beginning of year</b>	<u>1,680,526</u>	<u>369,652</u>
<b>CASH, end of year</b>	<u><u>\$ 1,222,864</u></u>	<u><u>\$ 716,656</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 260,437	\$ (964,645)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	37,899	-
Change in assets and liabilities		
(Increase) decrease in accounts receivable	5,805	(14,467)
(Increase) decrease in inventory	-	-
(Increase) decrease in prepaid expenses	(5,432)	2,082
Increase (decrease) in accounts and claims payable	(205,792)	93,057
Increase (decrease) in accrued liabilities	-	-
Increase (decrease) in due to other funds	-	(275,405)
Total adjustments	<u>(167,520)</u>	<u>(194,733)</u>
Net cash provided by (used in) operating activities	<u><u>\$ 92,917</u></u>	<u><u>\$ (1,159,378)</u></u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
From contributions of capital assets	\$ -	\$ -
Increase (decrease) in fair value of investments	4,347	(392)
From intragovernmental contributions	-	-
From prior year prepayment of capital asset	-	-

Maintenance and Replacement	Totals	
	September 30, 2012	September 30, 2011
\$ 2,155,059	\$ 10,254,654	\$ 9,601,126
(365,687)	(365,687)	(361,226)
(310,198)	(2,131,091)	(3,912,810)
-	(7,345,743)	(6,833,662)
81	661	144,690
<u>1,479,256</u>	<u>412,795</u>	<u>(1,361,882)</u>
-	500,000	233,218
-	(1,221,000)	(225,000)
-	(721,000)	8,218
(1,786,245)	(1,897,083)	(1,353,219)
89,887	89,887	289,678
<u>(1,696,358)</u>	<u>(1,807,196)</u>	<u>(1,063,541)</u>
(4,457,316)	(18,071,541)	(18,169,724)
4,721,562	20,092,358	20,217,683
15,673	46,743	74,890
<u>279,919</u>	<u>2,067,560</u>	<u>2,122,849</u>
62,817	(47,841)	(294,356)
<u>872,794</u>	<u>2,922,972</u>	<u>3,217,328</u>
<u>\$ 935,611</u>	<u>\$ 2,875,131</u>	<u>\$ 2,922,972</u>
\$ (666,396)	\$ (1,370,604)	\$ (2,785,730)
2,069,446	2,107,345	1,902,273
74,325	65,663	(72,759)
(1,820)	(1,820)	(5,753)
(437)	(3,787)	(1,124,284)
(778)	(113,513)	454,865
4,915	4,915	(5,899)
-	(275,405)	275,405
<u>2,145,652</u>	<u>1,783,399</u>	<u>1,423,848</u>
<u>\$ 1,479,256</u>	<u>\$ 412,795</u>	<u>\$ (1,361,882)</u>
\$ -	\$ -	\$ 100,000
2,249	6,204	25,714
203,444	203,444	21,001
1,167,461	1,167,461	-

**CITY OF LEWISVILLE, TEXAS  
 SELF-INSURANCE RISK INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENTS OF NET ASSETS  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT G-4**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 1,222,864	\$ 1,680,526
Investments	5,552,403	6,304,833
Receivables		
Interest	7,192	10,821
Other	-	5,805
Prepaid items	35,372	29,940
Total current assets	<u>6,817,831</u>	<u>8,031,925</u>
Noncurrent assets		
Capital assets		
Other improvements	274,272	274,272
Machinery and equipment	635,926	525,087
Accumulated depreciation	(573,935)	(536,035)
Capital assets, net of accumulated depreciation	<u>336,263</u>	<u>263,324</u>
Total assets	<u>7,154,094</u>	<u>8,295,249</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	43,161	18,180
Incurred but not reported claim reserve	450,123	680,896
Total liabilities	<u>493,284</u>	<u>699,076</u>
<b>NET ASSETS</b>		
Invested in capital assets	336,263	263,324
Unrestricted	6,324,547	7,332,849
Total net assets	<u>\$ 6,660,810</u>	<u>\$ 7,596,173</u>

**CITY OF LEWISVILLE, TEXAS  
 SELF-INSURANCE RISK INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS FOR THE YEARS ENDED  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT G-5**

	<u>2012</u>	<u>2011</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 1,483,089	\$ 1,465,170
Miscellaneous	550	121
Total operating revenues	<u>1,483,639</u>	<u>1,465,291</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services		
Life insurance	314,207	315,914
Workers' compensation	181,104	867,068
Long term disability	65,898	65,346
Liability and property/casualty	517,070	554,169
Unemployment benefits	21,168	16,751
Employee assistance program	22,916	21,109
Contractual services	62,940	-
Depreciation	37,899	29,948
Total cost of sales and services, net of reimbursements	<u>1,223,202</u>	<u>1,870,305</u>
Operating income (loss)	<u>260,437</u>	<u>(405,014)</u>
<b>NONOPERATING REVENUES</b>		
Investment earnings	25,200	30,643
Total nonoperating revenues	<u>25,200</u>	<u>30,643</u>
Transfers out	<u>(1,221,000)</u>	<u>(225,000)</u>
Total transfers and capital contributions	<u>(1,221,000)</u>	<u>(225,000)</u>
<b>CHANGE IN NET ASSETS</b>	(935,363)	(599,371)
<b>NET ASSETS, beginning</b>	<u>7,596,173</u>	<u>8,195,544</u>
<b>NET ASSETS, ending</b>	<u>\$ 6,660,810</u>	<u>\$ 7,596,173</u>

**CITY OF LEWISVILLE, TEXAS  
 SELF-INSURANCE RISK INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENTS OF CASH FLOWS  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT G-6**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from transactions with other funds	\$ 1,488,894	\$ 1,460,219
Cash paid for goods and services	(1,069,427)	(997,771)
Cash paid for claims	(327,100)	(379,415)
Cash received for miscellaneous items	550	121
	<u>92,917</u>	<u>83,154</u>
Net cash provided by (used in) operating activities		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers out to other funds	<u>(1,221,000)</u>	<u>(225,000)</u>
Net cash provided by (used in) noncapital financing activities	<u>(1,221,000)</u>	<u>(225,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	<u>(110,838)</u>	<u>(16,376)</u>
Net cash provided by (used in) capital and related financing activities	<u>(110,838)</u>	<u>(16,376)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(8,088,740)	(9,222,365)
Proceeds from sale and maturities of investments	8,841,170	9,350,595
Interest received	28,829	34,342
	<u>781,259</u>	<u>162,572</u>
Net cash provided by (used in) investing activities		
<b>NET INCREASE (DECREASE) IN CASH</b>	(457,662)	4,350
<b>CASH, beginning of year</b>	<u>1,680,526</u>	<u>1,676,176</u>
<b>CASH, end of year</b>	<u>\$ 1,222,864</u>	<u>\$ 1,680,526</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	<u>\$ 260,437</u>	<u>\$ (405,014)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	37,899	29,948
Change in assets and liabilities		
(Increase) decrease in accounts receivable	5,805	(4,951)
(Increase) decrease in prepaid expenses	(5,432)	37,847
Increase (decrease) in accounts and claims payable	(205,792)	425,324
	<u>(167,520)</u>	<u>488,168</u>
Total adjustments		
Net cash provided by (used in) operating activities	<u>\$ 92,917</u>	<u>\$ 83,154</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
Increase (decrease) in fair value of investments	\$ 4,347	\$ 13,350

**CITY OF LEWISVILLE, TEXAS  
HEALTH INSURANCE RISK POOL INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF NET ASSETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT G-7**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 716,656	\$ 369,652
Investments	34,585	1,038,726
Receivables		
Interest	-	348
Other	17,013	2,546
Prepaid items	20,523	22,605
Total assets	<u>788,777</u>	<u>1,433,877</u>
<b>LIABILITIES</b>		
Current liabilities		
Due to other funds	-	275,405
Accounts payable	2,439	-
Incurred but not reported claim reserve	758,529	667,911
Total liabilities	<u>760,968</u>	<u>943,316</u>
<b>NET ASSETS</b>		
Unrestricted	27,809	490,561
Total net assets	<u>\$ 27,809</u>	<u>\$ 490,561</u>

**CITY OF LEWISVILLE, TEXAS  
HEALTH INSURANCE RISK POOL INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS FOR THE FISCAL YEARS ENDED  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT G-8**

	<u>2012</u>	<u>2011</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 6,900,573	\$ 5,851,893
Miscellaneous	30	144,444
Total operating revenues	<u>6,900,603</u>	<u>5,996,337</u>
<b>OPERATING EXPENSES</b>		
Health claims administration	753,548	560,486
Benefits and insurance	7,111,700	6,489,227
Total operating expenses	<u>7,865,248</u>	<u>7,049,713</u>
Operating income (loss)	<u>(964,645)</u>	<u>(1,053,376)</u>
<b>NONOPERATING REVENUES</b>		
Investment earnings	1,893	2,396
Total nonoperating revenues	<u>1,893</u>	<u>2,396</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>(962,752)</u>	<u>(1,050,980)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers in	500,000	225,000
Total transfers and capital contributions	<u>500,000</u>	<u>225,000</u>
<b>CHANGE IN NET ASSETS</b>	(462,752)	(825,980)
<b>NET ASSETS, beginning</b>	<u>490,561</u>	<u>1,316,541</u>
<b>NET ASSETS, ending</b>	<u>\$ 27,809</u>	<u>\$ 490,561</u>

**CITY OF LEWISVILLE, TEXAS  
HEALTH INSURANCE RISK POOL INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT G-9**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from transactions with other funds	\$ 6,610,701	\$ 6,133,815
Cash paid for goods and services	(751,466)	(555,156)
Cash paid for claims	(7,018,643)	(6,454,247)
Cash received for miscellaneous items	30	144,444
	<u>(1,159,378)</u>	<u>(731,144)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in from other funds	<u>500,000</u>	<u>225,000</u>
	<u>500,000</u>	<u>225,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(5,525,485)	(4,085,326)
Proceeds from sale and maturities of investments	6,529,626	4,613,425
Interest received	<u>2,241</u>	<u>16,885</u>
	<u>1,006,382</u>	<u>544,984</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	347,004	38,840
<b>CASH, beginning of year</b>	<u>369,652</u>	<u>330,812</u>
<b>CASH, end of year</b>	<u><u>\$ 716,656</u></u>	<u><u>\$ 369,652</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	<u>\$ (964,645)</u>	<u>\$ (1,053,376)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(14,467)	6,517
(Increase) decrease in prepaid expenses	2,082	5,330
Increase (decrease) in accounts and claims payable	93,057	34,980
Increase (decrease) in due to other funds	<u>(275,405)</u>	<u>275,405</u>
Total adjustments	<u>(194,733)</u>	<u>322,232</u>
Net cash provided by (used in) operating activities	<u><u>\$ (1,159,378)</u></u>	<u><u>\$ (731,144)</u></u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
Increase (decrease) in fair value of investments	\$ (392)	\$ 1,784

**CITY OF LEWISVILLE, TEXAS  
 MAINTENANCE AND REPLACEMENT INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENTS OF NET ASSETS  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT G-10**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 935,611	\$ 872,794
Investments	3,059,663	3,323,909
Receivables		
Accounts	-	74,325
Interest	3,718	5,601
Due from other funds	1,500,000	1,500,000
Inventory of supplies, at cost	104,672	102,852
Prepaid items	5,337	1,172,361
Total current assets	<u>5,609,001</u>	<u>7,051,842</u>
Noncurrent assets		
Capital assets		
Machinery and equipment	4,603,828	4,302,465
Vehicles	19,466,810	17,007,789
Accumulated depreciation	(18,467,750)	(16,784,140)
Capital assets, net of accumulated depreciation	<u>5,602,888</u>	<u>4,526,114</u>
Total assets	<u>11,211,889</u>	<u>11,577,956</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	1,283	2,061
Accrued liabilities	73,926	69,011
Total liabilities	<u>75,209</u>	<u>71,072</u>
<b>NET ASSETS</b>		
Invested in capital assets	5,602,888	4,526,114
Unrestricted	5,533,792	6,980,770
Net assets	<u>\$ 11,136,680</u>	<u>\$ 11,506,884</u>

**CITY OF LEWISVILLE, TEXAS  
 MAINTENANCE AND REPLACEMENT INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS FOR THE FISCAL YEARS ENDED  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT G-11**

	<u>2012</u>	<u>2011</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 2,080,734	\$ 2,081,417
Miscellaneous	81	125
Total operating revenues	<u>2,080,815</u>	<u>2,081,542</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services	933	920
Administrative	676,832	1,535,637
Depreciation	2,069,446	1,872,325
Total operating expenses	<u>2,747,211</u>	<u>3,408,882</u>
Operating income (loss)	<u>(666,396)</u>	<u>(1,327,340)</u>
<b>NONOPERATING REVENUES</b>		
Investment earnings	13,790	18,666
Gain on disposal of assets	78,958	206,156
Total nonoperating revenues	<u>92,748</u>	<u>224,822</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>(573,648)</u>	<u>(1,102,518)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers in	-	8,218
Intragovernmental contributions	-	21,001
Contributions from other funds	203,444	-
Other contributions	-	100,000
Total transfers and capital contributions	<u>203,444</u>	<u>129,219</u>
<b>CHANGE IN NET ASSETS</b>	(370,204)	(973,299)
<b>NET ASSETS, beginning</b>	<u>11,506,884</u>	<u>12,480,183</u>
<b>NET ASSETS, ending</b>	<u>\$ 11,136,680</u>	<u>\$ 11,506,884</u>

**CITY OF LEWISVILLE, TEXAS  
MAINTENANCE AND REPLACEMENT INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT G-12**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from transactions with other funds	\$ 2,155,059	\$ 2,007,092
Cash paid to employees for services	(365,687)	(361,226)
Cash paid for goods and services	(310,198)	(2,359,883)
Cash received for miscellaneous items	81	125
	<u>1,479,256</u>	<u>(713,892)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in from other funds	-	8,218
	<u>-</u>	<u>8,218</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(1,786,245)	(1,336,843)
Proceeds from the sale of equipment	89,887	289,678
	<u>(1,696,358)</u>	<u>(1,047,165)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(4,457,316)	(4,862,033)
Proceeds from sale and maturities of investments	4,721,562	6,253,663
Interest received	15,673	23,663
	<u>279,919</u>	<u>1,415,293</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	62,817	(337,546)
<b>CASH, beginning of year</b>	<u>872,794</u>	<u>1,210,340</u>
<b>CASH, end of year</b>	<u>\$ 935,611</u>	<u>\$ 872,794</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (666,396)	\$ (1,327,340)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	2,069,446	1,872,325
Change in assets and liabilities		
(Increase) decrease in accounts receivable	74,325	(74,325)
(Increase) decrease in inventory	(1,820)	(5,753)
(Increase) decrease in prepaid expenses	(437)	(1,167,461)
Increase (decrease) in accounts payable	(778)	(5,439)
Increase (decrease) in accrued liabilities	4,915	(5,899)
	<u>2,145,652</u>	<u>613,448</u>
Total adjustments	<u>2,145,652</u>	<u>613,448</u>
Net cash provided by (used in) operating activities	<u>\$ 1,479,256</u>	<u>\$ (713,892)</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
From contributions of capital assets	\$ -	\$ 100,000
Increase (decrease) in fair value of investments	2,249	10,580
From intragovernmental contributions	203,444	21,001
From prior year prepayment of capital asset	1,167,461	-

## AGENCY AND TRUST FUNDS

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Agency funds are custodial in nature and do not involve measurement of results of operations. Trust funds are used to account for assets held by the City in a trustee capacity.

### **CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT DEBT SERVICE AGENCY FUND**

To account for bond proceeds and related debt associated with the issuance of bonds held by the City as an agent for the Public Improvement District.

### **LEWISVILLE OPEB LIABILITY TRUST FUND**

The City's OPEB (other post-employment benefits) Liability Trust Fund accounts for the funding of post-employment healthcare benefits for retirees of the City and their dependents.



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

**CITY OF LEWISVILLE, TEXAS  
 CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT  
 DEBT SERVICE AGENCY FUND  
 COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES  
 SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT H-1**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash	\$ 10,081,960	\$ 8,382,532
Receivables		
Interest	-	64
Total assets	<u>\$ 10,081,960</u>	<u>\$ 8,382,596</u>
<b>LIABILITIES</b>		
Due to debt holders	\$ 10,081,960	\$ 8,382,596
Total liabilities	<u>\$ 10,081,960</u>	<u>\$ 8,382,596</u>

**CITY OF LEWISVILLE, TEXAS  
 CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT DEBT SERVICE AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT H-2**

	<u>Balance</u> <u>Oct. 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Sept. 30, 2012</u>
<b>ASSETS</b>				
Cash	\$ 8,382,532	\$ 9,340,732	\$ (7,641,304)	\$ 10,081,960
Receivables				
Interest	64	-	(64)	-
Total assets	<u>\$ 8,382,596</u>	<u>\$ 9,340,732</u>	<u>\$ (7,641,368)</u>	<u>\$ 10,081,960</u>
<b>LIABILITIES</b>				
Due to debt holders	\$ 8,382,596	\$ 9,340,130	\$ (7,640,766)	\$ 10,081,960
Total liabilities	<u>\$ 8,382,596</u>	<u>\$ 9,340,130</u>	<u>\$ (7,640,766)</u>	<u>\$ 10,081,960</u>

**CITY OF LEWISVILLE, TEXAS  
LEWISVILLE OPEB LIABILITY TRUST FUND  
COMPARATIVE STATEMENTS OF NET ASSETS  
SEPTEMBER 30, 2012 AND 2011**

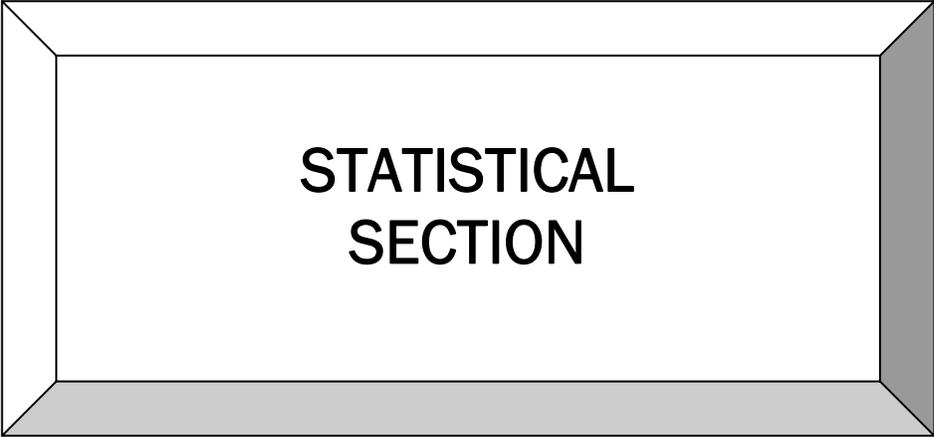
**EXHIBIT H-3**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 38,139	\$ 5,709
Investments		
Mutual funds - equity	2,079,373	1,647,640
Mutual funds - fixed income	1,219,476	1,089,583
Receivables		
Interest	2	-
Total assets	<u>3,336,990</u>	<u>2,742,932</u>
<b>LIABILITIES</b>		
Accounts payable	<u>3,807</u>	<u>4,882</u>
Total liabilities	<u>3,807</u>	<u>4,882</u>
<b>NET ASSETS</b>		
Held in trust for retiree health benefits	3,333,183	2,738,050
Total net assets	<u>\$ 3,333,183</u>	<u>\$ 2,738,050</u>

**CITY OF LEWISVILLE, TEXAS  
LEWISVILLE OPEB LIABILITY TRUST FUND  
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS  
SEPTEMBER 30, 2012 AND 2011**

**EXHIBIT H-4**

	<u>2012</u>	<u>2011</u>
<b>ADDITIONS</b>		
Employer contributions	\$ 359,300	\$ 494,600
Investment earnings	87,181	64,092
Unrealized/realized gain/(loss), net	451,152	(98,622)
Total additions	<u>897,633</u>	<u>460,070</u>
<b>DEDUCTIONS</b>		
Benefits	302,500	359,000
Total deductions	<u>302,500</u>	<u>359,000</u>
<b>CHANGE IN NET ASSETS</b>	595,133	101,070
<b>NET ASSETS, beginning</b>	<u>2,738,050</u>	<u>2,636,980</u>
<b>NET ASSETS, ending</b>	<u><u>\$ 3,333,183</u></u>	<u><u>\$ 2,738,050</u></u>



**STATISTICAL  
SECTION**



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

# STATISTICAL SECTION

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

<b>Contents</b>	<b>Table</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	1-4
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, property and sales tax.</i>	5-11
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	12-16
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	17-18
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	19-21



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

CITY OF LEWISVILLE, TEXAS  
NET ASSETS BY COMPONENT  
Last Ten Fiscal Years  
*(accrual basis of accounting)*  
*(Unaudited)*

TABLE 1

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 180,296,129	\$ 188,596,925	\$ 215,782,928	\$ 239,332,939	\$ 256,515,336	\$ 287,096,412	\$ 308,190,669	\$ 311,014,889	\$ 305,260,721	\$ 298,329,672
Restricted	6,655,568	3,158,418	2,954,825	1,446,727	1,725,352	1,756,591	1,867,844	1,324,264	1,016,096	1,012,020
Unrestricted	23,612,790	34,498,004	41,578,455	46,779,350	44,731,063	50,443,168	49,358,449	48,721,698	47,005,244	59,368,657
Total governmental activities net assets	\$ 210,564,487	\$ 226,253,347	\$ 260,316,208	\$ 287,559,016	\$ 302,971,751	\$ 339,296,171	\$ 359,416,962	\$ 361,060,851	\$ 353,282,061	\$ 358,710,349
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 111,479,911	\$ 117,454,232	\$ 130,190,472	\$ 137,038,948	\$ 145,843,454	\$ 159,684,492	\$ 166,895,435	\$ 172,162,748	\$ 181,476,154	\$ 181,437,600
Restricted	2,413,643	2,132,858	1,845,879	1,576,475	2,075,929	2,024,478	1,914,446	2,147,527	1,939,786	1,975,508
Unrestricted	34,563,635	34,124,375	33,789,667	37,687,853	36,677,712	38,090,009	35,940,547	33,568,393	28,480,396	35,270,129
Total business-type activities	\$ 148,457,189	\$ 153,711,465	\$ 165,826,018	\$ 176,303,276	\$ 184,597,095	\$ 199,798,979	\$ 204,750,428	\$ 207,878,668	\$ 211,896,336	\$ 218,683,037
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 291,776,040	\$ 306,051,157	\$ 345,973,400	\$ 376,371,887	\$ 402,358,790	\$ 446,780,904	\$ 475,086,104	\$ 483,177,637	\$ 486,736,875	\$ 479,767,272
Restricted	9,069,211	5,291,276	4,800,704	3,023,202	3,801,281	3,781,069	3,782,290	3,471,791	2,955,882	2,987,328
Unrestricted	58,176,425	68,622,379	75,368,122	84,467,203	81,408,775	88,533,177	85,298,996	82,290,091	75,485,640	94,638,786
Total primary government	\$ 359,021,676	\$ 379,964,812	\$ 426,142,226	\$ 463,862,292	\$ 487,568,846	\$ 539,095,150	\$ 564,167,390	\$ 568,939,519	\$ 565,178,397	\$ 577,393,386

Source: Comprehensive Annual Financial Reports

TABLE 2

CITY OF LEWISVILLE, TEXAS  
 CHANGES IN NET ASSETS  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities										
General government	\$ 9,129,240	\$ 8,320,410	\$ 9,767,189	\$ 13,392,249	\$ 9,848,489	\$ 10,697,346	\$ 10,746,552	\$ 10,760,138	\$ 10,997,464	\$ 11,987,014
Culture, parks and recreation	6,065,231	6,266,618	6,309,552	6,199,881	7,139,298	7,927,455	8,667,117	9,299,504	9,585,769	9,487,780
Public safety	24,321,112	25,824,358	27,664,557	28,182,352	30,491,917	33,721,041	35,349,800	37,628,477	38,558,345	39,275,855
Public services	13,222,999	15,564,147	15,182,968	13,667,907	18,569,013	19,409,072	20,313,784	22,404,173	24,634,802	25,527,286
Public improvement district	41,027	-	-	-	-	-	-	-	-	-
Interest on long-term debt	2,176,088	2,738,681	3,300,061	2,202,454	2,257,685	3,581,167	2,673,325	2,753,817	2,603,426	2,666,807
Total governmental activities expenses	54,955,697	58,714,214	62,224,327	63,644,843	68,306,402	75,336,081	77,750,578	82,846,109	86,379,806	88,944,742
Business-type activities										
Water and sewer	17,620,430	16,708,528	17,108,879	19,556,158	19,676,760	20,378,432	20,822,278	21,521,566	23,055,596	22,170,962
Total business-type activities expenses	17,620,430	16,708,528	17,108,879	19,556,158	19,676,760	20,378,432	20,822,278	21,521,566	23,055,596	22,170,962
Total primary government expenses	72,576,127	75,422,742	79,333,206	83,201,001	87,983,162	95,714,513	98,572,856	104,367,675	109,435,402	111,115,704
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	1,192,637	2,379,433	2,769,731	3,309,296	3,622,179	3,995,292	3,386,580	3,306,827	3,348,523	3,447,957
Culture, parks & recreation	1,628,845	1,489,037	1,511,722	1,612,039	1,537,244	1,794,574	1,741,591	1,696,101	1,631,629	1,615,228
Public safety	3,293,367	3,666,332	4,500,082	4,695,193	4,560,499	5,422,367	5,929,457	5,000,197	5,665,379	5,390,583
Public services	1,675,907	1,542,101	1,524,658	1,816,495	2,118,574	2,067,879	1,516,232	1,656,995	1,947,382	1,512,075
Operating grants and contributions	1,615,985	8,440,210	13,842,626	1,281,838	2,109,623	1,136,855	1,202,143	2,228,626	2,190,754	2,497,973
Capital grants and contributions	9,519,693	7,643,587	23,363,428	17,673,122	12,977,908	35,595,714	23,865,801	11,183,861	3,579,450	15,109,861
Total governmental activities program revenues	18,926,434	25,160,700	47,512,247	30,387,983	26,926,027	50,012,681	37,641,804	25,072,607	18,363,117	29,573,677
Business-type activities										
Charges for services										
Water and sewer	21,683,318	21,677,904	22,653,761	26,184,466	23,449,079	25,340,886	25,657,454	26,146,670	28,072,610	28,375,842
Capital grants and contributions	4,208,168	2,243,826	5,006,041	4,495,510	4,608,716	11,228,765	1,823,269	1,470,699	2,643,208	4,254,018
Total business-type activities program revenues	25,891,486	23,921,730	27,659,802	30,679,976	28,057,795	36,569,651	27,480,723	27,617,369	30,715,818	32,629,860
Total primary government program revenues	44,817,920	49,082,430	75,172,049	61,067,959	54,983,822	86,582,332	65,122,527	52,689,976	49,078,935	62,203,537
<b>Net (Expense)/Revenue</b>										
Governmental activities	(36,029,263)	(33,553,514)	(14,712,080)	(33,256,860)	(41,380,375)	(25,323,400)	(40,108,774)	(57,773,502)	(68,016,689)	(59,371,065)
Business-type activities	8,271,056	7,213,202	10,550,923	11,123,818	8,381,035	16,191,219	6,658,445	6,095,803	7,660,222	10,458,898
Total primary government net expense	\$ (27,758,207)	\$ (26,340,312)	\$ (4,161,157)	\$ (22,133,042)	\$ (32,999,340)	\$ (9,132,181)	\$ (33,450,329)	\$ (51,677,699)	\$ (60,356,467)	\$ (48,912,167)

TABLE 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities										
Taxes										
Property taxes	\$ 21,736,069	\$ 22,737,306	\$ 23,305,174	\$ 25,125,486	\$ 26,257,705	\$ 27,936,176	\$ 29,580,192	\$ 28,898,185	\$ 27,774,848	\$ 28,739,963
Sales taxes	16,242,070	16,970,465	17,284,149	18,113,568	19,216,744	18,932,595	17,686,496	18,605,874	18,677,965	22,666,950
Other taxes	147,819	179,804	201,297	1,074,299	1,043,749	1,119,792	1,095,822	1,046,346	1,038,923	1,011,328
Franchise taxes	4,318,129	4,276,869	4,485,406	4,599,447	4,435,578	4,803,626	4,635,238	5,055,711	5,272,499	5,436,197
Occupancy taxes	1,135,962	1,178,478	1,348,761	1,480,548	1,606,115	1,830,230	1,554,826	1,551,355	1,862,191	1,960,910
Penalties and interest	1,680,425	699,017	1,518,114	2,350,326	209,514	238,428	219,250	186,231	146,689	228,746
Investment earnings	-	43,925	77,563	470	3,614,454	3,287,167	2,051,754	526,984	459,600	365,045
Gain (loss) on disposal of assets	165,850	336,007	589,133	4,558,898	(2,424,552)	9,682	5,560	13,118	3,075	8,525
Miscellaneous	2,389,605	2,617,820	(286,860)	2,965,612	2,943,135	3,073,842	3,108,655	3,260,894	3,924,530	3,985,048
Transfers	48,012,152	49,242,374	48,774,941	60,499,670	57,146,281	61,647,820	60,229,565	59,417,391	60,237,899	64,799,353
Total governmental activities	1,057,404	626,967	1,225,226	2,313,351	2,775,365	2,015,797	1,344,073	211,973	269,639	286,958
Business-type activities	-	300,467	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	33,103	4,385	-	-	-	-
Intergovernmental contributions	-	-	-	-	47,451	64,325	57,586	81,358	12,337	25,893
Gain (loss) on disposal of assets	13,118	529,186	51,544	5,701	47,451	64,325	57,586	81,358	12,337	25,893
Miscellaneous	(2,389,605)	(2,617,820)	286,860	(2,965,612)	(2,943,135)	(3,073,842)	(3,108,655)	(3,260,894)	(3,924,530)	(3,985,048)
Transfers	(1,319,083)	(1,161,200)	1,563,630	(646,560)	(87,216)	(989,335)	(1,706,996)	(2,967,563)	(3,642,354)	(3,672,197)
Total business-type activities	46,693,069	48,081,174	50,338,571	59,853,110	57,059,065	60,658,485	58,522,569	56,449,828	56,595,345	61,127,156
Total primary government	11,982,889	15,688,860	34,062,861	27,242,810	15,765,906	36,324,420	20,120,791	1,643,889	(7,778,790)	5,428,288
<b>Change in Net Assets</b>	6,951,973	6,052,002	12,114,553	10,477,258	8,293,819	15,201,884	4,951,449	3,128,240	4,017,668	6,786,701
Governmental activities	18,934,862	21,740,862	46,177,414	37,720,068	24,059,725	51,526,304	25,072,240	4,772,129	(3,761,122)	12,214,989
Business-type activities	\$ 21,740,862	\$ 21,740,862	\$ 46,177,414	\$ 37,720,068	\$ 24,059,725	\$ 51,526,304	\$ 25,072,240	\$ 4,772,129	\$ (3,761,122)	\$ 12,214,989
Total primary government	\$ 18,934,862	\$ 21,740,862	\$ 46,177,414	\$ 37,720,068	\$ 24,059,725	\$ 51,526,304	\$ 25,072,240	\$ 4,772,129	\$ (3,761,122)	\$ 12,214,989

Source: Comprehensive Annual Financial Reports

TABLE 3

CITY OF LEWISVILLE, TEXAS  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Nonspendable	\$ 69,878	\$ 132,518	\$ 262,563	\$ 252,581	\$ 271,000	\$ 196,935	\$ 228,411	\$ 201,588	\$ 230,316	\$ 234,127
Assigned	157,211	618,052	250,242	209,551	222,778	156,790	121,575	136,854	100,680	222,738
Unassigned	15,856,222	17,363,344	19,371,265	26,212,925	26,272,130	31,175,630	31,658,380	26,429,898	28,989,043	30,615,982
Total general fund	\$ 16,083,311	\$ 18,113,914	\$ 19,884,070	\$ 26,675,057	\$ 26,765,908	\$ 31,529,355	\$ 32,008,366	\$ 26,768,340	\$ 29,320,039	\$ 31,072,847
All other governmental funds										
Nonspendable	\$ 6,955	10,379	3,764,412	\$ 3,774,672	\$ 3,736,550	\$ 3,489,874	\$ 3,244,870	\$ 3,245,372	\$ 2,758,852	\$ 2,518,104
Restricted	21,589,700	28,556,129	21,955,942	19,247,971	30,231,341	35,273,808	31,570,851	26,443,792	22,563,101	31,447,210
Committed	4,959,265	5,194,857	5,406,239	5,672,381	7,578,509	8,365,004	8,589,094	7,687,555	7,705,016	6,812,474
Assigned	6,546,272	5,767,714	4,874,817	7,289,482	11,025,342	12,433,089	7,827,143	14,681,969	10,335,218	6,985,090
Total all other governmental funds	\$ 33,102,192	\$ 39,529,079	\$ 36,001,410	\$ 35,984,506	\$ 52,571,742	\$ 59,561,775	\$ 51,231,958	\$ 52,058,688	\$ 43,362,187	\$ 47,762,878

Source: Comprehensive Annual Financial Reports

CITY OF LEWISVILLE, TEXAS  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Property and other taxes	\$ 43,682,642	\$ 45,587,753	\$ 47,035,823	\$ 50,547,358	\$ 52,886,457	\$ 54,828,308	\$ 54,752,225	\$ 55,411,805	\$ 54,800,940	\$ 60,070,877
Licenses and permits	1,711,484	1,632,628	1,578,864	2,070,156	2,393,345	2,328,846	1,767,049	1,894,107	2,210,218	1,741,153
Charges for services	2,321,726	4,048,211	4,140,027	4,858,787	5,212,302	5,603,449	5,702,288	5,522,540	5,543,470	5,680,893
Recreation	1,402,512	1,290,580	1,332,438	1,426,331	1,385,188	1,591,676	1,536,596	1,502,618	1,432,238	1,448,853
Fines	2,414,448	2,488,340	2,686,299	2,826,234	2,680,535	2,916,566	2,950,843	2,946,204	2,752,316	2,874,525
Investment earnings	1,193,299	538,541	1,154,775	2,350,327	3,614,458	3,287,167	2,051,749	526,987	459,604	365,043
Grants										
Culture, parks and recreation	11,780	9,749	9,741	10,512	10,305	1,061,894	312,057	29,634	24,424	25,936
Public safety	200,270	199,699	559,031	384,964	588,798	220,857	238,649	1,247,926	538,837	580,182
Public services	1,200,842	1,029,873	1,557,993	730,845	1,256,152	708,082	686,616	1,038,782	934,516	875,473
Contributions and donations	2,676,258	10,689,358	12,803,249	3,499,030	3,205,708	27,641,031	5,072,965	4,018,465	1,922,304	10,100,624
Miscellaneous	448,786	601,293	1,084,302	4,961,341	761,399	975,687	1,026,729	1,080,387	2,109,044	1,880,771
Total revenues	57,264,047	68,116,025	73,942,542	73,665,885	73,994,647	101,163,563	76,097,766	75,219,455	72,727,911	85,644,330
<b>Expenditures</b>										
General government	6,424,676	6,958,931	8,181,298	7,543,722	8,505,159	8,956,950	9,334,801	9,115,750	9,404,791	9,933,848
Culture, parks and recreation	5,463,904	5,783,662	5,689,354	6,058,682	6,118,753	6,640,069	6,458,408	6,207,016	6,300,265	6,318,868
Public safety	23,279,103	25,422,485	26,960,074	28,400,718	30,221,744	32,450,887	33,755,435	35,016,553	35,209,021	36,816,688
Public services	8,369,365	8,525,945	9,101,845	9,049,144	9,696,518	9,724,646	9,998,112	9,492,466	9,591,553	9,687,620
Capital outlay	23,342,345	15,030,177	26,532,611	16,527,094	14,848,067	36,317,662	24,862,380	14,505,465	14,330,533	23,658,611
Debit service:										
Principal	4,050,000	7,608,634	4,846,032	7,163,197	5,335,000	4,995,000	5,205,000	5,695,000	6,590,000	6,325,000
Interest and fiscal charges	2,128,073	2,413,005	2,376,104	2,674,752	2,294,160	3,494,604	2,869,614	2,849,017	2,604,989	2,405,624
Total expenditures	73,057,466	71,742,839	83,687,318	77,417,309	77,019,401	102,579,818	92,483,750	82,881,267	84,031,152	95,146,259
Excess (deficiency) of revenues over (under) expenditures	(15,793,419)	(3,626,814)	(9,744,776)	(3,751,424)	(3,024,754)	(1,416,255)	(16,385,984)	(7,661,812)	(11,303,241)	(9,501,929)
<b>Other financing sources (uses)</b>										
Transfers in	6,041,322	6,523,247	6,192,216	7,780,970	16,364,425	12,103,060	7,478,048	13,622,782	8,015,843	8,778,083
Transfers out	(3,145,717)	(3,801,884)	(3,210,986)	(4,815,817)	(10,308,842)	(7,652,635)	(4,369,393)	(10,397,384)	(4,099,531)	(4,072,035)
Proceeds from refunding bonds	-	-	9,655,000	-	5,070,000	8,715,000	5,430,000	2,565,000	1,605,000	16,490,000
Proceeds from general obligation bonds	14,206,096	6,860,000	4,790,000	6,805,000	13,655,000	-	-	(2,555,000)	(1,610,846)	9,260,000
Proceeds from certificates of obligation	-	2,475,000	-	-	-	-	-	-	-	-
Payments to refunding bond escrow agent	(12,108,060)	-	(10,201,721)	-	(5,398,353)	-	-	-	-	(16,969,925)
Premium (discount) on issuance of general obligation bonds	-	27,941	762,754	-	658,892	(5,372)	(9,037)	-	24,898	1,240,780
Proceeds from sale of assets	-	-	-	755,354	14,890	9,682	5,560	13,118	3,075	8,525
Contributions from other sources	-	-	-	-	-	-	-	-	1,220,000	920,000
Total other financing sources (uses)	4,993,641	12,084,304	7,987,263	10,525,507	20,056,012	13,169,735	8,535,178	3,248,516	5,158,439	15,655,428
Net change in fund balances	\$ (10,799,778)	\$ 8,457,490	\$ (1,757,513)	\$ 6,774,083	\$ 17,031,258	\$ 11,753,480	\$ (7,850,806)	\$ (4,413,296)	\$ (6,144,802)	\$ 6,153,499
Debt service as a percentage of noncapital expenditures	12.4%	17.5%	11.8%	16.0%	12.3%	11.7%	11.9%	12.1%	12.5%	11.4%

Notes: Debt service percentage is based on noncapital expenditures to the extent of capital outlay capitalized for the government-wide statement of net assets. See Exhibit 6 of CAFRs for further information.

Source: Comprehensive Annual Financial Reports

TABLE 5

CITY OF LEWISVILLE, TEXAS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Less: Property Under Freeze	Less: TIRZ Zones Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property & Other					
2003	4,385,802,772	828,211,133	460,564,166	-	5,247,964	4,748,201,775	0.45050
2004	4,707,742,831	848,715,965	522,296,755	-	29,866,358	5,004,295,683	0.45050
2005	4,821,098,766	978,286,841	573,637,347	-	35,297,446	5,190,450,814	0.45050
2006	5,111,584,596	988,050,320	635,339,154	109,383,097	50,036,866	5,304,875,799	0.45679
2007	5,303,672,869	1,017,510,806	677,304,019	131,762,437	65,376,309	5,446,740,910	0.45679
2008	6,040,730,857	1,129,555,348	774,550,122	150,432,444	88,496,443	6,156,807,196	0.44050
2009	6,446,207,177	1,191,217,048	839,703,836	164,430,210	107,112,885	6,526,177,294	0.44021
2010	6,375,044,714	1,255,326,502	1,007,324,631	178,908,241	79,708,452	6,364,429,892	0.44021
2011	6,149,759,302	1,187,121,672	988,851,847	190,869,769	78,909,810	6,078,249,548	0.44021
2012	6,314,259,228	1,355,266,675	1,121,735,174	205,892,126	70,665,418	6,271,233,185	0.44021

Source: Denton Central Appraisal District, Certified Valuations

TABLE 6

CITY OF LEWISVILLE, TEXAS  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of assessed value)  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct & Overlapping Rates
	Operating/General Rate	General Obligation Debt Service	Total Direct	Lewisville Independent School District	Denton County		
2003	0.31581	0.13469	0.45050	1.7700	0.24897		2.4695
2004	0.31581	0.13469	0.45050	1.7700	0.24717		2.4677
2005	0.31641	0.13409	0.45050	1.7700	0.25480		2.4753
2006	0.32107	0.13572	0.45679	1.7700	0.24648		2.4733
2007	0.32184	0.13495	0.45679	1.6400	0.23192		2.3287
2008	0.32184	0.11866	0.44050	1.3700	0.23589		2.0464
2009	0.32156	0.11865	0.44021	1.3800	0.23577		2.0560
2010	0.32156	0.11865	0.44021	1.4087	0.24980		2.0987
2011	0.32289	0.11732	0.44021	1.4267	0.27390		2.1408
2012	0.32289	0.11732	0.44021	1.4260	0.27736		2.1436

Source: City of Lewisville, Denton County Tax Assessor

**CITY OF LEWISVILLE, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS**  
Current Year and Nine Years Ago  
(Unaudited)

**TABLE 7**

	2012			2003		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Value	
Vista Ridge Joint Venture	\$ 71,396,541	1.14%	Verizon Southwest	\$ 75,434,976	1.59%	
Verizon Southwest	52,235,300	0.83%	Teachers Insurance Annuity Association	54,318,529	1.14%	
SYSCO Food Services of Dallas LP	51,811,362	0.83%	Vista Ridge Joint Venture	44,206,188	0.93%	
TIC Lago Vista LP etal	49,433,261	0.79%	Arcanum Chapel Hill Ltd	42,300,000	0.89%	
BREOF Convergence LP	48,441,705	0.77%	Southwest Prop LP P/S	38,741,409	0.82%	
Teachers Insurance Annuity Association	39,801,806	0.63%	Texas New Mexico Power Company	37,451,513	0.79%	
Columbia Medical Center Lewisville	36,413,420	0.58%	Vista Ridge OP&F Inc	36,471,900	0.77%	
GRE Vista Ridge LP	35,562,991	0.57%	LB Woodmont Lakepointe	25,100,911	0.53%	
KIR Lewisville LP P/S	34,661,371	0.55%	Four Seasons Distribution Center	12,867,991	0.27%	
DFW Lewisville Partners Group	32,590,759	0.52%	Harcourt Inc	11,899,339	0.25%	
<b>TOTAL</b>	<b>\$ 452,348,516</b>	<b>7.21%</b>	<b>TOTAL</b>	<b>\$ 378,792,756</b>	<b>7.98%</b>	

Source: Denton Central Appraisal District

TABLE 8

CITY OF LEWISVILLE, TEXAS  
 PROPERTY TAX LEVIES AND COLLECTIONS  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Fiscal Year Levy		Amount	Percentage of Adjusted Levy
2003	21,752,602	63,754	21,816,356	21,476,523	98.73%	282,788	21,759,311	99.74%
2004	22,831,246	57,895	22,889,141	22,541,885	98.73%	294,436	22,836,321	99.77%
2005	23,542,373	42,958	23,585,331	23,292,813	98.94%	248,383	23,541,196	99.81%
2006	25,246,156	(25,626)	25,220,530	24,949,844	98.83%	226,808	25,176,652	99.83%
2007	26,677,093	24,062	26,701,155	26,470,497	99.23%	190,643	26,661,140	99.85%
2008	28,264,833	(35,197)	28,229,636	28,029,846	99.17%	162,318	28,192,164	99.87%
2009	29,966,864	(70,647)	29,896,217	29,762,422	99.32%	79,382	29,841,804	99.82%
2010	29,389,678	(134,369)	29,255,309	29,115,450	99.07%	69,484	29,184,934	99.76%
2011	28,228,960	(3,507)	28,225,453	28,084,210	99.49%	85,659	28,169,869	99.80%
2012	28,925,178	-	28,925,178	28,814,980	99.62%	-	28,814,980	99.62%

Source: Denton County Appraisal District and Denton County Tax Office

TABLE 9

CITY OF LEWISVILLE, TEXAS  
GROSS SALES BY CATEGORY  
Last Ten Calendar Years  
(Unaudited)

	Calendar Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Construction	\$ 302,851,926	\$ 269,407,092	\$ 271,345,345	\$ 325,521,361	\$ 428,975,430	\$ 389,267,507	\$ 426,073,490	\$ 315,604,945	\$ 508,276,308	\$ 521,804,800
Manufacturing	639,700,970	577,502,805	651,749,063	891,564,228	829,222,026	891,125,270	751,857,471	753,995,737	761,594,169	876,625,971
Transportation, Warehousing	231,302,301	495,269,595	355,601,064	22,331,869	25,941,784	650,786,731	710,880,556	691,150,901	747,819,849	818,329,058
Wholesale Trade	318,982,975	334,301,142	374,468,902	492,483,851	546,277,231	623,518,433	745,420,584	801,433,783	998,636,961	1,041,654,476
Retail Trade	1,834,374,078	1,844,092,385	1,919,947,937	2,027,046,759	2,091,888,382	2,075,807,503	1,927,414,046	1,878,956,373	1,931,419,742	2,111,473,213
Finance, Insurance and Information	70,963,311	77,259,548	69,693,167	72,708,565	58,684,886	53,044,625	53,996,484	57,425,359	70,840,042	69,075,343
Real Estate, Rental and Leasing	26,345,090	32,156,100	54,857,322	39,287,358	55,201,502	49,024,728	34,973,325	19,078,930	22,216,520	35,585,520
Professional, Scientific and Technical Services	68,045,077	72,626,579	88,493,369	150,989,059	151,893,983	159,409,613	194,403,930	211,806,495	273,395,584	288,679,219
Admin. Support, Waste Mgmt, Remediation Services	92,881,630	97,175,211	200,665,461	292,811,541	158,959,087	166,466,814	163,933,681	166,933,359	166,911,144	178,166,862
Educational Services	2,731,051	1,221,464	1,300,212	3,510,020	7,222,172	6,159,101	5,983,619	7,033,934	6,969,123	7,194,735
Health Care and Social Assistance	3,154,591	4,280,367	5,698,121	5,586,377	5,232,521	9,610,245	6,350,766	5,141,407	8,672,569	35,890,987
Arts, Entertainment and Recreation	32,093,731	32,702,023	38,462,571	46,842,409	56,154,449	30,144,139	41,445,461	25,715,214	26,861,732	30,244,591
Accommodation and Food Services	160,112,893	165,856,056	178,596,005	199,071,846	203,938,455	207,232,660	209,960,645	209,744,109	215,936,485	242,533,721
Other Services	73,644,530	76,483,948	76,126,157	81,208,086	91,832,953	100,185,148	93,452,124	126,406,332	130,789,356	195,709,795
Other, including industries with less than four entities	95,264,742	78,305,983	76,944,820	79,133,007	55,438,461	62,016,500	56,823,976	51,936,646	55,951,821	64,611,945
Total	\$ 3,952,448,896	\$ 4,158,640,298	\$ 4,363,949,516	\$ 4,730,096,336	\$ 4,766,863,322	\$ 5,473,799,017	\$ 5,422,970,158	\$ 5,322,363,524	\$ 5,928,291,405	\$ 6,517,580,236
City direct sales tax rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.50%

Notes:

The Comptroller's Office is prohibited from releasing information as to the amount of sales of particular taxpayers in the State of Texas. The Other category above represents those North American Industry Classification System (NAICS) categories with fewer than four (4) taxpayers in an industry and industries with small gross sales. Among the industries included in the Other category are Agriculture, Forestry, Fishing, Hunting, Mining, Quarrying, Oil and Gas Extraction, Utilities, Management of Companies & Enterprises and Public Administration.

Source: Texas Comptroller of Public Accounts, quarterly historical reports of gross sales.

TABLE 10

CITY OF LEWISVILLE, TEXAS  
 DIRECT AND OVERLAPPING SALES TAX RATES  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	City Direct Rates					Overlapping Rates		Total Direct & Overlapping Rates
	General Fund	Parks and Library Development Corporation	Crime Control and Prevention District	Fire Control, Prevention, and Emergency Medical Services District	Denton Co. Transit Authority			
2003	1.00%	0.25%	-	-	-	-	1.25%	
2004	1.00%	0.25%	-	-	0.50%	-	1.75%	
2005	1.00%	0.25%	-	-	0.50%	-	1.75%	
2006	1.00%	0.25%	-	-	0.50%	-	1.75%	
2007	1.00%	0.25%	-	-	0.50%	-	1.75%	
2008	1.00%	0.25%	-	-	0.50%	-	1.75%	
2009	1.00%	0.25%	-	-	0.50%	-	1.75%	
2010	1.00%	0.25%	-	-	0.50%	-	1.75%	
2011	1.00%	0.25%	-	-	0.50%	-	1.75%	
2012	1.00%	0.25%	0.125%	0.125%	0.50%	-	2.00%	

Source: Texas Comptroller of Public Accounts

Notes:

The Lewisville Crime Control and Prevention District and the Lewisville Fire Control, Prevention, and Emergency Medical Services District were created by the voters in November 2011. Each district's levy of a 1/8% sales tax took effect on April 1, 2012.

CITY OF LEWISVILLE, TEXAS  
 PRINCIPAL SALES TAX PAYERS  
 Current Year and Nine Years Ago  
 (Unaudited)

TABLE 11

Calendar year 2012		Calendar Year 2003							
Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
OTHER	831	9.46%	\$ 2,897,843	10.96%	OTHER	841	11.48%	\$ 2,601,237	13.29%
Discount Department Stores	9	0.10%	1,791,024	6.77%	Department Stores (except Discount Department Stores)	10	0.14%	1,173,216	5.99%
Full-Service Restaurants	152	1.73%	1,436,521	5.43%	Home Centers	6	0.08%	887,180	4.53%
Department Stores (except Discount Department Stores)	20	0.23%	1,233,771	4.66%	Hydroelectric Power Generation	4	0.05%	862,796	4.41%
Limited-Service Restaurants	113	1.29%	847,806	3.21%	Full-Service Restaurants	76	1.04%	884,597	4.37%
Electric Power Distribution	45	0.51%	826,338	3.12%	Department Stores	4	0.05%	726,681	3.71%
Wireless Telecommunications carriers (except satellite)	57	0.65%	716,220	2.71%	Household Appliance Stores	34	0.46%	536,017	2.74%
Radio, Television, and Other Electronics Stores	43	0.49%	582,431	2.20%	Miscellaneous Retail Stores, Not Elsewhere Classified	469	6.40%	463,231	2.37%
Home Centers	4	0.05%	522,929	1.98%	Limited-Service Restaurants	55	0.75%	459,602	2.35%
Electronic Parts and Equipment, Not Elsewhere	10	0.11%	490,189	1.85%	Eating Places	147	2.01%	447,103	2.28%
Total	1,284	14.62%	\$ 11,345,072	42.89%	Total	1,646	22.46%	\$ 9,011,660	46.04%

**Notes:** The Comptroller's Office is prohibited from releasing information as to the amounts of sales or use tax paid by a particular taxpayer in the State of Texas. Therefore, the categories presented above are intended to provide alternative information regarding the sources of the City's sales tax revenue. The OTHER category above represents those NAICS classifications with fewer than four (4) taxpayers in a classification. In order to keep the identity of these taxpayers confidential, classifications with fewer than four (4) taxpayers are combined as "OTHER" and represented together as one classification.

**Source:** Texas Comptroller of Public Accounts

CITY OF LEWISVILLE, TEXAS  
 COMBINED SCHEDULE OF BONDS  
 September 30, 2012  
 (Unaudited)

TABLE 12

Issue	Interest		Date		Annual Serial Payments	Bonds		Requirements Fiscal Year Ended September 30, 2013		Option Date	
	Rates	Payment Dates	Issued	Maturity		Issued	Retired/Defeased	Outstanding	Principal		Interest
General Obligation Bonds-											
Series 2003	4.00 - 4.00	02/15 & 08/15	05/01/03	02/15/2013	160,000 -	2,440,000	2,280,000	160,000	160,000	3,200	02/15/13
Series 2004	4.00 - 4.13	02/15 & 08/15	06/01/04	02/15/2014	430,000 -	6,860,000	5,980,000	880,000	430,000	27,163	02/15/14
Series 2005 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	04/15/05	02/15/2021	365,000 -	14,445,000	7,085,000	7,360,000	1,645,000	311,103	02/15/15
Series 2006	4.00 - 5.00	02/15 & 08/15	05/15/06	02/15/2022	400,000 -	6,805,000	1,920,000	4,885,000	400,000	212,286	02/15/16
Series 2007 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	05/15/07	02/15/2023	745,000 -	18,725,000	3,220,000	15,505,000	745,000	713,450	02/15/17
Series 2008	4.00 - 4.38	02/15 & 08/15	05/15/08	02/15/2024	405,000 -	8,715,000	1,025,000	7,690,000	405,000	310,206	02/15/18
Series 2009	2.00 - 4.25	02/15 & 08/15	06/01/09	02/15/2025	260,000 -	5,430,000	1,215,000	4,215,000	260,000	152,325	02/15/19
Series 2010 Refunding	2.67 - 2.67	02/15 & 08/15	03/01/10	02/15/2019	600,000 -	9,600,000	3,720,000	5,880,000	1,770,000	133,367	CC
Series 2011 Refunding	2.00 - 2.00	02/15 & 08/15	04/01/11	02/15/2014	535,000 -	1,605,000	525,000,000	1,080,000	535,000	16,250	NC
Series 2012 Refunding & Improvement	2.00 - 4.00	02/15 & 08/15	05/15/12	02/15/2028	90,000 -	25,750,000	-	25,750,000	-	1,249,687	02/15/22
Total General Obligation Bonds						100,375,000	26,970,000	73,405,000	6,350,000	3,129,037	
Revenue Bonds-											
Series 2002 Refunding	4.55 - 4.55	02/15 & 08/15	02/15/02	02/15/2013	185,000 -	11,810,000	11,625,000	185,000	185,000	4,209	NC
Series 2003	4.00 - 4.00	02/15 & 08/15	05/01/03	02/15/2013	295,000 -	4,600,000	4,305,000	295,000	295,000	5,900	02/15/13
Series 2005 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	04/15/05	02/15/2021	290,000 -	11,475,000	5,510,000	5,965,000	1,345,000	247,513	02/15/15
Series 2006	4.00 - 4.63	02/15 & 08/15	05/15/06	02/15/2022	230,000 -	4,000,000	1,200,000	2,800,000	230,000	117,522	02/15/16
Series 2008	3.88 - 4.25	02/15 & 08/15	05/15/08	02/15/2024	495,000 -	10,300,000	2,810,000	7,490,000	495,000	295,344	02/15/18
Series 2009	2.50 - 4.30	02/15 & 08/15	06/01/09	02/15/2025	625,000 -	11,900,000	1,805,000	10,095,000	625,000	367,354	02/15/19
Series 2011 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	04/01/11	02/15/2027	565,000 -	13,465,000	1,000,000	12,465,000	1,000,000	470,075	02/15/21
Series 2012 Refunding & Improvement	2.00 - 4.00	02/15 & 08/15	05/15/12	02/15/2028	200,000 -	5,925,000	-	5,925,000	200,000	177,230	02/15/22
Total Revenue Bonds						73,475,000	28,255,000	45,220,000	4,375,000	1,685,147	
Total Bonds Payable						\$ 173,850,000	\$ 55,225,000	\$ 118,625,000	\$ 10,725,000	\$ 4,814,184	

NC = Non-Callable  
 CC = Currently Callable

TABLE 13

CITY OF LEWISVILLE, TEXAS  
 RATIO OF OUTSTANDING DEBT BY TYPE  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Water and Sewer Revenue Bonds					
2003	46,574,780	-	3,390,000	60,455,000	110,419,780	5.50%	1,317		
2004	49,216,146	2,475,000	-	54,340,000	106,031,146	5.33%	1,234		
2005	49,213,197	2,475,000	-	51,635,000	103,323,197	4.94%	1,169		
2006	51,330,000	-	-	49,300,000	100,630,000	4.13%	1,129		
2007	59,515,000	-	-	42,510,000	102,025,000	3.79%	1,114		
2008	63,235,000	-	-	46,190,000	109,425,000	4.38%	1,179		
2009	63,460,000	-	-	53,115,000	116,575,000	4.59%	1,239		
2010	64,810,000	-	-	40,740,000	105,550,000	3.75%	1,108		
2011	58,235,000	-	-	45,780,000	104,015,000	3.70%	1,090		
2012	73,405,000	-	-	45,220,000	118,625,000	4.76%	1,236		

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements and on Table 12.

\*See Table 17 for personal income and population data.

In 2012, \$12,490,000 of certificates of obligations from one of the City's component units was converted to general obligation debt. Annually, the Lewisville Parks and Library Development Corporation will transfer funds for debt servicing of these bonds.

TABLE 14

CITY OF LEWISVILLE, TEXAS  
 RATIO OF NET GENERAL BONDED DEBT OUTSTANDING  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	General Bonded Debt Outstanding										Per Capita**
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total	Less Available Debt Service Funds	Net General Bonded Debt	Percentage of Taxable Assessed Value of Property*				
2003	46,574,780	-	3,390,000	49,964,780	6,655,568	43,309,212	0.91%			517	
2004	49,216,146	2,475,000	-	51,691,146	3,574,856	48,116,290	0.96%			560	
2005	49,213,197	2,475,000	-	51,688,197	3,595,602	48,092,595	0.93%			544	
2006	51,330,000	-	-	51,330,000	1,654,816	49,675,184	0.94%			558	
2007	59,515,000	-	-	59,515,000	2,065,205	57,449,795	1.05%			628	
2008	63,235,000	-	-	63,235,000	2,063,119	61,171,881	0.99%			659	
2009	63,460,000	-	-	63,460,000	2,157,818	61,302,182	0.94%			652	
2010	64,810,000	-	-	64,810,000	1,575,726	63,234,274	0.99%			664	
2011	58,235,000	-	-	58,235,000	1,270,236	56,964,764	0.94%			597	
2012	73,405,000	-	-	73,405,000	1,456,703	71,948,297	1.15%			749	

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
 No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter.  
 \* See Table 5 for property value data.  
 \*\* See Table 17 for population data.

In 2012, \$12,490,000 of certificates of obligations from one of the City's component units was converted to general obligation debt. Annually, the Lewisville Parks and Library Development Corporation will transfer funds for debt servicing of these bonds.

**CITY OF LEWISVILLE, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
As of September 30, 2012  
*(Unaudited)*

**TABLE 15**

<b>Government Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Lewisville Independent School District	\$ 1,056,278,367	27.89%	\$ 294,596,037
Coppell Independent School District	146,969,595	0.72%	1,058,181
Denton County	553,915,000	11.63%	64,420,315
Dallas County	121,605,000	0.03%	36,482
Dallas County Community College District	374,265,000	0.03%	112,280
Dallas County Hospital District	705,000,000	0.03%	211,500
Dallas County Schools	45,300,000	0.03%	13,590
Denton County Levee Improvement District #1	10,200,000	69.22%	7,060,440
Denton County RUD #1	6,260,000	84.43%	5,285,318
Subtotal, overlapping debt			372,794,141
<b>City of Lewisville (direct debt)</b>	<b>73,405,000</b>	<b>100.00%</b>	<b>73,405,000</b>
<b>Total direct and overlapping debt</b>			<b>\$ 446,199,141</b>

**Source:** Non-City debt information provided by First Southwest Company and the Municipal Advisory Council of Texas (MAC)

**Notes:** MAC calculates the overlapping percentages by determining the estimated shared assessed valuations of the overlapping taxing bodies and the City and then by dividing that shared value by the total assessed value of the overlapping taxing body.

**CITY OF LEWISVILLE, TEXAS**  
**PLEDGED-REVENUE COVERAGE**  
 Last Ten Fiscal Years  
*(Unaudited)*

**TABLE 16**

Fiscal Year	Total Revenues	Less: Operating Expenses	Net Available Revenue	Waterworks and Sewer System Revenue Bonds		Maximum P & I Requirement	Times Coverage
				Average Annual Requirement	Times Coverage		
2003	24,122,765	11,205,166	12,917,599	4,849,160	2.664	9,168,901	1.409
2004	23,973,197	11,605,378	12,367,819	4,583,375	2.698	9,168,901	1.349
2005	25,215,347	12,002,786	13,212,561	4,041,010	3.270	8,520,251	1.551
2006	30,306,218	13,484,511	16,821,707	3,855,683	4.363	8,855,999	1.899
2007	28,553,142	13,205,679	15,347,463	3,522,329	4.357	7,424,561	2.067
2008	29,198,493	13,715,038	15,483,455	3,629,359	4.266	6,919,927	2.238
2009	27,978,220	14,157,311	13,820,909	4,191,171	3.298	7,498,648	1.843
2010	27,321,265	14,294,307	13,026,958	3,408,059	3.822	5,512,848	2.363
2011	29,627,081	16,082,970	13,544,111	3,584,741	3.778	6,189,089	2.188
2012	29,773,149	15,333,608	14,439,541	3,498,676	4.127	6,060,147	2.383

**Source:** Comprehensive Annual Financial Reports and Fiscal Year Operating Budgets

TABLE 17

CITY OF LEWISVILLE, TEXAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 Last Ten Calendar Years  
 (Unaudited)

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2003	83,850	2,008,980	23,959	-	13,035	4.4%
2004	85,950	1,989,405	23,146	-	13,272	3.7%
2005	88,350	2,093,188	23,692	31.6	13,513	4.1%
2006	89,100	2,437,241	27,354	32.3	13,676	4.0%
2007	91,550	2,691,387	29,398	32.6	14,702	3.6%
2008	92,850	2,497,665	26,900	30.6	15,233	4.0%
2009	94,070	2,542,430	27,027	31.4	15,780	6.7%
2010	95,290	2,811,055	29,500	32.5	15,678	6.4%
2011	95,390	2,814,005	29,500	32.5	16,084	6.7%
2012	96,000	2,491,392	25,952	32.5	17,238	5.1%

**Sources:** Estimated population provided by the North Central Texas Council of Governments; US Census population used in census years. Personal income (total effective buying income) provided yearly from Sales and Marketing Management, "Survey of Buying Power." Beginning in 2005, per capita income provided by the American Community Survey. Current year personal income estimated from 2009 amount.

School enrollment (for schools located in Lewisville) provided by Lewisville Independent School District.

Unemployment rates provided on the Texas Workforce Commission website, annual rate, current year estimated as of September. Median age, previously, only available in census years. Beginning 2005, provided by the American Community Survey. Current year median age estimated from 2009 amount.

**CITY OF LEWISVILLE, TEXAS  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago  
(Unaudited)**

**TABLE 18**

	2012			2003		
<b>Employer</b>	<b>Employees</b>	<b>Percentage of Total City Employment</b>	<b>Employer</b>	<b>Employees</b>	<b>Percentage of Total City Employment</b>	
JP Morgan Chase	4,350	7.97%	Vista Ridge Mall (all outlets)	2,283	4.58%	
Lewisville Independent School District (Lewisville employment only)	2,061	3.78%	Lewisville Independent School District (Lewisville employment only)	1,803	3.62%	
Vista Ridge Mall (all outlets)	1,980	3.63%	Lewisville Medical Center	800	1.61%	
Nationstar Mortgage	1,440	2.64%	SYSCO Foods	750	1.50%	
Verizon	912	1.67%	Ultrak	710	1.42%	
Wal-Mart (all City locations)	878	1.61%	GE Capital	700	1.40%	
Lewisville Medical Center	791	1.45%	City of Lewisville	630	1.26%	
Xerox	755	1.38%	Household Automotive Finance	558	1.12%	
Ally	719	1.32%	Xerox	500	1.00%	
City of Lewisville	680	1.25%	Four Seasons	400	0.80%	
<b>Total</b>	<b>14,566</b>	<b>26.70%</b>	<b>Total</b>	<b>9,134</b>	<b>18.31%</b>	

**Source:** City of Lewisville Economic Development & Budget Departments, Texas Workforce Commission, North Central Texas Council of Governments

**CITY OF LEWISVILLE, TEXAS**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
*(Unaudited)*

TABLE 19

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administration and Legal	56.0	55.0	59.0	58.3	57.0	58.0	58.9	56.0	57.0	57.0
Public Safety	320.0	324.0	325.0	338.0	341.0	350.0	349.0	348.0	349.0	359.0
Public Services	125.0	123.0	123.0	124.0	123.0	124.0	126.0	123.0	123.0	123.0
Community Development	61.0	61.0	63.0	65.7	70.0	72.0	75.1	75.0	76.0	79.0
Parks and Leisure	68.0	68.0	67.0	71.0	71.0	72.0	72.0	78.0	81.0	81.0
<b>Total</b>	<b>630.0</b>	<b>631.0</b>	<b>637.0</b>	<b>657.0</b>	<b>662.0</b>	<b>676.0</b>	<b>681.0</b>	<b>680.0</b>	<b>686.0</b>	<b>699.0</b>

**Source:** City Budget Office, authorized positions

TABLE 20

CITY OF LEWISVILLE, TEXAS  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 Last Ten Fiscal Years  
 (Unaudited)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General government</b>										
Public Records										
Number of telephone information requests	7,354	8,743	11,747	17,879	12,953	12,074	13,868	13,138	12,169	9,627
Birth and death certificates issued	5,005	5,490	6,398	6,141	6,896	6,455	6,336	4,691	3,540	2,917
<b>Culture, parks &amp; recreation</b>										
Parks and Leisure										
Number registered for recreation programs	3,915	3,912	2,723	2,749	3,752	4,412	4,336	5,277	7,459	6,591
Public swim admissions	22,772	21,292	55,329	63,915	59,422	51,322	48,028	43,888	42,021	39,304
Library visits	311,403	297,676	295,255	291,141	398,160	398,568	383,836	451,015	424,079	403,308
Library volumes circulated	527,803	495,406	463,666	447,449	719,620	766,182	815,191	774,629	692,066	686,804
Lake Park day use area attendance	110,574	110,572	171,007	160,113	119,781	193,690	191,721	131,667	127,382	137,507
<b>Public safety</b>										
Police										
Calls for service	59,177	62,597	63,570	63,813	61,949	66,358	74,658	66,751	61,514	63,014
Part 1 crimes	4,420	4,478	4,305	3,610	3,238	3,577	4,039	4,038	3,448	3,272
Number of accidents	2,904	2,870	2,838	2,863	2,695	2,482	2,458	2,409	2,318	2,490
Fire										
Number of fire incidents	2,904	2,910	2,909	3,258	3,098	3,007	3,246	3,107	3,395	3,083
Number of EMS incidents	4,874	4,674	5,153	5,373	5,557	5,771	6,088	6,069	6,529	6,855
<b>Public services</b>										
Public Services										
Concrete paving repair (cubic yards)	1,285	1,475	1,279	1,225	1,211	1,187	966	830	716	694
Concrete utility cut repair (cubic yards)	336	319	420	709	457	415	393	221	306	300
Asphalt pothole repair (tons)	205	426	81	83	100	54	38	78	39	88
Community Development										
Building permits issued	1,081	922	844	948	766	698	552	509	439	379
Municipal Water System										
Number of customers (meters)	19,486	19,630	19,955	20,560	20,781	21,233	21,987	21,912	21,342	22,205
Average daily water consumption (MGD)	13.03	12.43	13.86	16.04	13.35	14.71	14.75	14.44	16.84	16.06
System capacity (MGD)	32	32	38	38	38	38	38.4	38.4	38.4	53.4
Number of water main breaks	94	73	93	212	106	120	113	75	96	99
Sewer System										
System treatment capacity (MGD)	12	12	12	15	15	15	15	15	15	15
Sanitation (residential)										
Residential refuse collected (tons)	35,941	31,846	27,523	27,691	28,765	27,528	27,732	27,179	25,302	25,418
Commercial refuse collected (tons)	115,661	120,535	112,205	104,929	108,242	107,798	106,084	109,773	104,528	76,119

**Source:** City Departments

**Notes:**

The decrease in tonnage for pothole repairs is due to the volume of asphalt street rehabilitation projects completed from 2003-2005. In the summer of 2005, the City's two existing pools were remodeled to water parks with pools and related amenities. For 2007, Lake Park attendance was down due to park being closed two summer months due to flooding. The Library was expanded during the 2006 and 2007 fiscal years.

CITY OF LEWISVILLE, TEXAS  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
 Last Ten Fiscal Years  
 (Unaudited)

TABLE 21

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Culture, parks &amp; recreation</b>										
Parks and Leisure										
Number of Parks	30	32	32	32	32	32	33	33	33	33
Parks (acres)	961	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Lighted Athletic Fields	23	23	23	23	23	23	37	37	37	37
Lighted Tennis Courts	4	4	4	4	4	4	4	4	4	4
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Senior Citizens Center	1	1	1	1	1	1	1	1	1	1
<b>Public safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	N/A	N/A	N/A	85	95	94	96	94	95	93
Fire Stations	6	6	6	6	6	6	7	7	7	7
<b>Public services</b>										
Public Services										
Streets - Paved (miles)	538	538	565	573	573	571	571	573	573	573
Alleys - Paved (miles)	78	80	83	85	85	85	85	85	85	85
Number of Street Lights	2,600	2,600	2,600	2,600	2,600	2,600	2,773	2,983	2,911	2,894
Water and Sewer										
Water Mains (miles)	N/A	N/A	N/A	385	387	390	393	397	381	377
Fire Hydrants	N/A	N/A	N/A	2,295	2,376	3,096	3,188	3,261	3,110	3,015
Sanitary Sewer (miles)	N/A	N/A	N/A	305	307	310	312	315	318	303

Source: City Departments

Notes:

N/A - Data not available.

Fire Hydrants for 2008 were located by GPS, thereby giving a more accurate accounting than those counted on previous years' maps.

Street Lights prior to 2009 were estimated.