

# CITY OF LEWISVILLE, TEXAS

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For Fiscal Year Ended September 30, 2018





**CITY OF LEWISVILLE, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
*for the fiscal year ended September 30, 2018*



Prepared by the  
**FINANCE DEPARTMENT**



# LEWISVILLE

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Deep Roots. Broad Wings. Bright Future.

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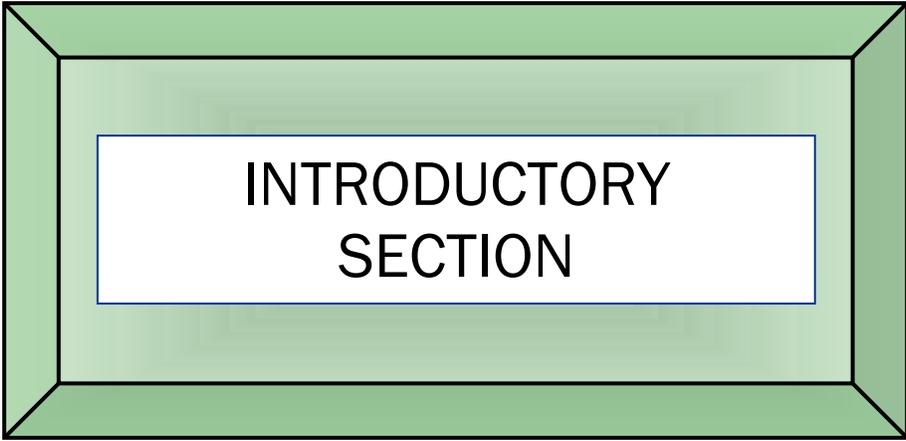
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INTRODUCTORY  
SECTION



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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February 28, 2019

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, 2018, 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, 2018, 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 one another.

## **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 November 2017. 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 recreation, public improvements, community development with planning, zoning and economic development, 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, 2018, 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 Emergency Medical Services District

## **ECONOMIC CONDITIONS AND OUTLOOK**

The City of Lewisville continues to experience positive annual population and new residential and commercial growth. Between the years 2000 to 2010, Lewisville's population increased by 22.6% from 77,737 to 95,290 per the official Census data of 2010. The current population estimate from North Central Texas Council of Governments (NCTCOG) is 104,780. Lewisville is located in Denton County which was one of the Top 20 fastest-growing counties in the country per the U.S. Census. The City has added a tremendous number of infill development and

redevelopment projects that have aided in the rejuvenation of the City. Lewisville's makeup is unique because the community is largely developed with limited vacant land available. Estimates are for residential population to be approximately 140,000 (including extraterritorial jurisdiction) at the time of build-out around 2035.

In all sub-markets across the Lewisville economy, fundamentals are stronger than ever; vacancies are low while rents and sales prices are increasing steadily.

The industrial sub-market is experiencing vacancies less than one-third the historical average. More than 7 million square feet has delivered so far this cycle, and about 95% of that was leased as of mid-year 2018 according to CoStar Analytics. Bed Bath & Beyond opened their nearly 800,000 square foot e-commerce facility in the Majestic Airport Center which has increased local sales tax collections dramatically over the last year. Mary Kay opened its 470,000 square foot facility with more than 500 employees. Furthermore, the Majestic Airport Center retained Kellogg's for another ten-year lease.

In the office sub-market, JP Morgan vacated a large campus in December 2017 but Nationstar Mortgage back-filled the space earlier this summer. The deal was recognized by the Dallas Business Journal as one of the "Best Real Estate Commercial Deals" of the year. According to CoStar Analytics, rent growth in the office submarket in Lewisville is outperforming the Dallas-Fort Worth metro average over the last few years.

The retail sub-market is perhaps the most interesting of the Lewisville sub-markets because of the City's one mall, Music City Mall, and surrounding shopping centers. Major anchors like Dillard's and JC Penney's are seeing slight increases to their revenue over recent years, while two national brands have left the market; Toys-R-U's and Sears. Nonetheless, Lewisville is nearly identical to the DFW market trends in sale price per square foot but has a much lower vacancy than the DFW market. In Old Town Lewisville, market rents go for more than \$20 per square foot, which is an increase of more than 30% over the last year. Renovations to two large properties on Main Street will more than double the previous building's square-footage, thus yielding more retail supply to Old Town.

Finally, over the last year, the residential sub-market has exploded in Old Town as well as other pockets of the city like the Hebron Station. Single family attached homes in Old Town are selling for more than \$300,000 and selling quicker than they can be constructed. With such success in redevelopment efforts, we anticipate land prices to increase at a much faster pace. This could cause land grabs to slow over the next year. However, the developers that have found recent success are investing for the long-haul and have already made plans and commitments to bring additional large residential and mixed-use projects to the Old Town district. See additional residential information later in the next section.

## **MAJOR INITIATIVES**

**Lewisville 2025 Plan**—The Lewisville 2025 Plan is the City's strategic plan that includes nine Big Moves guiding the development of the City of Lewisville over the next 10 years. The plan serves to set a vision for the future and provide a framework as Lewisville looks to celebrate its centennial in 2025. The plan was developed with more than a year of public input and discussion

that garnered hundreds of ideas and suggestions. That input was studied extensively by the Lewisville 2025 Committee, working with City staff and professional consultants. After an extensive public involvement process, the plan was complete and adopted in July 2014. The resulting Lewisville 2025 plan sets a clear shared vision for the kind of community Lewisville hopes to be in 2025. The plan identifies nine Big Moves to make that vision a reality. Some of the major accomplishments during the prior year are listed below:

- **Green Centerpiece** (Create and educate the public about unique destinations within the areas of the floodway, public land, and adjacent private lands.)
  - More than 15,000 people visited LLELA in 2018 including over 6,000 who participated in 207 programs. Additionally, more than 1,100 people contacted LLELA through off-site programs at other City parks and special events.
  - Hired Musco Lighting to replace entire lighting system at Lake Park. This \$3.2 million overhaul will improve the lights at the soccer fields, baseball fields, and softball fields. This replacement was needed in order to modernize the antiquated system and install energy efficient lights. Construction is expected to be complete in summer 2019.
  - Completed ADA enhancements at Lake Park. Improvements include the addition of a musical play panel at the playground and the addition of a wheelchair ramp at the playground entrance.
- **Extending The Green** (Implement the City’s adopted Trails Master Plan and to give Lewisville residents access to these systems within a reasonable walking distance of their neighborhoods.)
  - Received Planning and Technical Assistance grant from the National Recreation and Park Association, Trust for Public Land, and Urban Land Institute to identify strategies for making “10 Minute Walk to a Park” a reality for all Lewisville residents by increasing community access to public parks and open spaces.
  - Contractor completed Green Ribbon Median Landscape beautification project along FM 407 and SH 121 Business. Improvements include native, low-impact landscape, hardscape, two monument signs, and irrigation.
  - Adoption of the Parks, Recreation and Open Space Master Plan Update and Park Fee Ordinance.
- **Sustainability** (Provide a framework for all areas of municipal operations and place emphasis on green initiatives while reducing demands on limited resources.)
  - Developed and implemented a water conservation program
  - City completed the State Energy Conservation Office (SECO) reporting for energy usage tracking and received a SECO grant for an energy audit on City buildings.
  - City worked with Denton County to adopt the Property Assessed Clean Energy (PACE) Program. This program provides access to low-cost financing for sustainability improvements for businesses in the County.
  - City purchased two new electric vehicles, bringing the City’s count to eight for its electric vehicle fleet.
- **Old Town** (Identify new and renovated residential, retail and commercial opportunities and to raise the profile of the City’s historic Old Town by increasing activities and quality events.)
  - First piece of Public Art was installed in Old Town – Earth and Beyond.

- City completed substantial cleanup of the old K&W/Sonic sites at Main & Mill.
- Two large residential developments near the Old Town Train Station were approved for zoning and economic development agreements. The projects will likely be constructed by 2020 adding over 550 residential units to Old Town.
- Construction began on renovation of 109 W Main Street for an expansion of The Mercantile (The Merc), and Flourish will expand their operations into the old Merc location on Main Street. Construction of a new 3-story mixed-use building also started construction at 170 W Main Street for the development of retail on the first floor, office on the 2<sup>nd</sup>, and two residential apartment units on the 3<sup>rd</sup> floor.
- More than 50,000 people visited the MCL Grand in 2018. There were more than 300 public events which included 190 performances, 100 classes, and several large conventions and galas. In addition to the public events, MCL Grand was the location for nearly 200 private events throughout the year, such as meetings, banquets, and other special events.
- In addition to the 20 festivals and public concerts held in Wayne Ferguson Plaza (WFP) in 2018, over 100 exercise classes (Pilates, Yoga) occurred in WFP from Spring through Fall. The Art Pop-Up program was launched in 2018 and included 15 sessions.
- **Thriving Neighborhoods** (Create neighborhood-specific reinvestment strategies and to work with neighborhood groups to evaluate, identify and fund needed improvements.)
  - Adopted Old Town North Small Area Plan and the Southwest Lewisville Small Area Plan.
  - Fire Station #3 opened and Fire Station #8 neared completion with opening planned for early 2019.
  - Extended the Fire Control, Prevention, and Emergency Medical Services District by a vote of the residents in the City’s extraterritorial jurisdiction (ETJ) for an additional one-eighth cent sales tax that will help pay for fire safety and emergency medical services within the District.
- **New Neighborhood Choices** (Create and encourage new residential choices such as upscale single-family homes, mixed-use complexes, and high-density housing close to the three DCTA stations.)
  - Phase 1 of Walters Street Townhome project completed.
  - Construction began on Tower Bay Lofts, a Lewisville Lake development.
  - Additional residential activity is included later in this section.
- **Employment Centers** (Support the long-term success of these centers and promote a sense of pride between businesses and community services.)
  - Mary Kay completed construction on, and opened, its new Manufacturing and Research and Development Facility. The \$100 million, 470,000-square-foot facility employs over 500 people and produces more than a million products per day.
  - Additional information can be found earlier in this report.
- **Identity Focal Point** (Create a strong graphic presence at the major gateways so Lewisville stands apart from other cities along I-35E.)
  - City Council adopted I-35E Overlay District.
  - Eight new Lewisville gateway monument signs have been installed at entry points into the city.

- **Marketing & Communications** (Strengthen the communications program within the City, enhance the message to residents, and better promote the people and businesses in the City.)
  - City hired CivicBrand to create, launch, and maintain a social media presence for Old Town. A Facebook page ([facebook.com/OTLewisville](https://www.facebook.com/OTLewisville)) promotes the latest happenings, events, giveaways, and all things Old Town. CivicBrand also created an Instagram account (@OTLewisville) that allows residents and visitors to take and post pictures around Lewisville. Additionally, the City hired Mixed Media Creations to create, launch, and maintain Lewisville Live - a website that features all types of live music, in all types of venues, in Lewisville. The site includes an interactive page that allows music fans to take and upload pictures from various music spots around town.
  - City placed a special advertising section in the Dallas Morning News for the second consecutive year. This section reached more than 227,000 subscribers in September. It promoted Lewisville as a quality place to live, work, and visit.

**Major Roadway Projects**—Completion of the Valley Ridge Extension (Mill Street to Railroad Street) occurred this fiscal year within Lewisville. The \$20 million project provided a 4-lane divided boulevard connecting to existing segments of Valley Ridge at each end. The project included a rail crossing over the DCTA rail line, a bridge over Prairie Creek, sidewalks and a landscaped median. The project was funded with a combination of City, Denton County and Regional Toll Revenue.

Corporate Drive, a \$54 million roadway project, encompasses several segments from Waters Ridge to Trinity Drive. Segment 1 & 7 (Waters Ridge to Railroad Street and Josey to Trinity Drive) is complete; Segment 6 from FM544 to Josey is complete except for the Kansas City Southern (KCS) railroad underpass. City Staff is working with the KCS railroad toward approving the plans, so the project can proceed to construction soon. Segment 5, Holford's Prairie to Old Denton Road, is in the final design stage and construction could begin in 2019. Finally, Segments 2-4, Railroad Street to Holford's Prairie is well into design. The largest roadway project in the City's history is being funded with City, Denton County and Regional Toll Revenues (RTR).

**Residential Growth**— A significant number of new residential subdivisions are either underway or planned in Lewisville. These projects include:

PROJECT	LOCATION	RESIDENCE TYPE	PLANNED UNITS	STATUS/COMPLETED at End of Year
Highpoint Oak Estates	Southwest corner of Vista Ridge Mall Drive and Denton Tap Road	Single family	86	81 Completed
Wyndale Meadows	East of FM 544 and south of SH 121	Single-family	232	165 units completed
Crescent Estates	Summit Lane south of College Parkway	Single-family	62	47 units completed; 15 under construction
Vista Del Lago	North Side of State Highway 121, Approximately 1,150 Feet East of MacArthur Boulevard	Single-Family (Attached)	154	Under Construction
Lakewood Hills	Josey Lane and Windhaven Parkway	Single-family	525	Broken Ground
South Village	Elm Street & Mill Street	Single-family	63	Broken Ground
Legacy Pointe	East Side of Kealy Ave., east of rodeo grounds, north of College St	Single-family	97	Under Construction
Willowbrook	Southeast corner of Denton Tap Rd and Vista Ridge Mall Drive	Single-family	75	Under Construction
The Manors at Vista Ridge	Vista Ridge Mall area	Multi-family (Townhomes)	72	53 units completed
Windhaven Crossing	SH 121 and is bisected by the Atchison, Topeka and Santa Fe Railroad	Multi-family (Townhomes)	367	22 units completed
Hebron 121 Station	Hebron Parkway and Lakeside Circle	Multi-family	1875	922 units completed; 238 under construction and future
Uptown Village	S Kealy and Lily Ln	Multi-family (Townhomes)	70	34 units completed
Walters Street	125 S. Walters	Multi-family (Townhomes)	19	5 Units completed
Tower Bay Lofts	3000 N Stemmons Freeway	Multi-family	308	Under Construction
Highland Terraces	North side of Highland Dr, East of Denton Tap Rd	Multi-family (Townhomes)	32	Under Construction
Lofts at Old Town Station	North Side of E. College St., approximately 940 ft East of N. Kealy Ave.	Multi-Family	234	N/A
Fireside Village	College Parkway and Summit Avenue	Single-family	33	Broken Ground

## 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 and directives 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 an 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 assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased in December or January through an amendment approved by City Council 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 Director of Strategic Services, 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 Director of Strategic Services 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 Director of Strategic Services prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Strategic Services. 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 2018-19 and the preceding five fiscal years is reflected in the following table:

<u>Purpose</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
General Fund	0.313766	0.318766	0.318766	0.318766	0.318766	0.322890
Debt Service Fund	<u>0.122320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>
Total Tax Rate	<u>0.436086</u>	<u>0.436086</u>	<u>0.436086</u>	<u>0.436086</u>	<u>0.436086</u>	<u>0.440210</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 2017-18, the City’s payments to the districts for appraisal services were \$250,208, an increase of \$18,753, from the amount paid by the City in 2016-17. Since October 1997, the City has contracted with Denton County for tax collection services. The 2017-18 cost was \$25,969.

**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, Tax Notes and Certificates of Obligations at 9-30-18 (Net of Debt Service)	\$87,165,932
Estimated Population	104,780
General Debt per Capita	\$807
Net General Debt per Assessed Value	0.90%

The City’s underlying bond ratings at September 30, 2018 were as follows:

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

## 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 Weaver, 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, 2018, 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, 2017. 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 29 consecutive years (fiscal years ended 1989-2017). 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,

A handwritten signature in cursive script that reads "Donna Barron".

Donna Barron  
City Manager

A handwritten signature in cursive script that reads "Brenda Martin".

Brenda Martin, CPA  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Lewisville  
Texas**

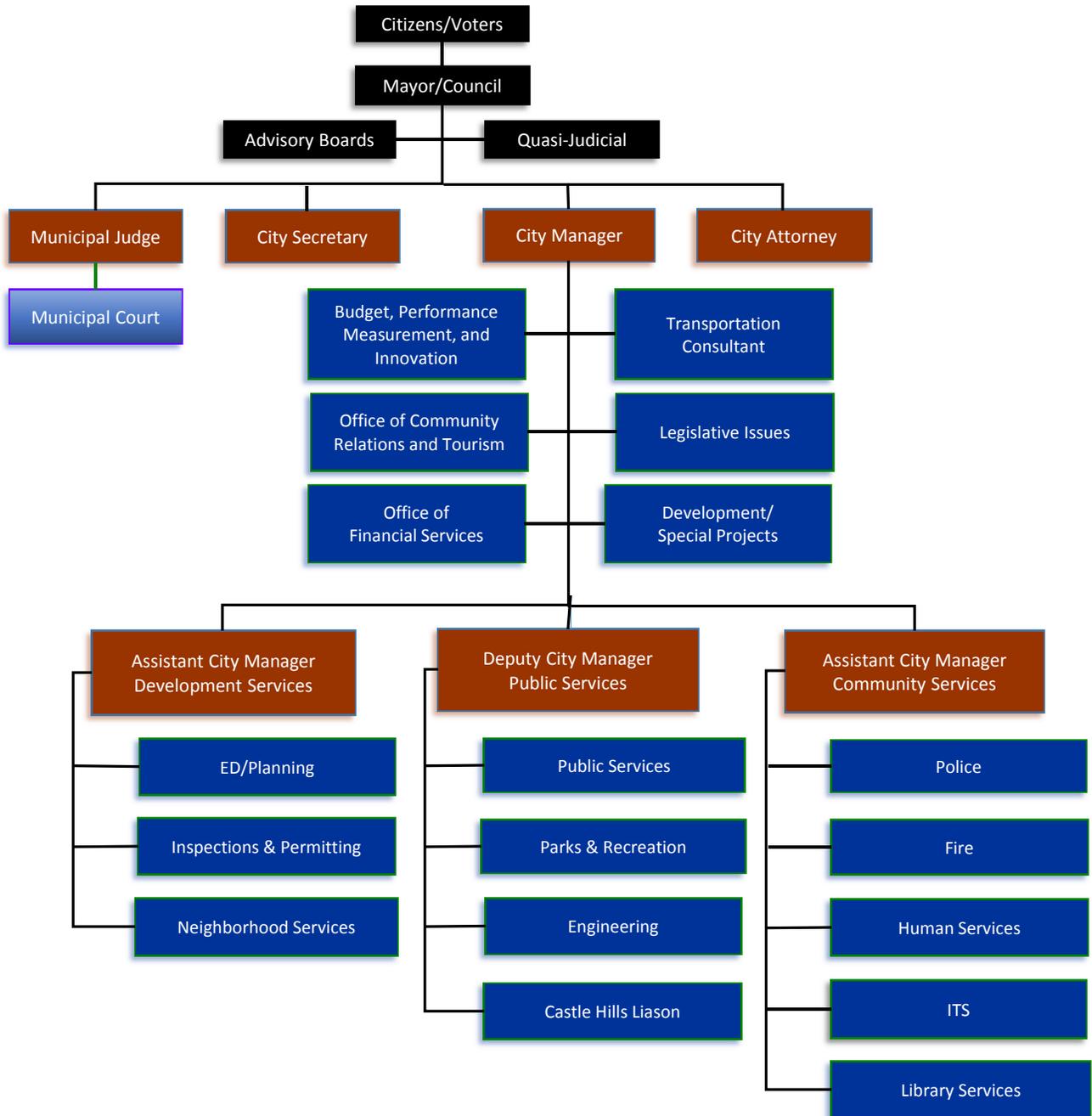
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

CITY OF LEWISVILLE, TEXAS - ORGANIZATIONAL CHART



**– Elected Officials –**

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Mayor ..... Rudy Durham  
Mayor Pro Tem ..... Brandon Jones  
Deputy Mayor Pro Tem ..... Bob Troyer  
Councilman ..... R Neil Ferguson  
Councilman ..... T. J. Gilmore  
Councilman ..... Brent Daniels

**– Appointed Officials –**

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City Manager ..... Donna Barron  
City Secretary ..... Julie Worster  
City Attorney ..... Lizbeth Plaster  
Municipal Judge ..... Brian S. Holman

**– Assistant City Managers –**

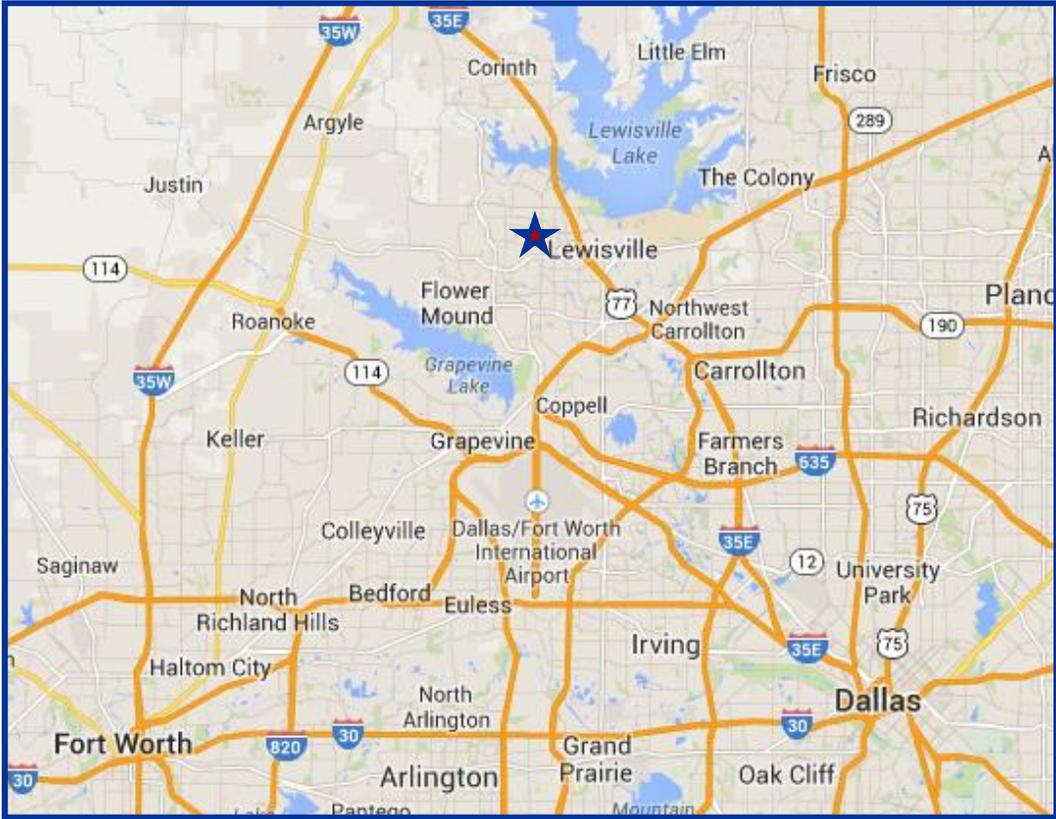
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Deputy City Manager ..... Eric Ferris  
Assistant City Manager ..... Claire Powell  
Assistant City Manager ..... Melinda Galler

**– Department Directors –**

---

Strategic Services ..... Gina Thompson  
Community Relations and Tourism ..... James Kunke  
Economic Development ..... Nika Reinecke  
Engineering ..... David Salmon  
Financial Services ..... Brenda Martin  
Fire ..... Tim Tittle  
Human Resources ..... Matt Grebliunas  
Information Technology Services ..... Chris Lee  
Library Services ..... Carolyn Booker  
Neighborhood and Inspection Services ..... Wayne Snell  
Parks and Recreation ..... Stacie Anaya  
Planning ..... Richard Luedke  
Police ..... Kevin Deaver  
Public Services ..... Keith Marvin



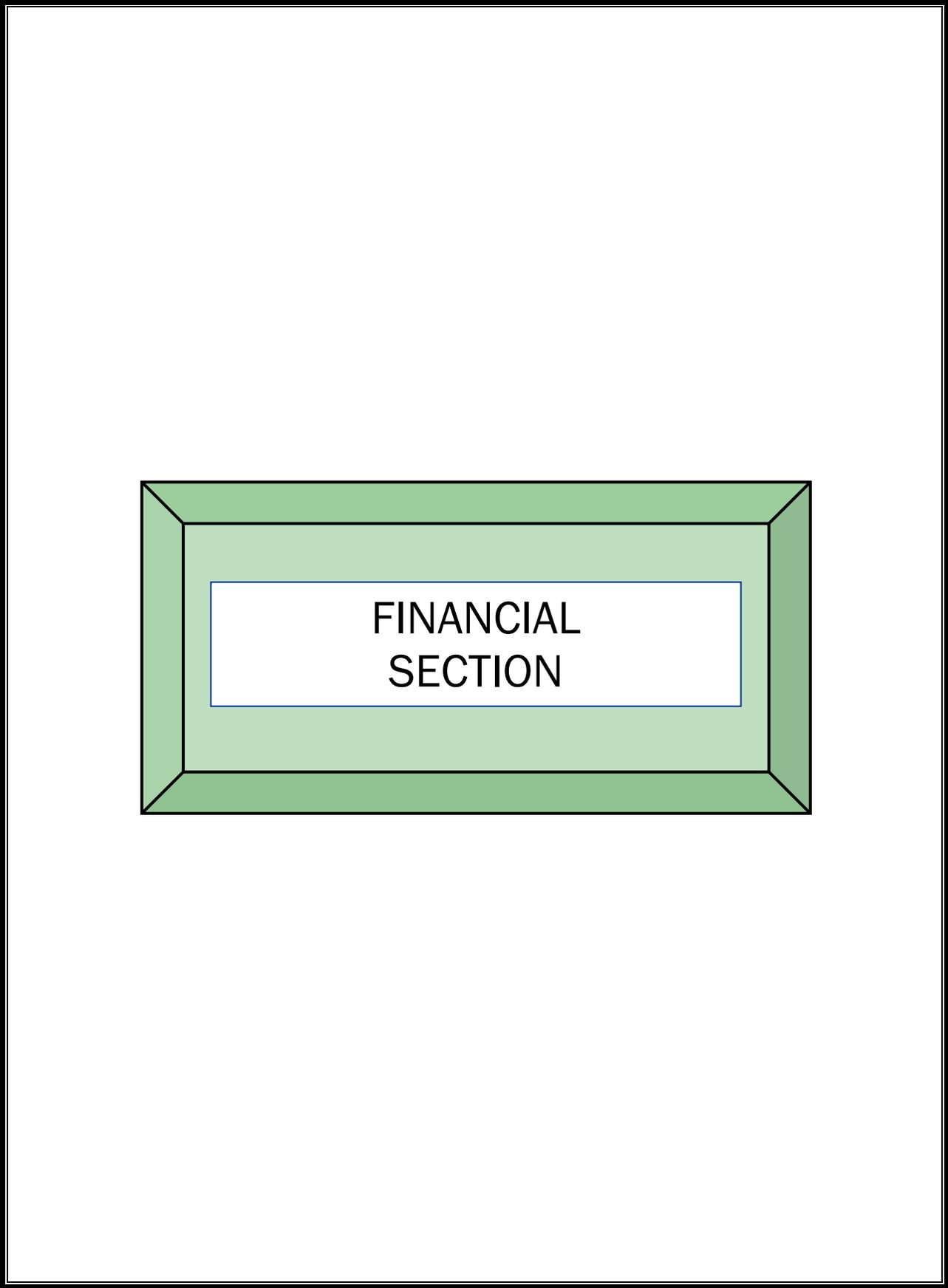


# LEWISVILLE

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Deep Roots. Broad Wings. Bright Future.

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FINANCIAL  
SECTION



# LEWISVILLE

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## Independent Auditor's Report

To the Honorable Mayor,  
City Council, and City Manager of  
City of Lewisville, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lewisville (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

### ***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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principles**

As discussed in Note 16 to the financial statements, in 2018, the City adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Beginning net position has been restated to reflect the change in accounting principle for implementation of this Statement. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 19-30), TMRS pension schedules (pages 93-95) and OPEB liability trust fund schedules (pages 96-98) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

The introductory and statistical sections have 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 them.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 26, 2019, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 26, 2019



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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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, 2018. Please read it in conjunction with the accompanying transmittal letter and the basic financial statements.

## FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Lewisville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ending September 30, 2018 by \$727,096,291 (net position). Of this amount, \$67,134,088 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Lewisville's total net position increased by \$40,884,616 for the year ended September 30, 2018. This increase is inclusive of the accounting effect of implementing GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year.
- As of September 30, 2018, the City of Lewisville's governmental funds reported combined ending fund balances of \$127,264,661, a decrease of \$4,259,101 in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$34,946,844 or approximately 44.0 percent of total general fund expenditures.
- The City's total outstanding bonds decreased by \$16,600,000 during the current fiscal year.

## 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 position presents information on all of the City of Lewisville's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lewisville is improving or deteriorating. The statement of net position 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 position 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 position and the statement of activities are prepared utilizing the accrual basis of accounting.

In the Statement of Net Position 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 and public services, information technology services, parks and recreation, 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 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 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 Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

The City of Lewisville maintains twenty-three 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, General Capital Projects Fund, and Castle Hills PID Capital Projects Fund, all of which are considered to be major funds. Data from the other nineteen 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 Position 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 two enterprise funds to account for water, sewer, and stormwater drainage 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, technology, 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 Position and Changes in Fiduciary Net Position. 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 position was \$727,096,291 as of September 30, 2018. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is \$274,589,124. This analysis focuses on the net position (Table 1) and changes in general revenues (chart) and significant expenses of the City's governmental and business-type activities.

By far the largest portion of the City's net position (81.0 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.

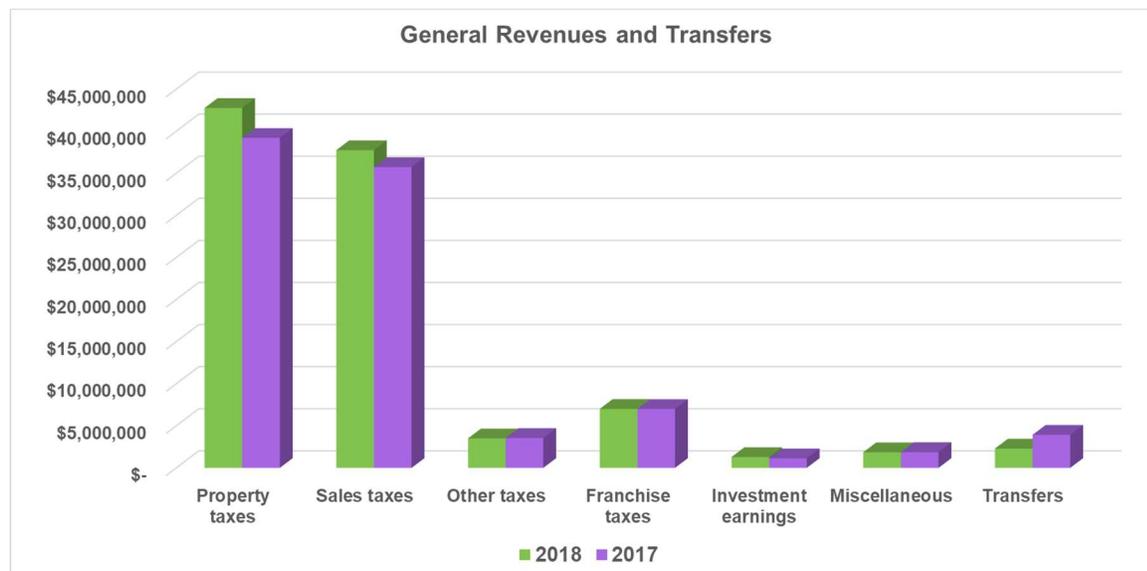
**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Table 1: Net Position**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 220,200,870	\$ 223,374,907	\$ 77,635,789	\$ 74,324,913	\$ 297,836,659	\$ 297,699,820
Capital assets	408,801,474	392,889,787	252,536,583	241,416,757	661,338,057	634,306,544
Total assets	629,002,344	616,264,694	330,172,372	315,741,670	959,174,716	932,006,364
Deferred outflows	7,802,235	17,858,089	1,301,903	2,392,613	9,104,138	20,250,702
Noncurrent liabilities	123,975,511	148,740,735	51,132,339	58,892,486	175,107,850	207,633,221
Other liabilities	51,537,110	50,040,610	4,894,082	5,294,804	56,431,192	55,335,414
Total liabilities	175,512,621	198,781,345	56,026,421	64,187,290	231,539,042	262,968,635
Deferred inflows	8,784,791	2,783,573	858,730	293,183	9,643,521	3,076,756
Net position:						
Net investment in capital assets	351,840,695	331,724,740	237,299,149	222,703,569	589,139,844	554,428,309
Restricted for debt service	28,947,444	30,987,300	6,710,407	7,316,115	35,657,851	38,303,415
Restricted for capital projects	21,788,988	22,731,864	-	-	21,788,988	22,731,864
Restricted for special revenue	13,375,520	15,108,555	-	-	13,375,520	15,108,555
Unrestricted	36,554,520	32,005,406	30,579,568	23,634,126	67,134,088	55,639,532
Total net position	\$ 452,507,167	\$ 432,557,865	\$ 274,589,124	\$ 253,653,810	\$ 727,096,291	\$ 686,211,675

**Governmental Activities**

The City’s general revenues and transfers increased when compared to the prior year by 4.35% or \$4,019,725. The primary reasons for this increase were sales tax and property tax revenues. Both major revenue sources were reflective of the strong, stable economic climate the City continues to experience. Sales tax revenue increased \$2.0 million (5.62%) from the prior year. Taxable assessed valuation of properties in the City increased by \$809.1 million or 9.5% as compared to the prior year while the tax rate remained the same at \$0.436086 per \$100 assessed valuation.



**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

Governmental activities increased the City's net position by \$20,730,679. The key elements of this increase are as follows:

**Table 2: Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for service	\$ 18,364,223	\$ 18,139,209	\$ 37,010,278	\$ 30,566,320	\$ 55,374,501	\$ 48,705,529
Operating grants and contributions	2,640,360	4,291,331	-	-	2,640,360	4,291,331
Capital grants and contributions	24,196,775	26,620,718	16,055,699	5,592,092	40,252,474	32,212,810
General revenues:						
Property taxes	42,750,384	39,199,153	-	-	42,750,384	39,199,153
Other taxes	48,252,287	46,284,751	-	-	48,252,287	46,284,751
Other	3,144,470	3,011,533	487,420	513,309	3,631,890	3,524,842
<b>Total revenues</b>	<b>139,348,499</b>	<b>137,546,695</b>	<b>53,553,397</b>	<b>36,671,721</b>	<b>192,901,896</b>	<b>174,218,416</b>
Expenses:						
General government	20,036,407	19,373,580	-	-	20,036,407	19,373,580
Culture, parks and recreation	14,001,134	12,290,135	-	-	14,001,134	12,290,135
Public safety	54,104,824	51,065,140	-	-	54,104,824	51,065,140
Public and development services	29,576,155	26,561,696	30,244,255	27,727,921	59,820,410	54,289,617
Interest on long-term debt	3,194,723	3,201,522	-	-	3,194,723	3,201,522
<b>Total expenses</b>	<b>120,913,243</b>	<b>112,492,073</b>	<b>30,244,255</b>	<b>27,727,921</b>	<b>151,157,498</b>	<b>140,219,994</b>
Increase in net position before transfers	18,435,256	25,054,622	23,309,142	8,943,800	41,744,398	33,998,422
Transfers	2,295,423	3,927,402	(2,295,423)	(3,927,402)	-	-
Increase in net position	20,730,679	28,982,024	21,013,719	5,016,398	41,744,398	33,998,422
Net position - beginning	432,557,865	403,575,841	253,653,810	248,637,412	686,211,675	652,213,253
Cumulative effect of change in accounting principle	(781,377)	-	(78,405)	-	(859,782)	-
<b>Net position - ending</b>	<b>\$ 452,507,167</b>	<b>\$ 432,557,865</b>	<b>\$ 274,589,124</b>	<b>\$ 253,653,810</b>	<b>\$ 727,096,291</b>	<b>\$ 686,211,675</b>

Charges for services and General revenues increased \$5.9 million over the previous year and is discussed in more detail below under the General Fund sections. Capital grants and contributions decreased \$2.4 million from 2017 mainly due to a decrease in contributions related to Castle Hills.

The most significant governmental expense for the City is payroll and personnel-related cost. For the year, these costs were \$68,791,564 or 58.1% of total expenses. Payroll costs were closely monitored and along with vacancies, came in \$1,313,016 less than originally budgeted.

For activities, public safety incurred expenses of \$54,104,824. These expenses were offset by charges for services revenue of \$7,842,011, which were collected from a variety of sources, with the largest being from fines, forfeitures and ambulance fees. The largest portion of public safety is the cost of personnel which is \$45,393,190. Other significant governmental expenses for the City include public and development services which incurred \$29,576,155 in expenses, of which \$9,947,051 represents personnel charges and the general government activity which incurred

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

\$20,036,407 in expenses, of which \$8,168,401 represents personnel charges. General government encompasses mayor and council, administration, legal, finance, human resources, information technology services, community relations and tourism departments. The Parks and Recreation Department incurred \$14,001,134 in expenses, of which \$5,282,923 represents personnel charges.

**Business-type Activities**

Business-type activities increased the City's net position by \$21,013,719. The increase in net position is the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$34,013,015. This revenue source increased \$3,446,695 mainly due to a 6% rate increase for the fiscal year. A new stormwater utility was formed and revenues began January 1, 2018. Revenues for this new utility amounted to \$2,997,263 for the year. Non-cash capital contributions from developers and cash receipts in the form of development impact fees amounted to \$16,055,699. This revenue increased \$10,463,607 from 2017 due to an increase in the amount of dedicated Castle Hills infrastructure as well as an increase in water and sewer capital recovery collections. Developer contributions are public improvement infrastructure projects that are completed by the developer and dedicated to the City. The charges for services exceeded expenses by \$6.8 million.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of fiscal year 2018, the City had \$661.3 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines.

**Table 3  
Capital Assets at Year-end  
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Improvements	\$ 255,642,814	\$ 250,058,346	\$ 283,923	\$ 305,277	\$ 255,926,737	\$ 250,363,623
Land	64,985,248	60,584,592	2,502,137	2,502,137	67,487,385	63,086,729
Buildings	45,657,856	44,384,217	1,387,417	1,441,845	47,045,273	45,826,062
Machinery & equipment	19,673,733	19,669,552	1,184,150	874,719	20,857,883	20,544,271
Construction in progress	22,841,823	18,193,080	12,144,392	6,034,397	34,986,215	24,227,477
Water system	-	-	140,541,167	139,461,941	140,541,167	139,461,941
Sewer system	-	-	90,641,484	90,796,441	90,641,484	90,796,441
Stormwater system	-	-	3,851,913	-	3,851,913	-
Totals	\$ 408,801,474	\$ 392,889,787	\$ 252,536,583	\$ 241,416,757	\$ 661,338,057	\$ 634,306,544

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

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Major capital asset additions for 2017-2018 include:

I-35 Interchange Aesthetics	\$	5,416,693
Fire Station 3 Relocation		5,031,743
Developer Dedicated Street Paving		3,387,812
Developer Donated Right of Ways		3,081,870
Northwest Old Town & Jones Street		2,553,657
Developer Dedicated Water Improvements		2,318,481
Concrete Improvements		2,158,281
Castle Hills Drainage		2,000,281
	\$	<u>25,948,818</u>

The City's fiscal year 2017-18 capital improvement program authorizes it to spend \$159 million for capital projects. These improvements are in the following categories: water and sewer, streets, drainage, park, municipal/technology, facility, and public safety. The aforementioned amount of \$159 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, Court Technology Upgrades for 2017-18 consists of \$55,864 in cash funding with \$42,364 coming from General Fund cash and \$13,500 coming from Court Technology Fund cash.

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 \$123.2 million in general obligation, tax notes, certificates of obligation, and revenue bonds outstanding as compared to \$139.8 million at the end of the prior fiscal year, a decrease of 11.87 percent as shown in Table 4.

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Table 4  
Outstanding Debt at Year End  
(in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation bonds, tax notes and certificates of obligation (backed by the City)	\$ 79,905	\$ 90,415	\$ -	\$ -	\$ 79,905	\$ 90,415
General obligation and revenue bonds (backed by fee revenues)	-	-	43,305	49,395	43,305	49,395
Totals	<u>\$ 79,905</u>	<u>\$ 90,415</u>	<u>\$ 43,305</u>	<u>\$ 49,395</u>	<u>\$ 123,210</u>	<u>\$ 139,810</u>

For more detailed information on long-term debt activity, refer to Note 11 in the Notes to Financial Statements.

The City's General Obligation Bonds and Water and Sewer Revenue Bonds carry an AAA rating from Standard and Poor's and 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 0.90%.

## **THE CITY'S FUNDS**

At the close of the City's fiscal year on September 30, 2018, the governmental funds of the City reported a combined fund balance of \$127.3 million, a \$4.3 million decrease from the previous year, mainly due to increased spending occurring in the City's General Capital Projects Funds.

The City's General Fund balance was \$36.6 million which was \$3.7 million less than the prior year fund balance. Property and sales tax collections increased along with planned budgeted expenditures. These increases are offset by increases in transfers to capital project funds. Current year's activity resulted in a positive variance of \$8.2 million when compared to the final amended budgeted increase of \$28.41 million. Significant budgetary variances between the final amended budget and the actual results can be summarized as follows:

- Tax revenue was \$2,320,394 more than estimated. The primary reason was sales tax revenue, which was \$1,982,256 more than budgeted due to a strong economy and a conservative budgeting policy which sets budget at the prior year's estimate for this revenue.
- License and permits revenue was \$1,067,314 higher than budgeted primarily due to fire occupancy inspections revenue of \$199,781 being higher than anticipated due to increased collection efforts, as well as building permits and plan review fees of \$1,090,760 and \$483,404, respectively, being higher than anticipated due to increased development.

- When combined, Parks and Recreation, Public Services, Development Services, and General Government departments had lower than expected expenditures resulting in a favorable variance of \$2,892,933. This variance is primarily due to salary savings from employee vacancies.

The City's Water and Sewer Fund net position of \$265.1 million increased by \$11.3 million over the prior year net position balance. The increase is primarily due to operating revenues and dedicated infrastructure continuing to remain well above operating expenses.

The newly created Stormwater Fund experienced an increase of net position of \$9.5 million. Revenues are being accumulated for upcoming stormwater or drainage projects.

The City's Internal Service Funds net position of \$16.7 million increased by \$1.1 million from the prior year net position balance. This increase was mainly the result of premium collections in excess of claims and other expenses for the Health Benefit Trust Fund. The Maintenance and Replacement Fund experienced a \$219 thousand increase in net position mainly due to lease payments accumulating for future planned capital replacement costs.

### **General Fund Budgetary Highlights**

During fiscal year 2017-18, the City Council amended the budget for the General Fund for three purposes; for the routine supplement completed each year for prior year encumbrances (purchases) that overlap into the next fiscal year (along with prepaid items); to appropriate changes the Council reviewed at mid-year including accounting for park development, park dedication, and tree mitigation fees and transfers out to CIP for these purposes from the General Fund budget; and to allocate funding for mid-block flashing crosswalks at multiple locations in response to a safety issue arising early in the year. Staff reviewed the supplemental appropriations and determined that reserves were sufficient to recommend approval. The net decrease to the General Fund budgetary fund balance for the year was \$1,690,965.

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

The City's elected and appointed officials considered many factors when setting the fiscal year 2019 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The City has experienced growth in local business and development activity over the past two years.

The economic climate in Lewisville is stable with low unemployment. 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 2019. The combined budget appropriation for fiscal year 2018-19 totals \$183,260,668 million for twenty-five operating funds. Another \$21,102,306 million is appropriated in the City's 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 overall tax rate steady for the current fiscal year at .436086 cents per \$100 assessed valuation. However, the O&M portion was decreased ½ cent and the I&S portion increased ½ cent. This tax rate brings in more tax revenue (\$2.329 million) for the 2018-19 fiscal year due to the new tax rate being applied to an increased tax base. Property values increased \$850 million or 9.09%. This brings the property tax revenue budgeted for FY 2018-19 to \$33.135 million, making it the single largest General Fund revenue source.

The General Fund's second largest revenue source in fiscal year 2018-19 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 \$28.853 million.

Budgeted operating expenditures in the General Fund are expected to increase \$5.184 million from the 2017-18 fiscal year re-estimated budget. These expenditures are offset by increases in revenue. The only change in fund balance is the \$7.604 million in transfers out for planned, one-time expenditures (\$11.002M last fiscal year).

As for the City's business type activities, the City budgeted a decrease of \$3.208 million for the Water and Sewer Fund's net position. This decrease is due to budgeting transfers to capital improvement projects for water and sewer line replacements as well as for economic development agreement liabilities.

Water and sewer rates were reviewed by the City Council for fiscal year 2018-19. Council elected to hold the rates flat due primarily to receiving a reduced rate from Dallas Water Utilities.

## **RETIREE HEALTHCARE**

The City is committed to providing postemployment retiree health benefits that are fair to both employees and taxpayers and can be sustained over the long term.

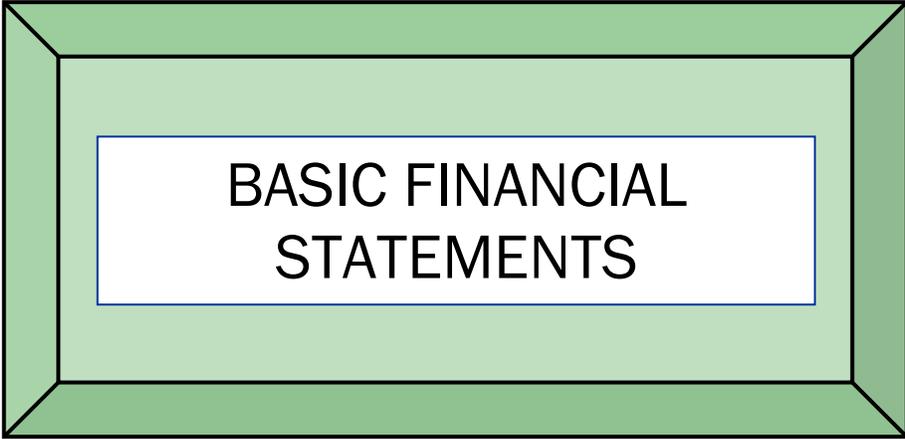
Effective fiscal year 2017, Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* created specific reporting requirements for improvement of the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general

purpose external financial reports for the City's OPEB Liability Trust Fund. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The Statement includes specific valuation requirements that provide a rigorous standard measure that can be used to compare the City's OPEB liabilities to other governments from around the nation as well as certain approved actuarial methods that reflect any unfunded actuarial accrued liabilities. This information, combined with the City's history of making those contributions, provides insights regarding the City's commitment to and the effectiveness of its funding strategy.

Effective fiscal year 2018, GASB Statement, No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* establishes new accounting and other related financial reporting requirements for governments whose employees are provided with OPEB. This report reflects the full implementation of both Statements.

#### **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

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Deep Roots. Broad Wings. Bright Future.

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**CITY OF LEWISVILLE, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

**EXHIBIT 1**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash	\$ 13,392,688	\$ 2,637,941	\$ 16,030,629	\$ 1,521,196
Investments	162,699,400	29,261,463	191,960,863	16,993,584
Receivables (net of allowance for uncollectibles)				
Accounts	5,739,676	5,190,318	10,929,994	-
Taxes	8,949,628	-	8,949,628	1,377,597
Interest	442,457	100,795	543,252	49,356
Other	439,191	9,876	449,067	-
Internal balances	22,780	(22,780)	-	-
Note receivable from component units	26,665,000	-	26,665,000	-
Inventory of supplies	147,729	-	147,729	-
Prepaid items	1,702,321	71,817	1,774,138	1,949
Restricted assets				
Cash	-	3,309,358	3,309,358	-
Investments	-	36,984,044	36,984,044	-
Interest receivable	-	92,957	92,957	-
Capital assets				
Non-depreciable	87,827,071	14,646,529	102,473,600	-
Depreciable (net of accumulated depreciation)	320,974,403	237,890,054	558,864,457	6,069,179
Total assets	<u>629,002,344</u>	<u>330,172,372</u>	<u>959,174,716</u>	<u>26,012,861</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	952,309	603,483	1,555,792	-
Pension contributions after measurement date	5,842,039	595,983	6,438,022	98,086
OPEB contributions after measurement date	125,689	12,611	138,300	-
Difference in expected and actual pension experience	779,407	79,512	858,919	13,086
Difference in expected and actual OPEB experience	102,791	10,314	113,105	-
Total deferred outflows of resources	<u>7,802,235</u>	<u>1,301,903</u>	<u>9,104,138</u>	<u>111,172</u>
<b>LIABILITIES</b>				
Accounts payable	6,873,281	2,283,240	9,156,521	172,268
Incurring but not reported claim reserve	1,702,111	-	1,702,111	-
Accrued liabilities	2,967,446	289,969	3,257,415	50,791
Accrued interest payable	409,968	204,083	614,051	147,778
Contracts and retainable payable	653,233	134,228	787,461	-
Deposits payable	32,500	1,814,058	1,846,558	200
Unearned revenue	36,564,971	-	36,564,971	-
Escrow payable	2,333,600	168,504	2,502,104	-
Noncurrent liabilities				
Due within one year	15,140,182	5,437,766	20,577,948	2,420,224
Due in more than one year	108,835,329	45,694,573	154,529,902	24,486,043
Total liabilities	<u>175,512,621</u>	<u>56,026,421</u>	<u>231,539,042</u>	<u>27,277,304</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Difference in expected and actual pension experience	1,966,335	209,811	2,176,146	27,514
Difference in expected and actual OPEB experience	398,282	39,961	438,243	-
Difference in projected and actual earnings on pension assets	6,201,877	587,056	6,788,933	124,308
Difference in projected and actual earnings on OPEB assets	218,297	21,902	240,199	-
Total deferred inflows of resources	<u>8,784,791</u>	<u>858,730</u>	<u>9,643,521</u>	<u>151,822</u>
<b>NET POSITION</b>				
Net investment in capital assets	351,840,695	237,299,149	589,139,844	518,300
Restricted for				
Debt service	28,947,444	6,710,407	35,657,851	-
Capital projects	21,788,988	-	21,788,988	-
Special revenue	13,375,520	-	13,375,520	-
Tax increment reinvestment zone	-	-	-	2,525,843
Unrestricted	36,554,520	30,579,568	67,134,088	(4,349,236)
Total net position	<u>\$ 452,507,167</u>	<u>\$ 274,589,124</u>	<u>\$ 727,096,291</u>	<u>\$ (1,305,093)</u>

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

**CITY OF LEWISVILLE, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities				
General government	\$ 20,036,407	\$ 4,606,589	\$ 50,000	\$ 946,134
Culture, parks, and recreation	14,001,134	2,013,091	589,401	-
Public safety	54,104,824	7,842,011	794,210	75,000
Public & development services	29,576,155	3,902,532	473,855	23,175,641
Interest and fiscal charges	3,194,723	-	732,894	-
Total governmental activities	<u>120,913,243</u>	<u>18,364,223</u>	<u>2,640,360</u>	<u>24,196,775</u>
Business-type activities				
Water and sewer	30,205,347	34,013,015	-	11,274,693
Stormwater	38,908	2,997,263	-	4,781,006
Total business-type activities	<u>30,244,255</u>	<u>37,010,278</u>	<u>-</u>	<u>16,055,699</u>
Total primary government	<u>\$ 151,157,498</u>	<u>\$ 55,374,501</u>	<u>\$ 2,640,360</u>	<u>\$ 40,252,474</u>
<b>Component Units</b>				
Tax increment reinvestment zone 1	802,692	-	-	-
LPLDC (4B) fund	4,560,894	183,986	-	500,000
Total component units	<u>\$ 5,363,586</u>	<u>\$ 183,986</u>	<u>\$ -</u>	<u>\$ 500,000</u>

**GENERAL REVENUES AND TRANSFERS**

Taxes

Property taxes, levied for general purposes

Sales taxes

Other taxes

Franchise taxes

Hotel motel taxes

Penalties and interest

Investment earnings

Gain on sale of assets

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

NET POSITION - beginning

CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

NET POSITION - ending

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

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (14,433,684)	\$ -	\$ (14,433,684)	\$ -
(11,398,642)	-	(11,398,642)	-
(45,393,603)	-	(45,393,603)	-
(2,024,127)	-	(2,024,127)	-
(2,461,829)	-	(2,461,829)	-
<u>(75,711,885)</u>	<u>-</u>	<u>(75,711,885)</u>	<u>-</u>
-	15,082,361	15,082,361	-
-	7,739,361	7,739,361	-
-	22,821,722	22,821,722	-
<u>(75,711,885)</u>	<u>22,821,722</u>	<u>(52,890,163)</u>	<u>-</u>
-	-	-	(802,692)
-	-	-	(3,876,908)
-	-	-	<u>(4,679,600)</u>
42,539,829	-	42,539,829	1,497,668
37,738,693	-	37,738,693	7,823,768
960,267	-	960,267	-
7,006,296	-	7,006,296	-
2,547,031	-	2,547,031	-
210,555	-	210,555	-
1,286,333	425,390	1,711,723	111,273
72,325	-	72,325	-
1,785,812	62,030	1,847,842	40
2,295,423	(2,295,423)	-	-
<u>96,442,564</u>	<u>(1,808,003)</u>	<u>94,634,561</u>	<u>9,432,749</u>
20,730,679	21,013,719	41,744,398	4,753,149
432,557,865	253,653,810	686,211,675	(6,058,242)
(781,377)	(78,405)	(859,782)	-
<u>\$ 452,507,167</u>	<u>\$ 274,589,124</u>	<u>\$ 727,096,291</u>	<u>\$ (1,305,093)</u>

CITY OF LEWISVILLE, TEXAS  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 SEPTEMBER 30, 2018

EXHIBIT 3

	General	Debt Service Fund	Castle Hills PID Capital Project	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 2,578,353	\$ 216,694	\$ -	\$ 7,916,296	\$ 1,129,100	\$ 11,840,443
Investments	28,738,170	2,421,685	19,565,624	88,469,310	11,589,437	150,784,226
Receivables (net of allowances for uncollectibles)						
Taxes	7,584,643	50,448	-	-	1,314,537	8,949,628
Accounts	2,894,004	-	-	1,328,801	1,014,036	5,236,841
Unbilled accounts	284,925	-	-	-	-	284,925
Interest	87,886	7,085	20,306	242,995	46,294	404,566
Court	217,910	-	-	-	-	217,910
Other	439,191	-	-	-	-	439,191
Due from other funds	578,430	-	-	-	37,894	616,324
Note receivable from component units	-	26,665,000	-	-	-	26,665,000
Prepaid items	387,350	-	-	34,076	1,066,241	1,487,667
Total assets	<u>\$ 43,790,862</u>	<u>\$ 29,360,912</u>	<u>\$ 19,585,930</u>	<u>\$ 97,991,478</u>	<u>\$ 16,197,539</u>	<u>\$ 206,926,721</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities						
Accounts and contracts payable	2,356,446	3,500	740,301	3,029,957	261,865	6,392,069
Accrued liabilities	2,726,507	-	-	-	215,703	2,942,210
Deposits payable	10,300	-	-	-	22,200	32,500
Unearned revenue	-	-	-	36,092,514	472,457	36,564,971
Money held in escrow	67,218	-	-	2,239,508	26,874	2,333,600
Retainage	-	-	-	653,233	-	653,233
Due to other funds	38,069	-	-	-	579,510	617,579
Total liabilities	<u>5,198,540</u>	<u>3,500</u>	<u>740,301</u>	<u>42,015,212</u>	<u>1,578,609</u>	<u>49,536,162</u>
Deferred inflows of resources						
Unavailable resources	1,974,443	26,715,448	-	1,328,801	107,206	30,125,898
Total deferred inflows of resources	<u>1,974,443</u>	<u>26,715,448</u>	<u>-</u>	<u>1,328,801</u>	<u>107,206</u>	<u>30,125,898</u>
Fund balances						
Nonspendable	387,350	-	-	34,076	1,066,241	1,487,667
Restricted for						
Debt service	-	2,641,964	-	-	-	2,641,964
Capital projects	-	-	18,845,629	25,962,383	481,528	45,289,540
Other purposes	-	-	-	-	12,257,104	12,257,104
Committed to						
Capital projects	-	-	-	3,421,998	-	3,421,998
Other purposes	-	-	-	-	706,851	706,851
Assigned to						
Capital projects	-	-	-	25,229,008	-	25,229,008
Other purposes	1,283,685	-	-	-	-	1,283,685
Unassigned	34,946,844	-	-	-	-	34,946,844
Total fund balances	<u>36,617,879</u>	<u>2,641,964</u>	<u>18,845,629</u>	<u>54,647,465</u>	<u>14,511,724</u>	<u>127,264,661</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,790,862</u>	<u>\$ 29,360,912</u>	<u>\$ 19,585,930</u>	<u>\$ 97,991,478</u>	<u>\$ 16,197,539</u>	<u>\$ 206,926,721</u>

**CITY OF LEWISVILLE, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
 AS OF SEPTEMBER 30, 2018**

**EXHIBIT 4**

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Total fund balances, governmental funds	\$ 127,264,661
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	403,634,300
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.	(409,968)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	30,125,898
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. Amount is less \$109,247 for liability in internal service funds already included below.	(123,866,264)
Deferred inflows and outflows of resources associated with the net pension and OPEB liability are not reported in governmental funds. This is the net effect of the deferred inflows and outflows of resources.	(1,934,865)
For debt refunding, the difference between the acquisition price and the net carrying amount of the debt has been deferred and amortized in the government-wide financial statements.	952,309
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 position, net of amounts charged to enterprise funds of \$22,780.	<u>16,741,096</u>
Total net position, governmental activities	<u>\$ 452,507,167</u>

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

CITY OF LEWISVILLE, TEXAS  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT 5

	General	Debt Service Fund	Castle Hills PID Capital Project	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property and other taxes	\$ 68,718,687	\$ 11,510,290	\$ -	\$ -	\$ 10,838,605	\$ 91,067,582
License and permits	3,793,635	-	-	-	-	3,793,635
Intergovernmental	19,873	2,992,894	-	2,304,149	1,184,839	6,501,755
Charges for services	9,470,602	-	-	-	1,664	9,472,266
Recreation	1,315,273	-	-	-	559,699	1,874,972
Fines	2,768,897	-	-	-	214,100	2,982,997
Investment earnings	204,859	34,863	186,805	632,836	112,520	1,171,883
Contributions and donations	-	-	13,914,000	50,000	604,064	14,568,064
Miscellaneous	1,428,287	414	-	416,918	12,518	1,858,137
Total Revenues	<u>87,720,113</u>	<u>14,538,461</u>	<u>14,100,805</u>	<u>3,403,903</u>	<u>13,528,009</u>	<u>133,291,291</u>
<b>EXPENDITURES</b>						
Current						
General government	11,500,770	-	-	1,124	2,274,406	13,776,300
Culture and recreation	7,916,727	-	-	-	891,596	8,808,323
Public safety	46,028,730	-	-	-	5,149,594	51,178,324
Public & development services	13,395,480	-	-	-	808,179	14,203,659
Debt Service						
Principal	-	10,510,000	-	-	-	10,510,000
Interest and fiscal charges	-	3,774,696	-	8,959	-	3,783,655
Capital outlay	668,339	-	11,705,926	25,038,990	1,875,303	39,288,558
Total expenditures	<u>79,510,046</u>	<u>14,284,696</u>	<u>11,705,926</u>	<u>25,049,073</u>	<u>10,999,078</u>	<u>141,548,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,210,067</u>	<u>253,765</u>	<u>2,394,879</u>	<u>(21,645,170)</u>	<u>2,528,931</u>	<u>(8,257,528)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	4,199,310	-	-	19,917,807	1,997,050	26,114,167
Transfers out	(16,079,628)	-	-	(1,349,077)	(4,687,035)	(22,115,740)
Total other financing sources (uses)	<u>(11,880,318)</u>	<u>-</u>	<u>-</u>	<u>18,568,730</u>	<u>(2,689,985)</u>	<u>3,998,427</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,670,251)	253,765	2,394,879	(3,076,440)	(161,054)	(4,259,101)
<b>FUND BALANCES - beginning of year</b>	40,288,130	2,388,199	16,450,750	57,723,905	14,672,778	131,523,762
<b>FUND BALANCES - end of year</b>	<u>\$ 36,617,879</u>	<u>\$ 2,641,964</u>	<u>\$ 18,845,629</u>	<u>\$ 54,647,465</u>	<u>\$ 14,511,724</u>	<u>\$ 127,264,661</u>

**CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT 6**

Net change in fund balances, total governmental funds	\$ (4,259,101)
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 position. This amount is the net of capital outlay of \$32,577,968, less dispositions of \$3,379,112.	29,198,856
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.	7,242,973
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(20,590,078)
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 position. Also, governmental funds report the effect of 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 \$10,510,000, bonds refunded of \$0, less bond proceeds of \$0, less \$0 premium paid, less gain on refunding of \$0 plus amortization of premium of \$731,142, less amortization of deferred charge on refunding of \$126,692, and less a net carrying value of \$0 premiums/losses on refundings previously recorded by component units is the net effect of these differences in the treatment of long-term debt and related items.	11,114,450
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.	(104,901)
Current year changes in the long-term liability for net pension/OPEB benefit obligations do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. The amount represents the difference between current year pension expense (\$1,666,390) and OPEB expense (\$143,310).	(1,523,080)
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.	(15,516)
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.	(1,300,217)
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 change in net position of certain internal service funds is reported with governmental activities. This is the amount of the change in net position allocated to government activities.	<u>967,293</u>
Change in net position, governmental activities	<u>\$ 20,730,679</u>

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

**CITY OF LEWISVILLE, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT 7**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	\$ 66,398,293	\$ 66,398,293	\$ 68,718,687	\$ 2,320,394
License and permits	2,726,321	2,726,321	3,793,635	1,067,314
Intergovernmental	5,000	5,000	19,873	14,873
Charges for services	9,059,333	9,059,333	9,470,602	411,269
Recreation	1,142,430	1,142,430	1,315,273	172,843
Fines	3,005,009	3,005,009	2,768,897	(236,112)
Investment earnings	192,490	192,490	204,859	12,369
Miscellaneous	443,027	393,027	1,428,287	1,035,260
Total revenues	<u>82,971,903</u>	<u>82,921,903</u>	<u>87,720,113</u>	<u>4,798,210</u>
<b>EXPENDITURES</b>				
Current				
General government	4,472,690	4,149,995	2,784,235	1,365,760
Mayor and council	133,102	133,102	105,905	27,197
Administrative and legal	2,384,256	2,520,537	2,510,499	10,038
Community relations/tourism	714,948	746,476	676,685	69,791
Finance	1,635,397	1,638,455	1,590,125	48,330
Human resources	884,745	884,745	882,194	2,551
Information technology services	3,037,416	3,030,336	2,951,127	79,209
Parks and recreation	8,072,919	7,822,883	7,415,076	407,807
Arts and cultural events	582,659	595,720	501,651	94,069
Police	24,692,935	24,606,288	24,553,331	52,957
Fire	20,342,836	20,376,405	20,284,261	92,144
Emergency management	196,212	196,212	166,973	29,239
Municipal court	1,054,306	1,054,306	1,024,165	30,141
Public services	7,490,469	7,119,862	6,450,832	669,030
Development services	7,492,686	7,394,984	6,944,648	450,336
Capital outlay	230,025	670,771	668,339	2,432
Total expenditures	<u>83,417,601</u>	<u>82,941,077</u>	<u>79,510,046</u>	<u>3,431,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(445,698)</u>	<u>(19,174)</u>	<u>8,210,067</u>	<u>8,229,241</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,937,377	3,937,377	4,199,310	261,933
Transfers out	<u>(13,675,330)</u>	<u>(15,792,819)</u>	<u>(16,079,628)</u>	<u>(286,809)</u>
Total other financing sources (uses)	<u>(9,737,953)</u>	<u>(11,855,442)</u>	<u>(11,880,318)</u>	<u>(24,876)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(10,183,651)</u>	<u>(11,874,616)</u>	<u>(3,670,251)</u>	<u>8,204,365</u>
<b>FUND BALANCES - beginning of year</b>	40,288,130	40,288,130	40,288,130	-
<b>FUND BALANCES - end of year</b>	<u>\$ 30,104,479</u>	<u>\$ 28,413,514</u>	<u>\$ 36,617,879</u>	<u>\$ 8,204,365</u>

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

	Enterprise Funds			Internal Service Funds
	Water and Sewer Utility Fund	Stormwater Utility Fund	Total	
<b>ASSETS</b>				
Current assets				
Cash	\$ 2,413,160	224,781	\$ 2,637,941	\$ 1,552,245
Investments	26,749,398	2,512,065	29,261,463	11,915,174
Receivables (net of allowance for uncollectibles):				
Accounts	1,710,792	165,136	1,875,928	-
Unbilled trade accounts	3,314,390	-	3,314,390	-
Interest receivable	94,064	6,731	100,795	37,891
Other	9,876	-	9,876	-
Due from other funds	-	-	-	1,255
Inventory of supplies, at cost	-	-	-	147,729
Prepaid items	71,817	-	71,817	214,654
Restricted assets				
Cash	3,309,358	-	3,309,358	-
Investments	36,984,044	-	36,984,044	-
Interest receivable	92,957	-	92,957	-
Total current assets	<u>74,749,856</u>	<u>2,908,713</u>	<u>77,658,569</u>	<u>13,868,948</u>
Noncurrent assets				
Capital assets				
Land	2,502,137	-	2,502,137	-
Land improvements	106,700	-	106,700	-
Buildings	1,810,548	-	1,810,548	-
Other improvements	730,391	-	730,391	440,026
Water system	201,711,887	-	201,711,887	-
Sewer system	139,584,804	-	139,584,804	-
Stormwater System	-	3,890,821	3,890,821	-
Machinery and equipment	4,317,996	-	4,317,996	5,050,116
Motor vehicles	435,143	-	435,143	21,012,120
Construction in progress	9,324,434	2,819,958	12,144,392	-
Less accumulated depreciation	(114,659,328)	(38,908)	(114,698,236)	(21,335,088)
Total noncurrent assets	<u>245,864,712</u>	<u>6,671,871</u>	<u>252,536,583</u>	<u>5,167,174</u>
Total assets	<u>320,614,568</u>	<u>9,580,584</u>	<u>330,195,152</u>	<u>19,036,122</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	603,483	-	603,483	-
Pension contributions after measurement date	595,983	-	595,983	-
OPEB contributions after measurement date	12,611	-	12,611	-
Difference in expected and actual pension experience	79,512	-	79,512	-
Difference in expected and actual OPEB experience	10,314	-	10,314	-
Total deferred outflows of resources	<u>1,301,903</u>	<u>-</u>	<u>1,301,903</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities				
Current liabilities payable from restricted assets				
Accounts payable	286,254	-	286,254	-
Deposits payable	1,814,058	-	1,814,058	-
Accrued interest payable	204,083	-	204,083	-
Contracts and retainage payable	134,228	-	134,228	-
Escrow payable	168,504	-	168,504	-
Current maturities of bonds payable	5,010,000	-	5,010,000	-
Accounts payable	1,959,773	37,213	1,996,986	481,212
Incurred but not reported claim reserve	-	-	-	1,702,111
Accrued liabilities	289,969	-	289,969	25,236
Compensated absences	427,766	-	427,766	60,872
Total current liabilities	<u>10,294,635</u>	<u>37,213</u>	<u>10,331,848</u>	<u>2,269,431</u>
Noncurrent liabilities				
Bonds payable	41,814,637	-	41,814,637	-
Compensated absences	339,942	-	339,942	48,375
Net pension obligation	3,514,905	-	3,514,905	-
Net OPEB obligation	25,089	-	25,089	-
Total noncurrent liabilities	<u>45,694,573</u>	<u>-</u>	<u>45,694,573</u>	<u>48,375</u>
Total liabilities	<u>55,989,208</u>	<u>37,213</u>	<u>56,026,421</u>	<u>2,317,806</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Difference in expected and actual pension experience	209,811	-	209,811	-
Difference in expected and actual OPEB experience	39,961	-	39,961	-
Difference in projected and actual earnings on pension assets	587,056	-	587,056	-
Difference in projected and actual earnings on OPEB assets	21,902	-	21,902	-
Total deferred inflows of resources	<u>858,730</u>	<u>-</u>	<u>858,730</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	230,627,278	6,671,871	237,299,149	5,167,174
Restricted for bond requirements	6,710,407	-	6,710,407	-
Unrestricted	27,730,848	2,871,500	30,602,348	11,551,142
Total net position	<u>\$ 265,068,533</u>	<u>9,543,371</u>	<u>\$ 274,611,904</u>	<u>\$ 16,718,316</u>

CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF ENTERPRISE FUNDS STATEMENT OF NET POSITION  
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018

EXHIBIT 9

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Total net position, enterprise funds	\$ 274,611,904
Amounts reported for business-type activities in the statement of net position 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 position. The amount shown as the accumulated amount is allocated to business type activities since the adoption of GASB 34.	
	<u>(22,780)</u>
Total net position, business-type activities	<u>\$ 274,589,124</u>

CITY OF LEWISVILLE, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT 10

	Enterprise Funds			Internal Service Funds
	Water and Sewer Utility Fund	Stormwater Utility Fund	Total	
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 34,013,015	\$ 2,997,263	\$ 37,010,278	\$ 17,272,461
Miscellaneous	62,030	-	62,030	6,771
Total operating revenues	34,075,045	2,997,263	37,072,308	17,279,232
<b>OPERATING EXPENSES</b>				
Cost of sales and services, net of reimbursements	13,960,472	-	13,960,472	13,438,230
Personal services and administrative	7,732,893	-	7,732,893	1,261,595
Depreciation	7,136,196	38,908	7,175,104	1,848,968
Total operating expenses	28,829,561	38,908	28,868,469	16,548,793
Operating income (loss)	5,245,484	2,958,355	8,203,839	730,439
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	424,384	1,006	425,390	114,450
Interest expense	(1,486,398)	-	(1,486,398)	-
Gain on disposal of capital assets	-	-	-	133,016
Total nonoperating revenues (expenses)	(1,062,014)	1,006	(1,061,008)	247,466
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	4,183,470	2,959,361	7,142,831	977,905
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>				
Transfers in	-	-	-	100,000
Transfers out	(4,098,427)	-	(4,098,427)	-
Contributions from developers	7,238,876	6,584,010	13,822,886	-
Contributions - impact fees	4,035,817	-	4,035,817	-
<b>CHANGE IN NET POSITION</b>	11,359,736	9,543,371	20,903,107	1,077,905
<b>NET POSITION, beginning of year</b>	253,787,202	-	253,787,202	15,640,411
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>	(78,405)	-	(78,405)	-
<b>NET POSITION, end of year</b>	<u>\$ 265,068,533</u>	<u>\$ 9,543,371</u>	<u>\$ 274,611,904</u>	<u>\$ 16,718,316</u>

**CITY OF LEWISVILLE, TEXAS  
 RECONCILIATION OF ENTERPRISE FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND  
 NET POSITION TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT 11**

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Net change in fund net position, enterprise funds	\$ 20,903,107
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.	<u>110,612</u>
Change in net position, business-type activities	<u>\$ 21,013,719</u>

CITY OF LEWISVILLE, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT 12

	Water & Sewer Fund	Stormwater Utility Fund	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 33,894,004	\$ 2,825,396	\$ 36,719,400	\$ -
Cash received (paid) from transactions with other funds	(19,807)	-	(19,807)	17,280,186
Cash paid to employees for services	(7,729,529)	-	(7,729,529)	(551,442)
Cash paid for goods and services	(14,275,442)	37,213	(14,238,229)	(4,924,008)
Cash paid for claims	-	-	-	(8,850,925)
Cash received for miscellaneous items	-	-	-	6,771
Net cash provided by operating activities	11,869,226	2,862,609	14,731,835	2,960,582
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to (from) other funds	(4,098,427)	-	(4,098,427)	100,000
Net cash provided by (used in) noncapital financing activities	(4,098,427)	-	(4,098,427)	100,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(4,345,275)	(126,769)	(4,472,044)	(2,029,435)
Proceeds from sale of equipment	-	-	-	253,547
Proceeds from sale of revenue bonds	-	-	-	-
Principal paid on revenue bond maturities	(6,090,000)	-	(6,090,000)	-
Principal refunded on revenue bonds	-	-	-	-
Impact fees	4,035,817	-	4,035,817	-
Interest paid	(1,468,172)	-	(1,468,172)	-
Premium on issuance of bonds	(288,694)	-	(288,694)	-
Discount on issuance of bonds	5,661	-	5,661	-
Net cash (used in) capital and related financing activities	(8,150,663)	(126,769)	(8,277,432)	(1,775,888)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(31,333,673)	(2,512,065)	(33,845,738)	(5,857,932)
Proceeds from sale and maturities of investments	27,974,510	-	27,974,510	4,111,237
Interest received	406,435	1,006	407,441	114,450
Net cash provided by (used in) investing activities	(2,952,728)	(2,511,059)	(5,463,787)	(1,632,245)
<b>NET INCREASE (DECREASE) IN CASH</b>	(3,332,592)	224,781	(3,107,811)	(347,551)
<b>CASH, beginning of year</b>	9,055,110	-	9,055,110	1,899,796
<b>CASH, end of year</b>	\$ 5,722,518	\$ 224,781	\$ 5,947,299	\$ 1,552,245
Classified as				
Unrestricted cash and cash equivalents at end of year	\$ 2,413,160	\$ 224,781	\$ 2,637,941	\$ 1,552,245
Restricted cash and cash equivalents at end of year	3,309,358	-	3,309,358	-
<b>TOTAL CASH AT END OF YEAR</b>	\$ 5,722,518	\$ 224,781	\$ 5,947,299	\$ 1,552,245
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 5,245,484	\$ 2,958,355	\$ 8,203,839	\$ 730,439
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	7,136,196	38,908	7,175,104	1,848,968
Change in assets and liabilities				
(Increase) decrease in receivables	(181,041)	(171,867)	(352,908)	8,981
(Increase) decrease in inventory	-	-	-	(25,323)
(Increase) decrease in prepaid expenses	(46,183)	-	(46,183)	(11,436)
(Increase) decrease in pension related deferred outflows	1,045,853	-	1,045,853	-
Increase (decrease) in accounts and contracts payable	(534,846)	37,213	(497,633)	421,065
Increase (decrease) in accrued liabilities	(556)	-	(556)	(10,857)
Increase (decrease) in deposits payable	124,098	-	124,098	-
Increase (decrease) in compensated absences	3,364	-	3,364	-
Increase (decrease) in net pension obligations	(1,493,972)	-	(1,493,972)	-
Increase (decrease) in net OPEB obligations	25,089	-	25,089	-
Increase (decrease) in due to other funds	(19,807)	-	(19,807)	(1,255)
Increase (decrease) in pension related deferred inflows	565,547	-	565,547	-
Total adjustments	6,623,742	(95,746)	6,527,996	2,230,143
Net cash provided by operating activities	\$ 11,869,226	\$ 2,862,609	\$ 14,731,835	\$ 2,960,582
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>				
From developer contributions of capital assets	\$ 7,238,876	\$ 6,584,010	13,822,886	\$ -
Increase (decrease) in fair value of investments	(504,469)	(21,008)	(525,477)	(103,443)

**CITY OF LEWISVILLE, TEXAS  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 SEPTEMBER 30, 2018**

**EXHIBIT 13**

	<b>Lewisville OPEB Liability Trust Fund</b>	<b>Castle Hills PID Debt Service Agency Fund</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash	\$ 42,290	\$ -
Investments		
Mutual funds - equity	3,238,010	-
Mutual funds - fixed income	1,469,047	1,637,476
Total investments	<u>4,707,057</u>	<u>1,637,476</u>
Interest receivable	978	1,473
Total assets	<u>4,750,325</u>	<u>1,638,949</u>
 <b>LIABILITIES</b>		
Accounts payable	6,392	-
Due to debt holders	-	1,638,949
Total liabilities	<u>6,392</u>	<u>1,638,949</u>
 <b>NET POSITION</b>		
Restricted for post employment benefits other than pensions	<u>4,743,933</u>	
Total net position	<u>\$ 4,743,933</u>	

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

CITY OF LEWISVILLE, TEXAS  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT 14

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	<b>Lewisville OPEB Liability Trust Fund</b>
<b>ADDITIONS</b>	
Employer contributions	\$ 138,300
Investment earnings, net of unrealized/realized gain(loss)	388,635
Less investment expense	<u>(38,973)</u>
Total additions	<u>487,962</u>
<b>DEDUCTIONS</b>	
Benefits	<u>259,908</u>
Total deductions	<u>259,908</u>
<b>CHANGE IN NET POSITION</b>	228,054
<b>NET POSITION - beginning</b>	<u>4,515,879</u>
<b>NET POSITION - ending</b>	<u><u>\$ 4,743,933</u></u>

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

**CITY OF LEWISVILLE, TEXAS  
DISCRETELY PRESENTED COMPONENT UNITS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

**EXHIBIT 15**

	<b>Lewisville Housing Finance Corporation</b>	<b>Lewisville Industrial Development Authority, Inc.</b>	<b>Tax Increment Reinvestment Zone #1</b>	<b>Tax Increment Reinvestment Zone #2</b>	<b>Lewisville Parks &amp; Library Development Corporation</b>	<b>Total Component Units</b>
<b>ASSETS</b>						
Cash	\$ 400	\$ 575	\$ 124,425	\$ 85,649	\$ 1,310,147	\$ 1,521,196
Investments	4,472	6,420	1,390,524	957,196	14,634,972	16,993,584
Receivables (net of allowance for uncollectibles)						
Taxes	-	-	-	-	1,377,597	1,377,597
Interest	13	19	4,080	2,809	42,435	49,356
Prepaid items	-	-	-	-	1,949	1,949
Capital assets						
Depreciable (net of accumulated depreciation)	-	-	6,069,179	-	-	6,069,179
Total assets	<u>4,885</u>	<u>7,014</u>	<u>7,588,208</u>	<u>1,045,654</u>	<u>17,367,100</u>	<u>26,012,861</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension contributions after measurement date	-	-	-	-	98,086	98,086
Difference in expected and actual pension experience	-	-	-	-	13,086	13,086
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,172</u>	<u>111,172</u>
<b>LIABILITIES</b>						
Current						
Accounts payable	-	-	-	-	172,268	172,268
Accrued liabilities	-	-	-	-	50,791	50,791
Accrued interest payable	-	-	34,719	-	113,059	147,778
Contracts and retainable payable	-	-	-	-	200	200
Noncurrent liabilities						
Due within one year	-	-	400,000	-	2,020,224	2,420,224
Due in more than one year	-	-	5,155,000	-	19,331,043	24,486,043
Total liabilities	<u>-</u>	<u>-</u>	<u>5,589,719</u>	<u>-</u>	<u>21,687,585</u>	<u>27,277,304</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Difference in projected and actual pension experience	-	-	-	-	27,514	27,514
Difference in projected and actual earnings on pension assets	-	-	-	-	124,308	124,308
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,822</u>	<u>151,822</u>
<b>NET POSITION (DEFICIT)</b>						
Net investment in capital assets	-	-	518,300	-	-	518,300
Restricted for tax increment reinvestment zone	-	-	1,480,189	1,045,654	-	2,525,843
Unrestricted	<u>4,885</u>	<u>7,014</u>	<u>-</u>	<u>-</u>	<u>(4,361,135)</u>	<u>(4,349,236)</u>
Total net position (deficit)	<u>\$ 4,885</u>	<u>\$ 7,014</u>	<u>\$ 1,998,489</u>	<u>\$ 1,045,654</u>	<u>\$ (4,361,135)</u>	<u>\$ (1,305,093)</u>

CITY OF LEWISVILLE, TEXAS  
DISCRETELY PRESENTED COMPONENT UNITS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT 16

	Governmental Activities					Total Component Units
	Lewisville Housing Finance Corporation	Lewisville Industrial Development Authority, Inc.	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Lewisville Parks and Library Development Corporation	
<b>EXPENSES</b>						
General government	\$ -	\$ -	\$ 127,448	\$ -	\$ 74,602	\$ 202,050
Culture, parks and recreation	-	-	-	-	3,550,379	3,550,379
Public services	-	-	390,932	-	-	390,932
Interest on long term debt	-	-	284,312	-	935,913	1,220,225
Total expenses	-	-	802,692	-	4,560,894	5,363,586
<b>PROGRAM REVENUES</b>						
Charges for services						
Culture, parks and recreation	-	-	-	-	183,986	183,986
Capital Contributions	-	-	-	-	500,000	500,000
Total program revenues	-	-	-	-	683,986	683,986
<b>GENERAL REVENUES</b>						
Property taxes	-	-	852,074	645,594	-	1,497,668
Sales taxes	-	-	-	-	7,823,768	7,823,768
Investment earnings	31	45	12,737	5,397	93,063	111,273
Miscellaneous	-	-	-	-	40	40
Total general revenues	31	45	864,811	650,991	7,916,871	9,432,749
<b>CHANGE IN NET POSITION (DEFICIT)</b>	31	45	62,119	650,991	4,039,963	4,753,149
Net position (deficit), beginning	4,854	6,969	1,936,370	394,663	(8,401,098)	(6,058,242)
Net position (deficit), ending	<u>\$ 4,885</u>	<u>\$ 7,014</u>	<u>\$ 1,998,489</u>	<u>\$ 1,045,654</u>	<u>\$ (4,361,135)</u>	<u>\$ (1,305,093)</u>



# LEWISVILLE

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Deep Roots. Broad Wings. Bright Future.

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## 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. 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, and a financial benefit relationship exists.
- 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, and a financial benefit relationship exists.

- 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, and a financial benefit relationship exists.

#### 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 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 Position 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 and certificates of obligation debt of governmental funds.

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.

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, Public, Education and Government (PEG) Programming Fund, Municipal Court Technology Fund, Municipal Court Security Fund, Juvenile Case Manager Fund, Law Enforcement Officer Standard Education Fund (LEOSE), Waters Ridge Public Improvement District (PID) Fund, Asset Forfeiture-State Fund, Asset

Forfeiture-Department of Justice Fund, Josey Lane PID Administrative Fund, Asset Forfeiture-Department of Treasury Fund, Administrative Benevolent Fund, Community Activities and Training Fund, Grants Fund, Lewisville Crime Control and Prevention District, Lewisville Fire Control, Prevention, and Emergency Medical Services District, and Lewisville Local Government Corporation.

Josey Lane PID Capital Projects Fund – This fund accounts for the acquisition and construction of major capital facilities financed by the Josey Lane Public Improvement District.

The City reports the following major proprietary funds:

Water and Sewer Utility Enterprise Fund – This 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.

Stormwater Utility Enterprise Fund – This Enterprise Fund is used to account for the Drainage Utility fee revenue established in January 2018 to fund stormwater programs and infrastructure.

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.

- Maintenance and Replacement Fund – The City’s Maintenance and Replacement Fund provides fleet maintenance services for City departments and accounts for the purchase of vehicles and major equipment operated by the City. Departments pay semi-annual charges to provide funds for future replacement of capital outlay, as well as to reimburse the fund for current fleet repairs and maintenance.
- 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 Benefit Trust Fund – The City’s Health Benefit 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.

Fiduciary 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.

- Castle Hills PID 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 postemployment healthcare benefits for retirees of the City and their dependents.

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 Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Interest earnings are allocated to the respective funds based upon each fund’s relative balance in the pool.

Investments, except for the investment pools and U.S. Government Money Market Funds, for the City are reported at fair value. The investment pools operate in accordance with appropriate state

laws and regulations and are reported at amortized cost. In accordance with GASB 72, *Fair Value Measurement and Application* Money Market Funds are exempt from fair value measurement.

#### **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.”

#### **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, 2018, the City had a tax margin of \$2.063914 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 per the consumption method 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 position 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 \$15,000 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 acquisition cost 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.

The City has established the Maintenance and Replacement Internal Service Fund to account for 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.

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 1,600 hours for employees working a 40 hour week and 2,400 hours for sworn fire personnel working an average of 56 hours a week. The City will compensate only for hours in excess of 360 hours up to a maximum of 1,080 hours 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.

**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 position. Bond premiums and discounts 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 expensed in the reporting period in which they are incurred.

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. Pensions and Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS), and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The City uses a similar treatment for its OPEB liability, related deferred outflows and inflows of resources and OPEB expense. Information is obtained by the City's actuary, Actuarial & Benefits Consulting Group, in compliance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**N. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charge on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This

- amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension/OPEB contributions after measurement date – These contributions are deferred and recognized as a reduction of the pension/OPEB liability in the following fiscal year.
  - Difference in projected and actual earnings on pension/OPEB assets – This difference is deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- Difference in expected and actual pension/OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

The City has a final item which arises only at the governmental fund level. Revenues that have been billed but not yet collected or notes receivable from a component unit that are not yet due are reported as unavailable resources. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available. Please see Note 13 for a listing of deferred inflows.

## **O. 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.

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 the City Manager or his designee. 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 15.

**P. Minimum Fund Balance Policy**

The City Council has adopted a policy that the General Fund will maintain working capital resources at a minimum of 20% of operating expenditure budget and City Manager is authorized by the governing body to establish other funds' reserve balances as operations dictate.

**Q. 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, Waters Ridge Public Improvement District (PID) Special Revenue, Municipal Court Security Special Revenue, Municipal Court Technology Special Revenue, Asset Forfeiture-State Special Revenue, Asset Forfeiture-Department of Justice Special Revenue, Josey Lane PID Administrative Special Revenue, Community Activities and Training Special Revenue, Law Enforcement Officer Standards and Education Special Revenue, Juvenile Case Manager Special Revenue, Lewisville Crime Control and Prevention District, Lewisville Fire Control, Prevention, and Emergency Medical Services District, Public, Education, and Government (PEG) Programming Fund, Debt Service, Water and Sewer Utility Enterprise, Self-Insurance Risk Internal Service, Health Benefits Trust Internal Service, Maintenance and Replacement Internal Service, Lewisville Parks and Library Development Corporation (4B Sales Tax), Lewisville OPEB Liability Trust, Old Town Tax Increment Reinvestment Zone 1 (Old Town), Tax Increment Reinvestment Zone 2 Funds, and Stormwater Utility Fund.

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.

The legal level of budgetary control is at the fund level. The Hotel/Motel Tax Special Revenue Fund had expenditures in excess of appropriations as a result of amortization of prepaid lease.

**R. Deficit Net Position/Fund Balance**

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 position balance of \$4,361,135 at September 30, 2018.

## 2. CASH, INVESTMENTS, AND DEPOSITS

At year end, the government's carrying amount of deposits was \$19,339,987 and the bank balance was \$18,190,696. All bank balances, including the bank balance of the discretely presented component units, were covered by Federal Depository Insurance, Federal Home Loan Bank letter of credit, 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 J.P. Morgan Chase 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. 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;
4. Direct or unconditionally guaranteed obligations of the State of Texas; and
5. Common trusts administered by Texas banks with assets consisting of all of the above except certificates of deposit.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**CITY OF LEWISVILLE, TEXAS**  
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The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments (excluding the OPEB Liability Trust) are as follows:

	Fair Value Measurements Using					Weighted Average Maturity (Days)
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments		
September 30, 2018						
<b>Investments not Subject to Fair Value:</b>						
<b>Investment Pools:</b>						
Texpool	\$ 29,621,876	\$ -	\$ -	\$ -	12.94%	27
US Govt Money Markets	18,213,701	-	-	-	7.96%	NA
<b>Investments by Fair Value Level:</b>						
<b>U.S. Government Agency Securities:</b>						
Federal Farm Credit Bank	40,084,517	-	40,084,517	-	17.51%	481
Federal Home Loan Bank	45,234,316	-	45,234,316	-	19.76%	559
Federal Home Loan Mortgage Corp	45,053,290	-	45,053,290	-	19.68%	417
Federal National Mortgage Assoc	50,737,207	-	50,737,207	-	22.16%	415
<b>Total Value</b>	<b>\$ 228,944,907</b>	<b>\$ -</b>	<b>\$ 181,109,330</b>	<b>\$ -</b>		

*Investment Pools* are measured at amortized cost and are exempt for fair value reporting.

*U.S. Government Agency Securities* classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*U.S. Treasury Bonds* classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Investments at September 30, 2018 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, 2018 was \$181,109,330, and the carrying amount of the U.S. Government money markets was \$18,213,701. At September 30, 2018, the City also had \$29,621,876 invested with TexPool, an investment pool for state and local governments in Texas. The City's portfolio average yield, including TexPool, was 1.5522% in 2018.

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

### 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, 2018.

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**

Receivables as of year end, including the applicable allowances for uncollectable accounts, are as follows:

	General	Debt Service	Castle Hills PID Capital Project	General Capital Projects	Other Governmental Funds	Total Governmental Funds
Receivables						
Property taxes	\$ 405,279	\$ 150,961	\$ -	\$ -	\$ -	\$ 556,240
Franchise taxes	1,828,742	-	-	-	-	1,828,742
Sales taxes	5,510,387	-	-	-	1,314,537	6,824,924
Mixed drink taxes	110,078	-	-	-	-	110,078
Accounts	1,515,428	-	-	-	327,055	1,842,483
Unbilled trade accounts	284,925	-	-	-	-	284,925
Interest	87,886	7,085	20,306	242,995	46,294	404,566
Court	1,099,517	-	-	-	-	1,099,517
Other	439,191	-	-	-	-	439,191
Intergovernmental	-	-	-	1,328,801	686,981	2,015,782
Ambulance	2,751,386	-	-	-	-	2,751,386
Gross receivables	14,032,819	158,046	20,306	1,571,796	2,374,867	18,157,834
Less: allowance	(2,524,260)	(100,513)	-	-	-	(2,624,773)
Net total receivables	\$ 11,508,559	\$ 57,533	\$ 20,306	\$ 1,571,796	\$ 2,374,867	\$ 15,533,061

	Water and Sewer	Stormwater	Internal Service	Total Proprietary Funds	Total All Funds
Receivables					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 556,240
Franchise taxes	-	-	-	-	1,828,742
Sales taxes	-	-	-	-	6,824,924
Mixed drink taxes	-	-	-	-	110,078
Accounts	1,886,408	165,136	-	2,051,544	3,894,027
Unbilled trade accounts	3,314,390	-	-	3,314,390	3,599,315
Interest	187,021	6,731	37,891	231,643	636,209
Court	-	-	-	-	1,099,517
Other	9,876	-	-	9,876	449,067
Intergovernmental	-	-	-	-	2,015,782
Ambulance	-	-	-	-	2,751,386
Gross receivables	5,397,695	171,867	37,891	5,607,453	23,765,287
Less: allowance	(175,616)	-	-	(175,616)	(2,800,389)
Net total receivables	\$ 5,222,079	\$ 171,867	\$ 37,891	\$ 5,431,837	\$ 20,964,898

#### 4. INTERFUND TRANSACTIONS

Interfund transactions and balances for the fiscal year 2018 were as follows:

##### Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor governmental	\$ 578,430	Short-term funding of deficit cash
Nonmajor governmental	Nonmajor governmental	1,080	Reclass interest and FMV
Nonmajor governmental	General Fund	36,814	Reclass TIFMAS Expenditures
Internal Service	General Fund	1,255	Reclass asset related expense
	Total	<u>\$ 617,579</u>	

##### Interfund Transfers

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General	Water & Sewer Utility	\$ 4,098,427	Payments in lieu of taxes, franchise tax, and indirect cost reimbursement
Nonmajor Governmental	General Capital Projects	1,349,077	Excess funds transfer and financing of capital improvements
General	Nonmajor Governmental	100,883	Indirect cost reimbursement
General Capital Projects	General Fund	15,812,232	Financing of capital improvements
General Capital Projects	Nonmajor Governmental	4,105,575	Financing of capital improvements
Nonmajor Governmental	General Fund	167,396	Matching funds and indirect cost reimbursements
Nonmajor Governmental	Nonmajor Governmental	480,577	Matching funds and excess funds consolidation
Internal Service Funds	General Fund	100,000	Funds transfer for program
		<u>\$ 26,214,167</u>	

**CITY OF LEWISVILLE, TEXAS**  
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**5. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
<u>Governmental Funds</u>					
Capital assets, not being depreciated:					
Land	\$ 60,584,592	\$ 3,206,681	\$ -	\$ 1,193,975	\$ 64,985,248
Construction in progress	18,193,080	29,889,843	-	(25,241,100)	22,841,823
Total capital assets, not being depreciated	<u>78,777,672</u>	<u>33,096,524</u>	<u>-</u>	<u>(24,047,125)</u>	<u>87,827,071</u>
Capital assets, being depreciated:					
Land improvements	367,427,505	4,300,927	(1,804,142)	15,095,943	385,020,233
Buildings	78,322,948	-	(4,678,767)	5,191,865	78,836,046
Other improvements	31,806,402	337,490	(86,204)	1,189,190	33,246,878
Machinery and equipment	40,926,874	2,086,000	(9,113,800)	767,123	34,666,197
Total capital assets being depreciated	<u>518,483,729</u>	<u>6,724,417</u>	<u>(15,682,913)</u>	<u>22,244,121</u>	<u>531,769,354</u>
Accumulated depreciation:					
Land improvements	(129,539,462)	(12,615,028)	1,804,142	-	(140,350,348)
Buildings	(33,938,731)	(2,350,215)	3,110,756	-	(33,178,190)
Other improvements	(19,864,157)	(2,687,178)	83,335	-	(22,468,000)
Machinery and equipment	(26,136,502)	(2,937,657)	9,108,572	-	(19,965,587)
Total accumulated depreciation	<u>(209,478,852)</u>	<u>(20,590,078)</u>	<u>14,106,805</u>	<u>-</u>	<u>(215,962,125)</u>
Total capital assets being depreciated, net	<u>309,004,877</u>	<u>(13,865,661)</u>	<u>(1,576,108)</u>	<u>22,244,121</u>	<u>315,807,229</u>
Total governmental funds capital assets, net	<u>387,782,549</u>	<u>19,230,863</u>	<u>(1,576,108)</u>	<u>(1,803,004)</u>	<u>403,634,300</u>
<u>Internal service funds</u>					
Capital assets, being depreciated:					
Other improvements	440,026	-	-	-	440,026
Machinery and equipment	28,819,269	2,029,435	(4,786,467)	-	26,062,237
Total internal service assets being depreciated	<u>29,259,295</u>	<u>2,029,435</u>	<u>(4,786,467)</u>	<u>-</u>	<u>26,502,263</u>
Accumulated depreciation:					
Other improvements	(211,968)	(34,007)	-	-	(245,975)
Machinery and equipment	(23,940,089)	(1,814,961)	4,665,936	-	(21,089,114)
Total accumulated depreciation	<u>(24,152,057)</u>	<u>(1,848,968)</u>	<u>4,665,936</u>	<u>-</u>	<u>(21,335,089)</u>
Total internal services funds capital assets, net	<u>5,107,238</u>	<u>180,467</u>	<u>(120,531)</u>	<u>-</u>	<u>5,167,174</u>
Governmental activities capital assets, net	<u>\$ 392,889,787</u>	<u>\$ 19,411,330</u>	<u>\$ (1,696,639)</u>	<u>\$ (1,803,004)</u>	<u>\$ 408,801,474</u>

**CITY OF LEWISVILLE, TEXAS**  
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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,502,137	\$ -	\$ -	\$ -	\$ 2,502,137
Construction in progress	6,034,397	10,016,238	-	(3,906,243)	12,144,392
Total capital assets, not being depreciated	<u>8,536,534</u>	<u>10,016,238</u>	<u>-</u>	<u>(3,906,243)</u>	<u>14,646,529</u>
Capital assets, being depreciated:					
Land improvements	106,700	-	-	-	106,700
Buildings	1,983,821	-	(173,273)	-	1,810,548
Other improvements	702,088	28,303	-	-	730,391
Water system	196,646,128	2,318,483	-	2,747,276	201,711,887
Sewer system	136,960,580	1,837,387	-	786,837	139,584,804
Stormwater system	-	1,890,541	-	2,000,280	3,890,821
Machinery and equipment	5,231,865	400,974	(1,054,554)	174,854	4,753,139
Total capital assets being depreciated	<u>341,631,182</u>	<u>6,475,688</u>	<u>(1,227,827)</u>	<u>5,709,247</u>	<u>352,588,290</u>
Accumulated depreciation:					
Land improvements	(90,247)	(2,379)	-	-	(92,626)
Buildings	(541,976)	(54,428)	173,273	-	(423,131)
Other improvements	(413,264)	(47,278)	-	-	(460,542)
Water system	(57,184,188)	(3,986,532)	-	-	(61,170,720)
Sewer system	(46,164,138)	(2,779,182)	-	-	(48,943,320)
Stormwater system	-	(38,908)	-	-	(38,908)
Machinery and equipment	(4,357,146)	(266,397)	1,054,554	-	(3,568,989)
Total accumulated depreciation	<u>(108,750,959)</u>	<u>(7,175,104)</u>	<u>1,227,827</u>	<u>-</u>	<u>(114,698,236)</u>
Business-type activities capital assets, net					
Total capital assets being depreciated, net	<u>232,880,223</u>	<u>(699,416)</u>	<u>-</u>	<u>5,709,247</u>	<u>237,890,054</u>
Total capital assets, net	<u>\$ 241,416,757</u>	<u>\$ 9,316,822</u>	<u>\$ -</u>	<u>\$ 1,803,004</u>	<u>\$ 252,536,583</u>

**CITY OF LEWISVILLE, TEXAS**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 5,510,461
Finance	81,412
Community relations/tourism	115,330
Human resources	13,030
Municipal court	10,030
Information technology	422,190
Police	1,603,566
Fire	663,179
Public services	8,267,238
Parks and recreation	3,642,332
Development services	261,310
Internal service funds	1,848,968
Total depreciation expense - governmental activities	<u>\$ 22,439,046</u>
Business-type activities:	
Water and sewer	\$ 7,136,196
Stormwater	38,908
	<u>\$ 7,175,104</u>

Outstanding commitments at September 30, 2018 under authorized construction contracts were approximately \$44.7 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 participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can 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).

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

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 actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

In addition, the City granted on annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount, which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity.

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 summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	75% Repeating
Annuity Increase to retirees	70% of CPI Repeating

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The City does not participate in Social Security.

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	392
Inactive employees entitled to but not yet receiving benefits	334
Active employees	<u>758</u>
	<u>1,484</u>

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Lewisville were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2018, the City made contributions of 16.55% for the months in 2017 and 16.29% for the months in 2018 which were the actuarially required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both male and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

**CITY OF LEWISVILLE, TEXAS**  
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Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2016 valuation. After the Asset Allocation Study analysis and experience investigation study, the TMRS Board of Trustees amended the long-term expected rate of return on pension plan investments from 7% to 6.75% effective January 1, 2016.

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with an emphasis on both capital appreciation and the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Minimum %</b>	<b>Target %</b>	<b>Maximum %</b>
U.S. Equities	12.5%	17.5%	22.5%
International Equities	12.5%	17.5%	22.5%
Core Fixed Income	5.0%	10.0%	15.0%
Non-Core Fixed Income	15.0%	20.0%	25.0%
Real Estate	5.0%	10.0%	15.0%
Real Return	5.0%	10.0%	15.0%
Absolute Return	5.0%	10.0%	15.0%
Private Equity	0.0%	5.0%	10.0%
Cash Equivalents	0.0%	<u>0.0%</u>	10.0%
		100%	

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-

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term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2016	\$ 280,216,714	\$ 233,209,025	\$ 47,007,689
Changes for the year			
Service cost	8,761,730	-	8,761,730
Interest	18,842,323	-	18,842,323
Change in benefit terms	-	-	-
Difference between expected and actual experience	1,067,084	-	1,067,084
Changes in assumptions	-	-	-
Contributions-employer	-	8,460,121	(8,460,121)
Contributions-employee	-	3,578,303	(3,578,303)
Net investment income	-	32,333,139	(32,333,139)
Benefit payments, including refunds of employee contributions	(10,904,100)	(10,904,100)	-
Administrative expense	-	(167,506)	167,506
Other changes	-	(8,489)	8,489
Net changes	17,767,037	33,291,468	(15,524,431)
Balance at 12/31/2017	\$ 297,983,751	\$ 266,500,493	\$ 31,483,258

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Primary Government	\$74,739,097	\$31,281,356	(\$4,239,051)
Component Unit	\$482,395	\$201,902	(\$27,360)
Total	\$75,221,492	\$31,483,258	(\$4,266,411)

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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized pension expense of \$7,742,820 related to the Primary Government. For the same period, the City recognized pension expense of \$117,966 related to a component unit, Lewisville Parks and Library Development Corporation (LPLDC).

At September 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Primary Government		LPLDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions after measurement date	\$ 6,438,022	\$ -	\$ 98,086	\$ -
Difference in expected and actual pension experience	858,919	2,176,146	13,086	27,514
Difference in projected and actual earnings on pension assets	-	6,788,933	-	124,308
Total	<u>\$ 7,296,941</u>	<u>\$ 8,965,079</u>	<u>\$ 111,172</u>	<u>\$ 151,822</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$6,536,108 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2018 (i.e. recognized in the city's financial statements September 30, 2019). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended Dec 31	Net Deferred Outflows (Inflows) of Resources
2018	\$ (599,352)
2019	(967,284)
2020	(3,483,541)
2021	(3,286,408)
2022	91,689
Total	<u>\$ (8,244,896)</u>

## 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 \$1.0225 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 party to 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 POSTEMPLOYMENT BENEFITS

The City provides \$15,000 in life insurance upon retirement for employees with ten years of service with the City of Lewisville. Prior to October 1, 2013, the City purchased fully paid life insurance policies upon retirement for eligible employees. Beginning October 1, 2013, the City began purchasing life insurance through the City's group life insurance vendor. Premiums are now paid monthly for the coverage at a rate of \$1.35 per \$1,000 of coverage or \$20.25 per month. The City had 100 eligible retirees in fiscal year 2017-18 resulting in an annual expenditure of \$21,404.

### Lewisville OPEB Liability Trust Fund

#### *Plan Description—Plan Administration, Benefits Provided, Contributions, and Membership*

The City established an irrevocable trust in 2008 for the systematic funding of postemployment health benefits (OPEB) 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. The City Manager is the benefit administrator of the plan.

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

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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.

Management of the trust is vested with the City’s Investment Committee, which consists of the Director of Finance, Fiscal Services Manager, an Assistant City Manager, and three other members designated by the City Manager.

At the September 30, 2017 measurement date, plan membership consisted of the following:

Inactive plan members (retirees) and beneficiaries currently receiving benefit payments	52
Active plan members	704

*Investments—Investment Policy and Directive*

The City has established an investment policy and directive for the OPEB plan assets. The policy may be amended by the City Council by a majority vote at any time. The directive is more detailed and may be amended by the City Manager at any time. The directive’s stated objective is to achieve long-term growth of trust assets by maximizing long-term rates of return on investments and minimizing risk of loss to fulfill the City’s current and long-term OPEB obligations. An investment strategy is pursued that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the adopted asset allocation table as of the measurement date, September 30, 2017:

<u>Asset Class</u>	<u>Range Allocation</u>	<u>Target Allocation</u>
Growth Assets		
Domestic Equity	19-59%	39%
International Equity	1-41%	21%
Other (ex. Real Estate)	0-20%	0%
Income Assets		
Fixed Income	20-60%	40%
Other	0-20%	0%
Real Return Assets	0-20%	0%
Cash Equivalents	0-20%	0%
		<u>100%</u>

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*Investments—Rate of Return*

For the year ended September 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 8.53 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net OPEB Liability of the City*

The components of the net OPEB liability at the measurement date of September 30, 2017, were as follows:

Total OPEB liability	\$ 4,796,964
Plan fiduciary net position	<u>4,521,908</u>
City's net OPEB liability	<u>\$ 275,056</u>
Plan fiduciary net position as a percentage of the total OPEB liability	94.27%

*Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of October 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation & Salary Increases	Not applicable as the City's future costs are set at a fixed amounts
Investment Rate of Return	7.0 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	None assumed since the benefits provided are not subject to medical inflation

Mortality rates were based on the RP-2014 Total Dataset Mortality Table projected with Scale MP-2017. The actuarial assumptions used in the October 1, 2017 valuation were based on the results of actual plan experience in recent years, as applicable.

The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of returns by the target asset allocation percentage and by adding expected inflation.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Growth Assets	
Domestic Equity	5.0%
International Equity	4.9%
Income Assets	
Fixed Income	3.4%

*Discount Rate*

The discount rate used to measure the total OPEB liability was 7%. The projection of cash flows used to determine the discount rate assumed that City future contributions will be made at rates equal to 60% of the annual benefit payments expected to be paid from the trust. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current discount rate:

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
Net OPEB liability (asset)	\$797,457	\$275,056	(\$160,178)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates would not be applicable to the City’s plan since the contribution amounts are set at a fixed rate and, therefore, not affected by healthcare cost increases.

The Lewisville OPEB Liability Trust Fund does not issue a separate financial report. Additional information can be found in the Required Supplement Information (RSI) and Financial (Fiduciary statements) Sections of this report.

## 9. COMPONENTS OF RESTRICTED ASSETS

Restricted assets reported in the Enterprise Funds statement of net position at September 30, 2018 are comprised of the following:

Deposits	\$ 1,814,058
Money held in escrow	168,504
Revenue bond current debt service accounts	3,322,719
Revenue bond future debt service accounts	3,591,771
Revenue bond construction accounts	<u>31,489,307</u>
Total	<u>\$40,386,359</u>

The related liabilities payable from restricted assets at September 30, 2018 are as follows:

Deposits payable	\$1,814,058
Escrow payable	168,504
Accrued interest payable	204,083
Accounts, contracts, and retainage payable	420,482
Current maturities of bonds payable	<u>5,010,000</u>
Total	<u>\$7,617,127</u>

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, 2018, 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 position restricted for revenue bond retirements is detailed as follows:

Revenue bond current debt service accounts	\$3,322,719
Revenue bond future debt service accounts	<u>3,591,771</u>
	6,914,490
Less:	
Accrued interest payable	<u>204,083</u>
Restricted for revenue bond retirement	<u>\$6,710,407</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) while another plan is administered by AIG Valic. The assets and liabilities amounted to \$42,582,285 for Nationwide and \$45,794,397 for AIG Valic at September 30, 2018. 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 Plan is 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.

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, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the deferred compensation plans are not included in the financial statements of the City.

## 11. LONG TERM LIABILITIES

### General Obligation Bonds and Tax Notes

General Obligation Bonds and Tax Notes 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 and Tax Notes outstanding as of September 30, 2018 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities Amount</u>	<u>Business-Type Activities Amount</u>
General Government	1.50% - 5.00%	\$ 78,440,000	\$ 640,000

General Obligation Bonds are authorized by a referendum election prior to issuance. The City's last election that authorized the issuance of these bonds was held on November 3, 2015. The authorized and remaining balances as of September 30, 2018 are as follows:

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Unissued Balance</u>
Streets	11/3/2015	\$ 71,600,000	\$ 59,815,000
Parks & Recreation	11/3/2015	39,900,000	37,005,000
Police & Fire	11/3/2015	10,500,000	5,600,000
Aquatic Center	11/3/2015	13,000,000	11,500,000
Total		<u>\$ 135,000,000</u>	<u>\$ 113,920,000</u>

### Certificates of Obligation

Certificates of Obligation are direct obligations of the City, payable from a combination of ad valorem taxes and a limited pledge of surplus revenues of the City's waterworks and sewer system. Certificates of Obligation outstanding as of September 30, 2018 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities Amount</u>
Parks and Library Improvements	4.00% - 5.00%	\$ 1,465,000

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Annual debt service requirements to maturity for Government Activities General Obligation Bonds, Tax Notes and Certificates of Obligation, including interest of \$18,007,153 are as follows:

Year Ended September 30	Governmental Activities Bonds		Total
	Principal	Interest	
2019	\$ 9,515,000	\$ 3,090,213	\$ 12,605,213
2020	9,375,000	2,700,531	12,075,531
2021	7,915,000	2,338,807	10,253,807
2022	7,610,000	2,017,775	9,627,775
2023	7,580,000	1,716,419	9,296,419
2024-2028	25,605,000	5,014,808	30,619,808
2029-2033	12,305,000	1,128,600	13,433,600
	<u>\$ 79,905,000</u>	<u>\$ 18,007,153</u>	<u>\$ 97,912,153</u>

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, 2018, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Water supply and waste water treatment	1.50% - 5.00%	\$42,665,000
Less-Current maturities payable from restricted assets		4,370,000
		<u>\$38,295,000</u>

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Annual debt service requirements to maturity, for Business-type Activities Revenue Bonds and General Obligation Bonds, including interest of \$9,229,402 are as follows:

Year Ended September 30	Business Type Activities Bonds		Total
	Principal	Interest	
2019	5,010,000	1,562,742	\$ 6,572,742
2020	4,110,000	1,414,041	5,524,041
2021	4,265,000	1,267,691	5,532,691
2022	4,100,000	1,115,778	5,215,778
2023	3,940,000	945,073	4,885,073
2024-2028	15,340,000	2,476,773	17,816,773
2029-2033	6,540,000	447,304	6,987,304
	<u>\$ 43,305,000</u>	<u>\$ 9,229,402</u>	<u>\$ 52,534,402</u>

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2018, the City was in compliance with all limitations and restrictions.

Defeased Bonds

In the current year, the City defeased certain 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, 2018, \$5,280,000 of revenue bonds are considered defeased.

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Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Reclassifications	Ending Balance	Due Within One Year
<b>Governmental activities:</b>						
Bonds and notes payable and						
Certificates of obligation	\$ 90,415,000	\$ -	\$ (10,510,000)	\$ -	\$ 79,905,000	\$ 9,515,000
Premium	7,992,074	-	(731,142)	-	7,260,932	-
Compensated absences	8,691,320	5,696,441	(5,594,600)	-	8,793,161	5,625,182
Net pension liability	41,642,341	-	(13,875,890)	-	27,766,451	-
Net OPEB liability	-	419,468	(169,501)	-	249,967	-
Governmental activity long-term liabilities	<u>\$ 148,740,735</u>	<u>\$ 6,115,909</u>	<u>\$ (30,881,133)</u>	<u>\$ -</u>	<u>\$ 123,975,511</u>	<u>\$ 15,140,182</u>
<b>Business type activities:</b>						
Bonds payable	\$ 49,395,000	\$ -	\$ (6,090,000)	\$ -	43,305,000	\$ 5,010,000
Premium	3,861,846	-	(288,695)	-	3,573,151	-
Discount	(59,175)	-	5,661	-	(53,514)	-
Compensated absences	764,343	559,282	(555,917)	-	767,708	427,766
Net pension liability	4,930,472	-	(1,415,567)	-	3,514,905	-
Net OPEB liability	-	42,095	(17,006)	-	25,089	-
Business type activity long-term liabilities	<u>\$ 58,892,486</u>	<u>\$ 601,377</u>	<u>\$ (8,361,524)</u>	<u>\$ -</u>	<u>\$ 51,132,339</u>	<u>\$ 5,437,766</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 (“LPLDC” a non-profit corporation) established by the City to administer sales tax collections and projects.

Proceeds of Certificates of Obligation issued in 2004 were utilized to finance the construction of park facilities and library improvements for LPLDC. Certificates of Obligation issued in 2007 for the LPLDC 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. A portion of the proceeds of the 2016 Tax Notes were issued for LPLDC for construction and acquisition of park and recreation facilities and improvements.

The Lewisville Park and Library Development Corporation (“LPLDC”) has entered into agreements to reimburse the City for annual debt service costs associated with the Series 2004 and Series 2007A Combination Tax and Revenue Certificates of Obligation, a portion of the Series 2016 Tax Notes, as well as costs associated with defeasing said bonds. The Tax Increment Reinvestment Zone (“TIRZ”) has entered into agreements to reimburse the City for annual debt

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service costs associated with the Series 2007B Combination Tax and Revenue Certificates of Obligation, as well as costs associated with defeasing said bonds. The outstanding obligations as of September 30, 2018, have been recorded as a non-current liability of the LPLDC and TIRZ in the amount of \$21,110,000 and \$5,555,000 respectively, and as a non-current asset of the governmental activities in the statement of net position.

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

Year Ended September 30	LPLDC - Note Payable		
	Principal	Interest	Total
2019	\$ 1,995,000	\$ 860,669	\$ 2,855,669
2020	2,090,000	770,944	2,860,944
2021	2,180,000	680,318	2,860,318
2022	2,270,000	588,943	2,858,943
2023	2,405,000	492,569	2,897,569
2024-2028	5,915,000	1,428,298	7,343,298
2029-2032	4,255,000	401,325	4,656,325
	<u>\$ 21,110,000</u>	<u>\$ 5,223,066</u>	<u>\$ 26,333,066</u>

Year Ended September 30	TIRZ - Note Payable		
	Principal	Interest	Total
2019	\$ 400,000	\$ 267,750	\$ 667,750
2020	460,000	246,250	706,250
2021	470,000	223,000	693,000
2022	520,000	198,250	718,250
2023	585,000	170,625	755,625
2024-2027	3,120,000	332,500	3,452,500
	<u>\$ 5,555,000</u>	<u>\$ 1,438,375</u>	<u>\$ 6,993,375</u>

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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:					
Notes payable:					
Notes payable to Primary Government	\$ 23,020,000	\$ -	\$ (1,910,000)	\$ 21,110,000	\$1,995,000
Compensated absences	49,816	69,697	(80,148)	39,365	25,224
Net pension liability	434,876	-	(232,974)	201,902	-
LPLDC activities total:	<u>23,504,692</u>	<u>69,697</u>	<u>(2,223,122)</u>	<u>21,351,267</u>	<u>2,020,224</u>
TIRZ activities:					
Notes payable:					
Notes payable to Primary Government	5,905,000	-	(350,000)	5,555,000	400,000
TIRZ activities total:	<u>5,905,000</u>	<u>-</u>	<u>(350,000)</u>	<u>5,555,000</u>	<u>400,000</u>
Component unit long-term liabilities	<u>\$ 29,409,692</u>	<u>\$ 69,697</u>	<u>\$ (2,573,122)</u>	<u>\$ 26,906,267</u>	<u>\$2,420,224</u>

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 is the Issuer of the following Public Improvement Bond issues:

**CITY OF LEWISVILLE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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City of Lewisville, Texas Combination Contract Contract Revenue and Special Assessment Bonds Issuances			Amount
Series 1998	Refunding and Capital Improvement Bonds	District No. 1 Project	\$ 19,000,000
Series 2008	Capital Improvement Bonds	District No. 4 Project	20,000,000
Series 2011	Refunding and Utility System Bonds	District No. 3 Project	2,840,000
Series 2011	Utility System Bonds	District No. 4 Project	2,965,000
Series 2011	Road System Bonds	District No. 4 Project	5,355,000
Series 2013	Refunding Bonds	District No. 2 Project	14,300,000
Series 2014	Utility System Bonds	District No. 5 Project	3,255,000
Series 2014	Road System Bonds	District No. 5 Project	4,495,000
Series 2014	Utility System Bonds	District No. 7 Project	1,360,000
Series 2014	Road System Bonds	District No. 7 Project	1,405,000
Series 2014	Utility System Bonds	District No. 4 Project	3,680,000
Series 2014	Utility System Bonds	District No. 6 Project	7,310,000
Series 2014	Road System Bonds	District No. 6 Project	1,200,000
Series 2015	Refunding Bonds	District No. 1 Project	4,580,000
Series 2015	Refunding Bonds	District No. 2 Project	8,490,000
Series 2015	Refunding Bonds	District No. 3 Project	19,535,000
Series 2015	Utility System Bonds	District No. 5 Project	10,950,000
Series 2016	Road System Bonds	District No. 7 Project	3,145,000
Series 2016	Utility System Bonds	District No. 7 Project	1,690,000
Series 2017	Refunding Bonds	District No. 4 Project	13,350,000
Series 2017	Utility System Bonds	District No. 6 Project	7,690,000
Series 2017	Road System Bonds	District No. 6 Project	15,310,000
Series 2017	Utility System Bonds	District No. 5 Project	11,395,000
Series 2017	Road System Bonds	District No. 5 Project	5,905,000

These issues, are not direct obligations of the City of Lewisville, but rather, are revenue bonds issued for the Castle Hills Public Improvement District located in the City's extraterritorial jurisdiction.

For all issues pertaining to Districts 1-3, 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 issues pertaining to District 4, 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. For the remaining issues pertaining to Districts 5 through 7, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% 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, 2018, City of Lewisville, Texas Contract Revenue and Special Assessment Improvement Bonds outstanding aggregated was \$143,960,000.

## **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 Risk 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 Risk 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 2017-18, a total of \$1,229,473 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 \$500,000 per occurrence for all positions. The City has three open workers' compensation claims that have exceeded the specific retention and are being paid through the excess coverage.

During FY 2001-02, the City established a Health Benefit Trust under Chapter 172 of the Texas Local Government Code. Since the establishment of the Trust, premiums for healthcare have been transferred into the Trust from all other operating funds and are 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, 2017, the healthcare reinsurance provided excess coverage (beyond \$175,000 per occurrence) and an annual aggregate stop loss of approximately \$10,107,506 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 2017-18, total expenses for claims, reinsurance premiums, and administrative costs for healthcare amounted to \$11,316,611.

**CITY OF LEWISVILLE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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 years ended September 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Claims payable, beginning of year	\$ 1,608,864	\$ 1,922,360
Incurred claims	8,944,172	7,639,315
Claims payments	<u>(8,850,925)</u>	<u>(7,952,811)</u>
Claims payable, end of year	<u>\$ 1,702,111</u>	<u>\$ 1,608,864</u>

**13. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Governmental funds report deferred inflows of resources in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At the end of the current fiscal year, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds were as follows:

	General Fund	Debt Service Fund	Castle Hills PID Capital Project	General Capital Projects Fund	Nonmajor Governmental Funds	Total
<u>Deferred inflows of resources:</u>						
Property taxes	\$ 135,437	\$ 50,448	\$ -	\$ -	\$ -	\$ 185,885
Court fines	217,910	-	-	-	-	217,910
Ambulance	1,548,973	-	-	-	-	1,548,973
Intergovernmental	-	-	-	1,328,801	52,475	1,381,276
Notes receivable from component unit	-	26,665,000	-	-	-	26,665,000
Other	72,123	-	-	-	54,731	126,854
Total	<u>\$ 1,974,443</u>	<u>\$ 26,715,448</u>	<u>\$ -</u>	<u>\$ 1,328,801</u>	<u>\$ 107,206</u>	<u>\$ 30,125,898</u>
<u>Unearned revenue:</u>						
Unearned management fee	-	-	-	-	472,457	472,457
Advance construction payment	-	-	-	36,092,514	-	36,092,514
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,092,514</u>	<u>\$ 472,457</u>	<u>\$ 36,564,971</u>

## 14. TAX ABATEMENTS

The City enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code and Chapter 312 of the Texas Tax Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate property and/or sales taxes and may include other incentive payments such as fee reductions or construction costs reimbursements. Economic development agreements are considered on a case by case basis by the City Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

### Tax Abatement Agreements

Chapter 312 of the Texas Tax Code allows the City to designate tax reinvestment zones and negotiate abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer pays taxes on the lower assessed value during the term of the agreement. Recipients must submit compliance reports annually to continue to qualify for the abatement. Property taxes abated for the fiscal year ending September 30, 2018 totaled \$281,466.

### Other Economic Agreements

Chapter 380 of the Texas Local Government Code allows the City to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the City. For the fiscal year ending September 30, 2018, the City rebated \$402,977 in property taxes and \$1,047,894 in sales taxes.

## 15. 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.

- 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, 2018**

<b>GOVERNMENTAL FUNDS</b>						
General Fund	Debt Service Fund	Castle Hills PID Capital Projects Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds	
<b>FUND BALANCE:</b>						
<b>Non Spendable:</b>						
Prepaid items	\$ 387,350	\$ -	\$ -	\$ 34,076	\$ 1,066,241	\$ 1,487,667
<b>Spendable:</b>						
<b>Restricted for:</b>						
Debt service	-	2,641,964	-	-	-	2,641,964
Capital projects - Streets & Drainage	-	-	21,404,353	-	-	21,404,353
Capital projects - Parks & Recreation	-	-	(865,511)	481,528	-	(383,983)
Capital projects - Other	-	-	1,535,085	-	-	1,535,085
Hotel/Motel Tax Fund	-	-	1,540,615	5,732,187	-	7,272,802
Grant Funds	-	-	14,570	27,259	-	41,829
Escrow Tracking	-	-	19,400	-	-	19,400
Waters Ridge PID Fund	-	-	-	271,199	-	271,199
Municipal Court Security Fund	-	-	-	59,221	-	59,221
Municipal Court Technology Fund	-	-	36,671	244,418	-	281,089
Police Forfeitures Fund (State)	-	-	3,748	128,820	-	132,568
LEOSE Fund	-	-	516,347	23,371	-	539,718
Police Forfeitures Fund (Federal)	-	-	-	236,172	-	236,172
Juvenile Case Manager Fund	-	-	-	181,252	-	181,252
PEG Programming Fund	-	-	-	1,201,359	-	1,201,359
Crime Control & Prevention District	-	-	13,508	2,626,700	-	2,640,208
Fire Control, Prevention, and Emergency Medical Services District	-	-	1,743,597	1,511,187	-	3,254,784
Josey Lane PID Assessment Fund	-	-	-	13,959	-	13,959
Castle Hills Capital Projects	-	18,845,629	-	-	-	18,845,629
<b>Subtotal - Restricted for:</b>	<b>-</b>	<b>2,641,964</b>	<b>18,845,629</b>	<b>25,962,383</b>	<b>12,738,632</b>	<b>60,188,608</b>
<b>Committed to:</b>						
Capital projects - Streets	-	-	3,421,998	-	-	3,421,998
Capital projects - Parks	-	-	-	-	-	-
Capital projects - Landscape & Tree Mitigation	-	-	-	-	-	-
Recreation Fund	-	-	-	28,327	-	28,327
Employee Benevolent Fund	-	-	-	39,837	-	39,837
Community Activities & Public Safety Training Fund	-	-	-	527,339	-	527,339
Lewisville Local Government Corporation	-	-	-	111,348	-	111,348
<b>Subtotal - Committed to:</b>	<b>-</b>	<b>-</b>	<b>3,421,998</b>	<b>706,851</b>	<b>-</b>	<b>4,128,849</b>
<b>Assigned to:</b>						
Capital projects - Streets & Other	-	-	23,602,494	-	-	23,602,494
Capital projects - Risk Management	-	-	835,583	-	-	835,583
Capital projects - Recreation	-	-	790,931	-	-	790,931
Other	1,283,685	-	-	-	-	1,283,685
<b>Subtotal - Assigned to:</b>	<b>1,283,685</b>	<b>-</b>	<b>25,229,008</b>	<b>-</b>	<b>-</b>	<b>26,512,693</b>
<b>Unassigned:</b>	<b>34,946,844</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,946,844</b>
<b>TOTAL FUND BALANCES:</b>	<b>\$36,617,879</b>	<b>\$2,641,964</b>	<b>\$18,845,629</b>	<b>\$ 54,647,465</b>	<b>\$ 14,511,724</b>	<b>\$127,264,661</b>

**16. CUMULATIVE EFFECT ON ADOPTION OF GASB STATEMENT NO. 75**

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, changes the focus of the accounting for postemployment benefits other than pensions (OPEB) from reporting the funding of the OPEB plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of OPEB benefits earned to date.

The beginning net positions were restated to record a net OPEB liability and beginning deferred outflow of resources for contributions made between the measurement date and fiscal year-end.

Prospectively applying this change results in the adjustment below:

	Government-Wide Statement of Activities		
	Governmental Activities	Business-type Activities	Component Unit
Net position at September 30, 2017, as previously reported	\$ 432,557,865	\$ 253,653,810	\$ (6,058,242)
Recording of net OPEB liability as of September 30, 2017	(419,469)	(42,094)	-
Recording of difference in expected and actual experience	(473,148)	(47,472)	-
Recording of difference in projected and actual earnings	(70,796)	(7,103)	-
Deferral for OPEB contributions made after the measurement date	182,036	18,264	-
Cumulative effect of change	(781,377)	(78,405)	-
Net position at September 30, 2017, as restated	\$ 431,776,488	\$ 253,575,405	\$ (6,058,242)

## 17. SUBSEQUENT EVENTS

On October 10, 2018, the City of Lewisville issued \$47,170,000 General Obligation Refunding and Improvement Bonds, Series 2018. Proceeds from the sale of the Bonds will be used to provide funds to refund a portion of the City's outstanding general obligation and certificate of obligation debt; for design, develop, construct, improve, extend, and expand streets, thoroughfares, sidewalks, bridges, and other public ways of the city, including streetlighting, right-of-way protection, and related storm drainage improvements; acquire, develop, construct, equip, renovate and improve parks, trails, park and recreation facilities, indoor aquatic center, and open spaces for park and recreation purposes; and acquire, construct, and install related public art related to being part of some or all of the foregoing items; and to pay the costs associated with the issuance of the Bonds.

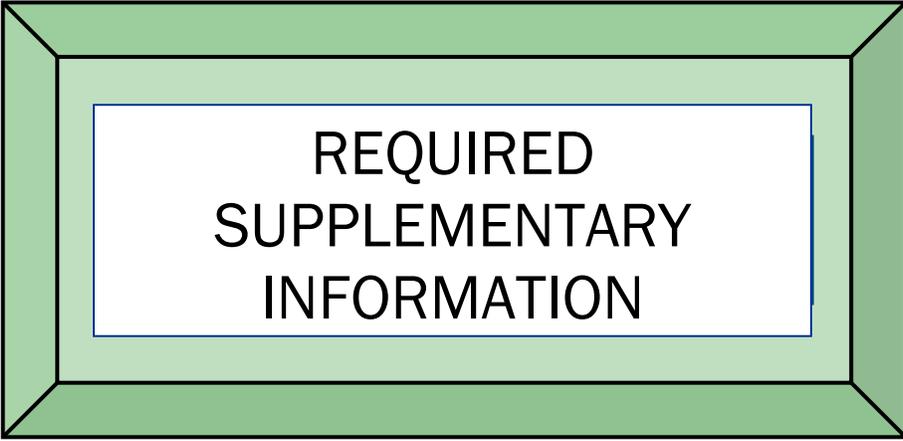
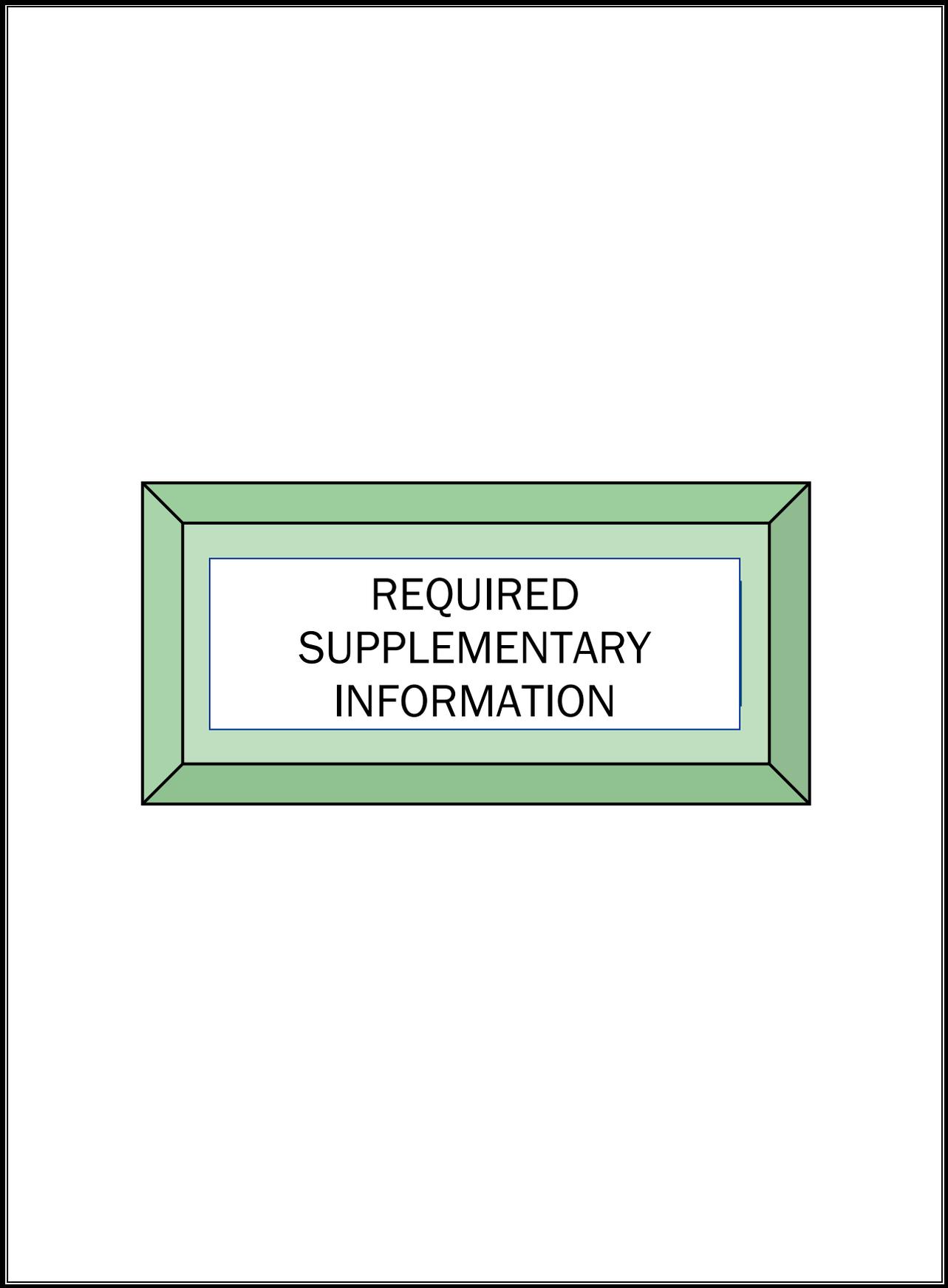
On October 10, 2018, the City of Lewisville issued \$7,270,000 Waterworks and Sewer System Revenue Bonds, Series 2018. Proceeds from the sale of the Bonds will be used to construct, acquire and install improvements, additions and extension to the City's waterworks and sewer system; and paying the costs of issuing the Bonds.



# LEWISVILLE

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REQUIRED  
SUPPLEMENTARY  
INFORMATION



# LEWISVILLE

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CITY OF LEWISVILLE, TEXAS  
 TEXAS MUNICIPAL RETIREMENT SYSTEM  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 (PREVIOUS YEARS ARE NOT AVAILABLE)  
 (UNAUDITED)

EXHIBIT A-1

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017
Total pension liability				
Service cost	\$ 7,057,241	\$ 7,706,342	\$ 8,246,818	\$ 8,761,730
Interest	16,497,518	17,422,312	17,846,679	18,842,323
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(2,478,575)	(1,045,357)	(1,500,726)	1,067,084
Change in assumptions	-	(91,547)	-	-
Benefit payments, incl. refunds of employee contributions	(8,160,747)	(8,218,045)	(9,295,778)	(10,904,100)
Net change in total pension liability	12,915,437	15,773,705	15,296,993	17,767,037
Total pension liability - beginning	236,230,579	249,146,016	264,919,721	280,216,714
Total pension liability - ending	249,146,016	264,919,721	280,216,714	297,983,751
Plan fiduciary net position				
Contributions - employer	7,599,062	7,822,183	7,814,541	8,460,121
Contributions - employee	3,052,739	3,244,700	3,362,127	3,578,303
Net investment income	11,446,366	315,625	14,660,373	32,333,140
Benefit payments, incl. refunds of employee contributions	(8,160,747)	(8,218,045)	(9,295,778)	(10,904,100)
Administrative expense	(119,494)	(192,227)	(165,505)	(167,506)
Other	(9,824)	(9,494)	(8,918)	(8,490)
Net change in plan fiduciary net position	13,808,102	2,962,742	16,366,840	33,291,468
Plan fiduciary net position - beginning	200,071,341	213,879,443	216,842,185	233,209,025
Plan fiduciary net position - ending	213,879,443	216,842,185	233,209,025	266,500,493
Net pension liability - ending	\$ 35,266,573	\$ 48,077,536	\$ 47,007,689	\$ 31,483,258
Plan fiduciary net position as a percentage of total pension liability	85.85%	81.85%	83.22%	89.43%
Covered payroll	\$ 43,597,704	\$ 46,340,001	\$ 48,030,388	\$ 51,118,609
Net pension liability as a percentage of covered payroll	80.89%	103.75%	97.87%	61.59%

Note: Measurement year as of December 31  
 Schedule will expand to include ten years of data per GASB68

**CITY OF LEWISVILLE, TEXAS  
 TEXAS MUNICIPAL RETIREMENT SYSTEM  
 SCHEDULE OF CONTRIBUTIONS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

**EXHIBIT A-2**

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the actuarially Determined Contribution	(3) Contribution Excess (Deficiency) (2) - (1)	(4) Covered Payroll	(5) Actuarially Determined Contribution as a Percentage of Covered Payroll (1) / (4)	(6) Contributions as a Percentage of Covered Payroll (2) / (4)
2009	6,816,614	5,409,954	(1,406,660)	38,868,039	17.54%	13.92%
2010	7,903,067	5,997,951	(1,905,116)	39,581,047	19.97%	15.15%
2011	8,535,905	6,813,495	(1,722,410)	41,107,984	20.76%	16.57%
2012	7,838,904	6,811,107	(1,027,797)	40,159,830	19.52%	16.96%
2013	7,552,936	7,459,191	(93,745)	42,175,565	17.91%	17.69%
2014	7,530,047	7,606,524	76,477	43,130,733	17.46%	17.64%
2015	7,589,980	7,589,980	-	44,613,514	17.01%	17.01%
2016	7,769,882	7,761,668	(8,214)	47,287,476	16.43%	16.41%
2017	8,308,327	8,356,635	48,308	50,422,592	16.48%	16.57%
2018	8,580,357	8,556,309	(24,048)	52,450,171	16.36%	16.31%

**Notes to Schedules:**

Valuation date: Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 12 months and a day later.

Methods and assumptions used to determine contribution rate for 2018:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28 years
Asset Valuation Method	10 years smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Assumption differences for fiscal years prior to 2016:

Actuarial Cost Method	Projected unit credit for fiscal years 2009 to 2013.
Remaining Amortization Period	15 years
Inflation	3.0%
Investment Rate of Return	7.00%
Retirement Age	Prior to fiscal year 2016, experience-based table of rates that were specific to the City's plan of benefits. Previously updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	Prior to fiscal year 2014, Gender Distinct RP2000 Combined Healthy Mortality Table projected to the year 2003 by scale AA.

Other Information:

Fiscal year 2008 and forward actuarial accrued liability adjusted for plan changes adopted effective January 1, 2009.  
 Fiscal year 2009 and forward actuarial accrued liability adjusted for plan changes adopted effective January 1, 2010.  
 Fiscal years 2012 and forward includes the impact of Senate Bill 350 enacted by the Texas Legislature in June 2011.  
 Legislation provided a restructuring of the Texas Municipal Retirement System funds effective December 31, 2010.  
 Previously reported amounts included only Employee Savings Fund and Municipal Accumulation Fund but excluded the City's portion of the Current Service Annuity Fund (CSARF) in which costs for all retirees were shared. The legislation eliminated the CSARF returning both liabilities and assets for retirees to the respective employer accounts.

CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE OPEB LIABILITY TRUST FUND  
 SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
 (PREVIOUS FISCAL YEARS ARE NOT AVAILABLE)

EXHIBIT A-4

	2017	2018
Total OPEB liability		
Service cost	\$ 81,627	\$ 82,038
Interest	348,492	315,664
Changes in benefit terms	-	-
Differences between expected and actual experience	(602,997)	131,437
Change in assumptions	-	-
Benefit payments	(273,800)	(319,225)
Net change in total OPEB liability	(446,678)	209,914
Total OPEB liability - beginning	5,033,728	4,587,050
Total OPEB liability - ending	4,587,050	4,796,964
Plan fiduciary net position		
Contributions - employer	175,700	200,300
Net investment income	366,978	515,346
Benefit payments	(273,800)	(319,225)
Administrative expense	-	-
Other	-	-
Net change in plan fiduciary net position	268,878	396,421
Plan fiduciary net position - beginning	3,856,609	4,125,487
Plan fiduciary net position - ending	4,125,487	4,521,908
Net OPEB liability - ending	\$ 461,563	\$ 275,056
Plan fiduciary net position as a percentage of total OPEB liability	89.94%	94.27%
Covered payroll	\$ 50,422,592	\$ 52,450,171
Net OPEB liability as a percentage of covered payroll	0.92%	0.52%

Note: Measurement date as of September 30, preceding fiscal year  
 Schedule will expand to include ten years of data per GASB74

CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE OPEB LIABILITY TRUST FUND  
 SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS  
 LAST TEN FISCAL YEARS

EXHIBIT A-5

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the actuarially Determined Contribution	(3) Contribution Excess (Deficiency) (2) - (1)	(4) Covered Payroll	(6) Contributions as a Percentage of Covered Payroll (2) / (4)	Investment Returns
2009	482,500	482,500	-	38,868,039	1.24%	5.69%
2010	482,500	482,500	-	39,581,047	1.22%	10.11%
2011	494,600	494,600	-	41,107,984	1.20%	-0.48%
2012	359,300	359,300	-	40,159,830	0.89%	19.15%
2013	366,600	366,600	-	42,175,565	0.87%	12.41%
2014	279,200	279,200	-	43,130,733	0.65%	9.88%
2015	224,000	224,000	-	44,613,514	0.50%	-0.74%
2016	175,700	175,700	-	47,287,476	0.37%	10.30%
2017	200,300	200,300	-	50,422,592	0.40%	12.35%
2018	138,300	138,300	-	52,450,171	0.26%	8.53%

**Notes to Schedules:**

Valuation date: Actuarial determined contributions are calculated as of September 30, two years prior to fiscal year-end in which contributions are reported.

Methods and assumptions used to determine contribution for 2018:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Amortization period	30 Years
Asset valuation method	Market value of assets
Inflation	N/A
Healthcare cost trend rates	N/A
Salary increases	N/A
Investment rate of return	7.00% per year
Mortality table	RP-2014 Total Dataset Mortality Table projected with Scale MP-2017
Retirement age	Rates vary by age from age 50 to 66

Methods and assumptions used to determine contribution for years prior to 2017:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Amortization period	30 Years
Asset valuation method	Three-year moving average in 2016; market value for years prior to 2016
Inflation	N/A
Healthcare cost trend rates	N/A
Salary increases	N/A
Investment rate of return	7.00% in 2016; 7.50% in prior years
Mortality	See other information section below
Retirement age	Rates vary by age

Other Information:

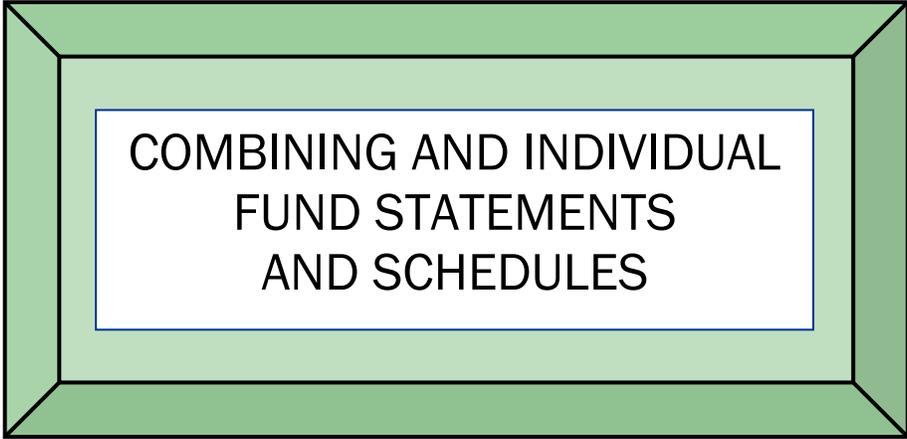
City Council approved the creation of the OPEB Liability Trust on September 8, 2008. Funding and inception of the plan began October 1, 2008.

Prior to 10/1/2010, the substantive plan provided that the City would increase its contribution amount up to two percent annually.

For the two years prior to 10/1/2010 there were no increases in the City's annual contribution amount. Effective 10/1/2010, the substantive plan was amended to provide that the City would not increase its contribution in future years.

Prior to 2017, mortality tables used were RP2014, combined mortality, updated/projected for current valuation period;

RP2000, combined mortality, updated for valuation period; or RP2000, combined mortality, with no "collar adjustments."



COMBINING AND INDIVIDUAL  
FUND STATEMENTS  
AND SCHEDULES



# LEWISVILLE

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## MAJOR GOVERNMENTAL FUNDS

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### **DEBT SERVICE FUND**

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

CITY OF LEWISVILLE, TEXAS  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	\$ 11,073,936	\$ 11,073,936	\$ 11,510,290	\$ 436,354
Intergovernmental	3,492,894	3,492,894	2,992,894	(500,000)
Investment earnings	23,505	23,505	34,863	11,358
Miscellaneous	-	-	414	414
Total revenues	<u>14,590,335</u>	<u>14,590,335</u>	<u>14,538,461</u>	<u>(51,874)</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	10,510,000	10,510,000	10,510,000	-
Interest and fiscal charges	3,776,156	3,776,156	3,774,696	1,460
Total expenditures	<u>14,286,156</u>	<u>14,286,156</u>	<u>14,284,696</u>	<u>1,460</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>304,179</u>	<u>304,179</u>	<u>253,765</u>	<u>(50,414)</u>
<b>NET CHANGE IN FUND BALANCES</b>	304,179	304,179	253,765	(50,414)
<b>FUND BALANCES, beginning</b>	2,388,199	2,388,199	2,388,199	-
<b>FUND BALANCES, ending</b>	<u>\$ 2,692,378</u>	<u>\$ 2,692,378</u>	<u>\$ 2,641,964</u>	<u>\$ (50,414)</u>



# 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 thirteen 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.

### **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.

### **MUNICIPAL COURT TECHNOLOGY FUND**

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

### **MUNICIPAL COURT SECURITY FUND**

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

### **JUVENILE CASE MANAGER FUND**

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

### **LAW ENFORCEMENT OFFICER STANDARD 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.

### **WATERS RIDGE PUBLIC IMPROVEMENT DISTRICT (PID) FUND**

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

### **ASSET FORFEITURE – STATE 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.

### **ASSET FORFEITURE – DEPARTMENT OF JUSTICE**

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 and the Department of Justice for cooperating in investigations with respect to asset forfeiture and money laundering investigations and prosecutions.

## **NON-MAJOR GOVERNMENTAL FUNDS**

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### **JOSEY LANE PID ADMINISTRATIVE FUND**

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

### **ASSET FORFEITURE – DEPARTMENT OF TREASURY**

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 and the Department of Treasury for cooperating in investigations with respect to asset forfeiture and money laundering investigations and prosecutions.

### **ADMINISTRATIVE BENEVOLENT FUND**

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

### **COMMUNITY ACTIVITIES AND TRAINING FUND**

To account for revenues related to special events, sponsorships, certain naming rights, community contributions, as well as revenues and donations associated with police and fire training.

### **GRANTS FUND**

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

Additionally, three blended component units are included as Non-Major Governmental Funds:

### **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.

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

To account for assistance efforts in economic development initiatives.

Additionally, one capital project fund is included as Non-Major Governmental Funds:

### **JOSEY LANE PID CAPITAL PROJECTS FUND**

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

**CITY OF LEWISVILLE, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2018**

Special Revenue Funds										
	Hotel/Motel Tax Fund	Recreation Activity Fund	PEG Programming Fund	Municipal Court Technology Fund	Municipal Court Security Fund	Juvenile Case Manager Fund	LEOSE Fund	Waters Ridge PID Fund	Asset Forfeiture- State Fund	Asset Forfeiture- Dept of Justice Fund
<b>ASSETS</b>										
Cash	\$ 547,060	\$ 2,775	\$ 93,497	\$ 21,081	\$ 5,111	\$ 15,458	\$ 1,914	\$ 22,951	\$ 49,867	\$ 17,816
Investments	5,554,948	31,015	1,044,889	223,180	57,127	172,752	21,394	256,491	99,496	199,105
Receivables (net of allowances for uncollectibles)										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	213,378	210	59,907	-	-	-	-	-	-	-
Interest	20,358	2,304	3,066	752	163	501	63	757	-	484
Due from other funds	-	-	-	-	-	-	-	-	-	-
Prepaid items	1,055,485	-	-	1,774	-	-	-	-	-	-
Total assets	<u>7,391,229</u>	<u>36,304</u>	<u>1,201,359</u>	<u>246,787</u>	<u>62,401</u>	<u>188,711</u>	<u>23,371</u>	<u>280,199</u>	<u>149,363</u>	<u>217,405</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
Liabilities										
Accounts and contracts payable	103,619	6,952	-	595	3,180	90	-	9,000	20,543	-
Accrued liabilities	27,481	1,025	-	-	-	2,995	-	-	-	-
Deposits payable	-	-	-	-	-	-	-	-	-	-
Unearned revenue	472,457	-	-	-	-	-	-	-	-	-
Money held in escrow	-	-	-	-	-	4,374	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>603,557</u>	<u>7,977</u>	<u>-</u>	<u>595</u>	<u>3,180</u>	<u>7,459</u>	<u>-</u>	<u>9,000</u>	<u>20,543</u>	<u>-</u>
Deferred inflows of resources										
unavailable resources	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances										
Nonspendable	1,055,485	-	-	1,774	-	-	-	-	-	-
Restricted for other purposes										
Capital projects	-	-	-	-	-	-	-	-	-	-
Other purposes	5,732,187	-	1,201,359	244,418	59,221	181,252	23,371	271,199	128,820	217,405
Committed to other purposes	-	28,327	-	-	-	-	-	-	-	-
Total fund balances	<u>6,787,672</u>	<u>28,327</u>	<u>1,201,359</u>	<u>246,192</u>	<u>59,221</u>	<u>181,252</u>	<u>23,371</u>	<u>271,199</u>	<u>128,820</u>	<u>217,405</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,391,229</u>	<u>\$ 36,304</u>	<u>\$ 1,201,359</u>	<u>\$ 246,787</u>	<u>\$ 62,401</u>	<u>\$ 188,711</u>	<u>\$ 23,371</u>	<u>\$ 280,199</u>	<u>\$ 149,363</u>	<u>\$ 217,405</u>

EXHIBIT C-1

Special Revenue Funds									Capital Projects	
Josey Lane PID Administrative Fund	Asset Forfeiture- Dept of Treasury Fund	Administrative Benevolent Fund	Community Activities and Training Fund	Grants Fund	Lewisville Crime Control and Prevention District	Lewisville Fire Control, Prevention, and Emergency Medical Services District	Lewisville Local Government Corporation	Josey Lane PID CIP	Total Nonmajor Governmental Funds	
\$ 1,428	\$ 1,537	\$ 3,279	\$ 50,307	\$ -	\$ 170,876	\$ 75,557	\$ 9,120	\$ 39,466	\$ 1,129,100	
15,963	17,180	36,651	562,208	-	1,909,646	844,411	101,929	441,052	11,589,437	
-	-	-	-	-	656,570	657,967	-	-	1,314,537	
-	-	-	53,560	686,981	-	-	-	-	1,014,036	
47	50	107	1,049	-	5,704	9,296	299	1,294	46,294	
682	-	-	-	36,814	-	-	-	398	37,894	
-	-	-	300	-	7,956	726	-	-	1,066,241	
<u>18,120</u>	<u>18,767</u>	<u>40,037</u>	<u>667,424</u>	<u>723,795</u>	<u>2,750,752</u>	<u>1,587,957</u>	<u>111,348</u>	<u>482,210</u>	<u>16,197,539</u>	
3,763	-	201	35,432	45,530	4,376	28,584	-	-	261,865	
-	-	-	4,921	20,101	111,720	47,460	-	-	215,703	
-	-	-	22,200	-	-	-	-	-	22,200	
-	-	-	-	-	-	-	-	-	472,457	
-	-	-	22,500	-	-	-	-	-	26,874	
398	-	-	-	578,430	-	-	-	682	579,510	
<u>4,161</u>	<u>-</u>	<u>201</u>	<u>85,053</u>	<u>644,061</u>	<u>116,096</u>	<u>76,044</u>	<u>-</u>	<u>682</u>	<u>1,578,609</u>	
-	-	-	54,731	52,475	-	-	-	-	107,206	
-	-	-	54,731	52,475	-	-	-	-	107,206	
-	-	-	300	-	7,956	726	-	-	1,066,241	
-	-	-	-	-	-	-	-	481,528	481,528	
13,959	18,767	-	-	27,259	2,626,700	1,511,187	-	-	12,257,104	
-	-	39,836	527,340	-	-	-	111,348	-	706,851	
<u>13,959</u>	<u>18,767</u>	<u>39,836</u>	<u>527,640</u>	<u>27,259</u>	<u>2,634,656</u>	<u>1,511,913</u>	<u>111,348</u>	<u>481,528</u>	<u>14,511,724</u>	
<u>\$ 18,120</u>	<u>\$ 18,767</u>	<u>\$ 40,037</u>	<u>\$ 667,424</u>	<u>\$ 723,795</u>	<u>\$ 2,750,752</u>	<u>\$ 1,587,957</u>	<u>\$ 111,348</u>	<u>\$ 482,210</u>	<u>\$ 16,197,539</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, 2018**

	Special Revenue Funds									
	Hotel/Motel Tax Fund	Recreation Activity Fund	PEG Programming Fund	Municipal Court Technology Fund	Municipal Court Security Fund	Juvenile Case Manager Fund	LEOSE Fund	Waters Ridge PID Fund	Asset Forfeiture- State Fund	Asset Forfeiture- Dept of Justice Fund
<b>REVENUES</b>										
Property and other taxes	\$ 2,547,031	\$ -	\$ 250,400	\$ -	\$ -	\$ -	\$ -	\$ 15,050	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	12,849	-	33,531	69,216
Charges for services	-	1,664	-	-	-	-	-	-	-	-
Recreation	-	288,364	-	-	-	-	-	-	-	-
Fines	-	-	-	71,637	53,718	88,745	-	-	-	-
Investment earnings	46,325	5,975	6,007	1,552	295	1,109	202	1,798	-	1,764
Contributions and donations	-	150,695	-	-	-	-	-	-	-	-
Miscellaneous	8	62	-	-	-	-	-	-	816	-
Total revenues	<u>2,593,364</u>	<u>446,760</u>	<u>256,407</u>	<u>73,189</u>	<u>54,013</u>	<u>89,854</u>	<u>13,051</u>	<u>16,848</u>	<u>34,347</u>	<u>70,980</u>
<b>EXPENDITURES</b>										
Current										
General government	1,980,180	-	-	-	-	-	-	15,000	-	-
Culture and recreation	-	316,993	-	-	-	-	-	-	-	-
Public safety	-	-	-	32,123	28,476	78,417	8,985	-	48,631	82,206
Public & development services	-	-	-	-	-	-	-	-	-	-
Capital outlay	51,860	-	-	-	-	-	-	-	-	99,473
Total expenditures	<u>2,032,040</u>	<u>316,993</u>	<u>-</u>	<u>32,123</u>	<u>28,476</u>	<u>78,417</u>	<u>8,985</u>	<u>15,000</u>	<u>48,631</u>	<u>181,679</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>561,324</u>	<u>129,767</u>	<u>256,407</u>	<u>41,066</u>	<u>25,537</u>	<u>11,437</u>	<u>4,066</u>	<u>1,848</u>	<u>(14,284)</u>	<u>(110,699)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(768,766)	(479,085)	-	-	(23,513)	-	-	-	-	-
Total other financing sources (uses)	<u>(768,766)</u>	<u>(479,085)</u>	<u>-</u>	<u>-</u>	<u>(23,513)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(207,442)</u>	<u>(349,318)</u>	<u>256,407</u>	<u>41,066</u>	<u>2,024</u>	<u>11,437</u>	<u>4,066</u>	<u>1,848</u>	<u>(14,284)</u>	<u>(110,699)</u>
<b>FUND BALANCES, beginning</b>	<u>6,995,114</u>	<u>377,645</u>	<u>944,952</u>	<u>205,126</u>	<u>57,197</u>	<u>169,815</u>	<u>19,305</u>	<u>269,351</u>	<u>143,104</u>	<u>328,104</u>
<b>FUND BALANCES, ending</b>	<u>\$ 6,787,672</u>	<u>\$ 28,327</u>	<u>\$ 1,201,359</u>	<u>\$ 246,192</u>	<u>\$ 59,221</u>	<u>\$ 181,252</u>	<u>\$ 23,371</u>	<u>\$ 271,199</u>	<u>\$ 128,820</u>	<u>\$ 217,405</u>

Special Revenue Funds								Capital Projects Funds	
Josey Lane PID - Administrative Fund	Asset Forfeiture Dept of Treasury Fund	Administrative Benevolent Fund	Community Activities and Training Fund	Grants Fund	Lewisville Crime Control and Prevention District	Lewisville Fire Control, Prevention, and Emergency Medical Services District	Lewisville Local Government Corporation	Josey Lane PID CIP	Total Nonmajor Governmental Funds
\$ 40,892	\$ -	\$ -	\$ -	\$ -	\$ 3,753,177	\$ 3,757,884	\$ -	\$ 474,171	\$ 10,838,605
-	-	-	88,082	981,161	-	-	-	-	1,184,839
-	-	-	-	-	-	-	-	-	1,664
-	-	240	271,095	-	-	-	-	-	559,699
-	-	-	-	-	-	-	-	-	214,100
-	119	230	2,006	-	11,302	29,181	709	3,946	112,520
-	-	-	450,865	2,504	-	-	-	-	604,064
-	-	6,723	-	4,531	-	-	378	-	12,518
40,892	119	7,193	812,048	988,196	3,764,479	3,787,065	1,087	478,117	13,528,009
15,083	-	2,420	-	-	172,205	89,518	-	-	2,274,406
-	-	-	570,583	4,020	-	-	-	-	891,596
-	-	-	53,598	608,967	2,950,929	1,257,262	-	-	5,149,594
-	-	-	27,799	544,885	235,456	39	-	-	808,179
-	-	-	-	-	-	1,298,518	-	-	1,875,303
15,083	-	2,420	651,980	1,157,872	3,358,590	2,645,337	-	425,452	10,999,078
25,809	119	4,773	160,068	(169,676)	405,889	1,141,728	1,087	52,665	2,528,931
-	-	-	53,885	1,465,583	-	-	-	477,582	1,997,050
(494,952)	-	-	-	-	(342,000)	(2,530,000)	-	(48,719)	(4,687,035)
(494,952)	-	-	53,885	1,465,583	(342,000)	(2,530,000)	-	428,863	(2,689,985)
(469,143)	119	4,773	213,953	1,295,907	63,889	(1,388,272)	1,087	481,528	(161,054)
483,102	18,648	35,063	313,687	(1,268,648)	2,570,767	2,900,185	110,261	-	14,672,778
\$ 13,959	\$ 18,767	\$ 39,836	\$ 527,640	\$ 27,259	\$ 2,634,656	\$ 1,511,913	\$ 111,348	\$ 481,528	\$ 14,511,724

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, 2018

EXHIBIT C-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	\$ 2,279,795	\$ 2,279,795	\$ 2,547,031	\$ 267,236
Investment earnings	26,487	26,487	46,325	19,838
Miscellaneous	-	-	8	8
Total revenues	<u>2,306,282</u>	<u>2,306,282</u>	<u>2,593,364</u>	<u>287,082</u>
<b>EXPENDITURES</b>				
Current				
General government	85,373	33,513	29,247	4,266
Community relations/tourism	1,924,382	1,928,549	1,950,933	(22,384)
Capital outlay	-	51,860	51,860	-
Total expenditures	<u>2,009,755</u>	<u>2,013,922</u>	<u>2,032,040</u>	<u>(18,118)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>296,527</u>	<u>292,360</u>	<u>561,324</u>	<u>268,964</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(660,000)	(660,000)	(768,766)	(108,766)
Total other financing sources (uses)	<u>(660,000)</u>	<u>(660,000)</u>	<u>(768,766)</u>	<u>(108,766)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(363,473)	(367,640)	(207,442)	160,198
<b>FUND BALANCES, beginning</b>	6,995,114	6,995,114	6,995,114	-
<b>FUND BALANCES, ending</b>	<u>\$ 6,631,641</u>	<u>\$ 6,627,474</u>	<u>\$ 6,787,672</u>	<u>\$ 160,198</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, 2018

EXHIBIT C-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,319	\$ 1,319	\$ 1,664	\$ 345
Recreation	404,000	404,000	288,364	(115,636)
Investment earnings	3,181	3,181	5,975	2,794
Contributions and donations	153,200	153,200	150,695	(2,505)
Miscellaneous	-	-	62	62
Total revenues	561,700	561,700	446,760	(114,940)
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Parks and leisure services	421,676	402,386	316,993	85,393
Total expenditures	421,676	402,386	316,993	85,393
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	140,024	159,314	129,767	(29,547)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(460,000)	(481,590)	(479,085)	2,505
Total other financing sources (uses)	(460,000)	(481,590)	(479,085)	2,505
<b>NET CHANGE IN FUND BALANCES</b>	(319,976)	(322,276)	(349,318)	(27,042)
<b>FUND BALANCES, beginning</b>	377,645	377,645	377,645	-
<b>FUND BALANCES, ending</b>	\$ 57,669	\$ 55,369	\$ 28,327	\$ (27,042)

CITY OF LEWISVILLE, TEXAS  
 PEG PROGRAMMING SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and other taxes	\$ 293,262	\$ 293,262	\$ 250,400	\$ (42,862)
Investment earnings	3,040	3,040	6,007	2,967
Total revenues	<u>296,302</u>	<u>296,302</u>	<u>256,407</u>	<u>(39,895)</u>
<b>Expenditures</b>				
Current				
General government				
Community relations/tourism	20,000	20,000	-	20,000
Capital outlay	80,000	80,000	-	80,000
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	196,302	196,302	256,407	60,105
<b>FUND BALANCES, beginning</b>	944,952	944,952	944,952	-
<b>FUND BALANCES, ending</b>	<u>\$ 1,141,254</u>	<u>\$ 1,141,254</u>	<u>\$ 1,201,359</u>	<u>\$ 60,105</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, 2018

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines	\$ 75,045	\$ 75,045	\$ 71,637	\$ (3,408)
Investment earnings	930	930	1,552	622
Total revenues	<u>75,975</u>	<u>75,975</u>	<u>73,189</u>	<u>(2,786)</u>
<b>EXPENDITURES</b>				
Current				
Public safety				
Municipal court	42,332	42,332	32,123	10,209
Total expenditures	<u>42,332</u>	<u>42,332</u>	<u>32,123</u>	<u>10,209</u>
<b>NET CHANGE IN FUND BALANCES</b>	33,643	33,643	41,066	7,423
<b>FUND BALANCES, beginning</b>	205,126	205,126	205,126	-
<b>FUND BALANCES, ending</b>	<u>\$ 238,769</u>	<u>\$ 238,769</u>	<u>\$ 246,192</u>	<u>\$ 7,423</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, 2018

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines	\$ 56,284	\$ 56,284	\$ 53,718	\$ (2,566)
Investment earnings	358	358	295	(63)
Total revenues	<u>56,642</u>	<u>56,642</u>	<u>54,013</u>	<u>(2,629)</u>
<b>EXPENDITURES</b>				
Current				
Public safety				
Municipal court	21,790	31,790	28,476	3,314
Total expenditures	<u>21,790</u>	<u>31,790</u>	<u>28,476</u>	<u>3,314</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>34,852</u>	<u>24,852</u>	<u>25,537</u>	<u>685</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(33,513)	(23,513)	(23,513)	-
Total other financing sources (uses)	<u>(33,513)</u>	<u>(23,513)</u>	<u>(23,513)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,339	1,339	2,024	685
<b>FUND BALANCES, beginning</b>	57,197	57,197	57,197	-
<b>FUND BALANCES, ending</b>	<u>\$ 58,536</u>	<u>\$ 58,536</u>	<u>\$ 59,221</u>	<u>\$ 685</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, 2018

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines	\$ 90,181	\$ 90,181	\$ 88,745	\$ (1,436)
Investment earnings	702	702	1,109	407
Total revenues	<u>90,883</u>	<u>90,883</u>	<u>89,854</u>	<u>(1,029)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety				
Municipal court	<u>86,362</u>	<u>86,362</u>	<u>78,417</u>	<u>7,945</u>
Total expenditures	<u>86,362</u>	<u>86,362</u>	<u>78,417</u>	<u>7,945</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,521</u>	<u>4,521</u>	<u>11,437</u>	<u>6,916</u>
<b>NET CHANGE IN FUND BALANCES</b>	4,521	4,521	11,437	6,916
<b>FUND BALANCES, beginning</b>	169,815	169,815	169,815	-
<b>FUND BALANCES, ending</b>	<u>\$ 174,336</u>	<u>\$ 174,336</u>	<u>\$ 181,252</u>	<u>\$ 6,916</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, 2018

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 12,849	\$ 3,849
Investment earnings	36	36	202	166
Total revenues	9,036	9,036	13,051	4,015
<b>EXPENDITURES</b>				
Current				
Public safety				
Police	9,000	9,000	8,985	15
Total expenditures	9,000	9,000	8,985	15
<b>NET CHANGES IN FUND BALANCES</b>	36	36	4,066	4,030
<b>FUND BALANCES, beginning</b>	19,305	19,305	19,305	-
<b>FUND BALANCES, ending</b>	\$ 19,341	\$ 19,341	\$ 23,371	\$ 4,030

CITY OF LEWISVILLE, TEXAS  
WATERS RIDGE PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	\$ 15,023	\$ 15,023	\$ 15,050	\$ 27
Investment earnings	1,377	1,377	1,798	421
Total revenues	<u>16,400</u>	<u>16,400</u>	<u>16,848</u>	<u>448</u>
<b>EXPENDITURES</b>				
Current				
General government				
General government	15,000	15,000	15,000	-
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,400	1,400	1,848	448
<b>FUND BALANCES, beginning</b>	269,351	269,351	269,351	-
<b>FUND BALANCES, ending</b>	<u>\$ 270,751</u>	<u>\$ 270,751</u>	<u>\$ 271,199</u>	<u>\$ 448</u>

CITY OF LEWISVILLE, TEXAS  
ASSET FORFEITURE - STATE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 33,531	\$ 18,531
Investment earnings	400	400	-	(400)
Miscellaneous	1,500	1,500	816	(684)
Total revenues	16,900	16,900	34,347	17,447
<b>EXPENDITURES</b>				
Current				
Public safety				
Police	71,329	71,329	48,631	22,698
Total expenditures	71,329	71,329	48,631	22,698
<b>NET CHANGE IN FUND BALANCES</b>	(54,429)	(54,429)	(14,284)	40,145
<b>FUND BALANCES, beginning</b>	143,104	143,104	143,104	-
<b>FUND BALANCES, ending</b>	\$ 88,675	\$ 88,675	\$ 128,820	\$ 40,145

CITY OF LEWISVILLE, TEXAS  
 ASSET FORFEITURE - DEPARTMENT OF JUSTICE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 94,000	\$ 94,000	\$ 69,216	\$ (24,784)
Investment earnings	2,700	2,700	1,764	(936)
Total revenues	<u>96,700</u>	<u>96,700</u>	<u>70,980</u>	<u>(25,720)</u>
<b>EXPENDITURES</b>				
Current				
Public safety				
Police	90,620	172,857	82,206	90,651
Capital outlay	<u>179,285</u>	<u>102,945</u>	<u>99,473</u>	<u>3,472</u>
Total expenditures	<u>269,905</u>	<u>275,802</u>	<u>181,679</u>	<u>94,123</u>
<b>NET CHANGE IN FUND BALANCES</b>	(173,205)	(179,102)	(110,699)	68,403
<b>FUND BALANCES, beginning</b>	328,104	328,104	328,104	-
<b>FUND BALANCES, ending</b>	<u>\$ 154,899</u>	<u>\$ 149,002</u>	<u>\$ 217,405</u>	<u>\$ 68,403</u>

CITY OF LEWISVILLE, TEXAS  
 JOSEY LANE PID ADMINISTRATIVE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	42,857	42,857	\$ 40,892	\$ (1,965)
Investment earnings	91	91	-	(91)
Total revenues	42,948	42,948	40,892	(2,056)
<b>EXPENDITURES</b>				
Current				
General government				
General government	25,254	25,254	15,083	10,171
Total expenditures	25,254	25,254	15,083	10,171
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	17,694	17,694	25,809	8,115
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(17,593)	(494,953)	(494,952)	1
Total other financing sources (uses)	(17,593)	(494,953)	(494,952)	1
<b>NET CHANGE IN FUND BALANCES</b>	101	(477,259)	(469,143)	8,116
<b>FUND BALANCES, beginning</b>	483,102	483,102	483,102	-
<b>FUND BALANCES, ending</b>	\$ 483,203	\$ 5,843	\$ 13,959	\$ 8,116

CITY OF LEWISVILLE, TEXAS  
COMMUNITY ACTIVITIES AND 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, 2018

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 46,000	\$ 46,000	\$ 88,082	\$ 42,082
Recreation	240,932	240,932	271,095	30,163
Investment earnings	3,385	3,385	2,006	(1,379)
Contributions and donations	553,208	553,208	450,865	(102,343)
Total revenues	<u>843,525</u>	<u>843,525</u>	<u>812,048</u>	<u>(31,477)</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Parks and leisure services	670,047	669,724	570,583	99,141
Public safety				
Police	5,700	4,497	4,497	-
Fire	29,000	49,093	49,101	(8)
Public & development services				
Development services	40,000	55,299	27,799	27,500
Total expenditures	<u>744,747</u>	<u>778,613</u>	<u>651,980</u>	<u>126,633</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>98,778</u>	<u>64,912</u>	<u>160,068</u>	<u>95,156</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	(59,086)	53,887	53,885	(2)
Total other financing sources (uses)	<u>(59,086)</u>	<u>53,887</u>	<u>53,885</u>	<u>(2)</u>
<b>NET CHANGE IN FUND BALANCES</b>	39,692	118,799	213,953	95,154
<b>FUND BALANCES, beginning</b>	313,687	313,687	313,687	-
<b>FUND BALANCES, ending</b>	<u>\$ 353,379</u>	<u>\$ 432,486</u>	<u>\$ 527,640</u>	<u>\$ 95,154</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, 2018

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,267,043	\$ 1,267,043	\$ 981,161	\$ (285,882)
Contributions and donations	-	-	2,504	2,504
Miscellaneous	-	-	4,531	4,531
Total revenues	<u>1,267,043</u>	<u>1,267,043</u>	<u>988,196</u>	<u>(278,847)</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Parks and leisure services	-	40,000	4,020	35,980
Public safety				
Police	166,794	216,494	170,131	46,363
Fire	200,000	200,000	327,899	(127,899)
Emergency management	168,398	168,398	110,937	57,461
Public & development services				
Development services	769,034	1,063,030	540,274	522,756
Stormwater/environment/sustainability	-	55,960	4,611	51,349
Capital outlay	75,663	75,663	-	75,663
Total expenditures	<u>1,379,889</u>	<u>1,819,545</u>	<u>1,157,872</u>	<u>661,673</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(112,846)</u>	<u>(552,502)</u>	<u>(169,676)</u>	<u>382,826</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	113,946	113,946	1,465,583	1,351,637
Total other financing sources (uses)	<u>113,946</u>	<u>113,946</u>	<u>1,465,583</u>	<u>1,351,637</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,100	(438,556)	1,295,907	1,734,463
<b>FUND BALANCES, beginning</b>	(1,268,648)	(1,268,648)	(1,268,648)	-
<b>FUND BALANCES, ending</b>	<u>\$ (1,267,548)</u>	<u>\$ (1,707,204)</u>	<u>\$ 27,259</u>	<u>\$ 1,734,463</u>

CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE CRIME CONTROL AND PREVENTION DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-16

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	\$ 3,506,595	\$ 3,506,595	\$ 3,753,177	\$ 246,582
Investment earnings	11,872	11,872	11,302	(570)
Total revenues	<u>3,518,467</u>	<u>3,518,467</u>	<u>3,764,479</u>	<u>246,012</u>
<b>EXPENDITURES</b>				
Current				
General government				
Information technology services	191,566	191,566	172,205	19,361
Public safety				
Police	3,215,510	3,273,857	2,950,929	322,928
Public & development services				
Development services	239,509	239,509	235,456	4,053
Total expenditures	<u>3,646,585</u>	<u>3,704,932</u>	<u>3,358,590</u>	<u>346,342</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(128,118)</u>	<u>(186,465)</u>	<u>405,889</u>	<u>592,354</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(330,000)	(342,000)	(342,000)	-
Total other financing sources (uses)	<u>(330,000)</u>	<u>(342,000)</u>	<u>(342,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(458,118)	(528,465)	63,889	592,354
<b>FUND BALANCES, beginning</b>	2,570,767	2,570,767	2,570,767	-
<b>FUND BALANCES, ending</b>	<u>\$ 2,112,649</u>	<u>\$ 2,042,302</u>	<u>\$ 2,634,656</u>	<u>\$ 592,354</u>

**CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE FIRE CONTROL, PREVENTION AND EMERGENCY MEDICAL SERVICES DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT C-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>				
Property and other taxes	\$ 3,506,595	\$ 3,506,595	\$ 3,757,884	\$ 251,289
Investment earnings	30,472	30,472	29,181	(1,291)
Total revenues	<u>3,537,067</u>	<u>3,537,067</u>	<u>3,787,065</u>	<u>249,998</u>
<b>EXPENDITURES</b>				
Current				
General government				
Information technology services	80,823	90,767	89,518	1,249
Public safety				
Fire	1,330,498	1,300,631	1,214,116	86,515
Emergency management	24,818	24,818	43,146	(18,328)
Public & development services				
Development services	-	-	39	(39)
Capital outlay	31,727	1,308,133	1,298,518	9,615
Total expenditures	<u>1,467,866</u>	<u>2,724,349</u>	<u>2,645,337</u>	<u>79,012</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,069,201</u>	<u>812,718</u>	<u>1,141,728</u>	<u>329,010</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,530,000)	(2,530,000)	(2,530,000)	-
Total other financing sources (uses)	<u>(2,530,000)</u>	<u>(2,530,000)</u>	<u>(2,530,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(460,799)</u>	<u>(1,717,282)</u>	<u>(1,388,272)</u>	<u>329,010</u>
<b>FUND BALANCES, beginning</b>	2,900,185	2,900,185	2,900,185	-
<b>FUND BALANCES, ending</b>	<u>\$ 2,439,386</u>	<u>\$ 1,182,903</u>	<u>\$ 1,511,913</u>	<u>\$ 329,010</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.

### **MAINTENANCE AND REPLACEMENT FUND**

To provide for fleet maintenance services for City departments and account for the purchase of vehicles, major equipment, computers, and servers for the City. Departments pay monthly charges to provide the funds for future replacement of these capital assets, as well as reimburse fund for current fleet repairs and maintenance and certain technology services.

### **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 BENEFIT TRUST**

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.

**CITY OF LEWISVILLE, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

**EXHIBIT D-1**

	<b>Maintenance and Replacement Fund</b>	<b>Self-Insurance Risk Fund</b>	<b>Health Benefit Trust Fund</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>				
Current assets				
Cash	\$ 390,111	\$ 533,201	\$ 628,933	\$ 1,552,245
Investments	4,359,725	4,471,744	3,083,705	11,915,174
Receivables (net of allowance for uncollectibles)				
Interest receivable	13,055	15,603	9,233	37,891
Due from other funds	1,255	-	-	1,255
Inventory of supplies, at cost	147,729	-	-	147,729
Prepaid items	28,905	131,007	54,742	214,654
Total current assets	<u>4,940,780</u>	<u>5,151,555</u>	<u>3,776,613</u>	<u>13,868,948</u>
Noncurrent assets				
Capital assets				
Other improvements	-	440,026	-	440,026
Machinery and equipment	4,754,536	295,580	-	5,050,116
Motor vehicles	21,012,120	-	-	21,012,120
Less accumulated depreciation	<u>(20,886,784)</u>	<u>(448,304)</u>	<u>-</u>	<u>(21,335,088)</u>
Total noncurrent assets	<u>4,879,872</u>	<u>287,302</u>	<u>-</u>	<u>5,167,174</u>
Total assets	<u>9,820,652</u>	<u>5,438,857</u>	<u>3,776,613</u>	<u>19,036,122</u>
<b>LIABILITIES</b>				
Current liabilities				
Current liabilities payable from restricted assets				
Accounts payable	112,598	42,346	326,268	481,212
Incurred but not reported claim reserve	-	784,148	917,963	1,702,111
Accrued liabilities	20,272	-	4,964	25,236
Compensated absences	60,872	-	-	60,872
Total current liabilities	<u>193,742</u>	<u>826,494</u>	<u>1,249,195</u>	<u>2,269,431</u>
Noncurrent liabilities				
Compensated absences	48,375	-	-	48,375
Total noncurrent liabilities	<u>48,375</u>	<u>-</u>	<u>-</u>	<u>48,375</u>
Total liabilities	<u>242,117</u>	<u>826,494</u>	<u>1,249,195</u>	<u>2,317,806</u>
<b>NET POSITION</b>				
Net investment in capital assets	4,879,872	287,302	-	5,167,174
Unrestricted	4,698,663	4,325,061	2,527,418	11,551,142
Total net position	<u>\$ 9,578,535</u>	<u>\$ 4,612,363</u>	<u>\$ 2,527,418</u>	<u>\$ 16,718,316</u>

**CITY OF LEWISVILLE, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

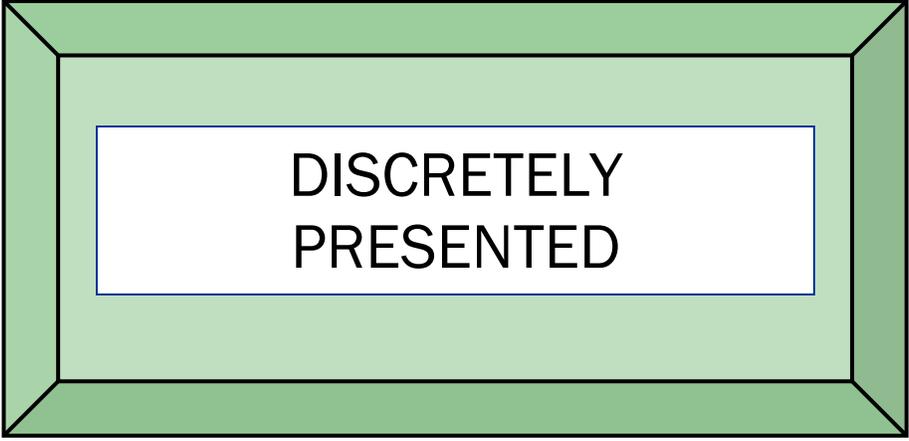
**EXHIBIT D-2**

	<b>Maintenance and Replacement Fund</b>	<b>Self-Insurance Risk Fund</b>	<b>Health Benefit Trust Fund</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 3,035,849	\$ 1,704,749	\$ 12,531,863	\$ 17,272,461
Miscellaneous	848	267	5,656	6,771
Total operating revenues	<u>3,036,697</u>	<u>1,705,016</u>	<u>12,537,519</u>	<u>17,279,232</u>
<b>OPERATING EXPENSES</b>				
Cost of sales and services, net of reimbursements	560,031	1,893,020	10,985,179	13,438,230
Personal services and administrative	744,401	185,762	331,432	1,261,595
Depreciation	1,783,427	65,541	-	1,848,968
Total operating expenses	<u>3,087,859</u>	<u>2,144,323</u>	<u>11,316,611</u>	<u>16,548,793</u>
Operating income (loss)	<u>(51,162)</u>	<u>(439,307)</u>	<u>1,220,908</u>	<u>730,439</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	37,194	37,556	39,700	114,450
Gain on disposal of capital assets	133,016	-	-	133,016
Total nonoperating revenues (expenses)	<u>170,210</u>	<u>37,556</u>	<u>39,700</u>	<u>247,466</u>
Income (loss) before transfers and contributions	<u>119,048</u>	<u>(401,751)</u>	<u>1,260,608</u>	<u>977,905</u>
Transfers and capital contributions				
Transfers in:	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
<b>CHANGE IN NET POSITION</b>	219,048	(401,751)	1,260,608	1,077,905
<b>NET POSITION, beginning</b>	9,359,487	5,014,114	1,266,810	15,640,411
<b>NET POSITION, ending</b>	<u>\$ 9,578,535</u>	<u>\$ 4,612,363</u>	<u>\$ 2,527,418</u>	<u>\$ 16,718,316</u>

**CITY OF LEWISVILLE, TEXAS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENTS OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT D-3**

	<b>Maintenance and Replacement Fund</b>	<b>Self- Insurance Risk Fund</b>	<b>Health Benefit Trust Fund</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from transactions with other funds	\$ 3,030,901	\$ 1,701,381	\$ 12,547,904	\$ 17,280,186
Cash paid to employees for services	(551,442)	-	-	(551,442)
Cash paid for goods and services	(789,203)	(1,072,374)	(3,062,431)	(4,924,008)
Cash paid for claims	-	(914,052)	(7,936,873)	(8,850,925)
Cash received for miscellaneous items	848	267	5,656	6,771
	<u>1,691,104</u>	<u>(284,778)</u>	<u>1,554,256</u>	<u>2,960,582</u>
Net cash provided by (used in) operating activities				
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in from other funds	100,000	-	-	100,000
	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Net cash provided by noncapital financing activities				
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(2,029,435)	-	-	(2,029,435)
Proceeds from the sale of equipment	253,547	-	-	253,547
	<u>(1,775,888)</u>	<u>-</u>	<u>-</u>	<u>(1,775,888)</u>
Net cash used in capital and related financing activities				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(2,143,399)	(2,198,472)	(1,516,061)	(5,857,932)
Proceeds from sale and maturities of investments	1,869,606	2,273,443	(31,812)	4,111,237
Interest received	37,194	37,556	39,700	114,450
	<u>(236,599)</u>	<u>112,527</u>	<u>(1,508,173)</u>	<u>(1,632,245)</u>
Net cash provided by (used in) investing activities				
<b>NET INCREASE (DECREASE) IN CASH</b>	(221,383)	(172,251)	46,083	(347,551)
<b>CASH, beginning of year</b>	611,494	705,452	582,850	1,899,796
<b>CASH, end of year</b>	<u>\$ 390,111</u>	<u>\$ 533,201</u>	<u>\$ 628,933</u>	<u>\$ 1,552,245</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (51,162)	\$ (439,307)	\$ 1,220,908	\$ 730,439
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	1,783,427	65,541	-	1,848,968
Change in assets and liabilities				
(Increase) decrease in accounts receivable	(3,693)	(3,368)	16,042	8,981
(Increase) decrease in inventory	(25,323)	-	-	(25,323)
(Increase) decrease in prepaid expenses	(20,535)	11,419	(2,320)	(11,436)
Increase (decrease) in accounts and claims payable	20,740	80,937	319,388	421,065
Increase (decrease) in accrued liabilities	(11,095)	-	238	(10,857)
Increase (decrease) in due to other funds	(1,255)	-	-	(1,255)
	<u>1,742,266</u>	<u>154,529</u>	<u>333,348</u>	<u>2,230,143</u>
Total adjustments				
Net cash provided by (used in) operating activities	<u>\$ 1,691,104</u>	<u>\$ (284,778)</u>	<u>\$ 1,554,256</u>	<u>\$ 2,960,582</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>				
Increase (decrease) in fair value of investments	(35,456)	(41,789)	(26,198)	(103,443)



DISCRETELY  
PRESENTED



# LEWISVILLE

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## **DISCRETELY PRESENTED COMPONENT UNITS**

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### **LEWISVILLE HOUSING FINANCE CORPORATION**

To account for certain housing needs within the City of Lewisville. There is no separate presentation in this section for this component unit due to no perspective differences from schedules already presented.

### **LEWISVILLE INDUSTRIAL DEVELOPMENT AUTHORITY**

To account for certain financial participation by the Authority in commercial development projects. There is no separate presentation in this section for this component unit due to no perspective differences from schedules already presented.

### **TAX INCREMENT REINVESTMENT ZONE NUMBER 1**

To account for and provide additional financing resources to enhance the redevelopment of the Old Town area of the City.

### **TAX INCREMENT REINVESTMENT ZONE NUMBER 2**

To account for and provide additional financing resources to pay for infrastructure costs to facilitate a mixed-use development project near the intersection of I-35E and SH-121. There is no separate presentation in this section for this component unit due to no perspective differences from schedules already presented.

### **LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION**

To account for one-quarter cent sales tax revenues to fund public parks, recreation, and library projects and operations.

CITY OF LEWISVILLE, TEXAS  
LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION  
BALANCE SHEET  
SEPTEMBER 30, 2018

EXHIBIT E-1

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	<b>Lewisville Parks and Library Development Corporation</b>
<b>ASSETS</b>	
Cash	\$ 1,310,147
Investments	14,634,972
Receivables	1,420,032
Prepaid items	1,949
<b>Total assets</b>	<u>17,367,100</u>
<b>LIABILITIES</b>	
Accounts and contracts payable	172,468
Accrued liabilities	50,791
<b>Total liabilities</b>	<u>223,259</u>
<b>FUND BALANCE</b>	
Unassigned	17,143,841
<b>Total fund balance</b>	<u>17,143,841</u>
<b>Total liabilities and fund balance</b>	<u>\$ 17,367,100</u>

**CITY OF LEWISVILLE, TEXAS  
LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION  
RECONCILIATION OF FUND BALANCE TO NET POSITION  
AS OF SEPTEMBER 30, 2018**

**EXHIBIT E-2**

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Total fund balance - Lewisville Parks and Library Development Corporation	\$ 17,143,841
Amounts reported in the Statement of Net Position are different because:	
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(21,351,267)
Accrued interest payable does not require the use of current financial resources; therefore, it is not reported as a liability in governmental funds.	(113,059)
Deferred inflows and outflows of resources associated with net pension liability are not reported on governmental funds. This amount is the net effect of the deferred inflows and outflows of resources.	<u>(40,650)</u>
<b>NET POSITION (DEFICIT) OF LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION</b>	<b><u><u>\$ (4,361,135)</u></u></b>

**CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT E-3**

	<b>Lewisville Parks and Library Development Corporation</b>
<b>REVENUES</b>	
Taxes	
General sales and use taxes	\$ 7,823,768
Charges for service	183,986
Interest	93,063
Other revenues	40
<b>Total revenues</b>	<b>8,100,857</b>
<b>EXPENDITURES</b>	
Current	
Culture and recreation	2,830,100
Debt service	
Principal	1,410,000
Interest and other fiscal charges	946,394
Capital outlay	771,618
<b>Total expenditures</b>	<b>5,958,112</b>
<b>Net Change in Fund Balance</b>	<b>2,142,745</b>
Fund balance, beginning of year	15,001,096
<b>Fund balance, end of year</b>	<b>\$ 17,143,841</b>

**CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT E-4**

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Net change in fund balances - Lewisville Parks and Library Development Corporation	\$ 2,142,745
Amounts reported for component units in the statement of activities are different because:	
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 position. Also, governmental funds report the effect of 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 \$1,410,000, \$10,481 change in accrued interest, and \$500,000 reduction in principal due to primary government) is the net of these differences in the treatment of long term debt and related items.	1,920,481
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.	10,451
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 the governmental funds. The amount represents the difference between current year pension expense (\$117,966) and contributions (\$84,252) made after the measurement date.	(33,714)
<b>CHANGE IN NET POSITION OF LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION</b>	<u>\$ 4,039,963</u>



CITY OF LEWISVILLE, TEXAS  
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)  
RECONCILIATION OF FUND BALANCE TO NET POSITION  
SEPTEMBER 30, 2018

EXHIBIT E-6

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Total fund balance - Tax Increment Reinvestment Zone 1 (Old Town)	\$ 1,519,029
Amounts reported in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	6,069,179
Accrued interest payable does not require the use of current financial resources; therefore, it is not reported as a liability in governmental funds.	(34,719)
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.	<u>(5,555,000)</u>
<b>NET POSITION OF TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)</b>	<u><u>\$ 1,998,489</u></u>

CITY OF LEWISVILLE, TEXAS  
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT E-7

	<u>Tax Increment Reinvestment Zone 1 (Old Town)</u>
<b>REVENUES</b>	
Taxes	
Property taxes	\$ 852,074
Interest	12,737
<b>Total revenues</b>	<u>864,811</u>
<b>EXPENDITURES</b>	
Current	
Culture and recreation	132,512
Debt service	
Principal	350,000
Interest and other fiscal charges	286,500
Capital outlay	258,421
<b>Total expenditures</b>	<u>1,027,433</u>
<b>Net Change in Fund Balance</b>	(162,622)
Fund balance, beginning of year	<u>1,681,651</u>
<b>Fund balance, end of year</b>	<u>\$ 1,519,029</u>

**CITY OF LEWISVILLE, TEXAS  
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT E-8**

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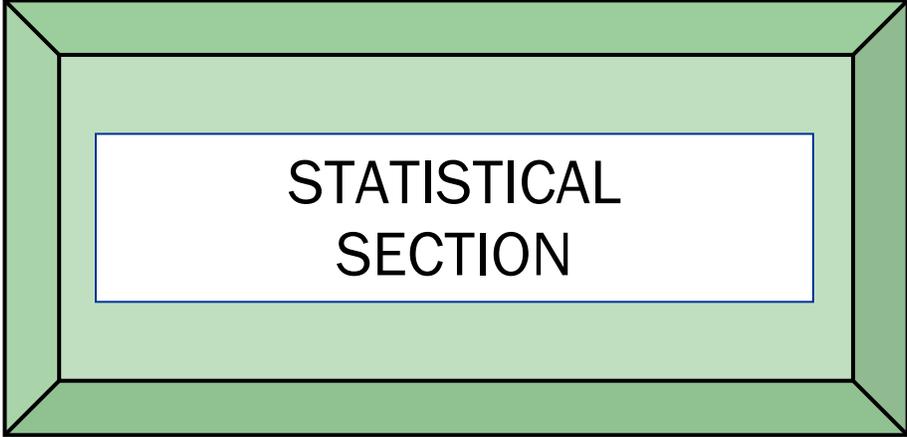
Net change in fund balances - Tax Increment Reinvestment Zone 1 (Old Town)	\$ (162,622)
Amounts reported for component unit funds in the statement of activities are different because:	
The issuance of long term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the the amounts are deferred and amortized in the statement of activities. This amount (bond principal payments of \$350,000 plus \$2,187 change in accrued interest is the effect of these differences in the treatment of long term debt and related items.	352,187
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 position \$258,421 for the current fiscal year.	258,421
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	<u>(385,867)</u>
<b>CHANGE IN NET POSITION OF TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)</b>	<b><u>\$ 62,119</u></b>



# LEWISVILLE

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STATISTICAL  
SECTION



# LEWISVILLE

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## STATISTICAL SECTION

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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</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

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

	Fiscal Year			
	2009	2010	2011	2012
<b>Governmental activities</b>				
Net investment in capital assets	\$ 308,190,669	\$ 311,014,889	\$ 305,260,721	\$ 298,329,672
Restricted	1,867,844	1,324,264	1,016,096	1,012,020
Unrestricted	49,358,449	48,721,698	47,005,244	59,368,657
<b>Total governmental activities net position</b>	<b>\$ 359,416,962</b>	<b>\$ 361,060,851</b>	<b>\$ 353,282,061</b>	<b>\$ 358,710,349</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 166,895,435	\$ 172,162,748	\$ 181,476,154	\$ 181,437,600
Restricted	1,914,446	2,147,527	1,939,786	1,975,308
Unrestricted	35,940,547	33,568,393	28,480,396	35,270,129
<b>Total business-type activities</b>	<b>\$ 204,750,428</b>	<b>\$ 207,878,668</b>	<b>\$ 211,896,336</b>	<b>\$ 218,683,037</b>
<b>Primary government</b>				
Net investment in capital assets	\$ 475,086,104	\$ 483,177,637	\$ 486,736,875	\$ 479,767,272
Restricted	3,782,290	3,471,791	2,955,882	2,987,328
Unrestricted	85,298,996	82,290,091	75,485,640	94,638,786
<b>Total primary government</b>	<b>\$ 564,167,390</b>	<b>\$ 568,939,519</b>	<b>\$ 565,178,397</b>	<b>\$ 577,393,386</b>

**Source:** Comprehensive Annual Financial Reports

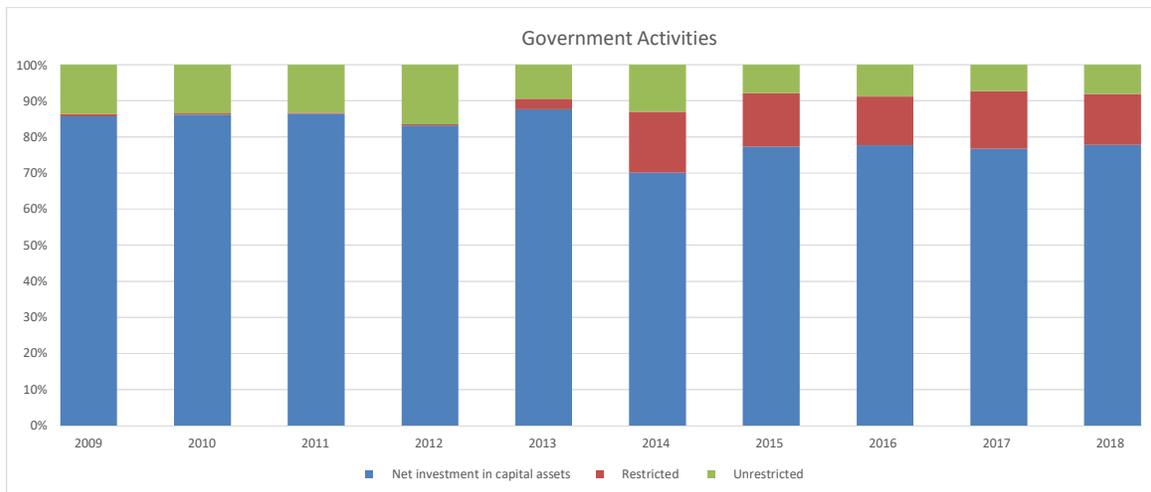
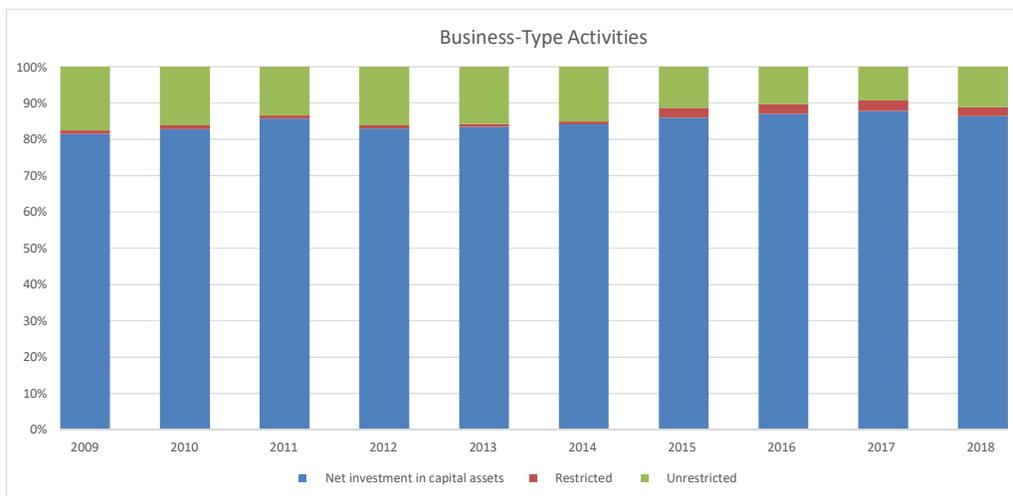


TABLE-1

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 314,990,028	\$ 265,767,485	\$ 290,955,249	\$ 313,408,098	\$ 331,724,740	\$ 351,840,695
10,755,866	63,693,205	55,416,109	54,396,250	68,827,719	64,111,952
33,848,899	49,679,277	29,709,258	35,771,493	32,005,406	36,554,520
<u>\$ 359,594,793</u>	<u>\$ 379,139,967</u>	<u>\$ 376,080,616</u>	<u>\$ 403,575,841</u>	<u>\$ 432,557,865</u>	<u>\$ 452,507,167</u>
\$ 186,611,050	\$ 193,138,892	\$ 203,627,543	\$ 216,339,053	\$ 222,703,569	\$ 237,299,149
1,688,303	1,805,958	6,277,950	6,528,158	7,316,115	6,710,407
35,383,205	34,648,469	26,912,182	25,770,201	23,634,126	30,579,568
<u>\$ 223,682,558</u>	<u>\$ 229,593,319</u>	<u>\$ 236,817,675</u>	<u>\$ 248,637,412</u>	<u>\$ 253,653,810</u>	<u>\$ 274,589,124</u>
\$ 501,601,078	\$ 458,906,377	\$ 494,582,792	\$ 529,747,151	\$ 554,428,309	\$ 589,139,844
12,444,169	65,499,163	61,694,059	60,924,408	76,143,834	70,822,359
69,232,104	84,327,746	56,621,440	61,541,694	55,639,532	67,134,088
<u>\$ 583,277,351</u>	<u>\$ 608,733,286</u>	<u>\$ 612,898,291</u>	<u>\$ 652,213,253</u>	<u>\$ 686,211,675</u>	<u>\$ 727,096,291</u>



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

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses</b>				
Governmental activities				
General government	\$ 10,746,552	\$ 10,760,138	\$ 10,997,464	\$ 11,987,014
Culture, parks and recreation	8,667,117	9,299,504	9,585,769	9,487,780
Public safety	35,349,800	37,628,477	38,558,345	39,275,855
Public & development services	20,313,784	22,404,173	24,634,802	25,527,286
Interest on long-term debt	2,673,325	2,753,817	2,603,426	2,666,807
Total governmental activities expenses	<u>77,750,578</u>	<u>82,846,109</u>	<u>86,379,806</u>	<u>88,944,742</u>
Business-type activities				
Water and sewer	20,822,278	21,521,566	23,055,596	22,170,962
Stormwater	N/A	N/A	N/A	N/A
Total business-type activities expenses	<u>20,822,278</u>	<u>21,521,566</u>	<u>23,055,596</u>	<u>22,170,962</u>
Total primary government expenses	<u>98,572,856</u>	<u>104,367,675</u>	<u>109,435,402</u>	<u>111,115,704</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	3,386,580	3,306,827	3,348,523	3,447,957
Culture, parks & recreation	1,741,591	1,696,101	1,631,629	1,615,228
Public safety	5,929,457	5,000,197	5,665,379	5,390,583
Public & development services	1,516,232	1,656,995	1,947,382	1,512,075
Operating grants and contributions	1,202,143	2,228,626	2,190,754	2,517,289
Capital grants and contributions	23,865,801	11,183,861	3,579,450	15,090,545
Total governmental activities program revenues	<u>37,641,804</u>	<u>25,072,607</u>	<u>18,363,117</u>	<u>29,573,677</u>
Business-type activities				
Charges for services				
Water and sewer	25,657,454	26,146,670	28,072,610	28,375,842
Stormwater	N/A	N/A	N/A	N/A
Capital grants and contributions	1,823,269	1,470,699	2,643,208	4,254,018
Total business-type activities program revenues	<u>27,480,723</u>	<u>27,617,369</u>	<u>30,715,818</u>	<u>32,629,860</u>
Total primary government program revenues	<u>65,122,527</u>	<u>52,689,976</u>	<u>49,078,935</u>	<u>62,203,537</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(40,108,774)	(57,773,502)	(68,016,689)	(59,371,065)
Business-type activities	6,658,445	6,095,803	7,660,222	10,458,898
Total primary government net expense	<u>\$ (33,450,329)</u>	<u>\$ (51,677,699)</u>	<u>\$ (60,356,467)</u>	<u>\$ (48,912,167)</u>

(Continued)

**TABLE-2**  
**(Continued)**

		<b>Fiscal Year</b>									
		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>				
\$	13,005,019	\$	14,937,012	\$	14,889,822	\$	16,558,383	\$	19,373,580	\$	20,036,407
	9,377,831		9,453,483		10,590,147		11,595,165		12,290,135		14,001,134
	40,983,264		42,102,487		43,314,229		48,023,020		51,065,140		54,104,824
	25,089,041		26,636,252		24,838,325		24,054,096		26,561,696		29,576,155
	2,602,891		3,929,397		4,630,523		3,007,969		3,201,522		3,194,723
	<u>91,058,046</u>		<u>97,058,631</u>		<u>98,263,046</u>		<u>103,238,633</u>		<u>112,492,073</u>		<u>120,913,243</u>
	22,238,910		23,374,088		23,966,776		25,719,450		27,727,921		30,205,347
	N/A		N/A		N/A		N/A		N/A		38,908
	<u>22,238,910</u>		<u>23,374,088</u>		<u>23,966,776</u>		<u>25,719,450</u>		<u>27,727,921</u>		<u>30,244,255</u>
	<u>113,296,956</u>		<u>120,432,719</u>		<u>122,229,822</u>		<u>128,958,083</u>		<u>140,219,994</u>		<u>151,157,498</u>
	3,383,721		3,430,722		4,078,959		4,552,123		5,602,107		4,606,589
	1,558,232		1,602,387		1,511,452		1,694,567		1,879,756		2,013,091
	6,021,116		6,626,569		6,426,736		7,051,806		7,529,350		7,842,011
	2,161,083		2,164,718		2,719,160		2,804,823		3,127,996		3,902,532
	2,415,909		3,439,677		2,112,550		2,459,898		4,291,331		2,640,360
	4,745,018		23,980,160		17,073,948		27,519,322		26,620,718		24,196,775
	<u>20,285,079</u>		<u>41,244,233</u>		<u>33,922,805</u>		<u>46,082,539</u>		<u>49,051,258</u>		<u>45,201,358</u>
	27,797,951		27,164,770		26,928,510		29,392,347		30,566,320		34,013,015
	N/A		N/A		N/A		N/A		N/A		2,997,263
	2,851,893		6,316,430		10,094,171		11,561,859		5,592,092		16,055,699
	<u>30,649,844</u>		<u>33,481,200</u>		<u>37,022,681</u>		<u>40,954,206</u>		<u>36,158,412</u>		<u>53,065,977</u>
	<u>50,934,923</u>		<u>74,725,433</u>		<u>70,945,486</u>		<u>87,036,745</u>		<u>85,209,670</u>		<u>98,267,335</u>
	(70,772,967)		(55,814,398)		(64,340,241)		(57,156,094)		(63,440,815)		(75,711,885)
	8,410,934		10,107,112		13,055,905		15,234,756		8,430,491		22,821,722
\$	<u>(62,362,033)</u>	\$	<u>(45,707,286)</u>	\$	<u>(51,284,336)</u>	\$	<u>(41,921,338)</u>	\$	<u>(55,010,324)</u>	\$	<u>(52,890,163)</u>

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

	<b>Fiscal Year</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>General Revenues and</b>				
<b>Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property taxes	\$ 29,580,192	\$ 28,898,185	\$ 27,774,848	\$ 28,739,963
Sales taxes	17,686,496	18,605,874	18,677,965	22,666,950
Other taxes	1,095,822	1,046,346	1,038,923	1,011,328
Franchise taxes	4,635,238	5,055,711	5,272,499	5,436,197
Hotel motel taxes	1,554,826	1,551,355	1,862,191	1,960,910
Penalties and interest	219,250	186,231	146,689	228,746
Investment earnings	2,051,754	526,984	459,600	365,045
Gain (loss) on disposal of assets	5,560	13,118	3,075	8,525
Miscellaneous	291,772	272,693	1,077,579	396,641
Transfers	3,108,655	3,260,894	3,924,530	3,985,048
Total governmental activities	<u>60,229,565</u>	<u>59,417,391</u>	<u>60,237,899</u>	<u>64,799,353</u>
Business-type activities				
Investment earnings	1,344,073	211,973	269,639	286,958
Intergovernmental contributions	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-
Miscellaneous	57,586	81,358	12,337	25,893
Transfers	(3,108,655)	(3,260,894)	(3,924,530)	(3,985,048)
Total business-type activities	<u>(1,706,996)</u>	<u>(2,967,563)</u>	<u>(3,642,554)</u>	<u>(3,672,197)</u>
Total primary government	<u>58,522,569</u>	<u>56,449,828</u>	<u>56,595,345</u>	<u>61,127,156</u>
<b>Change in Net Position</b>				
Governmental activities	20,120,791	1,643,889	(7,778,790)	5,428,288
Business-type activities	4,951,449	3,128,240	4,017,668	6,786,701
Total primary government	<u>\$ 25,072,240</u>	<u>\$ 4,772,129</u>	<u>\$ (3,761,122)</u>	<u>\$ 12,214,989</u>

**Note:** The City created a Stormwater utility enterprise fund with operations beginning January 1, 2018.

**Source:** Comprehensive Annual Financial Reports

**TABLE-2**  
**(Continued)**

<b>Fiscal Year</b>					
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 29,579,363	\$ 31,441,081	\$ 33,283,968	\$ 35,736,489	\$ 38,990,482	\$ 42,539,829
27,451,139	29,361,613	31,362,273	33,215,415	35,730,891	37,738,693
1,200,502	1,180,980	463,773	436,866	958,170	960,267
5,814,797	6,222,722	7,079,783	6,852,201	6,999,960	7,006,296
2,065,363	2,196,565	2,423,662	2,667,652	2,595,730	2,547,031
154,905	153,196	177,235	148,661	208,671	210,555
210,934	371,766	828,823	805,331	1,132,897	1,286,333
3,477	4,750	103,233	18,323	77,614	72,325
817,291	1,240,197	1,034,439	900,434	1,801,022	1,785,812
3,735,515	3,814,737	3,743,920	3,869,947	3,927,402	2,295,423
<u>71,657,411</u>	<u>75,987,607</u>	<u>80,501,109</u>	<u>84,651,319</u>	<u>92,422,839</u>	<u>96,442,564</u>
120,530	173,481	372,587	361,953	464,857	425,390
-	-	-	-	-	-
-	-	-	-	-	-
203,572	19,195	11,673	92,975	48,452	62,030
<u>(3,735,515)</u>	<u>(3,814,737)</u>	<u>(3,743,920)</u>	<u>(3,869,947)</u>	<u>(3,927,402)</u>	<u>(2,295,423)</u>
<u>(3,411,413)</u>	<u>(3,622,061)</u>	<u>(3,359,660)</u>	<u>(3,415,019)</u>	<u>(3,414,093)</u>	<u>(1,808,003)</u>
<u>68,245,998</u>	<u>72,365,546</u>	<u>77,141,449</u>	<u>81,236,300</u>	<u>89,008,746</u>	<u>94,634,561</u>
884,444	20,173,209	16,160,868	27,495,225	28,982,024	20,730,679
4,999,521	6,485,051	9,696,245	11,819,737	5,016,398	21,013,719
<u>\$ 5,883,965</u>	<u>\$ 26,658,260</u>	<u>\$ 25,857,113</u>	<u>\$ 39,314,962</u>	<u>\$ 33,998,422</u>	<u>\$ 41,744,398</u>

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

	Fiscal Year			
	2009	2010	2011	2012
General fund				
Nonspendable	\$ 228,411	\$ 201,588	\$ 230,316	\$ 234,127
Assigned	121,575	136,854	100,680	222,738
Unassigned	31,658,380	26,429,898	28,989,043	30,615,982
Total general fund	<u>\$ 32,008,366</u>	<u>\$ 26,768,340</u>	<u>\$ 29,320,039</u>	<u>\$ 31,072,847</u>
All other governmental funds				
Nonspendable	3,244,870	3,245,372	2,758,852	2,518,104
Restricted	31,570,851	26,443,792	22,563,101	31,447,210
Committed	8,589,094	7,687,555	7,705,016	6,812,474
Assigned	7,827,143	14,681,969	10,335,218	6,985,090
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 51,231,958</u>	<u>\$ 52,058,688</u>	<u>\$ 43,362,187</u>	<u>\$ 47,762,878</u>

**Source:** Comprehensive Annual Financial Reports

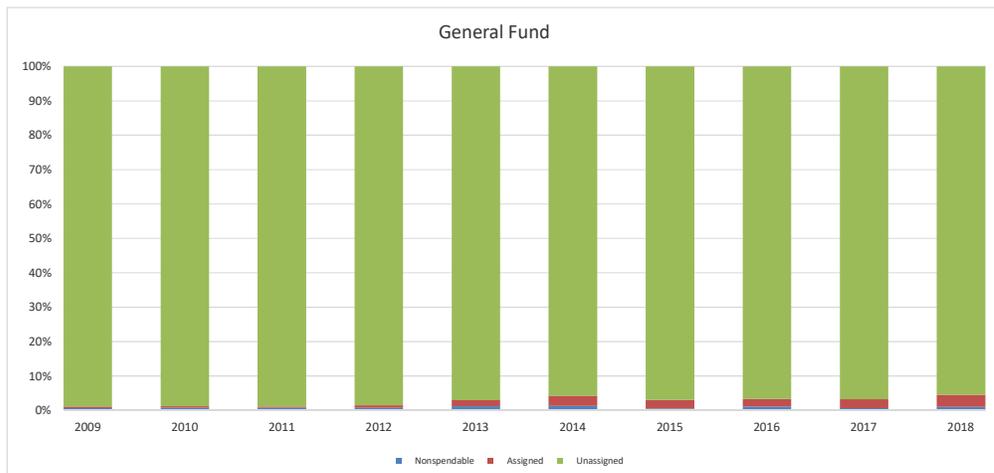
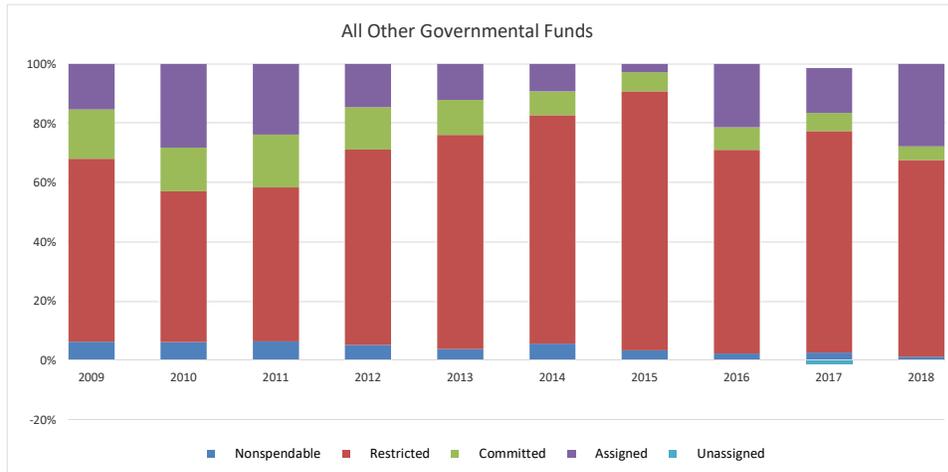


TABLE-3

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 381,982	\$ 427,988	\$ 211,453	\$ 419,587	\$ 263,615	\$ 387,350
538,290	927,749	942,033	870,323	1,054,236	1,283,685
30,571,006	30,287,824	36,088,467	36,616,542	38,970,279	34,946,844
<u>\$ 31,491,278</u>	<u>\$ 31,643,561</u>	<u>\$ 37,241,953</u>	<u>\$ 37,906,452</u>	<u>\$ 40,288,130</u>	<u>\$ 36,617,879</u>
2,265,652	4,036,362	1,776,221	1,537,789	2,493,293	1,100,317
43,011,859	54,997,056	45,884,953	46,215,549	70,068,470	60,188,608
7,065,074	5,783,255	3,356,630	5,149,000	5,671,550	4,128,849
7,166,018	6,515,177	1,461,128	14,338,843	14,270,967	25,229,008
-	-	-	-	(1,268,648)	-
<u>\$ 59,508,603</u>	<u>\$ 71,331,850</u>	<u>\$ 52,478,932</u>	<u>\$ 67,241,181</u>	<u>\$ 91,235,632</u>	<u>\$ 90,646,782</u>



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

	Fiscal Year			
	2009	2010	2011	2012
<b>Revenues</b>				
Property and other taxes	\$ 54,752,225	\$ 55,411,805	\$ 54,800,940	\$ 60,070,877
Licenses and permits	1,767,049	1,894,107	2,210,218	1,741,153
Charges for services	5,702,288	5,522,540	5,543,470	5,680,893
Recreation	1,536,596	1,502,618	1,432,238	1,448,853
Fines	2,950,843	2,946,204	2,752,316	2,874,525
Intergovernmental	1,237,322	2,316,342	1,497,777	1,481,591
Investment earnings	2,051,749	526,987	459,604	365,043
Contributions and donations	5,072,965	4,018,465	1,922,304	10,100,624
Miscellaneous	1,026,729	1,080,387	2,109,044	1,880,771
<b>Total revenues</b>	<u>76,097,766</u>	<u>75,219,455</u>	<u>72,727,911</u>	<u>85,644,330</u>
<b>Expenditures</b>				
General government	9,334,801	9,115,750	9,404,791	9,933,848
Culture and recreation	6,458,408	6,207,016	6,300,265	6,318,868
Public safety	33,755,435	35,016,553	35,209,021	36,816,688
Public & development services	9,998,112	9,492,466	9,591,553	9,687,620
Capital outlay	24,862,380	14,505,465	14,330,533	23,658,611
Debit service:				
Principal	5,205,000	5,695,000	6,590,000	6,325,000
Interest and fiscal charges	2,869,614	2,849,017	2,604,989	2,405,624
<b>Total expenditures</b>	<u>92,483,750</u>	<u>82,881,267</u>	<u>84,031,152</u>	<u>95,146,259</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,385,984)</u>	<u>(7,661,812)</u>	<u>(11,303,241)</u>	<u>(9,501,929)</u>
<b>Other financing sources (uses)</b>				
Transfers in	7,478,048	13,622,782	8,015,843	8,778,083
Transfers out	(4,369,393)	(10,397,384)	(4,099,531)	(4,072,035)
Issuance of refunding bonds	5,430,000	2,565,000	1,605,000	16,490,000
Issuance of general obligation bonds and tax notes	-	(2,555,000)	(1,610,846)	9,260,000
Payments to refunding bond escrow agent	-	-	-	(16,969,925)
Premium (discount) on issuance of bonds and tax notes	(9,037)	-	24,898	1,240,780
Proceeds from sale of assets	5,560	13,118	3,075	8,525
Contributions from other sources	-	-	1,220,000	920,000
<b>Total other financing sources (uses)</b>	<u>8,535,178</u>	<u>3,248,516</u>	<u>5,158,439</u>	<u>15,655,428</u>
<b>Net change in fund balances</b>	<u>\$ (7,850,806)</u>	<u>\$ (4,413,296)</u>	<u>\$ (6,144,802)</u>	<u>\$ 6,153,499</u>
Debt service as a percentage of noncapital expenditures	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 position. See Exhibit 5 of CAFRs for further information.

**Source:** Comprehensive Annual Financial Reports

TABLE-4

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 66,279,731	\$ 70,528,793	\$ 74,842,866	\$ 79,009,378	\$ 85,426,387	\$ 91,067,582	
2,375,771	2,344,395	2,928,356	3,069,656	3,042,943	3,793,635	
6,051,283	6,228,323	7,276,968	8,331,143	10,321,007	6,501,755	
1,380,911	1,392,858	1,350,039	1,559,490	1,748,978	9,472,266	
2,954,961	3,184,227	3,133,365	3,180,513	2,867,754	1,874,972	
1,672,221	1,314,512	6,458,088	17,776,341	9,778,081	2,982,997	
1,771,288	3,283,200	736,610	731,407	1,031,702	1,171,883	
1,434,519	22,204,576	860,304	9,806,224	23,215,076	14,568,064	
2,258,538	3,229,624	1,137,665	918,752	1,878,639	1,858,137	
<u>86,179,223</u>	<u>113,710,508</u>	<u>98,724,261</u>	<u>124,382,904</u>	<u>139,310,567</u>	<u>133,291,291</u>	
10,350,058	11,770,289	10,224,337	11,185,958	13,567,967	13,776,300	
6,288,988	6,486,894	7,561,819	7,908,411	8,888,282	8,808,323	
39,487,803	41,217,380	42,290,390	44,332,936	48,212,481	51,178,324	
10,596,633	11,113,045	11,365,485	12,110,108	14,949,216	14,203,659	
16,208,343	23,663,670	33,388,870	39,527,888	31,808,968	39,288,558	
5,410,000	7,130,000	7,425,000	9,345,000	11,135,000	10,510,000	
3,143,454	4,106,105	4,829,415	3,510,370	3,699,485	3,783,655	
<u>91,485,279</u>	<u>105,487,383</u>	<u>117,085,316</u>	<u>127,920,671</u>	<u>132,261,399</u>	<u>141,548,819</u>	
<u>(5,306,056)</u>	<u>8,223,125</u>	<u>(18,361,055)</u>	<u>(3,537,767)</u>	<u>7,049,168</u>	<u>(8,257,528)</u>	
11,323,247	11,891,798	13,104,729	31,607,222	19,817,589	26,114,167	
(7,587,732)	(8,144,143)	(8,269,213)	(27,837,275)	(16,090,187)	(22,115,740)	
12,455,000	-	21,085,000	9,905,000	-	-	
-	-	-	14,065,000	14,365,000	-	
-	-	(23,235,107)	(10,873,240)	-	-	
1,276,220	-	2,421,120	2,097,808	1,234,559	-	
3,477	4,750	-	-	-	-	
-	-	-	-	-	-	
<u>17,470,212</u>	<u>3,752,405</u>	<u>5,106,529</u>	<u>18,964,515</u>	<u>19,326,961</u>	<u>3,998,427</u>	
<u>\$ 12,164,156</u>	<u>\$ 11,975,530</u>	<u>\$ (13,254,526)</u>	<u>\$ 15,426,748</u>	<u>\$ 26,376,129</u>	<u>\$ (4,259,101)</u>	
10.8%	12.9%	14.0%	14.1%	14.4%	12.7%	

**CITY OF LEWISVILLE, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years (accrual basis of accounting)**  
**(Unaudited)**

**TABLE-5**

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					
2009	6,446,207,177	1,191,217,048	839,703,836	164,430,210	107,112,885	6,526,177,294	0.440210
2010	6,375,044,714	1,255,326,502	1,007,324,631	178,908,241	79,708,452	6,364,429,892	0.440210
2011	6,149,759,302	1,187,121,672	988,851,847	190,869,769	78,909,810	6,078,249,548	0.440210
2012	6,314,259,228	1,355,266,675	1,121,735,174	205,892,126	70,665,418	6,271,233,185	0.440210
2013	6,484,331,621	1,469,479,781	1,187,401,591	209,556,944	85,932,250	6,470,920,617	0.440210
2014	6,742,100,070	1,649,766,503	1,193,916,347	229,099,134	94,339,896	6,874,511,196	0.440210
2015	7,329,750,382	1,768,965,589	1,296,887,842	269,159,098	149,276,548	7,383,392,483	0.436086
2016	8,043,353,586	1,778,602,630	1,364,067,579	319,823,068	180,305,408	7,957,760,161	0.436086
2017	8,846,461,398	1,730,490,506	1,423,804,504	385,641,080	224,299,938	8,543,206,382	0.436086
2018	9,637,498,052	2,016,407,611	1,609,965,975	460,633,639	230,993,395	9,352,312,654	0.436086

Source: Denton Central Appraisal District, Certified Valuations

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

**TABLE-6**

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	
2009	0.321560	0.118650	0.440210	1.3800	0.235770	2.055980
2010	0.321560	0.118650	0.440210	1.4087	0.249800	2.098710
2011	0.322890	0.117320	0.440210	1.4267	0.273900	2.140810
2012	0.322890	0.117320	0.440210	1.4260	0.277357	2.143567
2013	0.322890	0.117320	0.440210	1.4530	0.282867	2.176077
2014	0.322890	0.117320	0.440210	1.4770	0.284914	2.202124
2015	0.318766	0.117320	0.436086	1.4770	0.272200	2.185286
2016	0.318766	0.117320	0.436086	1.4767	0.262000	2.174786
2017	0.318766	0.117320	0.436086	1.4200	0.248409	2.104495
2018	0.318766	0.117320	0.436086	1.4075	0.237812	2.081398

**Source:** City of Lewisville, Denton County Tax Assessor

CITY OF LEWISVILLE, TEXAS  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 (Unaudited)

TABLE-7

2018			2009		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Value
RREF Chapel Hill LLC	\$ 85,574,030	0.92%	Vista Ridge Joint Venture	\$ 91,082,433	1.40%
DFW Lewisville Partners GP ETAL	72,189,046	0.77%	GTE Southwest Inc dba Verizon	70,136,410	1.07%
TIC LAGO VISTA LP ETAL	68,096,000	0.73%	TIC Lago Vista LP etal	57,373,142	0.88%
Teachers Insurance Annuity Assoc	65,218,959	0.70%	Southwest Properties LP	56,380,038	0.86%
Columbia Medical Center Lewisville	65,013,486	0.70%	Columbia Medical Center Lewisville	51,764,516	0.79%
Digital Lewisville LLC	62,362,097	0.67%	Teachers Insurance Annuity Association	50,634,000	0.78%
LSREF3 Bravo Dallas LLC	59,160,000	0.63%	BREOF Convergence LP	44,000,000	0.67%
TLF Logistics II Lakepointe Crossing LLC	59,070,000	0.63%	SYSCO Food Services of Dallas LP	41,490,926	0.64%
Sysco Food Services of Dallas LP	57,858,398	0.62%	GRE Vista Ridge LP	41,455,654	0.64%
Hebron 121 Station 2 LLC	55,000,000	0.59%	KIR Lewisville LP P/S	38,527,887	0.59%
<b>TOTAL</b>	<b>\$ 649,542,016</b>	<b>6.96%</b>	<b>TOTAL</b>	<b>\$ 542,845,006</b>	<b>8.32%</b>

Source: Denton Central Appraisal District

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

TABLE-8

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
2009	29,966,864	(52,756)	29,914,108	29,762,422	99.32%	124,836	29,887,258	99.91%
2010	29,389,678	(62,432)	29,327,246	29,115,450	99.07%	177,949	29,293,399	99.88%
2011	28,228,960	86,202	28,315,162	28,084,210	99.49%	209,689	28,293,899	99.92%
2012	28,925,178	79,621	29,004,799	28,814,980	99.62%	170,298	28,985,278	99.93%
2013	29,949,696	(14,042)	29,935,654	29,838,761	99.63%	72,996	29,911,757	99.92%
2014	31,844,644	28,685	31,873,329	31,726,584	99.63%	115,732	31,842,316	99.90%
2015	33,934,554	60,312	33,994,866	33,814,067	99.64%	139,875	33,953,942	99.88%
2016	36,424,245	13,872	36,438,117	36,315,756	99.70%	67,854	36,383,610	99.85%
2017	39,698,686	(7,821)	39,690,865	39,562,788	99.66%	46,498	39,609,286	99.79%
2018	43,567,412	-	43,567,412	43,428,608	99.68%	-	43,428,608	99.68%

Source: Denton County Appraisal District and Denton County Tax Office

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

	Calendar Year			
	2009	2010	2011	2012
Construction	\$ 426,073,490	\$ 315,604,945	\$ 508,276,308	\$ 521,804,800
Manufacturing	751,857,471	753,995,737	761,594,169	876,625,971
Transportation, Warehousing	710,880,556	691,150,901	747,819,849	818,329,058
Wholesale Trade	745,420,584	801,433,783	998,636,961	1,041,654,476
Retail Trade	1,927,414,046	1,878,956,373	1,931,419,742	2,111,473,213
Finance, Insurance and Information	53,996,484	57,425,359	70,840,042	69,075,343
Real Estate, Rental and Leasing	34,973,325	19,078,930	22,216,520	35,585,520
Professional, Scientific and Technical Services	194,403,930	211,806,495	275,395,584	288,679,219
Admin, Support, Waste Mgmt, Remediation Services	163,933,681	166,933,359	166,911,144	178,166,862
Educational Services	5,983,619	7,033,934	6,969,123	7,194,735
Health Care and Social Assistance	6,350,766	5,141,407	8,672,569	35,890,987
Arts, Entertainment and Recreation	41,445,461	25,715,214	26,861,732	30,244,591
Accommodation and Food Services	209,960,645	209,744,109	215,936,485	242,533,721
Other Services	93,452,124	126,406,332	130,789,356	195,709,795
Other, including industries with less than four entities	56,823,976	51,936,646	55,951,821	64,611,945
Total	<u>\$ 5,422,970,158</u>	<u>\$ 5,322,363,524</u>	<u>\$ 5,928,291,405</u>	<u>\$ 6,517,580,236</u>
City direct sales tax rate	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-9

	Calendar Year					
	2013	2014	2015	2016	2017	2018
\$	583,295,010	\$ 638,610,746	\$ 721,442,040	\$ 958,021,075	\$ 1,345,455,738	\$ 2,174,501,503
	914,284,411	1,060,349,818	984,708,724	1,188,505,567	1,240,169,182	1,292,229,503
	511,874,252	357,156,412	403,302,932	431,732,599	514,836,288	392,463,571
	975,236,076	1,005,749,248	1,049,885,511	928,390,616	1,058,117,835	1,261,880,404
	2,183,666,702	2,479,427,763	2,549,423,928	2,276,916,379	2,354,009,159	2,395,092,525
	66,652,294	82,460,855	92,862,599	100,758,318	116,746,685	150,236,756
	41,154,276	57,758,763	65,197,168	72,394,606	72,978,054	69,902,709
	412,722,141	321,552,179	229,837,409	281,636,407	360,172,058	371,583,834
	178,468,571	206,552,443	233,397,011	243,358,095	229,202,038	232,023,205
	6,649,409	4,957,465	5,913,426	8,681,973	5,283,801	5,078,836
	35,015,715	61,111,630	69,231,424	84,018,177	96,689,420	52,626,424
	34,052,488	39,959,914	41,368,183	42,843,935	42,278,161	45,582,439
	258,035,281	256,135,797	266,726,875	270,904,668	269,785,969	284,245,517
	149,266,942	181,844,589	144,140,302	183,781,639	198,728,456	206,091,988
	64,288,526	68,075,878	57,717,235	59,768,651	62,309,468	69,408,966
	<u>\$ 6,414,662,094</u>	<u>\$ 6,821,703,500</u>	<u>\$ 6,915,154,767</u>	<u>\$ 7,131,712,705</u>	<u>\$ 7,966,762,312</u>	<u>\$ 9,002,948,180</u>
	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

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

**TABLE-10**

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	
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%
2013	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
2014	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
2015	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
2016	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
2017	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
2018	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%

**Source:** Texas Comptroller of Public Accounts



# LEWISVILLE

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

**Calendar Year 2018**

Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Department Stores	23	0.19%	\$ 2,480,695	6.17%
All Other General Merchandise Stores	103	0.85%	2,098,068	5.22%
OTHER	614	5.07%	1,976,054	4.92%
Full-Service Restaurants	157	1.30%	1,540,167	3.83%
Limited-Service Restaurants	132	1.09%	1,452,348	3.61%
All Other Miscellaneous Store Retailers (except Tobacco Stores)	369	3.05%	1,342,380	3.34%
Wireless Telecommunication Carriers (Except Satellite)	49	0.40%	1,020,295	2.54%
Payroll Services	10	0.08%	895,471	2.23%
Electrical Power Distribution	56	0.46%	876,692	2.18%
Home Centers	5	0.04%	792,274	1.97%
<b>Total</b>	<b>1,518</b>	<b>12.55%</b>	<b>\$ 14,474,444</b>	<b>36.01%</b>

**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 identify 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

TABLE-11

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**Calendar Year 2009**

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Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
OTHER	839	10.05%	\$ 2,628,055	11.66%
Discount Department Stores	8	0.10%	1,658,614	7.36%
Full-Service Restaurants	134	1.61%	1,246,376	5.53%
Department Stores	16	0.19%	1,230,024	5.46%
Limited-Service Restaurants	99	1.19%	775,044	3.44%
Electrical Power Distribution	34	0.41%	757,662	3.36%
Wireless Telecommunication Carriers	60	0.72%	633,693	2.81%
Home Centers	7	0.08%	596,579	2.65%
Radio, Television, and Other Electronics Stores	39	0.47%	495,674	2.20%
Miscellaneous Store Retailers Stores	252	3.02%	393,924	1.75%
Total	<u>1,488</u>	<u>17.84%</u>	<u>\$ 10,415,645</u>	<u>46.22%</u>

**CITY OF LEWISVILLE, TEXAS  
 COMBINED SCHEDULE OF BONDS  
 SEPTEMBER 30, 2018  
 (Unaudited)**

Issue	Interest		Date		Annual Serial	
	Rates	Payment Dates	Issued	Maturity	Payments	
<b>General Obligation Bonds-</b>						
Series 2007 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	05/15/07	02/15/2023	260,000 -	2,235,000
Series 2008	4.00 - 4.38	02/15 & 08/15	05/15/08	02/15/2019	600,000 -	830,000
Series 2009	3.25 - 4.25	02/15 & 08/15	06/01/09	02/15/2025	285,000 -	405,000
Series 2010 Refunding	2.67 - 2.67	02/15 & 08/15	03/01/10	02/15/2019	600,000 -	640,000
Series 2012 Refunding & Improvement	3.00 - 4.00	02/15 & 08/15	05/15/12	02/15/2028	890,000 -	2,685,000
Series 2013	1.50 - 5.00	02/15 & 08/15	05/15/13	02/15/2029	680,000 -	1,055,000
Series 2015 Refunding	2.00 - 5.00	02/15 & 08/15	07/15/15	02/15/2032	595,000 -	2,565,000
Series 2016 Refunding & Improvement	2.00 - 5.00	02/15 & 08/15	06/01/16	02/15/2032	195,000 -	3,015,000
Series 2016 Tax Notes	2.00 - 5.00	02/15 & 08/15	06/01/16	02/15/2023	355,000 -	2,080,000
Series 2017	3.00 - 4.00	02/15 & 08/15	01/15/17	02/15/2033	445,000 -	1,300,000
Total General Obligation Bonds						
<b>Certificates of Obligation-</b>						
Series 2007A	4.00 - 5.00	02/15 & 08/15	05/15/07	02/15/2032	115,000 -	605,000
Total Certificates of Obligation						
<b>Revenue Bonds-</b>						
Series 2009	3.25 - 4.30	02/15 & 08/15	06/01/09	02/15/2025	685,000 -	975,000
Series 2011 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	04/01/11	02/15/2027	565,000 -	1,220,000
Series 2012 Refunding & Improvement	2.25 - 4.00	02/15 & 08/15	05/15/12	02/15/2028	245,000 -	595,000
Series 2013	1.50 - 5.00	02/15 & 08/15	05/15/13	02/15/2029	275,000 -	430,000
Series 2015 Refunding & Improvement	2.00 - 5.00	02/15 & 08/15	07/15/15	02/15/2031	465,000 -	1,250,000
Series 2016 Refunding & Improvement	2.00 - 5.00	02/15 & 08/15	06/01/16	02/15/2032	305,000 -	1,150,000
Series 2017 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	01/15/17	02/15/2033	260,000 -	1,265,000
Total Revenue Bonds						
Total Bonds Payable						

NC = Non-Callable  
 CC = Currently Callable

TABLE 12

Principal Issued	Bonds		Requirements Fiscal Year Ended September 30, 2018		Original Option Date
	Retired/Defeased	Principal Outstanding	Principal	Interest	
18,725,000	17,340,000	1,385,000	245,000	61,900	02/15/17
8,715,000	8,040,000	675,000	675,000	13,500	02/15/18
5,430,000	2,910,000	2,520,000	315,000	95,606	02/15/19
9,600,000	8,960,000	640,000	640,000	8,544	CC
25,750,000	7,920,000	17,830,000	2,685,000	631,050	02/15/22
12,455,000	3,000,000	9,455,000	725,000	356,013	02/15/23
21,085,000	3,770,000	17,315,000	615,000	769,400	02/15/25
15,300,000	4,665,000	10,635,000	1,835,000	407,875	02/15/26
8,670,000	3,965,000	4,705,000	1,595,000	147,975	NC
14,365,000	445,000	13,920,000	825,000	536,175	02/15/27
<b>140,095,000</b>	<b>61,015,000</b>	<b>79,080,000</b>	<b>10,155,000</b>	<b>3,028,038</b>	
<b>18,180,000</b>	<b>16,715,000</b>	<b>1,465,000</b>	<b>-</b>	<b>70,719</b>	<b>2/15/17</b>
<b>18,180,000</b>	<b>16,715,000</b>	<b>1,465,000</b>	<b>-</b>	<b>70,719</b>	
11,900,000	11,140,000	760,000	760,000	15,200	02/15/19
13,465,000	7,605,000	5,860,000	565,000	195,450	02/15/21
5,925,000	2,865,000	3,060,000	595,000	78,781	02/15/22
5,205,000	1,375,000	3,830,000	295,000	144,288	02/15/23
11,750,000	3,075,000	8,675,000	960,000	327,169	02/15/25
10,880,000	645,000	10,235,000	935,000	399,300	02/15/26
11,025,000	780,000	10,245,000	260,000	394,010	02/15/27
<b>70,150,000</b>	<b>27,485,000</b>	<b>42,665,000</b>	<b>4,370,000</b>	<b>1,554,198</b>	
<b>\$ 228,425,000</b>	<b>\$ 105,215,000</b>	<b>\$ 123,210,000</b>	<b>\$ 14,525,000</b>	<b>\$ 4,652,955</b>	

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

TABLE-13

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Tax Notes	Certificates of Obligation	Water and Sewer Revenue Bonds	General Obligation Refunding Bonds			
2009	63,958,455	-	43,034,254	52,852,766	-	159,845,475	6.29%	1,699
2010	58,227,393	-	41,732,309	40,596,613	7,035,000	147,591,315	5.25%	1,549
2011	52,845,105	-	40,360,365	46,249,321	5,815,000	145,269,791	5.16%	1,523
2012	70,577,819	-	25,725,082	45,915,440	4,895,000	147,113,341	5.90%	1,532
2013	78,695,921	-	24,103,025	47,151,230	3,955,000	153,905,176	5.94%	1,573
2014	72,458,250	-	22,377,308	42,985,309	3,215,000	141,035,867	5.33%	1,434
2015	78,852,567	-	8,043,430	46,368,285	2,475,000	135,739,282	5.13%	1,364
2016	83,006,698	9,218,711	2,416,400	49,995,438	1,875,000	146,512,247	5.31%	1,459
2017	89,869,568	7,057,420	1,480,086	51,932,671	1,265,000	151,604,745	5.25%	1,463
2018	80,595,722	5,091,130	1,479,080	46,184,637	640,000	133,990,569	4.38%	1,279

**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 were refunded and converted to general obligation debt.  
In 2015, \$13,460,000 of certificates of obligations were refunded and converted to general obligation debt.  
In 2016, \$4,720,000 of certificates of obligations were refunded and converted to general obligation debt.

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

TABLE-14

General Bonded Debt Outstanding								
Fiscal Year	General Obligation Bonds	Tax Notes	Certificates of Obligation	Total	Less Available Debt Service Funds	Net General Bonded Debt	Percentage of Taxable Assessed Value of Property*	Per Capita**
2009	63,958,455	-	43,034,254	106,992,709	2,157,818	104,834,891	1.61%	1,114
2010	58,227,393	-	41,732,309	99,959,702	1,575,726	98,383,976	1.55%	1,032
2011	52,845,105	-	40,360,365	93,205,470	1,270,236	91,935,234	1.51%	964
2012	70,577,819	-	25,725,082	96,302,901	1,456,703	94,846,198	1.51%	988
2013	78,695,921	-	24,103,025	102,798,946	1,622,886	101,176,060	1.56%	1,034
2014	72,458,250	-	22,377,308	94,835,558	2,101,836	92,733,722	1.35%	943
2015	78,852,567	-	8,043,430	86,895,997	2,456,516	84,439,481	1.14%	849
2016	83,006,698	9,218,711	2,416,400	94,641,809	2,801,894	91,839,915	1.15%	915
2017	89,869,568	7,057,420	1,480,086	98,407,074	2,388,199	96,018,875	1.12%	926
2018	80,595,722	5,091,130	1,479,080	87,165,932	2,641,964	84,523,968	0.90%	807

**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.  
Business-Type Activities not included.  
\* See Table 5 for property value data.  
\*\* See Table 17 for population data.

In 2012, \$12,490,000 of certificates of obligations were refunded and converted to general obligation debt.  
In 2015, \$13,460,000 of certificates of obligations were refunded and converted to general obligation debt.  
In 2016, \$4,720,000 of certificates of obligations were refunded and converted to general obligation debt.

**CITY OF LEWISVILLE, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of September 30, 2018**  
**(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	\$ 1,243,716,701	27.95%	\$ 347,618,818
Coppell Independent School District	322,504,968	0.70%	2,257,535
Denton County	612,630,000	11.33%	69,410,979
Dallas County	172,265,000	0.03%	51,680
Dallas County Community College District	228,350,000	0.03%	68,505
Dallas County Hospital District	687,775,000	0.03%	206,333
Dallas County Schools	36,600,000	0.03%	10,980
Denton County Levee Improvement District #1	7,560,000	68.03%	5,143,068
Subtotal, overlapping debt			424,767,898
<b>City of Lewisville (direct debt)</b>	87,165,932	100.00%	87,165,932
<b>Total direct and overlapping debt</b>			<b>\$ 511,933,830</b>

**Source:** Non-City debt information provided by 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**

<u>Fiscal Year</u>	<u>Waterworks and Sewer System Revenue Bonds</u>						
	<u>Total Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Average Annual Requirement</u>	<u>Times Coverage</u>	<u>Maximum P &amp; I Requirement</u>	<u>Times Coverage</u>
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
2013	29,996,994	15,253,780	14,743,214	3,559,577	4.142	6,113,056	2.412
2014	28,796,077	16,337,544	12,458,533	3,389,345	3.676	5,748,976	2.167
2015	30,280,813	16,556,111	13,724,702	3,435,226	3.995	6,277,461	2.186
2016	33,484,498	17,716,205	15,768,293	3,615,260	4.362	6,225,422	2.533
2017	33,508,034	19,313,566	14,194,468	3,691,538	3.845	7,178,754	1.977
2018	38,535,246	17,282,506	21,252,740	3,459,057	6.144	5,924,198	3.587

**Source:** Comprehensive Annual Financial Reports

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

**TABLE-17**

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<b>Year</b>	<b>Estimated Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
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%
2013	97,860	2,591,822	26,485	32.2	17,619	4.9%
2014	98,330	2,648,224	26,932	32.1	18,065	4.1%
2015	99,480	2,755,497	27,699	32.9	16,299	3.1%
2016	100,400	2,759,795	27,488	32.4	16,316	3.3%
2017	103,640	2,888,240	27,868	32.3	16,039	3.0%
2018	104,780	3,059,262	29,197	32.6	18,046	3.1%

**Sources:** Estimated population provided by the North Central Texas Council of Governments; US Census population in census years.

Capita personal income and median age provided by the American Community Survey; current year estimated from most recent data.

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

Unemployment rates provided on the Texas Workforce Commission website or the Bureau of Labor Statistics Website, annual rate, current year estimated as of September.

**Note:** Capital personal income source above (Column G & I)

For 2018, LISD enrollment increase due to three new schools being included (Castle Hills, Independence, Killian). Vickery no longer included (Located in Flower Mound)

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

**TABLE-18**

2018			2009		
<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>
Lewisville Independent School District (Lewisville employment only)	3,053	4.77%	Vista Ridge Mall (all outlets)	2,000	3.60%
Vista Ridge Mall (all outlets)	1,500	2.34%	Lewisville Independent School District (Lewisville employment only)	1,592	2.87%
Xerox Corporation	900	1.40%	EMC Mortgage Corp	1,394	2.51%
City of Lewisville	817	1.28%	Fidelity Investments	1,200	2.16%
Wal-Mart (all City Locations)	720	1.12%	Wal-Mart (all City locations)	951	1.71%
TIAA-CREF	600	0.94%	Lewisville Medical Center	831	1.50%
Bed Bath & Beyond	665	1.04%	Nationstar Mortgage	786	1.42%
SYSCO	563	0.88%	City of Lewisville	681	1.23%
Medical City of Lewisville	540	0.84%	HSBC	680	1.23%
HOYA Vision Care	535	0.84%	SYSCO Foods	625	1.13%
<b>Total</b>	<b>9,893</b>	<b>15.45%</b>	<b>Total</b>	<b>10,740</b>	<b>19.36%</b>

**Sources:**

City of Lewisville Economic Development Department  
Texas Workforce Commission  
North Central Texas Council of Governments

**Notes:**

Vista Ridge Mall, Xerox Corporation & TIAA-CREF number of employees are estimated for 2018

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

**TABLE-19**

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General government and administration and legal	68.0	67.0	68.0	68.0	68.0	70.0	72.0	82.0	86.0	83.0
Public safety	349.0	348.0	349.0	359.0	384.0	386.0	388.0	395.0	395.0	403.0
Public services	126.0	123.0	123.0	123.0	123.0	124.0	127.0	129.0	129.0	134.0
Development Services	66.0	64.0	65.0	68.0	69.0	70.0	72.0	74.0	76.0	72.0
Parks and leisure	<u>72.0</u>	<u>78.0</u>	<u>81.0</u>	<u>81.0</u>	<u>81.0</u>	<u>83.0</u>	<u>83.0</u>	<u>86.0</u>	<u>87.0</u>	<u>89.0</u>
<b>Total</b>	<u>681.0</u>	<u>680.0</u>	<u>686.0</u>	<u>699.0</u>	<u>725.0</u>	<u>733.0</u>	<u>742.0</u>	<u>766.0</u>	<u>773.0</u>	<u>781.0</u>

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



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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

	Fiscal Year			
	2009	2010	2011	2012
<b>General government</b>				
Public Records				
Number of open record requests	13,868	13,138	12,169	9,627
<b>Parks &amp; recreation</b>				
Number registered for recreation programs	4,336	5,277	7,459	6,591
Public swim admissions	48,028	43,888	42,021	39,304
Lake Park day use area attendance	191,721	131,667	127,382	137,507
LLELA attendance	N/A	N/A	N/A	N/A
<b>Library</b>				
Library visits	383,836	451,015	424,079	403,308
Library volumes circulated	815,191	774,629	692,066	686,804
<b>Public safety</b>				
Police				
Calls for service	74,658	66,751	61,514	63,014
Part 1 crimes	4,039	4,038	3,448	3,272
Number of accidents	2,458	2,409	2,318	2,490
Fire				
Number of fire incidents	3,246	3,107	3,395	3,083
Number of EMS incidents	6,088	6,069	6,529	6,855
<b>Public services</b>				
Public Services				
Concrete paving repair (cubic yards)	4,785	4,820	7,379	8,157
Concrete utility cut repair (cubic yards)	393	221	306	300
Asphalt pothole repair (tons)	38	78	39	88
Development Services				
Building permits issued	552	509	439	379
Municipal Water System				
Number of customers (meters)	21,987	21,912	21,342	21,427
Average daily water consumption (MGD)	14.75	14.44	16.84	16.06
System capacity (MGD)	38.4	38.4	38.4	53.4
Number of water main breaks	113	75	96	99
Sewer System				
System treatment capacity (MGD)	15	15	15	15
Sanitation (residential)				
Residential refuse collected (tons)	27,732	27,179	25,302	25,418
Commercial refuse collected (tons)	106,084	109,773	104,528	76,119

**Source:** City Departments

**Notes:**

For 2015, Lake Park attendance was down due to the park being closed from May 11 through August 14 due to flooding. Beginning the first full year of 2016, LLELA (Lewisville Lake Environmental Learning Area) operations expanded with the City's involvement to seven days a week for fishing, hiking, camping, boating, and other outdoor activities.

**TABLE-20**

<b>Fiscal Year</b>					
<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
8,007	8,132	7,141	6,787	4,668	5,186
7,070	6,708	8,897	7,901	8,413	5,495
57,122	35,554	40,183	29,211	36,643	28,567
140,626	136,582	61,640	16,033	142,546	139,090
N/A	N/A	N/A	66,732	67,112	58,089
377,915	329,718	329,435	345,097	349,445	362,113
637,083	599,405	603,100	612,355	613,013	637,437
58,675	59,226	61,261	65,521	63,342	60,814
2,903	2,775	3,170	2,921	2,546	2,832
2,457	2,405	2,736	3,120	3,170	2,942
3,206	3,598	3,485	3,680	3,717	3,807
6,622	6,861	7,644	8,039	7,709	7,780
6,780	4,939	9,076	6,712	6,312	4,275
284	119	239	330	177	223
209	273	377	140	263	37
520	392	523	631	481	660
21,662	21,797	22,192	22,685	22,870	23,267
15.11	13.04	13.05	14.04	13.74	16.40
53.4	53.4	53.4	53.4	53.4	53.8
105	56	63	54	51	60
15	15	15	15	15	15
26,119	26,153	23,495	25,394	25,720	25,158
73,589	70,306	71,375	81,083	66,965	76,534

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

**TABLE-21**

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Culture, parks &amp; recreation</b>										
Parks and leisure										
Number of parks	33	33	33	33	33	33	35	35	35	35
Parks (acres)	1,240	1,240	1,240	1,240	1,240	1,240	3,258	3,258	3,258	3,258
Swimming pools	2	2	2	2	2	2	2	2	2	2
Lighted athletic fields	37	37	37	37	37	37	37	37	37	35
Lighted tennis courts	4	4	4	4	4	4	4	4	4	4
Recreation centers	2	2	2	2	2	2	2	2	2	1
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	96	94	95	93	96	98	98	107	113	113
Fire stations	7	7	7	7	7	7	7	7	7	7
<b>Public services</b>										
Public services										
Streets -paved (miles)	571	573	573	573	650	650	672	672	672	674
Alleys - paved (miles)	85	85	85	85	97	97	97	97	99	99
Number of street lights	2,773	2,983	2,911	2,894	2,898	3,218	3,480	3,501	3,505	3,509
Water and sewer										
Water mains (miles)	393	397	381	377	381	387	384	384	398	398
Fire hydrants	3,015	3,015	3,015	3,015	3,079	3,154	3,154	3,154	3,154	3,265
Sanitary sewer (miles)	312	315	318	303	312	313	315	316	315	320

**Source:** City Departments

**Notes:**

In 2015, the LLELA (Lewisville Lake Environmental Learning Area) and the park at Valley Parkway @ Corporate Drive were added.  
 In August 2018, Memorial Park Recreation Center was demolished to begin construction on the new multi-generational center "Thrive".