



COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDING SEPTEMBER 30, 2019



CITY OF LEWISVILLE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the fiscal year ended September 30, 2019



Prepared by the
FINANCE DEPARTMENT



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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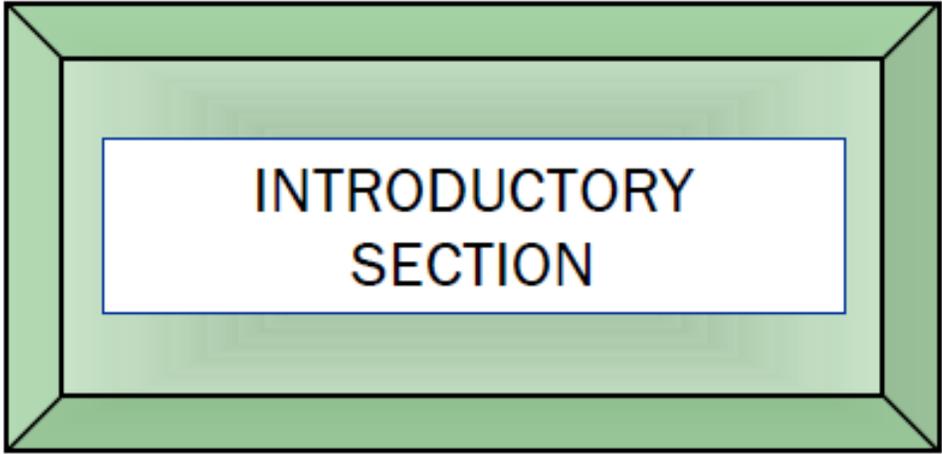
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INTRODUCTORY
SECTION



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.



March 9, 2020

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, 2019, 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, 2019, 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 most recently amended in 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. As of September 30, 2019, component units for the City of Lewisville are:

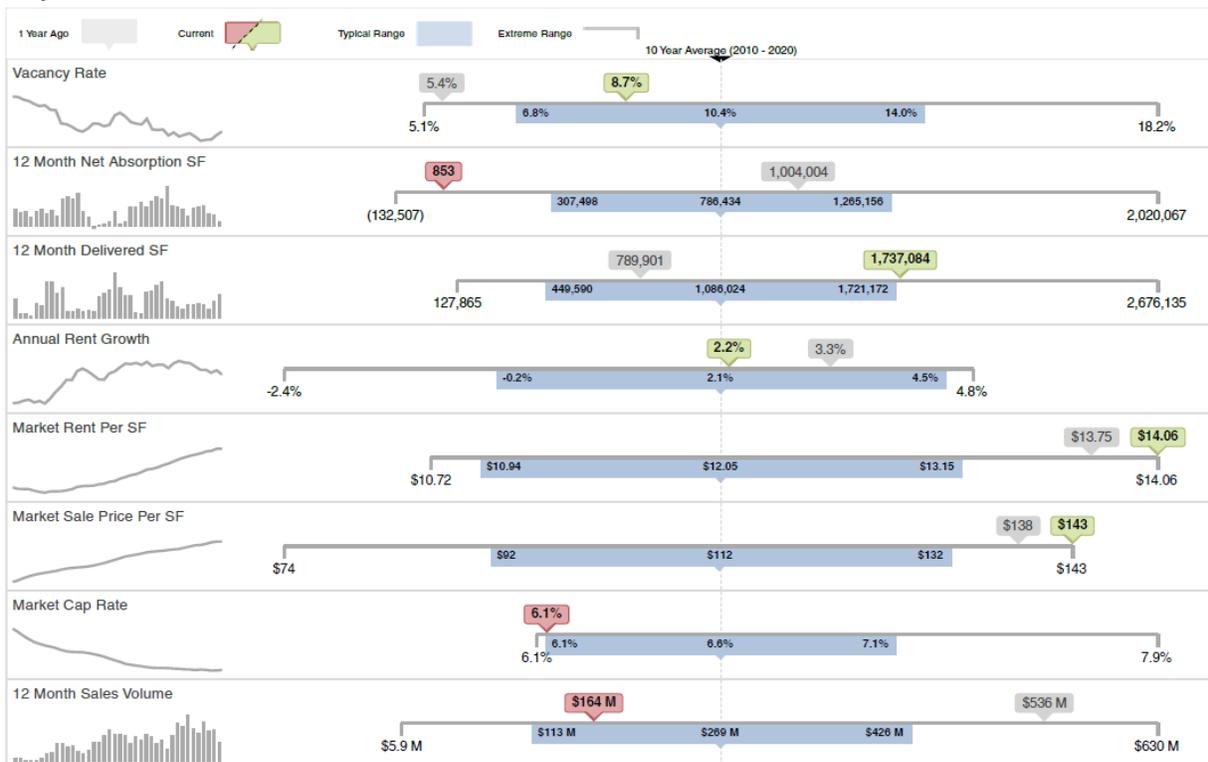
- Lewisville Housing Finance Corporation
- Lewisville Industrial Development Authority, Inc.
- Lewisville Parks and Library Development Corporation
- Tax Increment Reinvestment Zone Number 1, City of Lewisville, Texas (Old Town)
- Tax Increment Reinvestment Zone Number 2, City of Lewisville, Texas
- 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

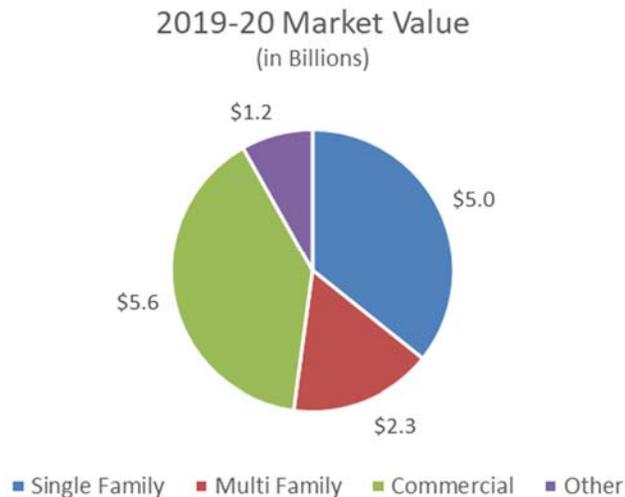
Lewisville continues to experience positive annual population and new residential and commercial growth. Between the years 2000 to 2010, Lewisville’s population increased by 22.6% to 95,290 per the 2010 U.S Census. The 2019 population estimate from North Central Texas Council of Governments (NCTCOG) is 105,640. Lewisville is located in Denton County, one of the top 20 fastest-growing counties in the country per 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 the residential population to be approximately 140,000 (including extraterritorial jurisdiction) at the time of build-out (2035).

Consistent with last year, all sub-markets across the Lewisville economy grew strength in their fundamentals; low vacancy rates, steadily increasing rents and market value, and growing inventory. The Economic Development Department regularly monitors performance indicators for all sub-markets across Lewisville. A snapshot below, illustrates the overall commercial sectors in Lewisville and compares current performance over averages of the last ten years.

Key Performance Indicators



Diversified Tax Base-The City of Lewisville has made an effort to maintain a diverse composition in its tax base as illustrated on the chart below. This diversity provides stability among economic cycles as well as spreads the tax burden between commercial and residential.



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 a ten-year period starting FY 2015/16. 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 2019 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.)
 - City worked with U.S. Army Corps of Engineers to minimize impacts on LLELA during repair work on Lewisville Lake dam. That work began in 2019 and is expected to last through 2024. Despite some habitat loss, and temporary partial closures, LLELA has largely remained open to the public during the construction process.
 - In May, the City purchased 148 undeveloped acres of land along the east side of the Elm Fork of the Trinity River. This purchase will accommodate right-of-way associated with the future Corporate Drive (north tract), provide trails for connectivity, accommodate kayak launch locations, and increase greenspace.
 - In September, Parks and Recreation Department completed an interpretive plan for LLELA. This plan will guide how learning and interpretation is incorporated throughout the entire visitor experience at LLELA. The intent is to teach visitors the importance of native Texas ecosystems and biodiversity.

- Construction of the canoe and kayak launch site along the Elm Fork of the Trinity River off Hebron Parkway began in June 2019. The project includes a driveway from Hebron Parkway to the launch site, a parking area for vehicles and trailers, a handicap-accessible dock, and minor landscape improvements. The target date for completion is set for Spring 2020.
- **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.)
 - Construction on the Garden Ridge Trail project started in June. Enhanced sidewalks have been built along Garden Ridge Boulevard from I-35E to FM 407, as well as the trail segment underneath the power lines toward Highlands Park. The project is now working south of FM 407 on Garden Ridge Boulevard toward North Valley Parkway.
 - Texas Parks and Wildlife Department awarded the city a \$500,000 matching grant in May for Phase I of Thrive Nature Park, an 18-acre site located across Valley Parkway from the recreation center. A public charrette was held to develop concept designs for the park.
 - Urban Land Institute selected Lewisville to participate in a national study on increasing access to parks and open spaces. A group of nationally renowned land use, urban design, and real estate experts representing ULI visited Lewisville in March to develop recommendations. The initial study is focused on the area bounded by SH 121, I-35E and Corporate Drive. This kicked off Lewisville’s participation in the “10 Minute Walk” campaign, which sets the goal of ensuring all residents live within a 10-minute walk of a park or open space.
 - DCTA completed construction of the A-train Rail Trail. This 19-mile paved trail runs continuously from Hebron Station to Denton. It also connects to existing trails along the route, including the new Garden Ridge trail in Lewisville.
- **Sustainability** (Provide a framework for all areas of municipal operations and place emphasis on green initiatives while reducing demands on limited resources.)
 - Conservation measures taken by the City during 2019 saved more than 1.5 million kWh of electricity. Work during the year included additional LED retrofit lighting in City facilities and parking lots, replacing several old HVAC units, installing occupancy sensors, roof replacement and restoration with *Cool Roof* treatment, and upgrading the building automation system for maximum efficiency.
 - Additional sustainability efforts by the City included adding three environmentally friendly vehicles, including one electric vehicle, and adding two propane mowers. During the year, 36,805 square yards of concrete were recycled into reusable aggregate.
 - The City earned the Silver Level Recognition Award from DFW Clean Cities for its fuel saving and pollution reducing efforts in fleet vehicles. This is the first time Lewisville has earned the Silver Level Award. The City earned the Bronze Level Award in 2015, 2017, and 2018.
 - City began work on a five-year Sustainability Plan. This plan will identify specific goals and metrics for city operations to build a more sustainable city. The plan builds upon strategies identified in the 2025 plan and could include initiatives such as water and energy conservation goals, and innovative programs that take a new look at familiar topics such as greenspace, public transportation, and health and wellness.

- **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.)
 - The Main Street portion of the Main & Mill Corridor Project was substantially completed in September, and work began on the Mill Street portion. This project will promote walkability and include aesthetic and parking improvements on both streets. Design is nearly complete on S. Kealy Avenue with overall project completion by September.
 - City awarded a contract to install fire sprinklers in the historic buildings along Main Street, between Mill and Charles. This project is being funded by the City in order to protect these historically significant structures and preserve the heritage of Old Town.
 - Old Town welcomed multiple new businesses during 2019, including Sloan & Williams Winery and Outlaw Cider on Main Street, and Sullivan Old Town BBQ and Bodega in the former Old Town Market on Mill Street. The Bodega offers a selection of grocery products at a location convenient for Old Town residents.
 - Worked with a Council appointed committee, “Old Town Branding Task Force” to create a new brand for Old Town designed to draw visitors, residents, and business investment in the historic district. The brand was developed by Tonic 3, a national marketing firm officed in Old Town, and presented to City Council in December.
 - Old Town continues to add new residential options. Construction started on phase two of the Walters Street Brownstones, and the City finalized development deals on three pieces of City-owned property. Old Town Lofts will bring 200 upscale multi-family units with parking garages in two six-story buildings, one at Main & Mill and one at Mill and Elm. Construction started on a 300-unit low-rise complex on College Street across from DCTA Old Town Station as part of a larger Transit-Oriented Development (TOD).

- **Thriving Neighborhoods** (Create neighborhood-specific reinvestment strategies and to work with neighborhood groups to evaluate, identify and fund needed improvements.)
 - Together Lewisville Coalition partnered with the Next Steps Center to hold two Community Resource Expos in May and November. Each event had 45 participating agencies and businesses, with 130 -140 residents attending each session.
 - Through the Property Enhancement Program (PEP), the City awarded homeowners more than \$105,000 during Fiscal Year 2018-19 to assist with necessary exterior home repairs. The program helped residents complete 51 projects, which brings the lifetime total of PEP projects to 154.
 - Fire Station 3 was relocated from 195 W. Corporate Drive to 500 W. Round Grove Road. Fire Station 8 opened in March 2019 at 3300 Lakewood Hills Drive in east Lewisville. A second ladder truck entered service in January 2019 housed at Fire Station 6.
 - The Nuisance Abatement Program was extended to two additional properties in 2019. Lewisville PD began this program in 2018 to identify properties that have a high number of nuisance crimes and to work with property owners to reduce crime. The police department provides specific crime reduction strategies for the owner to implement. At the first location added in 2019, the program led to a reduction in nuisance-related crimes of approximately 80 percent and reduced calls for service by 32 percent. At the second location added in 2019, the program led to a reduction in nuisance-related crimes of 29 percent and calls for service by 19 percent. Through this program, the department continues to address nuisance issues at a third location.

- North Central Texas Council of Governments awarded a \$3 million grant for streetscape improvements on College Street between Mill and DCTA Old Town Station. The addition of pedestrian and bike amenities will support high density, walkable, urban residential projects planned or under construction by the rail station.
- **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.)
 - City continued preparing for planned annexation of Castle Hills, which could happen as early as Summer 2021. Public Services is examining streets, alleys, and the storm sewer system to identify future maintenance and replacement needs. City officials increased communication with Castle Hills residents through a monthly water-bill insert and quarterly meetings. City Council appointed Castle Hills residents to designated boards and commissions.
 - Construction began on Aura Old Town, a Transit-Oriented Development at College Street, near the DCTA Old Town Station. The 286-unit complex will be four stories tall and wrap around a structural parking garage and three courtyards. This is one of two large residential developments in this area.
 - Construction neared completion on Tower Bay Lofts, a resort-style luxury apartment development with more than 300 units, including several multi-level units with penthouses on top, near Lewisville Lake, east of I-35E, north of Garden Ridge Boulevard. Planned amenities include an enclosed parking garage, a sky lounge that includes an indoor/outdoor kitchen, and an outdoor television wall and four separate courtyards. The building exterior will feature stone, brick, stucco, metal, and wood designed to capture some elements from the existing tower that has been on the property for a long time.
 - Construction began on Vista Del Lago, an urban mixed-use community featuring more than 300 townhomes along SH121 near Lake Vista Drive. This complex will be made up of two-story and some three-story single-family attached units built with brick, stone, stucco, and exposed aggregate. The complex also will include multiple green spaces, courtyards, plazas, and common areas for residents.
- **Employment Centers** (Support the long-term success of these centers and promote a sense of pride between businesses and community services.)
 - 2019 was a banner year for economic development in Lewisville. During the year, several companies, like DJO Global, Innovative IDM, Baymark Health Services, HOYA, and Caliber Collision, opened or expanded their company headquarters in Lewisville. This resulted in the creation or retention of over 2,000 jobs in 2019 alone. Additionally, private investment has soared over \$200 million with the addition of more than 2 million square feet of office/warehouse development in the city's largest business parks. Moreover, Majestic Airport Center DFW, made headlines when Ericsson chose its Lewisville locations for both its Center of Excellence training facility for 5G radio tower climbers and its new state of the art 5G Smart Factory of the Future where the company will manufacture 5G radio cells. Both facilities total more than 350,000 square feet and over \$130 million in investment over the next two years.

- On the northeast side of town, Creekview 121 boasts another 2 million square foot business park where companies are looking to grow in Lewisville. In fact, Benjamin Moore, North America's leading manufacturer of premium quality residential, commercial and industrial maintenance coatings, chose a 238,000 square foot facility in Creekview 121 business park to enhance its distribution and logistics reach across the country.
- In the hospitality sector, La Quinta Inn & Suites opened a new 129 room hotel along the northwest intersection of I-35E and Corporate Drive, and Home 2 Suites is close to opening its new facility with 122 rooms on the southeast corner of the same intersection.
- Zion Market, the San Diego based Korean grocery market, opened its first Texas location at the former Sears building at Music City Mall in August with thousands of shoppers taking advantage of the great deals on their opening day. Hundreds of new jobs were established with its opening, and hundreds more are planned in the future as the remainder of the marketplace opens over the next two years.

Lewisville's thriving economic climate has resulted in a higher quality of life, more entertainment options, and greater access to jobs than ever before.

- **Identity Focal Point** (Create a strong graphic presence at the major gateways so Lewisville stands apart from other cities along I-35E.)
 - City Council created a Tax Increment Reinvestment Zone for the Northern Gateway, on the west side of I-35E south of FM 407, as a way to encourage quality mixed-use development and significant public greenspace in that area. The goal of the Northern Gateway is to create an active mix of uses that benefit from significant open space.
 - Two projects of the Northern Gateway are currently under construction. Huffines is developing a 250-unit townhome complex west of Summit Avenue. The NPR Group is creating a large mixed-use development featuring seven three-story residential buildings between North Summit Avenue and the I-35E access road.
- **Marketing & Communications** (Strengthen the communications program within the City, enhance the message to residents, and better promote the people and businesses in the City.)
 - The City increased its focus on informing residents about City related news, special events, and public projects through the Horizon newsletter, that is printed and mailed to 40,000 Lewisville and Castle Hills households each quarter, through the eHorizon newsletter that is emailed to more than 17,000 subscribers every two weeks, and through the City's social media sites (Twitter, Facebook, Instagram, YouTube, and LinkedIn).
 - Labor Day Weekend, the City partnered with Live Nation to produce "Texas Pop Turns 50," a two-day music festival to commemorate the 50th anniversary of the "Texas International Pop Festival." ZZ Top and Chicago were the headliners for this event at Lake Park. More than 20,000 people attended the event.
 - In May, The Wall That Heals, a mobile three-quarter scale replica of the Vietnam Veterans Memorial, went on display at Lake Park. This was the only North Texas tour stop for the exhibit. More than 5,000 people visited the exhibit during its three-day run.
 - In October, the City dedicated a life-sized bronze sculpture portraying civic leader and former Lewisville Mayor Wayne Ferguson along the boardwalk in the plaza that bears his name. The sculpture, created by David and Martin Iles of Bolivar Bronze in Sanger, includes a stack of rolled maps and a collection of personal items important to Ferguson, including a saddle blanket, chaps, and his favorite pair of spurs.

- City launched the new “ourLewisvilleTX” smart phone app in December. It replaces the original “myLewisvilleTX” app. This new free app serves as a civic engagement and information hub for all things related to Lewisville. Requests submitted through the app go directly to the appropriate City department for resolution and follow up.

To view the full list of accomplishments from 2019, along with a message from the Mayor, budget and tax information and “What’s Next” for the Big Moves, go to the Lewisville 2025 Vision Annual Report found online at www.cityoflewisville.com/lewisville2025.

Major Roadway Projects—The Main and Mill Street improvements project began within the last year and is ongoing with an expected completion date of September 2020. The \$9 million project converts the 4-lane thoroughfares which are adjacent to the downtown core to two lane streets with parallel and back-in angle parking, bike lanes, wide sidewalks, landscaping and street furniture. The project will provide pedestrian access to retail and restaurant businesses as well as high density apartments. The project was funded with a combination of City and Regional Toll Revenue.

Corporate Drive, a \$77 million roadway project, encompasses several segments from Waters Ridge to Trinity Drive. Segments 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. Bidding is expected in late 2020. Design has been completed for Segment 5, Holford’s Prairie to Old Denton Road and construction could begin in 2020 pending right of way and easement acquisition. Finally, Segments 2-4, Railroad Street to Holford’s Prairie is at 90% design with right of way acquisition underway. 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 AT YEAR END
Highpoint Oak Estates	Southwest corner of Vista Ridge Mall Drive and Denton Tap Road	Single family	86	84 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	18 units completed
Lakewood Hills	Josey Lane and Windhaven Parkway	Single-family	525	35 completed
South Village	Elm Street & Mill Street	Single-family	63	16 completed
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	Complete
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	1,100 units completed
Uptown Village	S Kealy and Lily Ln	Multi-family (Townhomes)	70	65 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	16 units completed
Lofts at Old Town Station	North Side of E. College St., approximately 940 ft East of N. Kealy Ave.	Multi-Family	368	N/A
Fireside Village	College Parkway and Summit Avenue	Single-family	33	6 units completed

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 and Event Disclosure 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 a supplemental appropriation 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.

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 2019-20 and the preceding five fiscal years is reflected in the following table:

<u>Purpose</u>	<u>2019-2020</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
General Fund	0.320981	0.313766	0.318766	0.318766	0.318766	0.318766
Debt Service Fund	<u>0.122320</u>	<u>0.122320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>
Total Tax Rate	<u>0.443301</u>	<u>0.436086</u>	<u>0.436086</u>	<u>0.436086</u>	<u>0.436086</u>	<u>0.436086</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 2018-19, the City’s payments to the districts for appraisal services were \$277,463, an increase of \$27,255, from the amount paid by the City in 2017-18. Since October 1997, the City has contracted with Denton County for tax collection services. The 2018-19 cost was \$34,538.

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 9-30-19 (Net of Debt Service)	\$134,336,314
Estimated Population	105,640
General Debt per Capita	\$1,245
Net General Debt per Assessed Value	1.29%

The City’s underlying bond ratings at September 30, 2019 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 3.14 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, 2019, 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, 2018. 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 30 consecutive years (fiscal years ended 1989-2018). 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,



Donna Barron
City Manager



David Erb
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Lewisville
Texas**

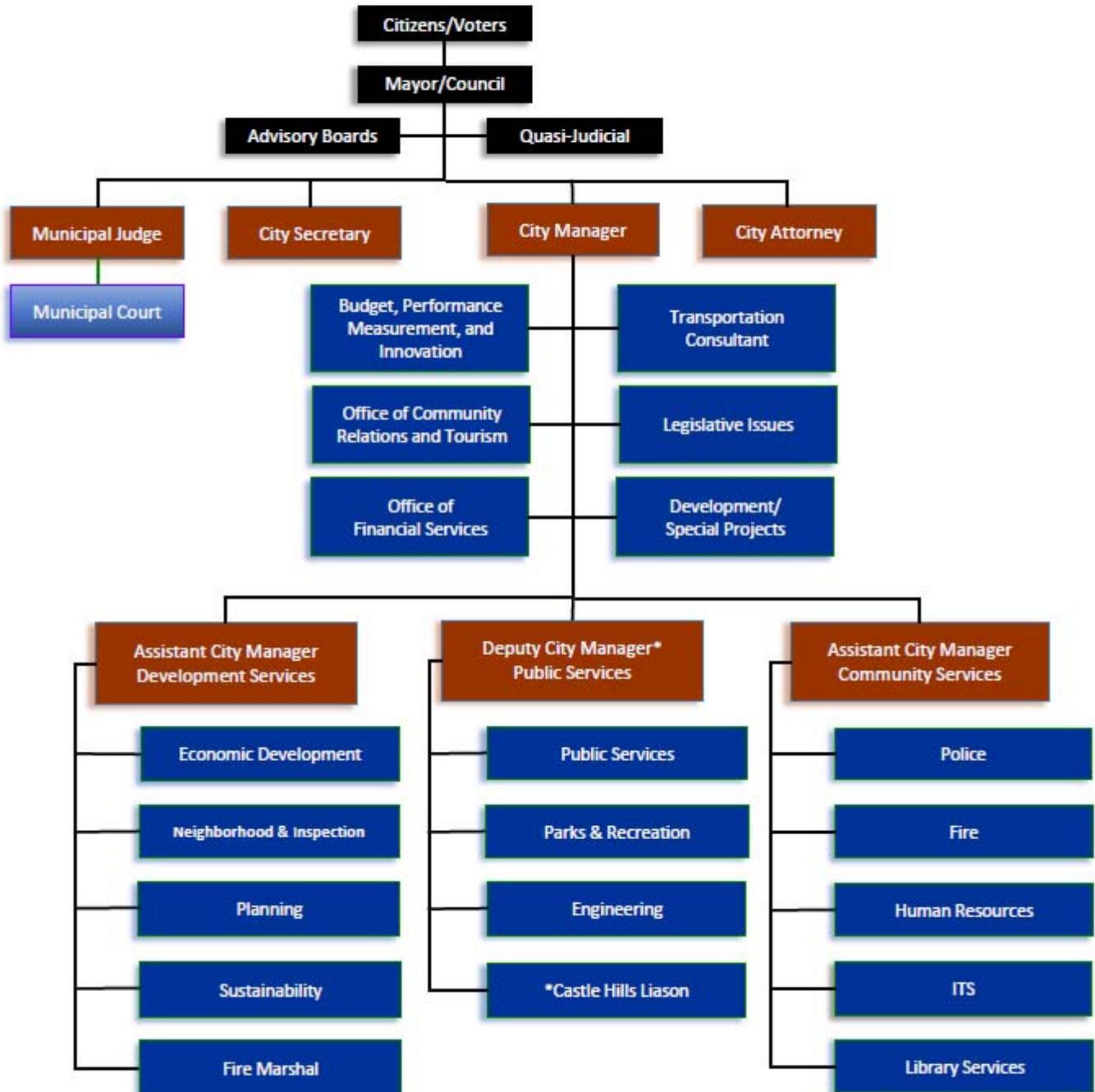
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF LEWISVILLE, TEXAS - ORGANIZATIONAL CHART



CITY OF LEWISVILLE, TEXAS – PRINCIPAL OFFICIALS

– Elected Officials –

Mayor..... Rudy Durham
Mayor Pro Tem..... Bob Troyer
Deputy Mayor Pro Tem R. Neil Ferguson
Councilmember..... Brandon Jones
Councilmember..... T. J. Gilmore
Councilmember..... Kristen Green

– Appointed Officials –

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

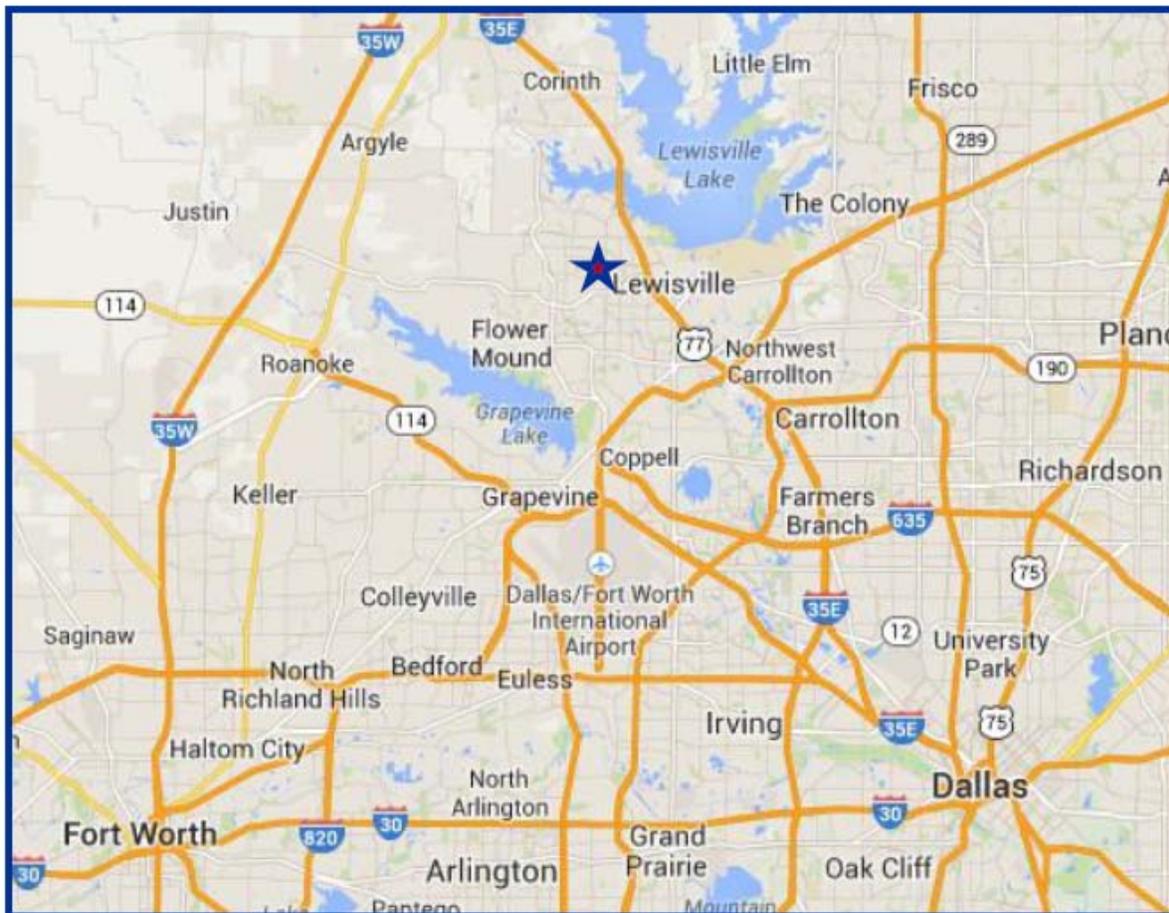
– Assistant City Managers –

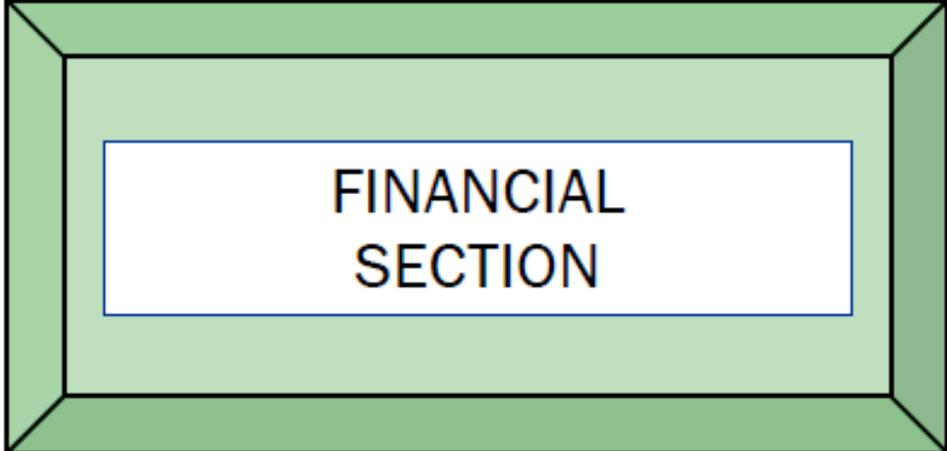
Deputy City Manager..... Eric Ferris
Assistant City Manager..... Claire Powell
Assistant City Manager..... Melinda Galler

– Department Directors –

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

CITY OF LEWISVILLE, TEXAS – AREA MAP





FINANCIAL
SECTION



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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, 2019, 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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 22 to 33), TMRS pension schedules (pages 95 to 97) and OPEB liability trust fund schedules (pages 98 to 100) 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 March 9, 2020, 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 solely 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
March 9, 2020



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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, 2019. 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, 2019 by \$766,011,026 (net position). Of this amount, \$87,998,206 (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 \$38,914,735 for the year ended September 30, 2019 which was due to an increase in governmental activities net position of \$19,577,765 and business-type activities net position of \$19,336,970.
- As of September 30, 2019, the City of Lewisville's governmental funds reported combined ending fund balances of \$162,058,693, an increase of \$34,794,032 in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$35,634,844 or approximately 42.1 percent of total general fund expenditures.
- The City's total outstanding debt increased by \$59,845,000 during the current fiscal year primarily due to issuance of debt for capital projects.

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 \$766,011,026 as of September 30, 2019. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is \$293,926,094. 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 (80.4 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. \$62,208,960 or 8.1 percent of net position was restricted for specific purposes.

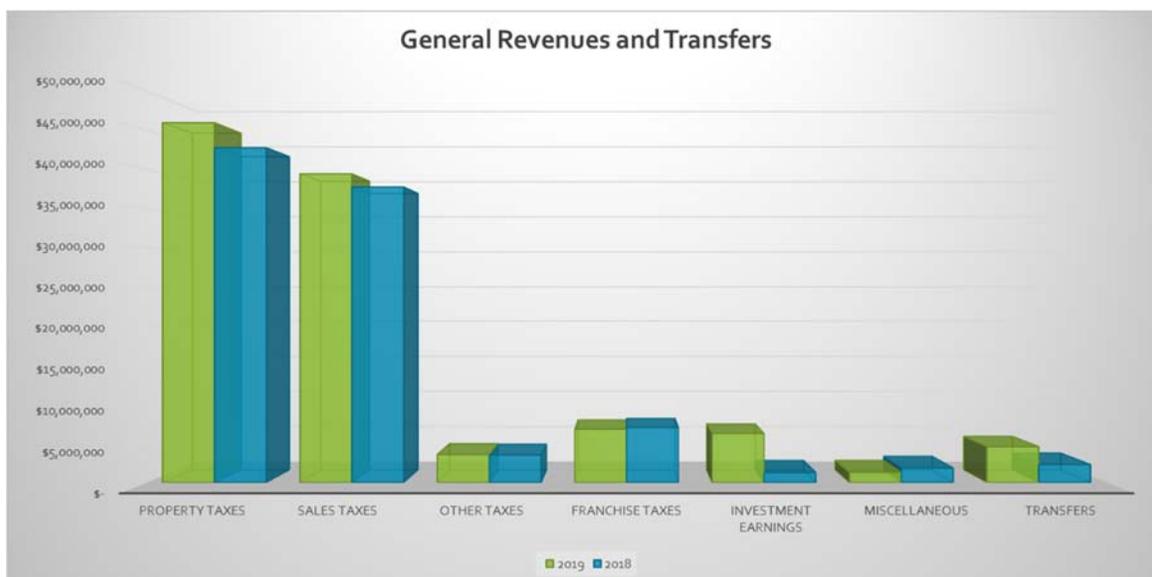
CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019

Table 1: Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 266,067,189	\$ 220,200,870	\$ 98,556,726	\$ 77,635,789	\$ 364,623,915	\$ 297,836,659
Capital assets	442,591,627	408,801,474	264,476,591	252,536,583	707,068,218	661,338,057
Total assets	708,658,816	629,002,344	363,033,317	330,172,372	1,071,692,133	959,174,716
Deferred outflows	20,876,725	7,802,235	2,605,886	1,301,903	23,482,611	9,104,138
Noncurrent liabilities	194,864,105	123,975,511	66,042,304	51,132,339	260,906,409	175,107,850
Other liabilities	60,726,486	51,537,110	5,471,231	4,894,082	66,197,717	56,431,192
Total liabilities	255,590,591	175,512,621	71,513,535	56,026,421	327,104,126	231,539,042
Deferred inflows	1,860,018	8,784,791	199,574	858,730	2,059,592	9,643,521
Net position:						
Net investment in capital assets	363,168,314	351,840,695	252,635,546	237,299,149	615,803,860	589,139,844
Restricted for debt service	26,468,734	28,947,444	6,647,801	6,710,407	33,116,535	35,657,851
Restricted for capital projects	17,065,618	21,788,988	-	-	17,065,618	21,788,988
Restricted for special revenue	12,026,807	13,375,520	-	-	12,026,807	13,375,520
Unrestricted	53,355,459	36,554,520	34,642,747	30,579,568	87,998,206	67,134,088
Total net position	\$ 472,084,932	\$ 452,507,167	\$ 293,926,094	\$ 274,589,124	\$ 766,011,026	\$ 727,096,291

Governmental Activities

The City's general revenues and transfers increased when compared to the prior year by 12.2 percent or \$11,743,348. The primary reasons for this increase were property tax revenues from assessed values of property, transfers in from the water and sewer utility fund for payments in lieu of property taxes, and investment income from interest from investments held by the City. Taxable assessed valuation of properties in the City increased by \$850.5 million or 9.1% 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, 2019

Governmental activities increased the City's net position by \$19,577,765. The key elements of this increase are as follows:

Table 2: Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for service	\$ 18,538,586	\$ 18,364,223	\$ 37,746,194	\$ 37,010,278	\$ 56,284,780	\$ 55,374,501
Operating grants and contributions	4,177,873	2,640,360	-	-	4,177,873	2,640,360
Capital grants and contributions	18,499,358	24,196,775	13,342,157	16,055,699	31,841,515	40,252,474
General revenues:						
Property taxes	46,153,866	42,750,384	-	-	46,153,866	42,750,384
Other taxes	50,710,323	48,252,287	-	-	50,710,323	48,252,287
Other	6,753,144	3,144,470	2,518,045	487,420	9,271,189	3,631,890
Total revenues	144,833,150	139,348,499	53,606,396	53,553,397	198,439,546	192,901,896
Expenses:						
General government	26,035,465	20,036,407	-	-	26,035,465	20,036,407
Culture, parks and recreation	11,787,717	14,001,134	-	-	11,787,717	14,001,134
Public safety	57,524,595	54,104,824	-	-	57,524,595	54,104,824
Public and development services	29,873,232	29,576,155	29,700,847	30,244,255	59,574,079	59,820,410
Interest on long-term debt	4,602,955	3,194,723	-	-	4,602,955	3,194,723
Total expenses	129,823,964	120,913,243	29,700,847	30,244,255	159,524,811	151,157,498
Increase in net position before transfers	15,009,186	18,435,256	23,905,549	23,309,142	38,914,735	41,744,398
Transfers	4,568,579	2,295,423	(4,568,579)	(2,295,423)	-	-
Increase in net position	19,577,765	20,730,679	19,336,970	21,013,719	38,914,735	41,744,398
Net position - beginning	452,507,167	432,557,865	274,589,124	253,653,810	727,096,291	686,211,675
Cumulative effect of change in accounting principle	-	(781,377)	-	(78,405)	-	(859,782)
Net position - ending	\$472,084,932	\$452,507,167	\$293,926,094	\$274,589,124	\$766,011,026	\$727,096,291

General revenues and operating grants and contributions increased \$11.0 million over the previous year and is discussed in more detail below under the General Fund sections. Capital grants and contributions decreased \$5.7 million from 2018 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 \$73.8 million or 56.8 percent of total expenses. This was an increase in payroll cost from prior year of \$5.0 million due to an increase in personnel and merit salary increases. Payroll costs were closely monitored and along with vacancies, came in \$2,625,542 less than originally budgeted.

For activities, public safety incurred expenses of \$57,524,595. These expenses were offset by charges for services revenue of \$8,051,294, 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 \$49,221,453. Other significant governmental expenses for the City include public and development services which incurred \$29,873,232 in expenses, of which \$10,229,826 represents personnel charges and the general government activity which incurred \$26,035,465 in expenses, of which \$8,742,100 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 \$11,787,717 in expenses, of which \$5,660,452 represents personnel charges.

Business-type Activities

Business-type activities increased the City's net position by \$19,336,970. 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 \$33,836,347. This revenue source was a slight decrease of \$176,668 from fiscal year 2018. A new stormwater utility was formed and revenues began January 1, 2018. Revenues for this new utility in fiscal year 2018 amounted to \$3,909,847 for the fiscal year 2019. This was an increase in stormwater utility of \$912,584 due to the fiscal year 2019 being the first full year of service. Non-cash capital contributions from developers and cash receipts in the form of development impact fees amounted to \$13,342,157. This revenue decreased \$2,713,542 from 2018 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 \$7.8 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019, the City had \$707.1 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	
	2019	2018	2019	2018	2019	2018
Improvements	\$ 249,646,789	\$ 255,642,814	\$ 233,220	\$ 283,923	\$ 249,880,009	\$ 255,926,737
Land	67,685,730	64,985,248	2,502,137	2,502,137	70,187,867	67,487,385
Buildings	43,928,309	45,657,856	1,332,988	1,387,417	45,261,297	47,045,273
Machinery & equipment	19,417,929	19,673,733	1,120,968	1,184,150	20,538,897	20,857,883
Construction in progress	61,912,870	22,841,823	24,250,267	12,144,392	86,163,137	34,986,215
Water system	-	-	138,905,053	140,541,167	138,905,053	140,541,167
Sewer system	-	-	89,682,334	90,641,484	89,682,334	90,641,484
Stormwater system	-	-	6,449,624	3,851,913	6,449,624	3,851,913
Totals	<u>\$ 442,591,627</u>	<u>\$ 408,801,474</u>	<u>\$ 264,476,591</u>	<u>\$ 252,536,583</u>	<u>\$ 707,068,218</u>	<u>\$ 661,338,057</u>

Major capital asset additions for 2018-2019 include:

Developer Dedicated I/S - Street Paving	\$ 3,594,506
Developer Dedicated I/S-Storm Drainage	2,540,740
Developer Dedicated I/S-Water	2,177,697
Concrete Improvements	1,955,904
Developer Dedicated I/S-Sewer	1,683,247
Pierce Velocity 95' Aerial Truck	1,341,921
Donated ROW - Developer	1,316,221
Sidewalk Improvements	1,124,770
Duwe Land Purchase	783,865
	<u>\$ 16,518,872</u>

The City's fiscal year 2018-19 capital improvement program authorizes it to spend \$164 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 \$164 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, the Timber Creek Aerial Sewer Project for 2018-19 consists of \$114,791 in cash funding coming from Water/Sewer Utility cash and \$2.6 million coming from water revenue bond proceeds.

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 \$193.9 million in general obligation, tax notes, certificates of obligation, and revenue bonds outstanding as compared to \$134.0 million at the end of the prior fiscal year, an increase of 44.7 percent as shown in Table 4.

Table 4
Outstanding Debt at Year End
(in Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General obligation bonds, tax notes and certificates of obligation (backed by the City)	\$ 123,280	\$ 79,905	\$ -	\$ -	\$ 123,280	\$ 79,905
General obligation and revenue bonds (backed by fee revenues)	-	-	55,090	43,305	55,090	43,305
Premium	11,056	7,261	4,463	3,573	15,519	10,834
Totals	<u>\$ 134,336</u>	<u>\$ 87,166</u>	<u>\$ 59,553</u>	<u>\$ 46,878</u>	<u>\$ 193,889</u>	<u>\$ 134,044</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 1.29%.

THE CITY'S FUNDS

At the close of the City's fiscal year on September 30, 2019, the governmental funds of the City reported a combined fund balance of \$162.1 million, a \$34.8 million increase from the previous year, mainly due bond proceeds in the City's General Capital Projects Funds reserved for ongoing capital projects.

The City's General Fund balance was \$36.7 million which was \$0.1 million more 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 \$9.4 million when compared to the final amended budgeted increase of \$27.3 million. Significant budgetary variances between the final amended budget and the actual results can be summarized as follows:

- Tax revenue was \$2,415,004 more than estimated. The primary reason was sales tax revenue, which was \$2,709,116 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. Net changes, both positive and negative, in other Tax revenues resulted in the positive variance from budget.
- Revenue from Charges for Service was \$1,240,465 higher than budgeted primarily due to fees from Police and Fire charges to Castle Hills totaling \$983,495 and ambulance fees coming in above budget by \$409,101. Net changes, both positive and negative, in other Charges for Service resulted in the positive variance from budget.
- When combined, Parks and Recreation, Public Services, Public Safety, Development Services, and General Government departments had lower than expected expenditures resulting in a favorable variance of \$3,810,445. This variance accounts for 88 percent of the savings from budget and is primarily due to salary savings from employee vacancies.

The City's Water and Sewer Fund net position of \$275.6 million increased by \$10.5 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 \$21.3 million increased by \$4.6 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 \$1.9 million increase in net position mainly due to lease payments accumulating for future planned capital replacement costs.

General Fund Budgetary Highlights

During fiscal year 2018-19, The City Council amended the budget for the General Fund for five purposes; for the routine supplemental completed each year for the prior year encumbrances (purchases) that overlap into the next fiscal year (along with prepaid items); to appropriate changes the Council reviewed at mid-year; for end of year adjustments required such as debt service payments related to a bond refunding; to appropriate funding for a 50th year anniversary pop festival; and to appropriate funding for professional services related to Old Town Branding. Staff reviewed the supplemental appropriations and determined that reserves were sufficient to recommend approval. Total net amendments to expenditures for the year were \$449,939. Staff reviewed the supplemental appropriations and determined that reserves were sufficient to recommend approval.

Significant budget variances (positive) between the final budget amendment and actual results were seen in 6 of the 16 cost centers in the General Fund. These positive variances were primarily due to salary savings from employee vacancies and savings in contractual services. Spending in each of the 16 cost centers was at or below budget. The largest variance was seen in the area of General Government where savings from budget totaled \$926,670. Of this amount, \$650,796 or 70.2 percent were from savings in contractual obligations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2020 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 several 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 were taken into consideration when adopting the General Fund budget for fiscal year 2020. The combined budget appropriation for fiscal year 2019-20 totals \$190,997,038 million for thirty operating funds. Another \$18,286,349 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 and Dallas County Central Appraisal Districts and the tax rate established by the Lewisville City Council. The Lewisville City Council chose to increase the overall tax rate to 0.443301 with the O&M portion increasing to 0.320981 and the I&S portion remaining constant at 0.122320. Property values increased \$967 million or 9.48% from the prior year. This brings the property tax revenue budgeted for FY 2019-20 to \$37.123 million, making it the single largest General Fund revenue source.

The General Fund's second largest revenue source in fiscal year 2019-20 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 \$30.720 million.

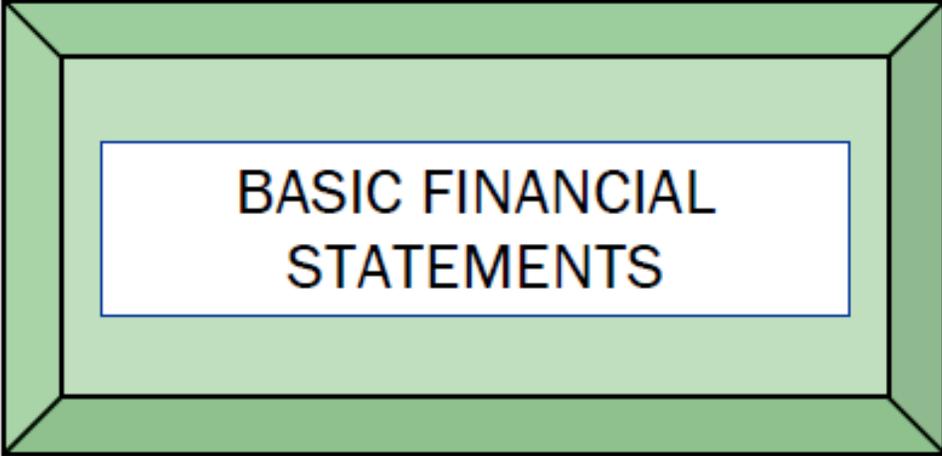
Budgeted operating expenditures in the General Fund are expected to increase \$8.195 million from the 2018-19 fiscal year re-estimated budget. These expenditures are offset by increases in revenue. The only change in fund balance is the \$6.27 million in transfers out for planned, one-time expenditures (\$8.464M last fiscal year).

As for the City's business type activities, the City budgeted a decrease of \$3.552 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 2019-20. Council elected to increase rates by 1.0% due primarily to receiving an increased rate from Dallas Water Utilities.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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



**BASIC FINANCIAL
STATEMENTS**



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

CITY OF LEWISVILLE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

EXHIBIT 1

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Total	
ASSETS				
Cash	\$ 5,727,464	\$ 932,414	\$ 6,659,878	\$ 518,569
Investments	216,746,797	34,596,367	251,343,164	19,654,356
Receivables (net of allowance for uncollectibles)				
Accounts	8,258,930	5,638,716	13,897,646	-
Taxes	8,963,161	-	8,963,161	1,360,217
Interest	674,373	131,237	805,610	63,798
Other	386,720	10,310	397,030	10,698
Internal balances	(524,881)	524,881	-	-
Note receivable from component units	24,105,000	-	24,105,000	-
Inventory of supplies	168,613	-	168,613	-
Prepaid items	1,561,012	69,675	1,630,687	5,383
Restricted assets				
Cash	-	1,452,213	1,452,213	-
Investments	-	55,040,457	55,040,457	-
Interest receivable	-	160,456	160,456	-
Capital assets				
Non-depreciable	129,598,600	26,752,404	156,351,004	63,500
Depreciable (net of accumulated depreciation)	312,993,027	237,724,187	550,717,214	5,756,071
Total assets	<u>708,658,816</u>	<u>363,033,317</u>	<u>1,071,692,133</u>	<u>27,432,592</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	734,314	558,626	1,292,940	-
Pension contributions after measurement date	6,340,127	633,557	6,973,684	111,523
OPEB contributions after measurement date	108,787	10,951	119,738	-
Difference in expected and actual pension experience	1,322,012	133,734	1,455,746	22,630
Difference in expected and actual OPEB experience	86,098	8,675	94,773	-
Difference in projected and actual earnings on pension assets	12,285,387	1,260,343	13,545,730	200,885
Total deferred outflows of resources	<u>20,876,725</u>	<u>2,605,886</u>	<u>23,482,611</u>	<u>335,038</u>
LIABILITIES				
Accounts payable	13,229,363	2,664,973	15,894,336	831,474
Incurred but not reported claim reserve	1,474,745	-	1,474,745	-
Accrued liabilities	2,998,440	331,637	3,330,077	66,867
Accrued interest payable	504,214	259,956	764,170	133,080
Contracts and retainable payable	2,351,829	153,533	2,505,362	-
Deposits payable	31,285	1,878,053	1,909,338	-
Unearned revenue	36,146,757	-	36,146,757	-
Escrow payable	3,989,853	183,079	4,172,932	-
Noncurrent liabilities				
Due within one year	18,090,329	5,414,074	23,504,403	2,583,646
Due in more than one year	176,773,776	60,628,230	237,402,006	22,172,741
Total liabilities	<u>255,590,591</u>	<u>71,513,535</u>	<u>327,104,126</u>	<u>25,787,808</u>
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension experience	1,322,720	145,496	1,468,216	16,193
Difference in expected and actual OPEB experience	323,271	32,595	355,866	-
Difference in projected and actual earnings on OPEB assets	214,027	21,483	235,510	-
Total deferred inflows of resources	<u>1,860,018</u>	<u>199,574</u>	<u>2,059,592</u>	<u>16,193</u>
NET POSITION				
Net investment in capital assets	363,168,314	252,635,546	615,803,860	664,571
Restricted for				
Debt service	26,468,734	6,647,801	33,116,535	-
Capital projects	17,065,618	-	17,065,618	-
Special revenue	12,026,807	-	12,026,807	-
Tax increment reinvestment zone	-	-	-	3,440,261
Unrestricted	53,355,459	34,642,747	87,998,206	(2,141,203)
Total net position	<u>\$472,084,932</u>	<u>\$ 293,926,094</u>	<u>\$ 766,011,026</u>	<u>\$ 1,963,629</u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 26,035,465	\$ 3,851,605	\$ -	\$ 1,629,400
Culture, parks, and recreation	11,787,717	2,738,902	507,334	-
Public safety	57,524,595	8,051,294	1,242,757	-
Public & development services	29,873,232	3,896,785	1,478,537	16,869,958
Interest and fiscal charges	4,602,955	-	949,245	-
Total governmental activities	<u>129,823,964</u>	<u>18,538,586</u>	<u>4,177,873</u>	<u>18,499,358</u>
Business-type activities				
Water and sewer	29,550,735	33,836,347	-	8,787,066
Stormwater	150,112	3,909,847	-	4,555,091
Total business-type activities	<u>29,700,847</u>	<u>37,746,194</u>	<u>-</u>	<u>13,342,157</u>
Total primary government	<u>159,524,811</u>	<u>56,284,780</u>	<u>4,177,873</u>	<u>31,841,515</u>
Component Units				
Tax increment reinvestment zone 1	628,145	-	-	-
LPLDC (4B) fund	6,827,836	192,302	-	160,000
Total component units	<u>\$ 7,455,981</u>	<u>\$ 192,302</u>	<u>\$ -</u>	<u>\$ 160,000</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
Miscellaneous
Transfers
Total general revenues and transfers

Change in net position

NET POSITION - beginning

NET POSITION - ending

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (20,554,460)	\$ -	\$ (20,554,460)	\$ -
(8,541,481)	-	(8,541,481)	-
(48,230,544)	-	(48,230,544)	-
(7,627,952)	-	(7,627,952)	-
(3,653,710)	-	(3,653,710)	-
<u>(88,608,147)</u>	<u>-</u>	<u>(88,608,147)</u>	<u>-</u>
-	13,072,678	13,072,678	-
-	8,314,826	8,314,826	-
-	<u>21,387,504</u>	<u>21,387,504</u>	-
<u>(88,608,147)</u>	<u>21,387,504</u>	<u>(67,220,643)</u>	-
-	-	-	(628,145)
-	-	-	<u>(6,475,534)</u>
-	-	-	<u>(7,103,679)</u>
45,945,364	-	45,945,364	1,589,687
40,338,971	-	40,338,971	8,195,329
1,064,061	-	1,064,061	-
6,789,508	-	6,789,508	-
2,517,783	-	2,517,783	-
208,502	-	208,502	-
6,220,905	2,448,787	8,669,692	587,385
532,239	69,258	601,497	-
4,568,579	<u>(4,568,579)</u>	-	-
<u>108,185,912</u>	<u>(2,050,534)</u>	<u>106,135,378</u>	<u>10,372,401</u>
19,577,765	19,336,970	38,914,735	3,268,722
452,507,167	274,589,124	727,096,291	(1,305,093)
<u>\$ 472,084,932</u>	<u>\$ 293,926,094</u>	<u>\$ 766,011,026</u>	<u>\$ 1,963,629</u>

CITY OF LEWISVILLE, TEXAS
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 SEPTEMBER 30, 2019

EXHIBIT 3

	General	Debt Service Fund	Castle Hills PID Capital Project	General Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 816,798	\$ 71,431	\$ -	\$ 3,630,589	\$ 447,966	\$ 4,966,784
Investments	30,690,718	2,707,301	19,716,194	137,603,368	11,525,237	202,242,818
Receivables (net of allowances for uncollectibles)						
Taxes	7,571,563	80,380	-	-	1,311,218	8,963,161
Accounts	3,353,861	-	-	2,923,305	1,399,016	7,676,182
Unbilled accounts	312,380	-	-	-	-	312,380
Interest	107,936	8,836	22,747	435,603	50,174	625,296
Court	250,248	-	-	-	-	250,248
Other	289,384	-	-	97,336	-	386,720
Due from other funds	1,024,625	-	-	-	2,495	1,027,120
Note receivable from component units	-	24,105,000	-	-	-	24,105,000
Prepaid items	451,650	-	-	6,463	881,068	1,339,181
Total assets	\$44,869,163	\$26,972,948	\$ 19,738,941	\$ 144,696,664	\$ 15,617,174	\$251,894,890
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts and contracts payable	\$ 2,733,341	\$ -	\$ 3,709,396	\$ 5,819,050	\$ 655,330	\$ 12,917,117
Accrued liabilities	2,716,475	-	-	10,698	240,599	2,967,772
Deposits payable	9,985	-	-	-	21,300	31,285
Unearned revenue	-	-	-	35,874,124	272,633	36,146,757
Money held in escrow	62,089	-	-	3,893,121	34,643	3,989,853
Retainage	-	-	-	2,351,829	-	2,351,829
Due to other funds	595,303	-	-	-	1,024,625	1,619,928
Total liabilities	6,117,193	-	3,709,396	47,948,822	2,249,130	60,024,541
Deferred inflows of resources						
Unavailable resources	2,039,317	24,185,380	-	2,799,512	787,447	29,811,656
Total deferred inflows of resources	2,039,317	24,185,380	-	2,799,512	787,447	29,811,656
Fund balances						
Nonspendable	451,650	-	-	6,463	881,068	1,339,181
Restricted for						
Debt service	-	2,787,568	-	-	-	2,787,568
Capital projects	-	-	16,029,545	64,254,928	40,595	80,325,068
Other purposes	-	-	-	-	11,082,938	11,082,938
Committed to						
Capital projects	-	-	-	3,527,738	-	3,527,738
Other purposes	-	-	-	-	1,238,923	1,238,923
Assigned to						
Capital projects	-	-	-	26,159,201	-	26,159,201
Other purposes	626,159	-	-	-	-	626,159
Unassigned	35,634,844	-	-	-	(662,927)	34,971,917
Total fund balances	36,712,653	2,787,568	16,029,545	93,948,330	12,580,597	162,058,693
Total liabilities, deferred inflows of resources and fund balances	\$44,869,163	\$26,972,948	\$ 19,738,941	\$ 144,696,664	\$ 15,617,174	\$251,894,890

The Notes to Financial Statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
 AS OF SEPTEMBER 30, 2019

EXHIBIT 4

Total fund balances, governmental funds	\$ 162,058,693
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.	435,629,011
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.	(504,214)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	29,811,656
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 \$107,919 for liability in internal service funds already included below.	(194,756,186)
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.	18,282,393
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.	734,314
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 \$524,881.	<u>20,829,265</u>
Total net position, governmental activities	<u>\$ 472,084,932</u>

CITY OF LEWISVILLE, TEXAS
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT 5

	General	Debt Service Fund	Castle Hills PID Capital Project	General Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property and other taxes	\$72,609,850	\$12,900,943	\$ -	\$ -	\$ 11,246,392	\$ 96,757,185
License and permits	3,328,993	-	-	-	-	3,328,993
Intergovernmental	26,194	3,509,245	-	1,847,790	1,649,619	7,032,848
Charges for services	9,706,466	-	-	-	1,930	9,708,396
Recreation	1,761,741	-	-	-	837,022	2,598,763
Fines	2,709,258	-	-	-	197,023	2,906,281
Investment earnings	1,004,801	118,858	331,719	3,790,053	491,145	5,736,576
Contributions and donations	-	-	7,984,000	-	577,992	8,561,992
Miscellaneous	455,064	391	-	78,025	15,145	548,625
Total Revenues	91,602,367	16,529,437	8,315,719	5,715,868	15,016,268	137,179,659
EXPENDITURES						
Current						
General government	12,524,873	-	-	-	4,029,935	16,554,808
Culture and recreation	8,567,772	-	-	-	882,325	9,450,097
Public safety	49,098,109	-	-	-	7,749,203	56,847,312
Public & development services	14,149,089	-	-	-	702,512	14,851,601
Stormwater/environment/sustainability	-	-	-	-	12,224	12,224
Debt Service						
Principal	-	11,680,000	-	-	-	11,680,000
Interest and fiscal charges	-	4,729,458	-	637,354	-	5,366,812
Capital outlay	261,696	-	11,131,803	39,614,980	1,409,353	52,417,832
Total expenditures	84,601,539	16,409,458	11,131,803	40,252,334	14,785,552	167,180,686
Excess (deficiency) of revenues over (under) expenditures	7,000,828	119,979	(2,816,084)	(34,536,466)	230,716	(30,001,027)
OTHER FINANCING SOURCES (USES)						
Transfers in	4,717,633	-	-	13,936,476	137,220	18,791,329
Transfers out	(11,623,687)	-	-	-	(2,299,063)	(13,922,750)
Premium (discount) on issuance of bonds	-	266,797	-	4,600,855	-	4,867,652
Issuance of general obligation bonds	-	-	-	55,300,000	-	55,300,000
Issuance of refunding bonds	-	2,605,000	-	-	-	2,605,000
Payment to refunding bond escrow agent	-	(2,846,172)	-	-	-	(2,846,172)
Total other financing sources (uses)	(6,906,054)	25,625	-	73,837,331	(2,161,843)	64,795,059
NET CHANGE IN FUND BALANCES	94,774	145,604	(2,816,084)	39,300,865	(1,931,127)	34,794,032
FUND BALANCES - beginning of year	36,617,879	2,641,964	18,845,629	54,647,465	14,511,724	127,264,661
FUND BALANCES - end of year	\$36,712,653	\$ 2,787,568	\$ 16,029,545	\$ 93,948,330	\$ 12,580,597	\$162,058,693

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, 2019

EXHIBIT 6

Net change in fund balances, total governmental funds	\$ 34,794,032
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 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 increases in governmental activities capital assets \$53,047,021, less dispositions of \$383,140 and developers contributions of \$7,499,563.	45,164,318
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.	7,499,563
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.	(20,669,170)
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 \$11,680,000 and amortization of premium on debt issuances net of amortization of deferred loss from prior year refunding bonds of \$858,103 less bond proceeds of \$57,905,000 with a premium of \$4,867,652 plus amount paid to bond refunding escrow agent of \$2,846,172 to refund \$2,850,000 with unamortized premium of \$90,908 and deferred loss on refunding of \$17,160) decreased the statement of net position.	(47,388,377)
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. The changes in compensated absences for governmental funds increased governmental activities expense by \$838,679 plus the decrease in compensated compensated absences for internal service fund of \$1,328.	(840,007)
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 deferred inflows, outflows, and liability from prior year. Changes in pension balances increased statement of activities expenses by \$2,804,828 while OPEB balances decreased statement of activities activities expenses by \$142,553.	(2,662,275)
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.	(94,246)
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.	(314,242)
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>4,088,169</u>
Change in net position, governmental activities	<u>\$ 19,577,765</u>

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET (GAAP BASIS) AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property and other taxes	\$ 69,912,142	\$ 69,912,142	\$ 72,609,850	\$ 2,697,708
License and permits	2,458,405	2,656,751	3,328,993	672,242
Intergovernmental	4,626	4,626	26,194	21,568
Charges for services	8,947,651	8,748,705	9,706,466	957,761
Recreation	1,398,844	1,399,444	1,761,741	362,297
Fines	2,843,788	2,843,788	2,709,258	(134,530)
Investment earnings	228,835	228,835	1,004,801	775,966
Miscellaneous	643,678	643,678	455,064	(188,614)
Total revenues	86,437,969	86,437,969	91,602,367	5,164,398
EXPENDITURES				
Current				
General government	4,098,298	4,481,947	3,555,277	926,670
Mayor and council	128,102	128,102	96,263	31,839
Administrative and legal	2,847,871	2,579,588	2,448,824	130,764
Community relations/tourism	810,725	810,725	711,006	99,719
Finance	1,644,951	1,652,451	1,624,235	28,216
Human resources	1,010,673	1,012,493	982,560	29,933
Information technology services	3,123,952	3,126,777	3,106,708	20,069
Parks and recreation	8,489,946	8,419,216	7,983,278	435,938
Arts and cultural events	640,465	643,279	584,494	58,785
Police	26,617,999	26,854,436	25,952,194	902,242
Fire	22,291,658	22,279,026	21,889,720	389,306
Emergency management	206,241	206,262	206,262	-
Municipal court	1,071,092	1,071,092	1,049,933	21,159
Public services	7,615,437	7,601,104	6,938,006	663,098
Development services	7,713,636	7,703,410	7,211,083	492,327
Capital outlay	122,437	313,514	261,696	51,818
Total expenditures	88,433,483	88,883,422	84,601,539	4,281,883
Excess (deficiency) of revenues over (under) expenditures	(1,995,514)	(2,445,453)	7,000,828	9,446,281
OTHER FINANCING SOURCES (USES)				
Transfers in	4,900,491	4,714,159	4,717,633	3,474
Transfers out	(10,549,153)	(11,635,885)	(11,623,687)	12,198
Total other financing sources (uses)	(5,648,662)	(6,921,726)	(6,906,054)	15,672
NET CHANGE IN FUND BALANCES	(7,644,176)	(9,367,179)	94,774	9,461,953
FUND BALANCES - beginning of year	36,617,879	36,617,879	36,617,879	-
FUND BALANCES - end of year	\$ 28,973,703	\$ 27,250,700	\$ 36,712,653	\$ 9,461,953

CITY OF LEWISVILLE, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2019

EXHIBIT 8

	Enterprise Funds			Internal Service Funds
	Water and Sewer Utility Fund	Stormwater Utility Fund	Total	
ASSETS				
Current assets				
Cash	\$ 768,255	\$ 164,159	\$ 932,414	\$ 760,680
Investments	28,374,566	6,221,801	34,596,367	14,503,979
Receivables (net of allowance for uncollectibles):				
Accounts	1,602,235	139,552	1,741,787	20,120
Unbilled trade accounts	3,896,929	-	3,896,929	-
Interest receivable	111,379	19,858	131,237	49,077
Other	10,310	-	10,310	-
Due from other funds	-	-	-	592,808
Inventory of supplies, at cost	-	-	-	168,613
Prepaid items	69,675	-	69,675	221,831
Restricted assets				
Cash	1,452,213	-	1,452,213	-
Investments	55,040,457	-	55,040,457	-
Interest receivable	160,456	-	160,456	-
Total current assets	<u>91,486,475</u>	<u>6,545,370</u>	<u>98,031,845</u>	<u>16,317,108</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	204,137,214	-	204,137,214	-
Sewer system	141,442,179	-	141,442,179	-
Stormwater System	-	6,594,872	6,594,872	-
Machinery and equipment	4,202,957	-	4,202,957	4,914,906
Motor vehicles	435,143	-	435,143	22,739,800
Construction in progress	19,468,644	4,781,623	24,250,267	-
Less accumulated depreciation	(121,590,569)	(145,248)	(121,735,817)	(21,132,116)
Total noncurrent assets	<u>253,245,344</u>	<u>11,231,247</u>	<u>264,476,591</u>	<u>6,962,616</u>
Total assets	<u>344,731,819</u>	<u>17,776,617</u>	<u>362,508,436</u>	<u>23,279,724</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	558,626	-	558,626	-
Pension contributions after measurement date	633,557	-	633,557	-
OPEB contributions after measurement date	10,951	-	10,951	-
Difference in expected and actual pension experience	133,734	-	133,734	-
Difference in expected and actual OPEB experience	8,675	-	8,675	-
Difference in projected and actual earnings on pension assets	1,260,343	-	1,260,343	-
Total deferred outflows of resources	<u>2,605,886</u>	<u>-</u>	<u>2,605,886</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Current liabilities payable from restricted assets				
Accounts payable	273,813	-	273,813	-
Deposits payable	1,878,053	-	1,878,053	-
Accrued interest payable	259,956	-	259,956	-
Contracts and retainage payable	153,533	-	153,533	-
Escrow payable	183,079	-	183,079	-
Current maturities of bonds payable	5,010,000	-	5,010,000	-
Accounts payable	2,370,650	20,510	2,391,160	312,246
Incurred but not reported claim reserve	-	-	-	1,474,745
Accrued liabilities	331,637	-	331,637	30,668
Compensated absences	404,074	-	404,074	61,333
Total current liabilities	<u>10,864,795</u>	<u>20,510</u>	<u>10,885,305</u>	<u>1,878,992</u>
Noncurrent liabilities				
Bonds payable	54,494,840	-	54,494,840	-
Compensated absences	306,918	-	306,918	46,586
Net pension liability	5,810,895	-	5,810,895	-
Net OPEB liability	15,577	-	15,577	-
Total noncurrent liabilities	<u>60,628,230</u>	<u>-</u>	<u>60,628,230</u>	<u>46,586</u>
Total liabilities	<u>71,493,025</u>	<u>20,510</u>	<u>71,513,535</u>	<u>1,925,578</u>
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension experience	145,496	-	145,496	-
Difference in expected and actual OPEB experience	32,595	-	32,595	-
Difference in projected and actual earnings on OPEB assets	21,483	-	21,483	-
Total deferred inflows of resources	<u>199,574</u>	<u>-</u>	<u>199,574</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	241,404,299	11,231,247	252,635,546	6,962,616
Restricted for bond requirements	6,647,801	-	6,647,801	-
Unrestricted	27,593,006	6,524,860	34,117,866	14,391,530
Total net position	<u>\$ 275,645,106</u>	<u>\$ 17,756,107</u>	<u>\$ 293,401,213</u>	<u>\$ 21,354,146</u>

CITY OF LEWISVILLE, TEXAS
RECONCILIATION OF ENTERPRISE FUNDS STATEMENT OF NET POSITION
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

EXHIBIT 9

Total net position, enterprise funds \$ 293,401,213

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.

524,881

Total net position, business-type activities

\$ 293,926,094

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Enterprise Funds			Internal Service Funds
	Water and Sewer Utility Fund	Stormwater Utility Fund	Total	
OPERATING REVENUES				
Charges for sales and services	\$ 33,836,347	\$ 3,909,847	\$ 37,746,194	\$ 20,294,840
Miscellaneous	69,258	-	69,258	851
Total operating revenues	33,905,605	3,909,847	37,815,452	20,295,691
OPERATING EXPENSES				
Cost of sales and services, net of reimbursements	12,552,345	-	12,552,345	12,119,680
Personal services and administrative	8,310,656	43,772	8,354,428	1,658,169
Depreciation	7,289,098	106,340	7,395,438	2,118,712
Total operating expenses	28,152,099	150,112	28,302,211	15,896,561
Operating income	5,753,506	3,759,735	9,513,241	4,399,130
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	2,310,877	137,910	2,448,787	484,331
Interest expense and fiscal agent fees	(1,946,297)	-	(1,946,297)	-
Gain on disposal of capital assets	-	-	-	52,369
Total nonoperating revenues (expenses)	364,580	137,910	502,490	536,700
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	6,118,086	3,897,645	10,015,731	4,935,830
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Transfers in	120,000	-	120,000	200,000
Transfers out	(4,448,579)	(240,000)	(4,688,579)	(500,000)
Contributions from developers	5,990,009	4,555,091	10,545,100	-
Contributions - impact fees	2,797,057	-	2,797,057	-
CHANGE IN NET POSITION	10,576,573	8,212,736	18,789,309	4,635,830
NET POSITION, beginning of year	265,068,533	9,543,371	274,611,904	16,718,316
NET POSITION, end of year	\$ 275,645,106	\$ 17,756,107	\$293,401,213	\$ 21,354,146

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, 2019

EXHIBIT 11

Net change in fund net position, enterprise funds	\$ 18,789,309
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>547,661</u>
Change in net position, business-type activities	<u><u>\$ 19,336,970</u></u>

CITY OF LEWISVILLE, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT 12

	Water & Sewer Fund	Stormwater Utility Fund	Business- Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 33,346,373	\$ 3,922,304	\$ 37,268,677	\$ 19,671,980
Cash paid to employees for services	(8,367,372)	-	(8,367,372)	(567,359)
Cash paid for goods and services	(11,733,742)	(60,475)	(11,794,217)	(5,162,466)
Cash received for miscellaneous items	-	-	-	851
Cash paid for claims	-	-	-	(8,468,312)
Net cash provided by operating activities	<u>13,245,259</u>	<u>3,861,829</u>	<u>17,107,088</u>	<u>5,474,694</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	120,000	-	120,000	200,000
Transfers to other funds	(4,448,579)	(240,000)	(4,688,579)	(500,000)
Net cash provided by (used in) noncapital financing activities	<u>(4,328,579)</u>	<u>(240,000)</u>	<u>(4,568,579)</u>	<u>(300,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(8,679,721)	(273,937)	(8,953,658)	(4,005,059)
Proceeds from sale of equipment	-	163,312	163,312	143,274
Proceeds from sale of revenue bonds	17,195,000	-	17,195,000	-
Principal paid on revenue bond maturities	(5,410,000)	-	(5,410,000)	-
Premium on issuance of bonds	1,219,761	-	1,219,761	-
Cost of issuance of debt	(364,261)	-	(364,261)	-
Interest paid	(1,805,864)	-	(1,805,864)	-
Impact fees	2,797,057	-	2,797,057	-
Net cash provided by (used in) capital and related financing activities	<u>4,951,972</u>	<u>(110,625)</u>	<u>4,841,347</u>	<u>(3,861,785)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(88,994,225)	(3,709,736)	(92,703,961)	(15,474,075)
Proceeds from sale and maturities of investments	69,312,644	-	69,312,644	12,885,270
Interest received	2,310,879	137,910	2,448,789	484,331
Net cash provided by (used in) investing activities	<u>(17,370,702)</u>	<u>(3,571,826)</u>	<u>(20,942,528)</u>	<u>(2,104,474)</u>
NET INCREASE (DECREASE) IN CASH	<u>(3,502,050)</u>	<u>(60,622)</u>	<u>(3,562,672)</u>	<u>(791,565)</u>
CASH, beginning of year	<u>5,722,518</u>	<u>224,781</u>	<u>5,947,299</u>	<u>1,552,245</u>
CASH, end of year	<u>\$ 2,220,468</u>	<u>\$ 164,159</u>	<u>\$ 2,384,627</u>	<u>\$ 760,680</u>
Classified as				
Unrestricted cash and cash equivalents at end of year	\$ 768,255	\$ 164,159	\$ 932,414	\$ 760,680
Restricted cash and cash equivalents at end of year	1,452,213	-	1,452,213	-
TOTAL CASH AT END OF YEAR	<u>\$ 2,220,468</u>	<u>\$ 164,159</u>	<u>\$ 2,384,627</u>	<u>\$ 760,680</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 5,753,506	\$ 3,759,735	\$ 9,513,241	\$ 4,399,130
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	7,289,098	106,340	7,395,438	2,118,712
Change in assets and liabilities				
(Increase) decrease in receivables	(559,232)	12,457	(546,775)	(31,306)
(Increase) decrease in inventory	-	-	-	-
(Increase) decrease in prepaid expenses	2,142	-	2,142	(20,884)
(Increase) decrease in due from other funds	-	-	-	(7,177)
(Increase) decrease in pension related deferred outflows	(1,348,840)	-	(1,348,840)	-
Increase (decrease) in accounts and contracts payable	718,570	(16,703)	701,867	(396,332)
Increase (decrease) in accrued liabilities	41,668	-	41,668	5,432
Increase (decrease) in deposits payable	(222,259)	-	(222,259)	-
Increase (decrease) in compensated absences	(56,716)	-	(56,716)	(1,328)
Increase (decrease) in net pension liability	2,295,990	-	2,295,990	-
Increase (decrease) in net OPEB liability	(9,512)	-	(9,512)	-
Increase (decrease) in due to other funds	-	-	-	(591,553)
Increase (decrease) in pension related deferred inflows	(659,156)	-	(659,156)	-
Total adjustments	<u>7,491,753</u>	<u>102,094</u>	<u>7,593,847</u>	<u>1,075,564</u>
Net cash provided by operating activities	<u>\$ 13,245,259</u>	<u>\$ 3,861,829</u>	<u>\$ 17,107,088</u>	<u>\$ 5,474,694</u>
NON CASH INVESTING AND FINANCING ACTIVITIES				
From developer contributions of capital assets	\$ 5,990,009	\$ 4,555,091	\$ 10,545,100	\$ -
Increase (decrease) in fair value of investments	(821,707)	(52,843)	(874,550)	161,534

CITY OF LEWISVILLE, TEXAS
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 SEPTEMBER 30, 2019

EXHIBIT 13

	Lewisville OPEB Liability Trust Fund	Castle Hills PID Debt Service Agency Fund
ASSETS		
Cash	\$ 17,237	\$ -
Investments		
Mutual funds - equity	3,143,650	-
Mutual funds - fixed income	<u>1,481,511</u>	<u>1,986,904</u>
Total investments	<u>4,625,161</u>	<u>1,986,904</u>
Interest receivable	<u>185</u>	<u>2,563</u>
Total assets	<u>4,642,583</u>	<u>1,989,467</u>
LIABILITIES		
Accounts payable	4,767	-
Due to debt holders	<u>-</u>	<u>1,989,467</u>
Total liabilities	<u>4,767</u>	<u>\$ 1,989,467</u>
NET POSITION		
Restricted for post employment benefits other than pensions	<u>4,637,816</u>	
Total net position	<u>\$ 4,637,816</u>	

CITY OF LEWISVILLE, TEXAS
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT 14

	Lewisville OPEB Liability Trust Fund
ADDITIONS	
Employer contributions	\$ 119,738
Investment earnings, net of unrealized/realized gain(loss)	166,119
Less investment expense	<u>(34,217)</u>
Total additions	<u>251,640</u>
DEDUCTIONS	
Benefits	<u>357,757</u>
Total deductions	<u>357,757</u>
CHANGE IN NET POSITION	(106,117)
NET POSITION - beginning	<u>4,743,933</u>
NET POSITION - ending	<u><u>\$ 4,637,816</u></u>

CITY OF LEWISVILLE, TEXAS
DISCRETELY PRESENTED COMPONENT UNITS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

EXHIBIT 15

	Lewisville Housing Finance Corporation	Lewisville Industrial Development Authority, Inc.	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Lewisville Parks & Library Development Corporation	Total Component Units
ASSETS						
Cash	\$ 129	\$ 185	\$ 45,101	\$ 45,541	\$ 427,613	\$ 518,569
Investments	4,890	7,020	1,709,384	1,726,039	16,207,023	19,654,356
Receivables (net of allowance for uncollectibles)						
Taxes	-	-	-	-	1,360,217	1,360,217
Interest	16	23	5,600	5,651	52,508	63,798
Other	-	-	-	-	10,698	10,698
Prepaid items	-	-	-	-	5,383	5,383
Capital assets						
Non-depreciable	-	-	63,500	-	-	63,500
Depreciable (net of accumulated depreciation)	-	-	5,756,071	-	-	5,756,071
Total assets	5,035	7,228	7,579,656	1,777,231	18,063,442	27,432,592
DEFERRED OUTFLOWS OF RESOURCES						
Pension contributions after measurement date	-	-	-	-	111,523	111,523
Difference in expected and actual pension experience	-	-	-	-	22,630	22,630
Difference in projected and actual earnings on pension assets	-	-	-	-	200,885	200,885
Total deferred outflows of resources	-	-	-	-	335,038	335,038
LIABILITIES						
Current						
Accounts payable	-	-	64,836	-	766,638	831,474
Accrued liabilities	-	-	-	-	66,867	66,867
Accrued interest payable	-	-	32,219	-	100,861	133,080
Noncurrent liabilities						
Due within one year	-	-	460,000	-	2,123,646	2,583,646
Due in more than one year	-	-	4,695,000	-	17,477,741	22,172,741
Total liabilities	-	-	5,252,055	-	20,535,753	25,787,808
DEFERRED INFLOWS OF RESOURCES						
Difference in projected and actual pension experience	-	-	-	-	16,193	16,193
Total deferred inflows of resources	-	-	-	-	16,193	16,193
NET POSITION (DEFICIT)						
Net investment in capital assets	-	-	664,571	-	-	664,571
Restricted for tax increment reinvestment zone	-	-	1,663,030	1,777,231	-	3,440,261
Unrestricted	5,035	7,228	-	-	(2,153,466)	(2,141,203)
Total net position (deficit)	\$ 5,035	\$ 7,228	\$ 2,327,601	\$ 1,777,231	\$ (2,153,466)	\$ 1,963,629

The Notes to Financial Statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS
DISCRETELY PRESENTED COMPONENT UNITS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

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	
EXPENSES						
General government	\$ -	\$ -	\$ 249,608	\$ -	143,463	\$ 393,071
Culture, parks and recreation	-	-	-	-	5,855,076	5,855,076
Public services	-	-	113,286	-	-	113,286
Interest on long term debt	-	-	265,251	-	829,297	1,094,548
Total expenses	-	-	628,145	-	6,827,836	7,455,981
PROGRAM REVENUES						
Charges for services						
Culture, parks and recreation	-	-	-	-	192,302	192,302
Capital Contributions	-	-	-	-	160,000	160,000
Total program revenues	-	-	-	-	352,302	352,302
GENERAL REVENUES						
Property taxes	-	-	904,142	685,545	-	1,589,687
Sales taxes	-	-	-	-	8,195,329	8,195,329
Investment earnings	150	214	53,115	46,032	487,874	587,385
Total general revenues	150	214	957,257	731,577	8,683,203	10,372,401
CHANGE IN NET POSITION (DEFICIT)						
	150	214	329,112	731,577	2,207,669	3,268,722
Net position (deficit), beginning	4,885	7,014	1,998,489	1,045,654	(4,361,135)	(1,305,093)
Net position (deficit), ending	\$ 5,035	\$ 7,228	\$ 2,327,601	\$ 1,777,231	\$ (2,153,466)	\$ 1,963,629



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

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

Blended Component Units

- The Lewisville Health Benefit Trust was established by the City under the Texas Political Subdivision Employees Uniform Group Benefits Act (Chapter 172 Texas Local Government Code) to account for health insurance of employees, retirees and dependents. The City Council appoints a board, and board members are removable by the City Council. The City Council approves the trust's annual budget. The activities of the Lewisville Health Benefit Trust are accounted for as a blended component unit and included with the internal service funds. 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, 2019, 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:

Assets	Years
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 assets – This difference is deferred and amortized over a closed five-year period.
- 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.

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.
- Difference in projected and actual earnings on OPEB assets – This difference is deferred and amortized over a closed five-year period.

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 \$2,153,466 at September 30, 2019. In addition, the Grants Fund reported a deficit fund balance of \$648,473 at September 30, 2019.

2. CASH, INVESTMENTS, AND DEPOSITS

The City’s primary government and component units pool their cash and investments together. The cash and investments as of September 30, 2019 consist of and are classified in the accompanying statement of net position for the primary government and discretely component units:

Primary Government:	
Cash	\$ 6,659,878
Investments	251,343,164
Restricted cash	1,452,213
Restricted investments	55,040,457
Discretely Component Unit:	
Cash	518,569
Investments	<u>19,654,356</u>
Total cash and investments	<u>\$ 334,668,637</u>
Cash on hand	\$ 18,490
Cash Deposits with financial institutions	8,612,170
Investments	<u>326,037,977</u>
Total cash and investments	<u>\$ 334,668,637</u>

At year end, the carrying amount of the cash deposits was \$8,612,170 and the bank balance was \$8,991,443. All bank balances, including the bank balance of the discretely presented component unit, 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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SEPTEMBER 30, 2019

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:

	September 30, 2019	Fair Value Measurements Using			Percent of Total Investments	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)		
Investments not Subject to Fair Value:						
Investment Pools:						
Texpool	\$ 45,454,623	\$ -	\$ -	\$ -	13.94%	27
US Govt Money Markets	19,716,194	-	-	-	6.05%	NA
Investments by Fair Value Level:						
U.S. Government Agency Securities:						
Federal Farm Credit Bank	61,410,087	-	61,410,087	-	18.84%	447
Federal Home Loan Bank	61,851,512	-	61,851,512	-	18.97%	577
Federal Home Loan Mortgage Corp	67,410,417	-	67,410,417	-	20.68%	560
Federal National Mortgage Assoc	47,562,380	-	47,562,380	-	14.59%	319
U.S. Treasury Bonds	22,632,764	-	22,632,764	-	6.94%	725
Total Value	\$ 326,037,977	\$ -	\$ 260,867,160	\$ -		

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, 2019 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, 2019 was \$260,867,160, and the carrying amount of the U.S. Government money markets was \$19,716,194. At September 30, 2019, the City also had \$45,454,623 invested with TexPool, an investment pool for state and local governments in Texas. The City's portfolio average yield, including TexPool, was 1.9598% in 2019.

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 TexPool 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, 2019.

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.

CITY OF LEWISVILLE, TEXAS
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SEPTEMBER 30, 2019

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	\$ 468,799	\$ 177,319	\$ -	\$ -	\$ -	\$ 646,118
Franchise taxes	1,808,899	-	-	-	-	1,808,899
Sales taxes	5,440,868	-	-	-	1,311,218	6,752,086
Mixed drink taxes	109,286	-	-	-	-	109,286
Accounts	1,993,452	-	-	-	1,399,016	3,392,468
Unbilled trade accounts	312,380	-	-	-	-	312,380
Interest	107,936	8,836	22,747	435,603	50,174	625,296
Court	1,118,622	-	-	-	-	1,118,622
Other	289,384	-	-	97,336	-	386,720
Intergovernmental	-	-	-	2,923,305	-	2,923,305
Ambulance	2,774,798	-	-	-	-	2,774,798
Gross receivables	14,424,424	186,155	22,747	3,456,244	2,760,408	20,849,978
Less: allowance	(2,539,052)	(96,939)	-	-	-	(2,635,991)
Net total receivables	\$ 11,885,372	\$ 89,216	\$ 22,747	\$ 3,456,244	\$ 2,760,408	\$ 18,213,987

	Water and Sewer	Stormwater	Internal Service	Total Proprietary Funds	Total All Funds
Receivables					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 646,118
Franchise taxes	-	-	-	-	1,808,899
Sales taxes	-	-	-	-	6,752,086
Mixed drink taxes	-	-	-	-	109,286
Accounts	1,877,878	183,324	20,120	2,081,322	5,473,790
Unbilled trade accounts	3,896,929	-	-	3,896,929	4,209,309
Interest	111,379	19,858	49,077	180,314	805,610
Court	-	-	-	-	1,118,622
Other	10,310	-	-	10,310	397,030
Intergovernmental	-	-	-	-	2,923,305
Ambulance	-	-	-	-	2,774,798
Gross receivables	5,896,496	203,182	69,197	6,168,875	27,018,853
Less: allowance	(275,643)	(43,772)	-	(319,415)	(2,955,406)
Net total receivables	\$ 5,620,853	\$ 159,410	\$ 69,197	\$ 5,849,460	\$ 24,063,447

4. INTERFUND TRANSACTIONS

Interfund transactions and balances for the fiscal year 2019 were as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Nonmajor governmental	\$ 1,024,625	Short-term funding of deficit cash
Nonmajor governmental	General Fund	2,495	Reclass TxDOT expenditures
Internal Service	General Fund	592,808	Inventory adjustment, funding transfer
	Total	<u>\$ 1,619,928</u>	

Interfund Transfers

Transfers In	Transfers Out	Amount	Purpose
General	Water & Sewer Utility	\$ 4,448,579	Payments in lieu of taxes, franchise tax, and indirect cost reimbursement
General	Stormwater Utility	120,000	Indirect cost reimbursement
Water & Sewer Utility	Stormwater Utility	120,000	Indirect cost reimbursement
General	Nonmajor Governmental	149,054	Indirect cost reimbursement
General Capital Projects	General Fund	11,303,993	Financing of capital improvements
General Capital Projects	Nonmajor Governmental	2,132,483	Financing of capital improvements
General Capital Projects	Internal Service Funds	500,000	Transfer of interest earned
Nonmajor Governmental	General Fund	119,694	Matching funds and excess funds consolidation
Nonmajor Governmental	Nonmajor Governmental	17,526	Matching funds and excess funds consolidation
Internal Service Funds	General Fund	200,000	Indirect cost reimbursement
		<u>\$ 19,111,329</u>	

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
<u>Governmental Funds</u>					
Capital assets, not being depreciated:					
Land	\$ 64,985,248	\$ 1,916,617	\$ -	\$ 783,865	\$ 67,685,730
Construction in progress	22,841,823	46,300,740	-	(7,229,693)	61,912,870
Total capital assets, not being depreciated	87,827,071	48,217,357	-	(6,445,828)	129,598,600
Capital assets, being depreciated:					
Land improvements	385,020,233	4,097,197	-	4,034,055	393,151,485
Buildings	78,836,046	-	-	627,603	79,463,649
Other improvements	33,246,878	-	(163,904)	1,149,917	34,232,891
Machinery and equipment	34,666,197	732,467	(2,637,072)	634,253	33,395,845
Total capital assets being depreciated	531,769,354	4,829,664	(2,800,976)	6,445,828	540,243,870
Accumulated depreciation:					
Land improvements	(140,350,348)	(12,951,249)	-	-	(153,301,597)
Buildings	(33,178,190)	(2,357,150)	-	-	(35,535,340)
Other improvements	(22,468,000)	(2,244,996)	107,377	-	(24,605,619)
Machinery and equipment	(19,965,587)	(3,115,775)	2,310,459	-	(20,770,903)
Total accumulated depreciation	(215,962,125)	(20,669,170)	2,417,836	-	(234,213,459)
Total capital assets being depreciated, net	315,807,229	(15,839,506)	(383,140)	6,445,828	306,030,411
Total governmental funds capital assets, net	403,634,300	32,377,851	(383,140)	-	435,629,011
<u>Internal service funds</u>					
Capital assets, being depreciated:					
Other improvements	440,026	-	-	-	440,026
Machinery and equipment	26,062,237	4,005,059	(2,412,590)	-	27,654,706
Total internal service assets being depreciated	26,502,263	4,005,059	(2,412,590)	-	28,094,732
Accumulated depreciation:					
Other improvements	(245,975)	(24,422)	-	-	(270,397)
Machinery and equipment	(21,089,114)	(2,094,290)	2,321,685	-	(20,861,719)
Total accumulated depreciation	(21,335,089)	(2,118,712)	2,321,685	-	(21,132,116)
Total internal services funds capital assets, net	5,167,174	1,886,347	(90,905)	-	6,962,616
Governmental activities capital assets, net	\$ 408,801,474	\$ 34,264,198	\$ (474,045)	\$ -	\$ 442,591,627

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 2,502,137	\$ -	\$ -	\$ -	\$ 2,502,137
Construction in progress	12,144,392	12,690,945	-	(585,070)	24,250,267
Total capital assets, not being depreciated	14,646,529	12,690,945	-	(585,070)	26,752,404
Capital assets, being depreciated:					
Land improvements	106,700	-	-	-	106,700
Buildings	1,810,548	-	-	-	1,810,548
Other improvements	730,391	-	-	-	730,391
Water system	201,711,887	2,177,697	-	247,630	204,137,214
Sewer system	139,584,804	1,683,247	-	174,128	141,442,179
Stormwater system	3,890,821	2,704,051	(163,312)	163,312	6,594,872
Machinery and equipment	4,753,139	242,818	(357,857)	-	4,638,100
Total capital assets being depreciated	352,588,290	6,807,813	(521,169)	585,070	359,460,004
Accumulated depreciation:					
Land improvements	(92,626)	(2,379)	-	-	(95,005)
Buildings	(423,131)	(54,429)	-	-	(477,560)
Other improvements	(460,542)	(48,324)	-	-	(508,866)
Water system	(61,170,720)	(4,061,441)	-	-	(65,232,161)
Sewer system	(48,943,320)	(2,816,525)	-	-	(51,759,845)
Stormwater system	(38,908)	(106,340)	-	-	(145,248)
Machinery and equipment	(3,568,989)	(306,000)	357,857	-	(3,517,132)
Total accumulated depreciation	(114,698,236)	(7,395,438)	357,857	-	(121,735,817)
Business-type activities capital assets, net					
Total capital assets being depreciated, net	237,890,054	(587,625)	(163,312)	585,070	237,724,187
Total capital assets, net	\$ 252,536,583	\$ 12,103,320	\$ (163,312)	\$ -	\$ 264,476,591

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

Governmental activities:	
General government	\$ 6,319,315
Finance	82,607
Community relations/tourism	89,977
Human resources	13,030
Municipal court	6,713
Information technology	458,723
Police	1,586,665
Fire	916,793
Public services	8,193,466
Parks and recreation	2,739,899
Development services	261,982
Internal service funds	2,118,712
Total depreciation expense - governmental activities	<u>\$ 22,787,882</u>
Business-type activities:	
Water and sewer	\$ 7,289,098
Stormwater	106,340
	<u>\$ 7,395,438</u>

Outstanding commitments at September 30, 2019 under authorized construction contracts were approximately \$48.5 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, Texas, 78714-9153 or by calling 800-924-8677. In addition, the report is available on TMRS' website at 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

The City does not participate in Social Security.

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	429
Inactive employees entitled to but not yet receiving benefits	374
Active employees	<u>776</u>
	<u>1,579</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 2019, the City made contributions of 16.29% for the months in 2018 and 16.55% for the months in 2019 which were the actuarially required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, 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, 2018 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 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.

Actuarial assumptions used in the December 31, 2018, 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:

Discount Rate

Asset Class	Minimum %	Target %	Maximum %
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%	

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

CITY OF LEWISVILLE, TEXAS
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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	\$ 297,983,751	\$ 266,500,493	\$ 31,483,258
Changes for the year			
Service cost	9,119,297	-	9,119,297
Interest	20,010,736	-	20,010,736
Difference between expected and actual experience	746,411	-	746,411
Contributions-employer	-	8,636,811	(8,636,811)
Contributions-employee	-	3,711,342	(3,711,342)
Net investment income	-	(7,985,912)	7,985,912
Benefit payments, including refunds of employee contributions	(12,176,115)	(12,176,115)	-
Administrative expense	-	(154,284)	154,284
Other changes	-	(8,061)	8,061
Net changes	<u>17,700,329</u>	<u>(7,976,219)</u>	<u>25,676,548</u>
Balance at 12/31/2018	<u>\$ 315,684,080</u>	<u>\$ 258,524,274</u>	<u>\$ 57,159,806</u>

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	\$ 102,159,180	\$ 56,553,746
Component Unit	<u>1,094,792</u>	<u>606,060</u>	<u>206,694</u>
Total	<u>\$ 103,253,972</u>	<u>\$ 57,159,806</u>	<u>\$ 19,494,058</u>

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

For the year ended September 30, 2019, the City recognized pension expense of \$12,133,835 related to the Primary Government. For the same period, the City recognized pension expense of \$194,045 related to a component unit, Lewisville Parks and Library Development Corporation (LPLDC).

At September 30, 2019, 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	\$ 6,973,684	\$ -	\$ 111,523	\$ -
Difference in expected and actual pension experience	1,455,746	1,468,216	22,630	16,193
Difference in projected and actual earnings on pension assets	13,545,730	-	200,885	-
Total	<u>\$ 21,975,160</u>	<u>\$ 1,468,216</u>	<u>\$ 335,038</u>	<u>\$ 16,193</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$7,085,207 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2019 (i.e. recognized in the city's financial statements September 30, 2020). 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
2019	\$ 4,367,695
2020	1,851,438
2021	2,048,571
2022	5,426,668
2023	46,210
Total	<u>\$ 13,740,582</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 \$0.8572 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 126 eligible retirees in fiscal year 2018-19 resulting in an annual expenditure of \$27,257.

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 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, 2018 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, 2018:

<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>

Investments—Rate of Return

For the year ended September 30, 2019, 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, 2018, were as follows:

Total OPEB liability	\$ 4,919,000
Plan fiduciary net position	4,750,323
City's net OPEB liability	<u>\$ 168,677</u>
Plan fiduciary net position as a percentage of the total OPEB liability	96.57%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 1, 2018, 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, 2018 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.

Asset Class	Long-Term Expected Real Rate of Return
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.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at 9/30/2017	\$ 4,796,964	\$ 4,521,908	\$ 275,056
Changes for the year			
Service cost	88,579	-	88,579
Interest	331,976	-	331,976
Contributions-employer	-	138,300	(138,300)
Net investment income	-	388,634	(388,634)
Benefit payments, including refunds of employee contributions	(298,519)	(298,519)	-
Net changes	<u>122,036</u>	<u>228,415</u>	<u>(106,379)</u>
Balance at 9/30/2018	<u>\$ 4,919,000</u>	<u>\$ 4,750,323</u>	<u>\$ 168,677</u>

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:

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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.

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
	<u> </u>	<u> </u>	<u> </u>
Net OPEB liability (asset)	(\$272,036)	\$168,677	\$698,522

For the year ended September 30, 2019, the City recognized OPEB income of \$36,813.

At September 30, 2019, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
OPEB contributions after measurement date	\$ 119,738	\$ -
Difference in expected and actual OPEB experience	94,773	355,866
Difference in projected and actual earnings on pension assets	-	235,510
Total	<u>\$ 214,511</u>	<u>\$ 591,376</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$119,738 will be recognized as a reduction of the total OPEB liability for the measurement year ending September 31, 2019 (i.e. recognized in the city’s financial statements September 30, 2020). 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
<u> </u>	<u> </u>
2019	\$ (144,021)
2020	(144,021)
2021	(124,545)
2022	(79,104)
2023	(4,912)
Total	<u>\$ (496,603)</u>

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, 2019 are comprised of the following:

Deposits	\$ 1,878,053
Money held in escrow	183,079
Revenue bond current debt service accounts	3,214,806
Revenue bond future debt service accounts	3,692,951
Revenue bond construction accounts	<u>47,684,237</u>
Total	<u>\$ 56,653,126</u>

The related liabilities payable from restricted assets at September 30, 2019 are as follows:

Deposits	\$ 1,878,053
Escrow payable	183,079
Accrued interest payable	259,956
Accounts, contracts, and retainage payable	427,346
Current maturities of bonds payable	<u>5,010,000</u>
Total	<u>\$ 7,758,434</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, 2019, 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	\$ 3,214,806
Revenue bond future debt service accounts	<u>3,692,951</u>
	6,907,757
Less:	
Accrued interest payable	<u>259,956</u>
Restricted for revenue bond retirement	<u><u>\$ 6,647,801</u></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 \$46,363,513 for Nationwide and \$44,406,822 for AIG Valic at September 30, 2019. 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, 2019 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%	\$ 123,280,000	\$ -

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, 2019 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	\$ 36,840,000
Parks & Recreation	11/3/2015	39,900,000	12,207,000
Police & Fire	11/3/2015	10,500,000	5,600,000
Aquatic Center	11/3/2015	13,000,000	-
Total		<u>\$ 135,000,000</u>	<u>\$ 54,647,000</u>

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 \$44,565,000 of the Bonds will be used to provide funding for various capital projects within the City. Proceeds from the sale of the remaining \$2,605,000 of bonds, including \$266,797 of premium, were deposited with an escrow agent to refund \$1,385,000 General Obligation Bonds, Series 2007 and \$1,465,000 Certificates of Obligation, Series 2007A. The difference between the new debt and the old debt, \$369,865, resulted in an economic gain of \$329,504.

On July 15, 2019, the City of Lewisville issued \$10,735,000 General Obligation Bonds, Series 2019. Proceeds from the sale of the bonds will be used to fund various capital projects within the City.

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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 \$32,117,281 are as follows:

Year Ended September 30	Governmental Activities Bonds		Total
	Principal	Interest	
2020	\$ 12,010,000	\$ 4,834,098	\$ 16,844,098
2021	10,505,000	4,346,225	14,851,225
2022	9,765,000	3,909,269	13,674,269
2023	10,270,000	3,488,888	13,758,888
2024	9,875,000	3,074,569	12,949,569
2025-2029	39,590,000	9,867,550	49,457,550
2030-2034	30,360,000	2,582,925	32,942,925
2035	905,000	13,757	918,757
	<u>\$ 123,280,000</u>	<u>\$ 32,117,281</u>	<u>\$ 155,397,281</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, 2019, are as follows:

Purpose	Interest Rates	Amount
Water supply and waste water treatment	1.50% - 5.00%	\$ 55,090,000
Less-Current maturities payable from restricted assets		4,110,000
		<u>\$ 50,980,000</u>

Annual debt service requirements to maturity, for Business-type Activities Revenue Bonds and General Obligation Bonds, including interest of \$12,532,972 are as follows:

Year Ended September 30	Business Type Activities Bonds		Total
	Principal	Interest	
2020	\$ 5,010,000	\$ 1,984,628	\$ 6,994,628
2021	5,195,000	1,806,141	7,001,141
2022	4,505,000	1,630,229	6,135,229
2023	4,915,000	1,434,698	6,349,698
2024	5,130,000	1,220,791	6,350,791
2025-2029	18,805,000	3,590,328	22,395,328
2030-2034	10,715,000	853,932	11,568,932
2035	815,000	12,225	827,225
	<u>\$ 55,090,000</u>	<u>\$ 12,532,972</u>	<u>\$ 67,622,972</u>

On October 10, 2018, the City of Lewisville issued \$7,270,000 Waterworks and Sewer System Revenue Bonds, Series 2018. On July 15, 2019, the City of Lewisville issued \$9,925,000 Waterworks and Sewer System Revenue Bonds, Series 2019. Proceeds from the sale of both bond issuances will be used to construct, acquire and install improvements, additions and extension to the City's waterworks and sewer system.

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There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2019, the City was in compliance with all limitations and restrictions.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Refundings	Ending Balance	Due Within One Year
Governmental activities:						
Bonds and notes payable and						
Certificates of obligation	\$ 79,905,000	\$ 57,905,000	\$ (11,680,000)	\$ (2,850,000)	\$ 123,280,000	\$ 12,010,000
Premium	7,260,932	4,867,652	(981,362)	(90,908)	11,056,314	-
Compensated absences	8,793,161	5,745,633	(4,906,954)	-	9,631,840	6,080,329
Net pension liability	27,766,451	22,976,400	-	-	50,742,851	-
Net OPEB liability	249,967	-	(96,867)	-	153,100	-
Governmental activity long-term liabilities	<u>\$ 123,975,511</u>	<u>\$ 91,494,685</u>	<u>\$ (17,665,183)</u>	<u>\$ (2,940,908)</u>	<u>\$ 194,864,105</u>	<u>\$ 18,090,329</u>
Business type activities:						
Bonds payable	\$ 43,305,000	\$ 17,195,000	\$ (5,410,000)	\$ -	55,090,000	\$ 5,010,000
Premium	3,573,151	1,219,761	(330,219)	-	4,462,693	-
Discount	(53,514)	-	5,661	-	(47,853)	-
Compensated absences	767,708	491,344	(548,060)	-	710,992	404,074
Net pension liability	3,514,905	2,295,990	-	-	5,810,895	-
Net OPEB liability	25,089	-	(9,512)	-	15,577	-
Business type activity long-term liabilities	<u>\$ 51,132,339</u>	<u>\$ 21,202,095</u>	<u>\$ (6,292,130)</u>	<u>\$ -</u>	<u>\$ 66,042,304</u>	<u>\$ 5,414,074</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.

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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 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, 2019, have been recorded as a non-current liability of the LPLDC and TIRZ in the amount of \$18,950,000 and \$5,155,000 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
2020	\$ 2,095,000	\$ 760,838	\$ 2,855,838
2021	2,185,000	669,963	2,854,963
2022	2,275,000	578,338	2,853,338
2023	2,410,000	481,713	2,891,713
2024	2,270,000	382,563	2,652,563
2025-2029	4,535,000	1,152,369	5,687,369
2030-2032	3,180,000	226,625	3,406,625
	<u>\$ 18,950,000</u>	<u>\$ 4,252,409</u>	<u>\$ 23,202,409</u>

Year Ended September 30	TIRZ - Note Payable		
	Principal	Interest	Total
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	660,000	139,500	799,500
2025-2027	2,460,000	193,000	2,653,000
	<u>\$ 5,155,000</u>	<u>\$ 1,170,625</u>	<u>\$ 6,325,625</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	\$ 21,110,000	\$ 1,305,000	\$ (3,465,000)	\$ 18,950,000	\$2,095,000
Compensated absences	39,365	64,748	(58,786)	45,327	28,646
Net pension liability	201,902	404,158	-	606,060	-
LPLDC activities total:	<u>21,351,267</u>	<u>1,773,906</u>	<u>(3,523,786)</u>	<u>19,601,387</u>	<u>2,123,646</u>
TIRZ activities:					
Notes payable:					
Notes payable to Primary Government	5,555,000	-	(400,000)	5,155,000	460,000
TIRZ activities total:	<u>5,555,000</u>	<u>-</u>	<u>(400,000)</u>	<u>5,155,000</u>	<u>460,000</u>
Component unit long-term liabilities	<u>\$ 26,906,267</u>	<u>\$ 1,773,906</u>	<u>\$ (3,923,786)</u>	<u>\$ 24,756,387</u>	<u>\$2,583,646</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 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
Series 2019	Utility System Bonds	District No. 6 Project	5,865,000
Series 2019	Road System Bonds	District No. 6 Project	4,965,000

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, 2019, City of Lewisville, Texas Contract Revenue and Special Assessment Improvement Bonds outstanding aggregated was 147,980,000.

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 2018-19, a total of \$1,388,662 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, 2018, the healthcare reinsurance provided excess coverage (beyond \$175,000 per occurrence) and an annual aggregate stop loss of approximately \$10,635,785 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 2018-19, total expenses for claims, reinsurance premiums, and administrative costs for healthcare amounted to \$10,375,956.

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, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Claims payable, beginning of year	\$ 1,702,111	\$ 1,608,864
Incurred claims	4,921,887	8,944,172
Claims payments	<u>(8,098,743)</u>	<u>(8,850,925)</u>
Claims payable, end of year	<u>\$ 1,474,745</u>	<u>\$ 1,702,111</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	\$ 212,509	\$ 80,380	\$ -	\$ -	\$ -	\$ 292,889
Court fines	250,249	-	-	-	-	250,249
Ambulance	1,540,618	-	-	-	-	1,540,618
Intergovernmental	-	-	-	2,799,512	725,728	3,525,240
Notes receivable from component unit	-	24,105,000	-	-	-	24,105,000
Other	35,941	-	-	-	61,719	97,660
Total	\$ 2,039,317	\$24,185,380	\$ -	\$ 2,799,512	\$ 787,447	\$ 29,811,656
<u>Unearned revenue:</u>						
Unearned management fee	-	-	-	-	272,633	272,633
Advance construction payment	-	-	-	35,874,124	-	35,874,124
Total	\$ -	\$ -	\$ -	\$ 35,874,124	\$ 272,633	\$ 36,146,757

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, 2019 totaled \$297,911.

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, 2019, the City rebated \$504,745 in property taxes and \$1,409,709 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.

CITY OF LEWISVILLE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2019

• 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 as follows.

	GOVERNMENTAL FUNDS					
		Debt	Castle Hills	General	Other	Total
	General	Service	PID Capital	Capital	Governmental	Governmental
Fund	Fund	Projects	Projects	Funds	Funds	
FUND BALANCE:						
Non Spendable:						
Prepaid items	\$ 451,650	\$ -	\$ -	\$ 6,463	\$ 881,068	\$ 1,339,181
Spendable:						
Restricted for:						
Debt service	-	2,787,568	-	-	-	2,787,568
Capital projects - Streets & Drainage	-	-	-	44,273,837	-	44,273,837
Capital projects - Parks & Recreation	-	-	-	13,936,641	40,595	13,977,236
Capital projects - Other	-	-	-	1,582,099	-	1,582,099
Hotel/Motel Tax Fund	-	-	-	646,613	4,817,776	5,464,389
Escrow Tracking	-	-	-	1,175,914	-	1,175,914
Waters Ridge PID Fund	-	-	-	-	264,240	264,240
Municipal Court Security Fund	-	-	-	-	60,388	60,388
Municipal Court Technology Fund	-	-	-	86,671	233,795	320,466
Police Forfeitures Fund (State)	-	-	-	3,748	116,007	119,755
LEOSE Fund	-	-	-	82,934	24,806	107,740
Police Forfeitures Fund (Federal)	-	-	-	-	226,396	226,396
Juvenile Case Manager Fund	-	-	-	-	184,021	184,021
PEG Programming Fund	-	-	-	-	1,329,880	1,329,880
Crime Control & Prevention District	-	-	-	82,645	2,430,384	2,513,029
Fire Control, Prevention, and Emergency	-	-	-	-	1,369,027	1,369,027
Medical Services District	-	-	-	2,383,826	-	2,383,826
Josey Lane PID Assessment Fund	-	-	-	-	26,218	26,218
Castle Hills Capital Projects	-	-	16,029,545	-	-	16,029,545
Subtotal - Restricted for:	-	2,787,568	16,029,545	64,254,928	11,123,533	94,195,574
Committed to:						
Capital projects - Streets	-	-	-	3,527,738	-	3,527,738
Recreation Fund	-	-	-	-	194,609	194,609
Employee Benevolent Fund	-	-	-	-	42,430	42,430
Community Activities & Public Safety Training Fund	-	-	-	-	886,706	886,706
Lewisville Local Government Corporation	-	-	-	-	115,178	115,178
Subtotal - Committed to:	-	-	-	3,527,738	1,238,923	4,766,661
Assigned to:						
Capital projects - Streets & Other	-	-	-	24,606,501	-	24,606,501
Capital projects - Risk Management	-	-	-	798,082	-	798,082
Capital projects - Recreation	-	-	-	754,618	-	754,618
Other	626,159	-	-	-	-	626,159
Subtotal - Assigned to:	626,159	-	-	26,159,201	-	26,785,360
Unassigned:	35,634,844	-	-	-	(662,927)	34,971,917
TOTAL FUND BALANCES:	\$36,712,653	\$ 2,787,568	\$ 16,029,545	\$ 93,948,330	\$ 12,580,597	\$ 162,058,693

BA REQUIREDIAL
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	Measurement Year 2018
Total pension liability					
Service cost	\$ 7,057,241	\$ 7,706,342	\$ 8,246,818	\$ 8,761,730	\$ 9,119,297
Interest	16,497,518	17,422,312	17,846,679	18,842,323	20,010,736
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(2,478,575)	(1,045,357)	(1,500,726)	1,067,084	746,411
Change in assumptions	-	(91,547)	-	-	-
Benefit payments, incl. refunds of employee contributions	(8,160,747)	(8,218,045)	(9,295,778)	(10,904,100)	(12,176,115)
Net change in total pension liability	12,915,437	15,773,705	15,296,993	17,767,037	17,700,329
Total pension liability - beginning	236,230,579	249,146,016	264,919,721	280,216,714	297,983,751
Total pension liability - ending	249,146,016	264,919,721	280,216,714	297,983,751	315,684,080
Plan fiduciary net position					
Contributions - employer	7,599,062	7,822,183	7,814,541	8,460,121	8,636,811
Contributions - employee	3,052,739	3,244,700	3,362,127	3,578,303	3,711,342
Net investment income	11,446,366	315,625	14,660,373	32,333,140	(7,985,912)
Benefit payments, incl. refunds of employee contributions	(8,160,747)	(8,218,045)	(9,295,778)	(10,904,100)	(12,176,115)
Administrative expense	(119,494)	(192,227)	(165,505)	(167,506)	(154,284)
Other	(9,824)	(9,494)	(8,918)	(8,490)	(8,061)
Net change in plan fiduciary net position	13,808,102	2,962,742	16,366,840	33,291,468	(7,976,219)
Plan fiduciary net position - beginning	200,071,341	213,879,443	216,842,185	233,209,025	266,500,493
Plan fiduciary net position - ending	213,879,443	216,842,185	233,209,025	266,500,493	258,524,274
Net pension liability - ending	\$ 35,266,573	\$ 48,077,536	\$ 47,007,689	\$ 31,483,258	\$ 57,159,806
Plan fiduciary net position as a percentage of total pension liability	85.85%	81.85%	83.22%	89.43%	81.89%
Covered payroll	\$ 43,597,704	\$ 46,340,001	\$ 48,030,388	\$ 51,118,609	\$ 53,019,171
Net pension liability as a percentage of covered payroll	80.89%	103.75%	97.87%	61.59%	107.81%

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%
2019	9,093,381	9,184,309	90,928	55,847,242	16.28%	16.45%

Notes to Schedules:

Valuation date: Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January 13 months later.

Methods and assumptions used to determine contribution rate for 2019:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 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.

Other Information:

There were no benefit changes during the year.

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

EXHIBIT A-4

	2016	2017	2018
Total OPEB liability			
Service cost	\$ 81,627	\$ 82,038	\$ 88,579
Interest	348,492	315,664	331,976
Differences between expected and actual experience	(602,997)	131,437	-
Benefit payments	(273,800)	(319,225)	(298,519)
Net change in total OPEB liability	(446,678)	209,914	122,036
Total OPEB liability - beginning	5,033,728	4,587,050	4,796,964
Total OPEB liability - ending	4,587,050	4,796,964	4,919,000
Plan fiduciary net position			
Contributions - employer	175,700	200,300	138,300
Net investment income	366,978	515,346	388,634
Benefit payments	(273,800)	(319,225)	(298,519)
Net change in plan fiduciary net position	268,878	396,421	228,415
Plan fiduciary net position - beginning	3,856,609	4,125,487	4,521,908
Plan fiduciary net position - ending	4,125,487	4,521,908	4,750,323
Net OPEB liability - ending	<u>\$ 461,563</u>	<u>\$ 275,056</u>	<u>\$ 168,677</u>
Plan fiduciary net position as a percentage of total OPEB liability	89.94%	94.27%	96.57%
Covered payroll	\$ 47,287,476	\$ 50,422,592	\$ 52,450,171
Net OPEB liability as a percentage of covered payroll	0.98%	0.55%	0.32%

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%
2019	119,738	119,738	-	55,847,242	0.21%	8.53%

Notes to Schedules:

Valuation date: Actuarial determined contribution is determined for the plan year that ends in the fiscal year.

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

Other Information:

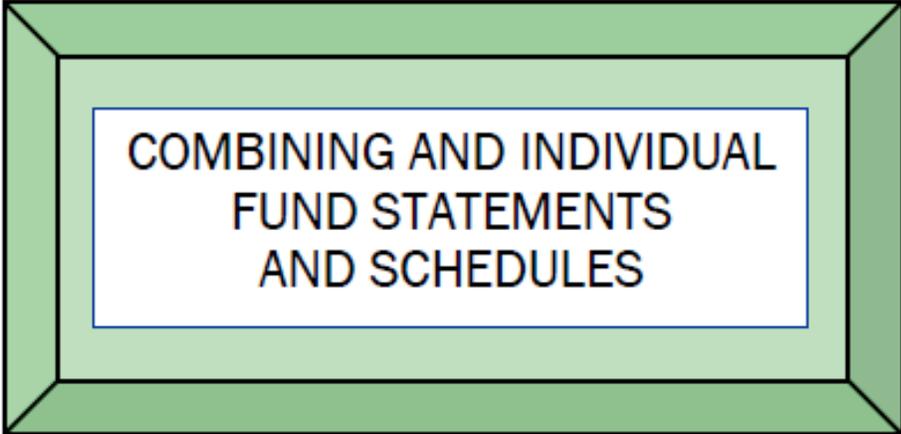
City Council approved the creation of the OPEB Liability Trust on September 8, 2008. Funding and inception of the plan began October 1, 2008.

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

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, 2019

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property and other taxes	\$ 13,039,194	\$ 13,039,194	\$ 12,900,943	\$ (138,251)
Intergovernmental	3,523,419	3,523,419	3,509,245	(14,174)
Investment earnings	26,413	26,413	118,858	92,445
Miscellaneous	-	-	391	391
Total revenues	16,589,026	16,589,026	16,529,437	(59,589)
EXPENDITURES				
Debt service				
Principal	11,900,000	11,900,000	11,680,000	220,000
Interest and fiscal charges	4,899,673	4,912,035	4,729,458	182,577
Total expenditures	16,799,673	16,812,035	16,409,458	402,577
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(210,647)	(223,009)	119,979	342,988
Other financing sources (uses)				
Premium (discount) on issuance of bonds	-	-	266,797	266,797
Issuance of refunding bonds	-	-	2,605,000	2,605,000
Payment to refunding bond escrow agent	-	(2,461,208)	(2,846,172)	(384,964)
Total other financing sources (uses)	-	(2,461,208)	25,625	2,486,833
NET CHANGE IN FUND BALANCES	(210,647)	(2,684,217)	145,604	2,829,821
FUND BALANCES, beginning	2,641,964	2,641,964	2,641,964	-
FUND BALANCES, ending	\$ 2,431,317	\$ (42,253)	\$ 2,787,568	\$ 2,829,821



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NON-MAJOR GOVERNMENTAL FUNDS

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

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, 2019

	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
ASSETS										
Cash	\$ 136,405	\$ 5,108	\$ 32,615	\$ 6,678	\$ 1,588	\$ 4,913	\$ 636	\$ 6,771	\$ 145,886	\$ 5,306
Investments	5,169,910	193,587	1,236,146	226,724	60,173	186,218	24,091	256,629	102,491	201,107
Receivables (net of allowances for uncollectibles)										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	195,147	769	57,072	-	-	-	-	-	-	-
Interest	20,115	3,031	4,047	1,010	195	603	79	840	-	641
Due from other funds	-	-	-	-	-	-	-	-	-	-
Prepaid items	797,361	-	-	-	-	-	-	-	-	6,547
Total assets	6,318,938	202,495	1,329,880	234,412	61,956	191,734	24,806	264,240	248,377	213,601
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities										
Accounts and contracts payable	398,647	6,221	-	617	1,568	49	-	-	132,370	-
Accrued liabilities	32,521	1,665	-	-	-	3,521	-	-	-	-
Deposits payable	-	-	-	-	-	-	-	-	-	-
Unearned revenue	272,633	-	-	-	-	-	-	-	-	-
Money held in escrow	-	-	-	-	-	4,143	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Total liabilities	703,801	7,886	-	617	1,568	7,713	-	-	132,370	-
Deferred inflows of resources unavailable resources										
	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund balances										
Nonspendable	797,361	-	-	-	-	-	-	-	-	6,547
Restricted for other purposes										
Capital projects	-	-	-	-	-	-	-	-	-	-
Other purposes	4,817,776	-	1,329,880	233,795	60,388	184,021	24,806	264,240	116,007	207,054
Committed to other purposes	-	194,609	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	5,615,137	194,609	1,329,880	233,795	60,388	184,021	24,806	264,240	116,007	213,601
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,318,938	\$ 202,495	\$ 1,329,880	\$ 234,412	\$ 61,956	\$ 191,734	\$ 24,806	\$ 264,240	\$ 248,377	\$ 213,601

	Special Revenue Funds							Capital Projects Fund	Total Nonmajor Governmental 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	Lewisville Local Government Corporation		Josey Lane PID CIP
ASSETS										
Cash	\$ 707	\$ 496	\$ 1,115	\$ 25,600	\$ -	\$ 51,047	\$ 19,115	\$ 2,951	\$ 1,029	\$ 447,966
Investments	26,780	18,784	42,262	970,248	-	1,934,754	724,468	111,861	39,004	11,525,237
Receivables (net of allowances for uncollectibles)										
Taxes	-	-	-	-	-	638,571	672,647	-	-	1,311,218
Accounts	-	-	-	24,999	1,121,029	-	-	-	-	1,399,016
Interest	-	62	138	1,749	-	6,620	10,116	366	562	50,174
Due from other funds	-	-	-	-	2,495	-	-	-	-	2,495
Prepaid items	-	-	-	-	14,454	62,533	173	-	-	881,068
Total assets	27,487	19,342	43,515	1,022,596	1,137,978	2,693,525	1,426,519	115,178	40,595	15,617,174
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities										
Accounts and contracts payable	1,269	-	1,085	17,412	20,430	64,960	10,702	-	-	655,330
Accrued liabilities	-	-	-	4,959	15,668	135,648	46,617	-	-	240,599
Deposits payable	-	-	-	21,300	-	-	-	-	-	21,300
Unearned revenue	-	-	-	-	-	-	-	-	-	272,633
Money held in escrow	-	-	-	30,500	-	-	-	-	-	34,643
Due to other funds	-	-	-	-	1,024,625	-	-	-	-	1,024,625
Total liabilities	1,269	-	1,085	74,171	1,060,723	200,608	57,319	-	-	2,249,130
Deferred inflows of resources										
unavailable resources	-	-	-	61,719	725,728	-	-	-	-	787,447
Total deferred inflows of resources	-	-	-	61,719	725,728	-	-	-	-	787,447
Fund balances										
Nonspendable	-	-	-	-	14,454	62,533	173	-	-	881,068
Restricted for other purposes										
Capital projects	-	-	-	-	-	-	-	-	40,595	40,595
Other purposes	26,218	19,342	-	-	-	2,430,384	1,369,027	-	-	11,082,938
Committed to other purposes	-	-	42,430	886,706	-	-	-	115,178	-	1,238,923
Unassigned	-	-	-	-	(662,927)	-	-	-	-	(662,927)
Total fund balances	26,218	19,342	42,430	886,706	(648,473)	2,492,917	1,369,200	115,178	40,595	12,580,597
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,487	\$ 19,342	\$ 43,515	\$ 1,022,596	\$ 1,137,978	\$ 2,693,525	\$ 1,426,519	\$ 115,178	\$ 40,595	\$ 15,617,174

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, 2019

	Special Revenue Funds					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
REVENUES										
Property and other taxes	\$ 2,517,783	\$ -	\$ 237,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	9,640	-	36,602	97,008
Charges for services	-	1,930	-	-	-	-	-	-	-	-
Recreation	-	271,351	-	-	-	-	-	-	-	-
Fines	-	-	-	65,948	49,470	81,605	-	-	-	-
Investment earnings	214,624	26,717	36,038	8,922	1,747	5,593	692	8,041	-	5,911
Contributions and donations	-	150,453	-	-	-	-	-	-	-	-
Miscellaneous	1	-	-	-	-	-	-	-	7,649	-
Total revenues	2,732,408	450,451	273,553	74,870	51,217	87,198	10,332	8,041	44,251	102,919
EXPENDITURES										
Current										
General government	3,776,696	-	22,416	-	-	-	-	15,000	-	-
Culture and recreation	-	260,828	-	-	-	-	-	-	-	-
Public safety	-	-	-	37,267	26,537	84,429	8,897	-	57,064	106,723
Public & development services	-	-	-	-	-	-	-	-	-	-
Stormwater/environment/sustainability	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	122,616	-	-	-	-	-	-	-
Total expenditures	3,776,696	260,828	145,032	37,267	26,537	84,429	8,897	15,000	57,064	106,723
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,044,288)	189,623	128,521	37,603	24,680	2,769	1,435	(6,959)	(12,813)	(3,804)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(128,247)	(23,341)	-	(50,000)	(23,513)	-	-	-	-	-
Total other financing sources (uses)	(128,247)	(23,341)	-	(50,000)	(23,513)	-	-	-	-	-
NET CHANGES IN FUND BALANCES	(1,172,535)	166,282	128,521	(12,397)	1,167	2,769	1,435	(6,959)	(12,813)	(3,804)
FUND BALANCES, beginning	6,787,672	28,327	1,201,359	246,192	59,221	181,252	23,371	271,199	128,820	217,405
FUND BALANCES, ending	\$ 5,615,137	\$ 194,609	\$ 1,329,880	\$ 233,795	\$ 60,388	\$ 184,021	\$ 24,806	\$ 264,240	\$ 116,007	\$ 213,601

	Special Revenue Funds							Capital Projects Funds		Total Nonmajor Governmental 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	
REVENUES										
Property and other taxes	\$ 48,316	\$ -	\$ -	\$ -	\$ -	\$ 3,828,102	\$ 4,024,270	\$ -	\$ 590,406	\$ 11,246,392
Intergovernmental	-	-	-	96,322	1,410,047	-	-	-	-	1,649,619
Charges for services	-	-	-	-	-	-	-	-	-	1,930
Recreation	-	-	257	565,414	-	-	-	-	-	837,022
Fines	-	-	-	-	-	-	-	-	-	197,023
Investment earnings	-	575	1,256	13,941	-	60,655	91,479	3,418	11,536	491,145
Contributions and donations	-	-	-	407,697	19,842	-	-	-	-	577,992
Miscellaneous	-	-	6,233	-	850	-	-	412	-	15,145
Total revenues	48,316	575	7,746	1,083,374	1,430,739	3,888,757	4,115,749	3,830	601,942	15,016,268
EXPENDITURES										
Current										
General government	13,444	-	5,152	-	2,904	178,111	16,212	-	-	4,029,935
Culture and recreation	-	-	-	600,400	21,097	-	-	-	-	862,325
Public safety	-	-	-	68,093	1,653,746	3,274,197	2,432,250	-	-	7,749,203
Public & development services	-	-	-	19,071	439,464	243,977	-	-	-	702,512
Stormwater/environment/sustainability	-	-	-	-	12,224	-	-	-	-	12,224
Capital outlay	-	-	-	40,000	93,927	201,767	-	-	951,043	1,409,353
Total expenditures	13,444	-	5,152	727,564	2,223,362	3,898,052	2,448,462	-	951,043	14,785,552
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	34,872	575	2,594	355,810	(792,623)	(9,295)	1,667,287	3,830	(349,101)	230,716
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	3,256	116,891	-	-	-	17,073	137,220
Transfers out	(22,613)	-	-	-	-	(132,444)	(1,810,000)	-	(108,905)	(2,299,063)
Total other financing sources (uses)	(22,613)	-	-	3,256	116,891	(132,444)	(1,810,000)	-	(91,832)	(2,161,843)
NET CHANGES IN FUND BALANCES	12,259	575	2,594	359,066	(675,732)	(141,739)	(142,713)	3,830	(440,933)	(1,931,127)
FUND BALANCES, beginning	13,959	18,767	39,836	527,640	27,259	2,634,656	1,511,913	111,348	481,528	14,511,724
FUND BALANCES, ending	\$ 26,218	\$ 19,342	\$ 42,430	\$ 886,706	\$ (648,473)	\$ 2,492,917	\$ 1,369,200	\$ 115,178	\$ 40,595	\$ 12,580,597

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, 2019

EXHIBIT C-3

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property and other taxes	\$ 2,357,297	\$ 2,357,297	\$ 2,517,783	\$ 160,486
Investment earnings	39,135	39,135	214,624	175,489
Miscellaneous	-	-	1	1
Total revenues	<u>2,396,432</u>	<u>2,396,432</u>	<u>2,732,408</u>	<u>335,976</u>
EXPENDITURES				
Current				
General government	<u>2,348,270</u>	<u>3,685,508</u>	<u>3,776,696</u>	<u>(91,188)</u>
Total expenditures	<u>2,348,270</u>	<u>3,685,508</u>	<u>3,776,696</u>	<u>(91,188)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>48,162</u>	<u>(1,289,076)</u>	<u>(1,044,288)</u>	<u>244,788</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>(128,247)</u>	<u>(128,247)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(128,247)</u>	<u>(128,247)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>48,162</u>	<u>(1,417,323)</u>	<u>(1,172,535)</u>	<u>244,788</u>
FUND BALANCES, beginning	<u>6,787,672</u>	<u>6,787,672</u>	<u>6,787,672</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 6,835,834</u>	<u>\$ 5,370,349</u>	<u>\$ 5,615,137</u>	<u>\$ 244,788</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, 2019

EXHIBIT C-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,233	\$ 1,233	\$ 1,930	\$ 697
Recreation	386,590	386,590	271,351	(115,239)
Investment earnings	5,214	5,214	26,717	21,503
Contributions and donations	153,200	153,200	150,453	(2,747)
Total revenues	546,237	546,237	450,451	(95,786)
EXPENDITURES				
Current				
Culture and recreation				
Parks and leisure services	410,517	385,830	260,828	125,002
Total expenditures	410,517	385,830	260,828	125,002
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	135,720	160,407	189,623	29,216
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(24,387)	(23,341)	1,046
Total other financing sources (uses)	-	(24,387)	(23,341)	1,046
NET CHANGE IN FUND BALANCES	135,720	136,020	166,282	30,262
FUND BALANCES, beginning	28,327	28,327	28,327	-
FUND BALANCES, ending	\$ 164,047	\$ 164,347	\$ 194,609	\$ 30,262

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, 2019

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and other taxes	\$ 285,762	\$ 285,762	\$ 237,515	\$ (48,247)
Investment earnings	4,603	4,603	36,038	31,435
Total revenues	290,365	290,365	273,553	(16,812)
Expenditures				
Current				
General government				
Community relations/tourism	20,000	44,288	22,416	21,872
Capital outlay	80,000	146,070	122,616	23,454
Total expenditures	100,000	190,358	145,032	45,326
NET CHANGE IN FUND BALANCES	190,365	100,007	128,521	28,514
FUND BALANCES, beginning	1,201,359	1,201,359	1,201,359	-
FUND BALANCES, ending	\$ 1,391,724	\$ 1,301,366	\$ 1,329,880	\$ 28,514

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, 2019

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Fines	\$ 73,545	\$ 73,545	\$ 65,948	\$ (7,597)
Investment earnings	1,428	1,428	8,922	7,494
Total revenues	74,973	74,973	74,870	(103)
EXPENDITURES				
Current				
Public safety				
Municipal court	45,252	45,252	37,267	7,985
Total expenditures	45,252	45,252	37,267	7,985
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	29,721	29,721	37,603	7,882
OTHER FINANCING USES				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing uses	(50,000)	(50,000)	(50,000)	-
NET CHANGE IN FUND BALANCES	(20,279)	(20,279)	(12,397)	7,882
FUND BALANCES, beginning	246,192	246,192	246,192	-
FUND BALANCES, ending	\$ 225,913	\$ 225,913	\$ 233,795	\$ 7,882

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, 2019

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines	\$ 54,859	\$ 54,859	\$ 49,470	\$ (5,389)
Investment earnings	444	444	1,747	1,303
Total revenues	55,303	55,303	51,217	(4,086)
EXPENDITURES				
Current				
Public safety				
Municipal court	31,790	31,790	26,537	5,253
Total expenditures	31,790	31,790	26,537	5,253
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	23,513	23,513	24,680	1,167
OTHER FINANCING SOURCES (USES)				
Transfers out	(23,513)	(23,513)	(23,513)	-
Total other financing sources (uses)	(23,513)	(23,513)	(23,513)	-
NET CHANGE IN FUND BALANCES	-	-	1,167	1,167
FUND BALANCES, beginning	59,221	59,221	59,221	-
FUND BALANCES, ending	\$ 59,221	\$ 59,221	\$ 60,388	\$ 1,167

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, 2019

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines	\$ 90,903	\$ 90,903	\$ 81,605	\$ (9,298)
Investment earnings	997	997	5,593	4,596
Total revenues	91,900	91,900	87,198	(4,702)
EXPENDITURES				
Current:				
Public safety				
Municipal court	86,860	86,860	84,429	2,431
Total expenditures	86,860	86,860	84,429	2,431
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,040	5,040	2,769	(2,271)
NET CHANGE IN FUND BALANCES	5,040	5,040	2,769	(2,271)
FUND BALANCES, beginning	181,252	181,252	181,252	-
FUND BALANCES, ending	\$ 186,292	\$ 186,292	\$ 184,021	\$ (2,271)

CITY OF LEWISVILLE, TEXAS EXHIBIT C-9
 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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 11,536	\$ 11,536	\$ 9,640	\$ (1,896)
Investment earnings	84	84	692	608
Total revenues	11,620	11,620	10,332	(1,288)
EXPENDITURES				
Current				
Public safety				
Police	9,000	9,000	8,897	103
Total expenditures	9,000	9,000	8,897	103
NET CHANGES IN FUND BALANCES	2,620	2,620	1,435	(1,185)
FUND BALANCES, beginning	23,371	23,371	23,371	-
FUND BALANCES, ending	\$ 25,991	\$ 25,991	\$ 24,806	\$ (1,185)

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, 2019

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,777	\$ 1,777	\$ 8,041	\$ 6,264
Total revenues	1,777	1,777	8,041	6,264
EXPENDITURES				
Current				
General government				
General government	15,000	15,000	15,000	-
Total expenditures	15,000	15,000	15,000	-
NET CHANGE IN FUND BALANCES	(13,223)	(13,223)	(6,959)	6,264
FUND BALANCES, beginning	271,199	271,199	271,199	-
FUND BALANCES, ending	\$ 257,976	\$ 257,976	\$ 264,240	\$ 6,264

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, 2019

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 28,901	\$ 28,901	\$ 36,602	\$ 7,701
Investment earnings	506	506	-	(506)
Miscellaneous	6,855	6,855	7,649	794
Total revenues	<u>36,262</u>	<u>36,262</u>	<u>44,251</u>	<u>7,989</u>
EXPENDITURES				
Current				
Public safety				
Police	68,414	68,414	57,064	11,350
Total expenditures	<u>68,414</u>	<u>68,414</u>	<u>57,064</u>	<u>11,350</u>
NET CHANGE IN FUND BALANCES	(32,152)	(32,152)	(12,813)	19,339
FUND BALANCES, beginning	<u>128,820</u>	<u>128,820</u>	<u>128,820</u>	-
FUND BALANCES, ending	<u>\$ 96,668</u>	<u>\$ 96,668</u>	<u>\$ 116,007</u>	<u>\$ 19,339</u>

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, 2019

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 105,021	\$ 105,021	\$ 97,008	\$ (8,013)
Investment earnings	2,454	2,454	5,911	3,457
Total revenues	107,475	107,475	102,919	(4,556)
EXPENDITURES				
Current				
Public safety				
Police	120,316	120,316	106,723	13,593
Total expenditures	120,316	120,316	106,723	13,593
NET CHANGE IN FUND BALANCES	(12,841)	(12,841)	(3,804)	9,037
FUND BALANCES, beginning	217,405	217,405	217,405	-
FUND BALANCES, ending	\$ 204,564	\$ 204,564	\$ 213,601	\$ 9,037

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, 2019

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES				
Property and other taxes	\$ 47,938	\$ 47,938	\$ 48,316	\$ 378
Investment earnings	1,571	1,571	-	(1,571)
Total revenues	49,509	49,509	48,316	(1,193)
EXPENDITURES				
Current				
General government				
General government	25,324	25,324	13,444	11,880
Total expenditures	25,324	25,324	13,444	11,880
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24,185	24,185	34,872	10,687
OTHER FINANCING SOURCES (USES)				
Transfers out	(22,614)	(22,614)	(22,613)	1
Total other financing sources (uses)	(22,614)	(22,614)	(22,613)	1
NET CHANGE IN FUND BALANCES	1,571	1,571	12,259	10,688
FUND BALANCES, beginning	13,959	13,959	13,959	-
FUND BALANCES, ending	\$ 15,530	\$ 15,530	\$ 26,218	\$ 10,688

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, 2019

EXHIBIT C-14

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 58,320	\$ 58,320	\$ 96,322	\$ 38,002
Recreation	359,251	782,751	565,414	(217,337)
Investment earnings	3,153	3,153	13,941	10,788
Contributions and donations	436,165	486,165	407,697	(78,468)
Total revenues	856,889	1,330,389	1,083,374	(247,015)
EXPENDITURES				
Current				
Culture and recreation				
Parks and leisure services	621,126	621,126	600,400	20,726
Public safety				
Police	5,700	1,271	1,271	-
Fire	-	66,813	66,822	(9)
Public & development services				
Development services	40,000	50,071	19,071	31,000
Capital outlay	-	40,000	40,000	-
Total expenditures	666,826	779,281	727,564	51,717
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	190,063	551,108	355,810	(195,298)
OTHER FINANCING SOURCES (USES)				
Transfers in	(101,418)	(1,816)	3,256	5,072
Total other financing sources (uses)	(101,418)	(1,816)	3,256	5,072
NET CHANGE IN FUND BALANCES	88,645	549,292	359,066	(190,226)
FUND BALANCES, beginning	527,640	527,640	527,640	-
FUND BALANCES, ending	\$ 616,285	\$ 1,076,932	\$ 886,706	\$ (190,226)

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, 2019

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,847,964	\$ 1,858,279	\$ 1,410,047	\$ (448,232)
Contributions and donations	-	22,500	19,842	(2,658)
Miscellaneous	1,200	1,200	850	(350)
Total revenues	1,849,164	1,881,979	1,430,739	(451,240)
EXPENDITURES				
Current				
General Government				
Information technology services	-	20,000	2,904	17,096
Culture and recreation				
Parks and leisure services	500,000	517,100	21,097	496,003
Public safety				
Police	123,755	123,755	99,840	23,915
Fire	200,000	201,965	1,279,573	(1,077,608)
Emergency management	164,671	262,924	274,333	(11,409)
Public & development services				
Development services	856,770	840,314	439,464	400,850
Stormwater/environment/sustainability	-	1,337	12,224	(10,887)
Capital outlay	-	93,929	93,927	2
Total expenditures	1,845,196	2,061,324	2,223,362	(162,038)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,968	(179,345)	(792,623)	(613,278)
OTHER FINANCING SOURCES (USES)				
Transfers in	115,741	115,741	116,891	1,150
Total other financing sources (uses)	115,741	115,741	116,891	1,150
NET CHANGE IN FUND BALANCES	119,709	(63,604)	(675,732)	(612,128)
FUND BALANCES, beginning	27,259	27,259	27,259	-
FUND BALANCES, ending	\$ 146,968	\$ (36,345)	\$ (648,473)	\$ (612,128)

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, 2019

EXHIBIT C-16

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Property and other taxes	\$ 3,608,070	\$ 3,608,070	\$ 3,828,102	\$ 220,032
Investment earnings	13,084	13,084	60,655	47,571
Total revenues	3,621,154	3,621,154	3,888,757	267,603
EXPENDITURES				
Current				
General government				
Information technology services	194,951	194,951	178,111	16,840
Public safety				
Police	3,462,361	3,460,786	3,274,197	186,589
Public & development services				
Development services	245,382	245,382	243,977	1,405
Capital outlay	200,214	201,789	201,767	22
Total expenditures	4,102,908	4,102,908	3,898,052	204,856
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(481,754)	(481,754)	(9,295)	472,459
OTHER FINANCING SOURCES (USES)				
Transfers out	(132,444)	(132,444)	(132,444)	-
Total other financing sources (uses)	(132,444)	(132,444)	(132,444)	-
NET CHANGE IN FUND BALANCES	(614,198)	(614,198)	(141,739)	472,459
FUND BALANCES, beginning	2,634,656	2,634,656	2,634,656	-
FUND BALANCES, ending	\$ 2,020,458	\$ 2,020,458	\$ 2,492,917	\$ 472,459

CITY OF LEWISVILLE, TEXAS EXHIBIT C-17
 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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES				
Property and other taxes	\$ 3,610,372	\$ 3,610,372	\$ 3,884,965	\$ 274,593
Charges for services	-	-	139,305	139,305
Investment earnings	33,259	33,259	91,479	58,220
Miscellaneous revenue	1,750,000	-	-	-
Total revenues	5,393,631	3,643,631	4,115,749	472,118
EXPENDITURES				
Current				
General government				
Information technology services	96,088	96,088	16,212	79,876
Public safety				
Fire	2,423,756	2,428,139	2,407,014	21,125
Emergency management	25,030	25,030	25,236	(206)
Total expenditures	2,544,874	2,549,257	2,448,462	100,795
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	2,848,757	1,094,374	1,667,287	572,913
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,560,000)	(1,810,000)	(1,810,000)	-
Total other financing sources (uses)	(3,560,000)	(1,810,000)	(1,810,000)	-
NET CHANGE IN FUND BALANCES	(711,243)	(715,626)	(142,713)	572,913
FUND BALANCES, beginning	1,511,913	1,511,913	1,511,913	-
FUND BALANCES, ending	\$ 800,670	\$ 796,287	\$ 1,369,200	\$ 572,913

INTERNAL SERVICE FUNDS

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, 2019

EXHIBIT D-1

	Maintenance and Replacement Fund	Self-Insurance Risk Fund	Health Benefit Trust Fund	Total Internal Service Funds
ASSETS				
Current assets				
Cash	\$ 110,556	\$ 153,564	\$ 496,560	\$ 760,680
Investments	4,190,174	4,872,715	5,441,090	14,503,979
Receivables (net of allowance for uncollectibles)				
Accounts	-	-	20,120	20,120
Interest receivable	12,086	18,768	18,223	49,077
Due from other funds	592,808	-	-	592,808
Inventory of supplies, at cost	168,613	-	-	168,613
Prepaid items	31,564	134,321	55,946	221,831
Total current assets	<u>5,105,801</u>	<u>5,179,368</u>	<u>6,031,939</u>	<u>16,317,108</u>
Noncurrent assets				
Capital assets				
Other improvements	-	440,026	-	440,026
Machinery and equipment	4,562,092	352,814	-	4,914,906
Motor vehicles	22,739,800	-	-	22,739,800
Less accumulated depreciation	(20,628,686)	(503,430)	-	(21,132,116)
Total noncurrent assets	<u>6,673,206</u>	<u>289,410</u>	<u>-</u>	<u>6,962,616</u>
Total assets	<u>11,779,007</u>	<u>5,468,778</u>	<u>6,031,939</u>	<u>23,279,724</u>
LIABILITIES				
Current liabilities				
Current liabilities payable from restricted assets				
Accounts payable	191,734	111,028	9,484	312,246
Incurred but not reported claim reserve	-	536,270	938,475	1,474,745
Accrued liabilities	25,290	-	5,378	30,668
Compensated absences	61,333	-	-	61,333
Total current liabilities	<u>278,357</u>	<u>647,298</u>	<u>953,337</u>	<u>1,878,992</u>
Noncurrent liabilities				
Compensated absences	46,586	-	-	46,586
Total noncurrent liabilities	<u>46,586</u>	<u>-</u>	<u>-</u>	<u>46,586</u>
Total liabilities	<u>324,943</u>	<u>647,298</u>	<u>953,337</u>	<u>1,925,578</u>
NET POSITION				
Net investment in capital assets	6,673,206	289,410	-	6,962,616
Unrestricted	4,780,858	4,532,070	5,078,602	14,391,530
Total net position	<u>\$ 11,454,064</u>	<u>\$ 4,821,480</u>	<u>\$ 5,078,602</u>	<u>\$ 21,354,146</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, 2019

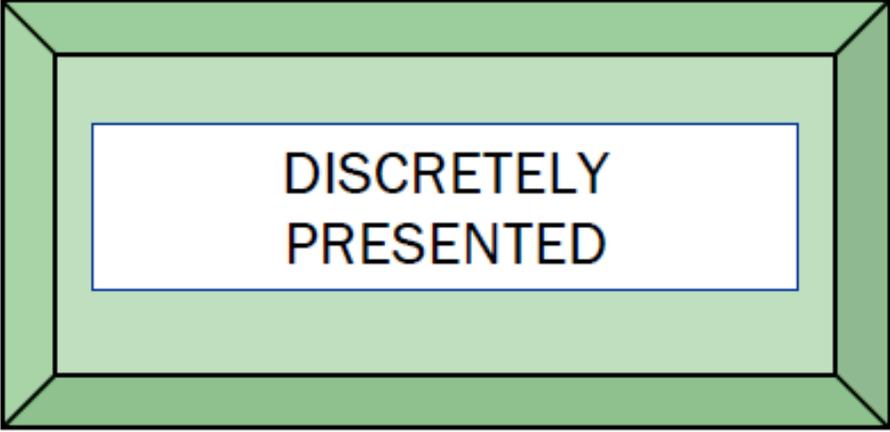
EXHIBIT D-2

	Maintenance and Replacement Fund	Self-Insurance Risk Fund	Health Benefit Trust Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for sales and services	\$ 4,561,792	\$ 1,924,254	\$ 13,808,794	\$ 20,294,840
Miscellaneous	851	-	-	851
Total operating revenues	<u>4,562,643</u>	<u>1,924,254</u>	<u>13,808,794</u>	<u>20,295,691</u>
OPERATING EXPENSES				
Cost of sales and services, net of reimbursements	197,483	1,176,567	10,745,630	12,119,680
Personal services and administrative	802,241	161,718	694,210	1,658,169
Depreciation	2,063,586	55,126	-	2,118,712
Total operating expenses	<u>3,063,310</u>	<u>1,393,411</u>	<u>11,439,840</u>	<u>15,896,561</u>
Operating income	<u>1,499,333</u>	<u>530,843</u>	<u>2,368,954</u>	<u>4,399,130</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	123,827	178,274	182,230	484,331
Gain on disposal of capital assets	52,369	-	-	52,369
Total nonoperating revenues (expenses)	<u>176,196</u>	<u>178,274</u>	<u>182,230</u>	<u>536,700</u>
Income before transfers and contributions	<u>1,675,529</u>	<u>709,117</u>	<u>2,551,184</u>	<u>4,935,830</u>
Transfers and capital contributions				
Transfers in	200,000	-	-	200,000
Transfers out	-	(500,000)	-	(500,000)
Total transfers and capital contributions	<u>200,000</u>	<u>(500,000)</u>	<u>-</u>	<u>(300,000)</u>
CHANGE IN NET POSITION	1,875,529	209,117	2,551,184	4,635,830
NET POSITION, beginning	<u>9,578,535</u>	<u>4,612,363</u>	<u>2,527,418</u>	<u>16,718,316</u>
NET POSITION, ending	<u>\$ 11,454,064</u>	<u>\$ 4,821,480</u>	<u>\$ 5,078,602</u>	<u>\$ 21,354,146</u>

CITY OF LEWISVILLE, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT D-3

	Maintenance and Replacement Fund	Self- Insurance Risk Fund	Health Benefit Trust Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from transactions with other funds	\$ 3,971,208	\$ 1,921,089	\$ 13,779,683	\$ 19,671,980
Cash paid to employees for services	(567,359)	-	-	(567,359)
Cash paid for goods and services	(373,082)	(1,528,958)	(3,260,426)	(5,162,466)
Cash paid for claims	-	8,163	(8,476,475)	(8,468,312)
Cash received for miscellaneous items	851	-	-	851
Net cash provided by operating activities	<u>3,031,618</u>	<u>400,294</u>	<u>2,042,782</u>	<u>5,474,694</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	200,000	-	-	200,000
Transfers out to other funds	-	(500,000)	-	(500,000)
Net cash provided by (used in) noncapital financing activities	<u>200,000</u>	<u>(500,000)</u>	<u>-</u>	<u>(300,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(3,947,825)	(57,234)	-	(4,005,059)
Proceeds from the sale of equipment	143,274	-	-	143,274
Net cash used in capital and related financing activities	<u>(3,804,551)</u>	<u>(57,234)</u>	<u>-</u>	<u>(3,861,785)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(4,470,433)	(5,198,626)	(5,805,016)	(15,474,075)
Proceeds from sale and maturities of investments	4,639,984	4,797,655	3,447,631	12,885,270
Interest received	123,827	178,274	182,230	484,331
Net cash provided by (used in) investing activities	<u>293,378</u>	<u>(222,697)</u>	<u>(2,175,155)</u>	<u>(2,104,474)</u>
NET INCREASE (DECREASE) IN CASH	(279,555)	(379,637)	(132,373)	(791,565)
CASH, beginning of year	390,111	533,201	628,933	1,552,245
CASH, end of year	<u>\$ 110,556</u>	<u>\$ 153,564</u>	<u>\$ 496,560</u>	<u>\$ 760,680</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,499,333	\$ 530,843	\$ 2,368,954	\$ 4,399,130
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	2,063,586	55,126	-	2,118,712
Change in assets and liabilities				
(Increase) decrease in accounts receivable	969	(3,165)	(29,110)	(31,306)
(Increase) decrease in inventory	(20,884)	-	-	(20,884)
(Increase) decrease in prepaid expenses	(2,659)	(3,314)	(1,204)	(7,177)
Increase (decrease) in accounts and claims payable	79,136	(179,196)	(296,272)	(396,332)
Increase (decrease) in accrued liabilities	5,018	-	414	5,432
Increase (decrease) in compensated absences	(1,328)	-	-	(1,328)
Increase (decrease) in due to other funds	(591,553)	-	-	(591,553)
Total adjustments	<u>1,532,285</u>	<u>(130,549)</u>	<u>(326,172)</u>	<u>1,075,564</u>
Net cash provided by (used in) operating activities	<u>\$ 3,031,618</u>	<u>\$ 400,294</u>	<u>\$ 2,042,782</u>	<u>\$ 5,474,694</u>
NON CASH INVESTING AND FINANCING ACTIVITIES				
Increase (decrease) in fair value of investments	51,403	65,247	44,884	161,534



DISCRETELY
PRESENTED



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

DISCRETELY PRESENTED COMPONENT UNITS

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, 2019

EXHIBIT E-1

	Lewisville Parks and Library Development Corporation
ASSETS	
Cash	\$ 427,613
Investments	16,207,023
Receivables	1,423,423
Prepaid items	5,383
	<hr/>
Total assets	\$ 18,063,442
	<hr/>
LIABILITIES	
Accounts and contracts payable	\$ 766,638
Accrued liabilities	66,867
	<hr/>
Total liabilities	833,505
	<hr/>
FUND BALANCE	
Unassigned	17,229,937
	<hr/>
Total fund balance	17,229,937
	<hr/>
Total liabilities and fund balance	\$ 18,063,442
	<hr/>

CITY OF LEWISVILLE, TEXAS
LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION
RECONCILIATION OF FUND BALANCE TO NET POSITION
AS OF SEPTEMBER 30, 2019

EXHIBIT E-2

Total fund balance - Lewisville Parks and Library Development Corporation	\$ 17,229,937
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.	(19,601,387)
Accrued interest payable does not require the use of current financial resources; therefore, it is not reported as a liability in governmental funds.	(100,861)
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>318,845</u>
NET POSITION (DEFICIT) OF LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION	\$ <u>(2,153,466)</u>

CITY OF LEWISVILLE, TEXAS
 LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT E-3

	Lewisville Parks and Library Development Corporation
	<hr/>
REVENUES	
Taxes	
General sales and use taxes	\$ 8,195,329
Charges for service	192,302
Interest	487,874
	<hr/>
Total revenues	8,875,505
	<hr/>
EXPENDITURES	
Current	
Culture and recreation	3,578,341
Principal	2,000,000
Interest and other fiscal charges	841,495
Capital outlay	2,369,573
	<hr/>
Total expenditures	8,789,409
	<hr/>
Net Change in Fund Balance	86,096
Fund balance, beginning of year	17,143,841
	<hr/>
Fund balance, end of year	\$ 17,229,937
	<hr/> <hr/>

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, 2019

EXHIBIT E-4

Net change in fund balances - Lewisville Parks and Library Development Corporation	\$ 86,096
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 \$2,000,000, \$12,198 change in accrued interest, and \$160,000 reduction in principle due to primary government) is the net of these differences in the treatment of long term debt and related items.	2,172,198
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.	(5,962)
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 (\$194,045) and contributions (\$149,382) made after the measurement date.	<u>(44,663)</u>
CHANGE IN NET POSITION OF LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION	<u>\$ 2,207,669</u>

CITY OF LEWISVILLE, TEXAS
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)
RECONCILIATION OF FUND BALANCE TO NET POSITION
SEPTEMBER 30, 2019

EXHIBIT E-6

Total fund balance - Tax Increment Reinvestment Zone 1 (Old Town)	\$ 1,695,249
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.	5,819,571
Accrued interest payable does not require the use of current financial resources; therefore, it is not reported as a liability in governmental funds.	(32,219)
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>(5,155,000)</u>
NET POSITION OF TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)	<u>\$ 2,327,601</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, 2019

EXHIBIT E-7

	Tax Increment Reinvestment Zone 1 (Old Town)
REVENUES	
Taxes	
Property taxes	\$ 904,142
Interest	53,115
Total revenues	957,257
EXPENDITURES	
Current	
Culture and recreation	49,786
Debt service	
Principal	400,000
Interest and other fiscal charges	267,751
Capital outlay	63,500
Total expenditures	781,037
Net Change in Fund Balance	176,220
Fund balance, beginning of year	1,519,029
Fund balance, end of year	\$ 1,695,249

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, 2019

EXHIBIT E-8

Net change in fund balances - Tax Increment Reinvestment Zone 1 (Old Town) \$ 176,220

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 amounts are deferred and amortized in the statement of activities. This amount (bond principal payments of \$400,000 plus \$2,500 change in accrued interest is the effect of these differences in the treatment of long term debt and related items. 402,500

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 \$63,500 for the current fiscal year. 63,500

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. (313,108)

CHANGE IN NET POSITION OF TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN) \$ 329,112



LEWISVILLE

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AGENCY FUNDS

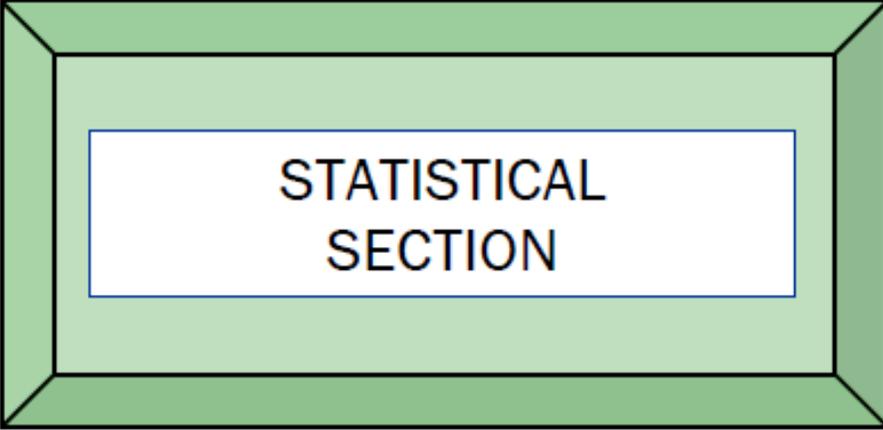
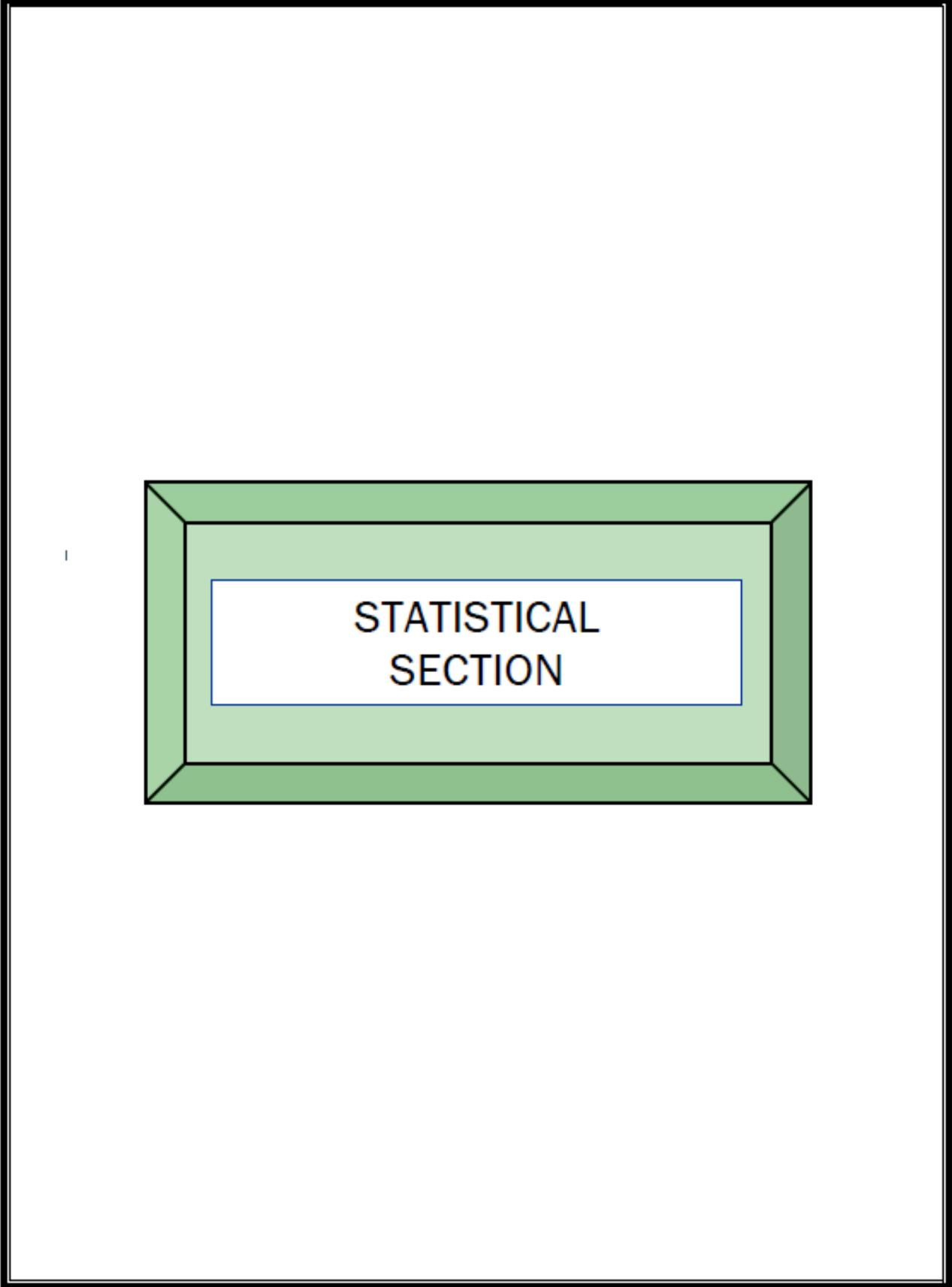
CASTLE HILLS PID DEBT SERVICE AGENCY FUND

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.

CITY OF LEWISVILLE, TEXAS
 CASTLE HILLS PID DEBT SERVICE AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

EXHIBIT F-1

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
ASSETS				
Investments				
Mutual funds - fixed income	\$ 1,637,476	\$ 349,428	\$ -	\$ 1,986,904
Interest receivable	1,473	1,090	-	2,563
Total assets	<u>1,638,949</u>	<u>350,518</u>	<u>-</u>	<u>1,989,467</u>
LIABILITIES				
Due to debt holders	\$ 1,638,949	\$ 350,518		\$ 1,989,467
Total liabilities	<u>\$ 1,638,949</u>	<u>\$ 350,518</u>	<u>\$ -</u>	<u>\$ 1,989,467</u>



STATISTICAL
SECTION



LEWISVILLE

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STATISTICAL SECTION

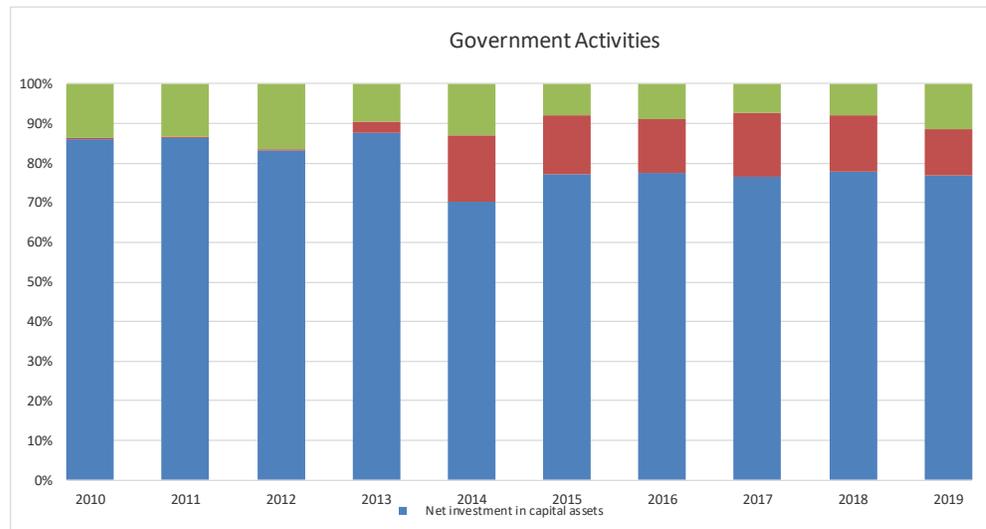
This part of the City of Lewisville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Table
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being</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</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</i>	19-21

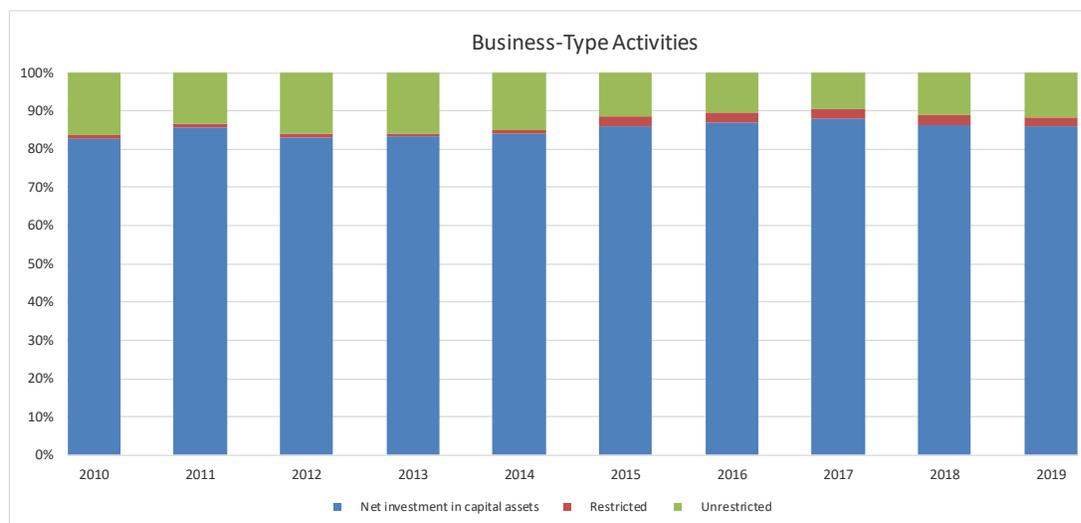
CITY OF LEWISVILLE, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years (accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 311,014,889	\$ 305,260,721	\$ 298,329,672	\$ 314,990,028
Restricted	1,324,264	1,016,096	1,012,020	10,755,866
Unrestricted	48,721,698	47,005,244	59,368,657	33,848,899
Total governmental activities net position	\$ 361,060,851	\$ 353,282,061	\$ 358,710,349	\$ 359,594,793
Business-type activities				
Net investment in capital assets	\$ 172,162,748	\$ 181,476,154	\$ 181,437,600	\$ 186,611,050
Restricted	2,147,527	1,939,786	1,975,308	1,688,303
Unrestricted	33,568,393	28,480,396	35,270,129	35,383,205
Total business-type activities	\$ 207,878,668	\$ 211,896,336	\$ 218,683,037	\$ 223,682,558
Primary government				
Net investment in capital assets	\$ 483,177,637	\$ 486,736,875	\$ 479,767,272	\$ 501,601,078
Restricted	3,471,791	2,955,882	2,987,328	12,444,169
Unrestricted	82,290,091	75,485,640	94,638,786	69,232,104
Total primary government	\$ 568,939,519	\$ 565,178,397	\$ 577,393,386	\$ 583,277,351

Source: Comprehensive Annual Financial Reports



Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 265,767,485	\$ 290,955,249	\$ 313,408,098	\$ 331,724,740	\$ 351,840,695	\$ 363,168,314
63,693,205	55,416,109	54,396,250	68,827,719	64,111,952	55,561,159
49,679,277	29,709,258	35,771,493	32,005,406	36,554,520	53,355,459
<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>	<u>\$ 472,084,932</u>
\$ 193,138,892	\$ 203,627,543	\$ 216,339,053	\$ 222,703,569	\$ 237,299,149	\$ 252,635,546
1,805,958	6,277,950	6,528,158	7,316,115	6,710,407	6,647,801
34,648,469	26,912,182	25,770,201	23,634,126	30,579,568	34,642,747
<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>	<u>\$ 293,926,094</u>
\$ 458,906,377	\$ 494,582,792	\$ 529,747,151	\$ 554,428,309	\$ 589,139,844	\$ 615,803,860
65,499,163	61,694,059	60,924,408	76,143,834	70,822,359	62,208,960
84,327,746	56,621,440	61,541,694	55,639,532	67,134,088	87,998,206
<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>	<u>\$ 766,011,026</u>



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

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	\$ 10,760,138	\$ 10,997,464	\$ 11,987,014	\$ 13,005,019
Culture, parks and recreation	9,299,504	9,585,769	9,487,780	9,377,831
Public safety	37,628,477	38,558,345	39,275,855	40,983,264
Public & development services	22,404,173	24,634,802	25,527,286	25,089,041
Interest on long-term debt	2,753,817	2,603,426	2,666,807	2,602,891
Total governmental activities expenses	<u>82,846,109</u>	<u>86,379,806</u>	<u>88,944,742</u>	<u>91,058,046</u>
Business-type activities				
Water and sewer	21,521,566	23,055,596	22,170,962	22,238,910
Stormwater	N/A	N/A	N/A	N/A
Total business-type activities expenses	<u>21,521,566</u>	<u>23,055,596</u>	<u>22,170,962</u>	<u>22,238,910</u>
Total primary government expenses	<u>104,367,675</u>	<u>109,435,402</u>	<u>111,115,704</u>	<u>113,296,956</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	3,306,827	3,348,523	3,447,957	3,383,721
Culture, parks & recreation	1,696,101	1,631,629	1,615,228	1,558,232
Public safety	5,000,197	5,665,379	5,390,583	6,021,116
Public & development services	1,656,995	1,947,382	1,512,075	2,161,083
Operating grants and contributions	2,228,626	2,190,754	2,517,289	2,415,909
Capital grants and contributions	11,183,861	3,579,450	15,090,545	4,745,018
Total governmental activities program revenues	<u>25,072,607</u>	<u>18,363,117</u>	<u>29,573,677</u>	<u>20,285,079</u>
Business-type activities				
Charges for services				
Water and sewer	26,146,670	28,072,610	28,375,842	27,797,951
Stormwater	N/A	N/A	N/A	N/A
Capital grants and contributions	1,470,699	2,643,208	4,254,018	2,851,893
Total business-type activities program revenues	<u>27,617,369</u>	<u>30,715,818</u>	<u>32,629,860</u>	<u>30,649,844</u>
Total primary government program revenues	<u>52,689,976</u>	<u>49,078,935</u>	<u>62,203,537</u>	<u>50,934,923</u>
Net (Expense)/Revenue				
Governmental activities	(57,773,502)	(68,016,689)	(59,371,065)	(70,772,967)
Business-type activities	6,095,803	7,660,222	10,458,898	8,410,934
Total primary government net expense	<u>\$ (51,677,699)</u>	<u>\$ (60,356,467)</u>	<u>\$ (48,912,167)</u>	<u>\$ (62,362,033)</u>

(Continued)

TABLE-2
(Continued)

		Fiscal Year					
		2014	2015	2016	2017	2018	2019
\$	14,937,012	\$ 14,889,822	\$ 16,558,383	\$ 19,373,580	\$ 20,036,407	\$ 26,035,465	
	9,453,483	10,590,147	11,595,165	12,290,135	14,001,134	11,787,717	
	42,102,487	43,314,229	48,023,020	51,065,140	54,104,824	57,524,595	
	26,636,252	24,838,325	24,054,096	26,561,696	29,576,155	29,873,232	
	3,929,397	4,630,523	3,007,969	3,201,522	3,194,723	4,602,955	
	<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>	<u>129,823,964</u>	
	23,374,088	23,966,776	25,719,450	27,727,921	30,205,347	29,550,735	
	N/A	N/A	N/A	N/A	38,908	150,112	
	<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>29,700,847</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>	<u>159,524,811</u>	
	3,430,722	4,078,959	4,552,123	5,602,107	4,606,589	3,851,605	
	1,602,387	1,511,452	1,694,567	1,879,756	2,013,091	2,738,902	
	6,626,569	6,426,736	7,051,806	7,529,350	7,842,011	8,051,294	
	2,164,718	2,719,160	2,804,823	3,127,996	3,902,532	3,896,785	
	3,439,677	2,112,550	2,459,898	4,291,331	2,640,360	4,177,873	
	23,980,160	17,073,948	27,519,322	26,620,718	24,196,775	18,499,358	
	<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>	<u>41,215,817</u>	
	27,164,770	26,928,510	29,392,347	30,566,320	34,013,015	33,836,347	
	N/A	N/A	N/A	N/A	2,997,263	3,909,847	
	6,316,430	10,094,171	11,561,859	5,592,092	16,055,699	13,342,157	
	<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>51,088,351</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>	<u>92,304,168</u>	
	(55,814,398)	(64,340,241)	(57,156,094)	(63,440,815)	(75,711,885)	(88,608,147)	
	10,107,112	13,055,905	15,234,756	8,430,491	22,821,722	21,387,504	
\$	<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>	<u>(67,220,643)</u>	

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

	Fiscal Year			
	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 28,898,185	\$ 27,774,848	\$ 28,739,963	\$ 29,579,363
Sales taxes	18,605,874	18,677,965	22,666,950	27,451,139
Other taxes	1,046,346	1,038,923	1,011,328	1,200,502
Franchise taxes	5,055,711	5,272,499	5,436,197	5,814,797
Hotel motel taxes	1,551,355	1,862,191	1,960,910	2,065,363
Penalties and interest	186,231	146,689	228,746	154,905
Investment earnings	526,984	459,600	365,045	210,934
Gain (loss) on disposal of assets	13,118	3,075	8,525	3,477
Miscellaneous	272,693	1,077,579	396,641	1,441,416
Transfers	3,260,894	3,924,530	3,985,048	3,735,515
Total governmental activities	<u>59,417,391</u>	<u>60,237,899</u>	<u>64,799,353</u>	<u>71,657,411</u>
Business-type activities				
Investment earnings	211,973	269,639	286,958	120,530
Miscellaneous	81,358	12,337	25,893	203,572
Transfers	<u>(3,260,894)</u>	<u>(3,924,530)</u>	<u>(3,985,048)</u>	<u>(3,735,515)</u>
Total business-type activities	<u>(2,967,563)</u>	<u>(3,642,554)</u>	<u>(3,672,197)</u>	<u>(3,411,413)</u>
Total primary government	<u>56,449,828</u>	<u>56,595,345</u>	<u>61,127,156</u>	<u>68,245,998</u>
Change in Net Position				
Governmental activities	1,643,889	(7,778,790)	5,428,288	884,444
Business-type activities	<u>3,128,240</u>	<u>4,017,668</u>	<u>6,786,701</u>	<u>4,999,521</u>
Total primary government	<u>\$ 4,772,129</u>	<u>\$ (3,761,122)</u>	<u>\$ 12,214,989</u>	<u>\$ 5,883,965</u>

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

Source: Comprehensive Annual Financial Reports

TABLE-2
(Continued)

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	31,441,081	\$	33,283,968	\$	35,736,489	\$	38,990,482	\$	42,539,829	\$	45,945,364
	29,361,613		31,362,273		33,215,415		35,730,891		37,738,693		40,338,971
	1,180,980		463,773		436,866		958,170		960,267		1,064,061
	6,222,722		7,079,783		6,852,201		6,999,960		7,006,296		6,789,508
	2,196,565		2,423,662		2,667,652		2,595,730		2,547,031		2,517,783
	153,196		177,235		148,661		208,671		210,555		208,502
	371,766		828,823		805,331		1,132,897		1,286,333		6,220,905
	4,750		103,233		18,323		77,614		72,325		-
	1,240,197		1,034,439		900,434		1,801,022		1,785,812		532,239
	3,814,737		3,743,920		3,869,947		3,927,402		2,295,423		4,568,579
	<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>		<u>108,185,912</u>
	173,481		372,587		361,953		464,857		425,390		2,448,787
	19,195		11,673		92,975		48,452		62,030		69,258
	<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>(4,568,579)</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>(2,050,534)</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>		<u>106,135,378</u>
	20,173,209		16,160,868		27,495,225		28,982,024		20,730,679		19,577,765
	6,485,051		9,696,245		11,819,737		5,016,398		21,013,719		19,336,970
\$	<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>	\$	<u>38,914,735</u>

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

	Fiscal Year			
	2010	2011	2012	2013
General fund				
Nonspendable	\$ 201,588	\$ 230,316	\$ 234,127	\$ 381,982
Assigned	136,854	100,680	222,738	538,290
Unassigned	26,429,898	28,989,043	30,615,982	30,571,006
Total general fund	<u>\$ 26,768,340</u>	<u>\$ 29,320,039</u>	<u>\$ 31,072,847</u>	<u>\$ 31,491,278</u>
All other governmental funds				
Nonspendable	\$ 3,245,372	\$ 2,758,852	\$ 2,518,104	\$ 2,265,652
Restricted	26,443,792	22,563,101	31,447,210	43,011,859
Committed	7,687,555	7,705,016	6,812,474	7,065,074
Assigned	14,681,969	10,335,218	6,985,090	7,166,018
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 52,058,688</u>	<u>\$ 43,362,187</u>	<u>\$ 47,762,878</u>	<u>\$ 59,508,603</u>

Source: Comprehensive Annual Financial Reports

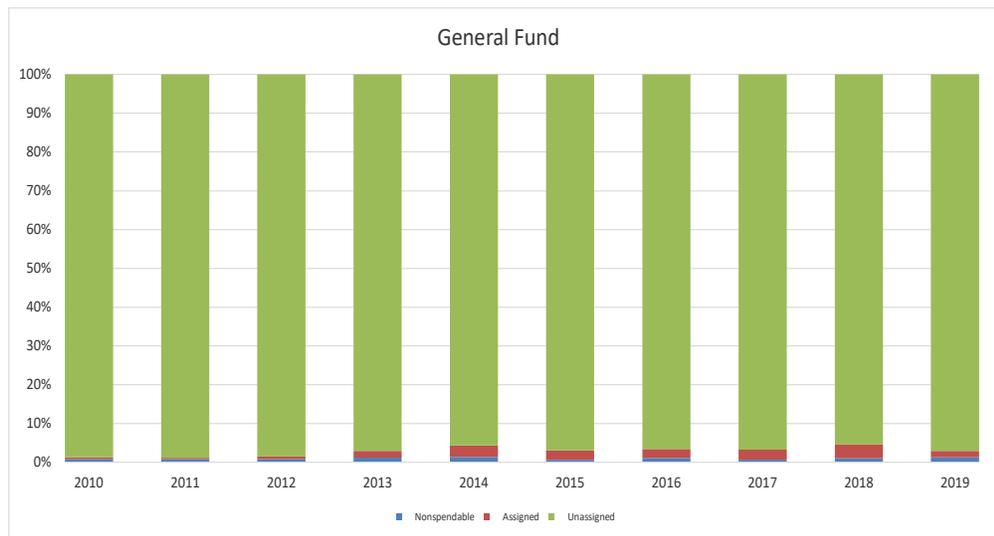
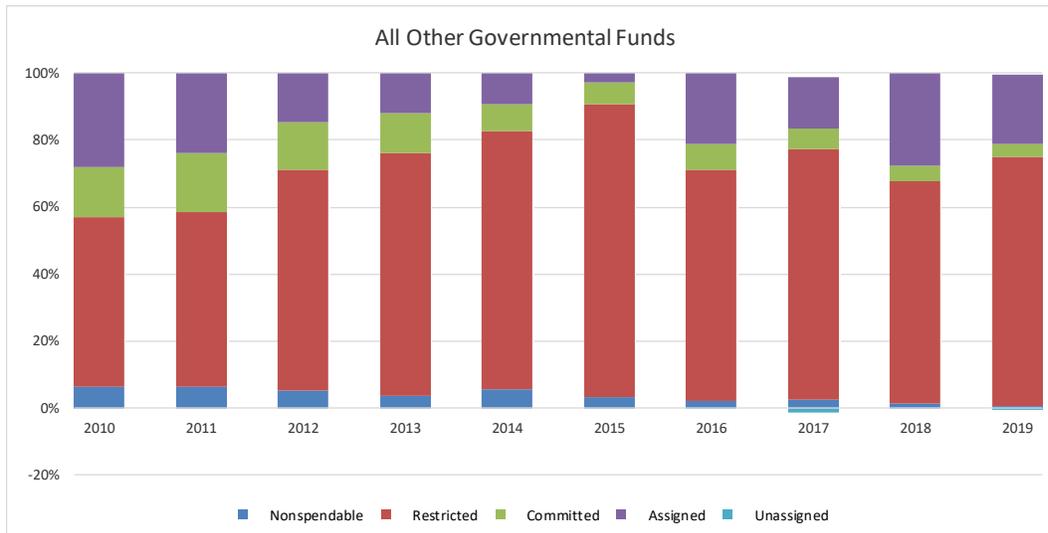


TABLE 3

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 427,988	\$ 211,453	\$ 419,587	\$ 263,615	\$ 387,350	\$ 451,650
927,749	942,033	870,323	1,054,236	1,283,685	626,159
30,287,824	36,088,467	36,616,542	38,970,279	34,946,844	35,634,844
<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>	<u>\$ 36,712,653</u>
\$ 4,036,362	\$ 1,776,221	\$ 1,537,789	\$ 2,493,293	\$ 1,100,317	\$ 887,531
54,997,056	45,884,953	46,215,549	70,068,470	60,188,608	94,195,574
5,783,255	3,356,630	5,149,000	5,671,550	4,128,849	4,766,661
6,515,177	1,461,128	14,338,843	14,270,967	25,229,008	26,159,201
-	-	-	(1,268,648)	-	(662,927)
<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>	<u>\$ 125,346,040</u>



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

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Property and other taxes	\$ 55,411,805	\$ 54,800,940	\$ 60,070,877	\$ 66,279,731
Licenses and permits	1,894,107	2,210,218	1,741,153	2,375,771
Charges for services	5,522,540	5,543,470	5,680,893	6,051,283
Recreation	1,502,618	1,432,238	1,448,853	1,380,911
Fines	2,946,204	2,752,316	2,874,525	2,954,961
Intergovernmental	2,316,342	1,497,777	1,481,591	1,672,221
Investment earnings	526,987	459,604	365,043	1,771,288
Contributions and donations	4,018,465	1,922,304	10,100,624	1,434,519
Miscellaneous	1,080,387	2,109,044	1,880,771	2,258,538
Total revenues	<u>75,219,455</u>	<u>72,727,911</u>	<u>85,644,330</u>	<u>86,179,223</u>
Expenditures				
General government	9,115,750	9,404,791	9,933,848	10,350,058
Culture and recreation	6,207,016	6,300,265	6,318,868	6,288,988
Public safety	35,016,553	35,209,021	36,816,688	39,487,803
Public & development services	9,492,466	9,591,553	9,687,620	10,596,633
Stormwater/environment/sustainability	-	-	-	-
Capital outlay	14,505,465	14,330,533	23,658,611	16,208,343
Debit service:				
Principal	5,695,000	6,590,000	6,325,000	5,410,000
Interest and fiscal charges	2,849,017	2,604,989	2,405,624	3,143,454
Total expenditures	<u>82,881,267</u>	<u>84,031,152</u>	<u>95,146,259</u>	<u>91,485,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,661,812)</u>	<u>(11,303,241)</u>	<u>(9,501,929)</u>	<u>(5,306,056)</u>
Other financing sources (uses)				
Transfers in	13,622,782	8,015,843	8,778,083	11,323,247
Transfers out	(10,397,384)	(4,099,531)	(4,072,035)	(7,587,732)
Issuance of refunding bonds	2,565,000	1,605,000	16,490,000	12,455,000
Issuance of general obligation bonds and tax notes	(2,555,000)	(1,610,846)	9,260,000	-
Proceeds from certificates of obligation	-	-	-	-
Payments to refunding bond escrow agent	-	-	(16,969,925)	-
Premium (discount) on issuance of bonds and tax notes	-	24,898	1,240,780	1,276,220
Proceeds from sale of assets	13,118	3,075	8,525	3,477
Contributions from other sources	-	1,220,000	920,000	-
Total other financing sources (uses)	<u>3,248,516</u>	<u>5,158,439</u>	<u>15,655,428</u>	<u>17,470,212</u>
Net change in fund balances	<u>\$ (4,413,296)</u>	<u>\$ (6,144,802)</u>	<u>\$ 6,153,499</u>	<u>\$ 12,164,156</u>
Debt service as a percentage of noncapital expenditures	12.1%	12.5%	11.4%	10.8%

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						
2014	2015	2016	2017	2018	2019	
\$ 70,528,793	\$ 74,842,866	\$ 79,009,378	\$ 85,426,387	\$ 91,067,582	\$ 96,757,185	
2,344,395	2,928,356	3,069,656	3,042,943	3,793,635	3,328,993	
6,228,323	7,276,968	8,331,143	10,321,007	6,501,755	7,032,848	
1,392,858	1,350,039	1,559,490	1,748,978	9,472,266	9,708,396	
3,184,227	3,133,365	3,180,513	2,867,754	1,874,972	2,598,763	
1,314,512	6,458,088	17,776,341	9,778,081	2,982,997	2,906,281	
3,283,200	736,610	731,407	1,031,702	1,171,883	5,736,576	
22,204,576	860,304	9,806,224	23,215,076	14,568,064	8,561,992	
3,229,624	1,137,665	918,752	1,878,639	1,858,137	548,625	
<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>	<u>137,179,659</u>	
11,770,289	10,224,337	11,185,958	13,567,967	13,776,300	16,554,808	
6,486,894	7,561,819	7,908,411	8,888,282	8,808,323	9,450,097	
41,217,380	42,290,390	44,332,936	48,212,481	51,178,324	56,847,312	
11,113,045	11,365,485	12,110,108	14,949,216	14,203,659	14,851,601	
-	-	-	-	-	12,224	
23,663,670	33,388,870	39,527,888	31,808,968	39,288,558	52,417,832	
7,130,000	7,425,000	9,345,000	11,135,000	10,510,000	11,680,000	
4,106,105	4,829,415	3,510,370	3,699,485	3,783,655	5,366,812	
<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>167,180,686</u>	
8,223,125	(18,361,055)	(3,537,767)	7,049,168	(8,257,528)	(30,001,027)	
11,891,798	13,104,729	31,607,222	19,817,589	26,114,167	18,791,329	
(8,144,143)	(8,269,213)	(27,837,275)	(16,090,187)	(22,115,740)	(13,922,750)	
-	21,085,000	9,905,000	-	-	2,605,000	
-	-	14,065,000	14,365,000	-	55,300,000	
-	-	-	-	-	-	
-	(23,235,107)	(10,873,240)	-	-	(2,846,172)	
-	2,421,120	2,097,808	1,234,559	-	4,867,652	
4,750	-	-	-	-	-	
-	-	-	-	-	-	
<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>64,795,059</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>	<u>\$ 34,794,032</u>	
12.9%	14.0%	14.1%	14.4%	12.7%	14.0%	

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					
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
2019	10,574,959,997	1,981,848,443	1,551,691,782	553,033,278	249,261,791	10,202,821,589	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		
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Lewisville Independent School District	Denton County	Total Direct & Overlapping Rates
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
2019	0.313766	0.122320	0.436086	1.4075	0.225574	2.069160

Source: City of Lewisville, Denton County Tax Assessor

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

TABLE 7

2019			2010		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Value
Digital Lewisville LLC	\$ 101,000,000	0.99%	Vista Ridge Joint Venture	\$ 85,027,707	1.34%
Sysco Food Services of Dallas LP	80,713,284	0.79%	GTE Southwest Inc dba Verizon	55,318,260	0.87%
Teachers Insurance Annuity Assoc	77,767,207	0.76%	Teachers Insurance Annuity Association	47,411,896	0.74%
RREF Chapel Hill LLC	75,619,142	0.74%	TIC Lago Vista LP etal	43,114,280	0.68%
DFW Lewisville Partners GP ETAL	71,916,362	0.70%	SYSCO Food Services of Dallas LP	36,570,609	0.57%
Bedrock Holdings II (Dallas) LLC	66,191,000	0.65%	OPUS West LP	36,249,470	0.57%
TLF Logistics II Lakepointe Crossings LLC	63,190,320	0.62%	KIR Lewisville LP P/S	35,019,123	0.55%
Columbia Medical Center Lewisville	62,185,326	0.61%	BREOF Convergence LP	33,149,270	0.52%
Madera ROE Inestors SPE LLC ETAL	59,714,866	0.59%	G&I VI Oak Forest LP	33,145,009	0.52%
GRE Vista Ridge LP	50,414,898	0.49%	GRE Vista Ridge LP	32,927,000	0.52%
TOTAL	\$ 708,712,405	6.94%	TOTAL	\$ 437,932,624	6.88%

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
2010	29,389,678	(62,475)	29,327,203	29,115,450	99.07%	178,627	29,294,077	99.89%
2011	28,228,960	85,729	28,314,689	28,084,210	99.49%	210,667	28,294,877	99.93%
2012	28,925,178	79,191	29,004,369	28,814,980	99.62%	171,354	28,986,334	99.94%
2013	29,949,696	(14,486)	29,935,210	29,838,761	99.63%	80,405	29,919,166	99.95%
2014	31,844,644	16,738	31,861,382	31,726,584	99.63%	108,450	31,835,034	99.92%
2015	33,934,554	62,825	33,997,379	33,814,067	99.64%	148,425	33,962,492	99.90%
2016	36,424,245	16,295	36,440,540	36,315,756	99.70%	84,493	36,400,249	99.89%
2017	39,698,686	(8,709)	39,689,977	39,562,788	99.66%	75,018	39,637,806	99.87%
2018	43,567,412	(92,152)	43,475,261	43,428,608	99.68%	(29,823)	43,398,785	99.82%
2019	47,173,526	-	47,173,526	46,893,515	99.41%	-	46,893,515	99.41%

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			
	2010	2011	2012	2013
Construction	\$ 315,604,945	\$ 508,276,308	\$ 521,804,800	\$ 583,295,010
Manufacturing	753,995,737	761,594,169	876,625,971	914,284,411
Transportation, Warehousing	691,150,901	747,819,849	818,329,058	511,874,252
Wholesale Trade	801,433,783	998,636,961	1,041,654,476	975,236,076
Retail Trade	1,878,956,373	1,931,419,742	2,111,473,213	2,183,666,702
Finance, Insurance and Information	57,425,359	70,840,042	69,075,343	66,652,294
Real Estate, Rental and Leasing	19,078,930	22,216,520	35,585,520	41,154,276
Professional, Scientific and Technical Services	211,806,495	275,395,584	288,679,219	412,722,141
Admin, Support, Waste Mgmt, Remediation Services	166,933,359	166,911,144	178,166,862	178,468,571
Educational Services	7,033,934	6,969,123	7,194,735	6,649,409
Health Care and Social Assistance	5,141,407	8,672,569	35,890,987	35,015,715
Arts, Entertainment and Recreation	25,715,214	26,861,732	30,244,591	34,052,488
Accommodation and Food Services	209,744,109	215,936,485	242,533,721	258,035,281
Other Services	126,406,332	130,789,356	195,709,795	149,266,942
Other, including industries with less than four entities	51,936,646	55,951,821	64,611,945	64,288,526
Total	<u>\$ 5,322,363,524</u>	<u>\$ 5,928,291,405</u>	<u>\$ 6,517,580,236</u>	<u>\$ 6,414,662,094</u>
City direct sales tax rate	1.25%	1.25%	1.50%	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.

<https://mycpa.cpa.state.tx.us/allocation/HistSales>

TABLE 9

Calendar Year						
	2014	2015	2016	2017	2018	2019
\$	638,610,746	\$ 721,442,040	\$ 958,021,075	\$ 1,345,455,738	\$ 2,174,501,503	\$ 1,765,995,366
	1,060,349,818	984,708,724	1,188,505,567	1,240,169,182	1,292,229,503	1,274,217,582
	357,156,412	403,302,932	431,732,599	514,836,288	392,463,571	340,952,342
	1,005,749,248	1,049,885,511	928,390,616	1,058,117,835	1,261,880,404	1,551,818,657
	2,479,427,763	2,549,423,928	2,276,916,379	2,354,009,159	2,395,092,525	2,355,615,774
	82,460,855	92,862,599	100,758,318	116,746,685	150,236,756	145,130,369
	57,758,763	65,197,168	72,394,606	72,978,054	69,902,709	81,723,882
	321,552,179	229,837,409	281,636,407	360,172,058	371,583,834	336,491,165
	206,552,443	233,397,011	243,358,095	229,202,038	232,023,205	272,209,357
	4,957,465	5,913,426	8,681,973	5,283,801	5,078,836	7,434,204
	61,111,630	69,231,424	84,018,177	96,689,420	52,626,424	32,154,832
	39,959,914	41,368,183	42,843,935	42,278,161	45,582,439	45,894,954
	256,135,797	266,726,875	270,904,668	269,785,969	284,245,517	291,236,977
	181,844,589	144,140,302	183,781,639	198,728,456	206,091,988	164,314,701
	68,075,878	57,717,235	59,768,651	62,309,468	69,408,966	69,305,137
\$	<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>	<u>\$ 8,734,495,299</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	
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%
2019	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 2019

Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Department Stores	719	10.52%	\$ 6,183,293	14.80%
All Other General Merchandise Stores	52	0.75%	2,723,840	6.52%
OTHER	16	0.23%	1,687,278	4.04%
Full-Service Restaurants	93	1.35%	1,483,793	3.55%
Limited-Service Restaurants	124	1.81%	1,480,256	3.54%
All Other Miscellaneous Store Retailers (except Tobacco Stores)	45	0.66%	1,034,395	2.48%
Wireless Telecommunication Carriers (Except Satellite)	45	0.65%	978,478	2.34%
Payroll Services	30	0.44%	892,385	2.14%
Electrical Power Distribution	9	0.14%	887,899	2.12%
Home Centers	87	1.26%	787,151	1.88%
Total	1,219	17.82%	\$ 18,138,768	43.40%

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

Calendar Year 2010

Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
OTHER	849	9.97%	\$ 2,620,082	10.84%
Discount Department Stores	9	0.11%	1,819,883	7.53%
Full-Service Restaurants	143	1.68%	1,297,974	5.37%
Department Stores	15	0.18%	1,208,512	5.00%
Lumber, Plywood, Millwork, and Wood Panel Wholesalers	7	0.08%	1,034,425	4.28%
Electric Power Distribution	38	0.45%	796,600	3.30%
Limited-Service Restaurants	109	1.28%	744,390	3.08%
Wireless Telecommunications Carriers	61	0.72%	678,792	2.81%
Home Centers	5	0.06%	612,269	2.53%
Radio, Television, and Other Electronics Stores	37	0.43%	532,683	2.20%
Total	1,273	14.96%	\$ 11,345,610	46.94%

CITY OF LEWISVILLE, TEXAS
 COMBINED SCHEDULE OF BONDS
 SEPTEMBER 30, 2019
 (Unaudited)

Issue	Interest		Date		Annual Serial Payments
	Rates	Payment Dates	Issued	Maturity	
General Obligation Bonds-					
Series 2009	3.25 - 4.25	02/15 & 08/15	06/01/09	02/15/2025	285,000 - 405,000
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
Series 2018 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	09/01/18	02/15/2034	2,410,000 - 3,710,000
Series 2019	3.00 - 4.00	02/15 & 08/15	07/15/19	02/15/2035	550,000 - 905,000
Total General Obligation Bonds					
Certificates of Obligation-					
Total Certificates of Obligation					
Revenue Bonds-					
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
Series 2018 Refunding & Improvement	4.00 - 4.00	02/15 & 08/15	09/01/18	02/15/2033	400,000 - 625,000
Series 2019 Refunding & Improvement	3.00 - 4.00	02/15 & 08/15	07/15/19	02/15/2035	525,000 - 815,000
Total Revenue Bonds					
Total Bonds Payable					

NC = Non-Callable
 CC = Currently Callable

TABLE 12

Principal Issued	Bonds		Requirements Fiscal Year Ended September 30, 2019		Original Option Date
	Retired/ Defeased	Principal Outstanding	Principal	Interest	
\$ 5,430,000	\$ 3,225,000	\$ 2,205,000	\$ 335,000	\$ 83,000	02/15/19
25,750,000	10,605,000	15,145,000	2,590,000	525,550	02/15/22
12,455,000	3,725,000	8,730,000	725,000	333,863	02/15/23
21,085,000	4,385,000	16,700,000	1,175,000	745,625	02/15/25
15,300,000	6,500,000	8,800,000	1,915,000	314,125	02/15/26
8,670,000	5,560,000	3,110,000	1,530,000	69,850	NC
14,365,000	1,270,000	13,095,000	825,000	507,300	02/15/27
47,170,000	2,410,000	44,760,000	2,345,000	1,914,613	02/15/28
10,735,000	-	10,735,000	550,000	340,173	02/15/28
<u>160,960,000</u>	<u>37,680,000</u>	<u>123,280,000</u>	<u>11,990,000</u>	<u>4,834,099</u>	
-	-	-	-	-	
-	-	-	-	-	
13,465,000	8,170,000	5,295,000	580,000	178,275	02/15/21
5,925,000	3,460,000	2,465,000	245,000	64,125	02/15/22
5,205,000	1,670,000	3,535,000	300,000	138,338	02/15/23
11,750,000	4,035,000	7,715,000	990,000	292,819	02/15/25
10,880,000	1,580,000	9,300,000	965,000	365,825	02/15/26
11,025,000	1,040,000	9,985,000	1,030,000	374,660	02/15/27
7,270,000	400,000	6,870,000	375,000	267,300	02/15/28
9,925,000	-	9,925,000	525,000	303,287	02/15/28
<u>75,445,000</u>	<u>20,355,000</u>	<u>55,090,000</u>	<u>5,010,000</u>	<u>1,984,629</u>	
<u>\$ 236,405,000</u>	<u>\$ 58,035,000</u>	<u>\$ 178,370,000</u>	<u>\$ 17,000,000</u>	<u>\$ 6,818,728</u>	

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				
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	16,700,000	150,050,569	4.90%	1,432	
2019	130,921,475	3,414,839	-	59,504,840	-	193,841,154	6.04%	1,835	

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

Fiscal Year	General Bonded Debt Outstanding					Less Available Debt Service Funds	Net General Bonded Debt	Percentage of Taxable Assessed Value of Property*	Per Capita**
	General Obligation Bonds	Tax Notes	Certificates of Obligation	Total					
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	
2019	130,921,475	3,414,839	-	134,336,314	2,787,568	131,548,746	1.29%	1,245	

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, 2019
 (Unaudited)

TABLE 15

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Lewisville Independent School District	\$ 1,269,936,037	36.53%	\$ 463,907,634
Coppell Independent School District	382,497,416	0.64%	2,447,983
Denton County	590,380,000	11.13%	65,709,294
Dallas County	151,495,000	0.04%	60,598
Dallas County Community College District	182,800,000	0.04%	73,120
Dallas County Hospital District	671,290,000	0.04%	268,516
Dallas County Schools	36,801,240	0.04%	14,720
Denton County Levee Improvement District #1	7,125,000	93.93%	6,692,513
Subtotal, overlapping debt			539,174,378
City of Lewisville (direct debt)	134,336,314	100.00%	134,336,314
Total direct and overlapping debt			\$ 673,510,692

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

Fiscal Year	Waterworks and Sewer System Revenue Bonds						
	Total Revenues	Less: Operating Expenses	Net Available Revenue	Average Annual Requirement	Times Coverage	Maximum P & I Requirement	Times Coverage
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	21,693,365	16,841,881	3,459,057	4.869	5,924,198	2.843
2019	39,013,539	20,863,001	18,150,538	4,226,436	4.295	6,994,628	2.595

Source: Comprehensive Annual Financial Reports
 *Exhibit 10

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

TABLE 17

<u>Year</u>	<u>Estimated Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
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%
2019	105,640	3,208,287	30,370	32.4	17,626	2.7%

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

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)

For 2019, LISD enrollment decreased due to two Elementary Schools closing (College St & Hedrick Elementary). Mill Street Elementary opened 2019.

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

TABLE 18

2019			2010		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Lewisville Independent School District (Lewisville employment only)	3,511	5.40%	JP Morgan Chase	2,817	5.03%
Music City Mall (all outlets)	1,500	2.31%	Lewisville Independent School District (Lewisville employment only)	2,122	3.79%
City of Lewisville	817	1.26%	Vista Ridge Mall (all outlets)	1,980	3.53%
HOYA Vision Care	733	1.13%	Med Fusion Laboratories	900	1.61%
Wal-Mart (all City locations)	720	1.11%	Nationstar Mortgage	900	1.61%
TIAA-CREF	627	0.96%	Wal-Mart (all City locations)	873	1.56%
Mary Kay	626	0.96%	Lewisville Medical Center	803	1.43%
Bed Bath & Beyond	623	0.96%	City of Lewisville	688	1.23%
Medical City Lewisville	551	0.85%	SYSCO Foods	625	1.12%
Med-Fusion	500	0.77%	21st Century Insurance	500	0.89%
Total	<u>10,208</u>	<u>15.71%</u>	Total	<u>12,208</u>	<u>21.80%</u>

Sources:

City of Lewisville Economic Development Department
 US BUREAU OF LABOR STATISTICS
 North Central Texas Council of Governments

Notes:

Music City Mall & Wal-Mart number of employees are estimated for 2019

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

TABLE 19

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government and administration and legal	67.0	68.0	68.0	68.0	70.0	72.0	82.0	86.0	83.0	86.0
Public safety	348.0	349.0	359.0	384.0	386.0	388.0	395.0	395.0	403.0	430.0
Public services	123.0	123.0	123.0	123.0	124.0	127.0	129.0	129.0	134.0	135.0
Development Services	64.0	65.0	68.0	69.0	70.0	72.0	74.0	76.0	72.0	72.0
Parks and leisure	78.0	81.0	81.0	81.0	83.0	83.0	86.0	87.0	89.0	94.0
Total	680.0	686.0	699.0	725.0	733.0	742.0	766.0	773.0	781.0	817.0

Source: City Budget Office, authorized positions



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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

	Fiscal Year			
	2010	2011	2012	2013
General government				
Public Records				
Number of open record requests	13,138	12,169	9,627	8,007
Parks & recreation				
Number registered for recreation programs	5,277	7,459	6,591	7,070
Public swim admissions	43,888	42,021	39,304	57,122
Lake Park day use area attendance	131,667	127,382	137,507	140,626
LLELA attendance	N/A	N/A	N/A	N/A
Library				
Library visits	451,015	424,079	403,308	377,915
Library volumes circulated	774,629	692,066	686,804	637,083
Public safety				
Police				
Calls for service	66,751	61,514	63,014	58,675
Part 1 crimes	4,038	3,448	3,272	2,903
Number of accidents	2,409	2,318	2,490	2,457
Fire				
Number of fire incidents	3,107	3,395	3,083	3,206
Number of EMS incidents	6,069	6,529	6,855	6,622
Public services				
Public Services				
Concrete paving repair (cubic yards)	4,820	7,379	8,157	6,780
Concrete utility cut repair (cubic yards)	221	306	300	284
Asphalt pothole repair (tons)	78	39	88	209
Development Services				
Building permits issued	509	439	379	520
Municipal Water System				
Number of customers (meters)	21,912	21,342	21,427	21,662
Average daily water consumption (MGD)	14.44	16.84	16.06	15.11
System capacity (MGD)	38.4	38.4	53.4	53.4
Number of water main breaks	75	96	99	105
Sewer System				
System treatment capacity (MGD)	15	15	15	15
Sanitation (residential)				
Residential refuse collected (tons)	27,179	25,302	25,418	26,119
Commercial refuse collected (tons)	109,773	104,528	76,119	73,589

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. For 2016, Lake Park attendance was down due to the park being closed from November 28 through October 1 due to flooding. Boat ramp reopened July 26. For 2019, Lake Park attendance was down due to the park being closed from May 3 through July 2 due to flooding.

TABLE 20

Fiscal Year					
2014	2015	2016	2017	2018	2019
8,132	7,141	6,787	4,668	5,186	3,809
6,708	8,897	7,901	8,413	5,495	6,724
35,554	40,183	29,211	36,643	28,567	33,446
136,582	61,640	16,033	142,546	139,090	89,672
N/A	N/A	66,732	67,112	58,089	71,180
329,718	329,435	345,097	349,445	362,113	362,330
599,405	603,100	612,355	613,013	637,437	668,555
59,226	61,261	65,521	63,342	60,814	60,678
2,775	3,170	2,921	2,546	2,832	2,806
2,405	2,736	3,120	3,170	2,942	3,275
3,598	3,485	3,680	3,717	3,807	3,686
6,861	7,644	8,039	7,709	7,780	8,363
4,939	9,076	6,712	6,312	4,275	5,956
119	239	330	177	223	163
273	377	140	263	37	28
392	523	631	481	660	604
21,797	22,192	22,685	22,870	23,267	23,602
13.04	13.05	14.04	13.74	16.40	14.80
53.4	53.4	53.4	53.4	53.8	53.4
56	63	54	51	60	26
15	15	15	15	15	15
26,153	23,495	25,394	25,720	25,158	30,884
70,306	71,375	81,083	66,965	76,534	81,571

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

TABLE 21

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
Culture, parks & recreation										
Parks and leisure										
Number of parks	33	33	33	33	33	35	35	35	35	35
Parks (acres)	1,240	1,240	1,240	1,240	1,240	3,258	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	35	37
Lighted tennis courts	4	4	4	4	4	4	4	4	4	4
Recreation centers	2	2	2	2	2	2	2	2	1	1
Senior citizens center	1	1	1	1	1	1	1	1	1	1
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	94	95	93	96	98	98	107	113	113	130
Fire stations	7	7	7	7	7	7	7	7	7	8
Public services										
Public services										
Streets -paved (miles)	573	573	573	650	650	672	672	672	674	682
Alleys - paved (miles)	85	85	85	97	97	97	97	99	99	99
Number of street lights	2,983	2,911	2,894	2,898	3,218	3,480	3,501	3,505	3,509	3,515
Water and sewer										
Water mains (miles)	397	381	377	381	387	384	384	398	398	408
Fire hydrants	3,015	3,015	3,015	3,079	3,154	3,154	3,154	3,154	3,265	3,134
Sanitary sewer (miles)	315	318	303	312	313	315	316	315	320	334

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".
 In 2019, Fire Station #8 was opened.