

Comprehensive Annual Financial Report

For the period ended September 30, 2014



Nature



Bird Watching

Lewisville Lake Environmental Learning Area



Kids' Fishing Day

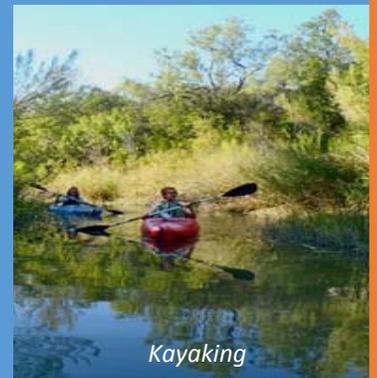


Fly Fishing

Nearly 2,000 acres of tallgrass prairies and bottomland forests tucked into the soft rolling hills of north central Texas, with the Trinity River flowing through it all.



Minor-Porter Log Home



Kayaking

151 W. Church Street
Lewisville, TX 75029





LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

CITY OF LEWISVILLE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the fiscal year ended September 30, 2014



Prepared by the
FINANCE DEPARTMENT



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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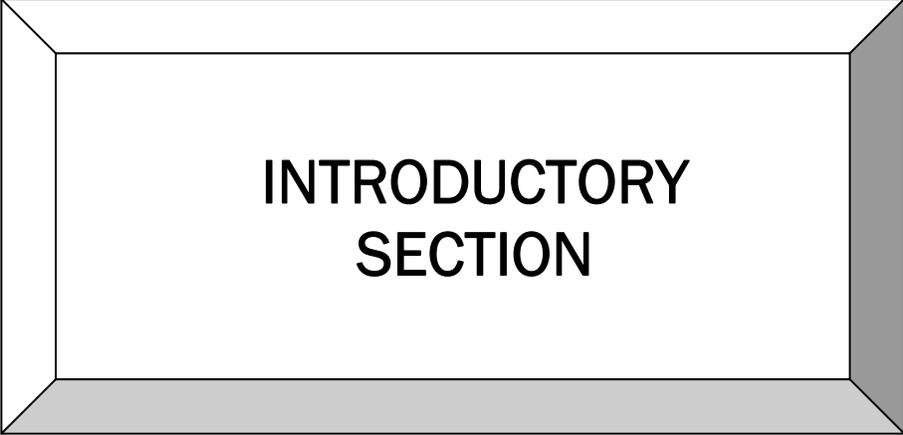
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**INTRODUCTORY
SECTION**



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.



March 11, 2015

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, 2014, 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, 2014, is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

GENERAL INFORMATION – CITY OF LEWISVILLE

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

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

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

In addition, the City of Lewisville has organizations called component units. Component units are legally separate organizations for which the elected officials of the City of Lewisville are financially accountable. At September 30, 2014, the component units for the City of Lewisville are:

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

ECONOMIC CONDITIONS AND OUTLOOK

The City of Lewisville continues to experience positive annual population and new commercial growth. Between the years 2000 to 2010, Lewisville's population increased by 22.6% from 77,737 to 95,290 per the official Census data of 2010. The current population estimate from the North Central Texas Council of Governments (NCTCOG) is 98,330. As Lewisville is primarily developed with little vacant land, the City has gained a tremendous number of infill development and redevelopment projects that has aided in the rejuvenation of the City's old housing stock. Estimates are for residential population to be approximately 111,000 at the time of build-out around 2030.

Lewisville's daytime population is expected to exceed its residential population by 2030 due to the large number of employers located in Lewisville. With Lewisville's continued pro-business policies, the City maintains its economic prosperity. Highlights include:

- Majestic Airport Center is another master-planned business park with over 160 acres that will total more than 3 million square feet of Class A warehouse and distribution facilities. Phase I is complete, which includes DFW's first 1 million square foot speculative industrial building. Kellogg relocated their southwest regional distribution facility to Majestic Airport Center in 2012, occupying 1 million square feet and creating 300 new jobs. Jafra Cosmetics, Cabin Innovations, Hagemeyer North America Inc., Sonexus Health, and Ranger Air Aviation currently occupy the development, taking advantage of the Foreign Trade Zones and Triple Freeport exemption in place. Essilor of America is the newest addition to the Majestic Airport Center occupying 169,000 square feet with 90 employees. In addition, construction of a new 1.1 million square foot warehouse/flex space facility was completed in 2014 and is ready for occupancy. Planning is underway for an additional three (3) new mid-sized flex industrial buildings ranging from 250,000 to 400,000 square feet and will start construction in 2015.
- Industrial Developments International completed the 529,155 square foot Valley Parkway Distribution Center in 2013. The warehouse and distribution facility, located at the corner of Valley Parkway and Ace Lane, is being marketed for occupancy.
- Two new buildings totaling 400,000 square feet for warehouse/distribution facilities are currently under construction at Lakepointe Crossing on SH-121.

Revitalization of aging shopping centers has become a priority in Lewisville with three centers currently redeveloped or under construction.

- Birmingham Management completed their five million dollar revitalization of Lewisville West shopping center that included new architecture and tenants.
- Winco, a new grocery store, is expanding in Texas and chose Lewisville as one of their limited Metroplex locations. Old Orchard Village East shopping center is getting a facelift along with this new tenant. The project is under construction and is expected to be completed in the 2nd quarter of 2015. Project investment is estimated to be \$16 million.
- Vista Ridge Village shopping center has re-branded itself with new tenants adding 76,188 square feet of new retail including Shoe Carnival, Total Wine & More, Hobby Lobby, and Tuesday Morning.
- Other major retail additions to Lewisville in the past year have been Gander Mountain and Burke's Outlet.

MAJOR INITIATIVES

Tax Increment Reinvestment Zone Number 1—The City of Lewisville continues to revitalize Old Town Lewisville. The Old Town Tax Increment Reinvestment Zone was created in December 2001, with participation between the City and Denton County. The Old Town Tax Increment Reinvestment Zone has experienced an incremental increase in taxable value of \$92,468,632 since inception. Tax increment revenues from the Zone are used to finance infrastructure improvements and public facilities to stimulate revitalization of Old Town. Projects to date include parking improvements, wayfinding, infrastructure needs studies, sidewalk enhancements, beautification projects, the Medical Center of Lewisville Grand Theater (MCL Grand Theater), and the Wayne Ferguson Plaza.

New mixed use projects, including residential units, were approved in 2014 with over 4,000 square feet of office space and 75 new residential units in a price range of \$250,000 to \$350,000. The Zone will expire in 2028.

Tax Increment Reinvestment Zone Number 2—This zone was created in October 2008, with participation between the City and Denton County. This Zone started with a base value of \$9,097,649 and has added \$18,084,818 in incremental value. Tax increment revenues from the Zone are used to finance infrastructure improvements for a 427 acre mixed-use development. The development, also known as Hebron 121 Station, is at the northeast corner of I-35E and SH-121 Tollway. The project consists of urban residential, retail, recreation, and entertainment uses. The Denton County Transit Authority (DCTA) A-Train Station was completed in June 2011. Currently, the project has completed 250 units of multi-family residential housing with 444 units under construction. The City is working on the design for a bridge over Timber Creek to connect the project to the I-35E frontage road. The Zone will expire in 2038.

Lewisville 2025 Vision—The Lewisville 2025 Vision Plan commenced in March of 2013 in anticipation of the City's 100th birthday in 2025 to establish a course for creating a community reflective of citizens' values and aspirations. Public input and discussion garnered hundreds of ideas and suggestions from all stakeholders in the City. The planning project successfully ended with the adoption of the plan in June 2014 providing the City with a road map for future growth, and prioritizing projects and strategies for action for the next 10 years.

Major Roadway Projects—Construction is ongoing on the Interstate Highway 35E expansion. The project will widen the interstate from 10 to 16 lanes between I-635 and US Highway 380. The expansion will include free lanes, managed/tolled lanes, and additional new frontage lanes. The City completed a two year project for a Corridor Redevelopment Plan to guide public improvements, private developments, business retention, and new business recruitment along the corridor. An extension of the plan, the I-35 Branding Plan, was developed to create aesthetic treatments and non-vehicular travel options at highly visible overpasses and underpasses.

The City also started design on two major thoroughfares to provide maximum connectivity in the City. Corporate Drive and Valley Ridge Boulevard will provide additional means of access to businesses and residents. Both projects were part of a funding partnership with Denton County.

Brownfield Development— Lewisville completed its first Brownfield program which was funded by a \$400,000 grant from the Environmental Protection Agency. The funds were used for 22 site assessments which aided in redevelopment efforts for several highly visible projects including a major shopping center renovation and an old shopping center demolition to make room for a new mixed use development in Old Town.

Residential Growth— The City issued 175 new building permits for single-family residences this year. A significant number of new residential subdivisions are underway in Lewisville including a 156 acre annexation of land into the City for a master planned community. The Castle Hills Fresh Water Supply Districts also continue to grow in the City's extraterritorial jurisdiction. Other projects of interest include:

- Highpoint Oak Estates has broken ground on an 85 unit single-family detached project on the southwest corner of Vista Ridge Mall Drive and Denton Tap Road. Home prices will start in the \$300,000 range.
- The Hills of Vista Ridge has broken ground on a 124 unit single-family development, with 72 units on the northeast corner of Oakbend and Vista Ridge Mall Drive, and 52 units on the southeast corner of Oakbend and Vista Ridge Mall Drive.
- Ground work has begun to prepare the site for South Village, a 75 unit development in Old Town, south of Main Street, between Charles and Mill.
- Construction has begun on Wyndale Meadows, a 105 unit single-family development along FM 544 in east Lewisville.
- Work is underway on Crescent Estates, a 62 unit single-family development along Summit Lane.
- Plans have been approved for the 132 unit single-family development by DR Horton, called Verona, located on the north side of FM 407 next to McGee Lane.
- The City of Lewisville recently annexed property on the east and west side of Josey Lane, south of SH 121 and north of FM 544. The property had previously been a part of the Town of Hebron. A total of 156 acres were annexed for a new single-family master planned development called Lakewood Hills. It is anticipated that up to 526 new single-family homes will be constructed on the site, with the development occurring on both the east and west sides of Josey Lane.

FINANCIAL INFORMATION

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

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

The legal level of budgetary control is at the fund level. Budgetary control is maintained at the fund level with encumbrances entered at the time a purchase requisition is approved. Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased in December or January of each year to reflect these carried-forward encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

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

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

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

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

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

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

The allocation of the property tax levy by purpose (General Fund operations and Debt Service) for fiscal year 2014-15 and the preceding five fiscal years is reflected in the following table:

<u>Purpose</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
General Fund	0.318766	0.322890	0.322890	0.322890	0.322890	0.321560
Debt Service Fund	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.118650</u>
Total Tax Rate	<u>0.436086</u>	<u>0.440210</u>	<u>0.440210</u>	<u>0.440210</u>	<u>0.440210</u>	<u>0.440210</u>

Tax Appraisal/Collection Responsibilities—Under Texas law enacted in 1979 and subsequent revisions to the State Property Tax Code, the appraised value of taxable property in Lewisville is established by the Central Appraisal District of the county in which the property exists. The City of Lewisville’s jurisdiction is predominately in Denton County, but also extends into Dallas County. Therefore, both the Denton Central Appraisal District and the Dallas Central Appraisal District provide values to the city based upon county lines. The City of Lewisville and other taxing jurisdictions in the counties provide a pro rata share of the budgeted expenditures incurred by the respective appraisal district based upon individual levy. In fiscal year 2013-14, the City’s payments to the districts for appraisal services were \$237,502, a decrease of \$84, from the amount paid by the City in 2012-13. Since October 1997, the City has contracted with Denton County for tax collection services. The 2013-14 cost was \$19,748.

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 and Certificate of Obligation Debt at 9-30-14 (Net of Debt Service)	\$92,646,439
Estimated Population	98,330
General Debt per Capita	\$942
Net General Debt per Assessed Value	1.35%

The City’s underlying bond ratings at September 30, 2014 were as follows:

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

OTHER INFORMATION

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

It should be noted that the auditors included all funds in their audit, performed their audit in accordance with generally accepted auditing standards, and stated that, in their opinion, the statements herein present fairly, in all material respects, the financial position of the City at September 30, 2014, and the changes in financial position and cash flows, where applicable, for the year then ended in conformity with generally accepted accounting principles.

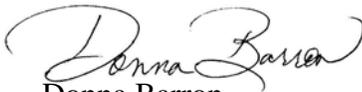
Certificate of Achievement—The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lewisville for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2013. 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 25 consecutive years (fiscal years ended 1989-2013). 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



Brenda Martin, CPA
Director of Finance



Government Finance Officers Association

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

Presented to

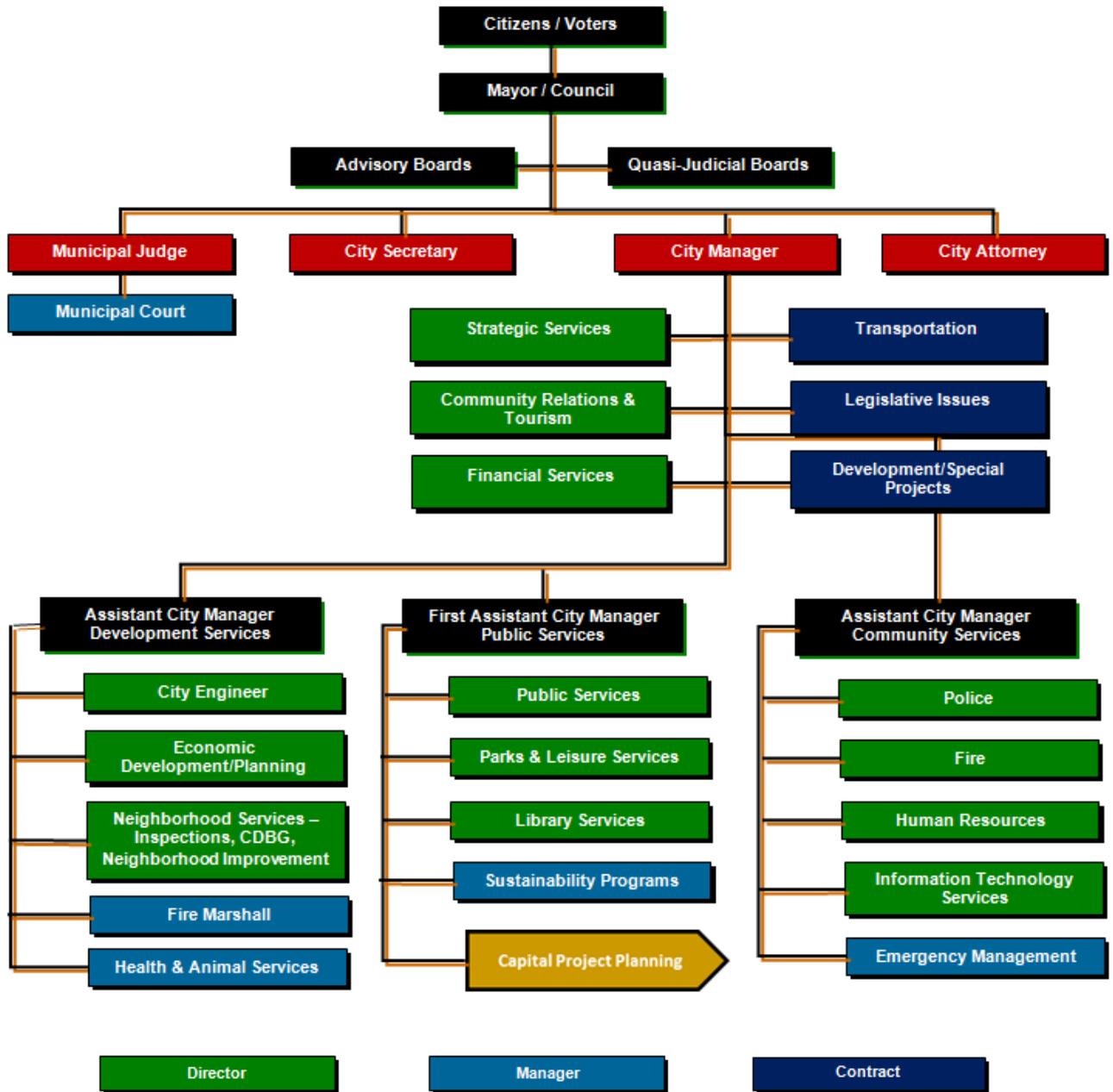
**City of Lewisville
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

CITY OF LEWISVILLE, TEXAS – ORGANIZATIONAL CHART



CITY OF LEWISVILLE – PRINCIPAL OFFICERS

– Elected Officials –

Mayor Dean Ueckert
Mayor Pro Tem..... TJ Gilmore
Deputy Mayor Pro Tem.....R Neil Ferguson
Councilman.....Leroy Vaughn
Councilman.....Greg Tierney
Councilman..... Rudy Durham

– Appointed Officials –

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

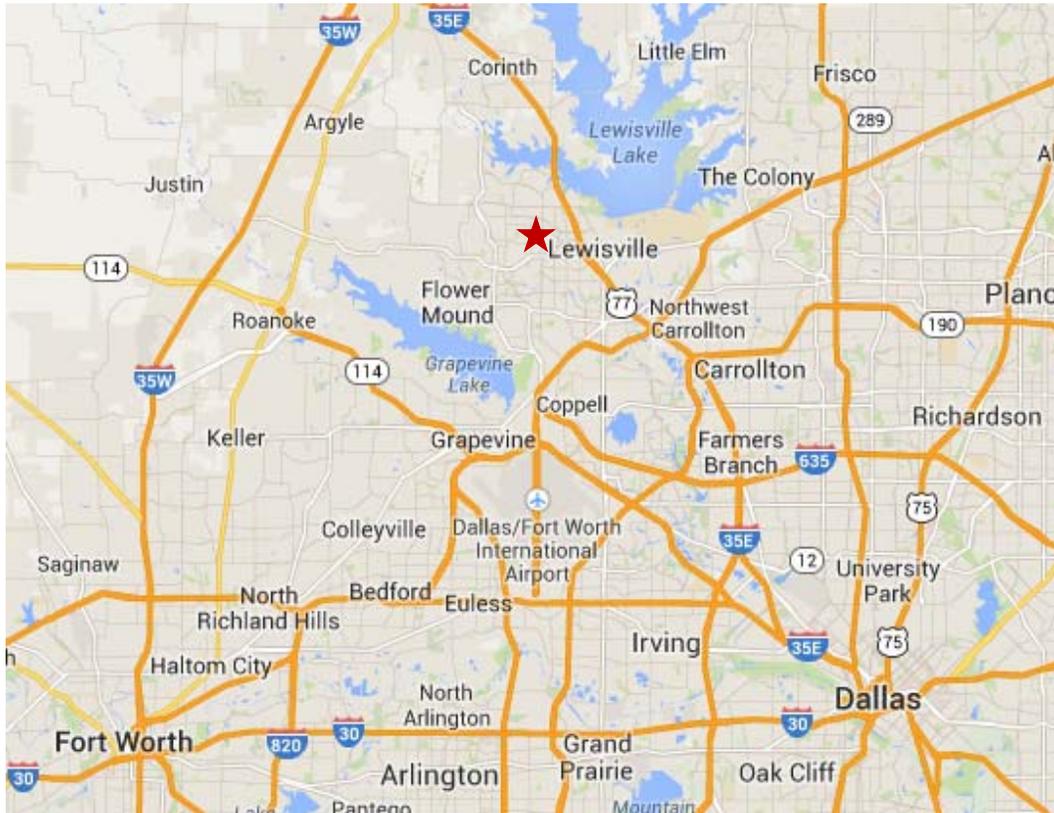
– Assistant City Managers –

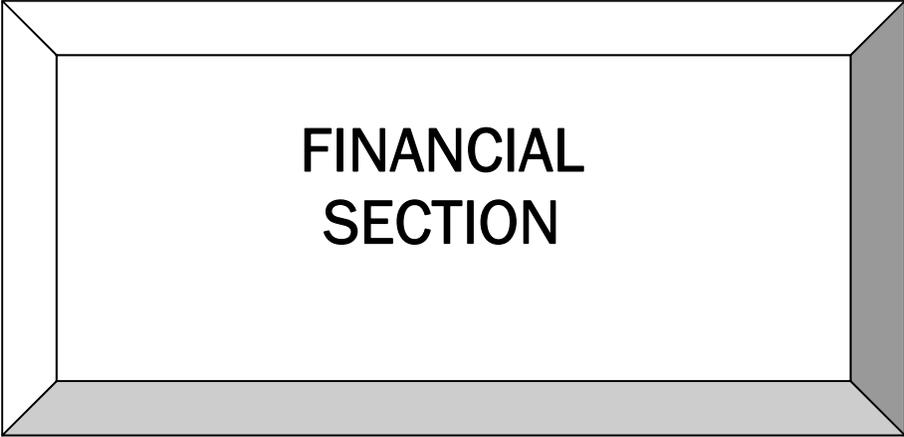
Public ServicesSteve Bacchus
Development Services Eric Ferris
Community Services.....Melinda Galler

– Department Directors –

Community Relations and Tourism.....James Kunke
Economic Development and Planning..... Nika Reinecke
Engineering.....David Salmon
Financial Services.....Brenda Martin
Fire.....Tim Tittle
Human ResourcesMelinda Galler
Information Technology Services..... Chris Lee
Library Services.....Ann Weigand
Neighborhood Services..... Cleve Joiner
Parks and Leisure Services Robert Monaghan
Police Russell Kerbow
Public ServicesCarole Bassinger
Strategic Services Gina Thompson

AREA MAP





**FINANCIAL
SECTION**



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lewisville (the City), as of and for the year ended September 30, 2014, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note 15 to the financial statements, in 2014 the City adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 16-27 and 82-83 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.

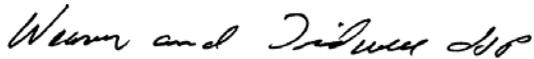
The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures 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.

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 4, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 4, 2015



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, 2014. Please read it in conjunction with the accompanying transmittal letter and the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of Lewisville exceeded its liabilities at the close of the fiscal year ending September 30, 2014 by \$608,733,286 (net position). Of this amount, \$100,486,982 (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 \$26,658,260 for the year ended September 30, 2014.
- As of September 30, 2014, the City of Lewisville's governmental funds reported combined ending fund balances of \$102,975,411, an increase of \$11,975,530 in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$30,287,824 or approximately 46% of total general fund expenditures.
- The City's total outstanding bonds decreased by \$12,270,000 during the current fiscal year. The City did not issue any debt in 2014.

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

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other money. The City's two types of funds – Governmental and Proprietary – utilize different accounting approaches.

Governmental funds – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net 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-one individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, General Capital Projects Fund, and the Castle Hills PID capital projects fund, all of which are considered to be major funds. Data from the other seventeen 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 one enterprise fund to account for water and sewer services provided to the City's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis are financed through user charges in a manner similar to a private business enterprise.

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

The City as Trustee

Reporting the City's Fiduciary Responsibilities

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City's fiduciary activities are reported in separate Statements of Fiduciary Net 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 \$608,733,286 as of September 30, 2014. Analyzing the net position and net expenses of governmental and business-type activities separately, the business type activities net position is \$229,593,319. This analysis focuses on the net position (Table 1) and changes in general revenues (Table 2) and significant expenses of the City's governmental and business-type activities.

By far the largest portion of the City's net position (81.1 percent) reflects its investment in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Table 1: Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 199,632,402	\$ 187,904,483	\$ 66,807,886	\$ 79,185,775	\$ 266,440,288	\$ 267,090,258
Capital assets	334,755,442	333,359,679	214,594,029	201,065,742	549,349,471	534,425,421
Total assets	534,387,844	521,264,162	281,401,915	280,251,517	815,789,759	801,515,679
Deferred outflows	564,561	643,749	305,627	347,267	870,188	991,016
Noncurrent liabilities	108,688,419	115,827,602	47,685,307	52,918,285	156,373,726	168,745,887
Other liabilities	47,124,019	46,485,516	4,428,916	3,997,941	51,552,935	50,483,457
Total liabilities	155,812,438	162,313,118	52,114,223	56,916,226	207,926,661	219,229,344
Net position:						
Net investment in capital assets	300,492,485	314,990,028	193,138,892	186,611,050	493,631,377	501,601,078
Restricted	12,808,969	10,755,866	1,805,958	1,688,303	14,614,927	12,444,169
Unrestricted	65,838,513	33,848,899	34,648,469	35,383,205	100,486,982	69,232,104
Total net position	\$ 379,139,967	\$ 359,594,793	\$ 229,593,319	\$ 223,682,558	\$ 608,733,286	\$ 583,277,351

Governmental Activities

The City's general revenues increased when compared to the prior year by 6.0% or \$4,330,196. The primary reasons for this increase were sales tax and property tax revenues. Both major revenue sources were reflective of the strong, stable economic climate the City continues to experience. Sales tax revenue increased \$1,910,474 (7.0%) from the prior year. Taxable assessed valuation of properties in the City increased by \$403.6 million or 6.2% as compared to the prior year while the tax rate remained the same at \$0.44021 per \$100 assessed valuation. The changes in the City's general revenues are as follows (Table 2):

Table 2: General Revenues and Transfers

	2014	2013	Increase (decrease)
Property taxes	\$ 31,594,277	\$ 29,734,268	\$ 1,860,009
Sales taxes	29,361,613	27,451,139	1,910,474
Hotel/motel taxes	2,196,565	2,065,363	131,202
Other taxes	1,180,980	1,200,502	(19,522)
Franchise taxes	6,222,722	5,814,797	407,925
Investment earnings	371,766	210,934	160,832
Intergovernmental	-	624,125	(624,125)
Gain on disposal of assets	4,750	3,477	1,273
Miscellaneous	1,240,197	817,291	422,906
Transfers	3,814,737	3,735,515	79,222
Total general revenues	\$ 75,987,607	\$ 71,657,411	\$ 4,330,196

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Governmental activities increased the City's net position by \$20,173,209. The key elements of this increase are as follows:

Table 3: Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 13,824,396	\$ 13,124,152	\$ 27,164,770	\$ 27,797,951	\$ 40,989,166	\$ 40,922,103
Operating grants and contributions	3,439,677	2,415,909	-	-	3,439,677	2,415,909
Capital grants and contributions	23,980,160	4,745,018	6,316,430	2,851,893	30,296,590	7,596,911
General revenues:						
Property taxes	31,594,277	29,734,268	-	-	31,594,277	29,734,268
Other taxes	38,961,880	36,531,801	-	-	38,961,880	36,531,801
Other	1,616,713	1,655,827	192,676	324,102	1,809,389	1,979,929
Total revenues	113,417,103	88,206,975	33,673,876	30,973,946	147,090,979	119,180,921
Expenses:						
General government	14,937,012	13,005,019	-	-	14,937,012	13,005,019
Culture, parks, and recreation	9,453,483	9,377,831	-	-	9,453,483	9,377,831
Public safety	42,102,487	40,983,264	-	-	42,102,487	40,983,264
Public services	26,636,252	25,089,041	23,374,088	22,238,910	50,010,340	47,327,951
Interest on long term debt	3,929,397	2,602,891	-	-	3,929,397	2,602,891
Total expenses	97,058,631	91,058,046	23,374,088	22,238,910	120,432,719	113,296,956
Increase (decrease) in net position before transfers	16,358,472	(2,851,071)	10,299,788	8,735,036	26,658,260	5,883,965
Transfers	3,814,737	3,735,515	(3,814,737)	(3,735,515)	-	-
Increase in net position	20,173,209	884,444	6,485,051	4,999,521	26,658,260	5,883,965
Net position—beginning (as previously stated)	359,594,793	358,710,349	223,682,558	218,683,037	583,277,351	577,393,386
Cummulative effect of Change in accounting principle	(628,035)	-	(574,290)	-	(1,202,325)	-
Net position—ending	\$ 379,139,967	\$ 359,594,793	\$ 229,593,319	\$ 223,682,558	\$ 608,733,286	\$ 583,277,351

The increase in operating grants contributions in 2014 was due to the City's component units repaying principal and interest to the Debt Service Fund for a long term note. For capital grants, the Castle Hills Public Improvement Districts located in the City's extraterritorial jurisdiction had bond sales of \$22.7 million to provide funding for infrastructure improvements.

The most significant governmental expense for the City is personnel cost. For the year, payroll costs were \$54,867,727 or 56.5% of total expenses. Payroll costs were closely monitored and came in \$941,364 less than budgeted.

For activities, public safety incurred expenses of \$42,102,487. These expenses were offset by revenues of \$6,626,569, which were collected from a variety of sources, with the largest being from fines and forfeitures. The largest portion of public safety is the cost of personnel which is \$36,365,130. Other significant governmental expenses for the City include public services which incurred \$26,636,252 in expenses, of which \$7,612,264 represents personnel charges and the general government activity which incurred \$14,937,012 in expenses, of which \$6,418,913 represents personnel charges. General government encompasses mayor and council, administration, legal, finance, human resources, information technology services, tourism, economic development and general government departments. The Parks and Leisure Services Department incurred \$9,453,483 in expenses, of which \$4,471,420 represents personnel charges.

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Business-type Activities

Business-type activities increased the City's net position by \$6,485,051. The increase in net revenues is the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$27,164,770. This revenue source decreased \$633,181 (2.3%) from 2013 due to the City's watering restrictions and continued dry conditions. Non-cash capital contributions from developers and cash receipts in the form of development impact fees amounted to \$6,316,430. This revenue increased \$3,464,537 from 2013 due to new project construction and continued redevelopment within the City. Developer contributions are public improvement infrastructure projects that are completed by the developer. Prior to transfers, the charges for services exceeded expenses by \$3.791 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014, the City had \$549.3 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines.

Table 4: Capital Assets at Year End

	Capital Assets at Year-end Net of Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Improvements	\$ 210,512,072	\$ 211,839,564	\$ 408,831	\$ 454,604	\$ 210,920,903	\$ 212,294,168
Land	51,217,974	49,219,037	2,368,892	2,368,892	53,586,866	51,587,929
Buildings	46,372,018	47,040,088	688,243	716,967	47,060,261	47,757,055
Machinery and equipment	12,428,299	11,280,058	703,137	976,299	13,131,436	12,256,357
Construction in progress	14,225,079	13,980,932	25,662,714	12,904,268	39,887,793	26,885,200
Water system	-	-	115,841,048	115,801,687	115,841,048	115,801,687
Sewer system	-	-	68,921,164	67,843,025	68,921,164	67,843,025
Total	<u>\$ 334,755,442</u>	<u>\$ 333,359,679</u>	<u>\$ 214,594,029</u>	<u>\$ 201,065,742</u>	<u>\$ 549,349,471</u>	<u>\$ 534,425,421</u>

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Major capital asset projects completed during 2013-2014 include:

Westwood II Infrastructure Improvements	\$ 4,784,480
Timbercreek Estates Drainage Improvements	1,967,474
1925/1955 Valley Parkway property purchase for corridor beautification	1,768,364
2014 Concrete Improvements paving, drainage, and sidewalk improvements	1,618,153
Jerry R. Galler Public Safety Training Center	1,492,773
Elm Fork Sanitary Sewer Line Extension	814,637
HVAC Replacement (4) at the Annex	733,673
New World – HR & Financial Software	632,381
Old Orchard Drainage Improvements	377,697
Walters Street Parking Lot	308,829
New World – Community Development Software	289,256
Distribution System Valve Replacements Valley Parkway, Old Orchard Lane, College Parkway, Main Street, Knollridge Drive, Fox Avenue	275,829
Traffic Signal and Timer Software	275,380
City Hall Fountains	259,010
	<u>\$ 15,597,936</u>

The City's fiscal year 2014 capital improvement program authorizes it to spend \$140 million for capital projects. These improvements are in the following categories: water and sewer, street, drainage, park, municipal/technology and public safety. The aforementioned amount of \$140 million is made up of both current year appropriations, as well as carryover amounts appropriated but not yet expended.

To support the capital improvement program, funds are obtained from the issuance of bonds, interest earnings, transfers from operating funds, developer contributions, or a combination of these sources. To illustrate, water and sewer system improvements for 2014-2015 consist of \$4.082 million in transfers from water and sewer operating funds for water lines, sewer lines, painting the elevated storage tank, generator and electrical improvements, intake pump screen protection, sand filter media replacements, and inflow and infiltration repairs. General Fund transfers for 2014-2015 include \$3.947 million to fund concrete, asphalt, and sidewalk repairs. Transfers for municipal/technology improvements for 2014-2015 include \$462,398 for system storage expansion, backup system upgrades, end of life network switches, and miscellaneous printer, phone, and computer replacements.

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

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Debt

At year end, the City had \$137.3 million in general obligation bonds, certificates of obligation, and revenue bonds outstanding as compared to \$149.5 million at the end of the prior fiscal year, a decrease of 8.2% percent as shown in Table 5.

**Table 5: Outstanding Debt at Year End
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General obligation bonds and certificates of obligation (backed by the City)	\$ 92,390	\$ 99,520	\$ -	\$ -	\$ 92,390	\$ 99,520
General obligation and revenue bonds (backed by fee revenues)	-	-	44,865	50,005	44,865	50,005
Totals	<u>\$ 92,390</u>	<u>\$ 99,520</u>	<u>\$ 44,865</u>	<u>\$ 50,005</u>	<u>\$137,255</u>	<u>\$149,525</u>

For more detailed information on long-term debt activity, refer to Note 11 in the Notes to the 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 1.35%.

THE CITY'S FUNDS

At the close of the City's fiscal year on September 30, 2014 the governmental funds of the City reported a combined fund balance of \$103.0 million, a \$12.0 million increase over the previous year.

The City's General Fund balance was \$31.6 million which was \$152,283 more than the prior year fund balance mainly due to an increase in sales tax collections. Current year's activity resulted in a positive variance of \$6.4 million when compared to the final amended budget of \$25.2 million.

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Significant budgetary variances between the final amended budget and the actual results can be summarized as follows:

- Tax revenue was \$3,542,681 more than estimated. The primary reason was sales tax revenue, which was \$2,467,418 more than estimated and \$1,330,449 more than prior year receipts due mainly to a conservative budgeting policy. Property tax revenues were favorable to budget by \$162,401.
- Licenses and Permits revenue was \$546,858 higher than budgeted primarily due to increased building-related permit revenue. This category of revenue is susceptible to existing economic conditions and changes in planned construction.
- Charges for services was \$357,647 higher than budgeted primarily due to land host fee receipts (\$143,621) and ambulance fees (\$112,914) being higher than anticipated.
- When combined, Police, Fire, Community Development and Parks and Leisure Services departments had lower than expected expenditures resulting in a favorable variance of \$1,298,817. This variance is primarily due to salary savings from employee vacancies.

The City's Water and Sewer Fund net position of \$229.4 million increased by \$6.4 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 City's Internal Service Funds net position of \$18.7 million increased by \$945,430 from the prior year net position balance. The Health Insurance Risk Fund made up the majority of this change due to an increase in health care premiums collected. Premium collections of \$8,019,037 in 2014 were \$840,094 (10.5%) more than 2013 and \$116,647 more than budgeted.

General Fund Budgetary Highlights

During fiscal year 2013-14, the City Council amended the budget for the General Fund on six separate occasions; in December for the Timber Creek Stream Bank Stabilization Improvements and for the routine supplement completed each year for prior year encumbrances (purchases) that overlap into the next fiscal year, in January for arbitrage calculations, in March for a land purchase and economic development agreement, and in May for Fire Station #3 renovations.

Staff reviewed the supplemental appropriations and determined that reserves were sufficient to recommend approval. The net decrease to the General Fund for the year was \$3,211,569.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2015 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy.

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

The economic climate in Lewisville is stable with low unemployment and as a result Lewisville enjoys an above-average income level per household. This in combination with the City's proximity to two major highways, the Dallas Fort Worth International Airport, and an active economic development program have made Lewisville a leader in the regional retail market. The City continues to attract new and existing companies due to the strategy of working diligently with businesses on relocation incentives.

These factors are taken into consideration when adopting the General Fund budget for fiscal year 2015. The combined budget appropriation for fiscal year 2014-15 totals \$125.2 million for twenty-two operating funds. Another \$16.5 million is appropriated in the City's three internal service funds.

Ad valorem tax revenue is determined by two major factors: the total assessed value established by the Denton County Central Appraisal District and the tax rate established by the Lewisville City Council. The Lewisville City Council chose to reduce the tax rate for the current fiscal year to .436086 cents per \$100 assessed valuation. This tax rate brings in more tax revenue (\$1.656 million) for the 2014-15 fiscal year due to the new tax rate being applied to an increased tax base. Property values increased \$508 million or 7.4%. This brings the property tax revenue budgeted for FY 2014-15 to \$24.288 million making it the single largest General Fund revenue source.

The General Fund's second largest revenue source in fiscal year 2014-2015 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 \$22.237 million.

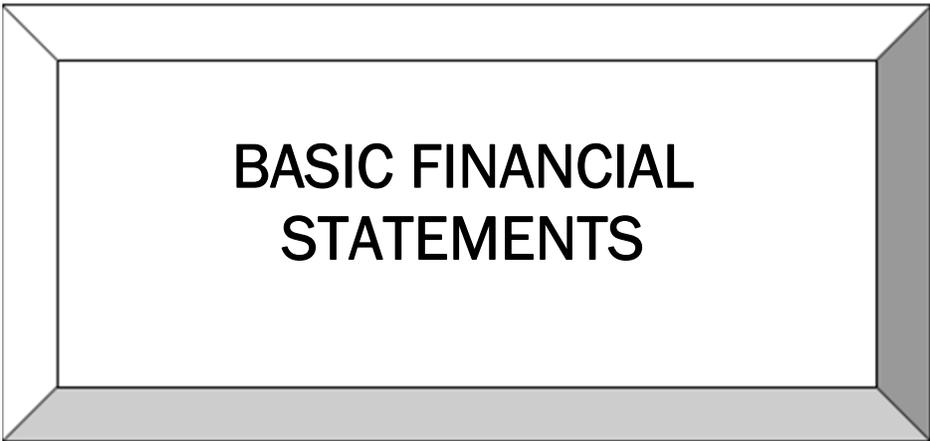
Budgeted operating expenditures in the General Fund are expected to increase \$3.99 million from the 2013-2014 fiscal year re-estimated budget. These expenditures are offset by increases in revenue. The only change in fund balance is the \$1.759 million in transfers out for one time expenditures.

As for the City's business type activities, the City budgeted a decrease of \$4.116 million for the Water and Sewer Fund's net assets. The primary item contributing to this is the increase in the amount of the transfers to capital improvement projects for generator and electrical improvements, intake pump screen protection for zebra mussel control, painting the Valley Parkway elevated storage tank, sand media filter replacements, water lines, sewer lines, and inflow and infiltration repairs.

Water and sewer rates were reviewed by the City Council for fiscal year 2014-2015. There were no changes to water or sewer rates.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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



**BASIC FINANCIAL
STATEMENTS**



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

CITY OF LEWISVILLE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

EXHIBIT 1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash	\$ 52,538,693	\$ 8,560,583	\$ 61,099,276	\$ 3,529,787
Investments	95,778,157	20,946,236	116,724,393	8,657,489
Receivables (net of allowances for uncollectibles)	11,547,542	4,277,048	15,824,590	1,094,867
Internal balances	19,421	(19,421)	-	-
Note receivable from component units	34,725,000	-	34,725,000	-
Inventory of supplies	110,500	-	110,500	-
Prepaid items	4,913,089	9,516	4,922,605	2,521
Restricted assets:				
Cash	-	9,559,057	9,559,057	-
Investments	-	23,452,012	23,452,012	-
Interest receivable	-	22,855	22,855	-
Capital assets:				
Non-depreciable	65,443,053	28,031,606	93,474,659	125,908
Depreciable (net of accumulated depreciation)	269,312,389	186,562,423	455,874,812	7,137,854
Total assets	<u>534,387,844</u>	<u>281,401,915</u>	<u>815,789,759</u>	<u>20,548,426</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	564,561	305,627	870,188	812,612
Total deferred outflows of resources	<u>564,561</u>	<u>305,627</u>	<u>870,188</u>	<u>812,612</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
Liabilities:				
Accounts payable	2,634,693	1,651,606	4,286,299	61,479
Incurred but not reported claim reserve	1,693,507	-	1,693,507	-
Retainage payable	264,703	-	264,703	-
Accrued liabilities	2,099,084	222,656	2,321,740	28,668
Accrued interest payable	361,610	211,383	572,993	126,792
Contracts and retainage payable	-	756,335	756,335	-
Deposits payable	14,121	1,555,121	1,569,242	-
Unearned revenue	38,694,679	-	38,694,679	-
Escrow payable	1,361,622	31,815	1,393,437	-
Noncurrent liabilities:				
Due within one year	12,521,471	5,407,930	17,929,401	1,853,319
Due in more than one year	96,166,948	42,277,377	138,444,325	34,418,555
Total liabilities	<u>155,812,438</u>	<u>52,114,223</u>	<u>207,926,661</u>	<u>36,488,813</u>
Net Position:				
Net investment in capital assets	300,492,485	193,138,892	493,631,377	(119,709)
Restricted for debt service	1,795,248	1,805,958	3,601,206	-
Restricted for other purposes	11,013,721	-	11,013,721	-
Restricted for tax increment reinvestment zone	-	-	-	1,501,352
Unrestricted	65,838,513	34,648,469	100,486,982	(16,509,418)
Total net position	<u>379,139,967</u>	<u>229,593,319</u>	<u>608,733,286</u>	<u>(15,127,775)</u>
Total liabilities and net position	<u>\$ 534,952,405</u>	<u>\$ 281,707,542</u>	<u>\$ 816,659,947</u>	<u>\$ 21,361,038</u>

The Notes to Financial Statements are an integral part of these statements.

**CITY OF LEWISVILLE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 14,937,012	\$ 3,430,722	\$ 461,927	\$ -
Culture, parks and recreation	9,453,483	1,602,387	4,202	66,451
Public safety	42,102,487	6,626,569	699,718	-
Public services	26,636,252	2,164,718	720,630	23,913,709
Interest on long-term debt	3,929,397	-	1,553,200	-
Total governmental activities	<u>97,058,631</u>	<u>13,824,396</u>	<u>3,439,677</u>	<u>23,980,160</u>
Business-type activities:				
Water & sewer	23,374,088	27,164,770	-	6,316,430
Total business-type activities	<u>23,374,088</u>	<u>27,164,770</u>	<u>-</u>	<u>6,316,430</u>
Total primary government	<u>120,432,719</u>	<u>40,989,166</u>	<u>3,439,677</u>	<u>30,296,590</u>
Component units				
Lewisville Parks and Library Development Corporation	3,540,208	265,626	-	-
Lewisville Housing Finance Corporation	5	-	-	-
Tax increment reinvestment zone (Old Town)	734,462	-	-	-
Total component units	<u>\$ 4,274,675</u>	<u>\$ 265,626</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL REVENUES AND TRANSFERS:

Taxes:

Property taxes, levied for general purposes
Sales taxes
Other taxes
Franchise taxes
Hotel motel taxes
Penalties and interest
Investment earnings
Gain on sale of assets
Miscellaneous
Transfers

Total general revenues and transfers

Change in Net Position

NET POSITION, beginning of year

CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

NET POSITION, end of year

The Notes to Financial Statements are an integral part of these statements.

Net (Expenses) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business - Type Activities	Total	
\$ (11,044,363)	\$ -	\$ (11,044,363)	\$ -
(7,780,443)	-	(7,780,443)	-
(34,776,200)	-	(34,776,200)	-
162,805	-	162,805	-
(2,376,197)	-	(2,376,197)	-
<u>(55,814,398)</u>	<u>-</u>	<u>(55,814,398)</u>	<u>-</u>
-	10,107,112	10,107,112	-
-	10,107,112	10,107,112	-
<u>(55,814,398)</u>	<u>10,107,112</u>	<u>(45,707,286)</u>	<u>-</u>
-	-	-	(3,274,582)
-	-	-	(5)
-	-	-	(734,462)
<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (4,009,049)</u>
\$ 31,441,081	\$ -	\$ 31,441,081	\$ 739,586
29,361,613	-	29,361,613	6,026,564
1,180,980	-	1,180,980	-
6,222,722	-	6,222,722	-
2,196,565	-	2,196,565	-
153,196	-	153,196	-
371,766	173,481	545,247	31,724
4,750	-	4,750	-
1,240,197	19,195	1,259,392	-
3,814,737	(3,814,737)	-	-
<u>75,987,607</u>	<u>(3,622,061)</u>	<u>72,365,546</u>	<u>6,797,874</u>
20,173,209	6,485,051	26,658,260	2,788,825
359,594,793	223,682,558	583,277,351	(17,687,885)
<u>(628,035)</u>	<u>(574,290)</u>	<u>(1,202,325)</u>	<u>(228,715)</u>
<u>\$ 379,139,967</u>	<u>\$ 229,593,319</u>	<u>\$ 608,733,286</u>	<u>\$ (15,127,775)</u>

**CITY OF LEWISVILLE, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2014**

EXHIBIT 3

	General	Debt Service	General Capital Projects	Castle Hills (PID) Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 7,741,634	\$ 608,210	\$ 23,503,883	\$ 13,234,956	\$ 3,001,169	\$ 48,089,852
Investments	18,976,936	1,491,899	57,653,553	-	7,280,231	85,402,619
Receivables (net of allowances for uncollectibles)						
Taxes	6,349,650	55,022	-	-	1,003,477	7,408,149
Accounts	2,239,465	-	-	-	845,539	3,085,004
Unbilled accounts	251,001	-	-	-	-	251,001
Interest	21,903	1,727	66,606	88	8,533	98,857
Court	274,741	-	-	-	-	274,741
Other	-	-	223,010	-	12,035	235,045
Due from other funds	239,442	-	-	-	-	239,442
Note receivable from component units	-	34,725,000	-	-	-	34,725,000
Prepaid items	427,988	-	2,000,000	-	2,036,362	4,464,350
Total assets	<u>\$ 36,522,760</u>	<u>\$ 36,881,858</u>	<u>\$ 83,447,052</u>	<u>\$ 13,235,044</u>	<u>\$ 14,187,346</u>	<u>\$ 184,274,060</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts and contracts payable	1,317,595	-	929,828	45,868	182,478	2,475,769
Accrued liabilities	1,880,490	-	-	-	118,877	1,999,367
Accrued interest payable	-	-	-	-	-	-
Deposits payable	7,020	-	-	-	7,101	14,121
Unearned revenue	-	-	38,694,679	-	-	38,694,679
Money held in escrow	68,403	-	1,288,756	-	4,463	1,361,622
Retainage	-	-	264,703	-	-	264,703
Due to other funds	-	-	-	-	61,876	61,876
Total liabilities	<u>3,273,508</u>	<u>-</u>	<u>41,177,966</u>	<u>45,868</u>	<u>374,795</u>	<u>44,872,137</u>
Deferred Inflows of Resources:						
Unavailable resources	1,605,691	34,780,022	2,744	-	38,055	36,426,512
Total deferred inflows of resources	<u>1,605,691</u>	<u>34,780,022</u>	<u>2,744</u>	<u>-</u>	<u>38,055</u>	<u>36,426,512</u>
Fund Balances:						
Nonspendable	427,988	-	2,000,000	-	2,036,362	4,464,350
Restricted for:						
Debt service	-	2,101,836	-	-	-	2,101,836
Capital projects	-	-	28,730,378	13,189,176	-	41,919,554
Other purposes	-	-	-	-	10,975,666	10,975,666
Committed to:						
Capital projects	-	-	5,048,208	-	-	5,048,208
Other purposes	-	-	-	-	735,047	735,047
Assigned to:						
Capital projects	-	-	6,487,756	-	-	6,487,756
Other purposes	927,749	-	-	-	27,421	955,170
Unassigned	30,287,824	-	-	-	-	30,287,824
Total fund balances	<u>31,643,561</u>	<u>2,101,836</u>	<u>42,266,342</u>	<u>13,189,176</u>	<u>13,774,496</u>	<u>102,975,411</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,522,760</u>	<u>\$ 36,881,858</u>	<u>\$ 83,447,052</u>	<u>\$ 13,235,044</u>	<u>\$ 14,187,346</u>	<u>\$ 184,274,060</u>

The Notes to Financial Statements are an integral part of these statements.

CITY OF LEWISVILLE, TEXAS
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2014

EXHIBIT 4

Total fund balances -- governmental funds	\$ 102,975,411
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.	329,661,218
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.	(361,610)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	36,426,512
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.	(108,688,419)
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.	564,561
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 \$158,145.	<u>18,562,294</u>
Total net position--governmental activities	<u>\$ 379,139,967</u>

CITY OF LEWISVILLE, TEXAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT 5

	General	Debt Service	General Capital Projects	Castle Hills (PID) Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Property and other taxes	\$ 53,801,074	\$ 8,407,375	\$ -	\$ -	\$ 8,320,344	\$ 70,528,793
Licenses and permits	2,344,395	-	-	-	-	2,344,395
Intergovernmental	-	3,283,200	575,887	-	-	3,859,087
Charges for services	6,228,323	-	-	-	-	6,228,323
Recreation	1,104,643	-	-	-	288,215	1,392,858
Fines	3,090,645	-	-	-	93,582	3,184,227
Investment earnings	77,542	8,254	225,864	261	25,452	337,373
Grants						
Culture, parks and recreation	-	-	-	-	402	402
Public safety	-	-	-	-	265,005	265,005
Public services	-	-	-	-	711,732	711,732
Contributions and donations	-	-	142,500	22,062,076	-	22,204,576
Miscellaneous	1,071,867	16,226	364,047	-	1,201,597	2,653,737
Total revenues	<u>67,718,489</u>	<u>11,715,055</u>	<u>1,308,298</u>	<u>22,062,337</u>	<u>10,906,329</u>	<u>113,710,508</u>
EXPENDITURES:						
Current						
General government	8,429,333	-	-	1,106,630	2,234,326	11,770,289
Culture, parks recreation	6,178,955	-	-	-	307,939	6,486,894
Public safety	37,770,185	-	-	-	3,447,195	41,217,380
Public services	10,179,103	-	-	-	933,942	11,113,045
Debt service						
Principal	-	7,130,000	-	-	-	7,130,000
Interest and fiscal charges	-	4,106,105	-	-	-	4,106,105
Bond issuance costs	-	-	-	-	-	-
Capital outlay	2,702,316	-	12,369,211	7,817,072	775,071	23,663,670
Total expenditures	<u>65,259,892</u>	<u>11,236,105</u>	<u>12,369,211</u>	<u>8,923,702</u>	<u>7,698,473</u>	<u>105,487,383</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,458,597</u>	<u>478,950</u>	<u>(11,060,913)</u>	<u>13,138,635</u>	<u>3,207,856</u>	<u>8,223,125</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	3,898,606	-	7,957,945	-	35,247	11,891,798
Transfers out	(6,204,920)	-	-	-	(1,939,223)	(8,144,143)
Proceeds from sale of assets	-	-	-	-	4,750	4,750
Net other financing sources (uses)	<u>(2,306,314)</u>	<u>-</u>	<u>7,957,945</u>	<u>-</u>	<u>(1,899,226)</u>	<u>3,752,405</u>
Net change in fund balances	152,283	478,950	(3,102,968)	13,138,635	1,308,630	11,975,530
FUND BALANCES, beginning of year	<u>31,491,278</u>	<u>1,622,886</u>	<u>45,369,310</u>	<u>50,541</u>	<u>12,465,866</u>	<u>90,999,881</u>
FUND BALANCES, end of year	<u>\$ 31,643,561</u>	<u>\$ 2,101,836</u>	<u>\$ 42,266,342</u>	<u>\$ 13,189,176</u>	<u>\$ 13,774,496</u>	<u>\$ 102,975,411</u>

The Notes to Financial Statements are an integral part of these statements.

**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, 2014**

EXHIBIT 6

Net changes in fund balances, total governmental funds	\$ 11,975,530
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Dispositions of capital assets decrease net position. This amount is the net of capital outlay of \$18,168,513, less dispositions of \$0.	18,168,513
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	1,133,246
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.	(17,552,729)
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 \$7,130,000 and amortization of premium of \$283,260 and deferred charge on refunding of \$79,188 is the net effect of these differences in the treatment of long term debt and related items.	7,334,072
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.	(300,250)
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.	26,173
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.	88,089
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(1,532,245)
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 governmental activities.	<u>832,810</u>
Change in net position of governmental activities	<u>\$ 20,173,209</u>

The Notes to Financial Statements are an integral part of these statements.

CITY OF LEWISVILLE, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2014

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
ASSETS		
Current Assets		
Cash	\$ 8,560,583	\$ 4,448,841
Investments	20,946,236	10,375,538
Receivables (net of allowance for uncollectibles of \$389,510)		
Accounts	1,450,154	-
Unbilled trade accounts	2,799,508	-
Interest receivable	27,386	12,059
Other	-	182,686
Inventory of supplies, at cost	-	110,500
Prepaid items	9,516	448,739
Restricted assets		
Cash	9,559,057	-
Investments	23,452,012	-
Interest receivable	22,855	-
Total current assets	<u>66,827,307</u>	<u>15,578,363</u>
Noncurrent Assets		
Capital assets		
Land	2,368,892	-
Land improvements	106,700	-
Buildings	1,131,504	-
Other improvements	658,008	274,272
Water system	163,261,498	-
Sewer system	106,242,496	-
Machinery and equipment	4,538,871	5,549,370
Motor vehicles	-	20,679,052
Construction in progress	25,662,714	-
Total capital assets	<u>303,970,683</u>	<u>26,502,694</u>
Less accumulated depreciation	<u>(89,376,654)</u>	<u>(21,408,470)</u>
Capital assets, net of accumulated depreciation	<u>214,594,029</u>	<u>5,094,224</u>
Total assets	<u>281,421,336</u>	<u>20,672,587</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	<u>305,627</u>	-
Total deferred outflows of resources	<u>305,627</u>	-

The Notes to Financial Statements are an integral part of these statements.

LIABILITIES AND NET POSITION

Current Liabilities

Current liabilities payable from restricted assets

Deposits payable	1,555,121	-
Accrued interest payable	211,383	-
Contracts and retainage payable	756,335	-
Escrow payable	31,815	-
Current maturities of bonds payable	4,970,000	-
Total current liabilities payable from restricted	7,524,654	-

Accounts payable	1,651,606	158,924
Incurred but not reported claim reserve	-	1,693,507
Accrued liabilities	222,656	99,717
Compensated absences	437,930	-
Due to other funds	177,566	-
Total current liabilities	2,489,758	1,952,148

Noncurrent Liabilities

Bonds payable	41,230,309	-
Compensated absences	362,090	-
Net pension obligation	684,978	-
Total noncurrent liabilities	42,277,377	-

Total liabilities	52,291,789	1,952,148
--------------------------	-------------------	------------------

NET POSITION:

Net investment in capital assets	193,138,892	5,094,224
Restricted for bond requirements	1,805,958	-
Unrestricted	34,490,324	13,626,215
Total net position	\$ 229,435,174	\$ 18,720,439

CITY OF LEWISVILLE, TEXAS
RECONCILIATION OF ENTERPRISE FUND STATEMENT OF NET POSITION
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

EXHIBIT 8

Total net position -- enterprise fund \$ 229,435,174

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.

158,145

Total net position--business-type activities

\$ 229,593,319

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES:		
Charges for sales and services	\$ 27,164,770	\$ 12,639,702
Miscellaneous	19,195	100,772
Total operating revenues	<u>27,183,965</u>	<u>12,740,474</u>
OPERATING EXPENSES:		
Cost of sales and services, net of reimbursements	8,380,338	8,863,841
Administrative	7,957,206	1,680,505
Depreciation	5,907,786	1,826,481
Total operating expenses	<u>22,245,330</u>	<u>12,370,827</u>
Total operating income	<u>4,938,635</u>	<u>369,647</u>
NONOPERATING REVENUES (EXPENSES):		
Investment earnings	173,481	45,684
Interest expense	(1,241,378)	-
Gain on disposal of capital assets	-	125,658
Total nonoperating revenues (expenses)	<u>(1,067,897)</u>	<u>171,342</u>
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>3,870,738</u>	<u>540,989</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:		
Transfers in	-	67,082
Transfers out	(3,814,737)	-
Contributions from other funds	-	337,359
Contributions from developers	4,877,799	-
Contributions - impact fees	1,438,631	-
Total transfers and capital contributions	<u>2,501,693</u>	<u>404,441</u>
CHANGE IN NET POSITION	6,372,431	945,430
NET POSITION, beginning of year	223,637,033	17,775,009
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	<u>(574,290)</u>	<u>-</u>
NET POSITION, end of year	<u>\$ 229,435,174</u>	<u>\$ 18,720,439</u>

The Notes to Financial Statements are
an integral part of these statements.

CITY OF LEWISVILLE, TEXAS
RECONCILIATION OF THE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT 10

Net changes in fund net position-proprietary funds \$ 6,372,431

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

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. The amount shown represents the change in net position allocated to business-type activities.

112,620

Change in net position of business-type activities

\$ 6,485,051



LEWISVILLE

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CITY OF LEWISVILLE, TEXAS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 27,480,341	\$ -
Cash received (paid) from transactions with other funds	177,566	12,471,729
Cash paid to employees for services	(7,934,055)	(418,478)
Cash paid for goods and services	(7,904,811)	(2,613,288)
Cash paid for claims	-	(7,370,833)
Cash received from miscellaneous items	-	101,194
	<u>11,819,041</u>	<u>2,170,324</u>
Net cash provided by operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	67,082
Transfers to other funds	(3,814,737)	-
	<u>(3,814,737)</u>	<u>67,082</u>
Net cash used in noncapital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(14,535,474)	(1,135,855)
Proceeds from sale of equipment	-	125,658
Principal paid on revenue bond maturities	(5,140,000)	-
Impact fees	1,438,631	-
Interest paid	(1,388,925)	-
	<u>(19,625,768)</u>	<u>(1,010,197)</u>
Net cash used in capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(14,926,376)	(10,412,614)
Proceeds from sale and maturities of investments	33,370,463	11,376,829
Interest received	178,582	45,684
	<u>18,622,669</u>	<u>1,009,899</u>
Net cash provided by investing activities		
NET INCREASE IN CASH	7,001,205	2,237,108
CASH, beginning of year	11,118,435	2,211,733
CASH, end of year	18,119,640	4,448,841
Classified as:		
Unrestricted cash and cash equivalents at end of year	\$ 8,560,583	\$ 4,448,841
Restricted cash and cash equivalents at end of year	9,559,057	-
TOTAL CASH AT END OF YEAR	\$ 18,119,640	\$ 4,448,841

(Continued)

The Notes to Financial Statements are an integral part of these statements.

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 4,938,635	\$ 369,647
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	5,907,786	1,826,481
Change in assets and liabilities-		
(Increase) decrease in receivables	296,376	(167,551)
(Increase) decrease in inventory	-	(4,792)
(Increase) decrease in prepaid expenses	(5,706)	(368,871)
Increase (decrease) in accounts and contracts payable	398,161	497,591
Increase (decrease) in accrued liabilities	17,828	17,819
Increase (decrease) in deposits payable	65,244	-
Increase (decrease) in compensated absences	23,151	-
Increase (decrease) in due to other funds	177,566	-
Total adjustments	6,880,406	1,800,677
Net cash provided by operating activities	<u>\$ 11,819,041</u>	<u>\$ 2,170,324</u>
NON CASH INVESTING AND FINANCING ACTIVITIES:		
From developer contributions of capital assets	\$ 4,877,799	\$ -
Intragovernmental contributions	-	203,444
Increase (decrease) in fair value of investments	2,038	(6,749)

CITY OF LEWISVILLE, TEXAS
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 SEPTEMBER 30, 2014

EXHIBIT 12

	<u>Castle Hills PID Debt Service Agency Fund</u>	<u>Lewisville OPEB Liability Trust Fund</u>
ASSETS		
Cash	\$ 13,451,415	\$ 200,461
Investments		
Mutual funds - equity	-	2,409,603
Mutual funds - fixed income	-	1,145,380
Interest receivable	92	1
Total assets	<u>13,451,507</u>	<u>3,755,445</u>
LIABILITIES		
LIABILITIES		
Accounts payable	-	170,656
Due to debt holders	13,451,507	-
Total liabilities	<u>13,451,507</u>	<u>170,656</u>
NET POSITION		
Held in trust for retiree health benefits	<u>\$ -</u>	<u>\$ 3,584,789</u>

The Notes to Financial Statements are an integral part of these statements.

CITY OF LEWISVILLE, TEXAS
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT 13

	<u>Lewisville OPEB Liability Trust Fund</u>
ADDITIONS	
Employer contributions	\$ 279,200
Investment earnings	93,406
Unrealized/realized gain(loss), net	(198,402)
Total additions	<u>174,204</u>
DEDUCTIONS	
Benefits	<u>329,400</u>
Total deductions	<u>329,400</u>
CHANGE IN NET POSITION	(155,196)
NET POSITION, beginning	<u>3,739,985</u>
NET POSITION, ending	<u><u>\$ 3,584,789</u></u>

CITY OF LEWISVILLE, TEXAS
DISCRETELY PRESENTED COMPONENT UNITS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

EXHIBIT 14

	Governmental Activities					Total Component Units
	Lewisville Housing Finance Corporation	Lewisville Industrial Development Authority, Inc.	Lewisville Parks and Library Development Corporation	Tax Increment Reinvestment Zone (Old Town)	Increment Reinvestment Zone #2	
ASSETS						
Cash	\$ 1,708	\$ 1,980	\$ 3,079,704	\$ 388,316	\$ 58,079	\$ 3,529,787
Investments	4,190	4,856	7,553,463	952,516	142,464	8,657,489
Receivables						
Accounts	-	-	1,058	-	-	1,058
Taxes	-	-	1,083,784	-	-	1,083,784
Interest	5	6	8,746	1,103	165	10,025
Prepaid items	-	-	2,521	-	-	2,521
Capital assets						
Non-depreciable	-	-	-	125,908	-	125,908
Depreciable (net of accum depr)	-	-	-	7,137,854	-	7,137,854
Total assets	<u>\$ 5,903</u>	<u>\$ 6,842</u>	<u>\$ 11,729,276</u>	<u>\$ 8,605,697</u>	<u>\$ 200,708</u>	<u>\$ 20,548,426</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	-	812,612	-	-	812,612
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>812,612</u>	<u>-</u>	<u>-</u>	<u>812,612</u>
LIABILITIES						
Current						
Accounts and contracts payable	-	-	61,479	-	-	61,479
Accrued liabilities	-	-	28,668	-	-	28,668
Accrued interest payable	-	-	85,501	41,291	-	126,792
Noncurrent Liabilities						
Due within one year	-	-	1,608,319	245,000	-	1,853,319
Due within more than one year	-	-	27,280,084	7,138,471	-	34,418,555
Total liabilities	<u>-</u>	<u>-</u>	<u>29,064,051</u>	<u>7,424,762</u>	<u>-</u>	<u>36,488,813</u>
NET POSITION (DEFICIT):						
Net investment in capital assets	-	-	-	(119,709)	-	(119,709)
Restricted for tax increment reinvestment zone	-	-	-	1,300,644	200,708	1,501,352
Unrestricted	5,903	6,842	(16,522,163)	-	-	(16,509,418)
Total net position (deficit)	<u>5,903</u>	<u>6,842</u>	<u>(16,522,163)</u>	<u>1,180,935</u>	<u>200,708</u>	<u>(15,127,775)</u>
Total liabilities and net position (deficit)	<u>\$ 5,903</u>	<u>\$ 6,842</u>	<u>\$ 12,541,888</u>	<u>\$ 8,605,697</u>	<u>\$ 200,708</u>	<u>\$ 21,361,038</u>

The Notes to Financial Statements are an integral part of these statements.

CITY OF LEWISVILLE, TEXAS
DISCRETELY PRESENTED COMPONENT UNITS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT 15

	Governmental Activities					Total Component Units
	Lewisville Housing Finance Corporation	Lewisville Industrial Development Authority, Inc.	Lewisville Parks and Library Development Corporation	Tax Increment Reinvestment Zone (Old Town)	Increment Reinvestment Zone #2	
EXPENSES						
General government	\$ -	\$ -	\$ -	\$ 25,589	\$ -	\$ 25,589
Culture, parks and recreation	5	-	2,393,664	-	-	2,393,669
Interest on long term debt	-	-	1,146,544	333,381	-	1,479,925
Depreciation	-	-	-	375,492	-	375,492
Total expenses	5	-	3,540,208	734,462	-	4,274,675
PROGRAM REVENUES						
Charges for services						
Culture, parks and recreation	-	-	265,626	-	-	265,626
Total program revenues	-	-	265,626	-	-	265,626
GENERAL REVENUES						
Property taxes	-	-	-	634,611	104,975	739,586
Sales taxes	-	-	6,026,564	-	-	6,026,564
Investment earnings	16	18	27,249	3,953	488	31,724
Total general revenues	16	18	6,053,813	638,564	105,463	6,797,874
CHANGE IN NET POSITION (DEFICIT)	11	18	2,779,231	(95,898)	105,463	2,788,825
Net position (deficit), beginning	5,892	6,824	(19,119,935)	1,324,089	95,245	(17,687,885)
Cumulative effect of change in accounting principle	-	-	(181,459)	(47,256)	-	(228,715)
Net position (deficit), ending	\$ 5,903	\$ 6,842	\$ (16,522,163)	\$ 1,180,935	\$ 200,708	\$ (15,127,775)

The Notes to Financial Statements are
an integral part of these statements.



LEWISVILLE

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A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

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

Blended Component Units

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

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

Discretely Presented Component Units

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

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

**CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

- 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 debt of governmental funds.

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

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.

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

The City reports the following non-major governmental funds:

Special Revenue Funds – The City’s Special Revenue Funds are used to account for revenue sources that are legally restricted to expenditures for specified purposes. They include the Hotel/Motel Tax Fund, Recreation Activity Fund, Grant Fund, Public Improvement District Tax Fund, Municipal Court Security Fund, Municipal Court Technology Fund, Police Asset Forfeiture Fund, Employee Benevolent Fund, Fire and Police Training Fund, Law Enforcement Officer Standard Education Fund (LEOSE), Donations Fund, Police Federal Forfeiture Fund, Juvenile Case Manager Fund, Lewisville Local Government Corporation, Public, Education and Government (PEG) Programming Fund, Lewisville Crime Control and Prevention District, and Lewisville Fire Control, Prevention, and Emergency Medical Services District.

The City reports the following major proprietary fund:

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

Additionally, the government reports the following fund types:

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

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

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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

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

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

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

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

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

D. Cash, Investments, and Deposits

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

E. Receivables and Payables

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

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

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, 2014, the City had a tax margin of \$2.05979 per \$100 assessed valuation based upon the maximum rates described above.

G. Inventories of Supplies

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

H. Prepaid Items

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

I. Restricted Assets

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

J. Property, Plant, and Equipment

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$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 estimated fair market value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense capitalized by the City during the current fiscal year was \$448,300.

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

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

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

K. Compensated Absences

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

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts 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. 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 only has one item that qualifies for reporting in this category. It is the deferred charges on refundings reported in the government wide-statements of net position. 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 life of the refunded or refunding debt.

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 only has one item that qualifies for reporting in this category. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. See Note 13 for a listing of deferred inflows.

N. 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 14.

O. Minimum Fund Balance Policy

The City Council has adopted a policy that the General Fund and all funds with outstanding long term debt will maintain working capital resources at a minimum of 15% of the operating expenditure budget.

P. Budgets

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

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

Q. Deficit Net Position

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 \$16,522,163 at September 30, 2014.

R. Subsequent Events

The City has evaluated all events or transactions that occurred after September 30, 2014 through March 4, 2015, the date the financial statements were issued.

2. CASH, INVESTMENTS, AND DEPOSITS

At year end, the government's carrying amount of deposits was \$70,658,333 and the bank balance was \$59,012,548. All bank balances, including the bank balance of the discretely presented component units, were covered by Federal Depository Insurance or by collateral held by a third-party custodian. The custodian serves contractually as the City's agent.

Additionally, the City has an account under a safekeeping agreement with 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. Fully insured or collateralized certificates of deposits at commercial banks;
4. Repurchase agreements collateralized by U.S. Treasury or U.S. Government agency securities in accordance with a master repurchase agreement approved by the Investment Committee;
5. Direct or unconditionally guaranteed obligations of the State of Texas; and
6. Common trusts administered by Texas banks with assets consisting of all of the above except certificates of deposit.

Investments at September 30, 2014 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, 2014 was \$119,967,917. At September 30, 2014, the City also had \$20,208,488 invested with TexPool, an investment pool for state and local governments in Texas. The City's portfolio average yield, including TexPool, was 0.3890% in 2014.

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.

**CITY OF LEWISVILLE, TEXAS
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SEPTEMBER 30, 2014**

TexPool operates in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

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

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
U.S. Government Agency securities	\$ 119,967,917	\$ 119,967,917	613
Investment in TexPool	20,208,488	20,208,488	51
Total investments	<u>\$ 140,176,405</u>	<u>\$ 140,176,405</u>	<u>361</u>

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, 2014.

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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

3. RECEIVABLES

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

	General	Debt Service	General Capital Projects	Castle Hills PID Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Receivables						
Property taxes	\$ 435,339	168,063	\$ -	\$ -	\$ -	\$ 603,402
Franchise taxes	1,748,045	-	-	-	-	1,748,045
Sales taxes	4,335,135	-	-	-	1,003,477	5,338,612
Mixed drink taxes	123,945	-	-	-	-	123,945
Accounts	1,547,572	-	223,010	-	731,450	2,502,032
Unbilled trade accounts	251,001	-	-	-	-	251,001
Interest	21,903	1,727	66,606	88	8,531	98,855
Court	1,291,215	-	-	-	-	1,291,215
Grants	-	-	-	-	126,126	126,126
Ambulance	1,694,134	-	-	-	-	1,694,134
Gross total receivables	11,448,289	169,790	289,616	88	1,869,584	13,777,367
Less: allowance	(2,311,529)	(113,041)	-	-	-	(2,424,570)
Net total receivables	\$ 9,136,760	\$ 56,749	\$ 289,616	\$ 88	\$ 1,869,584	\$ 11,352,797

	Water and Sewer	Internal Service	Total Proprietary Funds	Total All Funds
Receivables				
Property taxes	\$ -	\$ -	\$ -	\$ 603,402
Franchise taxes	-	-	-	1,748,045
Sales taxes	-	-	-	5,338,612
Mixed drink taxes	-	-	-	123,945
Accounts	1,839,664	182,686	2,022,350	4,524,382
Unbilled trade accounts	2,799,508	-	2,799,508	3,050,509
Interest	50,241	12,059	62,300	161,155
Court	-	-	-	1,291,215
Grants	-	-	-	126,126
Ambulance	-	-	-	1,694,134
Gross total receivables	4,689,413	194,745	4,884,158	18,661,525
Less: allowance	(389,510)	-	(389,510)	(2,814,080)
Net total receivables	\$ 4,299,903	\$ 194,745	\$ 4,494,648	\$ 15,847,445

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

4. INTERFUND TRANSACTIONS

Interfund transactions and balances for the fiscal year 2014 were as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Non-major Governmental	\$ 61,876	Short-term funding of deficit cash
General Fund	Enterprise	177,566	Properly classify revenue and expenditures
		<u>\$ 239,442</u>	

Interfund Transfers

Transfers In	Transfers Out	Amount	Purpose
General	Water and Sewer Utility	\$ 3,747,655	Payments in lieu of taxes, franchise fee, and indirect cost reimbursement
General	Nonmajor Governmental	150,951	Indirect cost reimbursement and excess funds transfer
General Capital Projects	General	6,169,673	Financing of capital improvements
General Capital Projects	Nonmajor Governmental	1,788,272	Financing of capital improvements
Nonmajor Governmental	General	35,247	Matching funds
Internal Service	Water and Sewer Utility	67,082	Transfer of capital assets
		<u>\$ 11,958,880</u>	

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
<u>Governmental Funds</u>					
Capital assets, not being depreciated:					
Land	\$ 49,219,037	\$ 1,952,331	\$ -	\$ 46,606	\$ 51,217,974
Construction in progress	13,980,932	12,559,989	-	(12,315,842)	14,225,079
Total capital assets, not being depreciated	63,199,969	14,512,320	-	(12,269,236)	65,443,053
Capital assets, being depreciated:					
Land improvements	348,495,725	3,380,463	(24,623,175)	8,189,339	335,442,352
Buildings	72,075,257	-	-	1,492,773	73,568,030
Other improvements	24,497,646	-	-	823,464	25,321,110
Machinery and equipment	27,254,935	1,408,976	(29,926)	1,763,660	30,397,645
Total capital assets being depreciated	472,323,563	4,789,439	(24,653,101)	12,269,236	464,729,137
Accumulated depreciation:					
Land improvements	(150,765,173)	(11,622,707)	24,623,175	-	(137,764,705)
Buildings	(25,035,169)	(2,160,843)	-	-	(27,196,012)
Other improvements	(10,543,399)	(2,077,924)	-	-	(12,621,323)
Machinery and equipment	(21,267,603)	(1,691,255)	29,926	-	(22,928,932)
Total accumulated depreciation	(207,611,344)	(17,552,729)	24,653,101	-	(200,510,972)
Total capital assets being depreciated, net	264,712,219	(12,763,290)	-	12,269,236	264,218,165
Total governmental funds capital assets, net	327,912,188	1,749,030	-	-	329,661,218
<u>Internal service funds</u>					
Capital assets, being depreciated:					
Other improvements	274,272	-	-	-	274,272
Machinery and equipment	25,532,542	1,483,664	(787,784)	-	26,228,422
Total internal service assets being depreciated	25,806,814	1,483,664	(787,784)	-	26,502,694
Accumulated depreciation:					
Other improvements	(119,508)	(20,127)	-	-	(139,635)
Machinery and equipment	(20,239,815)	(1,806,354)	777,334	-	(21,268,835)
Total accumulated depreciation	(20,359,323)	(1,826,481)	777,334	-	(21,408,470)
Total internal services funds capital assets, net	5,447,491	(342,817)	(10,450)	-	5,094,224
Governmental activities capital assets, net	\$ 333,359,679	\$ 1,406,213	\$ (10,450)	\$ -	\$ 334,755,442

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 2,368,892	\$ -	\$ -	\$ -	\$ 2,368,892
Construction in progress	12,904,268	15,824,975	-	(3,066,529)	25,662,714
Total capital assets, not being depreciated	<u>15,273,160</u>	<u>15,824,975</u>	<u>-</u>	<u>(3,066,529)</u>	<u>28,031,606</u>
Capital assets, being depreciated:					
Land improvements	106,700	-	-	-	106,700
Buildings	1,131,504	-	-	-	1,131,504
Other improvements	658,008	-	-	-	658,008
Water system	159,796,481	1,735,801	-	1,729,216	163,261,498
Sewer system	103,029,886	1,875,297	-	1,337,313	106,242,496
Machinery and equipment	4,561,671	-	(22,800)	-	4,538,871
Total capital assets being depreciated	<u>269,284,250</u>	<u>3,611,098</u>	<u>(22,800)</u>	<u>3,066,529</u>	<u>275,939,077</u>
Accumulated depreciation:					
Land improvements	(80,731)	(2,379)	-	-	(83,110)
Buildings	(414,537)	(28,724)	-	-	(443,261)
Other improvements	(229,373)	(43,394)	-	-	(272,767)
Water system	(43,994,794)	(3,425,656)	-	-	(47,420,450)
Sewer system	(35,186,861)	(2,134,471)	-	-	(37,321,332)
Machinery and equipment	(3,585,372)	(273,162)	22,800	-	(3,835,734)
Total accumulated depreciation	<u>(83,491,668)</u>	<u>(5,907,786)</u>	<u>22,800</u>	<u>-</u>	<u>(89,376,654)</u>
Business-type activities capital assets, net					
Total capital assets being depreciated, net	<u>185,792,582</u>	<u>(2,296,688)</u>	<u>-</u>	<u>3,066,529</u>	<u>186,562,423</u>
Total capital assets, net	<u>\$ 201,065,742</u>	<u>\$ 13,528,287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,594,029</u>

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

Governmental activities:	
General government	\$ 2,861,818
Finance	43,375
Community relations/tourism	120,572
Human resources	3,218
Municipal court	11,618
Information technology	215,309
Police	747,437
Fire	335,717
Public works	9,917,640
Parks and leisure	3,069,144
Community development	226,881
Internal service funds	1,826,481
Total depreciation expense - governmental activities	<u>\$ 19,379,210</u>
Business-type activities:	
Water and sewer	<u>\$ 5,907,786</u>

Outstanding commitments at September 30, 2014 under authorized construction contracts were approximately \$6.0 million. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

6. EMPLOYEE RETIREMENT PLAN

Plan Description

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

Upon retirement, benefits depend upon the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. At the inception of the City's plan, the City granted monetary credits for service rendered before the plan began (or prior service credits) of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest (3% annual), prior to establishment of the plan. Monetary credits for service since the plan began (or current service credits) are 200% of the employee's accumulated contributions. In addition, the City has granted on an annually repeating basis another type of monetary credit referred to as an updated service credit. The updated service credit is calculated by taking the difference between this hypothetical account balance and the actual reserve balance. It is then increased by 3% each year, not the actual interest credited to member accounts in previous years, and increased by the City 2 to 1 match currently in effect. The resulting sum is then multiplied by 75% and compared to the member's prior year updated service credit balance increased by the actual City match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or updated service credit) equal to the difference between the hypothetical calculation and the actual calculation. At retirement, the benefit is calculated as if the sum of the employee's contributions with interest and the City-financed monetary credits with interest were used to purchase an annuity.

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

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

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

Contributions

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

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

The City contributes to the TMRS Plan at an actuarially determined rate. Contributions are made monthly by both the employees and the City. Since the City must know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2013 valuation is effective for rates beginning January 2015).

CITY OF LEWISVILLE, TEXAS
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The annual pension costs and net pension obligation is as follows:

	Net Pension Obligation		
	FY 2013-14	FY 2012-13	FY 2011-12
Annual required contribution (ARC)	\$ 7,530,047	\$ 7,552,936	\$ 7,838,904
Interest on net pension obligation	444,263	433,870	382,287
Adjustment to the ARC	(397,194)	(379,131)	(309,105)
Annual pension costs (APC)	7,577,116	7,607,675	7,912,086
Contributions made	(7,606,524)	(7,459,191)	(6,811,107)
Increase (decrease) in net pension obligation	(29,408)	148,484	1,100,979
Net pension obligation, beginning of year	6,346,624	6,198,140	5,097,161
Net pension obligation, end of year	\$ 6,317,216	\$ 6,346,624	\$ 6,198,140

	Three-Year Trend Information		
	FY 2013-14	FY 2012-13	FY 2011-12
Actuarial valuation date	12/31/2013	12/31/2012	12/31/2011
Annual pension cost (APC)	\$ 7,577,116	\$ 7,607,675	\$ 7,912,083
Actual contributions made	7,606,524	7,459,191	6,811,107
Percentage of APC contributed	100.4%	98.0%	86.1%
Net pension obligation	\$ 6,317,216	\$ 6,346,624	\$ 6,198,140

**CITY OF LEWISVILLE, TEXAS
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The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Schedule of Actuarial Assumptions and Valuations			
Valuation date	FY 2013-14 12/31/2013	FY 2012-13 12/31/2012	FY 2011-12 12/31/2011
Actuarial cost method	Entry Age Normal	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	22.0 years; closed period	25.3 years; closed period	26.2 years; closed period
Amortization Period for new Gains/Losses	30 years	30 years	30 years
Asset valuation method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial assumptions:			
Investment rate of return *	7.00%	7.00%	7.00%
Projected salary increases *	Varies by age and service	Varies by age and service	Varies by age and service
Cost-of-living adjustments	2.10%	2.10%	2.10%
* Includes inflation at	3.00%	3.00%	3.00%

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

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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The schedule of funding progress below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Schedule of Actuarial Liabilities and Funding Progress			
Actuarial valuation date	FY 2013-14 12/31/2013	FY 2012-13 12/31/2012	FY 2011-12 12/31/2011
Actuarial value of assets	\$ 188,775,193	\$ 172,168,275	\$ 157,296,848
Actuarial accrued liability	236,230,579	211,137,970	198,973,790
Funded ratio	79.9%	81.5%	79.1%
Unfunded actuarial accrued liability (UAAL)	47,455,386	38,969,695	41,676,942
Annual covered payroll	42,533,394	40,454,089	39,830,706
UAAL as a percentage of covered payroll	111.6%	96.3%	104.6%

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

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 \$0.5355 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 POST EMPLOYMENT 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 opted to purchase life insurance through the City's group life insurance vendor. Premiums are now paid monthly for the coverage at a rate of \$1.50 per \$1,000 of coverage or \$22.50 per month. The City had fifteen eligible retirees in fiscal year 2013-14 resulting in an annual expenditure of \$1,373.

Lewisville OPEB Liability Trust Fund

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

Summary of Significant Accounting Policies

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

Plan Descriptions and Contribution Information

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

Membership of the plan consists of the following at October 1, 2013, the date of the latest actuarial valuation:

Number of retirees and beneficiaries receiving benefits	90
Active plan members	634

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Funding Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

Schedule of Funding Status and Funding Progress

Actuarial Valuation Date	10/1/2013	10/1/2012	10/1/2011
Actuarial Value of Assets	\$ 3,743,700	\$ 3,333,200	\$ 2,738,100
Actuarial Accrued Liability (AAL)	4,614,500	4,787,900	5,118,100
Unfunded AAL (UAAL)	870,800	1,454,700	2,380,000
Funded Ratio	81.1%	69.6%	53.5%
Fiscal Year Covered Payroll	\$ 42,175,565	\$ 40,159,835	\$ 41,107,984
UAAL as a Percentage of Covered Payroll	2.1%	3.6%	5.8%

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

Schedule of Employer Contributions and Net OPEB Obligation

Contribution Year	9/30/2014	9/30/2013	9/30/2012
Annual Required Contribution	\$ 224,000	\$ 366,600	\$ 359,300
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost	\$ 224,000	\$ 366,600	\$ 359,300
Contributions made	224,000	366,600	359,300
Change in OPEB obligation	\$ -	\$ -	\$ -
Net OPEB obligation (asset), beginning of year	-	-	-
Net OPEB obligation (asset), end of year	\$ -	\$ -	\$ -
Percentage of annual OPEB cost contributed	100.0%	100.0%	100.0%

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

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

Schedule of Actuarial Assumptions and Valuations			
Valuation date	10/1/2013	10/1/2012	10/1/2011
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level dollar, open	Level dollar, open	Level dollar, open
Amortization period	30 years	30 years	30 years
Asset valuation method *	Market	Market	Market
Actuarial assumptions:			
Investment rate of return	7.50%	7.50%	7.50%
General inflation	3.00%	3.00%	3.00%

*A time period for smoothing of the asset valuation has not been established at this time. The fund has a limited history of market performance since its establishment in 2008. The next full reassessment of asset valuation will be completed in 2015. At that time it is expected that a 3 year or 5 year moving market approach will be utilized.

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

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

9. COMPONENTS OF RESTRICTED ASSETS

Restricted assets reported in the Enterprise Funds statement of net position at September 30, 2014 are comprised of the following:

Deposits	\$ 1,555,121
Money held in escrow	31,815
Revenue bond current debt service accounts	3,317,831
Revenue bond future debt service accounts	3,669,510
Revenue bond construction accounts	<u>24,459,647</u>
Total	<u><u>\$ 33,033,924</u></u>

The related liabilities payable from restricted assets at September 30, 2014 are as follows:

Deposits payable	\$ 1,555,121
Escrow payable	31,815
Accrued interest payable	211,383
Contracts and retainage payable	756,335
Current maturities of bonds payable	<u>4,970,000</u>
Total	<u><u>\$ 7,524,654</u></u>

**CITY OF LEWISVILLE, TEXAS
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The ordinance authorizing the Waterworks and Sewer System Revenue Bonds requires that the City establish a sinking fund (recorded in the revenue bond current debt service accounts) in an amount not less than the amount required to fully pay principal and interest payments as they come due.

In addition, the ordinance requires that the City establish a reserve fund (recorded in the revenue bond future debt service accounts) to provide for payment of principal and interest in the event that other funds available for such purposes are insufficient. At September 30, 2014, 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	\$ 3,317,831
Revenue bond future debt service accounts	<u>3,669,510</u>
	<u>6,987,341</u>
Less:	
Accrued interest payable	211,383
Current maturities of bonds payable	<u>4,970,000</u>
	<u>5,181,383</u>
Restricted for bond retirement	<u><u>\$ 1,805,958</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). The second Plan is administered by AIG Valic. The assets and liabilities amounted to \$28,001,469 for Nationwide and \$37,725,050 for AIG Valic at September 30, 2014. The plans include numerous types of investments as participants elect how their salary deferrals are invested. Investment options include the following: fixed annuities, variable annuities, and life insurance.

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

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

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

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

11. LONG TERM LIABILITIES

General Obligation Bonds

General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. Bonds generally are issued as 16-year serial bonds, except for refunding issues, with level debt service requirements each year. General Obligation Bonds outstanding as of September 30, 2014 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%	\$ 70,140,000	\$ 3,215,000

Certificates of Obligation

Certificates of Obligation are direct obligations of the City, payable from a combination of ad valorem taxes and a limited pledge of surplus revenues of the City’s waterworks and sewer system. Certificates of Obligation outstanding as of September 30, 2014 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Governmental Activities Amount</u>
Park and Library Improvements	4.00% - 5.00%	\$ 14,880,000
Arts Activity Center and Improvements	4.00% - 5.00%	7,370,000
Total		<u>\$ 22,250,000</u>

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Annual debt service requirements to maturity for Government Activities General Obligation Bonds and Certificates of Obligation, including interest of \$26,065,528 are as follows:

Year Ended September 30	Governmental Activities		
	Principal	Interest	Total
2015	7,425,000	3,736,773	\$ 11,161,773
2016	7,810,000	3,402,094	11,212,094
2017	7,645,000	3,070,783	10,715,783
2018	7,720,000	2,766,762	10,486,762
2019	7,375,000	2,476,916	9,851,916
2020-2024	34,685,000	7,897,884	42,582,884
2025-2029	16,300,000	2,475,341	18,775,341
2030-2032	3,430,000	238,975	3,668,975
	<u>\$ 92,390,000</u>	<u>\$ 26,065,528</u>	<u>\$ 118,455,528</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, 2014, are as follows:

Purpose	Interest Rates	Business-Type Activities	
		Amount	
Water supply and waste water treatment	1.50% - 5.00%	\$	41,650,000
Less-Current maturities payable from restricted assets			4,970,000
		<u>\$</u>	<u>36,680,000</u>

CITY OF LEWISVILLE, TEXAS
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Annual debt service requirements to maturity, for Business-type Activities Revenue Bonds and General Obligation Bonds, including interest of \$9,400,101 are as follows:

Year Ended September 30	Business-Type Activities		
	Principal	Interest	Total
2015	\$ 4,970,000	\$ 1,594,938	\$ 6,564,938
2016	4,930,000	1,404,955	6,334,955
2017	4,460,000	1,230,945	5,690,945
2018	4,625,000	1,065,739	5,690,739
2019	4,095,000	908,083	5,003,083
2020-2024	15,520,000	2,718,563	18,238,563
2025-2029	6,265,000	476,878	6,741,878
	<u>\$ 44,865,000</u>	<u>\$ 9,400,101</u>	<u>\$ 54,265,101</u>

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2014, the City was in compliance with all limitations and restrictions.

In previous years, the City has defeased certain general obligation, certificates of obligation, and revenue bonds by placing funds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At September 30, 2014, there were no defeased bonds or certificates of obligation outstanding.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable and					
Certificates of obligation	\$ 99,520,000	\$ -	\$ (7,130,000)	\$ 92,390,000	\$ 7,425,000
Premium	3,206,096	-	(283,260)	2,922,836	-
Compensated absences	7,492,201	4,879,477	(4,579,227)	7,792,451	5,096,471
Net pension obligation	5,609,305	-	(26,173)	5,583,132	-
Governmental activities long-term liabilities	<u>\$ 115,827,602</u>	<u>\$ 4,879,477</u>	<u>\$ (12,018,660)</u>	<u>\$ 108,688,419</u>	<u>\$ 12,521,471</u>
Business type activities:					
Bonds payable	\$ 50,005,000	\$ -	\$ (5,140,000)	\$ 44,865,000	\$ 4,970,000
Premium	1,510,788	-	(119,456)	1,391,332	-
Discount	(62,291)	-	6,268	(56,023)	-
Compensated absences	776,869	441,276	(418,125)	800,020	437,930
Net pension obligation	687,919	-	(2,941)	684,978	-
Business type activities long-term liabilities	<u>\$ 52,918,285</u>	<u>\$ 441,276</u>	<u>\$ (5,674,254)</u>	<u>\$ 47,685,307</u>	<u>\$ 5,407,930</u>

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

Component Unit Bonded Indebtedness

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

Proceeds of Certificates of Obligation issued by the City in 2004 were utilized to finance the construction of park facilities and library improvements. Certificates of Obligation issued by the City in 2007 for the Lewisville Parks and Library Development Corporation and the Tax Increment Reinvestment Zone Number 1 (TIRZ1, also known as Old Town) component units were utilized for constructing an athletic complex, an arts activity center, parking lot and related improvements.

Note Payable to Primary Government / Note Receivable From Component Unit

The Lewisville Parks and Library Development Corporation (LPLDC) has entered into an agreement with the City to reimburse the City for annual debt service costs associated with the Series 2004 and Series 2007A Combination Tax and Revenue Certificates of Obligation. In addition, the LPLDC entered into an additional agreement to repay \$12,490,000 advanced to the LPLDC in 2012 to defease certain previously issued certificates of obligation. TIRZ1 has entered into an agreement with the City to reimburse the City for annual debt service costs associated with the Series 2007B Combination Tax and Revenue Certificates of Obligation. The outstanding obligations as of September 30, 2014, \$27,355,000 and \$7,370,000, respectively, have been recorded as a non-current liability of the LPLDC and TIRZ1 and as a non-current asset of the governmental activities in the statement of net position.

Annual debt service requirements on the aforementioned Note Payable for the LPLDC are as follows:

Year Ended September 30	LPLDC - Note Payable		
	Principal	Interest	Total
2015	\$ 1,590,000	\$ 1,149,834	\$ 2,739,834
2016	1,655,000	1,080,659	2,735,659
2017	1,725,000	1,010,159	2,735,159
2018	1,795,000	939,759	2,734,759
2019	1,870,000	866,459	2,736,459
2020-2024	10,585,000	3,100,023	13,685,023
2025-2029	4,705,000	1,410,125	6,115,125
2030-2032	3,430,000	238,975	3,668,975
	<u>\$ 27,355,000</u>	<u>\$ 9,795,993</u>	<u>\$ 37,150,993</u>

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Annual debt service requirements on the aforementioned Note Payable for the TIRZ1 are as follows:

Year Ended September 30	TIRZ1 - Note Payable		
	Principal	Interest	Total
2015	\$ 245,000	\$ 324,816	\$ 569,816
2016	295,000	312,666	607,666
2017	330,000	298,604	628,604
2018	380,000	283,579	663,579
2019	430,000	267,110	697,110
2020-2024	3,015,000	996,567	4,011,567
2025-2028	2,675,000	206,860	2,881,860
	<u>\$ 7,370,000</u>	<u>\$ 2,690,202</u>	<u>\$ 10,060,202</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
LPLDC activities:					
Notes payable:					
Notes payable to Primary Government	\$ 28,880,000	\$ -	\$ (1,525,000)	\$ 27,355,000	\$ 1,590,000
Premium	1,598,300	-	(147,404)	1,450,896	-
Compensated absences	27,840	48,022	(42,461)	33,401	18,319
Net pension obligation	49,400	-	(294)	49,106	-
LPLDC activities total:	<u>30,555,540</u>	<u>48,022</u>	<u>(1,715,159)</u>	<u>28,888,403</u>	<u>1,608,319</u>
TIRZ1 activities:					
Notes payable:					
Notes payable to Primary Government	7,575,000	-	(205,000)	7,370,000	245,000
Premium	14,626	-	(1,155)	13,471	-
TIRZ1 activities total:	<u>7,589,626</u>	<u>-</u>	<u>(206,155)</u>	<u>7,383,471</u>	<u>245,000</u>
Component unit long-term liabilities	<u>\$ 38,145,166</u>	<u>\$ 48,022</u>	<u>\$ (1,921,314)</u>	<u>\$ 36,271,874</u>	<u>\$ 1,853,319</u>

Bonded Indebtedness of Which the City Has No Liability

In addition to the outstanding General Obligation Bonds and Certificates of Obligation 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:

\$19,000,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 1998 (District No. 1 Project)

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\$18,150,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 2002 (District No. 2 Project)

\$25,000,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 2004 (District No. 3 Project)

\$10,350,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Capital Improvement Bonds, Series 2005 (District No. 2 Project)

\$20,000,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Capital Improvement Bonds, Series 2008 (District No. 4 Project)

\$2,840,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding and Utility System Bonds, Series 2011 (District No. 3 Project)

\$2,965,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2011 (District No. 4 Project)

\$5,355,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Road System Bonds, Series 2011 (District No. 4 Project)

\$14,300,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2013 (District No. 2 Project)

\$3,255,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014 (District No. 5 Project)

\$4,495,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014 (District No. 5 Project)

\$1,360,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014 (District No. 7 Project)

\$1,405,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014 (District No. 7 Project)

\$3,680,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014 (District No. 4 Project)

\$7,310,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Utility System Bonds, Series 2014 (District No. 6 Project)

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\$1,200,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Road System Bonds, Series 2014 (District No. 6 Project)

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

For all issues 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 Supply 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, 2014, City of Lewisville, Texas Contract Revenue and Special Assessment Improvement Bonds outstanding aggregated was \$100,620,000.

12. RISK MANAGEMENT

The City established a limited risk management program for workers' compensation and healthcare coverage in 1988. Beginning September 1, 1990, liability and property and casualty risk funding was established within the Self-Insurance Internal Service Fund. Life, accidental death and dismemberment and long-term disability coverage are fully insured but accounted for within the fund. Premiums are transferred into the Self-Insurance Internal Service Fund from all other operating funds and are available to pay claims, claim reserves, reinsurance excess coverage premiums, and any other premiums or administrative costs associated with the programs. During FY 2013-14, a total of \$959,876 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. Settled claims have not exceeded this commercial coverage in any of the past several years. In July 1999, the property and casualty and liability insurance coverages were moved to a deductible program. Each line of coverage has a deductible per occurrence ranging from \$500-\$50,000.

During FY 2001-02, the City established a Health Insurance Risk Pool under Chapter 172 of the Texas Local Government Code. Since the establishment of the Risk Pool, premiums for healthcare have been transferred into the Risk Pool from all other operating funds and are available to pay claims, claim reserves, reinsurance excess coverage premiums, and the administrative costs of the medical/dental plan.

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SEPTEMBER 30, 2014**

For the plan year beginning October 1, 2012, the healthcare reinsurance provided excess coverage (beyond \$135,000 per occurrence) and an annual aggregate stop loss of approximately \$6,778,837 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 2013-14, total expenses for claims, reinsurance premiums, and administrative costs for healthcare amounted to \$8,070,058.

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, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Claims payable, beginning of year	\$ 1,318,794	\$ 1,208,652
Incurred claims	7,745,546	7,255,213
Claims payments	<u>(7,370,833)</u>	<u>(7,145,071)</u>
Claims payable, end of year	<u>\$ 1,693,507</u>	<u>\$ 1,318,794</u>

13. DEFERRED INFLOWS OF RESOURCES/UNEARNED REVENUE

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	Capital Projects Fund	Nonmajor Governmental Funds	Total
Deferred inflows of resources:					
Property taxes	\$ 142,525	\$ 55,022	\$ -	\$ -	\$ 197,547
Court fines	274,742	-	-	-	274,742
Ambulance	1,057,138	-	-	-	1,057,138
Note receivable from component unit	-	34,725,000	-	-	34,725,000
Other	<u>131,286</u>	<u>-</u>	<u>2,744</u>	<u>38,055</u>	<u>172,085</u>
Total	<u>\$ 1,605,691</u>	<u>\$ 34,780,022</u>	<u>\$ 2,744</u>	<u>\$ 38,055</u>	<u>\$ 36,426,512</u>
Unearned revenue:					
Advance construction payment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,694,679</u>	<u>\$ -</u>	<u>\$ 38,694,679</u>

14. 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 must presently be established at the highest level of decision making (Council vote), with the exception of the employee benevolent fund. The authority to assign benevolent fund balance has been granted to the employee committees via Administrative Directive 1.7.0. Amounts in excess of non-spendable, restricted, and committed fund balance in funds other than the General Fund would automatically be assigned here.

- Unassigned Fund Balance

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

**CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

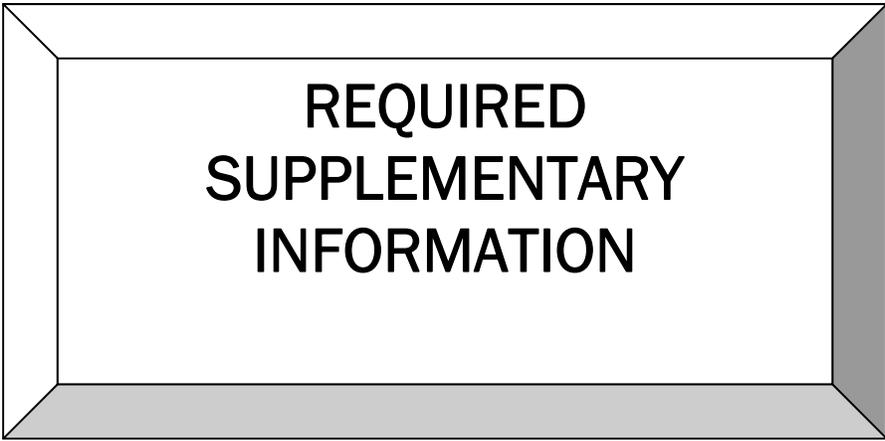
The following is a detailed schedule of Governmental Fund Balances as of September 30, 2014.

	GOVERNMENTAL FUNDS					
	General	Debt	General	Castle Hills	Other	Total
	Fund	Service	Capital	(PID)	Governmental	Governmental
	Fund	Fund	Projects	Capital	Funds	Funds
FUND BALANCE:						
Non Spendable:						
Prepaid expenses	\$ 427,988	\$ -	\$ 2,000,000	\$ -	\$ 2,036,362	\$ 4,464,350
Spendable:						
Restricted for:						
Debt service	-	2,101,836	-	-	-	2,101,836
Capital projects - Streets	-	-	25,348,219	-	-	25,348,219
Capital projects - Drainage	-	-	2,632,161	-	-	2,632,161
Capital projects - Other	-	-	749,998	-	-	749,998
Tourism	-	-	-	-	4,495,351	4,495,351
Grant purposes	-	-	-	-	69,260	69,260
Public Improvement District	-	-	-	-	242,468	242,468
Municipal Court Security	-	-	-	-	78,866	78,866
Municipal Court Technology	-	-	-	-	182,687	182,687
Police Forfeitures (State)	-	-	-	-	171,460	171,460
Police Forfeitures (Federal)	-	-	-	-	617,547	617,547
Juvenile Case Manager	-	-	-	-	115,462	115,462
PEG Programming	-	-	-	-	244,512	244,512
Crime Control & Prevention District	-	-	-	-	1,631,859	1,631,859
Fire Control, Prevention, and Emergency						
Medical Services District	-	-	-	-	3,124,830	3,124,830
Castle Hills Capital Projects	-	-	-	13,189,176	-	13,189,176
Total Restricted	-	2,101,836	28,730,378	13,189,176	10,975,666 *	54,997,056
Committed to:						
Capital projects - Streets	-	-	1,954,269	-	-	1,954,269
Capital projects - Parks	-	-	936,567	-	-	936,567
Capital projects - Other	-	-	2,157,372	-	-	2,157,372
Recreation	-	-	-	-	264,029	264,029
Fire and Police Training	-	-	-	-	158,364	158,364
Donations	-	-	-	-	305,355	305,355
Lewisville Local Government Corporation	-	-	-	-	7,299	7,299
Total Committed	-	-	5,048,208	-	735,047	5,783,255
Assigned to:						
Capital projects - Streets	-	-	3,493,521	-	-	3,493,521
Capital projects - Riverside Road & Bridge	-	-	1,757,116	-	-	1,757,116
Capital projects - Other	-	-	1,237,119	-	-	1,237,119
Other	927,749	-	-	-	-	927,749
Employee Benevolence	-	-	-	-	27,421	27,421
Total Assigned	927,749	-	6,487,756	-	27,421	7,442,926
Unassigned:	30,287,824	-	-	-	-	30,287,824
TOTAL FUND BALANCES:	\$ 31,643,561	\$ 2,101,836	\$ 42,266,342	\$ 13,189,176	\$ 13,774,496	\$ 102,975,411

*NOTE: These restrictions are also reflected as restrictions of net position on the Statement of Net Position.

15. CUMULATIVE EFFECT OF ADOPTION OF GASB STATEMENT NO. 65

As a result of the implementation of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, an adjustment has been made to write off all unamortized bond issuance costs from previous years. As a result, beginning net position of governmental activities has been decreased by \$628,035; beginning net position of the business-type activities has been decreased by \$574,290; and beginning net position of the component units decreased by \$228,715.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET

(GAAP BASIS) AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 50,258,393	\$ 50,258,393	\$ 53,801,074	\$ 3,542,681
Licenses and permits	1,797,537	1,797,537	2,344,395	546,858
Charges for services	5,870,676	5,870,676	6,228,323	357,647
Recreation	1,081,846	1,081,846	1,104,643	22,797
Fines and forfeitures	3,052,465	3,052,465	3,090,645	38,180
Interest	78,007	78,007	77,542	(465)
Miscellaneous	807,903	807,903	1,071,867	263,964
Total revenues	62,946,827	62,946,827	67,718,489	4,771,662
EXPENDITURES:				
General government	739,296	1,286,353	1,206,261	80,092
Mayor and council	84,722	84,722	81,273	3,449
Administrative and legal	2,290,999	2,301,999	2,299,893	2,106
Community relations and tourism	814,817	814,817	814,659	158
Police	20,765,842	20,835,469	20,234,248	601,221
Fire	16,862,415	16,881,210	16,632,033	249,177
Public services	4,638,782	4,652,380	4,621,054	31,326
Parks and leisure	6,409,588	6,408,560	6,178,955	229,605
Community development	5,804,264	5,776,863	5,558,049	218,814
Finance	1,329,822	1,329,822	1,281,225	48,597
Human resources	742,429	752,178	728,779	23,399
Information technology services	2,120,337	2,133,632	2,017,243	116,389
Municipal court	915,220	915,220	903,904	11,316
Capital outlay	1,745,826	2,756,286	2,702,316	53,970
Total expenditures	65,264,359	66,929,511	65,259,892	1,669,619
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,317,532)	(3,982,684)	2,458,597	6,441,281
OTHER FINANCING SOURCES (USES):				
Transfers in	3,894,413	3,894,413	3,898,606	4,193
Transfers out	(4,658,503)	(6,204,920)	(6,204,920)	-
Total other financing sources (uses)	(764,090)	(2,310,507)	(2,306,314)	4,193
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(3,081,622)	(6,293,191)	152,283	6,445,474
FUND BALANCES, beginning	31,491,278	31,491,278	31,491,278	-
FUND BALANCES, ending	\$ 28,409,656	\$ 25,198,087	\$ 31,643,561	\$ 6,445,474

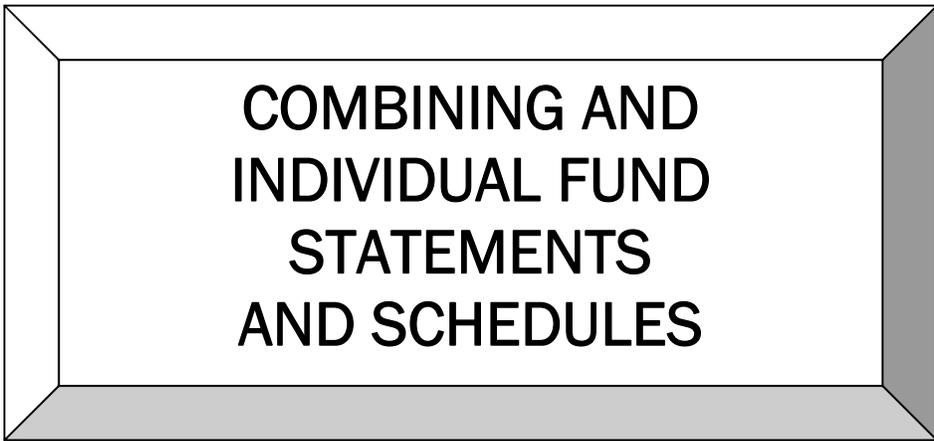
BUDGET BASIS ACCOUNTING

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



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.



**COMBINING AND
INDIVIDUAL FUND
STATEMENTS
AND SCHEDULES**

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.

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET

(GAAP BASIS) AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 8,380,204	\$ 8,380,204	\$ 8,407,375	\$ 27,171
Intergovernmental	-	3,283,200	3,283,200	-
Investment earnings	10,975	10,975	8,254	(2,721)
Miscellaneous	-	16,225	16,226	1
Total revenues	8,391,179	11,690,604	11,715,055	24,451
EXPENDITURES:				
Debt service-				
Principal	6,155,000	7,130,000	7,130,000	-
Interest and fiscal charges	3,154,493	4,112,824	4,106,105	6,719
Total expenditures	9,309,493	11,242,824	11,236,105	6,719
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(918,314)	447,780	478,950	31,170
OTHER FINANCING SOURCES (USES):				
Transfer in	1,349,870	-	-	-
Total other financing sources (uses)	1,349,870	-	-	-
NET CHANGE IN FUND BALANCES	431,556	447,780	478,950	31,170
FUND BALANCES, beginning	1,622,886	1,622,886	1,622,886	-
FUND BALANCES, ending	\$ 2,054,442	\$ 2,070,666	\$ 2,101,836	\$ 31,170

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 fourteen Special Revenue Funds as follows:

HOTEL/MOTEL TAX FUND

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

RECREATION ACTIVITY FUND

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

GRANT FUND

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

PUBLIC IMPROVEMENT DISTRICT TAX FUND

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

MUNICIPAL COURT SECURITY FUND

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

MUNICIPAL COURT TECHNOLOGY FUND

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

POLICE ASSET FORFEITURE FUND

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

EMPLOYEE BENEVOLENT FUND

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

FIRE AND POLICE TRAINING FUND

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

LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION FUND (LEOSE)

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.

NON-MAJOR GOVERNMENTAL FUNDS

DONATIONS FUND

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

POLICE FEDERAL FORFEITURE FUND

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

JUVENILE CASE MANAGER FUND

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

PEG PROGRAMMING FUND

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

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

LEWISVILLE LOCAL GOVERNMENT CORPORATION FUND

To account for assistance efforts in economic development initiatives.

LEWISVILLE CRIME CONTROL AND PREVENTION DISTRICT

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

LEWISVILLE FIRE CONTROL, PREVENTION, AND EMERGENCY MEDICAL SERVICES DISTRICT

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

**CITY OF LEWISVILLE, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2014**

Special Revenues										
ASSETS	Hotel/Motel Tax	Recreation Activity	Grant	Public Improvement District	Municipal Court Security	Municipal Court Technology	Police Asset Forfeiture	Employee Benevolent	Fire and Police Training	
Cash	\$ 1,155,520	\$ 79,595	\$ 5,180	\$ 70,163	\$ 23,097	\$ 54,456	\$ 78,320	\$ 7,935	\$ 45,904	
Investments	2,834,414	195,241	12,703	172,106	56,658	128,158	116,088	19,463	112,597	
Receivables:										
Taxes	-	-	-	-	-	-	-	-	-	
Accounts	608,772	12,500	130,329	-	-	-	-	-	-	
Other	-	-	-	-	-	-	12,035	-	-	
Interest	3,367	226	15	199	66	160	134	23	130	
Prepaid items	2,022,718	-	705	-	-	7,385	-	-	150	
Total assets	\$ 6,624,791	\$ 287,562	\$ 148,932	\$ 242,468	\$ 79,821	\$ 190,159	\$ 206,577	\$ 27,421	\$ 158,781	
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts and contracts payable	\$ 90,976	\$ 10,760	\$ 6,991	\$ -	\$ 955	\$ 87	\$ 35,117	\$ -	\$ 267	
Accrued liabilities	15,746	273	5,896	-	-	-	-	-	-	
Due to other funds	-	-	61,876	-	-	-	-	-	-	
Money held in escrow	-	-	-	-	-	-	-	-	-	
Deposits	-	-	-	-	-	-	-	-	-	
Total liabilities	106,722	11,033	74,763	\$ -	955	87	35,117	-	267	
DEFERRED INFLOWS OF RESOURCES										
Unavailable resources	-	12,500	4,204	-	-	-	-	-	-	
Total deferred inflows of resources	-	12,500	4,204	-	-	-	-	-	-	
FUND BALANCES										
Nonspendable	2,022,718	-	705	-	-	7,385	-	-	150	
Restricted	4,495,351	-	69,260	242,468	78,866	182,687	171,460	-	-	
Committed	-	264,029	-	-	-	-	-	-	158,364	
Assigned	-	-	-	-	-	-	-	27,421	-	
Total fund balances	6,518,069	264,029	69,965	242,468	78,866	190,072	171,460	27,421	158,514	
Total liabilities, deferred inflows of resources and fund balances	\$ 6,624,791	\$ 287,562	\$ 148,932	\$ 242,468	\$ 79,821	\$ 190,159	\$ 206,577	\$ 27,421	\$ 158,781	

LEOSE	Donations	Police Federal Forfeiture	Juvenile Case Manager	PEG Programming	Lewisville Local Government Corporation	Crime Control and Prevention District	Fire Control Prevention and Emergency Medical Services	Total Non-Major Governmental Funds
\$ 395	\$ 97,390	\$ 178,698	\$ 35,203	\$ 49,902	\$ 2,112	\$ 348,881	\$ 768,418	\$ 3,001,169
968	238,898	438,335	86,349	122,409	5,181	855,785	1,884,878	7,280,231
-	-	-	-	-	-	501,784	501,693	1,003,477
-	21,879	-	-	72,059	-	-	-	845,539
-	-	-	-	-	-	-	-	12,035
1	277	514	100	142	6	991	2,182	8,533
796	-	1,750	-	-	-	-	2,658	2,036,362
<u>\$ 2,160</u>	<u>\$ 358,444</u>	<u>\$ 619,297</u>	<u>\$ 121,652</u>	<u>\$ 244,512</u>	<u>\$ 7,299</u>	<u>\$ 1,707,441</u>	<u>\$ 3,160,029</u>	<u>\$ 14,187,346</u>
\$ -	\$ 23,838	\$ -	\$ -	\$ -	\$ -	\$ 7,131	\$ 6,356	\$ 182,478
-	799	-	1,727	-	-	68,451	25,985	118,877
-	-	-	-	-	-	-	-	61,876
-	-	-	4,463	-	-	-	-	4,463
-	7,101	-	-	-	-	-	-	7,101
-	31,738	-	6,190	-	-	75,582	32,341	374,795
-	21,351	-	-	-	-	-	-	38,055
-	21,351	-	-	-	-	-	-	38,055
796	-	1,750	-	-	-	-	2,658	2,036,362
1,364	-	617,547	115,462	244,512	-	1,631,859	3,124,830	10,975,666
-	305,355	-	-	-	7,299	-	-	735,047
-	-	-	-	-	-	-	-	27,421
<u>2,160</u>	<u>305,355</u>	<u>619,297</u>	<u>115,462</u>	<u>244,512</u>	<u>7,299</u>	<u>1,631,859</u>	<u>3,127,688</u>	<u>13,774,496</u>
<u>\$ 2,160</u>	<u>\$ 358,444</u>	<u>\$ 619,297</u>	<u>\$ 121,652</u>	<u>\$ 244,512</u>	<u>\$ 7,299</u>	<u>\$ 1,707,441</u>	<u>\$ 3,160,029</u>	<u>\$ 14,187,346</u>

**CITY OF LEWISVILLE, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	Special Revenues								
	<u>Hotel/Motel Tax</u>	<u>Recreation Activity</u>	<u>Grant</u>	<u>Public Improvement District</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>	<u>Police Asset Forfeiture</u>	<u>Employee Benevolent</u>	<u>Fire and Police Training</u>
REVENUES:									
Taxes	\$ 2,196,565	\$ -	\$ -	\$ 15,174	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation	-	288,215	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-
Investment earnings	10,490	954	290	661	186	511	443	73	454
Grants	-	-	-	-	-	-	-	-	-
Culture, parks and recreation	-	-	402	-	-	-	-	-	-
Public safety	-	-	265,005	-	-	-	-	-	-
Public services	-	-	711,732	-	-	-	-	-	-
Miscellaneous	-	159,808	-	-	61,268	81,682	13,866	4,642	63,424
Total revenues	<u>2,207,055</u>	<u>448,977</u>	<u>977,429</u>	<u>15,835</u>	<u>61,454</u>	<u>82,193</u>	<u>14,309</u>	<u>4,715</u>	<u>63,878</u>
EXPENDITURES:									
Current-									
General government	1,671,282	-	-	7,840	-	-	-	3,874	-
Culture, parks and recreation	-	307,537	402	-	-	-	-	-	-
Public safety	-	-	129,666	-	21,308	35,855	13,133	-	37,809
Public services	-	-	727,085	-	-	-	-	-	-
Capital outlay	-	27,630	151,970	-	-	-	-	-	21,774
Total expenditures	<u>1,671,282</u>	<u>335,167</u>	<u>1,009,123</u>	<u>7,840</u>	<u>21,308</u>	<u>35,855</u>	<u>13,133</u>	<u>3,874</u>	<u>59,583</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>535,773</u>	<u>113,810</u>	<u>(31,694)</u>	<u>7,995</u>	<u>40,146</u>	<u>46,338</u>	<u>1,176</u>	<u>841</u>	<u>4,295</u>
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	35,247	-	-	-	-	-	-
Transfers out	-	(130,000)	-	-	(33,513)	(40,000)	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	4,750	-	-
Total other financing sources (uses)	<u>-</u>	<u>(130,000)</u>	<u>35,247</u>	<u>-</u>	<u>(33,513)</u>	<u>(40,000)</u>	<u>4,750</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>535,773</u>	<u>(16,190)</u>	<u>3,553</u>	<u>7,995</u>	<u>6,633</u>	<u>6,338</u>	<u>5,926</u>	<u>841</u>	<u>4,295</u>
FUND BALANCES, beginning	<u>5,982,296</u>	<u>280,219</u>	<u>66,412</u>	<u>234,473</u>	<u>72,233</u>	<u>183,734</u>	<u>165,534</u>	<u>26,580</u>	<u>154,219</u>
FUND BALANCES, ending	<u>\$ 6,518,069</u>	<u>\$ 264,029</u>	<u>\$ 69,965</u>	<u>\$ 242,468</u>	<u>\$ 78,866</u>	<u>\$ 190,072</u>	<u>\$ 171,460</u>	<u>\$ 27,421</u>	<u>\$ 158,514</u>

EXHIBIT C-2

LEOSE	Donations	Police Federal Forfeiture	Juvenile Case Manager	PEG Programming	Lewisville Local Government Corporation	Crime Control and Prevention District	Fire Control Prevention and Emergency Medical Services	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 277,775	\$ -	\$ 2,914,466	\$ 2,916,364	\$ 8,320,344
-	-	-	-	-	-	-	-	288,215
-	-	-	93,582	-	-	-	-	93,582
12	1,002	1,705	261	566	27	3,159	4,658	25,452
-	-	-	-	-	-	-	-	402
-	-	-	-	-	-	-	-	265,005
-	-	-	-	-	-	-	-	711,732
10,493	477,418	326,490	-	-	2,206	-	300	1,201,597
10,505	478,420	328,195	93,843	278,341	2,233	2,917,625	2,921,322	10,906,329
-	409,934	-	-	8,201	-	73,330	59,865	2,234,326
-	-	-	-	-	-	-	-	307,939
8,345	-	204,065	55,943	-	-	2,084,523	856,548	3,447,195
-	9,439	-	-	-	-	197,418	-	933,942
-	-	52,635	-	254,825	-	266,237	-	775,071
8,345	419,373	256,700	55,943	263,026	-	2,621,508	916,413	7,698,473
2,160	59,047	71,495	37,900	15,315	2,233	296,117	2,004,909	3,207,856
-	-	-	-	-	-	-	-	35,247
-	-	(130,000)	(17,438)	-	-	(30,000)	(1,558,272)	(1,939,223)
-	-	-	-	-	-	-	-	4,750
-	-	(130,000)	(17,438)	-	-	(30,000)	(1,558,272)	(1,899,226)
2,160	59,047	(58,505)	20,462	15,315	2,233	266,117	446,637	1,308,630
-	246,308	677,802	95,000	229,197	5,066	1,365,742	2,681,051	12,465,866
\$ 2,160	\$ 305,355	\$ 619,297	\$ 115,462	\$ 244,512	\$ 7,299	\$ 1,631,859	\$ 3,127,688	\$ 13,774,496

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, 2014

EXHIBIT C-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 2,056,272	\$ 2,056,272	\$ 2,196,565	\$ 140,293
Investment earnings	7,571	7,571	10,490	2,919
Miscellaneous	(300,000)	(300,000)	-	300,000
Total revenues	<u>1,763,843</u>	<u>1,763,843</u>	<u>2,207,055</u>	<u>443,212</u>
EXPENDITURES:				
Current-				
General government	<u>1,415,456</u>	<u>1,441,696</u>	<u>1,671,282</u>	<u>(229,586)</u>
Total expenditures	<u>1,415,456</u>	<u>1,441,696</u>	<u>1,671,282</u>	<u>(229,586)</u>
NET CHANGE IN FUND BALANCES	348,387	322,147	535,773	213,626
FUND BALANCES, beginning	<u>5,982,296</u>	<u>5,982,296</u>	<u>5,982,296</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 6,330,683</u>	<u>\$ 6,304,443</u>	<u>\$ 6,518,069</u>	<u>\$ 213,626</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, 2014

EXHIBIT C-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Recreation	\$ 344,500	\$ 344,500	\$ 288,215	\$ (56,285)
Investment earnings	759	759	954	195
Miscellaneous	165,583	165,583	159,808	(5,775)
Total revenues	510,842	510,842	448,977	(61,865)
EXPENDITURES:				
Current-				
Culture, parks and recreation	360,842	388,824	307,537	81,287
Capital outlay	-	27,630	27,630	-
Total expenditures	360,842	416,454	335,167	81,287
EXCESS OF REVENUES OVER EXPENDITURES	150,000	94,388	113,810	19,422
OTHER FINANCING USES:				
Transfers out	(150,000)	(130,000)	(130,000)	-
Total other financing uses	(150,000)	(130,000)	(130,000)	-
NET CHANGES IN FUND BALANCES	-	(35,612)	(16,190)	19,422
FUND BALANCES, beginning	280,219	280,219	280,219	-
FUND BALANCES, ending	\$ 280,219	\$ 244,607	\$ 264,029	\$ 19,422

CITY OF LEWISVILLE, TEXAS EXHIBIT C-5
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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment earnings	\$ 544	\$ 544	\$ 290	\$ (254)
Grants:				
Culture, parks and recreation	-	-	402	402
Public safety	311,306	561,306	265,005	(296,301)
Public services	591,137	644,226	711,732	67,506
Total revenues	<u>902,987</u>	<u>1,206,076</u>	<u>977,429</u>	<u>(228,647)</u>
EXPENDITURES:				
Current-				
Culture, parks and recreation	-	-	402	(402)
Public safety	316,129	336,194	129,666	206,528
Public services	620,403	1,281,260	727,085	554,175
Capital outlay	-	330,378	151,970	178,408
Total expenditures	<u>936,532</u>	<u>1,947,832</u>	<u>1,009,123</u>	<u>938,709</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,545)</u>	<u>(741,756)</u>	<u>(31,694)</u>	<u>710,062</u>
OTHER FINANCING SOURCES:				
Transfers in	35,371	35,371	35,247	(124)
Transfers out	(124)	(124)	-	124
Total other financing sources	<u>35,247</u>	<u>35,247</u>	<u>35,247</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,702	(706,509)	3,553	710,062
FUND BALANCES, beginning	<u>66,412</u>	<u>66,412</u>	<u>66,412</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 68,114</u>	<u>\$ (640,097)</u>	<u>\$ 69,965</u>	<u>\$ 710,062</u>

CITY OF LEWISVILLE, TEXAS EXHIBIT C-6
PUBLIC IMPROVEMENT DISTRICT TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET
(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 15,174	\$ 15,174	\$ 15,174	\$ -
Investment earnings	747	747	661	(86)
Total revenues	15,921	15,921	15,835	(86)
EXPENDITURES:				
Current- General government	15,000	15,000	7,840	7,160
Total expenditures	15,000	15,000	7,840	7,160
EXCESS OF REVENUES OVER EXPENDITURES	921	921	7,995	7,074
NET CHANGE IN FUND BALANCES	921	921	7,995	7,074
FUND BALANCES, beginning	234,473	234,473	234,473	-
FUND BALANCES, ending	\$ 235,394	\$ 235,394	\$ 242,468	\$ 7,074

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, 2014

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Miscellaneous	\$ 61,847	\$ 61,847	\$ 61,268	\$ (579)
Interest	331	331	186	(145)
Total revenues	62,178	62,178	61,454	(724)
EXPENDITURES:				
Current-				
Public safety	26,100	26,100	21,308	4,792
Total expenditures	26,100	26,100	21,308	4,792
EXCESS OF REVENUES OVER EXPENDITURES	36,078	36,078	40,146	4,068
OTHER FINANCING USES:				
Transfers out	(33,513)	(33,513)	(33,513)	-
Total other financing uses	(33,513)	(33,513)	(33,513)	-
NET CHANGE IN FUND BALANCES	2,565	2,565	6,633	4,068
FUND BALANCES, beginning	72,233	72,233	72,233	-
FUND BALANCES, ending	\$ 74,798	\$ 74,798	\$ 78,866	\$ 4,068

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, 2014

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Miscellaneous	\$ 82,728	\$ 82,728	\$ 81,682	\$ (1,046)
Investment earnings	783	783	511	(272)
Total revenues	83,511	83,511	82,193	(1,318)
EXPENDITURES:				
Current-				
Public safety	42,320	42,320	35,855	6,465
Total expenditures	42,320	42,320	35,855	6,465
EXCESS OF REVENUES OVER EXPENDITURES	41,191	41,191	46,338	5,147
OTHER FINANCING USES:				
Transfers out	(40,000)	(40,000)	(40,000)	-
Total other financing uses	(40,000)	(40,000)	(40,000)	-
NET CHANGE IN FUND BALANCES	1,191.00	1,191	6,338	5,147
FUND BALANCES, beginning	183,734	183,734	183,734	-
FUND BALANCES, ending	\$ 184,925	\$ 184,925	\$ 190,072	\$ 5,147

CITY OF LEWISVILLE, TEXAS
POLICE ASSET FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET
(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment earnings	\$ 575	\$ 575	\$ 443	\$ (132)
Miscellaneous	18,500	18,500	13,866	(4,634)
Total revenues	19,075	19,075	14,309	(4,766)
EXPENDITURES:				
Current-				
Public safety	37,000	37,000	13,133	23,867
Total expenditures	37,000	37,000	13,133	23,867
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(17,925)	(17,925)	1,176	19,101
OTHER FINANCING SOURCES:				
Proceeds from sale of assets	5,800	5,800	4,750	(1,050)
Total other financing sources	5,800	5,800	4,750	(1,050)
NET CHANGE IN FUND BALANCES	(12,125)	(12,125)	5,926	18,051
FUND BALANCES, beginning	165,534	165,534	165,534	-
FUND BALANCES, ending	\$ 153,409	\$ 153,409	\$ 171,460	\$ 18,051

CITY OF LEWISVILLE, TEXAS EXHIBIT C-10
 FIRE AND POLICE TRAINING SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET
 (GAAP BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment earnings	\$ 503	\$ 503	\$ 454	\$ (49)
Miscellaneous	64,828	64,828	63,424	(1,404)
Total revenues	<u>65,331</u>	<u>65,331</u>	<u>63,878</u>	<u>(1,453)</u>
EXPENDITURES:				
Current-				
Public safety	64,828	68,337	37,809	30,528
Capital outlay	-	21,774	21,774	-
Total expenditures	<u>64,828</u>	<u>90,111</u>	<u>59,583</u>	<u>30,528</u>
NET CHANGE IN FUND BALANCES	503	(24,780)	4,295	29,075
FUND BALANCES, beginning	<u>154,219</u>	<u>154,219</u>	<u>154,219</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 154,722</u>	<u>\$ 129,439</u>	<u>\$ 158,514</u>	<u>\$ 29,075</u>

CITY OF LEWISVILLE, TEXAS EXHIBIT C-11
 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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment earnings	\$ 39	\$ 39	\$ 12	\$ (27)
Miscellaneous	9,000	9,000	10,493	1,493
Total revenues	<u>9,039</u>	<u>9,039</u>	<u>10,505</u>	<u>1,466</u>
EXPENDITURES:				
Current-				
Public safety	<u>9,000</u>	<u>9,000</u>	<u>8,345</u>	<u>655</u>
Total expenditures	<u>9,000</u>	<u>9,000</u>	<u>8,345</u>	<u>655</u>
EXCESS OF REVENUES OVER EXPENDITURES	39	39	2,160	2,121
FUND BALANCES, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 39</u>	<u>\$ 39</u>	<u>\$ 2,160</u>	<u>\$ 2,121</u>

CITY OF LEWISVILLE, TEXAS
DONATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET
(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment earnings	\$ 530	\$ 530	\$ 1,002	\$ 472
Miscellaneous	394,571	479,571	477,418	(2,153)
Total revenues	395,101	480,101	478,420	(1,681)
EXPENDITURES:				
Current-				
General government	344,084	430,084	409,934	20,150
Public services	9,500	9,500	9,439	61
Total expenditures	353,584	439,584	419,373	20,211
NET CHANGE IN FUND BALANCES	41,517	40,517	59,047	18,530
FUND BALANCES, beginning	246,308	246,308	246,308	-
FUND BALANCES, ending	<u>\$ 287,825</u>	<u>\$ 286,825</u>	<u>\$ 305,355</u>	<u>\$ 18,530</u>

CITY OF LEWISVILLE, TEXAS
POLICE FEDERAL FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET
(GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment earnings	\$ 1,489	\$ 1,489	\$ 1,705	\$ 216
Miscellaneous	200,000	200,000	326,490	126,490
Total revenues	201,489	201,489	328,195	126,706
EXPENDITURES:				
Current-				
Public safety	224,918	225,552	204,065	21,487
Capital outlay	53,268.00	462,003	52,635	409,368
Total expenditures	278,186	687,555	256,700	430,855
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(76,697)	(486,066)	71,495	557,561
OTHER FINANCING USES:				
Transfers out	-	(130,000)	(130,000)	-
Total other financing uses	-	(130,000)	(130,000)	-
NET CHANGE IN FUND BALANCES	(76,697)	(616,066)	(58,505)	557,561
FUND BALANCES, beginning	677,802	677,802	677,802	-
FUND BALANCES, ending	\$ 601,105	\$ 61,736	\$ 619,297	\$ 557,561

CITY OF LEWISVILLE, TEXAS EXHIBIT C-14
 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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines	\$ 81,789	\$ 81,789	\$ 93,582	\$ 11,793
Investment earnings	387	387	261	(126)
Total revenues	<u>82,176</u>	<u>82,176</u>	<u>93,843</u>	<u>11,667</u>
EXPENDITURES:				
Current-				
Public safety	<u>64,600</u>	<u>64,600</u>	<u>55,943</u>	<u>8,657</u>
Total expenditures	<u>64,600</u>	<u>64,600</u>	<u>55,943</u>	<u>8,657</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>17,576</u>	<u>17,576</u>	<u>37,900</u>	<u>20,324</u>
OTHER FINANCING USES:				
Transfers out	<u>(17,438)</u>	<u>(17,438)</u>	<u>(17,438)</u>	<u>-</u>
Total other financing uses	<u>(17,438)</u>	<u>(17,438)</u>	<u>(17,438)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	138	138	20,462	20,324
FUND BALANCES, beginning	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 95,138</u>	<u>\$ 95,138</u>	<u>\$ 115,462</u>	<u>\$ 20,324</u>

PEG PROGRAMMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET

(GAAP BASIS) AND ACTUAL

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment earnings	\$ 524	\$ 524	\$ 566	\$ 42
Taxes	255,319	255,319	277,775	22,456
Total revenues	255,843	255,843	278,341	22,498
EXPENDITURES:				
Current-				
General government	58,100	8,201	8,201	-
Capital outlay	180,000	254,825	254,825	-
Total expenditures	238,100	263,026	263,026	-
NET CHANGE IN FUND BALANCES	17,743	(7,183)	15,315	22,498
FUND BALANCES, beginning	229,197	229,197	229,197	-
FUND BALANCES, ending	\$ 246,940	\$ 222,014	\$ 244,512	\$ 22,498

CITY OF LEWISVILLE, TEXAS
 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, 2014

EXHIBIT C-16

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment earnings	\$ 6,896	\$ 6,896	\$ 3,159	\$ (3,737)
Taxes	2,628,456	2,628,456	2,914,466	286,010
Total revenues	2,635,352	2,635,352	2,917,625	282,273
EXPENDITURES:				
General government	74,958	74,958	73,330	1,628
Public safety	2,195,602	2,224,414	2,084,523	139,891
Public services	201,498	201,498	197,418	4,080
Capital outlay	303,812	282,925	266,237	16,688
Total expenditures	2,775,870	2,783,795	2,621,508	162,287
EXCESS OF REVENUES OVER EXPENDITURES	(140,518)	(148,443)	296,117	444,560
OTHER FINANCING USES:				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing uses	(30,000)	(30,000)	(30,000)	-
NET CHANGE IN FUND BALANCES	(170,518)	(178,443)	266,117	444,560
FUND BALANCES, beginning	1,365,742	1,365,742	1,365,742	-
FUND BALANCES, ending	\$ 1,195,224	\$ 1,187,299	\$ 1,631,859	\$ 444,560

CITY OF LEWISVILLE, TEXAS EXHIBIT C-17
 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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Investment earnings	\$ 19,392	\$ 19,392	\$ 4,658	\$ (14,734)
Taxes	2,628,456	2,628,456	2,916,364	287,908
Miscellaneous	-	-	300	300
Total revenues	<u>2,647,848</u>	<u>2,647,848</u>	<u>2,921,322</u>	<u>273,474</u>
EXPENDITURES:				
General government	71,944	71,944	59,865	12,079
Public safety	907,858	907,858	856,548	51,310
Capital outlay	11,000	11,000	-	11,000
Total expenditures	<u>990,802</u>	<u>990,802</u>	<u>916,413</u>	<u>74,389</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,657,046</u>	<u>1,657,046</u>	<u>2,004,909</u>	<u>347,863</u>
OTHER FINANCING USES:				
Transfers out	<u>(1,558,272)</u>	<u>(1,558,272)</u>	<u>(1,558,272)</u>	<u>-</u>
Total other financing uses	<u>(1,558,272)</u>	<u>(1,558,272)</u>	<u>(1,558,272)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	98,774	98,774	446,637	347,863
FUND BALANCES, beginning	<u>2,681,051</u>	<u>2,681,051</u>	<u>2,681,051</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 2,779,825</u>	<u>\$ 2,779,825</u>	<u>\$ 3,127,688</u>	<u>\$ 347,863</u>

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.

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 department and funds are disbursed accordingly to program expenses such as claim payments, administrative cost and reinsurance premiums.

HEALTH INSURANCE RISK POOL FUND

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

MAINTENANCE AND REPLACEMENT FUND

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

CITY OF LEWISVILLE, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

EXHIBIT D-1

	<u>Self Insurance Risk</u>	<u>Health Insurance Risk Pool</u>	<u>Maintenance and Replacement</u>	<u>Total</u>
ASSETS				
Cash	\$ 1,777,934	\$ 985,795	\$ 1,685,112	\$ 4,448,841
Investments	4,299,835	1,942,225	4,133,478	10,375,538
Receivables-				
Interest	5,024	2,249	4,786	12,059
Other	-	182,686	-	182,686
Inventory of supplies, at cost	-	-	110,500	110,500
Prepaid items	21,631	54,059	373,049	448,739
 Total current assets	 <u>6,104,424</u>	 <u>3,167,014</u>	 <u>6,306,925</u>	 <u>15,578,363</u>
Non current assets				
Capital assets				
Other improvements	274,272	-	-	274,272
Machinery and equipment	635,926	-	4,913,444	5,549,370
Vehicles	-	-	20,679,052	20,679,052
Accumulated depreciation	(663,587)	-	(20,744,883)	(21,408,470)
 Capital assets, net of accumulated depreciation	 <u>246,611</u>	 <u>-</u>	 <u>4,847,613</u>	 <u>5,094,224</u>
 Total assets	 <u>6,351,035</u>	 <u>3,167,014</u>	 <u>11,154,538</u>	 <u>20,672,587</u>
LIABILITIES AND NET POSITION				
Current liabilities				
Accounts payable	16,269	94,384	48,271	158,924
Incurred but not reported claim reserve	866,414	827,093	-	1,693,507
Accrued liabilities	-	-	99,717	99,717
 Total liabilities	 <u>882,683</u>	 <u>921,477</u>	 <u>147,988</u>	 <u>1,952,148</u>
NET POSITION				
Net investment in capital assets	246,611	-	4,847,613	5,094,224
Unrestricted	5,221,741	2,245,537	6,158,937	13,626,215
 Total net position	 <u>\$ 5,468,352</u>	 <u>\$ 2,245,537</u>	 <u>\$ 11,006,550</u>	 <u>18,720,439</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, 2014

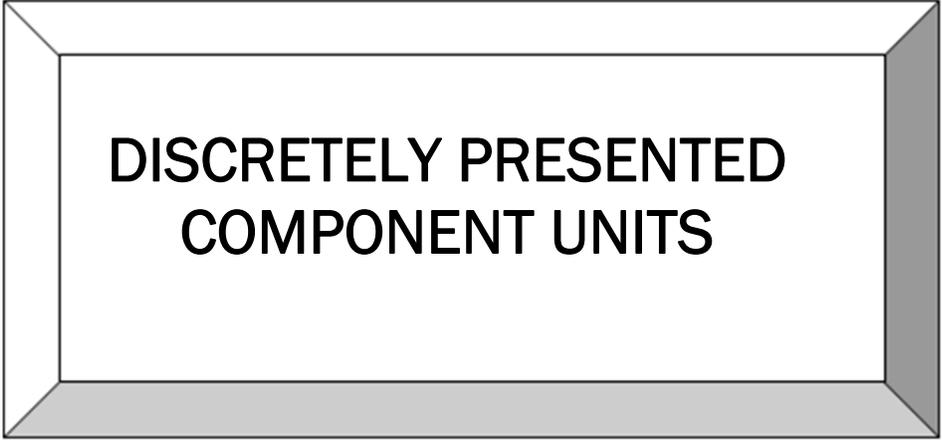
EXHIBIT D-2

	<u>Self Insurance Risk</u>	<u>Health Insurance Risk Pool</u>	<u>Maintenance and Replacement</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for sales and services	\$ 1,522,902	\$ 8,859,131	\$ 2,257,669	\$ 12,639,702
Miscellaneous	4,611	96,132	29	100,772
Total operating revenues	<u>1,527,513</u>	<u>8,955,263</u>	<u>2,257,698</u>	<u>12,740,474</u>
OPERATING EXPENSES:				
Cost of sales and services, net of reimbursements	1,596,900	6,808,031	458,910	8,863,841
Administrative	-	1,262,027	418,478	1,680,505
Depreciation	44,826	-	1,781,655	1,826,481
Total operating expenses	<u>1,641,726</u>	<u>8,070,058</u>	<u>2,659,043</u>	<u>12,370,827</u>
Operating income (loss)	<u>(114,213)</u>	<u>885,205</u>	<u>(401,345)</u>	<u>369,647</u>
NONOPERATING REVENUES:				
Investment earnings	16,215	12,900	16,569	45,684
Gain (loss) on disposal of capital assets	-	-	125,658	125,658
Total nonoperating revenues	<u>16,215</u>	<u>12,900</u>	<u>142,227</u>	<u>171,342</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>(97,998)</u>	<u>898,105</u>	<u>(259,118)</u>	<u>540,989</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:				
Transfers in	-	-	67,082	67,082
Contributions from other funds	-	-	337,359	337,359
Total transfers and capital contributions	<u>-</u>	<u>-</u>	<u>404,441</u>	<u>404,441</u>
CHANGE IN NET POSITION	<u>(97,998)</u>	<u>898,105</u>	<u>145,323</u>	<u>945,430</u>
NET POSITION, beginning	<u>5,566,350</u>	<u>1,347,432</u>	<u>10,861,227</u>	<u>17,775,009</u>
NET POSITION, ending	<u>\$ 5,468,352</u>	<u>\$ 2,245,537</u>	<u>\$ 11,006,550</u>	<u>\$ 18,720,439</u>

CITY OF LEWISVILLE, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT D-3

	Self Insurance Risk	Health Insurance Risk Pool	Maintenance and Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from transactions with other funds	\$ 1,522,096	\$ 8,693,183	\$ 2,256,450	\$ 12,471,729
Cash paid to employees for services	-	-	(418,478)	(418,478)
Cash paid for goods and services	(534,805)	(1,296,368)	(782,115)	(2,613,288)
Cash paid for claims	(681,849)	(6,688,984)	-	(7,370,833)
Cash received from miscellaneous items	4,611	96,132	451	101,194
Net cash provided by (used in) operating activities	<u>310,053</u>	<u>803,963</u>	<u>1,056,308</u>	<u>2,170,324</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in from other funds	-	-	67,082	67,082
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>-</u>	<u>67,082</u>	<u>67,082</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	-	-	(1,135,855)	(1,135,855)
Proceeds from sale of equipment	-	-	125,658	125,658
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(1,010,197)</u>	<u>(1,010,197)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	(4,330,882)	(1,918,408)	(4,163,324)	(10,412,614)
Proceeds from sale and maturities of investments	4,901,183	1,607,703	4,867,943	11,376,829
Interest received	16,215	12,900	16,569	45,684
Net cash provided by (used in) investing activities	<u>586,516</u>	<u>(297,805)</u>	<u>721,188</u>	<u>1,009,899</u>
NET INCREASE IN CASH	896,569	506,158	834,381	2,237,108
CASH AT BEGINNING OF YEAR	881,365	479,637	850,731	2,211,733
CASH AT END OF YEAR	<u>\$ 1,777,934</u>	<u>\$ 985,795</u>	<u>\$ 1,685,112</u>	<u>\$ 4,448,841</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Net operating income (loss)	(114,213)	885,205	(401,345)	369,647
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities-				
Depreciation	44,826	-	1,781,655	1,826,481
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(806)	(165,948)	(797)	(167,551)
(Increase) decrease in inventory	-	-	(4,792)	(4,792)
(Increase) decrease in prepaid expenses	26,759	(34,341)	(361,289)	(368,871)
Increase (decrease) in accounts and claims payable	353,487	119,047	25,057	497,591
Increase (decrease) in accrued liabilities	-	-	17,819	17,819
Total adjustments	<u>424,266</u>	<u>(81,242)</u>	<u>1,457,653</u>	<u>1,800,677</u>
Net cash provided by (used in) operating activities	<u>\$ 310,053</u>	<u>\$ 803,963</u>	<u>\$ 1,056,308</u>	<u>\$ 2,170,324</u>
NON CASH INVESTING AND FINANCING ACTIVITIES				
From intragovernmental contributions	\$ -	\$ -	\$ 203,444	\$ 203,444
Increase (decrease) in fair value of investments	\$ (5,102)	\$ (712)	(935)	(6,749)



**DISCRETELY PRESENTED
COMPONENT UNITS**

CITY OF LEWISVILLE, TEXAS
 LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION
 BALANCE SHEET
 SEPTEMBER 30, 2014

EXHIBIT E-1

	Lewisville Parks and Library Development Corporation
ASSETS	
Cash	\$ 3,079,704
Investments	7,553,463
Receivables	1,093,588
Prepaid items	2,521
	<hr/>
Total assets	\$ 11,729,276
	<hr/> <hr/>
LIABILITIES	
Accounts and contracts payable	\$ 61,479
Accrued liabilities	28,668
Accrued interest payable	85,501
	<hr/>
Total liabilities	175,648
	<hr/>
FUND BALANCE	
Unassigned	11,553,628
	<hr/>
Total fund balance	11,553,628
	<hr/>
Total liabilities and fund balance	\$ 11,729,276
	<hr/> <hr/>

CITY OF LEWISVILLE, TEXAS
LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION
RECONCILIATION OF FUND BALANCE TO NET POSITION
SEPTEMBER 30, 2014

EXHIBIT E-2

Total fund balance - governmental funds	\$ 11,553,628
Amounts reported in the Statement of Net Position are different because:	
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.	812,612
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.	(28,888,403)
NET POSITION OF LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION	<u>\$ (16,522,163)</u>

CITY OF LEWISVILLE, TEXAS
 LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT E-3

	Lewisville Parks and Library Development Corporation
Revenues:	
Taxes	
General sales and use taxes	\$ 6,026,564
Charges for service	265,626
Interest	27,249
Total revenues	<u>6,319,439</u>
Expenditures:	
Current:	
Culture, parks and recreation	2,388,397
Debt service:	
Principal	1,525,000
Interest and other fiscal charges	1,210,233
Total expenditures	<u>5,123,630</u>
Net changes in fund balance	1,195,809
Fund balance, beginning of year	<u>10,357,819</u>
Fund balance, end of year	<u>\$ 11,553,628</u>

**CITY OF LEWISVILLE, TEXAS
RECONCILIATION OF CHANGES IN FUND BALANCE TO THE CHANGE IN
NET POSITION IN THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014**

EXHIBIT E-4

Net change in fund balances - Lewisville Parks and Library Development Corporation	\$ 1,195,809
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 \$1,525,000 plus \$147,404 amortization of premium, less \$83,715 amortization of deferred refunding amount is the net effect of these differences in the treatment of long term debt and related items.	1,588,689
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.	(5,561)
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.	<u>294</u>
CHANGE IN NET POSITION OF LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION	<u><u>\$ 2,779,231</u></u>

CITY OF LEWISVILLE, TEXAS
TAX INCREMENT REINVESTMENT ZONE (OLD TOWN)
BALANCE SHEET
SEPTEMBER 30, 2014

EXHIBIT E-5

	Tax Increment Reinvestment Zone (Old Town)
ASSETS	
Cash	\$ 388,316
Investments	952,516
Receivables	1,103
Total assets	\$ 1,341,935
LIABILITIES	
Accrued interest payable	\$ 41,291
Total liabilities	41,291
FUND BALANCE	
Restricted	1,300,644
Total fund balance	1,300,644
Total liabilities and fund balance	\$ 1,341,935

CITY OF LEWISVILLE, TEXAS
TAX INCREMENT REINVESTMENT ZONE (OLD TOWN)
RECONCILIATION OF FUND BALANCE TO NET POSITION
SEPTEMBER 30, 2014

EXHIBIT E-6

Total fund balance - governmental funds	\$ 1,300,644
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.	7,263,762
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>(7,383,471)</u>
NET POSITION OF TAX INCREMENT REINVESTMENT ZONE (OLD TOWN)	<u>\$ 1,180,935</u>

CITY OF LEWISVILLE, TEXAS
TAX INCREMENT REINVESTMENT ZONE (OLD TOWN)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT E-7

	Tax Increment Reinvestment Zone (Old Town)
Revenues:	
Taxes	
General sales and use taxes	\$ 634,611
Interest	3,953
Total revenues	<u>638,564</u>
Expenditures:	
Current:	
General government	421
Debt service:	
Principal	205,000
Interest and other fiscal charges	334,536
Total expenditures	<u>539,957</u>
Net changes in fund balance	98,607
Fund balance, beginning of year	<u>1,202,037</u>
Fund balance, end of year	<u><u>\$ 1,300,644</u></u>

**CITY OF LEWISVILLE, TEXAS
TAX INCREMENT REINVESTMENT ZONE (OLD TOWN)
RECONCILIATION OF CHANGES IN FUND BALANCE TO THE CHANGE IN
NET POSITION IN THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014**

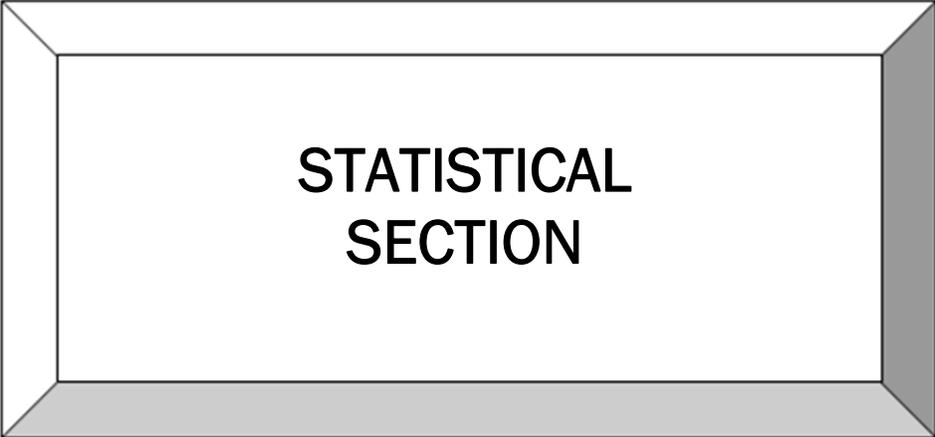
EXHIBIT E-8

Net change in fund balances - Tax Increment Reinvestment Zone (Old Town)	\$ 98,607
Amounts reported for component unit funds in the statement of activities are different because:	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	205,000
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(375,492)
The loss on sale of assets is not reported in the governmental funds	(25,168)
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.	1,155
	<hr/>
CHANGE IN NET POSITION OF TAX INCREMENT REINVESTMENT ZONE (OLD TOWN)	\$ (95,898)
	<hr/> <hr/>



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.



**STATISTICAL
SECTION**



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

STATISTICAL SECTION

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

Contents

Table

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 1-4

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, property and sales tax. 5-11

Debt Capacity

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..... 12-16

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place..... 17-18

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 19-21

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

	Fiscal Year			
	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	\$ 215,782,928	\$ 239,332,939	\$ 256,515,336	\$ 287,096,412
Restricted	2,954,825	1,446,727	1,725,352	1,756,591
Unrestricted	41,578,455	46,779,350	44,731,063	50,443,168
Total governmental activities net assets	<u>\$ 260,316,208</u>	<u>\$ 287,559,016</u>	<u>\$ 302,971,751</u>	<u>\$ 339,296,171</u>
Business-type activities				
Net investment in capital assets	\$ 130,190,472	\$ 137,038,948	\$ 145,843,454	\$ 159,684,492
Restricted	1,845,879	1,576,475	2,075,929	2,024,478
Unrestricted	33,789,667	37,687,853	36,677,712	38,090,009
Total business-type activities	<u>\$ 165,826,018</u>	<u>\$ 176,303,276</u>	<u>\$ 184,597,095</u>	<u>\$ 199,798,979</u>
Primary government				
Net investment in capital assets	\$ 345,973,400	\$ 376,371,887	\$ 402,358,790	\$ 446,780,904
Restricted	4,800,704	3,023,202	3,801,281	3,781,069
Unrestricted	75,368,122	84,467,203	81,408,775	88,533,177
Total primary government	<u>\$ 426,142,226</u>	<u>\$ 463,862,292</u>	<u>\$ 487,568,846</u>	<u>\$ 539,095,150</u>

Source: Comprehensive Annual Financial Reports

TABLE-1

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 308,190,669	\$ 311,014,889	\$ 305,260,721	\$ 298,329,672	\$ 314,990,028	\$ 300,492,485
1,867,844	1,324,264	1,016,096	1,012,020	10,755,866	12,808,969
49,358,449	48,721,698	47,005,244	59,368,657	33,848,899	65,838,513
<u>\$ 359,416,962</u>	<u>\$ 361,060,851</u>	<u>\$ 353,282,061</u>	<u>\$ 358,710,349</u>	<u>\$ 359,594,793</u>	<u>\$ 379,139,967</u>
\$ 166,895,435	\$ 172,162,748	\$ 181,476,154	\$ 181,437,600	\$ 186,611,050	\$ 193,138,892
1,914,446	2,147,527	1,939,786	1,975,308	1,688,303	1,805,958
35,940,547	33,568,393	28,480,396	35,270,129	35,383,205	34,648,469
<u>\$ 204,750,428</u>	<u>\$ 207,878,668</u>	<u>\$ 211,896,336</u>	<u>\$ 218,683,037</u>	<u>\$ 223,682,558</u>	<u>\$ 229,593,319</u>
\$ 475,086,104	\$ 483,177,637	\$ 486,736,875	\$ 479,767,272	\$ 501,601,078	\$ 493,631,377
3,782,290	3,471,791	2,955,882	2,987,328	12,444,169	14,614,927
85,298,996	82,290,091	75,485,640	94,638,786	69,232,104	100,486,982
<u>\$ 564,167,390</u>	<u>\$ 568,939,519</u>	<u>\$ 565,178,397</u>	<u>\$ 577,393,386</u>	<u>\$ 583,277,351</u>	<u>\$ 608,733,286</u>

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

	Fiscal Year			
	2005	2006	2007	2008
Expenses				
Governmental activities				
General government	\$ 9,767,189	\$ 13,392,249	\$ 9,848,489	\$ 10,697,346
Culture, parks and recreation	6,309,552	6,199,881	7,139,298	7,927,455
Public safety	27,664,557	28,182,352	30,491,917	33,721,041
Public services	15,182,968	13,667,907	18,569,013	19,409,072
Interest on long-term debt	3,300,061	2,202,454	2,257,685	3,581,167
Total governmental activities expenses	<u>62,224,327</u>	<u>63,644,843</u>	<u>68,306,402</u>	<u>75,336,081</u>
Business-type activities				
Water and sewer	17,108,879	19,556,158	19,676,760	20,378,432
Total business-type activities expenses	<u>17,108,879</u>	<u>19,556,158</u>	<u>19,676,760</u>	<u>20,378,432</u>
Total primary government expenses	<u>79,333,206</u>	<u>83,201,001</u>	<u>87,983,162</u>	<u>95,714,513</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	2,769,731	3,309,296	3,622,179	3,995,292
Culture, parks & recreation	1,511,722	1,612,039	1,537,244	1,794,574
Public safety	4,500,082	4,695,193	4,560,499	5,422,367
Public services	1,524,658	1,816,495	2,118,574	2,067,879
Operating grants and contributions	13,842,626	1,281,838	2,109,623	1,136,855
Capital grants and contributions	23,363,428	17,673,122	12,977,908	35,595,714
Total governmental activities program revenues	<u>47,512,247</u>	<u>30,387,983</u>	<u>26,926,027</u>	<u>50,012,681</u>
Business-type activities				
Charges for services				
Water and sewer	22,653,761	26,184,466	23,449,079	25,340,886
Capital grants and contributions	5,006,041	4,495,510	4,608,716	11,228,765
Total business-type activities program revenues	<u>27,659,802</u>	<u>30,679,976</u>	<u>28,057,795</u>	<u>36,569,651</u>
Total primary government program revenues	<u>75,172,049</u>	<u>61,067,959</u>	<u>54,983,822</u>	<u>86,582,332</u>
Net (Expense)/Revenue				
Governmental activities	(14,712,080)	(33,256,860)	(41,380,375)	(25,323,400)
Business-type activities	10,550,923	11,123,818	8,381,035	16,191,219
Total primary government net expense	<u>\$ (4,161,157)</u>	<u>\$ (22,133,042)</u>	<u>\$ (32,999,340)</u>	<u>\$ (9,132,181)</u>

Source: Comprehensive Annual Financial Reports

TABLE-2
(Continued)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 10,746,552	\$ 10,760,138	\$ 10,997,464	\$ 11,987,014	\$ 13,005,019	\$ 14,937,012
8,667,117	9,299,504	9,585,769	9,487,780	9,377,831	9,453,483
35,349,800	37,628,477	38,558,345	39,275,855	40,983,264	42,102,487
20,313,784	22,404,173	24,634,802	25,527,286	25,089,041	26,636,252
2,673,325	2,753,817	2,603,426	2,666,807	2,602,891	3,929,397
<u>77,750,578</u>	<u>82,846,109</u>	<u>86,379,806</u>	<u>88,944,742</u>	<u>91,058,046</u>	<u>97,058,631</u>
20,822,278	21,521,566	23,055,596	22,170,962	22,238,910	23,374,088
<u>20,822,278</u>	<u>21,521,566</u>	<u>23,055,596</u>	<u>22,170,962</u>	<u>22,238,910</u>	<u>23,374,088</u>
98,572,856	104,367,675	109,435,402	111,115,704	113,296,956	120,432,719
3,386,580	3,306,827	3,348,523	3,447,957	3,383,721	3,430,722
1,741,591	1,696,101	1,631,629	1,615,228	1,558,232	1,602,387
5,929,457	5,000,197	5,665,379	5,390,583	6,021,116	6,626,569
1,516,232	1,656,995	1,947,382	1,512,075	2,161,083	2,164,718
1,202,143	2,228,626	2,190,754	2,517,289	2,415,909	3,439,677
23,865,801	11,183,861	3,579,450	15,090,545	4,745,018	23,980,160
<u>37,641,804</u>	<u>25,072,607</u>	<u>18,363,117</u>	<u>29,573,677</u>	<u>20,285,079</u>	<u>41,244,233</u>
25,657,454	26,146,670	28,072,610	28,375,842	27,797,951	27,164,770
1,823,269	1,470,699	2,643,208	4,254,018	2,851,893	6,316,430
<u>27,480,723</u>	<u>27,617,369</u>	<u>30,715,818</u>	<u>32,629,860</u>	<u>30,649,844</u>	<u>33,481,200</u>
65,122,527	52,689,976	49,078,935	62,203,537	50,934,923	74,725,433
(40,108,774)	(57,773,502)	(68,016,689)	(59,371,065)	(70,772,967)	(55,814,398)
6,658,445	6,095,803	7,660,222	10,458,898	8,410,934	10,107,112
<u>\$ (33,450,329)</u>	<u>\$ (51,677,699)</u>	<u>\$ (60,356,467)</u>	<u>\$ (48,912,167)</u>	<u>\$ (62,362,033)</u>	<u>\$ (45,707,286)</u>

(Continued)

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

	Fiscal Year			
	2005	2006	2007	2008
General Revenues and				
Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 23,305,174	\$ 25,125,486	\$ 26,257,705	\$ 27,936,176
Sales taxes	17,284,149	18,113,568	19,216,744	18,932,595
Other taxes	201,297	1,074,299	1,043,749	1,119,792
Franchise taxes	4,485,406	4,599,447	4,435,578	4,803,626
Occupancy taxes	1,348,761	1,480,548	1,606,115	1,830,230
Penalties and interest	252,204	231,016	209,514	238,428
Intergovernmental	-	-	-	-
Investment earnings	1,518,114	2,350,326	3,614,454	3,287,167
Gain (loss) on disposal of assets	77,563	470	(2,424,552)	9,682
Miscellaneous	589,133	4,558,898	243,839	416,282
Transfers	(286,860)	2,965,612	2,943,135	3,073,842
Total governmental activities	<u>48,774,941</u>	<u>60,499,670</u>	<u>57,146,281</u>	<u>61,647,820</u>
Business-type activities				
Investment earnings	1,225,226	2,313,351	2,775,365	2,015,797
Intergovernmental contributions	-	-	-	-
Gain (loss) on disposal of assets	-	-	33,103	4,385
Miscellaneous	51,544	5,701	47,451	64,325
Transfers	286,860	(2,965,612)	(2,943,135)	(3,073,842)
Total business-type activities	<u>1,563,630</u>	<u>(646,560)</u>	<u>(87,216)</u>	<u>(989,335)</u>
Total primary government	<u>50,338,571</u>	<u>59,853,110</u>	<u>57,059,065</u>	<u>60,658,485</u>
Change in Net Position				
Governmental activities	34,062,861	27,242,810	15,765,906	36,324,420
Business-type activities	12,114,553	10,477,258	8,293,819	15,201,884
Total primary government	<u>\$ 46,177,414</u>	<u>\$ 37,720,068</u>	<u>\$ 24,059,725</u>	<u>\$ 51,526,304</u>

Source: Comprehensive Annual Financial Reports

TABLE-2
(Continued)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 29,580,192	\$ 28,898,185	\$ 27,774,848	\$ 28,739,963	\$ 29,579,363	\$ 31,441,081
17,686,496	18,605,874	18,677,965	22,666,950	27,451,139	29,361,613
1,095,822	1,046,346	1,038,923	1,011,328	1,200,502	1,180,980
4,635,238	5,055,711	5,272,499	5,436,197	5,814,797	6,222,722
1,554,826	1,551,355	1,862,191	1,960,910	2,065,363	2,196,565
219,250	186,231	146,689	228,746	154,905	153,196
-	-	-	-	624,125	-
2,051,754	526,984	459,600	365,045	210,934	371,766
5,560	13,118	3,075	8,525	3,477	4,750
291,772	272,693	1,077,579	396,641	817,291	1,240,197
3,108,655	3,260,894	3,924,530	3,985,048	3,735,515	3,814,737
<u>60,229,565</u>	<u>59,417,391</u>	<u>60,237,899</u>	<u>64,799,353</u>	<u>71,657,411</u>	<u>75,987,607</u>
1,344,073	211,973	269,639	286,958	120,530	173,481
-	-	-	-	-	-
-	-	-	-	-	-
57,586	81,358	12,337	25,893	203,572	19,195
<u>(3,108,655)</u>	<u>(3,260,894)</u>	<u>(3,924,530)</u>	<u>(3,985,048)</u>	<u>(3,735,515)</u>	<u>(3,814,737)</u>
<u>(1,706,996)</u>	<u>(2,967,563)</u>	<u>(3,642,554)</u>	<u>(3,672,197)</u>	<u>(3,411,413)</u>	<u>(3,622,061)</u>
<u>58,522,569</u>	<u>56,449,828</u>	<u>56,595,345</u>	<u>61,127,156</u>	<u>68,245,998</u>	<u>72,365,546</u>
20,120,791	1,643,889	(7,778,790)	5,428,288	884,444	20,173,209
4,951,449	3,128,240	4,017,668	6,786,701	4,999,521	6,485,051
<u>\$ 25,072,240</u>	<u>\$ 4,772,129</u>	<u>\$ (3,761,122)</u>	<u>\$ 12,214,989</u>	<u>\$ 5,883,965</u>	<u>\$ 26,658,260</u>

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

	Fiscal Year			
	2005	2006	2007	2008
General fund				
Nonspendable	\$ 262,563	\$ 252,581	\$ 271,000	\$ 196,935
Assigned	250,242	209,551	222,778	156,790
Unassigned	19,371,265	26,212,925	26,272,130	31,175,630
Total general fund	<u>\$19,884,070</u>	<u>\$26,675,057</u>	<u>\$26,765,908</u>	<u>\$ 31,529,355</u>
All other governmental funds				
Nonspendable	3,764,412	\$ 3,774,672	\$ 3,736,550	\$ 3,489,874
Restricted	21,955,942	19,247,971	30,231,341	35,273,808
Committed	5,406,239	5,672,381	7,578,509	8,365,004
Assigned	4,874,817	7,289,482	11,025,342	12,433,089
Total all other governmental funds	<u>\$36,001,410</u>	<u>\$35,984,506</u>	<u>\$52,571,742</u>	<u>\$ 59,561,775</u>

Source: Comprehensive Annual Financial Reports

TABLE-3

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 228,411	\$ 201,588	\$ 230,316	\$ 234,127	\$ 381,982	\$ 427,988
121,575	136,854	100,680	222,738	538,290	927,749
<u>31,658,380</u>	<u>26,429,898</u>	<u>28,989,043</u>	<u>30,615,982</u>	<u>30,571,006</u>	<u>30,287,824</u>
<u>\$ 32,008,366</u>	<u>\$26,768,340</u>	<u>\$ 29,320,039</u>	<u>\$ 31,072,847</u>	<u>\$ 31,491,278</u>	<u>\$ 31,643,561</u>
\$ 3,244,870	\$ 3,245,372	\$ 2,758,852	\$ 2,518,104	\$ 2,265,652	\$ 4,036,362
31,570,851	26,443,792	22,563,101	31,447,210	43,011,859	54,997,056
8,589,094	7,687,555	7,705,016	6,812,474	7,065,074	5,783,255
7,827,143	14,681,969	10,335,218	6,985,090	7,166,018	6,515,177
<u>\$ 51,231,958</u>	<u>\$52,058,688</u>	<u>\$ 43,362,187</u>	<u>\$ 47,762,878</u>	<u>\$ 59,508,603</u>	<u>\$ 71,331,850</u>

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

	Fiscal Year			
	2005	2006	2007	2008
Revenues				
Property and other taxes	\$ 47,035,823	\$ 50,547,358	\$ 52,886,457	\$ 54,828,308
Licenses and permits	1,578,864	2,070,156	2,393,345	2,328,846
Charges for services	4,140,027	4,858,787	5,212,302	5,603,449
Recreation	1,332,438	1,426,331	1,385,188	1,591,676
Fines	2,686,299	2,826,234	2,680,535	2,916,566
Investment earnings	1,154,775	2,350,327	3,614,458	3,287,167
Intergovernmental	-	-	-	-
Grants				
Culture, parks and recreation	9,741	10,512	10,305	1,061,894
Public safety	559,031	384,964	588,798	220,857
Public services	1,557,993	730,845	1,256,152	708,082
Contributions and donations	12,803,249	3,499,030	3,205,708	27,641,031
Miscellaneous	1,084,302	4,961,341	761,399	975,687
Total revenues	<u>73,942,542</u>	<u>73,665,885</u>	<u>73,994,647</u>	<u>101,163,563</u>
Expenditures				
General government	8,181,298	7,543,722	8,505,159	8,956,950
Culture, parks and recreation	5,689,354	6,058,682	6,118,753	6,640,069
Public safety	26,960,074	28,400,718	30,221,744	32,450,887
Public services	9,101,845	9,049,144	9,696,518	9,724,646
Capital outlay	26,532,611	16,527,094	14,848,067	36,317,662
Debit service:				
Principal	4,846,032	7,163,197	5,335,000	4,995,000
Interest and fiscal charges	2,376,104	2,674,752	2,294,160	3,494,604
Total expenditures	<u>83,687,318</u>	<u>77,417,309</u>	<u>77,019,401</u>	<u>102,579,818</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,744,776)</u>	<u>(3,751,424)</u>	<u>(3,024,754)</u>	<u>(1,416,255)</u>
Other financing sources (uses)				
Transfers in	6,192,216	7,780,970	16,364,425	12,103,060
Transfers out	(3,210,986)	(4,815,817)	(10,308,842)	(7,652,635)
Proceeds from refunding bonds	9,655,000	-	5,070,000	8,715,000
Proceeds from general obligation bonds	4,790,000	6,805,000	13,655,000	-
Proceeds from certificates of obligation	-	-	-	-
Payments to refunding bond escrow agent	(10,201,721)	-	(5,398,353)	-
Premium (discount) on issuance of general obligation bonds	762,754	-	658,892	(5,372)
Proceeds from sale of assets	-	755,354	14,890	9,682
Contributions from other sources	-	-	-	-
Total other financing sources (uses)	<u>7,987,263</u>	<u>10,525,507</u>	<u>20,056,012</u>	<u>13,169,735</u>
Net change in fund balances	<u>\$ (1,757,513)</u>	<u>\$ 6,774,083</u>	<u>\$ 17,031,258</u>	<u>\$ 11,753,480</u>
Debt service as a percentage of noncapital expenditures	11.8%	16.0%	12.3%	11.7%

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

Source: Comprehensive Annual Financial Reports

TABLE-4

Fiscal Year						
	2009	2010	2011	2012	2013	2014
\$	54,752,225	\$ 55,411,805	\$ 54,800,940	\$ 60,070,877	\$ 66,279,731	\$ 70,528,793
	1,767,049	1,894,107	2,210,218	1,741,153	2,375,771	2,344,395
	5,702,288	5,522,540	5,543,470	5,680,893	6,051,283	6,228,323
	1,536,596	1,502,618	1,432,238	1,448,853	1,380,911	1,392,858
	2,950,843	2,946,204	2,752,316	2,874,525	2,954,961	3,184,227
	2,051,749	526,987	459,604	365,043	210,934	337,373
	-	-	-	-	1,771,288	3,283,200
	312,057	29,634	24,424	25,936	-	402
	238,649	1,247,926	538,837	580,182	515,834	265,005
	686,616	1,038,782	934,516	875,473	945,453	711,732
	5,072,965	4,018,465	1,922,304	10,100,624	1,434,519	22,204,576
	1,026,729	1,080,387	2,109,044	1,880,771	2,258,538	3,229,624
	<u>76,097,766</u>	<u>75,219,455</u>	<u>72,727,911</u>	<u>85,644,330</u>	<u>86,179,223</u>	<u>113,710,508</u>
	9,334,801	9,115,750	9,404,791	9,933,848	10,350,058	11,770,289
	6,458,408	6,207,016	6,300,265	6,318,868	6,288,988	6,486,894
	33,755,435	35,016,553	35,209,021	36,816,688	39,487,803	41,217,380
	9,998,112	9,492,466	9,591,553	9,687,620	10,596,633	11,113,045
	24,862,380	14,505,465	14,330,533	23,658,611	16,208,343	23,663,670
	5,205,000	5,695,000	6,590,000	6,325,000	5,410,000	7,130,000
	2,869,614	2,849,017	2,604,989	2,405,624	3,143,454	4,106,105
	<u>92,483,750</u>	<u>82,881,267</u>	<u>84,031,152</u>	<u>95,146,259</u>	<u>91,485,279</u>	<u>105,487,383</u>
	<u>(16,385,984)</u>	<u>(7,661,812)</u>	<u>(11,303,241)</u>	<u>(9,501,929)</u>	<u>(5,306,056)</u>	<u>8,223,125</u>
	7,478,048	13,622,782	8,015,843	8,778,083	11,323,247	11,891,798
	(4,369,393)	(10,397,384)	(4,099,531)	(4,072,035)	(7,587,732)	(8,144,143)
	5,430,000	2,565,000	1,605,000	16,490,000	12,455,000	-
	-	(2,555,000)	(1,610,846)	9,260,000	-	-
	-	-	-	-	-	-
	-	-	-	(16,969,925)	-	-
	(9,037)	-	24,898	1,240,780	1,276,220	-
	5,560	13,118	3,075	8,525	3,477	4,750
	-	-	1,220,000	920,000	-	-
	<u>8,535,178</u>	<u>3,248,516</u>	<u>5,158,439</u>	<u>15,655,428</u>	<u>17,470,212</u>	<u>3,752,405</u>
\$	<u>(7,850,806)</u>	<u>\$ (4,413,296)</u>	<u>\$ (6,144,802)</u>	<u>\$ 6,153,499</u>	<u>\$ 12,164,156</u>	<u>\$ 11,975,530</u>
	11.9%	12.1%	12.5%	11.4%	10.8%	12.9%

CITY OF LEWISVILLE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(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					
2005	4,821,098,766	978,286,841	573,637,347	-	35,297,446	5,190,450,814	0.45050
2006	5,111,584,596	988,050,320	635,339,154	109,383,097	50,036,866	5,304,875,799	0.45679
2007	5,303,672,869	1,017,510,806	677,304,019	131,762,437	65,376,309	5,446,740,910	0.45679
2008	6,040,730,857	1,129,555,348	774,550,122	150,432,444	88,496,443	6,156,807,196	0.44050
2009	6,446,207,177	1,191,217,048	839,703,836	164,430,210	107,112,885	6,526,177,294	0.44021
2010	6,375,044,714	1,255,326,502	1,007,324,631	178,908,241	79,708,452	6,364,429,892	0.44021
2011	6,149,759,302	1,187,121,672	988,851,847	190,869,769	78,909,810	6,078,249,548	0.44021
2012	6,314,259,228	1,355,266,675	1,121,735,174	205,892,126	70,665,418	6,271,233,185	0.44021
2013	6,484,331,621	1,469,479,781	1,187,401,591	209,556,944	85,932,250	6,470,920,617	0.44021
2014	6,742,100,070	1,649,766,503	1,193,916,347	229,099,134	94,339,896	6,874,511,196	0.44021

Source: Denton Central Appraisal District, Certified Valuations

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

TABLE-6

Fiscal Year	City Direct Rates			Overlapping Rates		Total Direct & Overlapping Rates
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Lewisville Independent School District	Denton County	
2005	0.31641	0.13409	0.45050	1.7700	0.25480	2.4753
2006	0.32107	0.13572	0.45679	1.7700	0.24648	2.4733
2007	0.32184	0.13495	0.45679	1.6400	0.23192	2.3287
2008	0.32184	0.11866	0.44050	1.3700	0.23589	2.0464
2009	0.32156	0.11865	0.44021	1.3800	0.23577	2.0560
2010	0.32156	0.11865	0.44021	1.4087	0.24980	2.0987
2011	0.32289	0.11732	0.44021	1.4267	0.27390	2.1408
2012	0.32289	0.11732	0.44021	1.4260	0.27736	2.1436
2013	0.32289	0.11732	0.44021	1.4530	0.28287	2.1761
2014	0.32289	0.11732	0.44021	1.4770	0.28491	2.2021

Source: City of Lewisville, Denton County Tax Assessor

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

TABLE-7

2014			2005		
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	\$ 98,400,000	1.43%	Verizon Southwest	\$ 72,451,949	1.40%
Sysco Food Services of Dallas LP	87,145,664	1.27%	Southwest Properties LP	57,212,062	1.10%
Vista Ridge Joint Venture	65,991,874	0.96%	Sysco Food Services of Dallas LP	52,593,658	1.01%
TIC Lago Vista LP etal	56,179,200	0.82%	Teachers Insurance Annuity Association	48,174,156	0.93%
Teachers Insurance Annuity Assoc	47,123,868	0.69%	Texas-New Mexico Power Company	46,242,434	0.89%
Verizon Southwest	44,884,210	0.65%	Vista Ridge Joint Venture	46,233,735	0.89%
Columbia Medical Center Lewisville	44,072,557	0.64%	Vista Ridge OP&F Inc	35,250,034	0.68%
Bella Madera Apartments LLC	44,027,483	0.64%	Columbia Medical Center Lewisville	33,856,177	0.65%
Alcatel-Lucent USA Inc	40,216,171	0.59%	DDR Lakepointe Crossing LLC	28,210,657	0.54%
DFW Lewisville Partners Group	<u>39,759,548</u>	<u>0.58%</u>	Ballantyne Partners Ltd	<u>24,500,000</u>	<u>0.47%</u>
TOTAL	\$ <u>567,800,575</u>	<u>8.27%</u>	TOTAL	\$ <u>444,724,862</u>	<u>8.56%</u>

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
2005	23,542,373	41,618	23,583,991	23,292,813	98.94%	249,040	23,541,853	99.82%
2006	25,246,156	(27,074)	25,219,082	24,949,844	98.83%	227,709	25,177,553	99.84%
2007	26,677,093	29,000	26,706,093	26,470,497	99.23%	199,327	26,669,824	99.86%
2008	28,264,833	(29,066)	28,235,767	28,029,846	99.17%	173,138	28,202,984	99.88%
2009	29,966,864	(76,295)	29,890,569	29,762,422	99.32%	94,127	29,856,549	99.89%
2010	29,389,678	(119,290)	29,270,388	29,115,450	99.07%	97,493	29,212,943	99.80%
2011	28,228,960	6,426	28,235,386	28,084,210	99.49%	107,571	28,191,781	99.85%
2012	28,925,178	(28,106)	28,897,072	28,814,980	99.62%	31,812	28,846,792	99.83%
2013	29,949,696	(15,942)	29,933,754	29,838,761	99.63%	43,528	29,882,289	99.83%
2014	31,844,644	-	31,844,644	31,726,584	99.63%	-	31,726,584	99.63%

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			
	2005	2006	2007	2008
Construction	\$ 271,345,345	\$ 325,521,361	\$ 428,975,430	\$ 389,267,507
Manufacturing	651,749,063	891,564,228	829,222,026	891,125,270
Transportation, Warehousing	355,601,064	22,331,869	25,941,784	650,786,731
Wholesale Trade	374,468,902	492,483,851	546,277,231	623,518,433
Retail Trade	1,919,947,937	2,027,046,759	2,091,888,382	2,075,807,503
Finance, Insurance and Information	69,693,167	72,708,565	58,684,886	53,044,625
Real Estate, Rental and Leasing	54,857,322	39,287,358	55,201,502	49,024,728
Professional, Scientific and Technical Services	88,493,369	150,989,059	151,893,983	159,409,613
Admin, Support, Waste Mgmt, Remediation Services	200,665,461	292,811,541	158,959,087	166,466,814
Educational Services	1,300,212	3,510,020	7,222,172	6,159,101
Health Care and Social Assistance	5,698,121	5,586,377	5,232,521	9,610,245
Arts, Entertainment and Recreation	38,462,571	46,842,409	56,154,449	30,144,139
Accommodation and Food Services	178,596,005	199,071,846	203,938,455	207,232,660
Other Services	76,126,157	81,208,086	91,832,953	100,185,148
Other, including industries with less than four entities	76,944,820	79,133,007	55,438,461	62,016,500
Total	<u>\$ 4,363,949,516</u>	<u>\$ 4,730,096,336</u>	<u>\$ 4,766,863,322</u>	<u>\$ 5,473,799,017</u>
City direct sales tax rate	1.25%	1.25%	1.25%	1.25%

Notes:

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

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

TABLE-9

Calendar Year						
	2009	2010	2011	2012	2013	2014
\$	426,073,490	\$ 315,604,945	\$ 508,276,308	\$ 521,804,800	\$ 583,295,010	\$ 638,610,746
	751,857,471	753,995,737	761,594,169	876,625,971	914,284,411	1,060,349,818
	710,880,556	691,150,901	747,819,849	818,329,058	511,874,252	357,156,412
	745,420,584	801,433,783	998,636,961	1,041,654,476	975,236,076	1,005,749,248
	1,927,414,046	1,878,956,373	1,931,419,742	2,111,473,213	2,183,666,702	2,479,427,763
	53,996,484	57,425,359	70,840,042	69,075,343	66,652,294	82,460,855
	34,973,325	19,078,930	22,216,520	35,585,520	41,154,276	57,758,763
	194,403,930	211,806,495	275,395,584	288,679,219	412,722,141	321,552,179
	163,933,681	166,933,359	166,911,144	178,166,862	178,468,571	206,552,443
	5,983,619	7,033,934	6,969,123	7,194,735	6,649,409	4,957,465
	6,350,766	5,141,407	8,672,569	35,890,987	35,015,715	61,111,630
	41,445,461	25,715,214	26,861,732	30,244,591	34,052,488	39,959,914
	209,960,645	209,744,109	215,936,485	242,533,721	258,035,281	256,135,797
	93,452,124	126,406,332	130,789,356	195,709,795	149,266,942	181,844,589
	<u>56,823,976</u>	<u>51,936,646</u>	<u>55,951,821</u>	<u>64,611,945</u>	<u>64,288,526</u>	<u>68,075,878</u>
	<u>\$ 5,422,970,158</u>	<u>\$ 5,322,363,524</u>	<u>\$ 5,928,291,405</u>	<u>\$ 6,517,580,236</u>	<u>\$ 6,414,662,094</u>	<u>\$ 6,821,703,500</u>
	1.25%	1.25%	1.25%	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	
2005	1.00%	0.25%	-	-	0.50%	1.75%
2006	1.00%	0.25%	-	-	0.50%	1.75%
2007	1.00%	0.25%	-	-	0.50%	1.75%
2008	1.00%	0.25%	-	-	0.50%	1.75%
2009	1.00%	0.25%	-	-	0.50%	1.75%
2010	1.00%	0.25%	-	-	0.50%	1.75%
2011	1.00%	0.25%	-	-	0.50%	1.75%
2012	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
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%

Source: Texas Comptroller of Public Accounts



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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

Calendar year 2014

Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
OTHER	779	7.05%	\$ 3,129,549	10.29%
Discount Department Stores	9	0.08%	1,684,883	5.54%
Full-Service Restaurants	151	1.37%	1,509,899	4.96%
Department Stores (except Discount Department Stores)	16	0.14%	1,051,279	3.46%
Wireless Telecommunications carriers (except satellite)	57	0.52%	975,541	3.21%
Limited-Service Restaurants	106	0.96%	886,187	2.91%
Electric Power Distribution	49	0.44%	755,860	2.48%
General Warehouse and Storage	4	0.04%	650,808	2.14%
Radio, Television, and Other Electronics Stores	36	0.33%	571,443	1.88%
Miscellaneous Retail Stores, Not Elsewhere Classified	136	1.23%	537,452	1.77%
Total	1,343	12.16%	\$ 11,752,901	38.64%

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

Source: Texas Comptroller of Public Accounts

TABLE-11

Calendar Year 2005

Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
OTHER	834	10.31%	\$ 3,267,900	14.92%
Department Stores (except Discount Department Stores)	10	0.12%	1,140,712	5.21%
Full-Service Restaurants	110	1.36%	1,125,997	5.14%
Home Centers	8	0.10%	879,546	4.02%
Hydroelectric Power Generation	5	0.06%	762,187	3.48%
Household Appliance Stores	36	0.44%	608,840	2.78%
Limited-Service Restaurants	72	0.89%	588,215	2.69%
Discount Department Stores	4	0.05%	521,965	2.38%
Miscellaneous Retail Stores, Not Elsewhere Classified	366	4.52%	520,771	2.38%
Cellular and Other Wireless Telecommunications	46	0.57%	425,448	1.94%
Total	1,491	18.42%	\$ 9,841,581	44.94%

CITY OF LEWISVILLE, TEXAS
COMBINED SCHEDULE OF BONDS
September 30, 2014
(Unaudited)

Issue	Interest		Date		Annual Serial	
	Rates	Payment Dates	Issued	Maturity	Payments	
General Obligation Bonds-						
Series 2005 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	04/15/05	02/15/2021	365,000 -	1,295,000
Series 2006	4.20 - 5.00	02/15 & 08/15	05/15/06	02/15/2022	435,000 -	595,000
Series 2007 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	05/15/07	02/15/2023	980,000 -	2,235,000
Series 2008	4.00 - 4.38	02/15 & 08/15	05/15/08	02/15/2024	470,000 -	830,000
Series 2009	3.00 - 4.25	02/15 & 08/15	06/01/09	02/15/2025	280,000 -	405,000
Series 2010 Refunding	2.67 - 2.67	02/15 & 08/15	03/01/10	02/15/2019	600,000 -	740,000
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	660,000	1,055,000
Total General Obligation Bonds						
Revenue Bonds-						
Series 2005 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	04/15/05	02/15/2021	290,000 -	925,000
Series 2006	4.13 - 4.63	02/15 & 08/15	05/15/06	02/15/2022	250,000 -	340,000
Series 2008	3.88 - 4.25	02/15 & 08/15	05/15/08	02/15/2024	535,000 -	775,000
Series 2009	3.00 - 4.30	02/15 & 08/15	06/01/09	02/15/2025	660,000 -	975,000
Series 2011 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	04/01/11	02/15/2027	565,000 -	1,220,000
Series 2012 Refunding & Improvement	2.25 - 4.00	02/15 & 08/15	05/15/12	02/15/2028	245,000 -	595,000
Series 2013	1.50 - 5.00	02/15 & 08/15	05/15/13	02/15/2029	275,000 -	430,000
Total Revenue Bonds						
Total Bonds Payable						

NC = Non-Callable

CC = Currently Callable

TABLE-12

Bonds			Requirements Fiscal Year Ended September 30, 2014		Option Date
Issued	Retired/ Defeased	Outstanding	Principal	Interest	
14,445,000	10,140,000	4,305,000	1,295,000	167,103	02/15/15
6,805,000	2,735,000	4,070,000	435,000	178,551	02/15/16
18,725,000	5,340,000	13,385,000	2,030,000	592,800	02/15/17
8,715,000	1,885,000	6,830,000	470,000	274,506	02/15/18
5,430,000	1,740,000	3,690,000	280,000	136,925	02/15/19
9,600,000	6,385,000	3,215,000	740,000	75,962	CC
25,750,000	90,000	25,660,000	1,460,000	968,750	02/15/22
12,455,000	255,000	12,200,000	660,000	421,687	02/15/23
<u>101,925,000</u>	<u>28,570,000</u>	<u>73,355,000</u>	<u>7,370,000</u>	<u>2,816,284</u>	
11,475,000	8,090,000	3,385,000	925,000	129,012	02/15/15
4,000,000	1,670,000	2,330,000	250,000	98,073	02/15/16
10,300,000	3,820,000	6,480,000	535,000	254,144	02/15/18
11,900,000	3,075,000	8,825,000	660,000	331,904	02/15/19
13,465,000	3,020,000	10,445,000	1,075,000	382,400	02/15/21
5,925,000	700,000	5,225,000	510,000	159,181	02/15/22
5,205,000	245,000	4,960,000	275,000	164,263	02/15/23
<u>62,270,000</u>	<u>20,620,000</u>	<u>41,650,000</u>	<u>4,230,000</u>	<u>1,518,977</u>	
<u>\$ 164,195,000</u>	<u>\$ 49,190,000</u>	<u>\$ 115,005,000</u>	<u>\$ 11,600,000</u>	<u>\$ 4,335,261</u>	

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

TABLE-13

Fiscal Year	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Certificates of Obligation	Water and Sewer Revenue Bonds	General Obligation Refunding Bonds			
2005	49,361,042	23,170,000	51,161,811	-	123,692,853	5.91%	1,400
2006	51,471,218	19,955,000	48,846,379	-	120,272,597	4.93%	1,350
2007	60,086,592	45,175,000	42,133,609	-	147,395,201	5.48%	1,610
2008	63,770,023	43,975,000	45,906,451	-	153,651,474	6.15%	1,655
2009	63,958,454	42,730,000	52,852,766	-	159,541,220	6.28%	1,696
2010	58,227,393	41,445,000	40,596,613	7,035,000	147,304,006	5.24%	1,546
2011	52,845,105	40,090,000	46,249,321	5,815,000	144,999,426	5.15%	1,520
2012	69,945,207	25,575,000	45,915,440	4,895,000	146,330,647	5.87%	1,524
2013	78,117,347	23,965,000	47,151,230	3,955,000	153,188,577	5.61%	1,565
2014	72,498,275	22,250,000	42,679,682	3,215,000	140,642,957	5.07%	1,430

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.

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	Certificates of Obligation	Total				
2005	49,361,042	23,170,000	72,531,042	3,595,602	68,935,440	1.33%	780
2006	51,471,218	19,955,000	71,426,218	1,654,816	69,771,402	1.32%	783
2007	60,086,592	45,175,000	105,261,592	2,065,205	103,196,387	1.89%	1,127
2008	63,770,023	43,975,000	107,745,023	2,063,119	105,681,904	1.72%	1,138
2009	63,958,454	42,730,000	106,688,454	2,157,818	104,530,636	1.60%	1,111
2010	58,227,393	41,445,000	99,672,393	1,575,726	98,096,667	1.54%	1,029
2011	52,845,105	40,090,000	92,935,105	1,270,236	91,664,869	1.51%	961
2012	69,945,207	25,575,000	95,520,207	1,456,703	94,063,504	1.50%	980
2013	78,117,347	23,965,000	102,082,347	1,622,886	100,459,461	1.55%	1,027
2014	72,498,275	22,250,000	94,748,275	2,101,836	92,646,439	1.35%	942

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

In 2012, \$12,490,000 of certificates of obligations from one of the City's component units was converted to general obligation debt.

CITY OF LEWISVILLE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2014
(Unaudited)

TABLE-15

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Lewisville Independent School District	\$ 1,128,501,009	29.35%	\$ 331,215,046
Coppell Independent School District	218,772,323	0.75%	1,640,792
Denton County	614,975,000	11.92%	73,305,020
Dallas County	111,350,000	0.04%	44,540
Dallas County Community College District	339,035,000	0.04%	135,614
Dallas County Hospital District	736,235,000	0.04%	294,494
Dallas County Schools	67,265,000	0.04%	26,906
Denton County Levee Improvement District #1	9,410,000	69.21%	6,512,661
Denton County RUD #1	-	84.43%	-
Subtotal, overlapping debt			413,175,073
City of Lewisville (direct debt)	94,748,275	100.00%	94,748,275
Total direct and overlapping debt			\$ 507,923,348

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

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

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

TABLE-16

Fiscal Year	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
2005	25,215,347	12,002,786	13,212,561	4,041,010	3.270	8,520,251	1.551
2006	30,306,218	13,484,511	16,821,707	3,855,683	4.363	8,855,999	1.899
2007	28,553,142	13,205,679	15,347,463	3,522,329	4.357	7,424,561	2.067
2008	29,198,493	13,715,038	15,483,455	3,629,359	4.266	6,919,927	2.238
2009	27,978,220	14,157,311	13,820,909	4,191,171	3.298	7,498,648	1.843
2010	27,321,265	14,294,307	13,026,958	3,408,059	3.822	5,512,848	2.363
2011	29,627,081	16,082,970	13,544,111	3,584,741	3.778	6,189,089	2.188
2012	29,773,149	15,333,608	14,439,541	3,498,676	4.127	6,060,147	2.383
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

Source: Comprehensive Annual Financial Reports and Fiscal Year Operating Budgets

CITY OF LEWISVILLE, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar 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>
2005	88,350	2,093,188	23,692	31.6	13,513	4.1%
2006	89,100	2,437,241	27,354	32.3	13,676	4.0%
2007	91,550	2,691,387	29,398	32.6	14,702	3.6%
2008	92,850	2,497,665	26,900	30.6	15,233	4.0%
2009	94,070	2,542,430	27,027	31.4	15,780	6.7%
2010	95,290	2,811,055	29,500	32.5	15,678	6.4%
2011	95,390	2,814,005	29,500	32.5	16,084	6.7%
2012	96,000	2,491,392	25,952	32.5	17,238	5.1%
2013	97,860	2,730,685	27,904	32.2	17,619	4.9%
2014	98,330	2,771,333	28,184	32.1	18,065	4.1%

Sources: Estimated population provided by the North Central Texas Council of Governments; US Census population used in census years. Personal income (total effective buying income) provided yearly from Sales and Marketing Management, "Survey of Buying Power." Beginning in 2005, per capita income provided by the American Community Survey. Current year personal income estimated from 2013 amount. School enrollment (for schools located in Lewisville) provided by Lewisville Independent School District. Unemployment rates provided on the Texas Workforce Commission website, annual rate, current year estimated as of September. Median age, previously, only available in census years. Beginning 2005, provided by the American Community Survey. Current year median age estimated from 2013 amount.

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

TABLE-18

2014			2005		
<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>
JP Morgan Chase	4,350	7.55%	Vista Ridge Mall (all outlets)	2,200	4.19%
Lewisville Independent School District (Lewisville employment only)	2,087	3.62%	Lewisville Independent School District (Lewisville employment only)	1,803	3.43%
Vista Ridge Mall (all outlets)	1,980	3.44%	Centex Home Equity	1,400	2.67%
Nationstar Mortgage	1,440	2.50%	Xerox Corporation	1,054	2.01%
Wal-Mart (all City locations)	850	1.48%	Medical Center of Lewisville	800	1.52%
Medical Center of Lewisville	780	1.35%	SYSCO Foods	750	1.43%
City of Lewisville	733	1.27%	Household Automotive Finance	700	1.33%
Xerox Corporation	755	1.31%	City of Lewisville	637	1.21%
Ally Financial	719	1.25%	Wal-Mart (all City locations)	430	0.82%
Orthofix	596	1.03%	HOYA	330	0.63%
Total	14,290	24.80%	Total	10,104	19.24%

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

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

TABLE-19

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administration and Legal	59.0	62.0	64.0	67.0	68.0	67.0	68.0	68.0	68.0	70.0
Public Safety	325.0	338.0	341.0	350.0	349.0	348.0	349.0	359.0	384.0	386.0
Public Services	123.0	124.0	123.0	124.0	126.0	123.0	123.0	123.0	123.0	124.0
Community Development	63.0	62.0	63.0	63.0	66.0	64.0	65.0	68.0	69.0	70.0
Parks and Leisure	67.0	71.0	71.0	72.0	72.0	78.0	81.0	81.0	81.0	83.0
Total	<u>637.0</u>	<u>657.0</u>	<u>662.0</u>	<u>676.0</u>	<u>681.0</u>	<u>680.0</u>	<u>686.0</u>	<u>699.0</u>	<u>725.0</u>	<u>733.0</u>

Source: City Budget Office, authorized positions



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

	Fiscal Year			
	2005	2006	2007	2008
General government				
Public Records				
Number of telephone information requests	11,747	17,879	12,953	12,074
Birth and death certificates issued	6,398	6,141	6,896	6,455
Culture, parks & recreation				
Parks and Leisure				
Number registered for recreation programs	2,723	2,749	3,752	4,412
Public swim admissions	55,329	63,915	59,422	51,322
Library visits	295,255	291,141	398,160	398,568
Library volumes circulated	463,666	447,449	719,620	766,182
Lake Park day use area attendance	171,007	160,113	119,781	193,690
Public safety				
Police				
Calls for service	63,570	63,813	61,949	66,358
Part 1 crimes	4,305	3,610	3,238	3,577
Number of accidents	2,838	2,863	2,695	2,482
Fire				
Number of fire incidents	2,909	3,258	3,098	3,007
Number of EMS incidents	5,153	5,373	5,557	5,771
Public services				
Public Services				
Concrete paving repair (cubic yards)	1,279	1,225	1,211	1,187
Concrete utility cut repair (cubic yards)	420	709	457	415
Asphalt pothole repair (tons)	81	83	100	54
Community Development				
Building permits issued	844	948	766	698
Municipal Water System				
Number of customers (meters)	19,955	20,560	20,781	21,233
Average daily water consumption (MGD)	13.86	16.04	13.35	14.71
System capacity (MGD)	38	38	38	38
Number of water main breaks	93	212	106	120
Sewer System				
System treatment capacity (MGD)	12	15	15	15
Sanitation (residential)				
Residential refuse collected (tons)	27,523	27,691	28,765	27,528
Commercial refuse collected (tons)	112,205	104,929	108,242	107,798

Source: City Departments

Notes:

The decrease in tonnage for pothole repairs is due to the volume of asphalt street rehabilitation projects completed from 2003-2005.

In the summer of 2005, the City's two existing pools were remodeled to water parks with pools and related amenities.

For 2007, Lake Park attendance was down due to park being closed two summer months due to flooding. The Library was expanded during the 2006 and 2007 fiscal years.

TABLE-20

Fiscal Year					
2009	2010	2011	2012	2013	2014
13,868	13,138	12,169	9,627	8,007	4,585
6,336	4,691	3,540	2,917	2,569	2,578
4,336	5,277	7,459	6,591	7,070	6,708
48,028	43,888	42,021	39,304	38,672	35,554
383,836	451,015	424,079	403,308	377,915	329,718
815,191	774,629	692,066	686,804	637,083	599,405
191,721	131,667	127,382	137,507	140,626	136,582
74,658	66,751	61,514	63,014	58,675	59,226
4,039	4,038	3,448	3,272	2,903	2,775
2,458	2,409	2,318	2,490	2,457	2,405
3,246	3,107	3,395	3,083	3,206	3,598
6,088	6,069	6,529	6,855	6,622	6,861
966	830	716	694	500	661
393	221	306	300	284	119
38	78	39	88	209	273
552	509	439	379	520	392
21,987	21,912	21,342	21,427	21,662	21,797
14.75	14.44	16.84	16.06	15.11	13.04
38.4	38.4	38.4	53.4	53.4	53.4
113	75	96	99	105	56
15	15	15	15	15	15
27,732	27,179	25,302	25,418	26,119	26,153
106,084	109,773	104,528	76,119	73,589	70,306

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

Function/Program	Fiscal Year			
	2005	2006	2007	2008
Culture, parks & recreation				
Parks and Leisure				
Number of Parks	32	32	32	32
Parks (acres)	1,240	1,240	1,240	1,240
Swimming Pools	2	2	2	2
Lighted Athletic Fields	23	23	23	23
Lighted Tennis Courts	4	4	4	4
Recreation Centers	2	2	2	2
Senior Citizens Center	1	1	1	1
Public safety				
Police Stations	1	1	1	1
Police Vehicles	N/A	85	95	94
Fire Stations	6	6	6	6
Public services				
Public Services				
Streets - Paved (miles)	565	573	573	571
Alleys - Paved (miles)	83	85	85	85
Number of Street Lights	2,600	2,600	2,600	2,600
Water and Sewer				
Water Mains (miles)	N/A	385	387	390
Fire Hydrants	N/A	2,295	2,376	3,096
Sanitary Sewer (miles)	N/A	305	307	310

Source: City Departments

Notes:

N/A - Data not available.

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

Street Lights prior to 2009 were estimated.

TABLE-21

Fiscal Year					
2009	2010	2011	2012	2013	2014
33	33	33	33	33	33
1,240	1,240	1,240	1,240	1,240	1,240
2	2	2	2	2	2
37	37	37	37	37	37
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
96	94	95	93	96	98
7	7	7	7	7	7
571	573	573	573	650	650
85	85	85	91	97	97
2,773	2,983	2,911	2,894	2,898	3,218
393	397	381	381	381	387
3,188	3,261	3,110	3,105	3,079	3,164
312	315	318	318	318	313



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