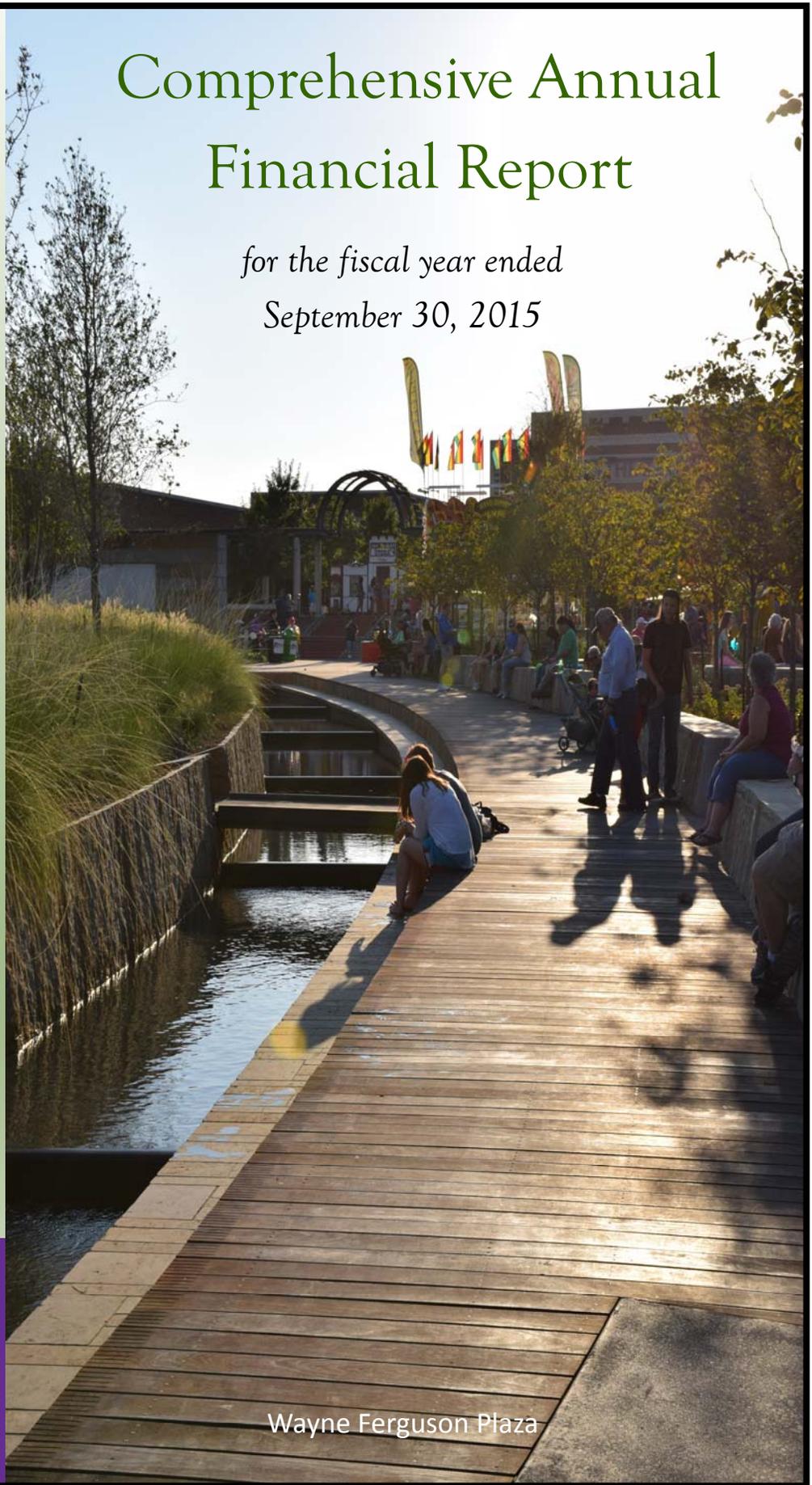


City of Lewisville, Texas

# Comprehensive Annual Financial Report

*for the fiscal year ended  
September 30, 2015*



LEWISVILLE  
Deep Roots. Broad Wings. Bright Future.

Wayne Ferguson Plaza



CITY OF LEWISVILLE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
*for the fiscal year ended September 30, 2015*



Prepared by the  
FINANCE DEPARTMENT



**TABLE OF CONTENTS**

	<u>Exhibit/ Table</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal .....		1
GFOA Certificate of Achievement .....		12
Organizational Chart .....		13
List of Principal Officials.....		14
Area Map .....		15
<b>FINANCIAL SECTION</b>		
Independent Auditor’s Report.....		16
Management’s Discussion and Analysis .....		19
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position .....	1	31
Statement of Activities.....	2	32
Fund Financial Statements:		
Balance Sheet – Governmental Funds .....	3	34
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position .....	4	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	5	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities.....	6	37
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual – General Fund.....	7	38
Statement of Net Position – Proprietary Funds.....	8	39
Reconciliation of Enterprise Fund Statement of Net Position to the Government-wide Statement of Net Position .....	9	40
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	10	41
Reconciliation of Enterprise Fund Statement of Revenues, Expenses, and Changes in Fund Net Position to the Government-wide Statement of Activities.....	11	42
Statement of Cash Flows – Proprietary Funds.....	12	43
Statement of Fiduciary Net Position – Fiduciary Funds.....	13	44
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	14	45
Statement of Net Position – Discretely Presented Component Units .....	15	46
Statement of Activities – Discretely Presented Component Units .....	16	47
Notes to the Financial Statements.....		49

**TABLE OF CONTENTS**

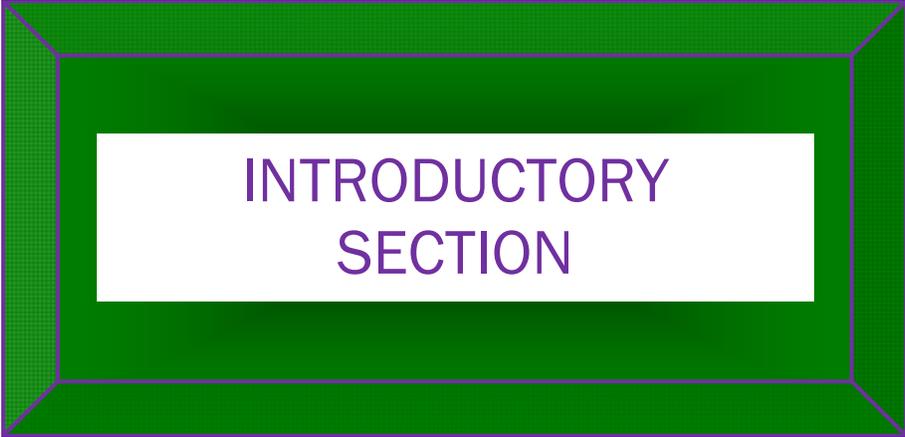
	<u>Exhibit/ Table</u>	<u>Page</u>
Required Supplementary Information:		
Schedule of Changes in Net Pension Liability and Related Ratios -		
Texas Municipal Retirement System .....	A-1.....	89
Schedule of Contributions – Texas Municipal Retirement System .....	A-2.....	90
Notes to Schedules – Texas Municipal Retirement System .....	A-3.....	91
Combining and Individual Fund Statements and Schedules:		
Major Governmental Funds:		
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances-Budget (GAAP Basis) and Actual – Debt Service Fund.....	B-1.....	93
Non-Major Governmental Funds:		
Combining Balance Sheet – Non-Major Governmental Funds .....	C-1.....	96
Combining Statement of Revenues, Expenditures, and Changes in		
Fund Balances – Non-Major Governmental Funds .....	C-2.....	98
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances-Budget (GAAP Basis) and Actual – Hotel/Motel Tax		
Special Revenue Fund.....	C-3.....	100
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances-Budget (GAAP Basis) and Actual – Recreation		
Activity Special Revenue Fund .....	C-4.....	101
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances-Budget (GAAP Basis) and Actual – Peg Programming		
Special Revenue Fund.....	C-5.....	102
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances-Budget (GAAP Basis) and Actual – Municipal Court		
Court Technology Special Revenue Fund .....	C-6.....	103
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances-Budget (GAAP Basis) and Actual – Municipal Court		
Security Special Revenue Fund .....	C-7.....	104
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances-Budget (GAAP Basis) and Actual – Juvenile Case		
Manager Special Revenue Fund .....	C-8.....	105
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances-Budget (GAAP Basis) and Actual – Law Enforcement		
Officer Standards and Education Special Revenue Fund .....	C-9.....	106
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances-Budget (GAAP Basis) and Actual – Waters Ridge		
Public Improvement District Special Revenue Fund.....	C-10.....	107
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances-Budget (GAAP Basis) and Actual – Asset		
Forfeiture—State Special Revenue Fund.....	C-11.....	108

**TABLE OF CONTENTS**

	<u>Exhibit/ Table</u>	<u>Page</u>
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual – Asset Forfeiture—Federal Special Revenue Fund.....	C-12.....	109
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual – Community Activities and Training Special Revenue Fund .....	C-13.....	110
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual – Grant Special Revenue Fund .....	C-14.....	111
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual – Crime Control And Prevention District Special Revenue Fund .....	C-15.....	112
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget (GAAP Basis) and Actual – Fire Control and Prevention District Special Revenue Fund .....	C-16.....	113
 Internal Service Funds:		
Combining Statement of Net Position – Internal Service Funds .....	D-1.....	115
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds .....	D-2.....	116
Combining Statement of Cash Flows – Internal Service Funds .....	D-3.....	117
 Discretely Presented Component Units:		
Balance Sheet – Lewisville Parks and Library Development Corporation .....	E-1.....	119
Reconciliation of Fund Balance to Net Position – Lewisville Parks And Library Development Corporation.....	E-2.....	120
Statement of Revenues, Expenditures and Changes in Fund Balance – Lewisville Parks and Library Development Corporation .....	E-3.....	121
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities – Lewisville Parks and Library Development Corporation .....	E-4.....	122
Balance Sheet – Tax Increment Reinvestment Zone (Old Town) .....	E-5.....	123
Reconciliation of Fund Balance to Net Position – Tax Increment Reinvestment Zone (Old Town) .....	E-6.....	124
Statement of Revenues, Expenditures and Changes in Fund Balance – Tax Increment Reinvestment Zone (Old Town).....	E-7.....	125

**TABLE OF CONTENTS**

	<u>Exhibit/ Table</u>	<u>Page</u>
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balance to the Statement of Activities – Tax Increment Reinvestment Zone (Old Town) .....	E-8.....	126
 <b>STATISTICAL SECTION (UNAUDITED)</b>		
Contents of the Statistical Section .....		127
Net Position by Component .....	Table 1.....	128
Changes in Net Position.....	Table 2.....	130
Fund Balances, Governmental Funds .....	Table 3.....	134
Changes in Fund Balances, Governmental Funds .....	Table 4.....	136
Assessed Value and Estimated Actual Value of Taxable Property .....	Table 5.....	138
Direct and Overlapping Property Tax Rates .....	Table 6.....	139
Principal Property Taxpayers.....	Table 7.....	140
Property Tax Levies and Collections.....	Table 8.....	141
Gross Sales by Category .....	Table 9.....	142
Direct and Overlapping Sales Tax Rates .....	Table 10.....	144
Principal Sales Tax Payers.....	Table 11.....	145
Combined Schedule of Bonds.....	Table 12.....	147
Ratio of Outstanding Debt by Type .....	Table 13.....	149
Ratio of Net General Bonded Debt Outstanding .....	Table 14.....	150
Direct and Overlapping Governmental Activities Debt .....	Table 15.....	151
Pledged-Revenue Coverage .....	Table 16.....	152
Demographic and Economic Statistics .....	Table 17.....	153
Principal Employers.....	Table 18.....	154
Full-Time Equivalent City Government Employees by Function/Program .....	Table 19.....	155
Operating Indicators by Function/Program .....	Table 20.....	156
Capital Asset Statistics by Function/Program.....	Table 21.....	158



INTRODUCTORY  
SECTION





March 17, 2016

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, 2015, 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, 2015, is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

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

The City of Lewisville was incorporated in 1925. The current charter was adopted in 1963 and amended as recently as 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, 2015, 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 99,480. 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 140,000 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 a master-planned Industrial park with over 160 acres of land and more than 3 million square feet of Class A warehouse and distribution facilities. Phases I & II are 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 one of the newer additions to the Majestic Airport Center occupying 169,000 square feet with 90 employees. Planning is underway for an additional three new mid-sized flex industrial buildings ranging from 250,000 to 400,000 square feet currently under construction. An agreement with Bed, Bath and Beyond was approved in December of 2015 for their Texas E-Commerce facility occupying 780,000 square feet with over \$100 million in real and businesses personal property investment and a large projected sales tax generation from the facility.
- Two new buildings for warehouse/distribution facilities were completed at Lakepointe Crossing on State Highway 121 (SH-121). The Flooring Services, Inc. includes more than 421,000 square feet of commercial space. The new complex will bring all of The Flooring Services' business locations in North Texas into one location. The company employs 300 people in Lewisville and is expected to grow in future years.
- FedEx Freight Center started construction in 2014 for their 129,914 square feet regional ground facility. The project is expected to be operational in first quarter of 2016.
- Lakeside Office Center II completed an 80,964 square foot building and has leased 40,000 square feet for the expansion of TIAA-CREF Financial Services located in the same business park.
- Mary Kay Inc., announced the relocation of their research and development and manufacturing facility from Dallas to Lewisville in November of 2015. They will construct a new 330,000 square foot facility in Lewisville in 2016.
- Revitalization of aging shopping centers has become a priority in Lewisville with three centers currently redeveloped or under construction. Details on two of these developments:
  - Birmingham Management completed their \$5.0 million revitalization of Lewisville West shopping center that included new architecture and tenants.

- Old Orchard West shopping center on Main Street completed construction of a new 88,000 square foot WinCo grocery store. The original shopping center was built in 1970s and is being revitalized with new façade improvements and new branding totaling over \$17 million in new investment.
- Panera Bread, a bakery and café, opened and is operating in the former location of Johnny Carino's on Hebron Road east of Interstate 35 East (I-35E).
- Mattito's, a Tex-Mex restaurant, opened in the old Fox and Hound restaurant building just north of Corporate Drive along I-35E. This is Mattito's fifth location and includes over eight thousand square feet including an outdoor patio area.

## 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 \$113,037,293 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. The Zone expires in 2028.

- Three new restaurants are currently under construction in Old Town: Cavalli Pizza, Twisted Root Burger and Prohibition Chicken. All three will be built on the north side of Church Street across the street from the City-owned Medical Center of Lewisville Grand Theater.
- The historic Lewisville Feed Mill is also being converted into a restaurant with over \$2 million in renovations and improvements.
- The Uptown Village Townhome community has completed 40 units and is in the process of proceeding with phase 3 of the development for a total of 73 units including a pool and clubhouse in this phase.
- Ground work has begun to prepare the site for South Village, a new mixed use project, including 4,000 square feet of office/retail space and 75 new residential units in an expected price range of \$250,000 to \$350,000.
- The City is working with business owners on Main Street in the Old Town Center District to redesign and improve the rear façade of those businesses. As a first step, a meeting was held in December with the business owners to explain and discuss the program and process that will take place. The City will fund the design portion of the project.

**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 \$67,268,115 in incremental value. The Zone will expire in 2038.

- 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. 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 and ridership continues to grow along this line.
- The first three phases of the residential development have been completed and consist of 922 multi-family units within 4-story structures. The total number of residential units projected for this development at completion is 1,875.
- The City completed the building of a bridge over Timber Creek to connect the Hebron 121 Station project to the I-35E frontage road in October 2015 as part of the City's commitment in the development agreement with the Riverside Development LP.
- The City also completed planning for the remainder of the Zone by rezoning the land from Light Industrial to Mixed Use in order to accomplish the goals of the plan for office, retail and hotel uses.

**Lewisville 2025 Plan**—The Lewisville 2025 Vision Plan commenced in March of 2013 in anticipation of the City's centennial celebration 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. Some of the major accomplishments thus far:

- **Green Centerpiece**—A Memorandum of Understanding (MOU) was approved with the University of North Texas (UNT) in December 2014 related to adding the City of Lewisville to the Corps of Engineers (COE) lease and funding cost of operations for the Lewisville Lake Environmental Learning Area (LLELA). This nature preserve located along the City's northeast side provides numerous nature opportunities and outdoor activities. In addition to the City, UNT and COE, Lewisville Independent School District has joined as a partner and a committee has been convened to develop a master strategy for operations of LLELA. The City and UNT agreed on an initial funding strategy whereby UNT funds research and restoration activities and the City funds recreation education, maintenance and gate operations. The City has contracted with Texas Audubon to conduct a feasibility study to determine the financial viability of an Audubon-operated nature center at LLELA. LLELA operations have expanded with the

City's involvement to seven days a week for hiking, fishing, camping, boating and other outdoor activities.

- **Extending The Green**—NCTCOG awarded the City a \$1.5 million grant (City match of \$506,000) for a new City trail along Garden Ridge and Valley Parkway.
- **Sustainability**—Changes were made to the City's trash/recycling franchise agreement to encourage diversion and recycling. For example, once a week trash, larger recycling carts, multi-family recycling, and additional options are being made available.
- **Old Town**—Wayne Ferguson Plaza was completed and dedicated in time for the Western Days Festival.
- **Thriving Neighborhoods**—A Neighborhood Enhancement program was created to encourage a formal network of neighborhoods that will focus on neighborhood identity, code enforcement, infrastructure and improvements, public safety, and aesthetics.
- **Identity Focal Point**—I-35E Corridor Plan was adopted in November 2014 providing guidelines for public and private development along the corridor.
- **Communications and Marketing**—Digital billboard advertising space was acquired as a result of Economic Development Agreements to reduce billboards along I-35E. This will allow access to six (6) billboards available for citywide marketing and event advertising with an annual benefit of over \$300,000.

**Major Roadway Projects**—Construction is ongoing on the I-35E expansion. The project will widen the interstate from 10 to 16 lanes between Interstate-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 Identity Plan, was developed to create aesthetic treatments and non-vehicular travel options at highly visible overpasses and underpasses.

The City is at 90% 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. The estimated cost of the improvements for Corporate Drive and Valley Ridge Boulevard are \$29 million and \$17 million, respectively. These projects were done with a funding partnership between the City and Denton County with regional toll revenues being allocated for 80% of the construction cost and the City responsible for the 20% match.

**Residential Growth**— 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 new residential developments have a higher price point than the existing residential stock and are estimated to be in \$250,000 to \$400,000 price range. These projects include:

PROJECT	LOCATION	RESIDENCE TYPE	PLANNED UNITS	STATUS/COMPLETED
Highpoint Oak Estates	Southwest corner of Vista Ridge Mall Drive and Denton Tap Road	Single family	85	16
The Hills of Vista Ridge	Oakbend and Vista Ridge Mall Drive	Single-family	124	45
Wyndale Meadows	East of FM 544 and south of SH 121	Single-family	105	86
Crescent Estates	Summit Lane south of College Parkway	Single-family	62	25
Verona by DR Horton	North side of FM 407 next to McGee Lane	Single-family	138	13
Fireside Village	College Parkway and Summit Avenue	Single-family	33	Broken ground
Lakewood Hills	Josey Lane and Windhaven Parkway	Single-family	523	Broken ground
Pine Prairie Apartments	Lake Ridge Road and Leora L	Multi-family	596	Completion stage
Broadstone Lakeridge Apartments	Lakeridge and between Leora Lane and Marina Vista	Multi-family	301	Completion stage
The Manors at Vista Ridge	Vista Ridge Mall area	Multi-family (Townhomes)	72	46
Windhaven Crossing	SH 121 and is bisected by the Atchison, Topeka and Santa Fe Railroad	Multi-family (Townhomes)	367	

These projects are indicative of the City’s economic prosperity and the continued pro-business policies by the City.

## 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 through an amendment approved by City Council to reflect these carried-forward encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

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

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

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

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

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

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

The allocation of the property tax levy by purpose (General Fund operations and Debt Service) for fiscal year 2015-16 and the preceding five fiscal years is reflected in the following table:

<u>Purpose</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
General Fund	0.318766	0.318766	0.322890	0.322890	0.322890	0.322890
Debt Service Fund	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>	<u>0.117320</u>
Total Tax Rate	<u>0.436086</u>	<u>0.436086</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 2014-15, the City’s payments to the districts for appraisal services were \$231,736, a decrease of \$5,766, from the amount paid by the City in 2013-14. Since October 1997, the City has contracted with Denton County for tax collection services. The 2014-15 cost was \$22,290.

**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 9-30-15 (Net of Debt Service)	\$85,536,188
Estimated Population	99,480
General Debt per Capita	\$860
Net General Debt per Assessed Value	1.16%

The City’s underlying bond ratings at September 30, 2015 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, 2015, 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, 2014. 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 26 consecutive years (fiscal years ended 1989-2014). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

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

Donna Barron  
City Manager

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

Brenda Martin, CPA  
Director of Finance





Government Finance Officers Association

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

Presented to

**City of Lewisville  
Texas**

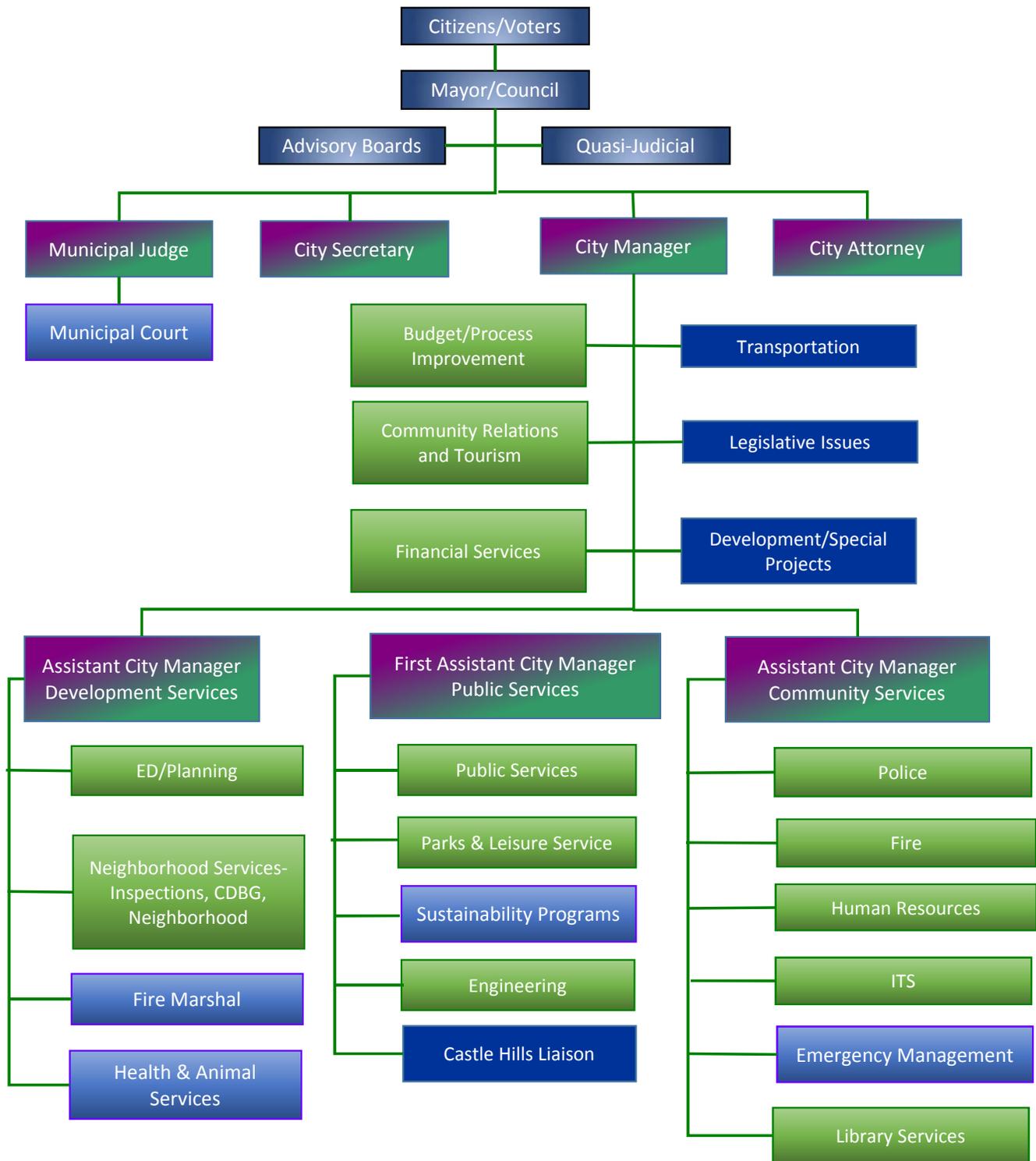
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

A handwritten signature in black ink, which appears to read "Jeffrey R. Emer".

Executive Director/CEO

CITY OF LEWISVILLE, TEXAS - ORGANIZATIONAL CHART



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

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**– Elected Officials –**

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

**– Appointed Officials –**

---

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

**– Assistant City Managers –**

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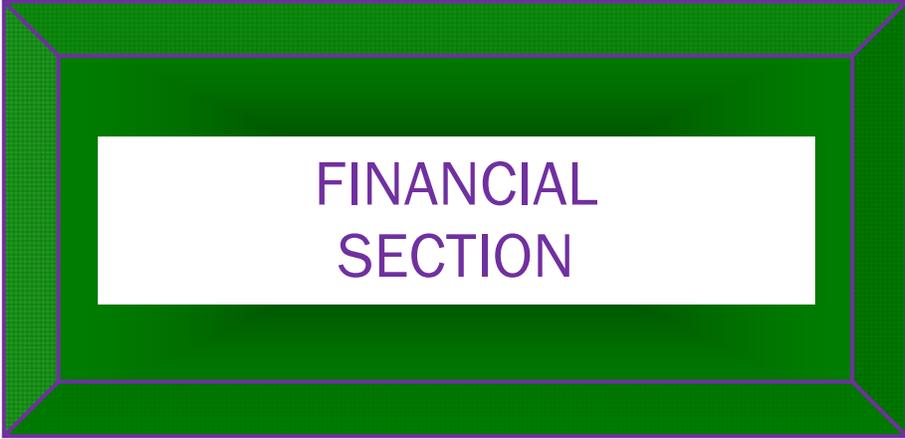
Public Services.....	Eric Ferris
Development Services .....	Claire Swann
Community Services.....	Melinda Galler

**– Department Directors/Managers –**

---

Budget/Process Improvement .....	Gina Thompson
Community Relations and Tourism.....	James Kunke
Economic Development and Planning.....	Nika Reinecke
Emergency Management .....	Josh Roberts
Engineering.....	David Salmon
Financial Services .....	Brenda Martin
Fire .....	Tim Tittle
Fire Marshal.....	Tim Ippilito
Health and Animal Services.....	Sherry Harper
Human Resources .....	Melinda Galler
Information Technology Services.....	Chris Lee
Library Services .....	Carolyn Booker
Neighborhood Services.....	Cleve Joiner
Parks and Leisure Services .....	Robert Monaghan
Police.....	Russ Kerbow
Public Services.....	Keith Marvin
Sustainability Programs .....	Lisa Weaver





FINANCIAL  
SECTION





## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lewisville (the City), as of and for the year ended September 30, 2015, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2015, 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 Principle***

As discussed in Note 15 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 19-30) and TMRS pension schedules (pages 89-91) 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.

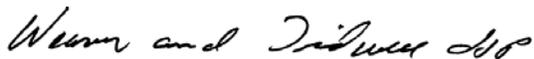
City of Lewisville, Texas  
March 16, 2016

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

The 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 16, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
March 16, 2016



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, 2015. Please read it in conjunction with the accompanying transmittal letter and the basic financial statements.

## **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City of Lewisville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ending September 30, 2015 by \$612,898,291 (net position). Of this amount, \$56,621,440 (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 \$25,857,113 exclusive of the cumulative effect of change in accounting principle of \$21,692,108, for the year ended September 30, 2015.
- As of September 30, 2015, the City of Lewisville's governmental funds reported combined ending fund balances of \$89,720,885, a decrease of \$13,254,526 in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$36,088,467 or approximately 56 percent of total general fund expenditures.
- The City's total outstanding bonds decreased by \$6,775,000 during the current fiscal year. In 2015, the City issued \$21,085,000 of General Obligation Refunding Bonds and \$11,750,000 of Waterworks and Sewer System Revenue Refunding and Improvement Bonds. These proceeds, with a portion of available debt service funds, were used to pay off \$9,475,000 of outstanding general obligation bonds, \$4,280,000 of revenue bonds, and \$13,460,000 certificates of obligation bonds. The addition of \$8,050,000 of Waterworks and Sewer System Improvement bonds was offset by amortization payments on existing debt.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

- *Governmental activities* – Most of the City's basic services are reported here, including the police, fire, library, community development, 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 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 nineteen governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and General Capital Projects Fund, all of which are considered to be major funds. Data from the other sixteen 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, technology, and equipment replacement and fleet maintenance. Individual fund data for each of these non-major business-type funds is provided in the form of combining statements elsewhere in this report.

## **The City as Trustee**

### Reporting the City's Fiduciary Responsibilities

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

## **Other Information**

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

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

The City's combined net position was \$612,898,291 as of September 30, 2015. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is \$236,817,675. 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 (80.7 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, 2015**

**Table 1: Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current and other assets	\$ 188,872,786	\$ 199,632,402	\$ 71,200,777	\$ 66,807,886	\$ 260,073,563	\$ 266,440,288
Capital assets	356,477,314	334,755,442	223,442,195	214,594,029	579,919,509	549,349,471
Total assets	545,350,100	534,387,844	294,642,972	281,401,915	839,993,072	815,789,759
Deferred outflows	10,144,573	564,561	1,141,337	305,627	11,285,910	870,188
Noncurrent liabilities	113,840,814	108,688,419	48,104,948	47,685,307	161,945,762	156,373,726
Other liabilities	63,751,513	47,124,019	10,667,166	4,428,916	74,418,679	51,552,935
Total liabilities	177,592,327	155,812,438	58,772,114	52,114,223	236,364,441	207,926,661
Deferred inflows	1,821,730	-	194,520	-	2,016,250	-
Net assets:						
Net investment in capital assets	290,955,249	265,767,485	203,627,543	193,138,892	494,582,792	458,906,377
Restricted for debt service	34,185,917	36,520,248	6,277,950	6,784,036	40,463,867	43,304,284
Restricted for capital projects	8,696,839	16,159,236	-	-	8,696,839	16,159,236
Restricted for special revenue	12,533,353	11,013,721	-	-	12,533,353	11,013,721
Unrestricted	29,709,258	49,679,277	26,912,182	29,670,391	56,621,440	79,349,668
Total net position	\$ 376,080,616	\$ 379,139,967	\$ 236,817,675	\$ 229,593,319	\$ 612,898,291	\$ 608,733,286

**Governmental Activities**

The City's general revenues and transfers increased when compared to the prior year by 5.9% or \$4,513,502. The primary reasons for this increase were sales tax and property tax revenues. Both major revenue sources were reflective of the strong, stable economic climate the City continues to experience. Sales tax revenue increased \$2,000,660 (6.8%) from the prior year. Taxable assessed valuation of properties in the City increased by \$508.9 million or 7.4% as compared to the prior year while the tax rate was reduced slightly from \$0.44021 to \$0.436086 per \$100 assessed valuation. The changes in the City's general revenues are as follows (Table 2):

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

**Table 2: General Revenues and Transfers**

	<b>2015</b>	<b>2014</b>	<b>Increase (decrease)</b>
Property taxes	\$ 33,461,203	\$ 31,594,277	\$ 1,866,926
Sales taxes	31,362,273	29,361,613	2,000,660
Hotel/motel taxes	2,423,662	2,196,565	227,097
Other taxes	463,773	1,180,980	(717,207)
Franchise taxes	7,079,783	6,222,722	857,061
Investment earnings	828,823	371,766	457,057
Gain on disposal of assets	103,233	4,750	98,483
Miscellaneous	1,034,439	1,240,197	(205,758)
Transfers	3,743,920	3,814,737	(70,817)
<b>Total general revenues and transfers</b>	<b>\$ 80,501,109</b>	<b>\$ 75,987,607</b>	<b>\$ 4,513,502</b>

Governmental activities decreased the City's net position by \$3,059,351. The key element of this decrease are as follows:

**Table 3: Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Revenues						
Program revenues:						
Charges for service	\$ 14,736,307	\$ 13,824,396	\$ 26,928,510	\$ 27,164,770	\$ 41,664,817	\$ 40,989,166
Operating grants and contributions	2,112,550	3,439,677	-	-	2,112,550	3,439,677
Capital grants and contributions	17,073,948	23,980,160	10,094,171	6,316,430	27,168,119	30,296,590
General revenues:						
Property taxes	33,461,203	31,594,277	-	-	33,461,203	31,594,277
Other taxes	41,329,491	38,961,880	-	-	41,329,491	38,961,880
Other	1,966,495	1,616,713	384,260	192,676	2,350,755	1,809,389
<b>Total revenues</b>	<b>110,679,994</b>	<b>113,417,103</b>	<b>37,406,941</b>	<b>33,673,876</b>	<b>148,086,935</b>	<b>147,090,979</b>
Expenses:						
General government	14,889,822	14,937,012	-	-	14,889,822	14,937,012
Culture, parks and recreation	10,590,147	9,453,483	-	-	10,590,147	9,453,483
Public safety	43,314,229	42,102,487	-	-	43,314,229	42,102,487
Public services	24,838,325	26,636,252	23,966,776	23,374,088	48,805,101	50,010,340
Interest on long-term debt	4,630,523	3,929,397	-	-	4,630,523	3,929,397
<b>Total expenses</b>	<b>98,263,046</b>	<b>97,058,631</b>	<b>23,966,776</b>	<b>23,374,088</b>	<b>122,229,822</b>	<b>120,432,719</b>
Increase in net position before transfers	12,416,948	16,358,472	13,440,165	10,299,788	25,857,113	26,658,260
Transfers	3,743,920	3,814,737	(3,743,920)	(3,814,737)	-	-
<b>Increase in net position</b>	<b>16,160,868</b>	<b>20,173,209</b>	<b>9,696,245</b>	<b>6,485,051</b>	<b>25,857,113</b>	<b>26,658,260</b>
Net position beginning (as previously stated)	379,139,967	359,594,793	229,593,319	223,682,558	608,733,286	583,277,351
Cumulative effect of change in accounting principle	(19,220,219)	(628,035)	(2,471,889)	(574,290)	(21,692,108)	(1,202,325)
<b>Net position - ending</b>	<b>\$ 376,080,616</b>	<b>\$ 379,139,967</b>	<b>\$ 236,817,675</b>	<b>\$ 229,593,319</b>	<b>\$ 612,898,291</b>	<b>\$ 608,733,286</b>

Operating grants and contributions decreased due to lower payments received from the City's component units' notes receivable. Capital grants decreased from 2014 when 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 payroll and personnel-related cost. For the year, these costs were \$57,451,212 or 58.5% of total expenses. Payroll costs were closely monitored and along with vacancies, came in \$2,046,325 less than budgeted.

For activities, public safety incurred expenses of \$43,314,229. These expenses were offset by charges for services revenue of \$6,426,736, 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 \$37,759,127. Other significant governmental expenses for the City include public and development services which incurred \$24,838,325 in expenses, of which \$8,582,413 represents personnel charges and the general government activity which incurred \$14,889,822 in expenses, of which \$6,438,769 represents personnel charges. General government encompasses mayor and council, administration, legal, finance, human resources, information technology services, community relations, tourism, and general government departments. The Parks and Leisure Services Department incurred \$10,590,147 in expenses, of which \$4,670,904 represents personnel charges.

Additionally, the cumulative effect of a change in accounting principle of \$19,220,219 concerning the City's pension liability contributed to this overall decrease in net position for the governmental activities. More information can be found in Note 6 of the Notes to Financial Statements included in this report.

### **Business-type Activities**

Business-type activities increased the City's net position by \$7,224,356. 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 \$26,928,510. This revenue source decreased \$236,260 (.87%) from 2014 due to an unusually wet spring and early summer. Non-cash capital contributions from developers and cash receipts in the form of development impact fees amounted to \$10,094,171. This revenue increased \$3,777,741 from 2014 due to new project construction and continued redevelopment within the City. Developer contributions are public improvement infrastructure projects that are completed by the developer and dedicated to the City. Prior to transfers, the charges for services exceeded expenses by \$2.962 million.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of fiscal year 2015, the City had \$580 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**  
**(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Improvements	\$ 217,730,226	\$ 210,512,072	\$ 404,934	\$ 408,831	\$ 218,135,160	\$ 210,920,903
Land	53,433,614	51,217,974	2,368,892	2,368,892	55,802,506	53,586,866
Buildings	44,188,557	46,372,018	659,643	688,243	44,848,200	47,060,261
Machinery & equipment	12,023,297	12,428,299	751,464	703,137	12,774,761	13,131,436
Construction in progress	29,101,620	14,225,079	25,052,147	25,662,714	54,153,767	39,887,793
Water system	-	-	116,195,322	115,841,048	116,195,322	115,841,048
Sewer system	-	-	78,009,793	68,921,164	78,009,793	68,921,164
Totals	<u>\$ 356,477,314</u>	<u>\$ 334,755,442</u>	<u>\$ 223,442,195</u>	<u>\$ 214,594,029</u>	<u>\$ 579,919,509</u>	<u>\$ 549,349,471</u>

Major capital asset additions for 2014-2015 include:

Timbercreek Lift Station	\$ 10,875,144
Wayne Ferguson Plaza	9,119,065
Concrete Street Improvements	1,429,046
Sidewalk Improvements	1,404,488
Neighborhood Rehabilitation Improvements	605,525
Alley Improvements	346,915
Lewisville Lake Master Plan	205,625
High Performance Storage and Server	147,232
IT Tape Backup System	120,000
Switches and Fiber Expansion	108,585
	<u>\$ 24,361,625</u>

The City's fiscal year 2015 capital improvement program authorizes it to spend \$139 million for capital projects. These improvements are in the following categories: water and sewer, street, drainage, park, municipal/technology, facility, and public safety. The aforementioned amount of \$139 million is made up of both current year appropriations, as well as carryover amounts appropriated but not yet expended.

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015**

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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, parks system improvements for 2015-2016 consist of \$3.563 million in cash funding from the General and Lewisville Park and Library Development Corporation Funds, available bond proceeds, park escrow funding, and tree mitigation funding for general park developments, turf renovation, Lewisville Lake Early Learning Area (LLELA) improvements, trail development, and final additions to Toyota of Lewisville Railroad Park.

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

**Debt**

At year end, the City had \$130.48 million in general obligation, certificates of obligation, and revenue bonds outstanding as compared to \$137.255 million at the end of the prior fiscal year, a decrease of 4.9 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation bonds and certificates of obligation (backed by the City)	\$ 83,115	\$ 92,390	\$ -	\$ -	\$ 83,115	\$ 92,390
General obligation and revenue bonds (backed by fee revenues)	-	-	47,365	44,865	47,365	44,865
Totals	<u>\$ 83,115</u>	<u>\$ 92,390</u>	<u>\$ 47,365</u>	<u>\$ 44,865</u>	<u>\$ 130,480</u>	<u>\$ 137,255</u>

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

The City's General Obligation Bonds and Water and Sewer - Revenue Bonds carry an AAA rating from Standard and Poor's and Fitch Ratings. Both of these entities are national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 1.16%.

**THE CITY'S FUNDS**

At the close of the City's fiscal year on September 30, 2015, the governmental funds of the City reported a combined fund balance of \$89.7 million, a \$13.3 million decrease from the previous

year, mainly due to increased capital project spending in 2015 compared to 2014 within the General Capital Projects and the Castle Hills (PID) Capital Projects funds. The Valley Ridge Boulevard extension, FM407 and I-35E interchange, and the Riverside road and bridge construction was \$15.3M of this spending.

The City's General Fund balance was \$37.2 million which was \$5.6 million more than the prior year fund balance due to an increase in property and sales tax collections while expenditures remained level. Current year's activity resulted in a positive variance of \$8.3 million when compared to the final amended budget of \$28.9 million. Significant budgetary variances between the final amended budget and the actual results can be summarized as follows:

- Tax revenue was \$3,183,309 more than estimated. The primary reason was sales tax revenue, which was \$3,005,891 more than budgeted due to a strong economy and a conservative budgeting policy which sets budget at the prior year's estimate for this revenue.
- Licenses and Permits revenue was \$1,059,872 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 \$924,787 higher than budgeted primarily due to commercial refuse fees (\$310,448), land host fee receipts (\$249,171), plan review fees (\$216,295), and ambulance fees (\$143,936) being higher than anticipated.
- When combined, Police, Fire, Development Services, and Parks and Leisure Services departments had lower than expected expenditures resulting in a favorable variance of \$1,775,273. This variance is primarily due to salary savings from employee vacancies.

The City's Water and Sewer Fund net position of \$236.7 million increased by \$7.28 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 \$17.3 million decreased by \$1,463,069 from the prior year net asset balance. The Self-Insurance Risk Fund made up the majority of this change due to transfers of \$1,077,360 to establish a fire sprinkler system for the City's Old Town district (\$869,360) and fire station security improvements (\$208,000).

### **General Fund Budgetary Highlights**

During fiscal year 2014-15, the City Council amended the budget for the General Fund on three separate occasions; in February for the routine supplement completed each year for prior year encumbrances (purchases) that overlap into the next fiscal year; in March for Animal Services sterilization and microchipping services; and, finally, in June for outside legal expenses and supplements to the Wayne Ferguson Plaza and Old Town Restaurants capital projects.

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 \$944,027.

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

The City's elected and appointed officials considered many factors when setting the fiscal year 2016 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The population growth experienced by the City has stimulated local business and development activity.

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 2016. The combined budget appropriation for fiscal year 2015-16 totals \$145.7 million for twenty-three operating funds. Another \$16.9 million is appropriated in the City's three internal service funds.

Ad valorem tax revenue is determined by two major factors: the total assessed value established by the Denton County Central Appraisal District and the tax rate established by the Lewisville City Council. The Lewisville City Council chose to hold the tax rate steady for the current fiscal year at .436086 cents per \$100 assessed valuation. This tax rate brings in more tax revenue (\$1.902 million) for the 2015-16 fiscal year due to the new tax rate being applied to an increased tax base. Property values increased \$574 million or 7.8%. This brings the property tax revenue budgeted for FY 2015-16 to \$26.190 million making it the single largest General Fund revenue source.

The General Fund's second largest revenue source in fiscal year 2015-2016 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 \$23.504 million.

Budgeted operating expenditures in the General Fund are expected to increase \$3.23 million from the 2014-2015 fiscal year re-estimated budget. These expenditures are offset by increases in revenue. The only change in fund balance is the \$5.044 million in transfers out for planned, one time expenditures.

As for the City's business type activities, the City budgeted a decrease of \$1.767 million for the Water and Sewer Fund's net position. This decrease is due to budgeting transfers to capital improvement projects for water lines, sewer lines, inflow and infiltration repairs, painting of water plant clarifiers, flocculators, and lime bins and engineering services relate to a potential reuse option for the wastewater treatment plant's treated effluent.

Water and sewer rates were reviewed by the City Council for fiscal year 2015-2016. There was a 5.5% increase to both water or sewer rates.

## **PENSIONS AND RETIREE HEALTHCARE**

Pensions and retiree health care continue to receive negative media attention as governments around the nation struggle to fund these commitments. The City is committed to providing programs in these areas that are fair to both employees and taxpayers and that can be sustained over the long term.

Effective for fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous standard measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used including strategies for repaying any unfunded actuarial accrued liabilities combined with the City's history of making those contributions provides insights regarding the City's commitment to and the effectiveness of its funding strategy. Information contained in the financial statements themselves including the first schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation. On a reporting basis, the City's financial statements reflect a Net Pension Liability as of September 30, 2015 of \$35,266,573 which is 80.89% of the City's annual covered payroll of \$43,597,704.

Retiree health care's actuarially accrued liability has been calculated in accordance with GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", to be \$4,536,100 as of October 1, 2014, a decrease of \$78,400 from the previous valuation.

## **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



**CITY OF LEWISVILLE, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

**EXHIBIT 1**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Cash	\$ 42,442,705	\$ 8,484,770	\$ 50,927,475	\$ 3,965,008
Investments	93,189,302	20,688,218	113,877,520	9,689,325
Receivables (net of allowance for uncollectibles)				
Accounts	10,094,900	4,473,108	14,568,008	-
Taxes	8,087,753	-	8,087,753	1,202,124
Interest	128,539	33,195	161,734	12,917
Other	39,220	6,582	45,802	-
Internal balances	(104,334)	104,334	-	-
Note receivable from component units	32,105,000	-	32,105,000	-
Inventory of supplies	95,849	-	95,849	-
Prepaid items	2,793,852	13,635	2,807,487	5,511
Restricted assets				
Cash	-	10,849,971	10,849,971	-
Investments	-	26,516,508	26,516,508	-
Interest receivable	-	30,456	30,456	-
Capital assets				
Non-depreciable	82,535,234	27,421,039	109,956,273	-
Depreciable (net of accumulated depreciation)	273,942,080	196,021,156	469,963,236	6,915,627
Total assets	<u>545,350,100</u>	<u>294,642,972</u>	<u>839,993,072</u>	<u>21,790,512</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	1,096,707	175,228	1,271,935	-
Pension contributions after measurement date	7,221,328	771,076	7,992,404	100,148
Difference in projected and actual earnings on pension assets	1,826,538	195,033	2,021,571	25,331
Total deferred outflows of resources	<u>10,144,573</u>	<u>1,141,337</u>	<u>11,285,910</u>	<u>125,479</u>
<b>LIABILITIES</b>				
Accounts payable	3,937,110	2,385,109	6,322,219	159,140
Incurred but not reported claim reserve	1,873,609	-	1,873,609	-
Accrued liabilities	2,355,356	259,249	2,614,605	31,254
Accrued interest payable	416,057	215,891	631,948	172,082
Contracts and retainable payable	453,856	391,383	845,239	31,734
Deposits payable	17,856	1,626,089	1,643,945	-
Unearned revenue	38,447,879	-	38,447,879	-
Escrow payable	1,485,650	45,095	1,530,745	-
Noncurrent liabilities				
Due within one year	14,764,140	5,744,350	20,508,490	1,994,280
Due in more than one year	113,840,814	48,104,948	161,945,762	30,452,983
Total liabilities	<u>177,592,327</u>	<u>58,772,114</u>	<u>236,364,441</u>	<u>32,841,473</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Difference in expected and actual pension experience	1,821,730	194,520	2,016,250	25,264
Total deferred inflows of resources	<u>1,821,730</u>	<u>194,520</u>	<u>2,016,250</u>	<u>25,264</u>
<b>NET POSITION</b>				
Net investment in capital assets	290,955,249	203,627,543	494,582,792	300,628
Restricted for				
Debt service	34,185,917	6,277,950	40,463,867	-
Capital projects	8,696,839	-	8,696,839	-
Special revenue	12,533,353	-	12,533,353	-
Tax increment reinvestment zone	-	-	-	1,830,600
Unrestricted	29,709,258	26,912,182	56,621,440	(13,081,974)
Total net position	<u>\$ 376,080,616</u>	<u>\$ 236,817,675</u>	<u>\$ 612,898,291</u>	<u>\$ (10,950,746)</u>

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

**CITY OF LEWISVILLE, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities				
General government	\$ 14,889,822	\$ 4,078,959	\$ 17,524	\$ -
Culture and recreation	10,590,147	1,511,452	506,934	32,200
Public safety	43,314,229	6,426,736	626,946	-
Public & development services	24,838,325	2,719,160	271,496	17,041,748
Interest and fiscal charges	4,630,523	-	689,650	-
Total governmental activities	<u>98,263,046</u>	<u>14,736,307</u>	<u>2,112,550</u>	<u>17,073,948</u>
Business-type activities				
Water and sewer	23,966,776	26,928,510	-	10,094,171
Total business-type activities	<u>23,966,776</u>	<u>26,928,510</u>	<u>-</u>	<u>10,094,171</u>
Total primary government	<u>\$ 122,229,822</u>	<u>\$ 41,664,817</u>	<u>\$ 2,112,550</u>	<u>\$ 27,168,119</u>
<b>Component Units</b>				
Tax increment reinvestment zone1	740,743	-	-	523,472
LPLDC (4B) fund	4,139,066	251,064	-	913,285
Total component units	<u>\$ 4,879,809</u>	<u>\$ 251,064</u>	<u>\$ -</u>	<u>\$ 1,436,757</u>

**GENERAL REVENUES AND TRANSFERS**

Taxes

- Property taxes, levied for general purposes
- Sales taxes
- Other taxes
- Franchise taxes
- Hotel motel taxes
- Penalties and interest

- Investment earnings
- Gain on sale of assets
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

NET POSITION - beginning

Cumulative effect of change in accounting principle

NET POSITION - ending

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (10,793,339)	\$ -	\$ (10,793,339)	\$ -
(8,539,561)	-	(8,539,561)	-
(36,260,547)	-	(36,260,547)	-
(4,805,921)	-	(4,805,921)	-
(3,940,873)	-	(3,940,873)	-
<u>(64,340,241)</u>	<u>-</u>	<u>(64,340,241)</u>	<u>-</u>
-	13,055,905	13,055,905	-
-	13,055,905	13,055,905	-
<u>(64,340,241)</u>	<u>13,055,905</u>	<u>(51,284,336)</u>	<u>-</u>
-	-	-	(217,271)
-	-	-	(2,974,717)
-	-	-	<u>(3,191,988)</u>
33,283,968	-	33,283,968	955,546
31,362,273	-	31,362,273	6,466,413
463,773	-	463,773	-
7,079,783	-	7,079,783	-
2,423,662	-	2,423,662	-
177,235	-	177,235	-
828,823	372,587	1,201,410	79,804
103,233	-	103,233	-
1,034,439	11,673	1,046,112	12
3,743,920	(3,743,920)	-	-
<u>80,501,109</u>	<u>(3,359,660)</u>	<u>77,141,449</u>	<u>7,501,775</u>
16,160,868	9,696,245	25,857,113	4,309,787
379,139,967	229,593,319	608,733,286	(15,127,775)
(19,220,219)	(2,471,889)	(21,692,108)	(132,758)
<u>\$ 376,080,616</u>	<u>\$ 236,817,675</u>	<u>\$ 612,898,291</u>	<u>\$ (10,950,746)</u>

**CITY OF LEWISVILLE, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2015**

**EXHIBIT 3**

	<u>General</u>	<u>Debt Service Fund</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 9,554,844	\$ 712,606	\$ 20,805,816	\$ 7,406,897	\$ 38,480,163
Investments	23,343,609	1,741,556	50,847,843	8,107,360	84,040,368
Receivables (net of allowances for uncollectibles)					
Taxes	6,908,916	40,458	-	1,138,379	8,087,753
Accounts	2,164,299	-	6,168,031	1,188,562	9,520,892
Unbilled accounts	271,021	-	-	-	271,021
Interest	31,661	2,354	69,899	10,929	114,843
Court	283,425	-	-	-	283,425
Other	38,862	-	-	358	39,220
Due from other funds	58,706	-	-	-	58,706
Note receivable from component units	-	32,105,000	-	-	32,105,000
Prepaid items	211,453	-	-	1,776,221	1,987,674
Total assets	<u>\$ 42,866,796</u>	<u>\$ 34,601,974</u>	<u>\$ 77,891,589</u>	<u>\$ 19,628,706</u>	<u>\$ 174,989,065</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts and contracts payable	1,762,767	-	1,565,832	435,089	3,763,688
Accrued liabilities	2,183,264	-	-	152,179	2,335,443
Deposits payable	7,500	-	-	10,356	17,856
Unearned revenue	-	-	38,447,879	-	38,447,879
Money held in escrow	74,052	-	1,406,706	4,892	1,485,650
Retainage	-	-	453,856	-	453,856
Due to other funds	-	-	-	58,706	58,706
Total liabilities	<u>4,027,583</u>	<u>-</u>	<u>41,874,273</u>	<u>661,222</u>	<u>46,563,078</u>
Deferred inflows of resources					
Unavailable resources	1,597,260	32,145,458	4,922,384	40,000	38,705,102
Total deferred inflows of resources	<u>1,597,260</u>	<u>32,145,458</u>	<u>4,922,384</u>	<u>40,000</u>	<u>38,705,102</u>
Fund balances					
Nonspendable	211,453	-	-	1,776,221	1,987,674
Restricted for					
Debt service	-	2,456,516	-	-	2,456,516
Capital projects	-	-	27,090,932	3,804,152	30,895,084
Other purposes	-	-	-	12,533,353	12,533,353
Committed to					
Capital projects	-	-	2,571,048	-	2,571,048
Other purposes	-	-	-	785,582	785,582
Assigned to					
Capital projects	-	-	1,432,952	-	1,432,952
Other purposes	942,033	-	-	28,176	970,209
Unassigned	36,088,467	-	-	-	36,088,467
Total fund balances	<u>37,241,953</u>	<u>2,456,516</u>	<u>31,094,932</u>	<u>18,927,484</u>	<u>89,720,885</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,866,796</u>	<u>\$ 34,601,974</u>	<u>\$ 77,891,589</u>	<u>\$ 19,628,706</u>	<u>\$ 174,989,065</u>

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

**CITY OF LEWISVILLE, TEXAS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 AS OF SEPTEMBER 30, 2015**

**EXHIBIT 4**

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Total fund balances, governmental funds	\$ 89,720,885
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.	351,137,927
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.	(416,057)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	38,705,102
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements. Amount is less \$61,834 for long-term liability in internal service funds already included below.	(128,543,120)
Deferred inflows and outflows of resources associated with the net pension liability are not reported in governmental funds. This is the net effect of the deferred inflows and outflows of resources.	7,226,136
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.	1,096,707
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 \$104,334.	<u>17,153,036</u>
Total net position, governmental activities	<u>\$ 376,080,616</u>

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

**CITY OF LEWISVILLE, TEXAS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT 5**

	<b>General</b>	<b>Debt Service Fund</b>	<b>General Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Property and other taxes	\$ 56,980,740	\$ 9,007,942	\$ -	\$ 8,854,184	\$ 74,842,866
License and permits	2,928,356	-	-	-	2,928,356
Intergovernmental	3,920	3,309,650	2,317,095	827,423	6,458,088
Charges for services	7,276,264	-	-	704	7,276,968
Recreation	953,054	-	-	396,985	1,350,039
Fines	2,907,155	-	-	226,210	3,133,365
Investment earnings	191,313	20,490	444,426	80,381	736,610
Contributions and donations	-	-	129,500	730,804	860,304
Miscellaneous	728,761	-	390,834	18,070	1,137,665
Total Revenues	<u>71,969,563</u>	<u>12,338,082</u>	<u>3,281,855</u>	<u>11,134,761</u>	<u>98,724,261</u>
<b>EXPENDITURES</b>					
Current					
General government	8,067,866	-	-	2,156,471	10,224,337
Culture and recreation	6,782,486	-	-	779,333	7,561,819
Public safety	38,609,845	-	-	3,680,545	42,290,390
Public & development services	10,831,407	-	22,483	511,595	11,365,485
Debt Service					
Principal	-	7,425,000	-	-	7,425,000
Interest and fiscal charges	-	4,829,415	-	-	4,829,415
Capital outlay	100,302	-	23,604,188	9,684,380	33,388,870
Total expenditures	<u>64,391,906</u>	<u>12,254,415</u>	<u>23,626,671</u>	<u>16,812,324</u>	<u>117,085,316</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,577,657</u>	<u>83,667</u>	<u>(20,344,816)</u>	<u>(5,677,563)</u>	<u>(18,361,055)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	3,894,871	-	9,173,406	36,452	13,104,729
Transfers out	(5,874,136)	-	-	(2,395,077)	(8,269,213)
Premium (discount) on issuance of bonds	-	2,421,120	-	-	2,421,120
Issuance of refunding bonds	-	21,085,000	-	-	21,085,000
Payment to refunding bond escrow agent	-	(23,235,107)	-	-	(23,235,107)
Total other financing sources (uses)	<u>(1,979,265)</u>	<u>271,013</u>	<u>9,173,406</u>	<u>(2,358,625)</u>	<u>5,106,529</u>
<b>NET CHANGE IN FUND BALANCES</b>	5,598,392	354,680	(11,171,410)	(8,036,188)	(13,254,526)
<b>FUND BALANCES - beginning of year</b>	31,643,561	2,101,836	42,266,342	26,963,672	102,975,411
<b>FUND BALANCES - end of year</b>	<u>\$ 37,241,953</u>	<u>\$ 2,456,516</u>	<u>\$ 31,094,932</u>	<u>\$ 18,927,484</u>	<u>\$ 89,720,885</u>

**CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT 6**

Net change in fund balances, total governmental funds	\$ (13,254,526)
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 \$29,496,175, less dispositions of \$0.	29,496,175
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	9,584,930
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.	(17,604,396)
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 \$7,425,000, bonds refunded of \$22,935,000, less bond proceeds of \$21,085,000, less \$2,421,120 premium paid, less gain on refunding of \$171,049, plus amortization of premium of \$833,911, less amortization of deferred charge on refunding of \$109,416, and less a net carrying value of \$651,755 premiums/losses on refundings previously recorded by component units is the net effect of these differences in the treatment of long-term debt and related items.	6,755,571
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.	(492,792)
Current year changes in the long-term liability for net pension benefit obligations do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. The amount represents the difference between current year pension expense (\$5,979,596) and contributions (\$6,840,617) made after the measurement date.	861,021
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.	(54,447)
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.	2,278,590
Internal service funds are used by management to charge the costs of certain activities, such as the purchase of equipment and insurance, to individual funds. The change in net position of certain internal service funds is reported with governmental activities. This is the amount of the change in net position allocated to government activities.	<u>(1,409,258)</u>
Change in net position, governmental activities	<u>\$ 16,160,868</u>

**CITY OF LEWISVILLE, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT 7**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	\$ 53,797,431	\$ 53,797,431	\$ 56,980,740	\$ 3,183,309
License and permits	1,868,484	1,868,484	2,928,356	1,059,872
Intergovernmental	15,877	15,877	3,920	(11,957)
Charges for services	6,351,477	6,351,477	7,276,264	924,787
Recreation	1,110,237	1,110,237	953,054	(157,183)
Fines	3,109,703	3,109,703	2,907,155	(202,548)
Investment earnings	76,975	76,975	191,313	114,338
Miscellaneous	468,446	468,446	728,761	260,315
Total revenues	<u>66,798,630</u>	<u>66,798,630</u>	<u>71,969,563</u>	<u>5,170,933</u>
<b>EXPENDITURES</b>				
Current				
General government	917,137	952,659	841,809	110,850
Mayor and council	103,880	103,880	98,229	5,651
Administrative and legal	1,983,060	2,388,686	2,030,322	358,364
Community relations/tourism	491,900	518,320	465,472	52,848
Finance	1,347,022	1,347,022	1,332,686	14,336
Human resources	799,815	799,815	784,669	15,146
Information technology services	2,459,838	2,658,234	2,514,679	143,555
Parks and leisure services	6,526,282	6,585,866	6,366,503	219,363
Arts and cultural events	427,151	415,983	415,983	-
Police	21,190,634	21,255,992	20,549,038	706,954
Fire	17,397,331	17,417,041	17,025,366	391,675
Emergency management	164,964	167,754	141,304	26,450
Municipal court	936,728	936,728	894,137	42,591
Public services	5,039,354	5,037,451	4,802,362	235,089
Development services	6,517,846	6,486,326	6,029,045	457,281
Capital outlay	247,017	109,133	100,302	8,831
Total expenditures	<u>66,549,959</u>	<u>67,180,890</u>	<u>64,391,906</u>	<u>2,788,984</u>
Excess (deficiency) of revenues over (under) expenditures	<u>248,671</u>	<u>(382,260)</u>	<u>7,577,657</u>	<u>7,959,917</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,929,662	3,929,662	3,894,871	(34,791)
Transfers out	(5,937,021)	(6,250,117)	(5,874,136)	375,981
Total other financing sources (uses)	<u>(2,007,359)</u>	<u>(2,320,455)</u>	<u>(1,979,265)</u>	<u>341,190</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,758,688)	(2,702,715)	5,598,392	8,301,107
<b>FUND BALANCES - beginning of year</b>	31,643,561	31,643,561	31,643,561	-
<b>FUND BALANCES - end of year</b>	<u>\$ 29,884,873</u>	<u>\$ 28,940,846</u>	<u>\$ 37,241,953</u>	<u>\$ 8,301,107</u>

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



**CITY OF LEWISVILLE, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2015**

**EXHIBIT 8**

	<b>Enterprise Funds Water and Sewer Utility Fund</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 8,484,770	\$ 3,962,542
Investments	20,688,218	9,148,934
Receivables (net of allowance for uncollectibles):		
Accounts	1,159,102	19,562
Unbilled trade accounts	3,314,006	-
Interest receivable	33,195	13,696
Other	6,582	-
Inventory of supplies, at cost	-	95,849
Prepaid items	13,635	806,178
Restricted assets		
Cash	10,849,971	-
Investments	26,516,508	-
Interest receivable	30,456	-
Total current assets	<u>71,096,443</u>	<u>14,046,761</u>
Noncurrent assets		
Capital assets		
Land	2,368,892	-
Land improvements	106,700	-
Buildings	1,131,504	-
Other improvements	702,088	274,272
Water system	166,047,695	-
Sewer system	118,914,151	-
Machinery and equipment	4,779,146	5,939,583
Motor vehicles	-	21,825,127
Construction in progress	25,052,147	-
Less accumulated depreciation	(95,660,128)	(22,699,595)
Total noncurrent assets	<u>223,442,195</u>	<u>5,339,387</u>
Total assets	<u>294,538,638</u>	<u>19,386,148</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	175,228	-
Pension contributions after measurement date	771,076	-
Difference in projected and actual earnings on pension assets	195,033	-
Total deferred outflows of resources	<u>1,141,337</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities		
Current liabilities payable from restricted assets		
Deposits payable	1,626,089	-
Accrued interest payable	215,891	-
Contracts and retainage payable	391,383	-
Escrow payable	45,095	-
Current maturities of bonds payable	5,290,000	-
Accounts payable	2,385,109	173,422
Incurring but not reported claim reserve	-	1,873,609
Accrued liabilities	259,249	19,913
Compensated absences	454,350	33,784
Total current liabilities	<u>10,667,166</u>	<u>2,100,728</u>
Noncurrent liabilities		
Bonds payable	43,903,741	-
Compensated absences	377,240	28,050
Net pension obligation	3,823,967	-
Total noncurrent liabilities	<u>48,104,948</u>	<u>28,050</u>
Total liabilities	<u>58,772,114</u>	<u>2,128,778</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Difference in projected and actual pension experience	194,520	-
Total deferred inflows of resources	<u>194,520</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	203,627,543	5,339,387
Restricted for bond requirements	6,277,950	-
Unrestricted	26,807,848	11,917,983
Total net position	<u>\$ 236,713,341</u>	<u>\$ 17,257,370</u>

CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF ENTERPRISE FUND STATEMENT OF NET POSITION  
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015

EXHIBIT 9

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Total net position, enterprise fund	\$ 236,713,341
Amounts reported for business-type activities in the statement of net position are different because:	
An internal service fund is used by management to charge the costs of certain activities, including insurance and vehicle fleet management, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the government-wide statement of net position. The amount shown as the accumulated amount is allocated to business type activities since the adoption of GASB 34.	
	<u>104,334</u>
Total net position, business-type activities	<u>\$ 236,817,675</u>

**CITY OF LEWISVILLE, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT 10**

	<b>Enterprise Funds Water and Sewer Utility Fund</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 26,928,510	\$ 13,044,327
Miscellaneous	11,673	33,886
Total operating revenues	<u>26,940,183</u>	<u>13,078,213</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services, net of reimbursements	10,038,815	10,763,465
Personal services and administrative	6,517,296	914,346
Depreciation	6,283,474	1,888,679
Total operating expenses	<u>22,839,585</u>	<u>13,566,490</u>
Operating income (loss)	<u>4,100,598</u>	<u>(488,277)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	372,587	92,214
Interest expense	(1,073,380)	-
Gain on disposal of capital assets	-	24,590
Total nonoperating revenues (expenses)	<u>(700,793)</u>	<u>116,804</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	3,399,805	(371,473)
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers out	(3,743,920)	(1,091,596)
Contributions from developers	7,126,128	-
Contributions - impact fees	2,968,043	-
<b>CHANGE IN NET POSITION</b>	9,750,056	(1,463,069)
<b>NET POSITION, beginning of year</b>	229,435,174	18,720,439
<b>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</b>	(2,471,889)	-
<b>NET POSITION, end of year</b>	<u>\$ 236,713,341</u>	<u>\$ 17,257,370</u>

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

CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF 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, 2015

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EXHIBIT 11

Net change in fund net position, enterprise fund	\$ 9,750,056
Amounts reported for business-type activities in the statement of activities are different because:	
Internal services funds are used by management to charge the costs of certain activities, such as the purchase of equipment and insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. The amount shown represents the net revenue (expense) allocated to business-type activities.	<u>(53,811)</u>
Change in net position, business-type activities	<u>\$ 9,696,245</u>

**CITY OF LEWISVILLE, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT 12**

	<b>Business-Type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 26,704,346	\$ -
Cash received (paid) from transactions with other funds	(177,566)	13,205,815
Cash paid to employees for services	(6,485,726)	(377,573)
Cash paid for goods and services	(9,658,030)	(2,049,348)
Cash paid for claims	-	(9,417,049)
Cash received for miscellaneous items	-	33,886
	<u>10,383,024</u>	<u>1,395,731</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers to other funds	(3,743,920)	(1,091,596)
	<u>(3,743,920)</u>	<u>(1,091,596)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(8,005,513)	(2,189,672)
Proceeds from sale of equipment	-	80,420
Proceeds from sale of revenue bonds	11,750,000	-
Principal paid on revenue bond maturities	(4,970,000)	-
Principal refunded on revenue bonds	(4,280,000)	-
Impact fees	2,968,043	-
Interest paid	(1,031,576)	-
Premium on issuance of bonds	625,836	-
Discount on issuance of bonds	(39,301)	-
	<u>(2,982,511)</u>	<u>(2,109,252)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(64,484,484)	(12,494,314)
Proceeds from sale and maturities of investments	61,678,006	13,720,918
Interest received	364,986	92,214
	<u>(2,441,492)</u>	<u>1,318,818</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	1,215,101	(486,299)
<b>CASH, beginning of year</b>	<u>18,119,640</u>	<u>4,448,841</u>
<b>CASH, end of year</b>	<u>\$ 19,334,741</u>	<u>\$ 3,962,542</u>
Classified as		
Unrestricted cash and cash equivalents at end of year	\$ 8,484,770	\$ 3,962,542
Restricted cash and cash equivalents at end of year	10,849,971	-
<b>TOTAL CASH AT END OF YEAR</b>	<u>\$ 19,334,741</u>	<u>\$ 3,962,542</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 4,100,598	\$ (488,277)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	6,283,474	1,888,679
Change in assets and liabilities		
(Increase) decrease in receivables	(235,837)	161,487
(Increase) decrease in inventory	-	14,651
(Increase) decrease in prepaid expenses	(4,119)	(357,439)
(Increase) decrease in pension related deferred outflows	(966,109)	-
Increase (decrease) in accounts and contracts payable	(134,893)	194,600
Increase (decrease) in accrued liabilities	36,594	(17,970)
Increase (decrease) in deposits payable	587,692	-
Increase (decrease) in compensated absences	31,570	-
Increase (decrease) in net pension obligations	667,100	-
Increase (decrease) in due to other funds	(177,566)	-
Increase (decrease) in pension related deferred inflows	194,520	-
	<u>6,282,426</u>	<u>1,884,008</u>
Total adjustments	<u>6,282,426</u>	<u>1,884,008</u>
Net cash provided by operating activities	<u>\$ 10,383,024</u>	<u>\$ 1,395,731</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
From developer contributions of capital assets	\$ 7,126,128	\$ -
Increase (decrease) in fair value of investments	94,665	19,502

**CITY OF LEWISVILLE, TEXAS  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 SEPTEMBER 30, 2015**

**EXHIBIT 13**

	<b>Lewisville OPEB Liability Trust Fund</b>	<b>Castle Hills PID Debt Service Agency Fund</b>
<b>ASSETS</b>		
Cash	\$ 25,619	\$ 15
Investments		
Mutual funds - equity	2,489,480	-
Mutual funds - fixed income	1,341,509	11,461,843
Total investments	<u>3,830,989</u>	<u>11,461,843</u>
Interest receivable	-	89
Total assets	<u>3,856,608</u>	<u>11,461,947</u>
<b>LIABILITIES</b>		
Accounts payable	5,553	-
Due to debt holders	-	11,461,947
Total liabilities	<u>5,553</u>	<u>\$ 11,461,947</u>
<b>NET POSITION</b>		
Held in trust for retiree health benefits	3,851,055	
Total net position	<u>\$ 3,851,055</u>	

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

CITY OF LEWISVILLE, TEXAS  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT 14

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	<b>Lewisville OPEB Liability Trust Fund</b>
<b>ADDITIONS</b>	
Employer contributions	\$ 224,000
Investment earnings, net of unrealized/realized gain(loss)	382,066
Total additions	<u>606,066</u>
<b>DEDUCTIONS</b>	
Benefits	339,800
Total deductions	<u>339,800</u>
<b>CHANGE IN NET POSITION</b>	266,266
<b>NET POSITION - beginning</b>	3,584,789
<b>NET POSITION - ending</b>	<u>\$ 3,851,055</u>

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

CITY OF LEWISVILLE, TEXAS  
DISCRETELY PRESENTED COMPONENT UNITS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015

EXHIBIT 15

	Lewisville Housing Finance Corporation	Lewisville Industrial Development Corporation	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Lewisville Park & Library Development Corporation	Total Component Units
<b>ASSETS</b>						
Cash	\$ 1,722	\$ 1,996	\$ 411,506	\$ 130,814	\$ 3,418,970	\$ 3,965,008
Investments	4,210	4,880	1,005,688	319,700	8,354,847	9,689,325
Receivables (net of allowance for uncollectibles)						
Taxes	-	-	-	-	1,202,124	1,202,124
Interest	6	7	1,301	432	11,171	12,917
Prepaid items	-	-	-	-	5,511	5,511
Capital assets						
Depreciable (net of accumulated depreciation)	-	-	6,915,627	-	-	6,915,627
Total assets	5,938	6,883	8,334,122	450,946	12,992,623	21,790,512
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension contributions after measurement date	-	-	-	-	100,148	100,148
Difference in projected and actual earnings on pension assets	-	-	-	-	25,331	25,331
Total deferred outflows of resources	-	-	-	-	125,479	125,479
<b>LIABILITIES</b>						
Current						
Accounts payable	-	-	-	-	159,140	159,140
Accrued liabilities	-	-	-	-	31,254	31,254
Accrued interest payable	-	-	38,840	-	133,242	172,082
Contracts and retainable payable	-	-	-	-	31,734	31,734
Noncurrent liabilities						
Due within one year	-	-	295,000	-	1,699,280	1,994,280
Due in more than one year	-	-	6,320,000	-	24,132,983	30,452,983
Total liabilities	-	-	6,653,840	-	26,187,633	32,841,473
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Difference in projected and actual pension experience	-	-	-	-	25,264	25,264
Total deferred inflows of resources	-	-	-	-	25,264	25,264
<b>NET POSITION (DEFICIT)</b>						
Net investment in capital assets	-	-	300,628	-	-	300,628
Restricted for tax increment reinvestment zone	-	-	1,379,654	450,946	-	1,830,600
Unrestricted	5,938	6,883	-	-	(13,094,795)	(13,081,974)
Total net position (deficit)	\$ 5,938	\$ 6,883	\$ 1,680,282	\$ 450,946	\$ (13,094,795)	\$ (10,950,746)

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

**CITY OF LEWISVILLE, TEXAS  
DISCRETELY PRESENTED COMPONENT UNITS  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenues</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Capital Grants and Contributions</b>
<b>Component Units</b>			
Lewisville Housing Finance Corporation			
General government	\$ -	\$ -	\$ -
Total Lewisville Housing Finance Corporation	-	-	-
Lewisville Industrial Development Corporation			
General government	-	-	-
Total Lewisville Industrial Development Corporation	-	-	-
Tax Increment Reinvestment Zone 1			
General government	418,377	-	523,472
Interest on long term debt	322,366	-	-
Total Tax Increment Reinvestment Zone 1	740,743	-	523,472
Tax Increment Reinvestment Zone 2			
General government	-	-	-
Total Tax Increment Reinvestment Zone 2	-	-	-
Lewisville Park & Library Development Corporation			
Culture and recreation	2,941,491	251,064	913,285
Interest on long term debt	1,197,575	-	-
Total Lewisville Park & Library Development Corporation	4,139,066	251,064	913,285
Total component units	\$ 4,879,809	\$ 251,064	\$ 1,436,757

**GENERAL REVENUES**

Taxes
Property taxes, levied for general purposes
Sales taxes
Investment earnings
Miscellaneous
Total general revenues
Change in net position
NET POSITION (DEFICIT) - Beginning
Cumulative effect of change in accounting principle
NET POSITION (DEFICIT) - Ending

**Net (Expense) Revenue and Changes in Net Position**

Lewisville Housing Finance Corporation	Lewisville Industrial Development Corporation	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Lewisville Park & Library Development Corporation	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	105,095	-	-	105,095
-	-	(322,366)	-	-	(322,366)
-	-	(217,271)	-	-	(217,271)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(1,777,142)	(1,777,142)
-	-	-	-	(1,197,575)	(1,197,575)
-	-	-	-	(2,974,717)	(2,974,717)
-	-	(217,271)	-	(2,974,717)	(3,191,988)
-	-	707,742	247,804	-	955,546
-	-	-	-	6,466,413	6,466,413
35	41	8,876	2,434	68,418	79,804
-	-	-	-	12	12
35	41	716,618	250,238	6,534,843	7,501,775
35	41	499,347	250,238	3,560,126	4,309,787
5,903	6,842	1,180,935	200,708	(16,522,163)	(15,127,775)
-	-	-	-	(132,758)	(132,758)
\$ 5,938	\$ 6,883	\$ 1,680,282	\$ 450,946	\$ (13,094,795)	\$ (10,950,746)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

### A. Reporting Entity

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

#### Blended Component Units

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

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

#### Discretely Presented Component Units

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

- The Lewisville Housing Finance Corporation has been established to assist in evaluating housing needs within the City. The City Council appoints a board and board members are removable by City Council. The City Council approves the Corporation's annual budget. In the event of dissolution, title to all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Housing Finance Corporation, P.O. Box 299002, Lewisville, Texas 75029.
- The Lewisville Industrial Development Authority, Inc. has been established to assist in evaluating and considering approval of applications for financial participation by the Authority in commercial development projects. The City Council appoints a board and board members are removable by City Council. The City Council approves the Authority's annual budget. In the event of dissolution, title to all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Industrial Development Authority, P.O. Box 299002, Lewisville, Texas 75029.
- The City of Lewisville, in conjunction with Denton County, created the Tax Increment Reinvestment Zone Number 1, City of Lewisville, Texas, to provide additional financing resources to further enhance the redevelopment of the Old Town area of the City. The City Council appoints a board, and board members are removable by the City Council. The City Council approves the Zone's annual budget. In the event of dissolution, title of all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Tax Increment Reinvestment Zone Number 1, P. O. Box 299002, Lewisville, Texas 75029.
- The City of Lewisville, in conjunction with Denton County, created the Tax Increment Reinvestment Zone Number 2, City of Lewisville, Texas, to provide additional financing resources to pay for infrastructure costs to facilitate a mixed-use development project on approximately 427 acres at the intersection of I-35 and SH121. The City Council appoints five

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

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

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a

liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following non-major governmental funds:

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

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

The City reports the following major proprietary fund:

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

Additionally, the government reports the following fund types:

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

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

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 PID Debt Service Agency Fund – The City’s Castle Hills Public Improvement District Debt Service Agency Fund accounts for bond proceeds and related debt associated with the issuance of bonds held by the City as an agent for the Public Improvement District.

- *Lewisville OPEB Liability Trust Fund* – The City’s OPEB Liability Trust Fund accounts for the funding of 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 Statement No. 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, 2015, the City had a tax margin of \$2.063914 per \$100 assessed valuation based upon the maximum rates described above.

#### **G. Inventories of Supplies**

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

#### **H. Prepaid Items**

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

#### **I. Restricted Assets**

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

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

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$15,000 or more and an estimated useful life in excess of one year. All purchased capital assets

are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at 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 \$579,571.

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.

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.

**L. Long-Term Obligations**

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and

discounts are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

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

#### **M. Pensions**

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

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

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

- Deferred charge on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Payments made after measurement date – These pension contributions are deferred and recognized in the following fiscal year.
- Recognition of current year assets – This difference in projected and actual earnings on pension assets is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources, recognition of current year liabilities, due to a difference between expected and actual pension experience which is deferred and recognized over the estimated average remaining service lives for all members determined as of the measurement date.

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

#### **O. Fund Equity**

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

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

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

For further details of the various fund balance classifications refer to Note 14.

#### **P. 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.

**Q. Budgets**

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Hotel/Motel Tax Special Revenue, Recreation Activity Special Revenue, Grant Special Revenue, Waters Ridge Public Improvement District (PID) Special Revenue, Municipal Court Security Special Revenue, Municipal Court Technology Special Revenue, Asset Forfeiture Special Revenue (State and Federal), Community Activities and Training Special Revenue, Law Enforcement Officer Standards and Education Special Revenue, Juvenile Case Manager Special Revenue, Lewisville Crime Control and Prevention District, Lewisville Fire Control, Prevention, and Emergency Medical Services District, Public, Education, and Government (PEG) Programming Fund, Debt Service, Water and Sewer Utility Enterprise, Self-Insurance Risk Internal Service, Health Benefits Trust Internal Service, Maintenance and Replacement Internal Service, Lewisville Parks and Library Development Corporation (4B Sales Tax), Lewisville OPEB Liability Trust, Old Town Tax Increment Reinvestment Zone 1 (Old Town), 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.

**R. 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 asset balance of \$13,094,795 at September 30, 2015.

## 2. CASH, INVESTMENTS, AND DEPOSITS

At year end, the government's carrying amount of deposits was \$61,777,446 and the bank balance was \$57,637,272. 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. Repurchase agreements collateralized by U.S. Treasury or U.S. Government agency securities in accordance with a master repurchase agreement approved by the Investment Committee;
4. Direct or unconditionally guaranteed obligations of the State of Texas; and
5. Common trusts administered by Texas banks with assets consisting of all of the above except certificates of deposit.

Investments at September 30, 2015 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, 2015 was \$124,987,505. At September 30, 2015, the City also had \$15,406,523 invested with TexPool, an investment pool for state and local governments in Texas. The City's portfolio average yield, including TexPool, was 0.4546% in 2015.

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

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

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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

	Carrying Amount	Fair Value	Weighted Average Maturity (Days)
U.S. Government Agency securities	\$ 124,987,505	\$ 124,987,505	586
Investment in TexPool	15,406,523	15,406,523	40
Total investments	<u>\$ 140,394,028</u>	<u>\$ 140,394,028</u>	<u>391</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, 2015.

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.

**CITY OF LEWISVILLE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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.

**3. RECEIVABLES**

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

	General	Debt Service	General Capital Projects	Non-Major and Other Funds	Total Governmental Funds
Receivables					
Property taxes	\$ 396,159	\$ 152,767	\$ -	\$ -	\$ 548,926
Franchise taxes	1,863,982	-	-	-	1,863,982
Sales taxes	4,808,495	-	-	1,138,379	5,946,874
Mixed drink taxes	131,522	-	-	-	131,522
Accounts	1,486,866	-	225,611	1,037,122	2,749,599
Unbilled trade accounts	271,021	-	-	-	271,021
Interest	31,661	2,354	69,899	10,929	114,843
Court	1,539,121	-	-	-	1,539,121
Intergovernmental	-	-	5,942,420	152,149	6,094,569
Ambulance	1,793,402	-	-	-	1,793,402
Gross receivables	12,322,229	155,121	6,237,930	2,338,579	21,053,859
Less: allowance	(2,624,045)	(112,309)	-	(351)	(2,736,705)
Net total receivables	<u>\$ 9,698,184</u>	<u>\$ 42,812</u>	<u>\$ 6,237,930</u>	<u>\$ 2,338,228</u>	<u>\$ 18,317,154</u>

	Water and Sewer	Internal Service	Total Proprietary Funds	Total All Funds
Receivables				
Property taxes	\$ -	\$ -	\$ -	\$ 548,926
Franchise taxes	-	-	-	1,863,982
Sales taxes	-	-	-	5,946,874
Mixed drink taxes	-	-	-	131,522
Accounts	1,622,583	19,562	1,642,145	4,391,744
Unbilled trade accounts	3,314,006	-	3,314,006	3,585,027
Interest	63,651	13,696	77,347	192,190
Court	-	-	-	1,539,121
Intergovernmental	-	-	-	6,094,569
Ambulance	-	-	-	1,793,402
Gross receivables	5,000,240	33,258	5,033,498	26,087,357
Less: allowance	(456,899)	-	(456,899)	(3,193,604)
Net total receivables	<u>\$ 4,543,341</u>	<u>\$ 33,258</u>	<u>\$ 4,576,599</u>	<u>\$ 22,893,753</u>

**4. INTERFUND TRANSACTIONS**

Interfund transactions and balances for the fiscal year 2015 were as follows:

**Due to/from other funds**

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Nonmajor Governmental	\$ 58,706	Short-term funding of deficit cash

**Interfund Transfers**

Transfers In	Transfers Out	Amount	Purpose
General	Water & Sewer Utility	\$ 3,743,920	Payments in lieu of taxes, franchise tax, and indirect cost reimbursement
General	Nonmajor Governmental	150,951	Indirect cost reimbursement
General Capital Projects	General	5,837,684	Financing of capital improvements
General Capital Projects	Nonmajor Governmental	2,244,126	Financing of capital improvements
General Capital Projects	Internal Service Funds	1,091,596	Financing of capital improvements
Nonmajor Governmental	General	36,452	Matching funds
		<u>\$ 13,104,729</u>	

**CITY OF LEWISVILLE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
<u>Governmental Funds</u>					
Capital assets, not being depreciated:					
Land	\$ 51,217,974	\$ 2,180,448	\$ -	\$ 35,192	\$ 53,433,614
Construction in progress	14,225,079	28,995,560	-	(14,119,019)	29,101,620
Total capital assets, not being depreciated	<u>65,443,053</u>	<u>31,176,008</u>	<u>-</u>	<u>(14,083,827)</u>	<u>82,535,234</u>
Capital assets, being depreciated:					
Land improvements	335,442,352	6,552,832	(14,511,476)	13,379,751	340,863,459
Buildings	73,568,030	-	-	-	73,568,030
Other improvements	25,321,110	819,449	-	205,625	26,346,184
Machinery and equipment	30,397,645	532,816	-	498,451	31,428,912
Total capital assets being depreciated	<u>464,729,137</u>	<u>7,905,097</u>	<u>(14,511,476)</u>	<u>14,083,827</u>	<u>472,206,585</u>
Accumulated depreciation:					
Land improvements	(137,764,705)	(11,562,210)	14,511,476	-	(134,815,439)
Buildings	(27,196,012)	(2,183,461)	-	-	(29,379,473)
Other improvements	(12,621,323)	(2,157,166)	-	-	(14,778,489)
Machinery and equipment	(22,928,932)	(1,701,559)	-	-	(24,630,491)
Total accumulated depreciation	<u>(200,510,972)</u>	<u>(17,604,396)</u>	<u>14,511,476</u>	<u>-</u>	<u>(203,603,892)</u>
Total capital assets being depreciated, net	<u>264,218,165</u>	<u>(9,699,299)</u>	<u>-</u>	<u>14,083,827</u>	<u>268,602,693</u>
Total governmental funds capital assets, net	<u>329,661,218</u>	<u>21,476,709</u>	<u>-</u>	<u>-</u>	<u>351,137,927</u>
<u>Internal service funds</u>					
Capital assets, being depreciated:					
Other improvements	274,272	-	-	-	274,272
Machinery and equipment	26,228,422	2,189,672	(653,384)	-	27,764,710
Total internal service assets being depreciated	<u>26,502,694</u>	<u>2,189,672</u>	<u>(653,384)</u>	<u>-</u>	<u>28,038,982</u>
Accumulated depreciation:					
Other improvements	(139,635)	(20,126)	-	-	(159,761)
Machinery and equipment	(21,268,835)	(1,868,553)	597,554	-	(22,539,834)
Total accumulated depreciation	<u>(21,408,470)</u>	<u>(1,888,679)</u>	<u>597,554</u>	<u>-</u>	<u>(22,699,595)</u>
Total internal services funds capital assets, net	<u>5,094,224</u>	<u>300,993</u>	<u>(55,830)</u>	<u>-</u>	<u>5,339,387</u>
Governmental activities capital assets, net	<u>\$ 334,755,442</u>	<u>\$ 21,777,702</u>	<u>\$ (55,830)</u>	<u>\$ -</u>	<u>\$ 356,477,314</u>

**CITY OF LEWISVILLE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,368,892	\$ -	\$ -	\$ -	\$ 2,368,892
Construction in progress	25,662,714	11,544,566	-	(12,155,133)	25,052,147
Total capital assets, not being depreciated	<u>28,031,606</u>	<u>11,544,566</u>	<u>-</u>	<u>(12,155,133)</u>	<u>27,421,039</u>
Capital assets, being depreciated:					
Land improvements	106,700	-	-	-	106,700
Buildings	1,131,504	-	-	-	1,131,504
Other improvements	658,008	-	-	44,080	702,088
Water system	163,261,498	1,979,813	-	806,384	166,047,695
Sewer system	106,242,496	1,366,986	-	11,304,669	118,914,151
Machinery and equipment	4,538,871	240,275	-	-	4,779,146
Total capital assets being depreciated	<u>275,939,077</u>	<u>3,587,074</u>	<u>-</u>	<u>12,155,133</u>	<u>291,681,284</u>
Accumulated depreciation:					
Land improvements	(83,110)	(2,379)	-	-	(85,489)
Buildings	(443,261)	(28,600)	-	-	(471,861)
Other improvements	(272,767)	(45,598)	-	-	(318,365)
Water system	(47,420,450)	(2,431,923)	-	-	(49,852,373)
Sewer system	(37,321,332)	(3,583,026)	-	-	(40,904,358)
Machinery and equipment	(3,835,734)	(191,948)	-	-	(4,027,682)
Total accumulated depreciation	<u>(89,376,654)</u>	<u>(6,283,474)</u>	<u>-</u>	<u>-</u>	<u>(95,660,128)</u>
Business-type activities capital assets, net					
Total capital assets being depreciated, net	<u>186,562,423</u>	<u>(2,696,400)</u>	<u>-</u>	<u>12,155,133</u>	<u>196,021,156</u>
Total capital assets, net	<u>\$ 214,594,029</u>	<u>\$ 8,848,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,442,195</u>

**CITY OF LEWISVILLE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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

Governmental activities:	
General government	\$ 3,465,449
Finance	82,155
Community relations/tourism	117,861
Human resources	9,460
Municipal court	14,540
Information technology	241,016
Police	627,842
Fire	347,599
Public works	9,390,505
Parks and leisure	3,044,342
Community development	263,627
Internal service funds	1,888,679
Total depreciation expense - governmental activities	<u>\$ 19,493,075</u>
Business-type activities:	
Water and sewer	<u>\$ 6,283,474</u>

Outstanding commitments at September 30, 2015 under authorized construction contracts were approximately \$21.4 million. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

## **6. EMPLOYEE RETIREMENT PLAN**

### Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677. In addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

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

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

A summary of plan provisions for the City are as follows:

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

The City does not participate in Social Security.

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

---

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	326
Inactive employees entitled to but not yet receiving benefits	244
Active employees	<u>699</u>
	<u>1,269</u>

Contributions

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

Employees for the City of Lewisville were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2015, the City made contributions of 17.43% for the months in 2014 and 16.88% for the months in 2015 which were the actuarially required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. This experience study was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability</u>
	(a)	(b)	(a) - (b)
Balance at 12/31/2013	\$ 236,230,579	\$ 200,071,341	\$ 36,159,238
Changes for the year			-
Service cost	7,057,241		7,057,241
Interest	16,497,518		16,497,518
Change in benefit terms			-
Difference between expected and actual experience	(2,478,575)		(2,478,575)
Changes in assumptions			-
Contributions-employer		7,599,062	(7,599,062)
Contributions-employee		3,052,739	(3,052,739)
Net investment income		11,446,366	(11,446,366)
Benefit payments, including refunds of employee contributions	(8,160,747)	(8,160,747)	-
Administrative expense		(119,494)	119,494
Other changes		(9,824)	9,824
Net changes	12,915,437	13,808,102	(892,665)
Balance at 12/31/2014	\$ 249,146,016	\$ 213,879,443	\$ 35,266,573

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

1% Decrease 6.00%	Current Single Rate Assumption 7.00%	1% Increase 8.00%
\$72,873,745	\$35,266,573	\$4,560,303

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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

For the year ended September 30, 2015, the City recognized pension expense of \$6,701,009.

At September 30, 2015, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 8,092,552	\$ -
Differences between actuarial assumptions and actual experience	-	2,041,514
Changes in actuarial assumptions used	-	-
Differences between projected and actual investment earnings	2,046,902	-
Total	<u>\$ 10,139,454</u>	<u>\$ 2,041,514</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$8,092,552 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2015 (i.e. recognized in the city's financial statements September 30, 2016). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended <u>Dec 31</u>	
2015	\$ 74,665
2016	74,665
2017	74,665
2018	74,663
2019	(293,270)
Total	<u>\$ 5,388</u>

Subsequent Event

Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related

discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be as large as originally projected. While the actual impact on the City's valuation for December 31, 2015 is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution due to this change. Accordingly, the City does not anticipate an impact that would deter from continuing to fund pension contributions at the annual required contribution rates in the coming years.

## **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 \$0.5613 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, 2014, the City purchased fully paid life insurance policies upon retirement for eligible employees. Beginning October 1, 2014, the City began purchasing life insurance through the City's group life insurance vendor. Premiums are now paid monthly for the coverage at a rate of \$1.50 per \$1,000 of coverage or \$22.50 per month. The City had 29 eligible retirees in fiscal year 2014-15 resulting in an annual expenditure of \$5,243.

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, 2014, the date of the latest actuarial valuation:

Number of retirees and beneficiaries receiving benefits	53
Active plan members	641

*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.

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

**Schedule of Funding Status and Funding Progress**

	<u>10/1/2014</u>	<u>10/1/2013</u>	<u>10/1/2012</u>
Actuarial Valuation Date			
Actuarial Value of Assets	\$4,202,400	\$3,743,700	\$3,333,200
Actuarial Accrued Liability (AAL)	\$4,536,100	\$4,614,500	\$4,787,900
Unfunded AAL (UAAL)	\$333,700	\$870,800	\$1,454,700
Funded Ratio	92.6%	81.1%	69.6%
Covered Payroll	\$43,130,733	\$42,175,565	\$40,159,830
UAAL as a Percentage of Covered Payroll	0.8%	2.1%	3.6%

The schedule of employer contributions present trend information about the amounts contributed to the plan by the City in comparison to the Annual Required Contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. 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**

	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Contribution Year			
Annual Required Contribution	\$ 175,700	\$ 224,000	\$ 366,600
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost	<u>\$ 175,700</u>	<u>\$ 224,000</u>	<u>\$ 366,600</u>
Contributions made	<u>175,700</u>	<u>224,000</u>	<u>366,600</u>
Change in OPEB obligation	\$ -	\$ -	\$ -
Net OPEB obligation (asset), beginning of year	-	-	-
Net OPEB obligation (asset), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of annual OPEB cost contributed	100.0%	100.0%	100.0%

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

**CITY OF LEWISVILLE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**Actuarial Assumptions**

	10/1/2014	10/1/2013	10/1/2012
Valuation date	10/1/2014	10/1/2013	10/1/2012
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level dollar, open	Level dollar, open	Level dollar, open
Amortization period	30 years	30 years	30 years
Asset valuation method	Market*	Market*	Market*
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
General Inflation	3.0%	3.0%	3.0%

\*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 2016. At that time it is expected that a 3, 5 or 10 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, 2015 are comprised of the following:

Deposits	\$ 1,626,089
Money held in escrow	45,095
Revenue bond current debt service accounts	3,058,615
Revenue bond future debt service accounts	3,435,226
Revenue bond construction accounts	<u>29,231,910</u>
Total	<u>\$37,396,935</u>

The related liabilities payable from restricted assets at September 30, 2015 are as follows:

Deposits payable	\$1,626,089
Escrow payable	45,095
Accrued interest payable	215,891
Contracts and retainage payable	391,383
Current maturities of bonds payable	<u>5,290,000</u>
Total	<u>\$7,568,458</u>

The ordinance authorizing the Waterworks and Sewer System Revenue Bonds requires that the City establish a sinking fund (recorded in the revenue bond current debt service accounts) in an

amount not less than the amount required to fully pay principal and interest payments as they come due. In addition, the ordinance requires that the City establish a reserve fund (recorded in the revenue bond future debt service accounts) to provide for payment of principal and interest in the event that other funds available for such purposes are insufficient. At September 30, 2015, 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	\$3,058,615
Revenue bond future debt service accounts	<u>3,435,226</u>
	<u>\$6,493,841</u>
Less:	
Accrued interest payable	<u>\$ 215,891</u>
Restricted for revenue bond retirement	<u>\$6,277,950</u>

**10. DEFERRED COMPENSATION PLAN**

The City offers its employees a choice between two deferred compensation plans (the Plan) created in accordance with Internal Revenue Code Section 457. One plan is administered and investments managed by Nationwide Retirement Solutions (NRS) while another plan is administered by AIG Valic. The assets and liabilities amounted to \$29,145,217 for Nationwide and \$37,824,986 for AIG Valic at September 30, 2015. The plans include numerous types of investments as participants elect how their salary deferrals are invested. Investment options include the following: fixed annuities, variable annuities, and life insurance.

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

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

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

In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the deferred compensation plans are not included in the financial statements of the City.

## 11. LONG TERM LIABILITIES

### General Obligation Bonds

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, 2015 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%	\$ 75,120,000	\$ 2,475,000

### 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, 2015 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Business-Type Activities Amount</u>
Parks and Library Improvements	4.00% - 5.00%	\$ 6,075,000
General Government	4.00% - 4.50%	<u>1,920,000</u>
		<u>\$ 7,995,000</u>

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

Annual debt service requirements to maturity for Government Activities General Obligation Bonds and Certificates of Obligation, including interest of \$20,876,793 are as follows:

Year Ended September 30	Governmental Activities Bonds		Total
	Principal	Interest	
2016	\$ 9,345,000	\$ 3,162,880	\$ 12,507,880
2017	7,405,000	2,852,580	10,257,580
2018	7,455,000	2,572,343	10,027,343
2019	7,080,000	2,308,755	9,388,755
2020	6,975,000	2,044,440	9,019,440
2021-2025	29,330,000	6,201,494	35,531,494
2026-2030	13,305,000	1,623,438	14,928,438
2031-2032	2,220,000	110,863	2,330,863
	<u>\$ 83,115,000</u>	<u>\$ 20,876,793</u>	<u>\$ 103,991,793</u>

During the year, the City issued \$21,085,000 of General Obligation Refunding Bonds plus a cash contribution of \$810,074 for the purpose of refunding a portion of the City's outstanding general obligation and certificates of obligation debt. As a result of the refunding, the City decreased its aggregate debt service payment to maturity by \$2,494,610 and realized an economic gain (difference between the present value of debt service payment on the old debt and the new debt) of \$1,797,515.

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, 2015, are as follows:

Purpose	Interest Rates	Amount
Water supply and waste water treatment	1.50% - 5.00%	\$44,890,000
Less-Current maturities payable from restricted assets		4,690,000
		<u>\$40,200,000</u>

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

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Annual debt service requirements to maturity, for Business-type Activities Revenue Bonds and General Obligation Bonds, including interest of \$10,207,578 are as follows:

Year Ended September 30	Revenue Bonds		Total
	Principal	Interest	
2016	\$ 5,290,000	\$ 1,645,532	\$ 6,935,532
2017	4,800,000	1,481,817	6,281,817
2018	4,970,000	1,308,273	6,278,273
2019	4,445,000	1,147,973	5,592,973
2020	3,565,000	1,010,891	4,575,891
2021-2025	16,865,000	2,997,998	19,862,998
2026-2030	6,805,000	604,547	7,409,547
2031	625,000	10,547	635,547
	<u>\$ 47,365,000</u>	<u>\$ 10,207,578</u>	<u>\$ 57,572,578</u>

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2015, the City was in compliance with all limitations and restrictions.

During the year, the City issued \$11,750,000 of Waterworks and Sewer System Revenue Refunding and Improvement Bonds for the purposes of refunding a portion of the City's outstanding Waterworks and Sewer System debt and constructing, acquiring, and installing improvements, additions, and extensions to the System. As a result of the refunding, the City decreased its aggregate debt service payment to maturity by \$298,869 and realized an economic gain (difference between the present value of debt service payment on the old debt and the new debt) of \$279,851.

In the current year, the City defeased certain general obligation, certificates of obligation, and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At September 30, 2015, \$6,465,000 of outstanding general obligation bonds, \$13,460,000 of certificates of obligation, and \$1,820,000 of revenue bonds are considered defeased.

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2015 was as follows:

	Beginning Balance incl chg in Acctg Principle	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable and					
Certificates of obligation	\$ 92,390,000	\$ 21,085,000	\$ (30,360,000)	\$ 83,115,000	\$ 9,345,000
Premium	2,922,836	3,889,487	(837,912)	5,974,411	-
Compensated absences	7,792,451	5,292,091	(4,737,465)	8,347,077	5,419,140
Net pension obligation	31,957,400	-	(788,934)	31,168,466	-
Governmental activity long-term liabilities	<u>\$ 135,062,687</u>	<u>\$ 30,266,578</u>	<u>\$ (36,724,311)</u>	<u>\$ 128,604,954</u>	<u>\$ 14,764,140</u>
Business type activities:					
Bonds payable	\$ 44,865,000	\$ 11,750,000	\$ (9,250,000)	47,365,000	\$ 5,290,000
Premium	1,391,332	625,837	(95,870)	1,921,299	-
Discount	(56,023)	(56,479)	19,944	(92,558)	-
Compensated absences	800,020	464,120	(432,550)	831,590	454,350
Net pension obligation	3,920,759	-	(96,792)	3,823,967	-
Business type activity long-term liabilities	<u>\$ 50,921,088</u>	<u>\$ 12,783,478</u>	<u>\$ (9,855,268)</u>	<u>\$ 53,849,298</u>	<u>\$ 5,744,350</u>

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

Component Unit Bonded Indebtedness

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

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

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

Note Payable to Primary Government / Note Receivable from Component Unit

The Lewisville Park 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. The Tax Increment Reinvestment Zone (“TIRZ”) 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, 2015, \$25,490,000 and \$6,615,000 respectively, have been recorded as a non-current liability of the LPLDC and TIRZ and as a non-current asset of the governmental activities in the statement of net position.

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

Year Ended September 30	LPLDC - Note Payable		
	Principal	Interest	Total
2016	\$ 1,655,000	\$ 1,033,836	\$ 2,688,836
2017	1,725,000	967,234	2,692,234
2018	1,795,000	896,834	2,691,834
2019	1,870,000	823,534	2,693,534
2020	1,950,000	746,620	2,696,620
2021-2025	9,455,000	2,454,434	11,909,434
2026-2030	4,820,000	1,001,512	5,821,512
2031-2032	2,220,000	110,863	2,330,863
	<u>\$ 25,490,000</u>	<u>\$ 8,034,867</u>	<u>\$ 33,524,867</u>

Year Ended September 30	TIRZ - Note Payable		
	Principal	Interest	Total
2016	\$ 295,000	\$ 306,694	\$ 601,694
2017	330,000	295,240	625,240
2018	380,000	280,215	660,215
2019	430,000	263,746	693,746
2020	485,000	244,814	729,814
2021-2025	2,970,000	836,000	3,806,000
2026-2027	1,725,000	88,375	1,813,375
	<u>\$ 6,615,000</u>	<u>\$ 2,315,084</u>	<u>\$ 8,930,084</u>

**CITY OF LEWISVILLE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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

	Beginning Balance incl Chg in Acctg Principle	Additions	Reductions	Ending Balance	Due Within One Year
LPLDC activities:					
Notes payable:					
Notes payable to Primary Government	\$ 27,355,000	\$ -	\$ (1,865,000)	\$ 25,490,000	\$ 1,655,000
Premium	1,450,896		(1,450,896)	-	-
Compensated absences	33,401	73,856	(39,134)	68,123	44,280
Net pension obligation	281,079	-	(6,939)	274,140	-
LPLDC activities total:	<u>29,120,376</u>	<u>73,856</u>	<u>(3,361,969)</u>	<u>25,832,263</u>	<u>1,699,280</u>
TIRZ activities:					
Notes payable:					
Notes payable to Primary Government	7,370,000	-	(755,000)	6,615,000	295,000
Premium	13,471		(13,471)	-	-
TIRZ activities total:	<u>7,383,471</u>	<u>-</u>	<u>(768,471)</u>	<u>6,615,000</u>	<u>295,000</u>
Component unit long-term liabilities	<u>\$ 36,503,847</u>	<u>\$ 73,856</u>	<u>\$ (4,130,440)</u>	<u>\$ 32,447,263</u>	<u>\$ 1,994,280</u>

**Bonded Indebtedness of Which the City Has No Liability**

In addition to the outstanding General Obligation Bonds of the City and the Water and Sewer System Revenue Bonds, all of which are included in the financial statements of the City, the City is the Issuer of the following Public Improvement Bond issues:

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

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

CITY OF LEWISVILLE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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\$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)

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

\$4,580,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015 (District No. 1 Project)

\$8,490,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015 (District No. 2 Project)

\$19,535,000 City of Lewisville, Texas Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015 (District No. 3 Project)

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

For all issues pertaining to Districts 1-3, the principal and interest payment on the bonds is from ad valorem taxes (contract revenues, billed and collected by the Denton County Fresh Water District). For issues pertaining to District 4, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues and subject to special mandatory redemption prior to maturity. For the remaining issues pertaining to Districts 5 through 7, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is

payable from special assessment revenues and subject to special mandatory redemption prior to maturity.

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

At September 30, 2015, City of Lewisville, Texas Contract Revenue and Special Assessment Improvement Bonds outstanding aggregated was \$103,190,000.

## **12. RISK MANAGEMENT**

The City established a limited risk management program for workers' compensation and healthcare coverage in 1988. Beginning September 1, 1990, liability and property and casualty risk funding was established within the Self-Insurance Risk Internal Service Fund. Life, accidental death and dismemberment and long-term disability coverage are fully insured but accounted for within the fund. Premiums are transferred into the Self-Insurance Risk Internal Service Fund from all other operating funds and are available to pay claims, claim reserves, reinsurance excess coverage premiums, and any other premiums or administrative costs associated with the programs. During FY 2014-15, a total of \$1,050,534 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 five fiscal years. In July 1999, the property and casualty and liability insurance coverages were moved to a deductible program. Each line of coverage has a deductible per occurrence ranging from \$500-\$50,000.

During FY 2001-02, the City established a Health Benefit Trust under Chapter 172 of the Texas Local Government Code. Since the establishment of the Trust, premiums for healthcare have been transferred into the Trust from all other operating funds and are available to pay claims, claim reserves, reinsurance excess coverage premiums, and the administrative costs of the medical/dental plan. For the plan year beginning October 1, 2014, the healthcare reinsurance provided excess coverage (beyond \$150,000 per occurrence) and an annual aggregate stop loss of approximately \$7,257,416 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 2014-15, total expenses for claims, reinsurance premiums, and administrative costs for healthcare amounted to \$9,274,101.

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.

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

Changes in the balances of claims liabilities for the years ended September 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Claims payable, beginning of year	\$ 1,693,507	\$ 1,318,794
Incurred claims	9,597,151	7,745,546
Claims payments	<u>(9,417,049)</u>	<u>(7,370,833)</u>
Claims payable, end of year	<u>\$ 1,873,609</u>	<u>\$ 1,693,507</u>

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

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Deferred inflows of resources:</u>					
Property taxes	\$ 104,917	\$ 40,458	\$ -	\$ -	\$ 145,375
Court fines	283,425	-	-	-	283,425
Ambulance	1,112,865	-	-	-	1,112,865
Intergovernmental	-	-	4,922,384	-	4,922,384
Notes receivable from component unit	-	32,105,000	-	-	32,105,000
Other	96,053	-	-	40,000	136,053
Total	<u>\$ 1,597,260</u>	<u>\$ 32,145,458</u>	<u>\$ 4,922,384</u>	<u>\$ 40,000</u>	<u>\$ 38,705,102</u>
<u>Unearned revenue:</u>					
Advance construction payment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,447,879</u>	<u>\$ -</u>	<u>\$ 38,447,879</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 would have to be established at either the highest level of decision making or by a body (committee) or official designated for that purpose.

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

- Unassigned Fund Balance

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

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

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2015

<b>GOVERNMENTAL FUNDS</b>					
	General Fund	Debt Service Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>FUND BALANCE:</b>					
<b>Non Spendable:</b>					
Prepaid items	\$ 211,453	\$ -	\$ -	\$ 1,776,221	\$ 1,987,674
<b>Spendable:</b>					
<b>Restricted for:</b>					
Debt service	-	2,456,516	-	-	2,456,516
Capital projects - Streets & Drainage	-	-	24,484,644	-	24,484,644
Hotel/Motel Tax Fund	-	-	88,679	5,389,217	5,477,896
Grant Funds	-	-	-	78,506	78,506
Public Improvement District Fund	-	-	-	254,000	254,000
Municipal Court Security Fund	-	-	-	83,115	83,115
Municipal Court Technology Fund	-	-	13,621	201,616	215,237
Police Forfeitures Fund (State)	-	-	-	188,817	188,817
LEOSE Fund	-	-	-	5,160	5,160
Police Forfeitures Fund (Federal)	-	-	-	367,358	367,358
Juvenile Case Manager Fund	-	-	-	134,422	134,422
PEG Programming Fund	-	-	-	541,633	541,633
Crime Control & Prevention District	-	-	6,580	2,254,963	2,261,543
Fire Control, Prevention, and Emergency Medical Services District	-	-	2,497,408	3,034,546	5,531,954
Castle Hills Capital Projects	-	-	-	3,804,152	3,804,152
<b>Subtotal - Restricted for:</b>	<u>-</u>	<u>2,456,516</u>	<u>27,090,932</u>	<u>16,337,505</u>	<u>45,884,953</u>
<b>Committed to:</b>					
Capital projects - Streets	-	-	731,876	-	731,876
Capital projects - Parks	-	-	1,221,161	-	1,221,161
Capital projects - Landscape & Tree Mitigation	-	-	356,362	-	356,362
Capital projects - Screening Walls	-	-	261,649	-	261,649
Recreation Fund	-	-	-	277,854	277,854
Fire and Police Training Fund	-	-	-	138,838	138,838
Community Activities	-	-	-	360,312	360,312
Lewisville Local Government Corporation	-	-	-	8,578	8,578
<b>Subtotal - Committed to:</b>	<u>-</u>	<u>-</u>	<u>2,571,048</u>	<u>785,582</u>	<u>3,356,630</u>
<b>Assigned to:</b>					
Capital projects - Risk Management	-	-	1,088,606	-	1,088,606
Capital projects - Recreation	-	-	344,346	-	344,346
Other	942,033	-	-	-	942,033
Employee Benevolent Fund	-	-	-	28,176	28,176
<b>Subtotal - Assigned to:</b>	<u>942,033</u>	<u>-</u>	<u>1,432,952</u>	<u>28,176</u>	<u>2,403,161</u>
<b>Unassigned:</b>	<u>36,088,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,088,467</u>
<b>TOTAL FUND BALANCES:</b>	<u>\$ 37,241,953</u>	<u>\$ 2,456,516</u>	<u>\$ 31,094,932</u>	<u>\$ 18,927,484</u>	<u>\$ 89,720,885</u>



**15. CUMULATIVE EFFECT ON ADOPTION OF GASB STATEMENTS NO. 68 and 71**

Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, changes the focus of pension accounting for employers from reporting the funding of the pension plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date.

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

Prospectively applying this change results in the adjustment below:

	Government-Wide Statement of Activities		
	Governmental Activities	Business-type Activities	Component Unit
Net position at September 30, 2014, as previously reported	\$ 379,139,967	\$ 229,593,319	\$ (15,127,775)
Recording of net position liability as of September 30, 2014	(26,374,268)	(3,235,781)	(231,973)
Deferral for pension contributions made after the measurement date	7,154,049	763,892	99,215
Cumulative effect of change	(19,220,219)	(2,471,889)	(132,758)
Net position at September 30, 2014, as restated	\$ 359,919,748	\$ 227,121,430	\$ (15,260,533)



REQUIRED  
SUPPLEMENTARY  
INFORMATION



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

**EXHIBIT A-1**

	<b>Measurement Year 2014</b>
Total pension liability	
Service cost	\$ 7,057,241
Interest	16,497,518
Changes in benefit terms	-
Differences between expected and actual experience	(2,478,575)
Change in assumptions	-
Benefit payments, incl. refunds of employee contributions	(8,160,747)
Net change in total pension liability	<u>12,915,437</u>
Total pension liability - beginning	<u>236,230,579</u>
Total pension liability - ending	<u>249,146,016</u>
Plan fiduciary net position	
Contributions - employer	7,599,062
Contributions - employee	3,052,739
Net investment income	11,446,366
Benefit payments, incl. refunds of employee contributions	(8,160,747)
Administrative expense	(119,494)
Other	(9,824)
Net change in plan fiduciary net position	<u>13,808,102</u>
Plan fiduciary net position - beginning	<u>200,071,341</u>
Plan fiduciary net position - ending	<u>213,879,443</u>
Net pension liability - ending	<u>\$ 35,266,573</u>
Plan fiduciary net position as a percentage of total pension liability	85.85%
Covered employee payroll	\$ 43,597,704
Net pension liability as a percentage of covered employee payroll	80.89%

Note: Measurement year as of December 31

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

**EXHIBIT A-2**

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the actuarially Determined Contribution	(3) Contribution Excess (Deficiency) (2) - (1)	(4) Covered Employee Payroll	(5) Actuarially Determined Contribution as a Percentage of Covered Employee Payroll (1) / (4)	(6) Contributions as a Percentage of Covered Employee Payroll (2) / (4)
2006	\$ 3,929,065	\$ 3,929,065	\$ -	\$ 32,508,490	12.09%	12.09%
2007	4,387,314	4,387,314	-	34,600,268	12.68%	12.68%
2008	4,871,746	4,871,746	-	36,991,239	13.17%	13.17%
2009	6,816,614	5,409,954	(1,406,660)	38,868,039	17.54%	13.92%
2010	7,903,067	5,997,951	(1,905,116)	39,581,047	19.97%	15.15%
2011	8,535,905	6,813,495	(1,722,410)	41,107,984	20.76%	16.57%
2012	7,838,904	6,811,107	(1,027,797)	40,159,830	19.52%	16.96%
2013	7,552,936	7,459,191	(93,745)	42,175,565	17.91%	17.69%
2014	7,530,047	7,606,524	76,477	43,130,733	17.46%	17.64%
2015	7,589,980	7,589,980	-	44,613,514	17.01%	17.01%

**Notes to Schedules:**

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

Methods and Assumptions Used to Determine Contribution Rate for 2015:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	15 Years
Asset Valuation Method	10 Years smoothed market; 15% soft corridor
Inflation	3.0%
Salary Increases	3.5% to 12.0% including inflation
Investment Rate of Return	7.0%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Assumption Differences for Fiscal Years Prior to 2015:

Actuarial Cost Method	Unit Credit for fiscal years 2006 and 2007, Projected Unit Credit for fiscal years 2008 to 2013.
Mortality	Prior to fiscal year 2014, Gender Distinct RP2000 Combined Healthy Mortality Table projected to the year 2003 by scale AA.

Other Information:

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





COMBINING AND INDIVIDUAL  
FUND STATEMENTS  
AND SCHEDULES

## MAJOR GOVERNMENTAL FUNDS

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### DEBT SERVICE FUND

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

**CITY OF LEWISVILLE, TEXAS  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-1**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property and other taxes	\$ 8,753,779	\$ 8,753,779	\$ 9,007,942	\$ 254,163
Intergovernmental	-	3,309,651	3,309,650	(1)
Investment earnings	6,349	6,349	20,490	14,141
Total revenues	<u>8,760,128</u>	<u>12,069,779</u>	<u>12,338,082</u>	<u>268,303</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	8,075,000	8,075,000	7,425,000	650,000
Interest and fiscal charges	3,816,057	3,816,057	4,829,415	(1,013,358)
Total expenditures	<u>11,891,057</u>	<u>11,891,057</u>	<u>12,254,415</u>	<u>(363,358)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,130,929)</u>	<u>178,722</u>	<u>83,667</u>	<u>(95,055)</u>
Other financing sources (uses)				
Transfers in	3,309,651	-	-	-
Premium (discount) on issuance of bonds	-	-	2,421,120	2,421,120
Issuance of refunding bonds	-	-	21,085,000	21,085,000
Payment to refunding bond escrow agent	-	-	(23,235,107)	(23,235,107)
Total other financing sources (uses)	<u>3,309,651</u>	<u>-</u>	<u>271,013</u>	<u>271,013</u>
<b>NET CHANGE IN FUND BALANCES</b>	178,722	178,722	354,680	175,958
<b>FUND BALANCES, beginning</b>	2,101,836	2,101,836	2,101,836	-
<b>FUND BALANCES, ending</b>	<u>\$ 2,280,558</u>	<u>\$ 2,280,558</u>	<u>\$ 2,456,516</u>	<u>\$ 175,958</u>

## **NON-MAJOR GOVERNMENTAL FUNDS**

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

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

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

### **RECREATION ACTIVITY FUND**

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

### **PEG PROGRAMMING FUND**

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

### **MUNICIPAL COURT TECHNOLOGY FUND**

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

### **MUNICIPAL COURT SECURITY FUND**

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

### **JUVENILE CASE MANAGER FUND**

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

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

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

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

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

### **ASSET FORFEITURE – STATE FUND**

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

### **ASSET FORFEITURE - FEDERAL 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.

## NON-MAJOR GOVERNMENTAL FUNDS

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### **ADMINISTRATIVE BENEVOLENT FUND**

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

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

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

### **GRANTS FUND**

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

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

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

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

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

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

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

To account for assistance efforts in economic development initiatives.

### **CASTLE HILLS PID CAPITAL PROJECTS FUND**

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

**CITY OF LEWISVILLE, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2015**

	Special Revenue Funds							
	Hotel/Motel Tax Fund	Recreation Activity Fund	PEG Programming Fund	Municipal Court Technology Fund	Municipal Court Security Fund	Juvenile Case Manager Fund	LEOSE Fund	Waters Ridge PID Fund
<b>ASSETS</b>								
Cash	\$ 1,382,425	\$ 84,150	\$ 135,338	\$ 59,790	\$ 24,483	\$ 40,933	\$ 1,497	\$ 73,682
Investments	3,256,345	205,657	330,757	141,624	59,835	100,036	3,659	180,074
Receivables (net of allowances for uncollectibles)								
Taxes	-	-	-	-	-	-	-	-
Accounts	888,433	-	75,091	-	-	-	-	-
Interest	4,404	407	447	202	78	132	4	244
Other	-	-	-	-	-	-	-	-
Prepaid items	1,768,176	-	-	-	50	-	-	-
Total assets	<u>\$ 7,299,783</u>	<u>\$ 290,214</u>	<u>\$ 541,633</u>	<u>\$ 201,616</u>	<u>\$ 84,446</u>	<u>\$ 141,101</u>	<u>\$ 5,160</u>	<u>\$ 254,000</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities								
Accounts and contracts payable	125,481	12,083	-	-	1,281	-	-	-
Accrued liabilities	16,909	278	-	-	-	1,787	-	-
Deposits payable	-	-	-	-	-	-	-	-
Money held in escrow	-	-	-	-	-	4,892	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>142,390</u>	<u>12,361</u>	<u>-</u>	<u>-</u>	<u>1,281</u>	<u>6,679</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources unavailable resources								
	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Nonspendable	1,768,176	-	-	-	50	-	-	-
Restricted for								
Capital projects	-	-	-	-	-	-	-	-
Other purposes	5,389,217	-	541,633	201,616	83,115	134,422	5,160	254,000
Committed to other purposes	-	277,853	-	-	-	-	-	-
Assigned to other purposes	-	-	-	-	-	-	-	-
Total fund balances	<u>7,157,393</u>	<u>277,853</u>	<u>541,633</u>	<u>201,616</u>	<u>83,165</u>	<u>134,422</u>	<u>5,160</u>	<u>254,000</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,299,783</u>	<u>\$ 290,214</u>	<u>\$ 541,633</u>	<u>\$ 201,616</u>	<u>\$ 84,446</u>	<u>\$ 141,101</u>	<u>\$ 5,160</u>	<u>\$ 254,000</u>

Special Revenue Funds								Capital Projects		Total Nonmajor Governmental Funds
Asset Forfeiture-State Fund	Asset Forfeiture-Federal Fund	Administrative Benevolent Fund	Community Activities and Training Fund	Grants Fund	Lewisville Crime Control and Prevention District	Lewisville Fire Control, Prevention, and Emergency Medical Services District	Lewisville Local Government Corporation	Castle Hills PID Capital Projects		
\$ 87,807	\$ 106,565	\$ 11,064	\$ 138,866	\$ 14,586	\$ 514,104	\$ 727,698	\$ 2,488	\$ 4,001,421	\$ 7,406,897	
131,898	260,437	17,203	349,215	29,666	1,256,433	1,778,439	6,082	-	8,107,360	
-	-	-	-	-	568,417	569,962	-	-	1,138,379	
1,240	-	-	71,649	152,149	-	-	-	-	1,188,562	
178	356	24	404	-	1,669	2,328	8	44	10,929	
-	-	7	351	-	-	-	-	-	358	
-	-	-	-	1,155	5,015	1,825	-	-	1,776,221	
<u>\$ 221,123</u>	<u>\$ 367,358</u>	<u>\$ 28,298</u>	<u>\$ 560,485</u>	<u>\$ 197,556</u>	<u>\$ 2,345,638</u>	<u>\$ 3,080,252</u>	<u>\$ 8,578</u>	<u>\$ 4,001,465</u>	<u>\$ 19,628,706</u>	
32,306	-	122	9,022	49,105	3,747	4,629	-	197,313	435,089	
-	-	-	1,956	10,084	81,913	39,252	-	-	152,179	
-	-	-	10,356	-	-	-	-	-	10,356	
-	-	-	-	-	-	-	-	-	4,892	
-	-	-	-	58,706	-	-	-	-	58,706	
<u>32,306</u>	<u>-</u>	<u>122</u>	<u>21,334</u>	<u>117,895</u>	<u>85,660</u>	<u>43,881</u>	<u>-</u>	<u>197,313</u>	<u>661,222</u>	
-	-	-	40,000	-	-	-	-	-	40,000	
-	-	-	40,000	-	-	-	-	-	40,000	
-	-	-	-	1,155	5,015	1,825	-	-	1,776,221	
-	-	-	-	-	-	-	-	3,804,152	3,804,152	
188,817	367,358	-	-	78,506	2,254,963	3,034,546	-	-	12,533,353	
-	-	-	499,151	-	-	-	8,578	-	785,582	
-	-	28,176	-	-	-	-	-	-	28,176	
<u>188,817</u>	<u>367,358</u>	<u>28,176</u>	<u>499,151</u>	<u>79,661</u>	<u>2,259,978</u>	<u>3,036,371</u>	<u>8,578</u>	<u>3,804,152</u>	<u>18,927,484</u>	
<u>\$ 221,123</u>	<u>\$ 367,358</u>	<u>\$ 28,298</u>	<u>\$ 560,485</u>	<u>\$ 197,556</u>	<u>\$ 2,345,638</u>	<u>\$ 3,080,252</u>	<u>\$ 8,578</u>	<u>\$ 4,001,465</u>	<u>\$ 19,628,706</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, 2015**

<b>Special Revenue Funds</b>								
	<b>Hotel/Motel Tax Fund</b>	<b>Recreation Activity Fund</b>	<b>PEG Programming Fund</b>	<b>Municipal Court Technology Fund</b>	<b>Municipal Court Security Fund</b>	<b>Juvenile Case Manager Fund</b>	<b>LEOSE Fund</b>	<b>Waters Ridge PID Fund</b>
<b>REVENUES</b>								
Property and other taxes	\$ 2,423,662	\$ -	\$ 299,709	\$ -	\$ -	\$ -	\$ -	\$ 15,031
Intergovernmental	-	-	-	-	-	-	10,317	-
Charges for services	-	704	-	-	-	-	-	-
Recreation	-	276,089	-	-	-	-	-	-
Fines	-	-	-	75,854	56,894	93,462	-	-
Investment earnings	26,768	3,199	2,246	1,190	457	749	29	1,526
Contributions and donations	-	178,696	-	-	-	-	-	-
Miscellaneous	-	11	-	-	-	-	-	-
Total revenues	<u>2,450,430</u>	<u>458,699</u>	<u>301,955</u>	<u>77,044</u>	<u>57,351</u>	<u>94,211</u>	<u>10,346</u>	<u>16,557</u>
<b>EXPENDITURES</b>								
Current								
General government	1,718,220	-	4,834	-	-	-	-	5,025
Culture and recreation	-	324,477	-	-	-	-	-	-
Public safety	-	-	-	25,500	19,539	57,813	7,346	-
Public & development services	-	-	-	-	-	-	-	-
Capital outlay	92,886	-	-	-	-	-	-	-
Total expenditures	<u>1,811,106</u>	<u>324,477</u>	<u>4,834</u>	<u>25,500</u>	<u>19,539</u>	<u>57,813</u>	<u>7,346</u>	<u>5,025</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>639,324</u>	<u>134,222</u>	<u>297,121</u>	<u>51,544</u>	<u>37,812</u>	<u>36,398</u>	<u>3,000</u>	<u>11,532</u>
<b>OTHER FINANCING USES</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(120,398)	-	(40,000)	(33,513)	(17,438)	-	-
Total other financing uses	<u>-</u>	<u>(120,398)</u>	<u>-</u>	<u>(40,000)</u>	<u>(33,513)</u>	<u>(17,438)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	639,324	13,824	297,121	11,544	4,299	18,960	3,000	11,532
<b>FUND BALANCES, beginning</b>	6,518,069	264,029	244,512	190,072	78,866	115,462	2,160	242,468
<b>FUND BALANCES, ending</b>	<u>\$ 7,157,393</u>	<u>\$ 277,853</u>	<u>\$ 541,633</u>	<u>\$ 201,616</u>	<u>\$ 83,165</u>	<u>\$ 134,422</u>	<u>\$ 5,160</u>	<u>\$ 254,000</u>

Special Revenue Funds								Capital Projects Funds	Total Nonmajor Governmental Funds
Asset Forfeiture-State Fund	Asset Forfeiture-Federal Fund	Administrative Benevolent Fund	Community Activities and Training Fund	Grants Fund	Lewisville Crime Control and Prevention District	Lewisville Fire Control, Prevention, and Emergency Medical Services District	Lewisville Local Government Corporation	Castle Hills PID Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,057,726	\$ 3,058,056	\$ -	\$ -	\$ 8,854,184
24,544	103,372	-	7,010	682,180	-	-	-	-	827,423
-	-	-	-	-	-	-	-	-	704
-	-	-	120,896	-	-	-	-	-	396,985
-	-	-	-	-	-	-	-	-	226,210
1,081	2,644	151	2,890	109	9,265	25,433	50	2,594	80,381
-	-	-	432,069	-	-	-	-	120,039	730,804
6,130	-	4,391	-	6,186	123	-	1,229	-	18,070
<u>31,755</u>	<u>106,016</u>	<u>4,542</u>	<u>562,865</u>	<u>688,475</u>	<u>3,067,114</u>	<u>3,083,489</u>	<u>1,279</u>	<u>122,633</u>	<u>11,134,761</u>
-	-	3,787	-	-	121,321	79,693	-	223,591	2,156,471
-	-	-	450,178	4,678	-	-	-	-	779,333
14,398	148,855	-	72,399	307,654	2,085,656	941,385	-	-	3,680,545
-	-	-	5,006	304,571	202,018	-	-	-	511,595
-	209,100	-	-	98,328	-	-	-	9,284,066	9,684,380
<u>14,398</u>	<u>357,955</u>	<u>3,787</u>	<u>527,583</u>	<u>715,231</u>	<u>2,408,995</u>	<u>1,021,078</u>	<u>-</u>	<u>9,507,657</u>	<u>16,812,324</u>
<u>17,357</u>	<u>(251,939)</u>	<u>755</u>	<u>35,282</u>	<u>(26,756)</u>	<u>658,119</u>	<u>2,062,411</u>	<u>1,279</u>	<u>(9,385,024)</u>	<u>(5,677,563)</u>
-	-	-	-	36,452	-	-	-	-	36,452
-	-	-	-	-	(30,000)	(2,153,728)	-	-	(2,395,077)
-	-	-	-	36,452	(30,000)	(2,153,728)	-	-	(2,358,625)
17,357	(251,939)	755	35,282	9,696	628,119	(91,317)	1,279	(9,385,024)	(8,036,188)
171,460	619,297	27,421	463,869	69,965	1,631,859	3,127,688	7,299	13,189,176	26,963,672
<u>\$ 188,817</u>	<u>\$ 367,358</u>	<u>\$ 28,176</u>	<u>\$ 499,151</u>	<u>\$ 79,661</u>	<u>\$ 2,259,978</u>	<u>\$ 3,036,371</u>	<u>\$ 8,578</u>	<u>\$ 3,804,152</u>	<u>\$ 18,927,484</u>

CITY OF LEWISVILLE, TEXAS  
HOTEL/MOTEL TAX SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	\$ 1,845,429	\$ 1,845,429	\$ 2,423,662	\$ 578,233
Investment earnings	7,571	7,571	26,768	19,197
Total revenues	1,853,000	1,853,000	2,450,430	597,430
<b>EXPENDITURES</b>				
Current				
General government				
Community relations/tourism	1,678,238	1,638,846	1,718,220	(79,374)
Capital outlay	-	92,887	92,886	1
Total expenditures	1,678,238	1,731,733	1,811,106	(79,373)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	174,762	121,267	639,324	518,057
<b>OTHER FINANCING USES</b>				
Transfers out	(22,366)	(12,366)	-	12,366
Total other financing uses	(22,366)	(12,366)	-	12,366
<b>NET CHANGE IN FUND BALANCES</b>	152,396	108,901	639,324	530,423
<b>FUND BALANCES, beginning</b>	6,518,069	6,518,069	6,518,069	-
<b>FUND BALANCES, ending</b>	\$ 6,670,465	\$ 6,626,970	\$ 7,157,393	\$ 530,423

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, 2015

EXHIBIT C-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,000	\$ 1,000	\$ 704	\$ (296)
Recreation	305,700	305,700	276,089	(29,611)
Investment earnings	838	838	3,199	2,361
Contributions and donations	157,200	157,200	178,696	21,496
Miscellaneous	-	-	11	11
Total revenues	464,738	464,738	458,699	(6,039)
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Parks and leisure services	311,900	341,819	324,477	17,342
Total expenditures	311,900	341,819	324,477	17,342
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	152,838	122,919	134,222	11,303
<b>OTHER FINANCING USES</b>				
Transfers out	(150,000)	(120,398)	(120,398)	-
Total other financing uses	(150,000)	(120,398)	(120,398)	-
<b>NET CHANGE IN FUND BALANCES</b>	2,838	2,521	13,824	11,303
<b>FUND BALANCES, beginning</b>	264,029	264,029	264,029	-
<b>FUND BALANCES, ending</b>	\$ 266,867	\$ 266,550	\$ 277,853	\$ 11,303

CITY OF LEWISVILLE, TEXAS  
 PEG PROGRAMMING SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and other taxes	\$ 270,821	\$ 270,821	\$ 299,709	\$ 28,888
Investment earnings	658	658	2,246	1,588
Total revenues	<u>271,479</u>	<u>271,479</u>	<u>301,955</u>	<u>30,476</u>
<b>Expenditures</b>				
Current				
General government				
Community relations/tourism	20,000	24,703	4,834	19,869
Capital outlay	200,000	195,297	-	195,297
Total expenditures	<u>220,000</u>	<u>220,000</u>	<u>4,834</u>	<u>215,166</u>
<b>NET CHANGE IN FUND BALANCES</b>	51,479	51,479	297,121	245,642
<b>FUND BALANCES, beginning</b>	244,512	244,512	244,512	-
<b>FUND BALANCES, ending</b>	<u>\$ 295,991</u>	<u>\$ 295,991</u>	<u>\$ 541,633</u>	<u>\$ 245,642</u>

CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT TECHNOLOGY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines	\$ 84,382	\$ 84,382	\$ 75,854	\$ (8,528)
Investment earnings	534	534	1,190	656
Total revenues	84,916	84,916	77,044	(7,872)
<b>EXPENDITURES</b>				
Current				
Public safety				
Municipal court	42,320	42,320	25,500	16,820
Total expenditures	42,320	42,320	25,500	16,820
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	42,596	42,596	51,544	8,948
<b>OTHER FINANCING USES</b>				
Transfers out	(40,000)	(40,000)	(40,000)	-
Total other financing uses	(40,000)	(40,000)	(40,000)	-
<b>NET CHANGE IN FUND BALANCES</b>	2,596	2,596	11,544	8,948
<b>FUND BALANCES, beginning</b>	190,072	190,072	190,072	-
<b>FUND BALANCES, ending</b>	\$ 192,668	\$ 192,668	\$ 201,616	\$ 8,948

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, 2015

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines	\$ 63,084	\$ 63,084	\$ 56,894	\$ (6,190)
Investment earnings	159	159	457	298
Total revenues	63,243	63,243	57,351	(5,892)
<b>EXPENDITURES</b>				
Current				
Public safety				
Municipal court	26,100	26,100	19,539	6,561
Total expenditures	26,100	26,100	19,539	6,561
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	37,143	37,143	37,812	669
<b>OTHER FINANCING USES</b>				
Transfers out	(33,513)	(33,513)	(33,513)	-
Total other financing uses	(33,513)	(33,513)	(33,513)	-
<b>NET CHANGE IN FUND BALANCES</b>	3,630	3,630	4,299	669
<b>FUND BALANCES, beginning</b>	78,866	78,866	78,866	-
<b>FUND BALANCES, ending</b>	\$ 82,496	\$ 82,496	\$ 83,165	\$ 669

CITY OF LEWISVILLE, TEXAS  
 JUVENILE CASE MANAGER SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines	\$ 83,424	\$ 83,424	\$ 93,462	\$ 10,038
Investment earnings	196	196	749	553
Total revenues	83,620	83,620	94,211	10,591
<b>EXPENDITURES</b>				
Current:				
Public safety				
Municipal court	58,794	58,794	57,813	981
Total expenditures	58,794	58,794	57,813	981
<b>EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES</b>	24,826	24,826	36,398	11,572
<b>OTHER FINANCING USES</b>				
Transfers out	(17,438)	(17,438)	(17,438)	-
Total other financing uses	(17,438)	(17,438)	(17,438)	-
<b>NET CHANGE IN FUND BALANCES</b>	7,388	7,388	18,960	11,572
<b>FUND BALANCES, beginning</b>	115,462	115,462	115,462	-
<b>FUND BALANCES, ending</b>	\$ 122,850	\$ 122,850	\$ 134,422	\$ 11,572

CITY OF LEWISVILLE, TEXAS  
 LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 10,317	\$ 1,317
Investment earnings	-	-	29	29
Total revenues	9,000	9,000	10,346	1,346
<b>EXPENDITURES</b>				
Current				
Public safety				
Police	9,000	9,000	7,346	1,654
Total expenditures	9,000	9,000	7,346	1,654
<b>NET CHANGES IN FUND BALANCES</b>	-	-	3,000	3,000
<b>FUND BALANCES, beginning</b>	2,160	2,160	2,160	-
<b>FUND BALANCES, ending</b>	\$ 2,160	\$ 2,160	\$ 5,160	\$ 3,000

CITY OF LEWISVILLE, TEXAS  
WATERS RIDGE PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	\$ 15,174	\$ 15,174	\$ 15,031	\$ (143)
Investment earnings	616	616	1,526	910
Total revenues	<u>15,790</u>	<u>15,790</u>	<u>16,557</u>	<u>767</u>
<b>EXPENDITURES</b>				
Current				
General government				
General government	15,000	15,000	5,025	9,975
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>5,025</u>	<u>9,975</u>
<b>NET CHANGE IN FUND BALANCES</b>	790	790	11,532	10,742
<b>FUND BALANCES, beginning</b>	242,468	242,468	242,468	-
<b>FUND BALANCES, ending</b>	<u>\$ 243,258</u>	<u>\$ 243,258</u>	<u>\$ 254,000</u>	<u>\$ 10,742</u>

CITY OF LEWISVILLE, TEXAS  
 ASSET FORFEITURE - STATE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 4,700	\$ 4,700	\$ 24,544	\$ 19,844
Investment earnings	-	-	1,081	1,081
Miscellaneous	5,800	5,800	6,130	330
Total revenues	10,500	10,500	31,755	21,255
<b>EXPENDITURES</b>				
Current				
Public safety				
Police	37,000	37,000	14,398	22,602
Total expenditures	37,000	37,000	14,398	22,602
<b>NET CHANGE IN FUND BALANCES</b>	(26,500)	(26,500)	17,357	43,857
<b>FUND BALANCES, beginning</b>	171,460	171,460	171,460	-
<b>FUND BALANCES, ending</b>	\$ 144,960	\$ 144,960	\$ 188,817	\$ 43,857

CITY OF LEWISVILLE, TEXAS  
 ASSET FORFEITURE - FEDERAL SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 103,372	\$ (96,628)
Investment earnings	1,585	1,585	2,644	1,059
Total revenues	<u>201,585</u>	<u>201,585</u>	<u>106,016</u>	<u>(95,569)</u>
<b>EXPENDITURES</b>				
Current				
Public safety				
Police	114,877	192,633	148,855	43,778
Capital outlay	130,899	467,419	209,100	258,319
Total expenditures	<u>245,776</u>	<u>660,052</u>	<u>357,955</u>	<u>302,097</u>
<b>NET CHANGE IN FUND BALANCES</b>	(44,191)	(458,467)	(251,939)	206,528
<b>FUND BALANCES, beginning</b>	619,297	619,297	619,297	-
<b>FUND BALANCES, ending</b>	<u>\$ 575,106</u>	<u>\$ 160,830</u>	<u>\$ 367,358</u>	<u>\$ 206,528</u>

CITY OF LEWISVILLE, TEXAS  
COMMUNITY ACTIVITIES AND TRAINING SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 31,072	\$ 31,072	\$ 7,010	\$ (24,062)
Recreation	131,146	131,146	120,896	(10,250)
Investment earnings	80	80	2,890	2,810
Contributions and donations	430,927	430,927	432,069	1,142
Total revenues	<u>593,225</u>	<u>593,225</u>	<u>562,865</u>	<u>(30,360)</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Parks and leisure services	464,184	464,184	450,178	14,006
Public safety				
Police	29,100	29,100	27,582	1,518
Fire	63,824	68,818	44,817	24,001
Public & development services				
Development services	10,000	5,006	5,006	-
Total expenditures	<u>567,108</u>	<u>567,108</u>	<u>527,583</u>	<u>39,525</u>
<b>NET CHANGE IN FUND BALANCES</b>	26,117	26,117	35,282	9,165
<b>FUND BALANCES, beginning</b>	463,869	463,869	463,869	-
<b>FUND BALANCES, ending</b>	<u>\$ 489,986</u>	<u>\$ 489,986</u>	<u>\$ 499,151</u>	<u>\$ 9,165</u>

CITY OF LEWISVILLE, TEXAS  
 GRANT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 961,589	\$ 961,589	\$ 682,180	\$ (279,409)
Investment earnings	296	296	109	(187)
Miscellaneous	-	-	6,186	6,186
Total revenues	961,885	961,885	688,475	(273,410)
<b>EXPENDITURES</b>				
Current				
Culture and recreation				
Parks and leisure services	-	-	4,678	(4,678)
Public safety				
Police	138,106	143,294	124,361	18,933
Fire	244,014	248,542	142,811	105,731
Emergency management	-	133,865	40,482	93,383
Public & development services				
Public services	-	-	5,059	(5,059)
Development services	615,919	1,113,427	299,512	813,915
Capital outlay	-	58,174	98,328	(40,154)
Total expenditures	998,039	1,697,302	715,231	982,071
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(36,154)	(735,417)	(26,756)	708,661
<b>OTHER FINANCING USES</b>				
Transfers in	36,451	36,451	36,452	1
Total other financing uses	36,451	36,451	36,452	1
<b>NET CHANGE IN FUND BALANCES</b>	297	(698,966)	9,696	708,662
<b>FUND BALANCES, beginning</b>	69,965	69,965	69,965	-
<b>FUND BALANCES, ending</b>	\$ 70,262	\$ (629,001)	\$ 79,661	\$ 708,662

CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE CRIME CONTROL AND PREVENTION DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	\$ 2,647,293	\$ 2,647,293	\$ 3,057,726	\$ 410,433
Investment earnings	2,029	2,029	9,265	7,236
Miscellaneous	-	-	123	123
Total revenues	<u>2,649,322</u>	<u>2,649,322</u>	<u>3,067,114</u>	<u>417,792</u>
<b>EXPENDITURES</b>				
Current				
General government				
Information technology services	154,496	154,496	121,321	33,175
Public safety				
Police	2,131,298	2,131,298	2,085,656	45,642
Public & development services				
Development services	210,738	210,738	202,018	8,720
Capital outlay	163,525	165,516	-	165,516
Total expenditures	<u>2,660,057</u>	<u>2,662,048</u>	<u>2,408,995</u>	<u>253,053</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(10,735)</u>	<u>(12,726)</u>	<u>658,119</u>	<u>670,845</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing uses	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(40,735)</u>	<u>(42,726)</u>	<u>628,119</u>	<u>670,845</u>
<b>FUND BALANCES, beginning</b>	<u>1,631,859</u>	<u>1,631,859</u>	<u>1,631,859</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 1,591,124</u>	<u>\$ 1,589,133</u>	<u>\$ 2,259,978</u>	<u>\$ 670,845</u>

CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE FIRE CONTROL, PREVENTION AND EMERGENCY MEDICAL SERVICES DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-16

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property and other taxes	\$ 2,647,293	\$ 2,647,293	\$ 3,058,056	\$ 410,763
Investment earnings	4,011	4,011	25,433	21,422
Total revenues	<u>2,651,304</u>	<u>2,651,304</u>	<u>3,083,489</u>	<u>432,185</u>
<b>EXPENDITURES</b>				
Current				
General government				
Information technology services	79,694	79,694	79,693	1
Public safety				
Fire	915,608	946,830	922,495	24,335
Emergency management	26,918	26,918	18,890	8,028
Capital outlay	20,900	-	-	-
Total expenditures	<u>1,043,120</u>	<u>1,053,442</u>	<u>1,021,078</u>	<u>32,364</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,608,184</u>	<u>1,597,862</u>	<u>2,062,411</u>	<u>464,549</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	<u>(2,007,550)</u>	<u>(2,153,728)</u>	<u>(2,153,728)</u>	<u>-</u>
Total other financing uses	<u>(2,007,550)</u>	<u>(2,153,728)</u>	<u>(2,153,728)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(399,366)</u>	<u>(555,866)</u>	<u>(91,317)</u>	<u>464,549</u>
<b>FUND BALANCES, beginning</b>	<u>3,127,688</u>	<u>3,127,688</u>	<u>3,127,688</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 2,728,322</u>	<u>\$ 2,571,822</u>	<u>\$ 3,036,371</u>	<u>\$ 464,549</u>



## **INTERNAL SERVICE FUNDS**

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

### **MAINTENANCE AND REPLACEMENT FUND**

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

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

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

### **HEALTH BENEFIT TRUST**

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

**CITY OF LEWISVILLE, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

**EXHIBIT D-1**

	<b>Maintenance and Replacement Fund</b>	<b>Self-Insurance Risk Fund</b>	<b>Health Benefit Trust Fund</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>				
Current assets				
Cash	\$ 1,444,101	\$ 1,491,033	\$ 1,027,408	\$ 3,962,542
Investments	3,529,273	3,582,877	2,036,784	9,148,934
Receivables (net of allowance for uncollectibles)				
Accounts	-	-	19,562	19,562
Interest receivable	4,781	5,898	3,017	13,696
Inventory of supplies, at cost	95,849	-	-	95,849
Prepaid items	647,092	125,725	33,361	806,178
Total current assets	<u>5,721,096</u>	<u>5,205,533</u>	<u>3,120,132</u>	<u>14,046,761</u>
Noncurrent assets				
Capital assets				
Other improvements	-	274,272	-	274,272
Machinery and equipment	5,303,657	635,926	-	5,939,583
Motor vehicles	21,825,127	-	-	21,825,127
Less accumulated depreciation	(21,991,182)	(708,413)	-	(22,699,595)
Total noncurrent assets	<u>5,137,602</u>	<u>201,785</u>	<u>-</u>	<u>5,339,387</u>
Total assets	<u>10,858,698</u>	<u>5,407,318</u>	<u>3,120,132</u>	<u>19,386,148</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	65,080	36,426	71,916	173,422
Incurred but not reported claim reserve	-	1,033,143	840,466	1,873,609
Accrued liabilities	16,316	-	3,597	19,913
Compensated absences	33,784	-	-	33,784
Total current liabilities	<u>115,180</u>	<u>1,069,569</u>	<u>915,979</u>	<u>2,100,728</u>
Noncurrent liabilities				
Compensated absences	28,050	-	-	28,050
Total noncurrent liabilities	<u>28,050</u>	<u>-</u>	<u>-</u>	<u>28,050</u>
Total liabilities	<u>143,230</u>	<u>1,069,569</u>	<u>915,979</u>	<u>2,128,778</u>
<b>NET POSITION</b>				
Net investment in capital assets	5,137,602	201,785	-	5,339,387
Unrestricted	5,577,866	4,135,964	2,204,153	11,917,983
Total net position	<u>\$ 10,715,468</u>	<u>\$ 4,337,749</u>	<u>\$ 2,204,153</u>	<u>\$ 17,257,370</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, 2015**

**EXHIBIT D-2**

	<b>Maintenance and Replacement Fund</b>	<b>Self-Insurance Risk Fund</b>	<b>Health Benefit Trust Fund</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 2,349,756	\$ 1,509,041	\$ 9,185,530	\$ 13,044,327
Miscellaneous	8,007	1,500	24,379	33,886
Total operating revenues	<u>2,357,763</u>	<u>1,510,541</u>	<u>9,209,909</u>	<u>13,078,213</u>
<b>OPERATING EXPENSES</b>				
Cost of sales and services, net of reimbursements	481,101	1,401,110	8,881,254	10,763,465
Personal services and administrative	380,792	140,707	392,847	914,346
Depreciation	1,843,853	44,826	-	1,888,679
Total operating expenses	<u>2,705,746</u>	<u>1,586,643</u>	<u>9,274,101</u>	<u>13,566,490</u>
Operating income (loss)	<u>(347,983)</u>	<u>(76,102)</u>	<u>(64,192)</u>	<u>(488,277)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	32,311	37,095	22,808	92,214
Gain on disposal of capital assets	24,590	-	-	24,590
Total nonoperating revenues (expenses)	<u>56,901</u>	<u>37,095</u>	<u>22,808</u>	<u>116,804</u>
Income (loss) before contributions and transfers	<u>(291,082)</u>	<u>(39,007)</u>	<u>(41,384)</u>	<u>(371,473)</u>
Transfers and capital contributions				
Transfers out	<u>-</u>	<u>(1,091,596)</u>	<u>-</u>	<u>(1,091,596)</u>
<b>CHANGE IN NET POSITION</b>	<u>(291,082)</u>	<u>(1,130,603)</u>	<u>(41,384)</u>	<u>(1,463,069)</u>
<b>NET POSITION, beginning</b>	11,006,550	5,468,352	2,245,537	18,720,439
<b>NET POSITION, ending</b>	<u>\$ 10,715,468</u>	<u>\$ 4,337,749</u>	<u>\$ 2,204,153</u>	<u>\$ 17,257,370</u>

**CITY OF LEWISVILLE, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT D-3**

	<b>Maintenance and Replacement Fund</b>	<b>Self- Insurance Risk Fund</b>	<b>Health Benefit Trust Fund</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from transactions with other funds	\$ 2,349,761	\$ 1,508,168	\$ 9,347,886	\$ 13,205,815
Cash paid to employees for services	(377,573)	-	-	(377,573)
Cash paid for goods and services	(748,470)	(928,729)	(372,149)	(2,049,348)
Cash paid for claims	-	(530,297)	(8,886,752)	(9,417,049)
Cash received for miscellaneous items	8,007	1,500	24,379	33,886
Net cash provided by (used in) operating activities	<u>1,231,725</u>	<u>50,642</u>	<u>113,364</u>	<u>1,395,731</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out to other funds	-	(1,091,596)	-	(1,091,596)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(1,091,596)</u>	<u>-</u>	<u>(1,091,596)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(2,189,672)	-	-	(2,189,672)
Proceeds from the sale of equipment	80,420	-	-	80,420
Net cash provided by (used in) capital and related financing activities	<u>(2,109,252)</u>	<u>-</u>	<u>-</u>	<u>(2,109,252)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(4,819,780)	(4,892,984)	(2,781,550)	(12,494,314)
Proceeds from sale and maturities of investments	5,423,985	5,609,942	2,686,991	13,720,918
Interest received	32,311	37,095	22,808	92,214
Net cash provided by (used in) investing activities	<u>636,516</u>	<u>754,053</u>	<u>(71,751)</u>	<u>1,318,818</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<u>(241,011)</u>	<u>(286,901)</u>	<u>41,613</u>	<u>(486,299)</u>
<b>CASH, beginning of year</b>	<u>1,685,112</u>	<u>1,777,934</u>	<u>985,795</u>	<u>4,448,841</u>
<b>CASH, end of year</b>	<u>\$ 1,444,101</u>	<u>\$ 1,491,033</u>	<u>\$ 1,027,408</u>	<u>\$ 3,962,542</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (347,983)	\$ (76,102)	\$ (64,192)	\$ (488,277)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	1,843,853	44,826	-	1,888,679
Change in assets and liabilities				
(Increase) decrease in accounts receivable	5	(874)	162,356	161,487
(Increase) decrease in inventory	14,651	-	-	14,651
(Increase) decrease in prepaid expenses	(274,043)	(104,094)	20,698	(357,439)
Increase (decrease) in accounts and claims payable	16,809	186,886	(9,095)	194,600
Increase (decrease) in accrued liabilities	(21,567)	-	3,597	(17,970)
Total adjustments	<u>1,579,708</u>	<u>126,744</u>	<u>177,556</u>	<u>1,884,008</u>
Net cash provided by (used in) operating activities	<u>\$ 1,231,725</u>	<u>\$ 50,642</u>	<u>\$ 113,364</u>	<u>\$ 1,395,731</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>				
Increase (decrease) in fair value of investments	8,011	9,105	2,386	19,502



DISCRETELY PRESENTED  
COMPONENT UNITS



## DISCRETELY PRESENTED COMPONENT UNITS

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### **LEWISVILLE HOUSING FINANCE CORPORATION**

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

### **LEWISVILLE INDUSTRIAL DEVELOPMENT AUTHORITY**

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

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

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

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

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

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

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

CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION  
 BALANCE SHEET  
 SEPTEMBER 30, 2015

EXHIBIT E-1

	<b>Lewisville Parks and Library Development Corporation</b>
<b>ASSETS</b>	
Cash	\$ 3,418,970
Investments	8,354,847
Receivables	1,213,295
Prepaid items	5,511
	<hr/>
<b>Total assets</b>	<b>\$ 12,992,623</b>
<b>LIABILITIES</b>	
Accounts and contracts payable	\$ 190,874
Accrued liabilities	31,254
Accrued interest payable	133,242
	<hr/>
<b>Total liabilities</b>	<b>355,370</b>
<b>FUND BALANCE</b>	
Non-spendable	5,511
Unassigned	12,631,742
	<hr/>
<b>Total fund balance</b>	<b>12,637,253</b>
	<hr/>
<b>Total liabilities and fund balance</b>	<b>\$ 12,992,623</b>
	<hr/> <hr/>

**CITY OF LEWISVILLE, TEXAS  
LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION  
RECONCILIATION OF FUND BALANCE TO NET POSITION  
SEPTEMBER 30, 2015**

**EXHIBIT E-2**

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Total fund balance - Lewisville Parks and Library Development Corporation	\$ 12,637,253
Amounts reported in the Statement of Net Position are different because:	
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(25,832,263)
Deferred inflows and outflows of resources associated with net pension liability are not reported on governmental funds. This amount is the net effect of the deferred inflows and outflows of resources.	<u>100,215</u>
<b>NET POSITION (DEFICIT) OF LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION</b>	<b><u><u>\$ (13,094,795)</u></u></b>

**CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT E-3**

	<b>Lewisville Parks and Library Development Corporation</b>
<b>REVENUES</b>	
Taxes	
General sales and use taxes	\$ 6,466,413
Charges for service	243,692
Interest	68,418
Other revenues	7,386
<b>Total revenues</b>	<u>6,785,909</u>
<b>EXPENDITURES</b>	
Current	
Culture and recreation	2,251,931
Debt service	
Principal	1,590,000
Interest and other fiscal charges	1,197,575
Capital outlay	662,778
<b>Total expenditures</b>	<u>5,702,284</u>
<b>Net changes in fund balance</b>	1,083,625
Fund balance, beginning of year	<u>11,553,628</u>
<b>Fund balance, end of year</b>	<u><u>\$ 12,637,253</u></u>

**CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT E-4**

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Net change in fund balances - Lewisville Parks and Library Development Corporation	\$ 1,083,625
Amounts reported for component units in the statement of activities are different because:	
The issuance of long term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond principal payments of \$1,590,000, plus \$1,450,896 premium less \$812,612 deferred loss on refunding move to primary government, and \$275,000 principal refunded is the net effect of these differences in the treatment of long term debt and related items.	2,503,284
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.	(34,722)
Current year changes in the long term liability for net pension benefit obligations do not require the use of current financial resources; therefore, are not reported as expenditures in the governmental funds. The amount represents the difference between current year pension expense (\$82,927) and contributions (\$90,866) made after the measurement date.	7,939
<b>CHANGE IN NET POSITION OF LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION</b>	<u><u>\$ 3,560,126</u></u>

CITY OF LEWISVILLE, TEXAS  
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)  
BALANCE SHEET  
SEPTEMBER 30, 2015

EXHIBIT E-5

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	<b>Tax Increment Reinvestment Zone 1 (Old Town)</b>
<b>ASSETS</b>	
Cash	\$ 411,506
Investments	1,005,688
Receivables	1,301
<b>Total assets</b>	<b>\$ 1,418,495</b>
<b>LIABILITIES</b>	
Accrued interest payable	\$ 38,840
<b>Total liabilities</b>	<b>38,840</b>
<b>FUND BALANCE</b>	
Restricted	1,379,655
<b>Total fund balance</b>	<b>1,379,655</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,418,495</b>

CITY OF LEWISVILLE, TEXAS  
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)  
RECONCILIATION OF FUND BALANCE TO NET POSITION  
SEPTEMBER 30, 2015

EXHIBIT E-6

---

Total fund balance - Tax Increment Reinvestment Zone 1 (Old Town)	\$ 1,379,655
Amounts reported in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	6,915,627
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>(6,615,000)</u>
<b>NET POSITION OF TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)</b>	<b><u>\$ 1,680,282</u></b>

CITY OF LEWISVILLE, TEXAS  
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT E-7

	<u>Tax Increment Reinvestment Zone 1 (Old Town)</u>
<b>REVENUES</b>	
Taxes	
Property taxes	\$ 707,742
Interest	8,876
<b>Total revenues</b>	<u>716,618</u>
<b>EXPENDITURES</b>	
Current	
Culture and recreation	418
Debt service	
Principal	245,000
Interest and other fiscal charges	322,366
Capital outlay	69,823
<b>Total expenditures</b>	<u>637,607</u>
<b>Net changes in fund balance</b>	79,011
Fund balance, beginning of year	<u>1,300,644</u>
<b>Fund balance, end of year</b>	<u>\$ 1,379,655</u>

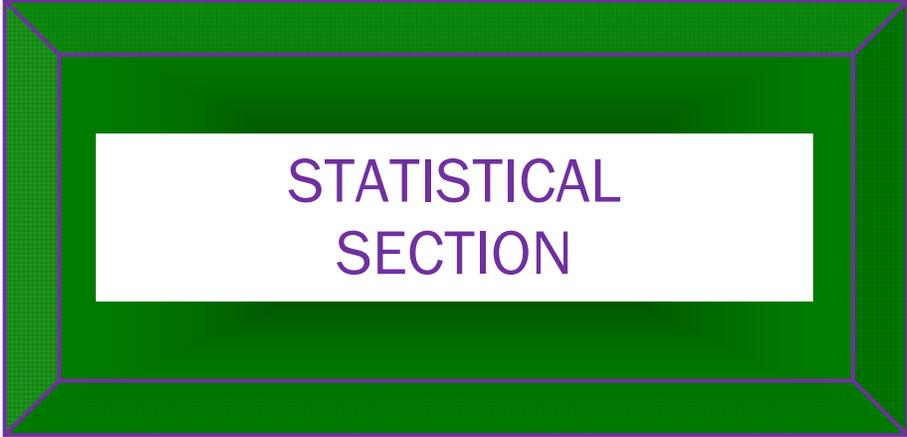
**CITY OF LEWISVILLE, TEXAS  
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT E-8**

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Net change in fund balances - Tax Increment Reinvestment Zone 1 (Old Town)	\$ 79,011
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 \$245,000 plus \$13,471 net premium moved to primary government, and \$510,000 principal refunded is the net effect of these differences in the treatment of long term debt and related items.	768,471
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Dispositions of capital assets decrease net assets. Capital outlay increased net position \$69,823 for the current fiscal year, less dispositions of \$18,801.	51,022
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.	(399,157)
<b>CHANGE IN NET POSITION OF TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)</b>	<u><u>\$ 499,347</u></u>





STATISTICAL  
SECTION



## STATISTICAL SECTION

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

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

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

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 239,332,939	\$ 256,515,336	\$ 287,096,412	\$ 308,190,669
Restricted	1,446,727	1,725,352	1,756,591	1,867,844
Unrestricted	46,779,350	44,731,063	50,443,168	49,358,449
Total governmental activities net position	<u>\$ 287,559,016</u>	<u>\$ 302,971,751</u>	<u>\$ 339,296,171</u>	<u>\$ 359,416,962</u>
Business-type activities				
Net investment in capital assets	\$ 137,038,948	\$ 145,843,454	\$ 159,684,492	\$ 166,895,435
Restricted	1,576,475	2,075,929	2,024,478	1,914,446
Unrestricted	37,687,853	36,677,712	38,090,009	35,940,547
Total business-type activities	<u>\$ 176,303,276</u>	<u>\$ 184,597,095</u>	<u>\$ 199,798,979</u>	<u>\$ 204,750,428</u>
Primary government				
Net investment in capital assets	\$ 376,371,887	\$ 402,358,790	\$ 446,780,904	\$ 475,086,104
Restricted	3,023,202	3,801,281	3,781,069	3,782,290
Unrestricted	84,467,203	81,408,775	88,533,177	85,298,996
Total primary government	<u>\$ 463,862,292</u>	<u>\$ 487,568,846</u>	<u>\$ 539,095,150</u>	<u>\$ 564,167,390</u>

**Source:** Comprehensive Annual Financial Reports

TABLE-1

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 311,014,889	\$ 305,260,721	\$ 298,329,672	\$ 314,990,028	\$ 265,767,485	\$ 290,955,249
1,324,264	1,016,096	1,012,020	10,755,866	63,693,205	55,416,109
48,721,698	47,005,244	59,368,657	33,848,899	49,679,277	29,709,258
<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>	<u>\$ 376,080,616</u>
\$ 172,162,748	\$ 181,476,154	\$ 181,437,600	\$ 186,611,050	\$ 193,138,892	\$ 203,627,543
2,147,527	1,939,786	1,975,308	1,688,303	1,805,958	6,277,950
33,568,393	28,480,396	35,270,129	35,383,205	34,648,469	26,912,182
<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>	<u>\$ 236,817,675</u>
\$ 483,177,637	\$ 486,736,875	\$ 479,767,272	\$ 501,601,078	\$ 458,906,377	\$ 494,582,792
3,471,791	2,955,882	2,987,328	12,444,169	65,499,163	61,694,059
82,290,091	75,485,640	94,638,786	69,232,104	84,327,746	56,621,440
<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>	<u>\$ 612,898,291</u>

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

	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Expenses</b>				
Governmental activities				
General government	\$ 13,392,249	\$ 9,848,489	\$ 10,697,346	\$ 10,746,552
Culture, parks and recreation	6,199,881	7,139,298	7,927,455	8,667,117
Public safety	28,182,352	30,491,917	33,721,041	35,349,800
Public & development services	13,667,907	18,569,013	19,409,072	20,313,784
Interest on long-term debt	2,202,454	2,257,685	3,581,167	2,673,325
Total governmental activities expenses	<u>63,644,843</u>	<u>68,306,402</u>	<u>75,336,081</u>	<u>77,750,578</u>
Business-type activities				
Water and sewer	19,556,158	19,676,760	20,378,432	20,822,278
Total business-type activities expenses	<u>19,556,158</u>	<u>19,676,760</u>	<u>20,378,432</u>	<u>20,822,278</u>
Total primary government expenses	<u>83,201,001</u>	<u>87,983,162</u>	<u>95,714,513</u>	<u>98,572,856</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	3,309,296	3,622,179	3,995,292	3,386,580
Culture, parks & recreation	1,612,039	1,537,244	1,794,574	1,741,591
Public safety	4,695,193	4,560,499	5,422,367	5,929,457
Public & development services	1,816,495	2,118,574	2,067,879	1,516,232
Operating grants and contributions	1,281,838	2,109,623	1,136,855	1,202,143
Capital grants and contributions	17,673,122	12,977,908	35,595,714	23,865,801
Total governmental activities program revenues	<u>30,387,983</u>	<u>26,926,027</u>	<u>50,012,681</u>	<u>37,641,804</u>
Business-type activities				
Charges for services				
Water and sewer	26,184,466	23,449,079	25,340,886	25,657,454
Capital grants and contributions	4,495,510	4,608,716	11,228,765	1,823,269
Total business-type activities program revenues	<u>30,679,976</u>	<u>28,057,795</u>	<u>36,569,651</u>	<u>27,480,723</u>
Total primary government program revenues	<u>61,067,959</u>	<u>54,983,822</u>	<u>86,582,332</u>	<u>65,122,527</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(33,256,860)	(41,380,375)	(25,323,400)	(40,108,774)
Business-type activities	11,123,818	8,381,035	16,191,219	6,658,445
Total primary government net expense	<u>\$ (22,133,042)</u>	<u>\$ (32,999,340)</u>	<u>\$ (9,132,181)</u>	<u>\$ (33,450,329)</u>

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

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$	10,760,138	\$ 10,997,464	\$ 11,987,014	\$ 13,005,019	\$ 14,937,012	\$ 14,889,822
	9,299,504	9,585,769	9,487,780	9,377,831	9,453,483	10,590,147
	37,628,477	38,558,345	39,275,855	40,983,264	42,102,487	43,314,229
	22,404,173	24,634,802	25,527,286	25,089,041	26,636,252	24,838,325
	2,753,817	2,603,426	2,666,807	2,602,891	3,929,397	4,630,523
	<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>	<u>98,263,046</u>
	21,521,566	23,055,596	22,170,962	22,238,910	23,374,088	23,966,776
	<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>	<u>23,966,776</u>
	<u>104,367,675</u>	<u>109,435,402</u>	<u>111,115,704</u>	<u>113,296,956</u>	<u>120,432,719</u>	<u>122,229,822</u>
	3,306,827	3,348,523	3,447,957	3,383,721	3,430,722	4,078,959
	1,696,101	1,631,629	1,615,228	1,558,232	1,602,387	1,511,452
	5,000,197	5,665,379	5,390,583	6,021,116	6,626,569	6,426,736
	1,656,995	1,947,382	1,512,075	2,161,083	2,164,718	2,719,160
	2,228,626	2,190,754	2,517,289	2,415,909	3,439,677	2,112,550
	11,183,861	3,579,450	15,090,545	4,745,018	23,980,160	17,073,948
	<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>	<u>33,922,805</u>
	26,146,670	28,072,610	28,375,842	27,797,951	27,164,770	26,928,510
	1,470,699	2,643,208	4,254,018	2,851,893	6,316,430	10,094,171
	<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>	<u>37,022,681</u>
	<u>52,689,976</u>	<u>49,078,935</u>	<u>62,203,537</u>	<u>50,934,923</u>	<u>74,725,433</u>	<u>70,945,486</u>
	(57,773,502)	(68,016,689)	(59,371,065)	(70,772,967)	(55,814,398)	(64,340,241)
	6,095,803	7,660,222	10,458,898	8,410,934	10,107,112	13,055,905
\$	<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>	<u>(51,284,336)</u>

(Continued)

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

	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>General Revenues and</b>				
<b>Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property taxes	\$ 25,125,486	\$ 26,257,705	\$ 27,936,176	\$ 29,580,192
Sales taxes	18,113,568	19,216,744	18,932,595	17,686,496
Other taxes	1,074,299	1,043,749	1,119,792	1,095,822
Franchise taxes	4,599,447	4,435,578	4,803,626	4,635,238
Hotel motel taxes	1,480,548	1,606,115	1,830,230	1,554,826
Penalties and interest	231,016	209,514	238,428	219,250
Intergovernmental	-	-	-	-
Investment earnings	2,350,326	3,614,454	3,287,167	2,051,754
Gain (loss) on disposal of assets	470	(2,424,552)	9,682	5,560
Miscellaneous	4,558,898	243,839	416,282	291,772
Transfers	2,965,612	2,943,135	3,073,842	3,108,655
Total governmental activities	<u>60,499,670</u>	<u>57,146,281</u>	<u>61,647,820</u>	<u>60,229,565</u>
Business-type activities				
Investment earnings	2,313,351	2,775,365	2,015,797	1,344,073
Intergovernmental contributions	-	-	-	-
Gain (loss) on disposal of assets	-	33,103	4,385	-
Miscellaneous	5,701	47,451	64,325	57,586
Transfers	(2,965,612)	(2,943,135)	(3,073,842)	(3,108,655)
Total business-type activities	<u>(646,560)</u>	<u>(87,216)</u>	<u>(989,335)</u>	<u>(1,706,996)</u>
Total primary government	<u>59,853,110</u>	<u>57,059,065</u>	<u>60,658,485</u>	<u>58,522,569</u>
<b>Change in Net Position</b>				
Governmental activities	27,242,810	15,765,906	36,324,420	20,120,791
Business-type activities	10,477,258	8,293,819	15,201,884	4,951,449
Total primary government	<u>\$ 37,720,068</u>	<u>\$ 24,059,725</u>	<u>\$ 51,526,304</u>	<u>\$ 25,072,240</u>

**Source:** Comprehensive Annual Financial Reports

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

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 28,898,185	\$ 27,774,848	\$ 28,739,963	\$ 29,579,363	\$ 31,441,081	\$ 33,283,968
18,605,874	18,677,965	22,666,950	27,451,139	29,361,613	31,362,273
1,046,346	1,038,923	1,011,328	1,200,502	1,180,980	463,773
5,055,711	5,272,499	5,436,197	5,814,797	6,222,722	7,079,783
1,551,355	1,862,191	1,960,910	2,065,363	2,196,565	2,423,662
186,231	146,689	228,746	154,905	153,196	177,235
-	-	-	624,125	-	-
526,984	459,600	365,045	210,934	371,766	828,823
13,118	3,075	8,525	3,477	4,750	103,233
272,693	1,077,579	396,641	817,291	1,240,197	1,034,439
3,260,894	3,924,530	3,985,048	3,735,515	3,814,737	3,743,920
<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>	<u>80,501,109</u>
211,973	269,639	286,958	120,530	173,481	372,587
-	-	-	-	-	-
-	-	-	-	-	-
81,358	12,337	25,893	203,572	19,195	11,673
<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>(3,743,920)</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>(3,359,660)</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>	<u>77,141,449</u>
1,643,889	(7,778,790)	5,428,288	884,444	20,173,209	16,160,868
3,128,240	4,017,668	6,786,701	4,999,521	6,485,051	9,696,245
<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>	<u>\$ 25,857,113</u>

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

	Fiscal Year			
	2006	2007	2008	2009
General fund				
Nonspendable	\$ 252,581	\$ 271,000	\$ 196,935	\$ 228,411
Assigned	209,551	222,778	156,790	121,575
Unassigned	26,212,925	26,272,130	31,175,630	31,658,380
Total general fund	<u>\$ 26,675,057</u>	<u>\$ 26,765,908</u>	<u>\$ 31,529,355</u>	<u>\$ 32,008,366</u>
All other governmental funds				
Nonspendable	\$ 3,774,672	\$ 3,736,550	\$ 3,489,874	\$ 3,244,870
Restricted	19,247,971	30,231,341	35,273,808	31,570,851
Committed	5,672,381	7,578,509	8,365,004	8,589,094
Assigned	7,289,482	11,025,342	12,433,089	7,827,143
Total all other governmental funds	<u>\$ 35,984,506</u>	<u>\$ 52,571,742</u>	<u>\$ 59,561,775</u>	<u>\$ 51,231,958</u>

**Source:** Comprehensive Annual Financial Reports

TABLE-3

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 201,588	\$ 230,316	\$ 234,127	\$ 381,982	\$ 427,988	\$ 211,453
136,854	100,680	222,738	538,290	927,749	942,033
<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>36,088,467</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>	<u>\$ 37,241,953</u>
\$ 3,245,372	\$ 2,758,852	\$ 2,518,104	\$ 2,265,652	\$ 4,036,362	\$ 1,776,221
26,443,792	22,563,101	31,447,210	43,011,859	54,997,056	45,884,953
7,687,555	7,705,016	6,812,474	7,065,074	5,783,255	3,356,630
<u>14,681,969</u>	<u>10,335,218</u>	<u>6,985,090</u>	<u>7,166,018</u>	<u>6,515,177</u>	<u>1,461,128</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>	<u>\$ 52,478,932</u>

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

	Fiscal Year			
	2006	2007	2008	2009
<b>Revenues</b>				
Property and other taxes	\$ 50,547,358	\$ 52,886,457	\$ 54,828,308	\$ 54,752,225
Licenses and permits	2,070,156	2,393,345	2,328,846	1,767,049
Charges for services	4,858,787	5,212,302	5,603,449	5,702,288
Recreation	1,426,331	1,385,188	1,591,676	1,536,596
Fines	2,826,234	2,680,535	2,916,566	2,950,843
Intergovernmental	1,126,321	1,855,255	1,990,833	1,237,322
Investment earnings	2,350,327	3,614,458	3,287,167	2,051,749
Contributions and donations	3,499,030	3,205,708	27,641,031	5,072,965
Miscellaneous	4,961,341	761,399	975,687	1,026,729
Total revenues	<u>73,665,885</u>	<u>73,994,647</u>	<u>101,163,563</u>	<u>76,097,766</u>
<b>Expenditures</b>				
General government	7,543,722	8,505,159	8,956,950	9,334,801
Culture, parks and recreation	6,058,682	6,118,753	6,640,069	6,458,408
Public safety	28,400,718	30,221,744	32,450,887	33,755,435
Public & development services	9,049,144	9,696,518	9,724,646	9,998,112
Capital outlay	16,527,094	14,848,067	36,317,662	24,862,380
Debit service:				
Principal	7,163,197	5,335,000	4,995,000	5,205,000
Interest and fiscal charges	2,674,752	2,294,160	3,494,604	2,869,614
Total expenditures	<u>77,417,309</u>	<u>77,019,401</u>	<u>102,579,818</u>	<u>92,483,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,751,424)</u>	<u>(3,024,754)</u>	<u>(1,416,255)</u>	<u>(16,385,984)</u>
<b>Other financing sources (uses)</b>				
Transfers in	7,780,970	16,364,425	12,103,060	7,478,048
Transfers out	(4,815,817)	(10,308,842)	(7,652,635)	(4,369,393)
Issuance of refunding bonds	-	5,070,000	8,715,000	5,430,000
Proceeds from general obligation bonds	6,805,000	13,655,000	-	-
Proceeds from certificates of obligation	-	-	-	-
Payments to refunding bond escrow agent	-	(5,398,353)	-	-
Premium (discount) on issuance of general obligation bonds	-	658,892	(5,372)	(9,037)
Proceeds from sale of assets	755,354	14,890	9,682	5,560
Contributions from other sources	-	-	-	-
Total other financing sources (uses)	<u>10,525,507</u>	<u>20,056,012</u>	<u>13,169,735</u>	<u>8,535,178</u>
Net change in fund balances	<u>\$ 6,774,083</u>	<u>\$ 17,031,258</u>	<u>\$ 11,753,480</u>	<u>\$ (7,850,806)</u>
Debt service as a percentage of noncapital expenditures	16.0%	12.3%	11.7%	11.9%

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

**Source:** Comprehensive Annual Financial Reports

TABLE-4

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 55,411,805	\$ 54,800,940	\$ 60,070,877	\$ 66,279,731	\$ 70,528,793	\$ 74,842,866	
1,894,107	2,210,218	1,741,153	2,375,771	2,344,395	2,928,356	
5,522,540	5,543,470	5,680,893	6,051,283	6,228,323	7,276,968	
1,502,618	1,432,238	1,448,853	1,380,911	1,392,858	1,350,039	
2,946,204	2,752,316	2,874,525	2,954,961	3,184,227	3,133,365	
2,316,342	1,497,777	1,481,591	1,672,221	1,314,512	6,458,088	
526,987	459,604	365,043	1,771,288	3,283,200	736,610	
4,018,465	1,922,304	10,100,624	1,434,519	22,204,576	860,304	
1,080,387	2,109,044	1,880,771	2,258,538	3,229,624	1,137,665	
<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>	<u>98,724,261</u>	
9,115,750	9,404,791	9,933,848	10,350,058	11,770,289	10,224,337	
6,207,016	6,300,265	6,318,868	6,288,988	6,486,894	7,561,819	
35,016,553	35,209,021	36,816,688	39,487,803	41,217,380	42,290,390	
9,492,466	9,591,553	9,687,620	10,596,633	11,113,045	11,365,485	
14,505,465	14,330,533	23,658,611	16,208,343	23,663,670	33,388,870	
5,695,000	6,590,000	6,325,000	5,410,000	7,130,000	7,425,000	
2,849,017	2,604,989	2,405,624	3,143,454	4,106,105	4,829,415	
<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>117,085,316</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>	<u>(18,361,055)</u>	
13,622,782	8,015,843	8,778,083	11,323,247	11,891,798	13,104,729	
(10,397,384)	(4,099,531)	(4,072,035)	(7,587,732)	(8,144,143)	(8,269,213)	
2,565,000	1,605,000	16,490,000	12,455,000	-	21,085,000	
(2,555,000)	(1,610,846)	9,260,000	-	-	-	
-	-	-	-	-	-	
-	-	(16,969,925)	-	-	(23,235,107)	
-	24,898	1,240,780	1,276,220	-	2,421,120	
13,118	3,075	8,525	3,477	4,750	-	
-	1,220,000	920,000	-	-	-	
<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>5,106,529</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>	<u>\$ (13,254,526)</u>	
12.1%	12.5%	11.4%	10.8%	12.9%	14.0%	

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

**TABLE-5**

<b>Fiscal Year</b>	<b>Estimated Market Value</b>		<b>Less: Tax-Exempt Property</b>	<b>Less: Property Under Freeze</b>	<b>Less: TIRZ Zones Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
	<b>Real Property</b>	<b>Personal Property &amp; Other</b>					
2006	5,111,584,596	988,050,320	635,339,154	109,383,097	50,036,866	5,304,875,799	0.456790
2007	5,303,672,869	1,017,510,806	677,304,019	131,762,437	65,376,309	5,446,740,910	0.456790
2008	6,040,730,857	1,129,555,348	774,550,122	150,432,444	88,496,443	6,156,807,196	0.440500
2009	6,446,207,177	1,191,217,048	839,703,836	164,430,210	107,112,885	6,526,177,294	0.440210
2010	6,375,044,714	1,255,326,502	1,007,324,631	178,908,241	79,708,452	6,364,429,892	0.440210
2011	6,149,759,302	1,187,121,672	988,851,847	190,869,769	78,909,810	6,078,249,548	0.440210
2012	6,314,259,228	1,355,266,675	1,121,735,174	205,892,126	70,665,418	6,271,233,185	0.440210
2013	6,484,331,621	1,469,479,781	1,187,401,591	209,556,944	85,932,250	6,470,920,617	0.440210
2014	6,742,100,070	1,649,766,503	1,193,916,347	229,099,134	94,339,896	6,874,511,196	0.440210
2015	7,329,750,382	1,768,965,589	1,296,887,842	269,159,098	149,276,548	7,383,392,483	0.436086

**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	
2006	0.321070	0.135720	0.456790	1.7700	0.24648	2.473270
2007	0.321840	0.134950	0.456790	1.6400	0.23192	2.328710
2008	0.321840	0.118660	0.440500	1.3700	0.23589	2.046390
2009	0.321560	0.118650	0.440210	1.3800	0.23577	2.055980
2010	0.321560	0.118650	0.440210	1.4087	0.24980	2.098710
2011	0.322890	0.117320	0.440210	1.4267	0.27390	2.140810
2012	0.322890	0.117320	0.440210	1.4260	0.27736	2.143567
2013	0.322890	0.117320	0.440210	1.4530	0.28287	2.176077
2014	0.322890	0.117320	0.440210	1.4770	0.28491	2.202124
2015	0.318766	0.117320	0.436086	1.4770	0.27220	2.185286

Source: City of Lewisville, Denton County Tax Assessor

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

TABLE-7

2015			2006		
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	\$ 98,000,000	1.33%	Verizon Southwest	\$ 67,725,510	1.28%
Alcatel-Lucent USA Inc	84,337,637	1.14%	Wal-Mart Real Estate Business Trust	59,284,250	1.12%
Sysco Food Services of Dallas LP	77,239,765	1.05%	Southwest Properties LP	59,259,339	1.12%
Columbia Medical Center Lewisville	67,500,000	0.91%	Teachers Insurance Annuity Association	50,146,020	0.95%
TIC Lago Vista LP etal	60,556,800	0.82%	Vista Ridge Joint Venture	48,564,346	0.92%
Teachers Insurance Annuity Assoc	50,692,349	0.69%	Texas-New Mexico Power Company	43,945,997	0.83%
Madera Roe Investors SPE LLC etal	48,450,000	0.66%	Vista Ridge OP&F Inc	37,349,941	0.70%
Cypress SPE LLC	47,576,950	0.64%	Columbia Medical Center Lewisville	36,194,459	0.68%
GTE Southwest Inc	45,230,990	0.61%	Sysco Food Services of Dallas LP	33,308,108	0.63%
Vista Ridge Joint Venture	<u>39,879,780</u>	<u>0.54%</u>	Kir Lewisville LP P/S	<u>33,126,258</u>	<u>0.62%</u>
<b>TOTAL</b>	<b>\$ <u>619,464,271</u></b>	<b><u>8.39%</u></b>	<b>TOTAL</b>	<b>\$ <u>468,904,228</u></b>	<b><u>8.84%</u></b>

Source: Denton Central Appraisal District

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

**TABLE-8**

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Fiscal Year Levy		Amount	Percentage of Adjusted Levy
2006	25,246,156	(26,631)	25,219,525	24,949,844	98.83%	228,390	25,178,234	99.84%
2007	26,677,093	29,813	26,706,906	26,470,497	99.23%	200,450	26,670,947	99.87%
2008	28,264,833	(28,499)	28,236,334	28,029,846	99.17%	173,858	28,203,704	99.88%
2009	29,966,864	(51,466)	29,915,398	29,762,422	99.32%	123,355	29,885,777	99.90%
2010	29,389,678	(75,146)	29,314,532	29,115,450	99.07%	173,968	29,289,418	99.91%
2011	28,228,960	53,573	28,282,533	28,084,210	99.49%	183,141	28,267,351	99.95%
2012	28,925,178	24,968	28,950,146	28,814,980	99.62%	115,637	28,930,617	99.93%
2013	29,949,696	(90,029)	29,859,667	29,838,761	99.63%	1,789	29,840,550	99.94%
2014	31,844,644	(59,974)	31,784,670	31,726,584	99.63%	20,496	31,747,080	99.88%
2015	33,934,554	-	33,934,554	33,814,067	99.64%	-	33,814,067	99.64%

**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			
	2006	2007	2008	2009
Construction	\$ 325,521,361	\$ 428,975,430	\$ 389,267,507	\$ 426,073,490
Manufacturing	891,564,228	829,222,026	891,125,270	751,857,471
Transportation, Warehousing	22,331,869	25,941,784	650,786,731	710,880,556
Wholesale Trade	492,483,851	546,277,231	623,518,433	745,420,584
Retail Trade	2,027,046,759	2,091,888,382	2,075,807,503	1,927,414,046
Finance, Insurance and Information	72,708,565	58,684,886	53,044,625	53,996,484
Real Estate, Rental and Leasing	39,287,358	55,201,502	49,024,728	34,973,325
Professional, Scientific and Technical Services	150,989,059	151,893,983	159,409,613	194,403,930
Admin, Support, Waste Mgmt, Remediation Services	292,811,541	158,959,087	166,466,814	163,933,681
Educational Services	3,510,020	7,222,172	6,159,101	5,983,619
Health Care and Social Assistance	5,586,377	5,232,521	9,610,245	6,350,766
Arts, Entertainment and Recreation	46,842,409	56,154,449	30,144,139	41,445,461
Accommodation and Food Services	199,071,846	203,938,455	207,232,660	209,960,645
Other Services	81,208,086	91,832,953	100,185,148	93,452,124
Other, including industries with less than four entities	79,133,007	55,438,461	62,016,500	56,823,976
Total	<u>\$ 4,730,096,336</u>	<u>\$ 4,766,863,322</u>	<u>\$ 5,473,799,017</u>	<u>\$ 5,422,970,158</u>
City direct sales tax rate	1.25%	1.25%	1.25%	1.25%

**Notes:**

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

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

TABLE-9

Calendar Year						
	2010	2011	2012	2013	2014	2015
\$	315,604,945	\$ 508,276,308	\$ 521,804,800	\$ 583,295,010	\$ 638,610,746	\$ 721,442,040
	753,995,737	761,594,169	876,625,971	914,284,411	1,060,349,818	984,708,724
	691,150,901	747,819,849	818,329,058	511,874,252	357,156,412	403,302,932
	801,433,783	998,636,961	1,041,654,476	975,236,076	1,005,749,248	1,049,885,511
	1,878,956,373	1,931,419,742	2,111,473,213	2,183,666,702	2,479,427,763	2,549,423,928
	57,425,359	70,840,042	69,075,343	66,652,294	82,460,855	92,862,599
	19,078,930	22,216,520	35,585,520	41,154,276	57,758,763	65,197,168
	211,806,495	275,395,584	288,679,219	412,722,141	321,552,179	229,837,409
	166,933,359	166,911,144	178,166,862	178,468,571	206,552,443	233,397,011
	7,033,934	6,969,123	7,194,735	6,649,409	4,957,465	5,913,426
	5,141,407	8,672,569	35,890,987	35,015,715	61,111,630	69,231,424
	25,715,214	26,861,732	30,244,591	34,052,488	39,959,914	41,368,183
	209,744,109	215,936,485	242,533,721	258,035,281	256,135,797	266,726,875
	126,406,332	130,789,356	195,709,795	149,266,942	181,844,589	144,140,302
	<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>57,717,235</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>	<u>\$ 6,915,154,767</u>
	1.25%	1.25%	1.50%	1.50%	1.50%	1.50%



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

**TABLE-10**

Fiscal Year	City Direct Rates				Overlapping Rates	Total Direct & Overlapping Rates
	General Fund	Parks and Library Development Corporation	Crime Control and Prevention District	Fire Control, Prevention, and Emergency Medical Services District	Denton Co. Transit Authority	
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%
2015	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%

**Source:** Texas Comptroller of Public Accounts

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

**Calendar Year 2015**

Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
OTHER	756	7.60%	\$ 2,701,838	8.34%
Discount Department Stores	9	0.09%	1,687,736	5.21%
Full-Service Restaurants	154	1.55%	1,487,290	4.59%
Wireless Telecommunications carriers (except satellite)	64	0.64%	1,050,653	3.24%
Department Stores (except Discount Department Stores)	14	0.14%	1,015,839	3.13%
Limited-Service Restaurants	116	1.17%	951,092	2.93%
Electric Power Distribution	45	0.45%	749,417	2.31%
Wood, Window, and Door Manufacturers	7	0.07%	722,718	2.23%
Computer and Software Stores	123	1.24%	713,078	2.20%
Miscellaneous Retail Stores, Not Elsewhere Classified	126	1.27%	588,016	1.81%
Total	1,414	14.22%	\$ 11,667,677	35.99%

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

**Source:** Texas Comptroller of Public Accounts

TABLE-11

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**Calendar Year 2006**

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Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
OTHER	832	9.72%	\$ 3,680,679	15.88%
Department Stores (except Discount Department Stores)	137	1.60%	1,236,643	5.34%
Full-Service Restaurants	9	0.11%	1,132,584	4.89%
Home Centers	6	0.07%	869,642	3.75%
Hydroelectric Power Generation	4	0.05%	840,653	3.63%
Household Appliance Stores	78	0.91%	602,526	2.60%
Limited-Service Restaurants	349	4.08%	591,230	2.55%
Discount Department Stores	4	0.05%	574,071	2.48%
Miscellaneous Retail Stores, Not Elsewhere Classified	31	0.36%	562,188	2.43%
Cellular and Other Wireless Telecommunications	55	0.64%	519,198	2.24%
<b>Total</b>	<b>1,505</b>	<b>17.59%</b>	<b>\$ 10,609,414</b>	<b>45.79%</b>

**CITY OF LEWISVILLE, TEXAS  
 COMBINED SCHEDULE OF BONDS  
 SEPTEMBER 30, 2015  
 (Unaudited)**

Issue	Interest		Date		Annual Serial	
	Rates	Payment Dates	Issued	Maturity	Payments	
<b>General Obligation Bonds-</b>						
Series 2006	4.25 - 4.25	02/15 & 08/15	05/15/06	02/15/2016	450,000 -	450,000
Series 2007 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	05/15/07	02/15/2023	260,000 -	2,235,000
Series 2008	4.00 - 4.38	02/15 & 08/15	05/15/08	02/15/2024	600,000 -	830,000
Series 2009	3.25 - 4.25	02/15 & 08/15	06/01/09	02/15/2025	285,000 -	405,000
Series 2010 Refunding	2.67 - 2.67	02/15 & 08/15	03/01/10	02/15/2019	600,000 -	640,000
Series 2012 Refunding & Improvement	3.00 - 4.00	02/15 & 08/15	05/15/12	02/15/2028	890,000 -	2,685,000
Series 2013	1.50 - 5.00	02/15 & 08/15	05/15/13	02/15/2029	680,000 -	1,055,000
Series 2015 Refunding	2.00 - 5.00	02/15 & 08/15	07/15/15	02/15/2032	595,000 -	2,565,000
Total General Obligation Bonds						
<b>Certificates of Obligation-</b>						
Series 2007A	4.00 - 5.00	02/15 & 08/15	05/15/07	02/15/2032	115,000 -	745,000
Series 2007B	4.00 - 4.50	02/15 & 08/15	05/15/07	02/15/2020	295,000 -	485,000
Total Certificates of Obligation						
<b>Revenue Bonds-</b>						
Series 2006	4.13 - 4.13	02/15 & 08/15	05/15/06	02/15/2016	260,000 -	260,000
Series 2008	3.88 - 4.25	02/15 & 08/15	05/15/08	02/15/2024	560,000 -	775,000
Series 2009	3.25 - 4.30	02/15 & 08/15	06/01/09	02/15/2025	685,000 -	975,000
Series 2011 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	04/01/11	02/15/2027	565,000 -	1,220,000
Series 2012 Refunding & Improvement	2.25 - 4.00	02/15 & 08/15	05/15/12	02/15/2028	245,000 -	595,000
Series 2013	1.50 - 5.00	02/15 & 08/15	05/15/13	02/15/2029	275,000 -	430,000
Series 2015 Refunding & Improvement	2.00 - 5.00	02/15 & 08/15	07/15/15	02/15/2031	465,000 -	1,250,000
Total Revenue Bonds						
Total Bonds Payable						

CC = Currently Callable

TABLE 12

<b>Bonds</b>			<b>Requirements Fiscal Year Ended September 30, 2015</b>		<b>Option Date</b>
<b>Issued</b>	<b>Retired/ Defeased</b>	<b>Outstanding</b>	<b>Principal</b>	<b>Interest</b>	
6,805,000	6,355,000	450,000	450,000	9,563	02/15/16
18,725,000	10,650,000	8,075,000	2,130,000	324,800	02/15/17
8,715,000	2,355,000	6,360,000	600,000	253,106	02/15/18
5,430,000	2,020,000	3,410,000	285,000	128,094	02/15/19
9,600,000	7,125,000	2,475,000	600,000	58,073	CC
25,750,000	1,550,000	24,200,000	1,760,000	904,350	02/15/22
12,455,000	915,000	11,540,000	680,000	401,487	02/15/23
21,085,000	-	21,085,000	2,565,000	815,845	02/15/25
<b>108,565,000</b>	<b>30,970,000</b>	<b>77,595,000</b>	<b>9,070,000</b>	<b>2,895,318</b>	
18,180,000	12,105,000	6,075,000	580,000	251,084	2/15/17
8,040,000	6,120,000	1,920,000	295,000	74,552	2/15/17
<b>26,220,000</b>	<b>18,225,000</b>	<b>7,995,000</b>	<b>875,000</b>	<b>325,636</b>	
4,000,000	3,740,000	260,000	260,000	5,362	02/15/16
10,300,000	4,355,000	5,945,000	560,000	232,244	02/15/18
11,900,000	3,735,000	8,165,000	685,000	310,873	02/15/19
13,465,000	4,095,000	9,370,000	1,120,000	327,525	02/15/21
5,925,000	1,210,000	4,715,000	535,000	143,506	02/15/22
5,205,000	520,000	4,685,000	280,000	159,413	02/15/23
11,750,000	-	11,750,000	1,250,000	408,538	02/15/25
<b>62,545,000</b>	<b>17,655,000</b>	<b>44,890,000</b>	<b>4,690,000</b>	<b>1,587,461</b>	
<b>\$ 197,330,000</b>	<b>\$ 66,850,000</b>	<b>\$ 130,480,000</b>	<b>\$ 14,635,000</b>	<b>\$ 4,808,415</b>	

**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			
2006	51,471,218	20,122,895	48,846,379	-	120,440,492	4.94%	1,352
2007	60,086,592	45,513,142	42,133,609	-	147,733,343	5.49%	1,614
2008	63,770,023	44,296,198	45,906,451	-	153,972,672	6.16%	1,658
2009	63,958,455	43,034,254	52,852,766	-	159,845,475	6.29%	1,699
2010	58,227,393	41,732,309	40,596,613	7,035,000	147,591,315	5.25%	1,549
2011	52,845,105	40,360,365	46,249,321	5,815,000	145,269,791	5.16%	1,523
2012	70,577,819	25,725,082	45,915,440	4,895,000	147,113,341	5.90%	1,532
2013	78,695,921	24,103,025	47,151,230	3,955,000	153,905,176	5.94%	1,573
2014	73,022,811	22,377,308	42,679,682	3,215,000	141,294,801	5.34%	1,437
2015	79,949,274	8,043,430	46,543,513	2,475,000	137,011,217	4.97%	1,377

**Notes:** Details regarding the City's outstanding debt can be found in the notes to the financial statements and on Table 12.  
\*See Table 17 for personal income and population data.

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

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				
2006	51,471,218	20,122,895	71,594,113	1,654,816	69,939,297	1.32%	785
2007	60,086,592	45,513,142	105,599,734	2,065,205	103,534,529	1.90%	1,131
2008	63,770,023	44,296,198	108,066,221	2,063,119	106,003,102	1.72%	1,142
2009	63,958,455	43,034,254	106,992,709	2,157,818	104,834,891	1.61%	1,114
2010	58,227,393	41,732,309	99,959,702	1,575,726	98,383,976	1.55%	1,032
2011	52,845,105	40,360,365	93,205,470	1,270,236	91,935,234	1.51%	964
2012	70,577,819	25,725,082	96,302,901	1,456,703	94,846,198	1.51%	988
2013	78,695,921	24,103,025	102,798,946	1,622,886	101,176,060	1.56%	1,034
2014	73,022,811	22,377,308	95,400,119	2,101,836	93,298,283	1.36%	949
2015	79,949,274	8,043,430	87,992,704	2,456,516	85,536,188	1.16%	860

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

**CITY OF LEWISVILLE, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of September 30, 2015**  
**(Unaudited)**

**TABLE-15**

<b>Government Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Lewisville Independent School District	\$ 1,177,472,053	28.72%	\$ 338,169,974
Coppell Independent School District	212,350,850	0.95%	2,017,333
Denton County	634,275,000	11.73%	74,400,458
Dallas County	84,725,000	0.03%	25,418
Dallas County Community College District	321,510,000	0.03%	96,453
Dallas County Hospital District	728,005,000	0.03%	218,402
Dallas County Schools	60,215,000	0.04%	24,086
Denton County Levee Improvement District #1	9,035,000	68.46%	6,185,361
Subtotal, overlapping debt			421,137,485
<b>City of Lewisville (direct debt)</b>	87,992,704	100.00%	87,992,704
<b>Total direct and overlapping debt</b>			<b>\$ 509,130,189</b>

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

**Notes:**

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

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

**TABLE-16**

<u>Fiscal Year</u>	<u>Waterworks and Sewer System Revenue Bonds</u>						
	<u>Total Revenues</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Average Annual Requirement</u>	<u>Times Coverage</u>	<u>Maximum P &amp; I Requirement</u>	<u>Times Coverage</u>
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
2015	30,280,813	16,556,111	13,724,702	3,435,226	3.995	6,277,461	2.186

**Source:** Comprehensive Annual Financial Reports

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

**TABLE-17**

<b>Year</b>	<b>Estimated Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
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	2,591,822	26,485	32.2	17,619	4.9%
2014	98,330	2,648,224	26,932	32.1	18,065	4.1%
2015	99,480	2,755,497	27,699	32.9	16,299	3.1%

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

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

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

Unemployment rates provided on the Texas Workforce Commission website, annual rate, current year estimated as of September.

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

**TABLE-18**

<b>2015</b>			<b>2006</b>		
<b>Employer</b>	<b>Employees</b>	<b>Percentage of Total City Employment</b>	<b>Employer</b>	<b>Employees</b>	<b>Percentage of Total City Employment</b>
JP Morgan Chase	2,158	3.61%	Vista Ridge Mall	2,000	3.51%
Lewisville Independent School District (Lewisville employment only)	2,104	3.52%	Lewisville Independent School District (Lewisville employment only)	1,803	3.17%
Vista Ridge Mall (all outlets)	1,950	3.27%	Centex Home Equity	1,253	2.20%
Xerox Corporation	850	1.42%	Wal-Mart	1,013	1.78%
Wal-Mart (all City locations)	850	1.42%	EMC Mortgage Company	950	1.67%
City of Lewisville	758	1.27%	Lewisville Medical Center	836	1.47%
Medical Center of Lewisville	756	1.27%	U.S. Home Systems	800	1.41%
SYSCO	560	0.94%	City of Lewisville	657	1.15%
Orthofix	450	0.75%	SYSCO Foods	632	1.11%
Med-Fusion	450	0.75%	Xerox Corporation	522	0.92%
<b>Total</b>	<b>10,886</b>	<b>18.22%</b>	<b>Total</b>	<b>10,466</b>	<b>18.39%</b>

**Source:**

City of Lewisville Economic Development Department  
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**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General government and administration and legal	62.0	64.0	67.0	68.0	67.0	68.0	68.0	68.0	70.0	72.0
Public safety	338.0	341.0	350.0	349.0	348.0	349.0	359.0	384.0	386.0	388.0
Public services	124.0	123.0	124.0	126.0	123.0	123.0	123.0	123.0	124.0	128.0
Community development	62.0	63.0	63.0	66.0	64.0	65.0	68.0	69.0	70.0	71.0
Parks and leisure	71.0	71.0	72.0	72.0	78.0	81.0	81.0	81.0	83.0	83.0
<b>Total</b>	<b>657.0</b>	<b>662.0</b>	<b>676.0</b>	<b>681.0</b>	<b>680.0</b>	<b>686.0</b>	<b>699.0</b>	<b>725.0</b>	<b>733.0</b>	<b>742.0</b>

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



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

	Fiscal Year			
	2006	2007	2008	2009
<b>General government</b>				
Public Records				
Number of telephone information requests	17,879	12,953	12,074	13,868
Birth and death certificates issued	6,141	6,896	6,455	6,336
<b>Culture, parks &amp; recreation</b>				
Parks and Leisure				
Number registered for recreation programs	2,749	3,752	4,412	4,336
Public swim admissions	63,915	59,422	51,322	48,028
Library visits	291,141	398,160	398,568	383,836
Library volumes circulated	447,449	719,620	766,182	815,191
Lake Park day use area attendance	160,113	119,781	193,690	191,721
<b>Public safety</b>				
Police				
Calls for service	63,813	61,949	66,358	74,658
Part 1 crimes	3,610	3,238	3,577	4,039
Number of accidents	2,863	2,695	2,482	2,458
Fire				
Number of fire incidents	3,258	3,098	3,007	3,246
Number of EMS incidents	5,373	5,557	5,771	6,088
<b>Public services</b>				
Public Services				
Concrete paving repair (cubic yards)	2,315	9,226	10,895	4,785
Concrete utility cut repair (cubic yards)	709	457	415	393
Asphalt pothole repair (tons)	83	100	54	38
Community Development				
Building permits issued	948	766	698	552
Municipal Water System				
Number of customers (meters)	20,560	20,781	21,233	21,987
Average daily water consumption (MGD)	16.04	13.35	14.71	14.75
System capacity (MGD)	38	38	38	38.4
Number of water main breaks	212	106	120	113
Sewer System				
System treatment capacity (MGD)	15	15	15	15
Sanitation (residential)				
Residential refuse collected (tons)	27,691	28,765	27,528	27,732
Commercial refuse collected (tons)	104,929	108,242	107,798	106,084

**Source:** City Departments

**Notes:**

For 2007, Lake Park attendance was down due to park being closed two summer months due to flooding.

For 2015, Lake Park attendance was down due to the park being closed from May 11 through August 14 due to flooding.

The Library was expanded during the 2006 and 2007 fiscal years.

TABLE-20

Fiscal Year					
2010	2011	2012	2013	2014	2015
13,138	12,169	9,627	8,007	8,132	7,141
4,691	3,540	2,917	2,569	2,578	2,058
5,277	7,459	6,591	7,070	6,708	8,897
43,888	42,021	39,304	57,122	35,554	40,183
451,015	424,079	403,308	377,915	329,718	329,435
774,629	692,066	686,804	637,083	599,405	603,100
131,667	127,382	137,507	140,626	136,582	61,640
66,751	61,514	63,014	58,675	59,226	61,261
4,038	3,448	3,272	2,903	2,775	3,170
2,409	2,318	2,490	2,457	2,405	2,736
3,107	3,395	3,083	3,206	3,598	3,485
6,069	6,529	6,855	6,622	6,861	7,644
4,820	7,379	8,157	6,780	4,939	9,076
221	306	300	284	119	239
78	39	88	209	273	377
509	439	379	520	392	523
21,912	21,342	21,427	21,662	21,797	22,192
14.44	16.84	16.06	15.11	13.04	13.05
38.4	38.4	53.4	53.4	53.4	53.4
75	96	99	105	56	63
15	15	15	15	15	15
27,179	25,302	25,418	26,119	26,153	23,495
109,773	104,528	76,119	73,589	70,306	71,375

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

**TABLE-21**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Culture, parks &amp; recreation</b>										
Parks and leisure										
Number of parks	32	32	32	33	33	33	33	33	33	35
Parks (acres)	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	3,258
Swimming pools	2	2	2	2	2	2	2	2	2	2
Lighted athletic fields	23	23	23	37	37	37	37	37	37	37
Lighted tennis courts	4	4	4	4	4	4	4	4	4	4
Recreation centers	2	2	2	2	2	2	2	2	2	2
Senior citizens center	1	1	1	1	1	1	1	1	1	1
<b>Public safety</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	85	95	94	96	94	95	93	96	98	98
Fire stations	6	6	6	7	7	7	7	7	7	7
<b>Public services</b>										
Public services										
Streets -paved (miles)	573	573	571	571	573	573	573	650	650	641
Alleys - paved (miles)	85	85	85	85	85	85	85	97	97	97
Number of street lights	2,600	2,600	2,600	2,773	2,983	2,911	2,894	2,898	3,218	3,480
Water and sewer										
Water mains (miles)	385	387	390	393	397	381	377	381	387	384
Fire hydrants	2,295	2,376	3,096	3,188	3,261	3,110	3,015	3,079	3,164	3,195
Sanitary sewer (miles)	305	307	310	312	315	318	303	312	313	315

**Source:** City Departments

**Notes:**

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.

In 2009, Toyota of Lewisville Railroad Park added.

In 2015, the LLELA (Lewisville Lake Environmental Learning Area) and the park at Valley Parkway @ Corporate Drive were added.