

# Comprehensive Annual Financial Report

for the fiscal year ended September 30, 2009



City of Lewisville, Texas

**CITY OF LEWISVILLE, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
*for the fiscal year ended September 30, 2009*



Prepared by the  
**FINANCE DEPARTMENT**



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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CITY OF LEWISVILLE, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

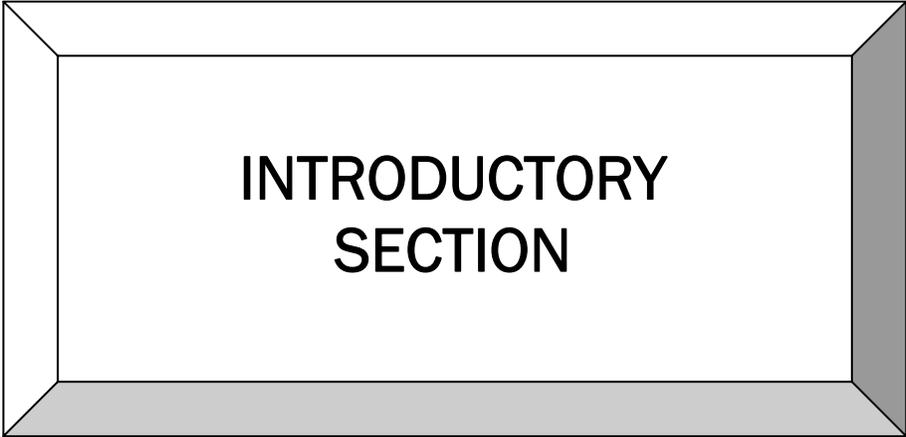
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**INTRODUCTORY  
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# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.



March 15, 2010

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, 2009, 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, 2009, is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

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

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

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

In addition, the City of Lewisville has organizations called component units. Component units are legally separate organizations for which the elected officials of the City of Lewisville are financially accountable. At September 30, 2009, 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

## **ECONOMIC CONDITIONS AND OUTLOOK**

The City of Lewisville continues to experience positive annual population growth. Since 2000, Lewisville's population has increased 22.5% from 77,737 to an estimated 95,250 in 2009. Estimates are for residential population to be approximately 111,000 at the time of build-out around 2030. With Lewisville's continued pro-business policies, the City maintains its economic prosperity. Highlights include:

- Lewisville's ConVergence Office Campus, a former Texas Instruments facility, occupies over 185 acres in southwest Lewisville and is in the process of being comprehensively redeveloped. ConVergence is owned by Brookfield Properties Company, who has made significant investment in master planning the 841,000 square feet of existing space and 100 acres of greenfield to maximize development potential. The most recent addition to ConVergence, Fidelity Investments, opened their office in fall 2007 and employs approximately 1,200. Other companies occupying ConVergence are Overhead Door Corporation, GMAC Corp, JP Morgan Chase, Cyrus One (recently doubled occupancy), Archon, and Texas Instruments.
- The Vista Ridge Business Park located near the interchange of Interstate 35E and State Highway 121 Tollway (recently renamed Sam Rayburn Tollway), is home to a number of new high-quality office developments. Lakeside Office 1, a new 98,000 square foot speculative office building recently constructed by Myers & Crow in the Vista Ridge Business Park, is currently leasing. The first major tenant in the building is TIAA-CREF, a financial services provider for teachers. This call center occupies over 52,000 square feet with 350 employees. Twelve additional tenants occupy this building, which currently is over 95% occupied. Another quality office property recently developed by Myers & Crow, Lake Vista Seven, is a new 240,000 square foot office building. The recently completed Lake Vista Pointe was leased to Semperian Financial Services, the financial services arm of GMAC, who leased 122,000 square feet of office space in the building developed by Holt Lunsford Commercial. This corporate location brings 888 jobs and \$11 million in investment to Lewisville.
- Austin Ranch is another business park in east Lewisville, and is home to the corporate headquarters of Sysco Foods, The Apparel Group, Hillman Fasteners, and Austin Ranch Distribution Center. Most recently, Orthofix Inc., a medical device manufacturer has announced plans for a 140,000 square foot office and lab facility.
- 121 Lakepointe Crossing is an emerging business park located along State Highway 121 in East Lewisville. The office park is 365 acres and is master planned for office and industrial development as well multi-family and townhouse uses. The primary developer, Opus West, has built over 600,000 square feet of space and is currently expanding the development to over 900,000 square feet. Alcatel-Lucent, a telecommunication provider employing 30 at the Lewisville location, currently occupies 485,000 square feet with plans for expansion. Other tenants include Southwest Carpets, Mustang Electric Supply, and Decorator's Choice.
- Majestic Airport Center is a new office/industrial development that is currently under construction in southwest Lewisville. When complete, this development will have seven buildings totaling 2.8 million square feet. Cabin Innovations, LLC is a hometown success story for Lewisville. The 52 employee company more than doubled its square footage recently by leasing 40,000 square feet of space in Majestic Airport Center. The fast growing airport interior manufacturer has outgrown the 18,000 square feet it previously occupied in Lewisville. Negotiations are underway at the development.

- Vinson Process Controls, an Oil & Gas valve regulator distributor, is under construction with a 60,065 square foot corporate headquarters facility in Lewisville’s Highpoint Oaks Business Park. This project brings 78 jobs to Lewisville with an average salary of over \$88,000.
- Renova Rehabilitation Hospital is a 54,000 square foot, 40 bed boutique rehabilitation facility that recently announced its plans to locate in Lewisville, bringing over \$10 million in investment and 107 jobs. The average worker salary is over \$54,000.
- The City of Lewisville continues to revitalize Old Town Lewisville.
  - The City observed the fifth anniversary of the Old Town City Hall in October 2008.
  - Pulte Homes has completed construction of Main Street Village, a townhouse community totaling 141 units. All units have been sold.
  - The City of Lewisville has allocated 28 façade and retail improvement grants to establishments in the Old Town area totaling approximately \$369,400.
  - Blaylock Development is currently developing Lynn Square, an eight building development totaling more than 27,000 square feet of medical office space, one block from the Medical Center of Lewisville.
  - Construction began in 2008 on the City of Lewisville Arts and Activities Center with completion scheduled in winter 2010. The 38,000 square foot arts center will feature a 300 seat theater, gallery space, a rehearsal hall, classrooms and a courtyard.

## MAJOR INITIATIVES

**Old Town Tax Increment Reinvestment Zone**—This zone was created in December 2001, with participation between the City and Denton County. Tax increment revenues from the Zone will be used to finance infrastructure improvements to stimulate revitalization of Old Town. Projects to date include parking improvements, wayfinding, infrastructure needs studies, sidewalk enhancements, beautification projects and the facade improvement grant program mentioned above. Future development includes construction of the aforementioned arts activity center and related improvements and parking development. The Zone will expire in 2028.

**Tax Increment Reinvestment Zone Number 2**—This zone was created in October 2008, with participation between the City and Denton County. Tax increment revenues from the Zone will be used to finance infrastructure improvements for a 427 acre mixed-use development. The development, also known as Hebron 121 Station, is at the northeast corner of IH35E and SH 121 Tollway. The project will consist of urban residential, retail, recreation, and entertainment uses. Grading is underway with development situated around the Denton County Transit Authority (DCTA) A-Train Station. The Zone will expire in 2038.

**Metropolitan Transit System**—DCTA was formed in 2001 under the authority of the Denton County Commissioners Court and was approved by the voters in November 2002. Lewisville was one of three cities in which voters approved funding the DCTA through a half-cent sales tax in September of 2003. The DCTA has worked to identify a commuter rail route from Carrollton, where it will meet with another transit system, Dallas Area Rapid Transit (DART) and connect Denton County residents to the rest of the Metroplex. The Lewisville City Council has adopted a resolution authorizing three rail stations within the City—the intersection of Garden Ridge Blvd. and IH-35E, the intersection of Main and Railroad Streets and at Lakeside Circle. Construction has started on the south end of the project in Carrollton and Lewisville. This first section of the rail line is expected to be operational in late 2010 or early 2011.

**Other Major Roadway Projects**—IH-35E is scheduled to be widened to 10-14 lanes between SH-121 and the City of Corinth. This project may be funded in part through tolls collected on the recently completed SH-121. Construction is scheduled to begin in 2012 with completion anticipated to take five years.

**Railroad Street Athletic Complex**—Construction began in 2006 on the largest capital project in the City's history, a \$28.8M park and athletic complex that includes three lakes, hike and bike trails, ten soccer fields, four baseball fields, four youth football fields, a dog park, a skate park, vehicular parking, concession and restroom facilities. Designed with a railroad theme, the 287-acre park includes these developed areas as well as many acres remaining in its natural state. Railroad Park opened in the fall of 2009.

## **FINANCIAL INFORMATION**

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

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

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

The budgetary process begins each year with the preparation of both current and proposed year revenue and expenditure estimates by the City's financial management staff with input from each

City department. Budgets are reviewed by the City Manager who then makes final decisions and submits a recommended budget to the City Council. The proposed budget is reviewed extensively by the City Council, a process that includes a Charter-mandated public hearing, in addition to a work session, which is open to the public. The City Charter requires adoption of the City budget prior to the beginning of the fiscal year.

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

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

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

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

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

The allocation of the property tax levy by purpose (General Fund operations and Debt Service) for fiscal year 2009-10 and the preceding five fiscal years is reflected in the following table:

<u>Purpose</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
General Fund	0.32156	0.32156	0.32184	0.32184	0.32107	0.31641
Debt Service Fund	<u>0.11865</u>	<u>0.11865</u>	<u>0.11866</u>	<u>0.13495</u>	<u>0.13572</u>	<u>0.13409</u>
Total Tax Rate	<u>0.44021</u>	<u>0.44021</u>	<u>0.44050</u>	<u>0.45679</u>	<u>0.45679</u>	<u>0.45050</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 2008-09, the City’s payments to the districts for appraisal services were \$253,741, an decrease of \$1,550, or 0.6%, from the amount paid by the City in 2007-08. Beginning in October 1997, the City contracted with Denton County for tax collection services. The 2008-09 cost was \$21,482.

**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. A five-year Parks and Library Development Corporation financial plan is also created to properly structure priorities and foresee increases in operating costs connected with the operation and maintenance of new facilities or programs.

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

Outstanding General Obligation Debt at 9-30-09 (Net of Debt Service)	\$61,302,182
Estimated Population	95,250
G. O. Debt per Capita	\$644
Net G. O. Debt per Assessed Value	.94%

The City's underlying bond ratings at September 30, 2009 were as follows:

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

**Cash Management**—According to the City of Lewisville's Investment Policy, the Investment Committee has three main objectives in managing the portfolio: safety, liquidity, and yield.

*Safety*

Safety is insured in several ways: investing only in securities allowed by state statute and the City's investment policy; using delivery versus payment for all security transactions; requiring all cash in the bank be collateralized with government securities pledged to the City and safe kept at a third party institution; and diversifying investment purchases to minimize individual security market risk. In addition, the City uses an approved list of security brokers when making investment transactions.

*Liquidity*

Liquidity is the second objective of the Investment Committee's management of the portfolio. To ensure sufficient funds to meet scheduled obligations, investment maturities are matched to projected expenditures. In addition, a portion of the portfolio is invested in liquid assets, such as pools and short-term securities, to cover unforeseen expenditures and day-to-day fluctuations. By using the matching strategy, a portion of the portfolio can be extended out longer, thus increasing yield and establishing interest earnings.

At September 30, 2009, the portfolio consisted of:

<u>Year to Maturity</u>	<u>Percent of Portfolio</u>
0-1	64.03%
1-2	35.97%

*Yield*

Maximizing yield is the third objective of the Investment Committee. Although maintaining safety and liquidity are always more important than increasing yield, the Investment Committee should be able to maintain a reasonable rate of return and at the same time avoid taking on unnecessary risks. The City's portfolio average yield, including TexPool, was 1.95% in 2009.

**OTHER INFORMATION**

**Independent Audit**—According to Section 34 of the City Charter of the City of Lewisville, an annual independent audit is required to be made of the financial records of the City by a Public

Accountant or Certified Public Accountant selected by the City Council. The City of Lewisville has engaged the firm of Grant Thornton, L.L.P. and the opinion is included in this report.

It should be noted that the auditors included all funds in their audit, performed their audit in accordance with generally accepted auditing standards, and stated that, in their opinion, the statements herein present fairly, in all material respects, the financial position of the City at September 30, 2009, 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, 2008. 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 20 consecutive years (fiscal years ended 1989-2008). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Claude E. King  
City Manager



Brenda Martin, CPA  
Director of Finance

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Lewisville  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2008

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

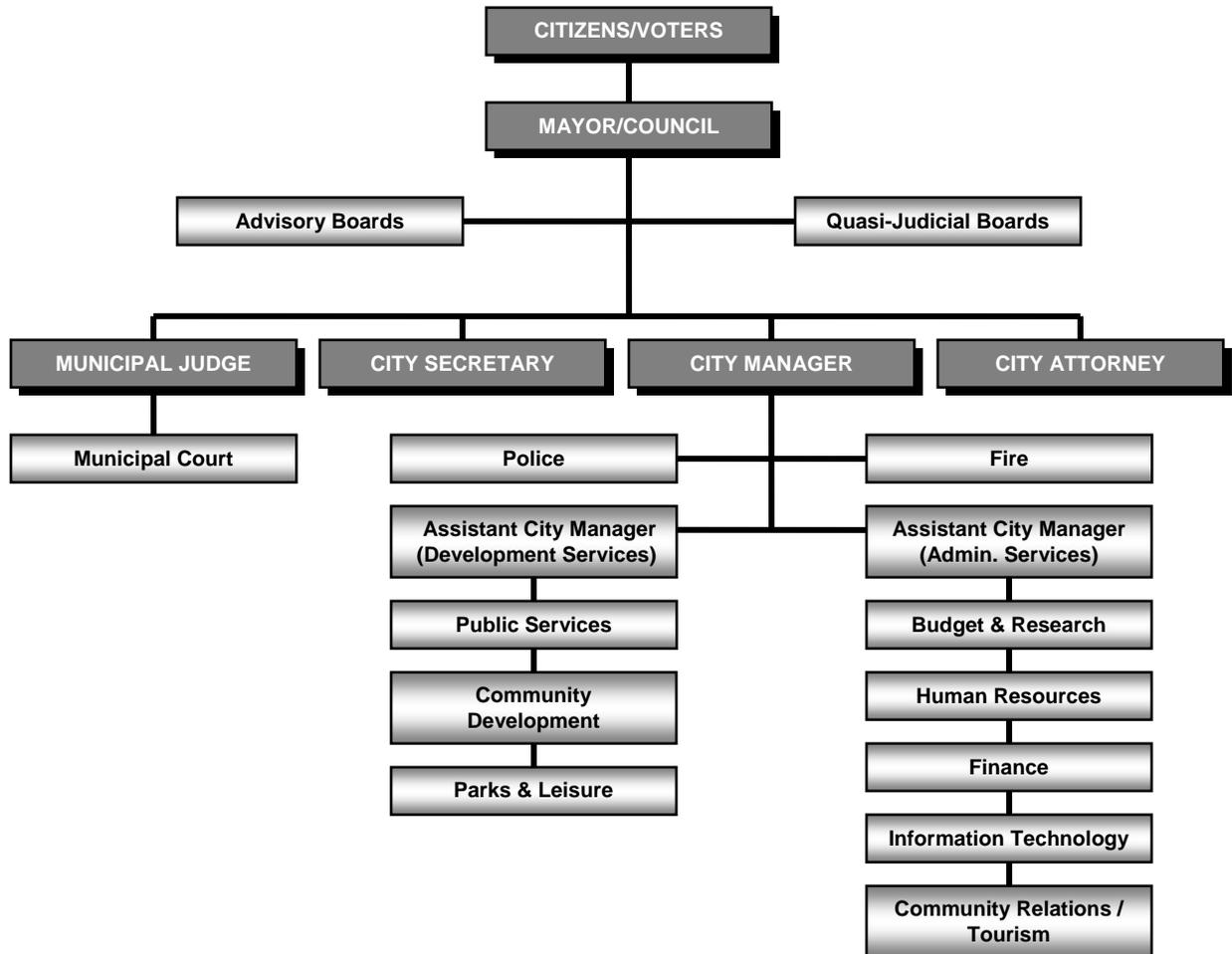


President

Executive Director

# CITY OF LEWISVILLE, TEXAS – ORGANIZATIONAL CHART

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

---

**– Elected Officials –**

---

Mayor ..... Dean Ueckert  
Mayor Pro Tem ..... Lathan Watts  
Deputy Mayor Pro Tem ..... Rudy Durham  
Councilman ..... Greg Tierney  
Councilman ..... David Thornhill  
Councilman ..... John Gorena

**– Appointed Officials –**

---

City Manager ..... Claude E. King  
City Secretary ..... Julie Heinze  
City Attorney ..... Ron Neiman  
Municipal Judge ..... Brian Holman

**– Assistant City Managers –**

---

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

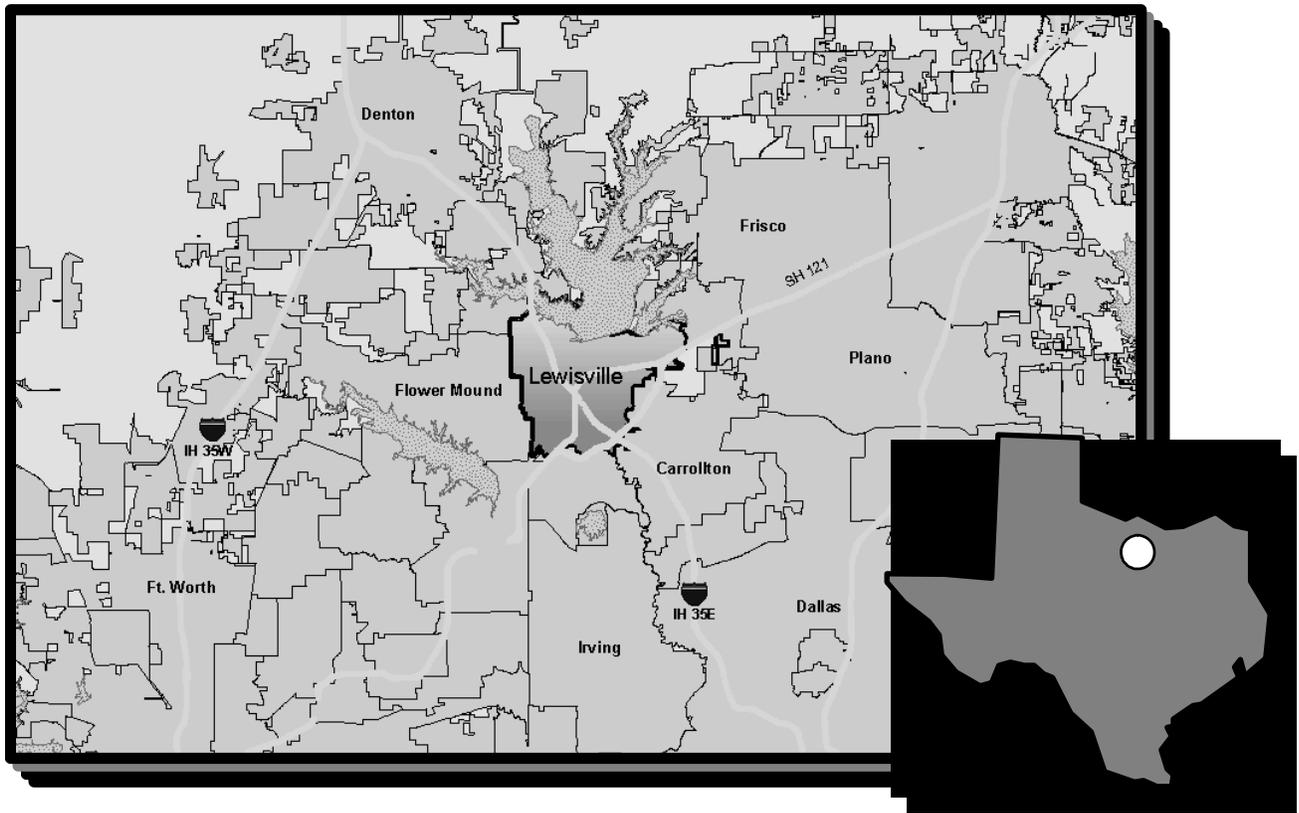
**– Department Directors –**

---

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

# AREA MAP

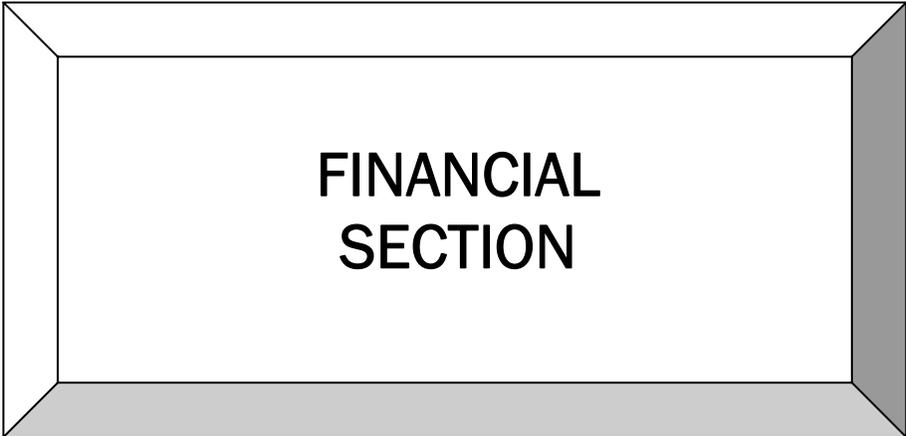
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**LEWISVILLE**

Deep Roots. Broad Wings. Bright Future.



**FINANCIAL  
SECTION**



**LEWISVILLE**

Deep Roots. Broad Wings. Bright Future.



## Report of Independent Certified Public Accountants

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

Audit • Tax • Advisory

**Grant Thornton LLP**  
1717 Main Street, Suite 1500  
Dallas, TX 75201-4667

T 214.561.2300  
F 214.561.2370  
[www.GrantThornton.com](http://www.GrantThornton.com)

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lewisville, Texas (the "City"), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lewisville, Texas, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 17 through 28 and general fund budgetary comparison information on pages 81 through 82 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Grant Thornton LLP*

Dallas, Texas  
March 8, 2010

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, 2009. Please read it in conjunction with the accompanying transmittal letter and the basic financial statements.

## **FINANCIAL HIGHLIGHTS**

- The assets of the City of Lewisville exceeded its liabilities at the close of the fiscal year ending September 30, 2009 by \$564,167,390 (net assets). Of this amount, \$85,298,996 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Lewisville's total net assets increased by \$25,072,240 for the year ended September 30, 2009.
- As of September 30, 2009, the City of Lewisville's governmental funds reported combined ending fund balances of \$83,240,324, a decrease of \$7,850,806 in comparison with the prior fiscal year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$31,658,380 or approximately 56 percent of total general fund expenditures.
- The City's total outstanding bonds (excluding component unit debt) increased \$7,150,000 during the current fiscal year. The primary reason for the increase was the additional issuance of \$5,430,000 of General Obligation Bonds and \$11,900,000 of Waterworks and Sewer System Revenue Bonds.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

The government-wide financial statements are designed to provide readers with a broad overview of the City of Lewisville's finances, in a manner similar to private-sector business. The statement of net assets presents information on all of the City of Lewisville's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Lewisville is improving or deteriorating. The statement of net assets combines and consolidates governmental funds current financial resources (short-term spendable resources)

with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, bridges, drainage improvements, alleys, etc.), to assess the overall health or financial condition of the City.

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

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

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

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

### Fund Financial Statements

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

*Governmental funds* – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method

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

The City of Lewisville maintains nineteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and the general capital projects fund, all of which are considered to be major funds. Data from the other 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 Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The Internal Service Funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities. Because these services benefit both governmental as well as business type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

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

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

## **The City as Trustee**

### Reporting the City's Fiduciary Responsibilities

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

### **Other Information**

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

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

The City's combined net assets were \$564,167,390 as of September 30, 2009. Analyzing the net assets and net expenses of governmental and business-type activities separately, the business type activities net assets are \$204,750,428. This analysis focuses on the net assets (Table 1) and changes in general revenues (Table 2) and significant expenses of the City's governmental and business-type activities.

By far the largest portion of the City's net assets (84.2 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, 2009**

**Table 1  
Net Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 110,103,050	\$ 123,330,469	\$ 73,348,928	\$ 65,938,784	\$ 183,451,978	\$ 189,269,253
Capital assets	329,015,502	300,378,020	188,891,353	183,997,683	517,906,855	484,375,703
Total assets	439,118,552	423,708,489	262,240,281	249,936,467	701,358,833	673,644,956
Non-current liabilities	71,649,789	70,168,831	53,737,977	46,625,442	125,387,766	116,794,273
Other liabilities	8,051,801	14,243,487	3,751,876	3,512,046	11,803,677	17,755,533
Total liabilities	79,701,590	84,412,318	57,489,853	50,137,488	137,191,443	134,549,806
Net assets:						
Invested in capital assets, net of related debt	308,190,669	287,096,412	166,895,435	159,684,492	475,086,104	446,780,904
Restricted	1,867,844	1,756,591	1,914,446	2,024,478	3,782,290	3,781,069
Unrestricted	49,358,449	50,443,168	35,940,547	38,090,009	85,298,996	88,533,177
Total net assets	\$ 359,416,962	\$ 339,296,171	\$ 204,750,428	\$ 199,798,979	\$ 564,167,390	\$ 539,095,150

**Governmental Activities**

The City's general revenues decreased when compared to the prior year by 2.3% or \$1,418,255. The primary reasons for this decrease were sales tax collections and investment earnings. Sales tax revenues continued to come in lower than expected and decreased \$1.246 million (6.6%) compared to the previous year. Investment earnings also lagged budgeted estimates due to lower interest rates and decreased yields. Favorably, assessed value of the property in the City increased by \$369.3 million or 6% as compared to the prior year. For 2009, the City lowered slightly their tax rate to \$0.44021 per \$100 assessed valuation. The changes in the City's general revenues are as follows (Table 2):

**Table 2  
General Revenues**

	2009	2008	Increase (decrease)
Property taxes	\$ 29,799,442	\$ 28,174,604	\$ 1,624,838
Sales taxes	17,686,496	18,932,595	(1,246,099)
Hotel/motel taxes	1,554,826	1,830,230	(275,404)
Other taxes	1,095,822	1,119,792	(23,970)
Franchise taxes	4,635,238	4,803,626	(168,388)
Investment earnings	2,051,750	3,287,167	(1,235,417)
Gain on disposal of assets	5,560	9,682	(4,122)
Miscellaneous	291,776	416,282	(124,506)
Transfers	3,108,655	3,073,842	34,813
Total general revenues	\$ 60,229,565	\$ 61,647,820	\$ (1,418,255)

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

Governmental activities increased the City's net assets by \$20,120,791. The key elements of this increase are as follows:

**Table 3  
Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for service	\$ 12,573,860	\$ 13,280,112	\$ 25,657,454	\$ 25,340,886	\$ 38,231,314	\$ 38,620,998
Operating grants and contributions	1,202,143	1,136,855	-	-	1,202,143	1,136,855
Capital grants and contributions	23,865,801	35,595,714	1,823,269	11,228,765	25,689,070	46,824,479
General revenues:						
Property taxes	29,799,442	28,174,604	-	-	29,799,442	28,174,604
Other taxes	24,972,382	26,686,243	-	-	24,972,382	26,686,243
Other	2,349,086	3,713,131	1,401,659	2,084,507	3,750,745	5,797,638
Total revenues	94,762,714	108,586,659	28,882,382	38,654,158	123,645,096	147,240,817
Expenses:						
General government	10,746,552	10,697,346	-	-	10,746,552	10,697,346
Culture, parks and recreation	8,667,117	7,927,455	-	-	8,667,117	7,927,455
Public safety	35,349,800	33,721,041	-	-	35,349,800	33,721,041
Public services	20,313,784	19,409,072	20,822,278	20,378,432	41,136,062	39,787,504
Interest on long-term debt	2,673,325	3,581,167	-	-	2,673,325	3,581,167
Total expenses	77,750,578	75,336,081	20,822,278	20,378,432	98,572,856	95,714,513
Increase in net assets before transfers	17,012,136	33,250,578	8,060,104	18,275,726	25,072,240	51,526,304
Transfers	3,108,655	3,073,842	(3,108,655)	(3,073,842)	-	-
Increase in net assets	20,120,791	36,324,420	4,951,449	15,201,884	25,072,240	51,526,304
Net assets beginning of fiscal year	339,296,171	302,971,751	199,798,979	184,597,095	539,095,150	487,568,846
Net assets ending of fiscal year	\$ 359,416,962	\$ 339,296,171	\$ 204,750,428	\$ 199,798,979	\$ 564,167,390	\$ 539,095,150

The most significant governmental expense for the City is personnel cost. For the year, payroll costs were \$46,173,811 or 59.4% of total expenses. Payroll costs were closely monitored and came in \$806,761 less than budgeted.

For activities, Public safety incurred expenses of \$35,349,800. These expenses were offset by revenues of \$5,929,457, 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 \$29,609,069. Other significant governmental expenses for the City include public services which incurred \$20,313,784 in expenses, of which \$6,921,899 represented personnel expenses and the general government activity which incurred \$10,746,552 in expenses, of which

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

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\$5,403,762 represents personnel charges. General government encompasses mayor and council, administration, legal, finance, human resources, information technology services, tourism, economic development and general government departments. The Parks and Leisure Services Department incurred \$8,667,117 in expenses and \$4,239,081 represented their personnel charges.

**Business-type Activities**

Business-type activities increased the City's net assets by \$4,951,449. 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 \$25,657,454. Non-cash capital contributions from developers and cash receipts in the form of development impact fees amounted to \$1,823,269. Developer contributions are public improvement infrastructure projects that are completed by the developer. The charges for services exceeded expenses by \$4.835 million.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of fiscal year 2009, the City had \$517.9 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)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Improvements	\$ 203,709,210	\$ 178,976,438	\$ 409,259	\$ 435,168	\$ 204,118,469	\$ 179,411,606
Land	42,364,290	40,647,579	2,368,892	2,368,892	44,733,182	43,016,471
Buildings	43,946,897	41,055,641	834,743	851,793	44,781,640	41,907,434
Machinery & Equipment	11,452,961	11,692,305	1,163,047	1,290,346	12,616,008	12,982,651
Construction in progress	27,542,144	28,006,057	16,163,979	13,998,058	43,706,123	42,004,115
Water system	-	-	100,007,220	96,631,680	100,007,220	96,631,680
Sewer system	-	-	67,944,213	68,421,746	67,944,213	68,421,746
<b>Totals</b>	<b>\$ 329,015,502</b>	<b>\$ 300,378,020</b>	<b>\$ 188,891,353</b>	<b>\$ 183,997,683</b>	<b>\$ 517,906,855</b>	<b>\$ 484,375,703</b>

CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009

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Major capital asset additions for 2008-2009 include:

Railroad Street Park Development	\$ 24,300,897
Serendipity Village Street Rehabilitation	7,223,730
Fire Station #7	3,599,267
Elevated Storage Tank (Austin Ranch)	3,070,499
Valley Ridge SE Waterline	1,586,887
Timbercreek Hike and Bike Trail	1,577,078
Concrete Street Rehabilitation	954,595
Water Line Replacements	838,994
Corridor Beautification	810,631
Trinity Trails	492,812
Fox Avenue	348,574
Asphalt Rehabilitation	308,675
City Parks Irrigation Improvements	300,874
Lake Park Improvements	259,297
Sidewalk Rehabilitation	249,508
Alley Rehabilitation	170,000
Geographic Information System	116,267
	<u>\$ 46,208,585</u>

The City's fiscal year 2010 capital improvement program authorizes it to spend \$95.99 million for capital projects. These improvements are in the following categories: water and sewer, street, drainage, park, municipal/technology and public safety. The aforementioned amount of \$95.99 million is made up of both current year appropriations, as well as carryover amounts appropriated but not yet expended.

To support the capital improvement program, funds are obtained from the issuance of bonds, interest earnings, transfers from operating funds, developer contributions, or a combination of these sources. To illustrate, water and sewer system improvements for 2009-2010 consist of \$915,228 in transfers from water and sewer operating funds for inflow/infiltration repairs and for improvements to the Timbercreek Aerial Sewer Crossings at various locations. Street and drainage improvements for 2009-2010 consist of \$2,943,910 in General Fund transfers to fund a variety of street, alley, sidewalk, traffic improvements and corridor beautification projects. Municipal/technology improvements for 2009-2010 of \$592,800 are funded through new transfers to fund several technological improvements including a network central switch replacement, network expansion and upgrades, network printers, PC replacements, and Fire GPS units.

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

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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 \$116.6 million in general obligation and revenue bonds outstanding as compared to \$109.4 million at the end of the prior fiscal year, an increase of 6.5 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>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation bonds (backed by the City)	\$ 63,460	\$ 63,235	\$ -	\$ -	\$ 63,460	\$ 63,235
Revenue bonds (backed by fee revenues)	-	-	53,115	46,190	53,115	46,190
Totals	<u>\$ 63,460</u>	<u>\$ 63,235</u>	<u>\$ 53,115</u>	<u>\$ 46,190</u>	<u>\$ 116,575</u>	<u>\$ 109,425</u>

During the current fiscal year, the City issued General Obligation Bonds in the amount of \$5.43 million and Waterworks and Sewer System Revenue Bonds of \$11.9 million in July 2009. The General Obligation debt provided funds for the construction of street and drainage improvements. The Revenue Bonds provided funds for the construction of improvements and extensions to the City's waterworks and sewer system. For more detailed information on long-term debt activity, refer to Note 11 in the Notes to Financial Statements.

The City's General Obligation Bonds and Water and Sewer Revenue Bonds carry an AA+ rating from Standard and Poor's and an AA rating from Fitch Ratings, both of which 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 .94%.

The City maintains a self-insurance program for general liability, public official's errors and omission, public employee dishonesty, police professional liability, property and casualty, workers' compensation, and health and dental coverages. Individual health claims over \$125,000 per occurrence are covered at 100% by reinsurance as well as aggregate claims that exceed a calculated amount. Workers' compensation claims have reinsurance coverages, which cover 100% of claims that exceed \$400,000 for sworn police and fire employees and \$300,000 for all

other employees. All other insurance coverages have deductibles that range from \$500 to \$50,000.

## THE CITY'S FUNDS

At the close of the City's fiscal year on September 30, 2009, the governmental funds of the City reported a combined fund balance of \$83.2 million, a \$7.8 million decrease from the previous year.

- The City's General Fund balance of \$32.0 million exceeded the prior year fund balance by \$479,011. This resulted in a positive variance of \$1.94 million when compared to the final amended budget of \$30.07 million. Significant budgetary variances between the final amended budget and the actual results can be summarized as follows:
  - Tax revenue was \$403,342 less than estimated. The primary reason was sales tax revenue, which was \$823,682 less than estimated and \$451,609 less than prior year receipts due to the economic downturn. An increase in total assessed value of \$369.3 million on property resulted in \$405,728 additional property tax revenue. Other taxes, mainly franchise, came in \$14,612 higher than expected.
  - Licenses and Permits revenue was \$272,123 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.
  - Investment earnings were \$371,603 less than budgeted primarily due to lower interest rates and decreased yields.
  - When combined, Police, Fire, Public Services, Community Development and Parks and Leisure Services departments had lower than expected expenditures resulting in a favorable variance of \$1,701,263. This variance is primarily due to salary savings from employee vacancies.
  - The General Capital Projects Fund accounts for most of the governmental fund balance decrease as spending outpaced bond proceeds and other inflows. Capital expenditures for the year were \$22.9 million. Major project spending for the year included Serendipity Street Village Rehabilitation (\$5.1 million), Southwest Lewisville roads (\$4.5 million), Valley Ridge streets (\$4.1 million), and Fire Station #7 (\$2.3 million). Fund increases include bond proceeds of \$5.430 million, transfers from the General Fund \$4.1 million and Denton County contributions of \$4.2 million.
  - The Castle Hills PID Projects Fund had spending of \$1.6 million on capital outlay and interest and fiscal charges. This year's spending depleted remaining bond proceeds.

**CITY OF LEWISVILLE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

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The City's Water and Sewer Fund net assets of \$204.2 million increased by \$4.9 million over the prior year net assets balance. The increase is primarily due to operating revenues and dedicated infrastructure continuing to remain well above operating expenses.

The City's Internal Service Funds net assets of \$22.6 million increased by \$485,382 from the prior year net asset balance. Collectively, the Health Insurance Risk Pool Fund and Self Insurance Risk Fund experienced premium revenues that fell short of insurance claims and other expenses by \$163,242. The Maintenance and Replacement Fund experienced a \$648,624 increase in fund balance mostly due to internal charges for services adequately covering maintenance and repair costs of the City's vehicles, radios, computers, and other equipment. Additionally, \$286,653 for vehicles transferred from the 4B Component Unit and General Fund and \$124,690 of auction sales of city vehicles contributed to the increase in fund balance.

### **General Fund Budgetary Highlights**

During fiscal year 2008-09, the City Council of the City of Lewisville amended the budget for the General Fund on three occasions. One large amendment was prepared in December when the routine supplement completed each year for prior year encumbrances (purchases) that overlap into the next fiscal year occurred. The final two amendments were made for services related to developing urban design plans for Old Town Plaza, Old Town Transit Oriented Development and the Mill Street Corridor Streetscape.

Staff reviewed each supplemental appropriation and determined that reserves were sufficient to recommend its approval. The net increase to the General Fund for the year was \$573,729.

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

The City's elected and appointed officials considered many factors when setting the fiscal year 2010 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The population growth experienced by the City has stimulated local business and development activity. Lewisville's current population is estimated at 95,250 with a population at build-out at approximately 111,000. The economic climate in Lewisville is stable with low unemployment and as a result Lewisville enjoys an above-average income level per household. This in combination with the City's proximity to two major highways, the Dallas Fort Worth International Airport, and an active economic development program have made Lewisville a leader in the regional retail market. The City continues to attract new and existing companies due to the strategy of working diligently with businesses on relocation incentives.

These factors are taken into consideration when adopting the General Fund budget for fiscal year 2010. The combined budget appropriation for fiscal year 2009-10 totals \$102.647 million for 18 operating funds. Another \$10.429 million is appropriated in the City's three internal service funds.

Ad valorem tax revenue is determined by two major factors: the total assessed value established by the Denton County Central Appraisal District and the tax rate established by the Lewisville

City Council. The Lewisville City Council chose to hold the tax rate steady for the current fiscal year at .44021 cents per \$100 assessed valuation. This tax rate actually brings in less tax revenue (\$252,166) for the 2009-10 fiscal year due to the new tax rate being applied to a decreased tax base. Property values decreased \$162 million or 2.48%. This brings the property tax revenue budgeted for FY 2009-10 to \$20.785 million making it the single largest General Fund revenue source.

The General Fund's second largest revenue source in fiscal year 2009-2010 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 estimates for subsequent fiscal years are 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 \$18.197 million.

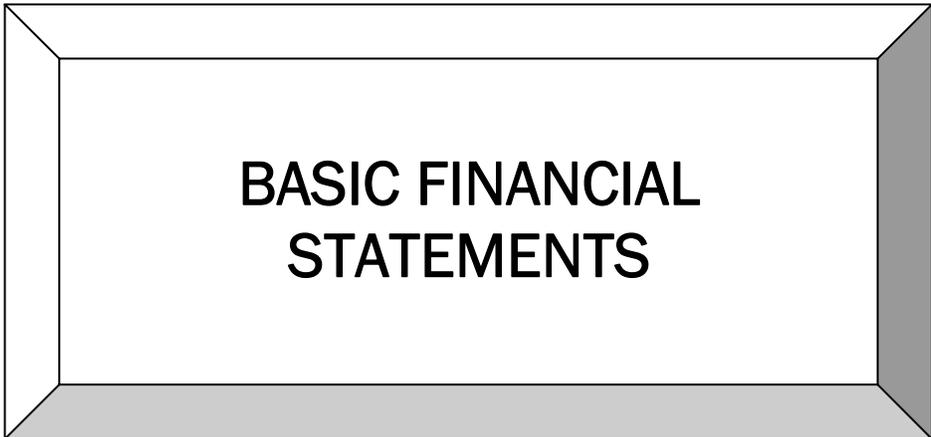
Budgeted operating expenditures in the General Fund are expected to increase \$553,559 from the 2008-2009 fiscal year re-estimated budget. The increase is mainly attributed to increased transfers out of \$7.8 million which include \$4.5 million for a new animal shelter and \$2.4 million to fund the Riverside Project Road and Bridge. Due to these planned expenditures, the City's General Fund balance is budgeted to decline by 18% or \$7.95 million.

As for the City's business type activities, the City budgeted a decrease of \$915,228 for the Water and Sewer Fund's net assets. This decrease is the result of capital contributions of the same amount.

Water and sewer rates were reviewed by the City Council for fiscal year 2009-2010. A 2.5% increase in sewer rates was implemented primarily due to the City of Dallas' increasing water costs. Although the cost increases were primarily water related, the sewer rates were increased to allow the sewer rate to better recover total sewer costs.

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

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



**BASIC FINANCIAL  
STATEMENTS**



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

**CITY OF LEWISVILLE, TEXAS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2009**

**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	\$ 18,020,175	\$ 735,604	\$ 18,755,779	\$ 3,478,346
Investments	78,640,401	27,739,813	106,380,214	14,958,479
Receivables (net of allowances for uncollectibles)	9,748,274	3,816,463	13,564,737	799,358
Internal balances	(505,790)	505,790	-	-
Due from other governments	-	28,453	28,453	-
Inventory of supplies	73,326	-	73,326	-
Prepaid items	3,519,973	623	3,520,596	8,078
Restricted assets				
Cash	-	3,682,372	3,682,372	-
Investments	-	35,989,059	35,989,059	-
Interest receivable	-	104,294	104,294	-
Prepaid items	-	1,375	1,375	-
Deferred charges	606,691	745,082	1,351,773	324,147
Capital assets				
Non-depreciable	69,906,434	18,532,871	88,439,305	-
Depreciable (net of accumulated depreciation)	259,109,068	170,358,482	429,467,550	-
Total assets	<u>\$ 439,118,552</u>	<u>\$ 262,240,281</u>	<u>\$ 701,358,833</u>	<u>\$ 19,568,408</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Accounts payable	\$ 2,478,214	\$ 1,689,125	\$ 4,167,339	\$ 734,212
Incurred but not reported claim reserve	1,378,303	-	1,378,303	-
Retainage payable	458,016	-	458,016	503,293
Accrued liabilities	2,468,914	300,719	2,769,633	15,062
Accrued interest payable	396,034	280,178	676,212	247,811
Due to other governments	-	-	-	28,453
Liabilities payable from restricted assets	-	1,436,446	1,436,446	-
Deposits payable	8,000	-	8,000	-
Money held in escrow	864,320	45,408	909,728	-
Non-current liabilities				
Due within one year	10,087,792	5,718,768	15,806,560	1,297,600
Due in more than one year	61,561,997	48,019,209	109,581,206	41,755,286
Total liabilities	<u>79,701,590</u>	<u>57,489,853</u>	<u>137,191,443</u>	<u>44,581,717</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	308,190,669	166,895,435	475,086,104	-
Restricted for debt service	1,867,844	1,914,446	3,782,290	-
Restricted for tax increment reinvestment zone	-	-	-	207,002
Unrestricted	49,358,449	35,940,547	85,298,996	(25,220,311)
Total net assets	<u>359,416,962</u>	<u>204,750,428</u>	<u>564,167,390</u>	<u>(25,013,309)</u>
Total liabilities and net assets	<u>\$ 439,118,552</u>	<u>\$ 262,240,281</u>	<u>\$ 701,358,833</u>	<u>\$ 19,568,408</u>

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

**CITY OF LEWISVILLE, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>FUNCTIONS/PROGRAMS</b>				
Primary government				
Governmental activities				
General government	\$ 10,746,552	\$ 3,386,580	\$ 124,522	\$ 1,029,836
Culture, parks and recreation	8,667,117	1,741,591	28,347	14,232,544
Public safety	35,349,800	5,929,457	362,658	50,962
Public services	20,313,784	1,516,232	686,616	8,552,459
Interest on long-term debt	2,673,325	-	-	-
Total governmental activities	<u>77,750,578</u>	<u>12,573,860</u>	<u>1,202,143</u>	<u>23,865,801</u>
Business-type activities				
Water and sewer	20,822,278	25,657,454	-	1,823,269
Total business-type activities	<u>20,822,278</u>	<u>25,657,454</u>	<u>-</u>	<u>1,823,269</u>
Total primary government	<u>\$ 98,572,856</u>	<u>\$ 38,231,314</u>	<u>\$ 1,202,143</u>	<u>\$ 25,689,070</u>
Component units				
Lewisville Parks and Library Development Corporation				
	\$ 17,071,769	\$ 170,992	\$ -	\$ -
Tax Increment Reinvestment Zone (Old Town)				
	1,331,025	-	-	-
Total component units	<u>\$ 18,402,794</u>	<u>\$ 170,992</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Taxes				
Property taxes, levied for general purposes				
Sales taxes				
Other taxes				
Franchise taxes				
Hotel motel taxes				
Penalties and interest				
Investment earnings				
Gain on disposal of assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
NET ASSETS, beginning				
NET ASSETS, ending				

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

**EXHIBIT 2**

<b>Net (Expenses) Revenues and Changes in Net Assets</b>			
<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (6,205,614)	\$ -	\$ (6,205,614)	\$ -
7,335,365	-	7,335,365	-
(29,006,723)	-	(29,006,723)	-
(9,558,477)	-	(9,558,477)	-
(2,673,325)	-	(2,673,325)	-
<u>(40,108,774)</u>	<u>-</u>	<u>(40,108,774)</u>	<u>-</u>
-	6,658,445	6,658,445	-
-	6,658,445	6,658,445	-
<u>\$ (40,108,774)</u>	<u>\$ 6,658,445</u>	<u>\$ (33,450,329)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (16,900,777)
-	-	-	(1,331,025)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,231,802)</u>
29,580,192	-	29,580,192	582,296
17,686,496	-	17,686,496	4,421,624
1,095,822	-	1,095,822	-
4,635,238	-	4,635,238	-
1,554,826	-	1,554,826	-
219,250	-	219,250	-
2,051,750	1,344,073	3,395,828	545,196
5,560	-	5,560	-
291,776	57,586	349,357	-
3,108,655	(3,108,655)	-	-
<u>60,229,565</u>	<u>(1,706,996)</u>	<u>58,522,569</u>	<u>5,549,116</u>
20,120,791	4,951,449	25,072,240	(12,682,686)
339,296,171	199,798,979	539,095,150	(12,330,623)
<u>\$ 359,416,962</u>	<u>\$ 204,750,428</u>	<u>\$ 564,167,390</u>	<u>\$ (25,013,309)</u>

**CITY OF LEWISVILLE, TEXAS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF SEPTEMBER 30, 2009**

**EXHIBIT 3**

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 5,499,261	\$ 408,144	\$ 8,519,973	\$ 668,082	\$15,095,460
Investments	23,631,296	1,755,380	36,643,478	2,841,827	64,871,981
Receivables (net of allowances for uncollectables)					
Taxes	4,705,242	89,778	-	-	4,795,020
Accounts	2,806,784	-	-	1,186,284	3,993,068
Unbilled accounts	226,460	-	-	-	226,460
Interest	129,594	9,284	188,556	16,571	344,005
Court	213,458	-	-	-	213,458
Other	-	-	18,902	-	18,902
Due from other funds	326,546	-	-	-	326,546
Prepaid items	228,411	1,292	660	3,242,918	3,473,281
Total assets	<u>\$37,767,052</u>	<u>\$ 2,263,878</u>	<u>\$45,371,569</u>	<u>\$ 7,955,682</u>	<u>\$93,358,181</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts and contracts payable	\$ 1,027,310	\$ -	\$ 1,007,323	\$ 184,103	\$ 2,218,736
Accrued liabilities	2,402,197	-	-	-	2,402,197
Accrued interest payable	-	14,990	-	-	14,990
Deposits payable	8,000	-	-	-	8,000
Deferred revenues	2,219,983	89,778	-	52,973	2,362,734
Money held in escrow	101,196	-	763,124	-	864,320
Retainage payable	-	-	458,016	-	458,016
Due to other funds	-	-	9,484	1,779,380	1,788,864
Total liabilities	<u>5,758,686</u>	<u>104,768</u>	<u>2,237,947</u>	<u>2,016,456</u>	<u>10,117,857</u>
Fund balances					
Reserved for prepaid items	228,411	1,292	660	3,242,918	3,473,281
Reserved for encumbrances	121,575	-	11,027,536	92,332	11,241,443
Reserved for debt service	-	2,157,818	-	-	2,157,818
Reserved for capital projects	-	-	32,105,426	4	32,105,430
Unreserved, undesignated reported in					
General Fund	31,658,380	-	-	-	31,658,380
Special revenue funds	-	-	-	2,603,972	2,603,972
Total fund balances	<u>32,008,366</u>	<u>2,159,110</u>	<u>43,133,622</u>	<u>5,939,226</u>	<u>83,240,324</u>
Total liabilities and fund balances	<u>\$37,767,052</u>	<u>\$ 2,263,878</u>	<u>\$45,371,569</u>	<u>\$ 7,955,682</u>	<u>\$93,358,181</u>

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

**CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
AS OF SEPTEMBER 30, 2009**

**EXHIBIT 4**

Total fund balances, governmental funds	\$ 83,240,324
Amounts reported for governmental activities in the statement of net assets are different because:	
Costs associated with the issuance of governmental long-term debt are expensed when incurred in the fund statements and capitalized and amortized over the life of the debt in the government-wide statements.	606,691
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	323,174,491
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.	(381,042)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	2,362,734
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.	(71,649,789)
An internal service fund is used by management to charge the costs of certain activities, including insurance and vehicle fleet management, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the government-wide statement of net assets, net of amounts charged to enterprise funds of \$543,472.	<u>22,063,553</u>
Total net assets, governmental activities	<u>\$ 359,416,962</u>

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

## GOVERNMENTAL FUNDS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General	Debt Service	General Capital Projects	Other Governmental	Total Governmental Funds
<b>REVENUES</b>					
Property and other taxes	\$ 45,155,161	\$ 8,027,058	\$ -	\$ 1,570,006	\$ 54,752,225
Licenses and permits	1,767,049	-	-	-	1,767,049
Charges for services	5,702,288	-	-	-	5,702,288
Recreation	1,096,845	-	-	439,751	1,536,596
Fines and forfeitures	2,950,843	-	-	-	2,950,843
Investment earnings	778,397	74,764	1,106,182	92,407	2,051,750
Grants					
Culture, parks and recreation	-	-	-	312,057	312,057
Public safety	-	-	-	238,649	238,649
Public services	-	-	-	686,616	686,616
Contributions and donations	-	-	5,072,965	-	5,072,965
Miscellaneous	484,880	-	37	541,811	1,026,728
Total revenues	<u>57,935,463</u>	<u>8,101,822</u>	<u>6,179,184</u>	<u>3,881,297</u>	<u>76,097,766</u>
<b>EXPENDITURES</b>					
Current					
General government	7,814,635	-	-	1,520,166	9,334,801
Culture, parks and recreation	6,048,646	-	-	409,762	6,458,408
Public safety	33,186,994	-	-	568,441	33,755,435
Public services	9,285,332	-	-	712,780	9,998,112
Debt service					
Principal	-	5,205,000	-	-	5,205,000
Interest and fiscal charges	-	2,803,086	66,528	-	2,869,614
Capital outlay	111,832	-	22,880,879	1,869,669	24,862,380
Total expenditures	<u>56,447,439</u>	<u>8,008,086</u>	<u>22,947,407</u>	<u>5,080,818</u>	<u>92,483,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,488,024</u>	<u>93,736</u>	<u>(16,768,223)</u>	<u>(1,199,521)</u>	<u>(16,385,984)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	3,147,983	963	4,132,826	196,276	7,478,048
Transfers out	(4,156,996)	-	(140,360)	(72,037)	(4,369,393)
Issuance of general obligation bonds	-	-	5,430,000	-	5,430,000
Premium (discount) on issuance of general obligation bonds	-	-	(9,037)	-	(9,037)
Proceeds from sale of assets	-	-	-	5,560	5,560
Net other financing sources (uses)	<u>(1,009,013)</u>	<u>963</u>	<u>9,413,429</u>	<u>129,799</u>	<u>8,535,178</u>
Net change in fund balances	479,011	94,699	(7,354,794)	(1,069,722)	(7,850,806)
<b>FUND BALANCES, beginning</b>	<u>31,529,355</u>	<u>2,064,411</u>	<u>50,488,416</u>	<u>7,008,948</u>	<u>91,091,130</u>
<b>FUND BALANCES, ending</b>	<u>\$ 32,008,366</u>	<u>\$ 2,159,110</u>	<u>\$ 43,133,622</u>	<u>\$ 5,939,226</u>	<u>\$ 83,240,324</u>

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

**CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT 6**

Net change in fund balances, total governmental funds	\$ (7,850,806)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Dispositions of capital assets decrease net assets. The net effect, of \$24,676,486 of capital outlay less capital asset dispositions of \$42,496 was to increase net assets.	24,633,990
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.	18,374,354
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(14,227,873)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond principal payments of \$5,205,000 and debt issue costs of \$75,565 less bond proceeds of \$5,430,000 less amortization of \$21,856 plus arbitrage liability decrease of \$139,781 is the net effect of these differences in the treatment of long-term debt and related items.	(31,510)
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.	(182,665)
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.	(1,249,643)
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.	11,836
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.	205,915
Internal service funds are used by management to charge the costs of certain activities, including insurance and vehicle fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	437,193
Change in net assets, governmental activities	<u>\$ 20,120,791</u>

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

**CITY OF LEWISVILLE, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2009**

	<b>Business-Type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 735,604	\$ 2,924,715
Investments	27,739,813	13,768,420
Receivables (net of allowances for uncollectables of \$294,134)		
Accounts	1,330,284	22,698
Unbilled accounts	2,377,325	-
Interest	108,854	65,611
Other	-	69,052
Due from other funds	9,484	1,500,000
Due from other governments	28,453	-
Inventory of supplies, at cost	-	73,326
Prepaid items	623	46,692
Restricted assets		
Cash	3,682,372	-
Investments	35,989,059	-
Interest receivable	104,294	-
Prepaid items	1,375	-
Total currents assets	<u>72,107,540</u>	<u>18,470,514</u>
Noncurrent assets		
Deferred bond issuance costs, net of amortization	<u>745,082</u>	<u>-</u>
Capital assets		
Land	2,368,892	-
Land improvements	106,700	-
Buildings	1,131,504	-
Other improvements	459,368	274,272
Water system	131,982,900	-
Sewer system	95,009,759	-
Machinery and equipment	3,581,661	4,113,029
Motor vehicles	-	16,727,371
Construction in progress	16,163,979	-
Total capital assets	<u>250,804,763</u>	<u>21,114,672</u>
Less - Accumulated depreciation	<u>(61,913,410)</u>	<u>(15,273,661)</u>
Capital assets, net of accumulated depreciation	<u>188,891,353</u>	<u>5,841,011</u>
 Total noncurrent assets	 <u>189,636,435</u>	 <u>5,841,011</u>
 Total assets	 <u>\$ 261,743,975</u>	 <u>\$ 24,311,525</u>

	<b>Business-Type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
	<u>                    </u>	<u>                    </u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Current liabilities payable from restricted assets		
Deposits payable	\$ 1,320,220	\$ -
Accrued interest payable	280,178	-
Contracts and retainage payable	116,226	-
Money held in escrow	45,408	-
Current maturities of revenue bonds	5,360,000	-
Total current liabilities payable from restricted assets	<u>7,122,032</u>	<u>-</u>
Accounts payable	1,689,125	259,480
Incurred but not reported claim reserve	-	1,378,303
Accrued liabilities	300,719	66,717
Compensated absences	411,825	-
Due to other funds	47,166	-
Total current liabilities	<u>9,570,867</u>	<u>1,704,500</u>
Noncurrent liabilities		
Revenue bond payable	47,755,000	-
Deferred loss on refunding	(672,435)	-
Premium	497,562	-
Discount	(87,361)	-
Compensated absences	316,368	-
Net pension obligation	157,018	-
Total noncurrent liabilities	<u>47,966,152</u>	<u>-</u>
Total liabilities	<u>57,537,019</u>	<u>1,704,500</u>
Net assets		
Invested in capital assets, net of related debt	166,895,435	5,841,011
Restricted		
For revenue bond retirements	1,914,446	-
Unrestricted	35,397,075	16,766,014
Total net assets	<u>\$ 204,206,956</u>	<u>\$ 22,607,025</u>

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

**CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF THE ENTERPRISE FUND STATEMENT OF NET ASSETS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
AS OF SEPTEMBER 30, 2009**

**EXHIBIT 8**

Total net assets, enterprise fund \$ 204,206,956

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

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

543,472

Total net assets, business-type activities

\$ 204,750,428

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



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## PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	<b>Business-Type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 25,657,454	\$ 10,441,060
Miscellaneous	57,586	143
Total operating revenues	<u>25,715,040</u>	<u>10,441,203</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services, net of reimbursements	7,081,049	7,501,953
Administrative	7,076,262	1,398,097
Depreciation	5,038,157	1,848,599
Total operating expenses	<u>19,195,468</u>	<u>10,748,649</u>
 Total operating income (loss)	 <u>6,519,572</u>	 <u>(307,446)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment earnings	1,344,073	381,485
Interest expense	(1,517,953)	-
Amortization	(157,046)	-
Gain on disposal of assets	-	124,690
Total non-operating revenues (expenses)	<u>(330,926)</u>	<u>506,175</u>
 <b>INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	 <u>6,188,646</u>	 <u>198,729</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers out	(3,108,655)	-
Intragovernmental contributions	-	269,033
Contributions from other funds	-	17,620
Contributions from property owners	904,162	-
Contributions - impact fees	919,107	-
Total transfers and capital contributions	<u>(1,285,386)</u>	<u>286,653</u>
 <b>CHANGE IN NET ASSETS</b>	 4,903,260	 485,382
<b>NET ASSETS, beginning</b>	<u>199,303,696</u>	<u>22,121,643</u>
<b>NET ASSETS, ending</b>	<u>\$ 204,206,956</u>	<u>\$ 22,607,025</u>

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

**CITY OF LEWISVILLE, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS OF THE ENTERPRISE FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT 10**

Net change in fund net assets, enterprise fund	\$ 4,903,260
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Amounts reported for business-type activities in the statement of activities are different because:

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

48,189
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Change in net assets, business-type activities	<u>\$ 4,951,449</u>
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The accompanying notes to financial statements are an integral part of this statement.

**CITY OF LEWISVILLE, TEXAS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<b><u>Business-Type Activities - Enterprise Fund</u></b>	<b><u>Governmental Activities - Internal Service Funds</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 25,883,729	\$ -
Cash received (paid) from transactions with other funds	(35,403)	10,377,556
Cash paid to employees for services	(5,481,740)	(323,595)
Cash paid for goods and services	(8,243,933)	(2,081,371)
Cash paid for claims	-	(6,349,284)
Cash received for miscellaneous items	-	143
	<u>12,122,653</u>	<u>1,623,449</u>
Net cash provided by (used in) operating activities		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers out to other funds	(3,108,655)	-
Cash received (paid) on interfund loan	-	250,000
	<u>(3,108,655)</u>	<u>250,000</u>
Net cash provided by (used in) noncapital financing activities		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(8,520,826)	(1,418,957)
Proceeds from the sale of equipment	-	124,690
Proceeds from the sale of revenue bonds	11,900,000	-
Principal paid on revenue bond maturities	(4,975,000)	-
Impact fees	919,107	-
Interest paid	(2,040,257)	-
Bond issuance cost paid	(77,923)	-
	<u>(2,794,899)</u>	<u>(1,294,267)</u>
Net cash provided by (used in) capital and related financing activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(56,909,851)	(17,067,955)
Proceeds from sale and maturities of investments	47,871,956	17,497,883
Interest received	1,416,141	388,916
	<u>(7,621,754)</u>	<u>818,844</u>
Net cash provided by (used in) investing activities		
<b>NET (DECREASE) INCREASE IN CASH</b>	(13,525,308)	(225,423)
<b>CASH, beginning of year</b>	<u>5,820,631</u>	<u>1,526,689</u>
<b>CASH, end of year</b>	<u>\$ (7,704,677)</u>	<u>\$ 1,301,266</u>
Classified as		
Unrestricted cash and cash equivalents at end of year	\$ 735,604	\$ 2,924,715
Restricted cash and cash equivalents at end of year	3,682,372	-
<b>TOTAL CASH AT END OF YEAR</b>	<u>\$ 4,417,976</u>	<u>\$ 2,924,715</u>

	<b><u>Business-Type Activities - Enterprise Fund</u></b>	<b><u>Governmental Activities - Internal Service Funds</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 6,519,572	\$ (307,446)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	5,038,157	1,848,599
Provision for uncollectible accounts	73,505	-
Change in assets and liabilities		
(Increase) decrease in receivables	142,624	(63,504)
(Increase) decrease in prepaid items	3,243	717
(Increase) decrease in due from other funds	(5,099)	-
(Increase) decrease in due from component unit	(28,453)	-
(Increase) decrease in inventory of supplies	-	57,246
Increase (decrease) in accounts and claims payable	211,334	93,577
Increase (decrease) in net pension obligation	157,018	-
Increase (decrease) in accrued liabilities	(66,273)	(1,355)
Increase (decrease) in deposits payable	(10,455)	-
Increase (decrease) in contracts and retainage payable	80,129	-
Increase (decrease) in arbitrage payable	(58,995)	-
Increase (decrease) in compensated absences	68,197	-
Increase (decrease) in due to other funds	(1,851)	(4,385)
Total adjustments	<u>5,603,081</u>	<u>1,930,895</u>
Net cash provided by (used in) operating activities	<u>\$ 12,122,653</u>	<u>\$ 1,623,449</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
From contributions of capital assets	\$ 904,162	\$ 17,620
Increase in fair value of investments	204,150	27,135

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

**CITY OF LEWISVILLE, TEXAS  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET ASSETS  
 SEPTEMBER 30, 2009**

**EXHIBIT 12**

	<b>Castle Hills Debt Service Agency Fund</b>	<b>Lewisville OPEB Liability Trust Fund</b>
<b>ASSETS</b>		
Cash	\$ 6,572,187	\$ 107,235
Investments	376,105	2,154,064
Interest receivable	624	586
Total assets	<u>6,948,916</u>	<u>2,261,885</u>
<b>LIABILITIES</b>		
Accounts payable	-	3,700
Due to debt holders	6,948,916	-
Total liabilities	<u>6,948,916</u>	<u>3,700</u>
<b>NET ASSETS</b>		
Held in trust for retiree health benefits	<u>\$ -</u>	<u>\$ 2,258,185</u>

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

**CITY OF LEWISVILLE, TEXAS  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT 13**

	<b>Lewisville OPEB Liability Trust Fund</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Employer contributions	\$ 482,500
Investment earnings	39,009
Unrealized/realized gain, net	40,487
Total additions	<u>561,996</u>
Administrative expense	<u>338,700</u>
Total deductions	<u>338,700</u>
<b>CHANGE IN NET ASSETS</b>	223,296
<b>NET ASSETS, beginning</b>	<u>2,034,889</u>
<b>NET ASSETS, ending</b>	<u><u>\$ 2,258,185</u></u>

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

**CITY OF LEWISVILLE, TEXAS**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**STATEMENT OF NET ASSETS (DEFICIT)**  
**SEPTEMBER 30, 2009**

**EXHIBIT 14**

	<b>Governmental Activities</b>				<b>Total Component Units</b>
	<b>Lewisville Housing Finance Corporation</b>	<b>Lewisville Industrial Development Authority, Inc.</b>	<b>Lewisville Parks and Library Development Corporation</b>	<b>Tax Increment Reinvestment Zone (Old Town)</b>	
<b>ASSETS</b>					
Cash	\$ 813	\$ 1,263	\$ 1,951,721	\$ 1,524,549	\$ 3,478,346
Investments	3,497	5,433	8,392,630	6,556,919	14,958,479
Receivables					
Taxes	-	-	720,234	-	720,234
Interest	18	29	44,398	34,679	79,124
Deferred charges	-	-	263,114	61,033	324,147
Prepaid items	-	-	8,078	-	8,078
Total assets	<u>\$ 4,328</u>	<u>\$ 6,725</u>	<u>\$ 11,380,175</u>	<u>\$ 8,177,180</u>	<u>\$ 19,568,408</u>
<b>LIABILITIES</b>					
<b>Current</b>					
Accounts and contracts payable	\$ -	\$ -	\$ 626,596	\$ 107,616	\$ 734,212
Accrued liabilities	-	-	15,062	-	15,062
Accrued interest payable	-	-	204,139	43,672	247,811
Retainage payable	-	-	503,293	-	503,293
Due to primary government	-	-	28,453	-	28,453
<b>Noncurrent liabilities</b>					
Due within one year	-	-	1,297,600	-	1,297,600
Due within more than one year	-	-	33,936,396	7,818,890	41,755,286
Total liabilities	<u>-</u>	<u>-</u>	<u>36,611,539</u>	<u>7,970,178</u>	<u>44,581,717</u>
<b>NET ASSETS (DEFICIT)</b>					
Restricted for tax increment zone	-	-	-	207,002	207,002
Unrestricted	4,328	6,725	(25,231,364)	-	(25,220,311)
Total net assets (deficit)	<u>4,328</u>	<u>6,725</u>	<u>(25,231,364)</u>	<u>207,002</u>	<u>(25,013,309)</u>
Total liabilities and net assets (deficit)	<u>\$ 4,328</u>	<u>\$ 6,725</u>	<u>\$ 11,380,175</u>	<u>\$ 8,177,180</u>	<u>\$ 19,568,408</u>

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

**CITY OF LEWISVILLE, TEXAS**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT 15**

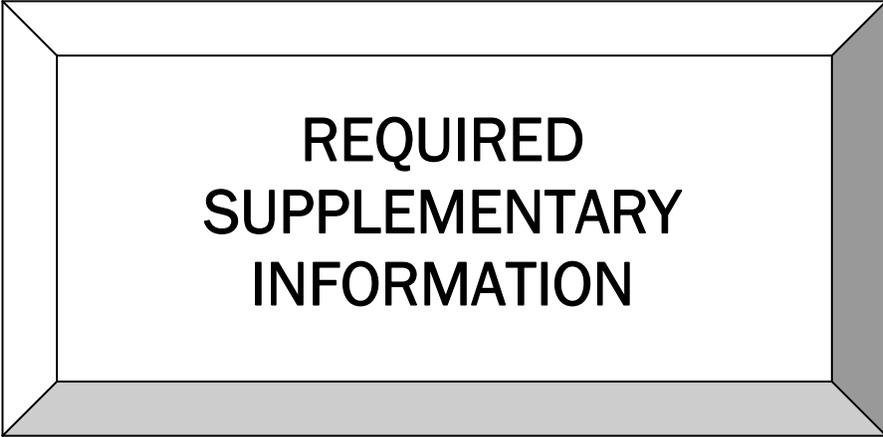
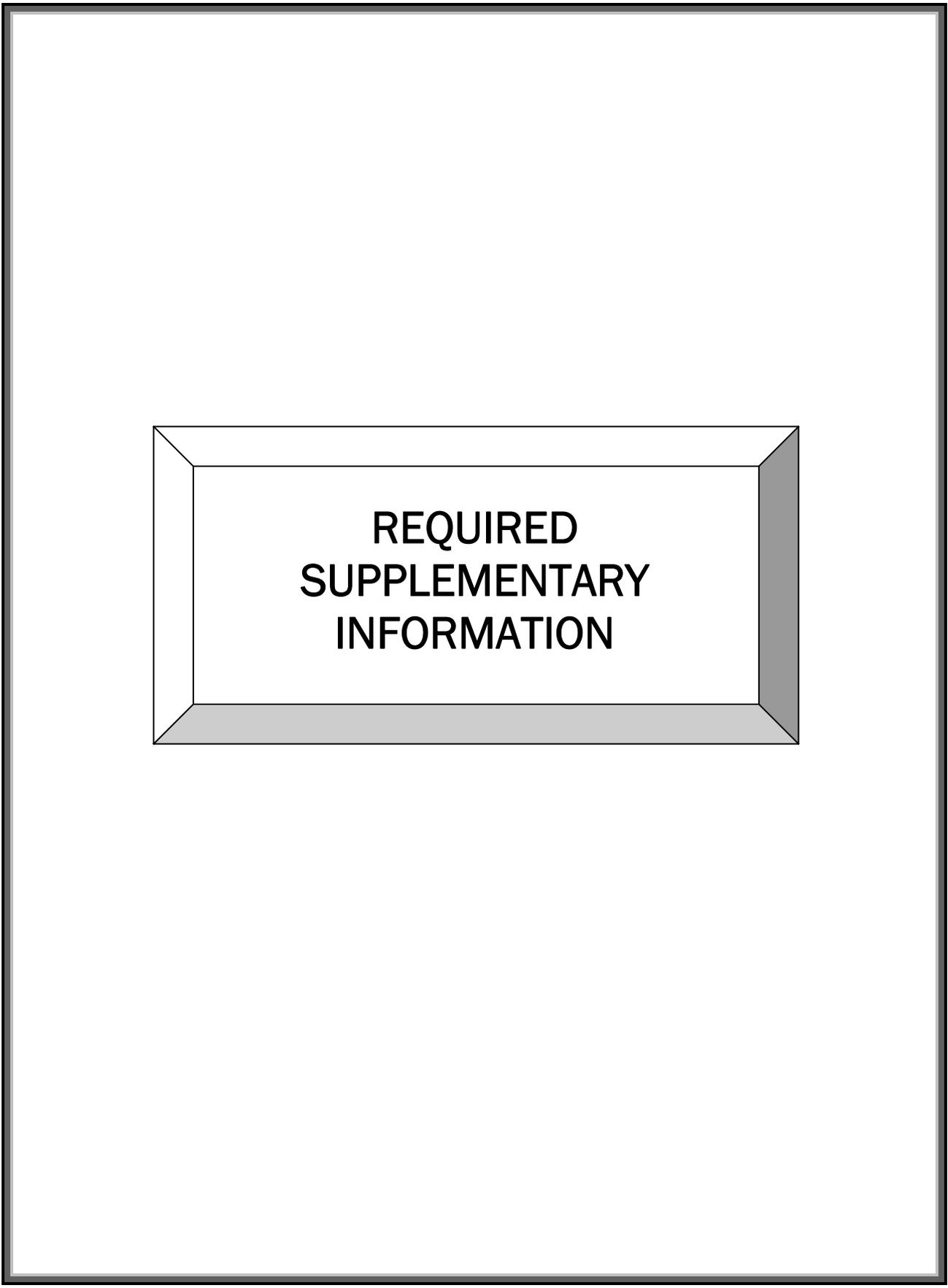
	<b>Governmental Activities</b>				<b>Total Component Units</b>
	<b>Lewisville Housing Finance Corporation</b>	<b>Lewisville Industrial Development Authority, Inc.</b>	<b>Lewisville Parks and Library Development Corporation</b>	<b>Tax Increment Reinvestment Zone (Old Town)</b>	
<b>EXPENSES</b>					
General government	\$ -	\$ -	\$ -	\$ 978,768	\$ 978,768
Culture, parks and recreation	-	-	15,422,704	-	15,422,704
Interest on long term debt	-	-	1,649,065	352,257	2,001,322
Total expenses	<u>-</u>	<u>-</u>	<u>17,071,769</u>	<u>1,331,025</u>	<u>18,402,794</u>
<b>PROGRAM REVENUES</b>					
Charges for services					
Culture, parks and recreation	-	-	170,992	-	170,992
Total charges for services	<u>-</u>	<u>-</u>	<u>170,992</u>	<u>-</u>	<u>170,992</u>
Total program revenues	<u>-</u>	<u>-</u>	<u>170,992</u>	<u>-</u>	<u>170,992</u>
<b>GENERAL REVENUES</b>					
Property taxes	-	-	-	582,296	582,296
Sales taxes	-	-	4,421,624	-	4,421,624
Investment earnings	64	164	333,658	211,310	545,196
Total general revenues	<u>64</u>	<u>164</u>	<u>4,755,282</u>	<u>793,606</u>	<u>5,549,116</u>
<b>CHANGE IN NET ASSETS (DEFICIT)</b>	64	164	(12,145,495)	(537,419)	(12,682,686)
Net assets (deficit), beginning	<u>4,264</u>	<u>6,561</u>	<u>(13,085,869)</u>	<u>744,421</u>	<u>(12,330,623)</u>
Net assets (deficit), ending	<u>\$ 4,328</u>	<u>\$ 6,725</u>	<u>\$(25,231,364)</u>	<u>\$ 207,002</u>	<u>\$(25,013,309)</u>

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



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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



**LEWISVILLE**

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

**A. Reporting Entity**

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

Blended Component Units

- The Lewisville Health Benefit Trust was established by the City under the Texas Political Subdivision Employees Group Benefits Act 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, for cause or at will. The activities of the Lewisville Health Benefit Trust are accounted for as a blended component unit and included with the internal service funds as the Health Insurance Risk Pool Fund. The Health Benefit Trust is reported as a blended component unit since it provides services exclusively for the City of Lewisville.
- The Local Government Corporation was established July 2006 to assist in economic development initiatives. Allowable under Chapter 431 of the Texas Transportation Code, this corporation cannot incur any debt without City Council approval. The City Council appoints a board and board members are removable by the City Council, for cause or at will. 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 it's governing body is substantially the same as the City's.

Discretely Presented Component Units

- 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, for cause or at will. 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, for cause or at will. In the event of dissolution, title to all assets transfer to the City. Financial statement information can be obtained by

CITY OF LEWISVILLE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009

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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, for cause or at will. In the event of dissolution, title of all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Tax Increment Reinvestment Zone Number 1, P. O. Box 299002, Lewisville, Texas 75029.
- City of Lewisville voters in September 2002 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, for cause or at will. In the event of dissolution, title of all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Parks and Library Development Corporation, P. O. Box 299002, Lewisville, Texas 75029.

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

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

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

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

reported as separate columns in the fund financial statements.

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following non-major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

**E. Receivables and Payables**

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

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

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

**F. Property Taxes**

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

The statutes of the State of Texas do not prescribe a legal limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population that have adopted a Home Rule charter, limits the ad valorem tax rate to \$2.50 per \$100 assessed valuation. For the fiscal year ended September 30, 2009, the City had a tax margin of \$2.05979 per \$100 assessed valuation based upon the maximum rates described above.

**G. Inventories of Supplies**

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

**H. Prepaid Items**

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

**I. Restricted Assets**

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

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

Capital assets, which include property, plant, equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense capitalized by the City during the current fiscal year was \$506,839.

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

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

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

**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 government funds only if they have matured. Typically, the General Fund has been used in prior years to liquidate such amounts in governmental funds.

**L. Long-Term Obligations**

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

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

**M. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**N. Budgets**

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

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All annual appropriations lapse at fiscal year-end. Long range financial plans are adopted for all capital project funds.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the government fund types. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**O. Deficit Net Assets**

The Lewisville Parks and Library Development Corporation has an agreement with the City of Lewisville regarding the construction, maintenance and operation of improvements for public park and library projects that states all capital assets shall be owned and operated by the City. Therefore, all of the Corporation's capital assets are transferred to the City annually and recorded as contribution expense. The cumulative effects of these annual transfers along with results of operations have resulted in a deficit net asset balance of \$25,231,364 at September 30, 2009.

**2. CASH, INVESTMENTS, AND DEPOSITS**

At year end, the government's carrying amount of deposits was \$22,438,151 and the bank balance was \$23,087,580. All bank balances, including the bank balance of the discretely presented component units, were covered by Federal Depository Insurance or by collateral held by a third-party custodian. The custodian serves contractually as the City's agent.

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

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

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

**CITY OF LEWISVILLE, TEXAS**  
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Investments at September 30, 2009 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, 2009 was \$83,286,373. At September 30, 2009, the City also had \$59,082,900 invested with TexPool, an investment pool for state and local governments in Texas.

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

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

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

	Carrying Amount	Fair Value	Weighted Average Maturity (Days)
U.S. Government Agency securities	\$ 83,286,373	\$ 83,286,373	389
Investment in TexPool	59,082,900	59,082,900	1
Total investments	\$ 142,369,273	\$ 142,369,273	390

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 year.

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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 AAA, AAA and Aaa by Standard & Poors, 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, 2009.

Concentration of Credit Risk

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

Custodial Credit Risk

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

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3. RECEIVABLES

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

	General	Debt Service	General Capital Projects	Non-Major and Other Funds	Total Governmental Funds
Receivables					
Property taxes	\$ 614,871	\$ 254,649	\$ -	\$ -	\$ 869,520
Franchise taxes	1,500,678	-	-	-	1,500,678
Sales taxes	2,880,936	-	-	-	2,880,936
Mixed drink taxes	106,851	-	-	-	106,851
Accounts	1,323,010	-	-	791,117	2,114,127
Unbilled trade accounts	226,460	-	-	-	226,460
Interest	129,594	9,284	188,556	16,571	344,005
Court	711,457	-	-	-	711,457
Grants	-	-	-	395,167	395,167
Ambulance	5,390,618	-	-	-	5,390,618
Miscellaneous	-	-	18,902	-	18,902
Gross receivables	12,884,475	263,933	207,458	1,202,855	14,558,721
Less: allowance	(4,802,937)	(164,871)	-	-	(4,967,808)
Net total receivables	\$ 8,081,538	\$ 99,062	\$ 207,458	\$ 1,202,855	\$ 9,590,913

	Water and Sewer	Internal Service	Total Proprietary Funds	Total Governmental Funds	Total All Funds
Receivables					
Property taxes	\$ -	\$ -	\$ -	\$ 869,520	\$ 869,520
Franchise taxes	-	-	-	1,500,678	1,500,678
Sales taxes	-	-	-	2,880,936	2,880,936
Mixed drink taxes	-	-	-	106,851	106,851
Accounts	1,624,962	91,750	1,716,712	2,114,127	3,830,839
Unbilled trade accounts	2,377,325	-	2,377,325	226,460	2,603,785
Interest	213,148	65,611	278,759	344,005	622,764
Court	-	-	-	711,457	711,457
Grants	-	-	-	395,167	395,167
Ambulance	-	-	-	5,390,618	5,390,618
Miscellaneous	-	-	-	18,902	18,902
Gross receivables	4,215,435	157,361	4,372,796	14,558,721	18,931,517
Less: allowance	(294,678)	-	(294,678)	(4,967,808)	(5,262,486)
Net total receivables	\$ 3,920,757	\$ 157,361	\$ 4,078,118	\$ 9,590,913	\$ 13,669,031

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**4. INTERFUND TRANSACTIONS**

Interfund transactions and balances for the fiscal year 2009 were as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Nonmajor Governmental	\$ 279,380	Short-term funding of deficit cash
General	Water & Sewer Utility	47,166	Properly classify revenue & expense
Water & Sewer Utility	General Capital Projects	9,484	Properly classify expense
Internal Service	Nonmajor Governmental	1,500,000	Prepaid lease payment
		<u>\$ 1,836,030</u>	

The only interfund balance not expected to be collected within one year is \$1,500,000 shown between internal service and non-major governmental funds above. In 2005, one of the City's internal service funds, Maintenance and Replacement Fund, transferred \$2,500,000 to the Hotel/Motel Tax Fund, a non-major governmental fund, for the purpose of a hotel and convention center project. The Hotel/Motel Tax Fund is reimbursing the Maintenance and Replacement Fund \$250,000 per year over a ten-year period beginning with fiscal year 2006 and ending in 2015.

**Interfund Transfers**

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General	Water and Sewer Utility	\$ 3,108,655	Payments in lieu of taxes and indirect cost reimbursement
General	Nonmajor Governmental	39,328	Indirect cost reimbursement
Debt Service	General Capital Projects	963	Bond proceeds for debt service
General Capital Projects	General	4,100,117	Financing of capital improvements
Nonmajor Governmental	General	56,879	Matching funds
Nonmajor Governmental	General Capital Projects	139,397	Transfer of interest earned
General Capital Projects	Nonmajor Governmental	32,709	Financing of capital improvements
		<u>\$ 7,478,048</u>	

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

Capital asset activity for the year ended September 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
<u>Governmental Funds</u>					
Capital assets, not being depreciated:					
Land	\$ 40,647,579	\$ 1,716,711	\$ -	\$ -	\$ 42,364,290
Construction in progress	28,006,057	39,547,745	-	(40,011,658)	27,542,144
Total capital assets, not being depreciated	<u>68,653,636</u>	<u>41,264,456</u>	<u>-</u>	<u>(40,011,658)</u>	<u>69,906,434</u>
Capital assets, being depreciated:					
Land improvements	268,181,357	1,683,664	-	22,764,299	292,629,320
Buildings	56,280,317	-	-	4,652,474	60,932,791
Other improvements	9,172,765	23,640	-	11,289,262	20,485,667
Machinery and equipment	20,691,671	96,700	(43,867)	1,288,003	22,032,507
Total capital assets being depreciated	<u>354,326,110</u>	<u>1,804,004</u>	<u>(43,867)</u>	<u>39,994,038</u>	<u>396,080,285</u>
Accumulated depreciation:					
Land improvements	(96,607,454)	(9,948,572)	-	-	(106,556,026)
Buildings	(15,224,676)	(1,761,218)	-	-	(16,985,894)
Other improvements	(2,005,126)	(1,079,895)	-	-	(3,085,021)
Machinery and equipment	(14,748,470)	(1,438,188)	1,371	-	(16,185,287)
Total accumulated depreciation	<u>(128,585,726)</u>	<u>(14,227,873)</u>	<u>1,371</u>	<u>-</u>	<u>(142,812,228)</u>
Total capital assets being depreciated, net	<u>225,740,384</u>	<u>(12,423,869)</u>	<u>(42,496)</u>	<u>39,994,038</u>	<u>253,268,057</u>
Total governmental funds capital assets, net	<u>294,394,020</u>	<u>28,840,587</u>	<u>(42,496)</u>	<u>(17,620)</u>	<u>323,174,491</u>
<u>Internal service funds</u>					
Capital assets, being depreciated:					
Other improvements	254,272	20,000	-	-	274,272
Machinery and equipment	19,714,990	1,667,990	(560,200)	17,620	20,840,400
Total internal service assets being depreciated	<u>19,969,262</u>	<u>1,687,990</u>	<u>(560,200)</u>	<u>17,620</u>	<u>21,114,672</u>
Accumulated depreciation:					
Other improvements	(19,376)	(19,626)	-	-	(39,002)
Machinery and equipment	(13,965,886)	(1,828,973)	560,200	-	(15,234,659)
Total accumulated depreciation	<u>(13,985,262)</u>	<u>(1,848,599)</u>	<u>560,200</u>	<u>-</u>	<u>(15,273,661)</u>
Total internal services funds capital assets, net	<u>5,984,000</u>	<u>(160,609)</u>	<u>-</u>	<u>17,620</u>	<u>5,841,011</u>
Governmental activities capital assets, net	<u>\$ 300,378,020</u>	<u>\$ 28,679,978</u>	<u>\$ (42,496)</u>	<u>\$ -</u>	<u>\$ 329,015,502</u>

CITY OF LEWISVILLE, TEXAS  
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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,368,892	\$ -	\$ -	\$ -	\$ 2,368,892
Construction in progress	13,998,058	8,840,688	-	(6,674,767)	16,163,979
Total capital assets, not being depreciated	<u>16,366,950</u>	<u>8,840,688</u>	<u>-</u>	<u>(6,674,767)</u>	<u>18,532,871</u>
Capital assets, being depreciated:					
Land improvements	106,700	-	-	-	106,700
Buildings	1,115,182	-	-	16,322	1,131,504
Other improvements	459,368	-	-	-	459,368
Water system	125,821,350	643,399	-	5,518,151	131,982,900
Sewer system	93,557,633	339,882	-	1,112,244	95,009,759
Machinery and equipment	3,445,753	107,858	-	28,050	3,581,661
Total capital assets being depreciated	<u>224,505,986</u>	<u>1,091,139</u>	<u>-</u>	<u>6,674,767</u>	<u>232,271,892</u>
Accumulated depreciation:					
Land improvements	(68,837)	(2,379)	-	-	(71,216)
Buildings	(263,389)	(33,372)	-	-	(296,761)
Other improvements	(62,063)	(23,530)	-	-	(85,593)
Water system	(29,189,670)	(2,786,009)	-	-	(31,975,679)
Sewer system	(25,135,887)	(1,929,660)	-	-	(27,065,547)
Machinery and equipment	(2,155,407)	(263,207)	-	-	(2,418,614)
Total accumulated depreciation	<u>(56,875,253)</u>	<u>(5,038,157)</u>	<u>-</u>	<u>-</u>	<u>(61,913,410)</u>
Business-type activities capital assets, net					
Total capital assets being depreciated, net	167,630,733	(3,947,018)	-	6,674,767	170,358,482
Total capital assets, net	<u>\$ 183,997,683</u>	<u>\$ 4,893,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,891,353</u>

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

Governmental activities:	
General government	\$ 666,439
Administration and legal	410,353
Finance	106,478
Community relations/tourism	75,414
Human resources	719
Municipal court	2,063
Information technology	122,923
Police	467,751
Fire	290,973
Public works	9,845,056
Parks and leisure	2,058,641
Community development	181,063
Internal service funds	1,848,599
Total depreciation expense - governmental activities	<u>\$ 16,076,472</u>
Business-type activities:	
Water and sewer	<u>\$ 5,038,157</u>

Outstanding commitments at September 30, 2009 under authorized construction contracts were approximately \$22,772,500. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

## **6. EMPLOYEE RETIREMENT PLAN**

### Plan Description

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

Upon retirement, benefits depend upon the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. At the inception of the City's plan, the City granted monetary credits for service rendered before the plan began (or prior service credits) of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest (3% annual), prior to establishment of the plan. Monetary credits for service since the plan began (or current service credits) are 200% of the employee's accumulated contributions. In addition, the City has granted

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on an annually repeating basis another type of monetary credit referred to as an updated service credit. This hypothetical account balance is increased by 3% each year, not the actual interest credited to member accounts in previous years, and increased by the City 2 to 1 match currently in effect. The resulting sum is then compared to the member's actual account balance increased by the actual City match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or updated service credit) equal to the difference between the hypothetical calculation and the actual calculation. At retirement, the benefit is calculated as if the sum of the employee's contributions with interest and the City-financed monetary credits with interest were used to purchase an annuity.

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

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

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

### Contributions

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

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

The City's contribution rate could not exceed a statutory maximum rate of 13.5%, which is a function of the employee contribution rate and the City matching percentage, unless it elected to

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remove the maximum rate. The City's governing body elected to remove the maximum rate effective January 1, 2009.

The City contributes to the TMRS Plan at an actuarially determined rate. Contributions are made monthly by both the employees and the City. Since the City must know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the contribution rate and the calendar year when the rate goes into effect (i.e. December 31, 2008 valuation is effective for rates beginning January 2010).

The annual pension costs and net pension obligation (asset) are as follows:

<b>Net Pension Obligation</b>	
	<u>FY 2008-09</u>
Annual required contribution (ARC)	\$ 6,816,614
Interest on net pension obligation	-
Adjustment to the ARC	-
Annual pension costs (APC)	<u>6,816,614</u>
Contributions made	<u>(5,409,954)</u>
Increase (decrease) in net pension obligation	1,406,660
Net pension obligation, beginning of year	-
Net pension obligation, end of year	<u>\$ 1,406,660</u>

<b>Three-Year Trend Information</b>			
	<u>FY 2008-09</u>	<u>FY 2007-08</u>	<u>FY 2006-07</u>
	<u>12/31/08</u>	<u>12/31/07</u>	<u>12/31/06</u>
Actuarial valuation date			
Annual pension cost (APC)	\$ 6,816,614	\$ 4,871,746	\$ 4,387,314
Actual contributions made	5,409,954	4,871,746	4,387,314
Percentage of APC contributed	79.4%	100.0%	100.0%
Net pension obligation	\$ 1,406,660	\$ -	\$ -

The required contribution rates for fiscal year 2009 were determined as part of the December 31, 2006 and 2007 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2008, also follows:

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**Schedule of Actuarial Assumptions and Valuations**

	FY 2008-09 12/31/08	FY 2007-08 12/31/07	FY 2006-07 12/31/06
Valuation date			
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Unit Credit
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	29 years; closed period	30 years; closed period	25 years; open period
Asset valuation method	Amortized Cost	Amortized Cost	Amortized Cost
Actuarial assumptions:			
Investment rate of return *	7.5%	7.0%	7.0%
Projected salary increases *	Varies by age and service	Varies by age and service	Varies by age and service
Cost-of-living adjustments	2.1%	2.1%	N/A
* Includes inflation at	3.0%	3.0%	3.0%

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

**Schedule of Actuarial Liabilities and Funding Progress**

	FY 2008-09 12/31/08	FY 2007-08 12/31/07	FY 2006-07 12/31/06
Actuarial valuation date			
Actuarial value of assets	\$ 86,651,580	\$ 79,908,001	\$ 76,477,973
Actuarial accrued liability	136,672,203	126,259,331	99,119,243
Funded ratio	63.4%	63.3%	77.2%
Unfunded actuarial accrued liability (UAAL)	50,020,623	46,351,330	22,641,270
Annual covered payroll	38,217,868	34,936,279	32,971,986
UAAL as a percentage of covered payroll	130.9%	132.7%	68.7%

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

## 7. COMMITMENTS AND CONTINGENCIES

### Water Contract

The City purchases all of its raw water from the City of Dallas. The raw water rate for this contract during the fiscal year was \$0.4744 per \$1,000 gallons. Effective October 1, 2009, the rate became \$.4971 per 1,000 gallons. The City of Dallas reserves the right and power during the term of this contract to set reasonable revised rates from time to time.

### Legal

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

### Grant Audit

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

## 8. OTHER POST EMPLOYMENT BENEFITS

The City provides a \$15,000 fully paid life insurance policy upon retirement with ten years of service with the City of Lewisville. The City pays 100 percent of the premium cost for the life insurance policy. Expenditures for this benefit are recognized as employees retire and the insurance policy is purchased. The City recognized expenditures of \$61,230 for the year ended September 30, 2009 to purchase life insurance policies for eight eligible retirees.

### Lewisville OPEB Liability Trust Fund

The City established an irrevocable trust during the prior fiscal year 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.

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*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 may increase its contribution amount up to two percent annually. 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, 2009, the date of the latest actuarial valuation:

Number of retirees and beneficiaries receiving benefit	54
Active plan members	627

*Funding Status and Funding Progress*

The City made an initial contribution to the trust of \$2,000,000 for beginning plan assets last fiscal year. Annual required contributions (ARC) per GASB Statement 45 began in 2009, the first required fiscal year under the statement.

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.

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**Schedule of Funding Status and Funding Progress**

Actuarial Valuation Date	10/1/2008 *
Actuarial Value of Assets	\$2,034,900
Actuarial Accrued Liability (AAL)	\$5,666,100
Unfunded AAL (UAAL)	\$3,631,200
Funded Ratio	35.9%
Covered Payroll	\$36,991,239
UAAL as a Percentage of Covered Payroll	9.8%

\* *inception year*

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

**Schedule of Employer Contributions**

Beginning Contribution Year	9/30/2009
Annual Required Contribution	\$482,500

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.

**Actuarial Assumptions**

Valuation date	10/1/2008
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, closed
Amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.5%
General Inflation	3.0%

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Healthcare cost trend rate is assumed to be greater than 3% annually and hence is not applicable for purposes of this valuation, since the City's future costs are capped at 2% annually.

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

**9. COMPONENTS OF RESTRICTED ASSETS**

Cash, interest receivable, investments and prepaid items	
Deposits	\$ 1,320,220
Money held in escrow	45,408
Revenue bond current debt service accounts	3,274,122
Revenue bond future debt service accounts	4,280,502
Revenue bond construction accounts	<u>30,856,848</u>
 Total	 <u><u>\$39,777,100</u></u>

The related liabilities payable from restricted assets at September 30, 2009 are as follows:

Deposits payable	\$1,320,220
Escrow payable	45,408
Accrued interest payable	280,178
Contracts and retainage payable	116,226
Current maturities of revenue bonds	<u>5,360,000</u>
 Total	 <u><u>\$7,122,032</u></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, 2009, 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.

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

Restricted Assets	
Revenue bond current debt service accounts	\$3,274,122
Revenue bond future debt service accounts	4,280,502
	<u>\$7,554,624</u>
Less - Liabilities payable from restricted assets	
Accrued interest payable	\$ 280,178
Current maturities of revenue bonds	5,360,000
	<u>5,640,178</u>
Reserved for revenue bond retirement	<u>\$1,914,446</u>

#### 10. DEFERRED COMPENSATION PLAN

The City offers its employees a choice between two deferred compensation plans (the Plan) created in accordance with Internal Revenue Code Section 457. One Plan is administered and investments managed by Nationwide Retirement Solutions (NRS). The second Plan is administered by AIG Valic. The assets and liabilities amounted to \$19,902,801 for Nationwide and \$19,614,141 for AIG Valic at September 30, 2009. The plans include numerous types of investments as participants elect how their salary deferrals are invested. Investment options include the following: fixed annuities, variable annuities, and life insurance.

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

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

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

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

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**11. LONG TERM LIABILITIES**

General Obligation Bonds

During the year, \$5,430,000 of General Obligation Bonds were issued for the purpose of constructing street and drainage improvements. The City also issued \$11,900,000 in Waterworks and Sewer System Revenue Bonds to construct improvements and extensions to the City's waterworks and sewer system.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government	2.00% - 5.50%	\$63,460,000

Annual debt service requirements to maturity for General Obligation Bonds, including interest of \$17,961,772 are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>General Obligation</u> <u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2010	5,695,000	2,730,089	8,425,089
2011	5,345,000	2,459,040	7,804,040
2012	5,375,000	2,227,991	7,602,991
2013	5,410,000	1,992,604	7,402,604
2014	5,265,000	1,758,834	7,023,834
2015-2019	22,785,000	5,444,327	28,229,327
2020-2024	13,180,000	1,340,281	14,520,281
2025	405,000	8,606	413,606
	<u>\$ 63,460,000</u>	<u>\$ 17,961,772</u>	<u>\$ 81,421,772</u>

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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, 2009, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Water supply and waste water treatment	2.00% - 5.65%	\$53,115,000
Less-Current maturities payable from restricted assets		<u>5,360,000</u>
		<u>\$47,755,000</u>

Revenue bond debt service requirements to maturity, including interest of \$13,943,729 are as follows:

<u>Year Ended</u> <u>September 30</u>	<u>Revenue Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2010	5,360,000	2,138,648	7,498,648
2011	5,040,000	1,925,479	6,965,479
2012	4,855,000	1,723,824	6,578,824
2013	4,665,000	1,521,446	6,186,446
2014	4,270,000	1,329,146	5,599,146
2015-2019	18,435,000	4,129,842	22,564,842
2020-2024	9,515,000	1,154,381	10,669,381
2025	975,000	20,963	995,963
	<u>\$ 53,115,000</u>	<u>\$ 13,943,729</u>	<u>\$ 67,058,729</u>

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2009, the City was in compliance with all significant limitations and restrictions.

In March 2010, the City approved issuance of \$9,060,000 of General Obligation Refunding Bonds, plus a cash contribution of \$626,141 to refund a portion of the City's outstanding general obligation and revenue bond debt. The net proceeds of the refunding, plus the contribution, amounted to \$10,157,765 and were deposited with an escrow agent to purchase direct obligations of the United States. As a result of the refunding, the City decreased its aggregate debt service payment to maturity by \$744,971 and realized an economic gain (difference between the present value of debt service payment on the old debt and the new debt) of \$575,695.

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In prior years, the City defeased certain general 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, 2009, \$5,205,000 of outstanding General Obligation Bonds are considered defeased.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending	Due Within One Year
Governmental activities:					
Bonds payable	\$ 63,235,000	\$ 5,430,000	\$ (5,205,000)	\$ 63,460,000	\$ 5,695,000
Less deferred amount on refunding	(680,628)	-	63,973	(616,655)	(63,973)
Premium	1,215,651	-	(100,542)	1,115,109	100,542
Arbitrage payable	139,781	-	(139,781)	-	-
Compensated absences	6,259,027	4,270,185	(4,087,520)	6,441,692	4,356,223
Net pension obligation	-	1,249,643	-	1,249,643	-
Governmental activity long-term liabilities	<u>\$ 70,168,831</u>	<u>\$ 10,949,828</u>	<u>\$ (9,468,870)</u>	<u>\$ 71,649,789</u>	<u>\$10,087,792</u>
Business activities:					
Bonds payable	\$ 46,190,000	\$ 11,900,000	\$ (4,975,000)	53,115,000	\$ 5,360,000
Less deferred amount on refunding	(798,460)	-	126,025	(672,435)	(115,304)
Premium	566,076	-	(68,514)	497,562	68,514
Discount	(51,165)	(40,562)	4,366	(87,361)	(6,267)
Arbitrage payable	58,995	-	(58,995)	-	-
Compensated absences	659,996	433,681	(365,484)	728,193	411,825
Net pension obligation	-	157,018	-	157,018	-
Business activity long-term liabilities	<u>\$ 46,625,442</u>	<u>\$ 12,450,137</u>	<u>\$ (5,337,602)</u>	<u>\$ 53,737,977</u>	<u>\$ 5,718,768</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 April 2003. The sales tax is collected solely for the

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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 are being utilized to finance the construction of park facilities and library improvements. Certificates of Obligation were 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. Proceeds are being utilized for constructing an athletic complex, an arts activity center, parking lot and related improvements.

Certificates of Obligation outstanding at September 30, 2009 for the Lewisville Parks and Library Development Corporation component unit are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Park and Library Improvements	3.25% - 5.25%	\$34,930,000

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

<u>Year Ended</u> <u>September 30</u>	<u>Certificates of Obligation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2010	1,285,000	1,609,503	2,894,503
2011	1,335,000	1,560,812	2,895,812
2012	1,390,000	1,508,496	2,898,496
2013	1,445,000	1,452,359	2,897,359
2014	1,510,000	1,388,359	2,898,359
2014-2018	8,720,000	5,752,212	14,472,212
2019-2023	11,110,000	3,368,729	14,478,729
2024-2028	4,705,000	1,410,125	6,115,125
2029-2032	3,430,000	238,975	3,668,975
	<u>\$ 34,930,000</u>	<u>\$ 18,289,570</u>	<u>\$ 53,219,570</u>

Certificates of Obligation outstanding at September 30, 2009 for the Tax Increment Reinvestment Zone (Old Town) Component Unit are comprised of the following individual issue:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Arts Activity Center	3.75% - 4.49%	\$7,800,000

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

Year Ended September 30	Certificates of Obligation		Total
	Principal	Interest	
2010	-	349,379	349,379
2011	20,000	348,979	368,979
2012	40,000	347,779	387,779
2013	165,000	343,266	508,266
2014	205,000	334,941	539,941
2015-2019	1,680,000	1,486,775	3,166,775
2020-2024	3,015,000	996,568	4,011,568
2025-2027	2,675,000	206,859	2,881,859
	<u>\$ 7,800,000</u>	<u>\$ 4,414,546</u>	<u>\$ 12,214,546</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
LPLDC activities:					
Bonds payable:					
Tax and Revenue C.O.	\$ 36,175,000	\$ -	\$ (1,245,000)	\$ 34,930,000	\$ 1,285,000
Premium	301,241	-	(15,878)	285,363	15,878
Arbitrage payable	166,232	-	(166,232)	-	-
Compensated absences	14,722	18,384	(14,473)	18,633	12,600
LPLDC activities total:	<u>36,657,195</u>	<u>18,384</u>	<u>(1,441,583)</u>	<u>35,233,996</u>	<u>1,313,478</u>
TIRZ activities:					
Bonds payable:					
Tax and Revenue C.O.	7,800,000	-	-	7,800,000	-
Premium	19,957	-	(1,067)	18,890	1,066
Arbitrage payable	54,274	-	(54,274)	-	-
TIRZ activities total:	<u>7,874,231</u>	<u>-</u>	<u>(55,341)</u>	<u>7,818,890</u>	<u>1,066</u>
Component unit long-term liabilities	<u>\$ 44,531,426</u>	<u>\$ 18,384</u>	<u>\$ (1,496,924)</u>	<u>\$ 43,052,886</u>	<u>\$ 1,314,544</u>

CITY OF LEWISVILLE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009

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Bonded Indebtedness of Which the City Has No Liability

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

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

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

As of September 30, 2009, the Lewisville Housing Finance Corporation Housing Revenue Bonds were outstanding. The principal amount payable was \$10,995,000.

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

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

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

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

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

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

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

**CITY OF LEWISVILLE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

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

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

At September 30, 2009, City of Lewisville, Texas Contract Revenue and Special Assessment Improvement Bonds outstanding aggregated was \$88,775,000.

## **12. RISK MANAGEMENT**

The City established a limited risk management program for workers' compensation and healthcare coverage in 1988. Beginning September 1, 1990, liability and property and casualty risk funding was established within the Self-Insurance Internal Service Fund. Life, accidental death and dismemberment and long-term disability coverage are fully insured but accounted for within the fund. Premiums are transferred into the Self-Insurance Internal Service Fund from all other operating funds and are available to pay claims, claim reserves, reinsurance excess coverage premiums, and any other premiums or administrative costs associated with the programs. During FY 2008-09, a total of \$1,107,044 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 \$400,000 per occurrence for sworn police and fire and \$300,000 per occurrence for all other positions. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. In July 1999, the property and casualty and liability insurance coverages were moved to a deductible program. Each line of coverage has a deductible per occurrence ranging from \$500-\$50,000.

During FY 2001-02, the City established a Health Insurance Risk Pool under Chapter 172 of the Texas Local Government Code. Since the establishment of the Risk Pool, premiums for healthcare have been transferred into the Risk Pool from all other operating funds and are 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, 2008, the healthcare reinsurance provided excess coverage (beyond \$125,000 per occurrence) and an annual aggregate stop loss of approximately \$5,815,000 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 2008-09, total expenses for claims, reinsurance premiums, and administrative costs for healthcare amounted to \$6,542,732.

CITY OF LEWISVILLE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2009

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

Changes in the balances of claims liabilities for the year ended September 30, 2009 are as follows:

	<u>2009</u>	<u>2008</u>
Claims payable, beginning of year	\$ 1,384,648	\$ 1,729,729
Incurred claims	6,310,939	5,525,168
Claims payments	<u>(6,317,284)</u>	<u>(5,870,249)</u>
Claims payable, end of year	<u>\$ 1,378,303</u>	<u>\$ 1,384,648</u>

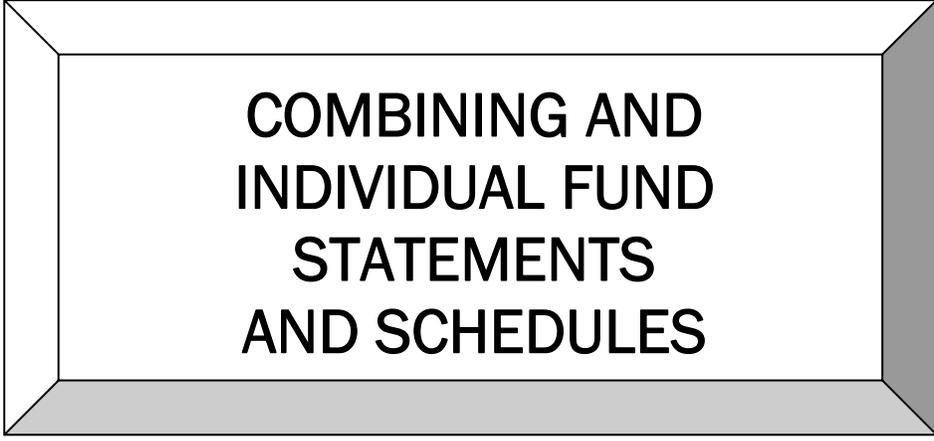
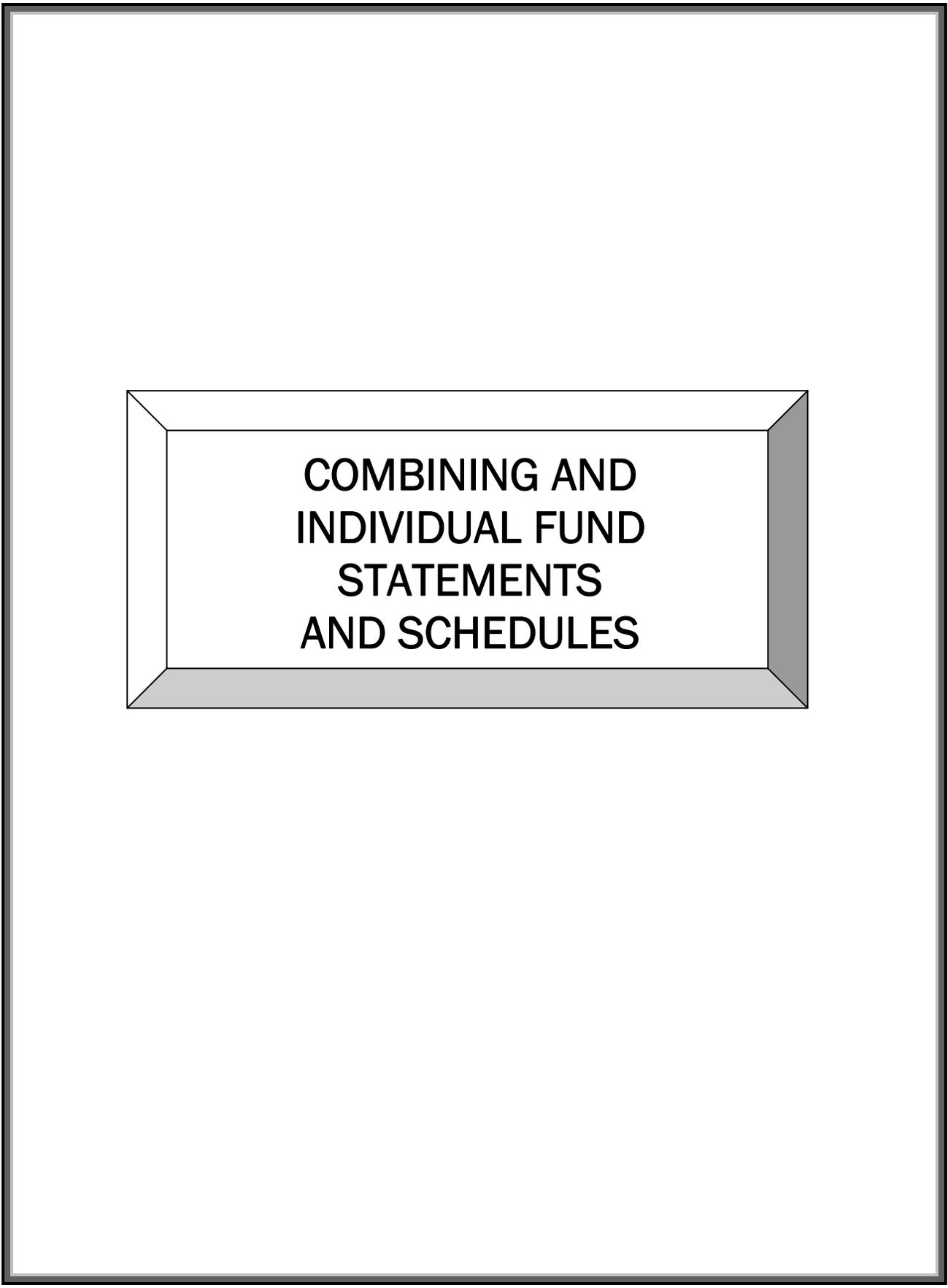
**CITY OF LEWISVILLE, TEXAS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT A-1**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property and other taxes	\$45,558,503	\$45,558,503	\$45,155,161	\$ (403,342)
Licenses and permits	1,494,926	1,494,926	1,767,049	272,123
Charges for services	5,540,732	5,540,732	5,702,288	161,556
Recreation	1,078,519	1,078,519	1,096,845	18,326
Fines and forfeitures	2,713,837	2,763,837	2,950,843	187,006
Investment earnings	1,150,000	1,150,000	778,397	(371,603)
Miscellaneous	561,921	561,921	484,880	(77,041)
Total revenues	<u>58,098,438</u>	<u>58,148,438</u>	<u>57,935,463</u>	<u>(212,975)</u>
<b>EXPENDITURES</b>				
Current				
General government	1,343,353	1,274,223	1,161,756	112,467
Mayor and council	78,961	78,961	77,163	1,798
Administrative and legal	2,290,819	2,299,418	2,272,503	26,915
Community relations/tourism	484,137	484,137	460,538	23,599
Police	18,374,139	18,401,304	17,852,026	549,278
Fire	14,697,319	14,672,882	14,499,954	172,928
Public services	4,560,372	4,560,372	4,313,106	247,266
Parks and leisure	6,425,396	6,425,396	6,048,646	376,750
Community development	5,317,307	5,327,267	4,972,226	355,041
Finance	1,288,993	1,307,724	1,284,032	23,692
Human resources	728,854	728,854	695,151	33,703
Information technology services	1,917,786	1,949,725	1,863,492	86,233
Municipal court	849,460	849,460	835,014	14,446
Capital outlay	343,532	186,608	111,832	74,776
Total expenditures	<u>58,700,428</u>	<u>58,546,331</u>	<u>56,447,439</u>	<u>2,098,892</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(601,990)</u>	<u>(397,893)</u>	<u>1,488,024</u>	<u>1,885,917</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,101,996	3,101,996	3,147,983	45,987
Transfers out	(3,432,915)	(4,160,741)	(4,156,996)	3,745
Total other financing sources (uses)	<u>(330,919)</u>	<u>(1,058,745)</u>	<u>(1,009,013)</u>	<u>49,732</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>(932,909)</u>	<u>(1,456,638)</u>	<u>479,011</u>	<u>1,935,649</u>
<b>FUND BALANCES, beginning</b>	<u>31,529,355</u>	<u>31,529,355</u>	<u>31,529,355</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$30,596,446</u>	<u>\$30,072,717</u>	<u>\$32,008,366</u>	<u>\$ 1,935,649</u>

**BUDGET BASIS OF ACCOUNTING**

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



**COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS  
AND SCHEDULES**



# LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

## MAJOR GOVERNMENTAL FUNDS

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### **GENERAL FUND**

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

### **DEBT SERVICE FUND**

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

### **GENERAL CAPITAL PROJECTS FUND**

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



**LEWISVILLE**

Deep Roots. Broad Wings. Bright Future.

**CITY OF LEWISVILLE, TEXAS  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT B-1**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 5,499,261	\$ 1,630,432
Investments	23,631,296	26,658,155
Receivables (net of allowances for uncollectables of \$4,802,937 in 2009 and \$4,255,728 in 2008)		
Taxes	4,705,242	5,118,590
Accounts	2,806,784	2,488,520
Unbilled accounts	226,460	213,315
Interest	129,594	141,163
Court	213,458	220,541
Due from other funds	326,546	171,150
Prepaid items	228,411	196,935
Total assets	<u>\$ 37,767,052</u>	<u>\$ 36,838,801</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 1,027,310	\$ 1,115,646
Accrued liabilities	2,402,197	2,027,784
Deposits payable	8,000	7,700
Deferred revenues	2,219,983	2,037,155
Money held in escrow	101,196	121,161
Total liabilities	<u>5,758,686</u>	<u>5,309,446</u>
Fund balances		
Reserved for prepaid items	228,411	196,935
Reserved for encumbrances	121,575	156,790
Unrestricted, undesignated	31,658,380	31,175,630
Total fund balances	<u>32,008,366</u>	<u>31,529,355</u>
 Total liabilities and fund balances	 <u>\$ 37,767,052</u>	 <u>\$ 36,838,801</u>

**CITY OF LEWISVILLE, TEXAS  
GENERAL FUND**

**EXHIBIT B-2**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR FISCAL YEARS ENDED  
SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Property and other taxes	\$ 45,155,161	\$ 45,396,240
Licenses and permits	1,767,049	2,328,846
Charges for services	5,702,288	5,603,449
Recreation	1,096,845	1,133,848
Fines and forfeitures	2,950,843	2,916,566
Investment earnings	778,397	1,037,805
Miscellaneous	484,880	400,006
Total revenues	<u>57,935,463</u>	<u>58,816,760</u>
<b>EXPENDITURES</b>		
Current		
General government	7,814,635	7,421,303
Culture, parks and recreation	6,048,646	6,202,437
Public safety	33,186,994	31,939,880
Public services	9,285,332	8,901,685
Capital outlay	111,832	120,548
Total expenditures	<u>56,447,439</u>	<u>54,585,853</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,488,024</u>	<u>4,230,907</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	3,147,983	5,565,790
Transfers out	(4,156,996)	(5,038,248)
Proceeds from sale of assets	-	4,998
Total other financing sources (uses)	<u>(1,009,013)</u>	<u>532,540</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	479,011	4,763,447
<b>FUND BALANCES, beginning</b>	<u>31,529,355</u>	<u>26,765,908</u>
<b>FUND BALANCES, ending</b>	<u>\$ 32,008,366</u>	<u>\$ 31,529,355</u>

**CITY OF LEWISVILLE, TEXAS  
DEBT SERVICE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT C-1**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 408,144	\$ 97,790
Investments	1,755,380	1,987,287
Receivables (net of allowances for uncollectables of \$164,871 in 2009 and \$168,313 in 2008)		
Taxes	89,778	85,060
Interest	9,284	10,509
Prepaid items	<u>1,292</u>	<u>1,292</u>
Total assets	<u>\$ 2,263,878</u>	<u>\$ 2,181,938</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accrued interest payable	\$ 14,990	\$ 32,467
Deferred revenues	89,778	85,060
Total liabilities	<u>104,768</u>	<u>117,527</u>
Fund balances		
Reserved for prepaid items	1,292	1,292
Reserved for debt service	2,157,818	2,063,119
Total fund balance	<u>2,159,110</u>	<u>2,064,411</u>
Total liabilities and fund balance	<u>\$ 2,263,878</u>	<u>\$ 2,181,938</u>

**CITY OF LEWISVILLE, TEXAS  
DEBT SERVICE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT C-2**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Taxes	\$ 8,027,058	\$ 7,586,574
Investment earnings	74,764	134,457
Miscellaneous	-	7,949
Total revenues	<u>8,101,822</u>	<u>7,728,980</u>
 <b>EXPENDITURES</b>		
Debt Service		
Principal	5,205,000	4,995,000
Interest and fiscal charges	<u>2,803,086</u>	<u>2,741,964</u>
Total expenditures	<u>8,008,086</u>	<u>7,736,964</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <u>93,736</u>	 <u>(7,984)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfer in	<u>963</u>	<u>4,628</u>
Total other financing sources (uses)	<u>963</u>	<u>4,628</u>
 <b>NET CHANGE IN FUND BALANCES</b>	 94,699	 (3,356)
 <b>FUND BALANCES, beginning</b>	 <u>2,064,411</u>	 <u>2,067,767</u>
 <b>FUND BALANCES, ending</b>	 <u><u>\$ 2,159,110</u></u>	 <u><u>\$ 2,064,411</u></u>

**CITY OF LEWISVILLE, TEXAS**

**EXHIBIT C-3**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 7,714,634	\$ 7,714,634	\$ 8,027,058	\$ 312,424
Investment earnings	160,000	160,000	74,764	(85,236)
Total revenues	<u>7,874,634</u>	<u>7,874,634</u>	<u>8,101,822</u>	<u>227,188</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	5,205,000	5,205,000	5,205,000	-
Interest and fiscal charges	<u>2,859,192</u>	<u>2,859,192</u>	<u>2,803,086</u>	<u>56,106</u>
Total expenditures	<u>8,064,192</u>	<u>8,064,192</u>	<u>8,008,086</u>	<u>56,106</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(189,558)</u>	<u>(189,558)</u>	<u>93,736</u>	<u>283,294</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	-	963	963
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>963</u>	<u>963</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	(189,558)	(189,558)	94,699	284,257
<b>FUND BALANCES, beginning</b>				
	<u>2,064,411</u>	<u>2,064,411</u>	<u>2,064,411</u>	<u>-</u>
<b>FUND BALANCES, ending</b>				
	<u>\$ 1,874,853</u>	<u>\$ 1,874,853</u>	<u>\$ 2,159,110</u>	<u>\$ 284,257</u>

**CITY OF LEWISVILLE, TEXAS  
GENERAL CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT D-1**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 8,519,973	\$ 3,230,071
Investments	36,643,478	52,965,402
Receivables		
Interest	188,556	277,941
Other	18,902	1,074,643
Due from other funds	-	789,218
Prepaid items	660	927
Total assets	<u>\$ 45,371,569</u>	<u>\$ 58,338,202</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 1,007,323	\$ 2,257,267
Money held in escrow	763,124	5,133,817
Due to other funds	9,484	-
Retainage payable	458,016	458,702
Total liabilities	<u>2,237,947</u>	<u>7,849,786</u>
Fund balances		
Reserved for prepaid items	660	927
Reserved for encumbrances	11,027,536	10,021,030
Reserved for capital projects	32,105,426	40,466,459
Total fund balances	<u>43,133,622</u>	<u>50,488,416</u>
 Total liabilities and fund balances	 <u>\$ 45,371,569</u>	 <u>\$ 58,338,202</u>

**CITY OF LEWISVILLE, TEXAS  
GENERAL CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT D-2**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Investment earnings	\$ 1,106,182	\$ 1,942,239
Contributions	5,072,965	8,994,010
Miscellaneous	37	111,293
Total revenues	<u>6,179,184</u>	<u>11,047,542</u>
<b>EXPENDITURES</b>		
Debt Service		
Interest and fiscal charges	66,528	74,514
Capital outlay	22,880,879	18,774,870
Total expenditures	<u>22,947,407</u>	<u>18,849,384</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(16,768,223)</u>	<u>(7,801,842)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	4,132,826	6,466,253
Transfers out	(140,360)	(2,473,488)
Issuance of general obligation bonds	5,430,000	8,715,000
Premium (discount) on issuance of general obligation bonds	(9,037)	(5,372)
Total other financing sources (uses)	<u>9,413,429</u>	<u>12,702,393</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>(7,354,794)</u>	<u>4,900,551</u>
<b>FUND BALANCES, beginning</b>	50,488,416	45,587,865
<b>FUND BALANCES, ending</b>	<u>\$ 43,133,622</u>	<u>\$ 50,488,416</u>



**LEWISVILLE**

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## MAJOR PROPRIETARY ENTERPRISE FUND

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

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

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

**CITY OF LEWISVILLE, TEXAS  
WATER AND SEWER UTILITY ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF NET ASSETS  
SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 735,604	\$ 1,463,905
Investments	27,739,813	28,898,846
Receivables (net of allowances for uncollectables of \$294,678 in 2009 and \$221,083 in 2008)		
Accounts	1,330,284	1,472,908
Unbilled accounts	2,377,325	2,450,830
Interest	108,854	174,559
Due from other funds	9,484	4,385
Due from component unit	28,453	-
Prepaid items	623	3,866
Restricted assets		
Cash	3,682,372	4,356,726
Investments	35,989,059	25,792,131
Interest receivable	104,294	110,657
Prepaid items	1,375	1,375
Total currents assets	<u>72,107,540</u>	<u>64,730,188</u>
Noncurrent assets		
Deferred bond issuance costs, net of amortization	<u>745,082</u>	<u>762,330</u>
Capital assets		
Land	2,368,892	2,368,892
Land improvements	106,700	106,700
Buildings	1,131,504	1,115,182
Other improvements	459,368	459,368
Water system	131,982,900	125,821,350
Sewer system	95,009,759	93,557,633
Machinery and equipment	3,581,661	3,445,753
Construction in progress	16,163,979	13,998,058
Total capital assets	<u>250,804,763</u>	<u>240,872,936</u>
Less - Accumulated depreciation	<u>(61,913,410)</u>	<u>(56,875,253)</u>
Capital assets, net of accumulated depreciation	<u>188,891,353</u>	<u>183,997,683</u>
Total noncurrent assets	<u>189,636,435</u>	<u>184,760,013</u>
Total assets	<u>\$ 261,743,975</u>	<u>\$ 249,490,201</u>

	<u>2009</u>	<u>2008</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Current liabilities payable from restricted assets		
Deposits payable	\$ 1,320,220	\$ 1,330,675
Accrued interest payable	280,178	255,083
Contracts and retainage payable	116,226	36,097
Money held in escrow	45,408	82,393
Current maturities of revenue bonds	5,360,000	4,975,000
Total current liabilities payable from restricted assets	<u>7,122,032</u>	<u>6,679,248</u>
Accounts payable	1,689,125	1,440,806
Accrued liabilities	300,719	366,992
Compensated absences	411,825	381,806
Due to other funds	47,166	49,017
Total current liabilities	<u>9,570,867</u>	<u>8,917,869</u>
Noncurrent liabilities		
Revenue bond payable	47,755,000	41,215,000
Compensated absences	316,368	278,190
Net pension obligation	157,018	-
Arbitrage payable	-	58,995
Deferred loss on refunding	(672,435)	(798,460)
Premium	497,562	566,076
Discount	(87,361)	(51,165)
Total noncurrent liabilities	<u>47,966,152</u>	<u>41,268,636</u>
Total liabilities	<u>57,537,019</u>	<u>50,186,505</u>
Net assets		
Invested in capital assets, net of related debt	166,895,435	159,684,492
Restricted		
For revenue bond retirements	1,914,446	2,024,478
Unrestricted	35,397,075	37,594,726
Total net assets	<u>\$ 204,206,956</u>	<u>\$ 199,303,696</u>

**CITY OF LEWISVILLE, TEXAS**  
**WATER AND SEWER UTILITY ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET ASSETS FOR FISCAL YEARS ENDED**  
**SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT E-2**

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Water sales	\$ 15,248,974	\$ 15,003,985
Sewer service	9,665,269	9,485,404
Tap fees	46,073	62,194
Industrial charges	119,820	125,721
Wholesale sewage treatment	439,434	494,840
Wholesale water sales	14,018	11,444
Reconnect and sample fees	123,866	157,298
Total charges for sales and service	<u>25,657,454</u>	<u>25,340,886</u>
Miscellaneous	57,586	64,325
Total operating revenues	<u>25,715,040</u>	<u>25,405,211</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services, net of reimbursements	7,081,049	6,979,314
Administrative	7,076,262	6,735,724
Depreciation	5,038,157	4,898,077
Total operating expenses	<u>19,195,468</u>	<u>18,613,115</u>
Total operating income	<u>6,519,572</u>	<u>6,792,096</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment earnings	1,344,073	2,015,797
Interest expense	(1,517,953)	(1,538,361)
Amortization	(157,046)	(168,876)
Gain on disposal of assets	-	4,385
Total non-operating revenues (expenses)	<u>(330,926)</u>	<u>312,945</u>
<b>INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>6,188,646</u>	<u>7,105,041</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers out	(3,108,655)	(3,073,842)
Contributions from property owners	904,162	9,455,665
Contributions - impact fees	919,107	1,773,100
Total transfers and capital contributions	<u>(1,285,386)</u>	<u>8,154,923</u>
<b>CHANGE IN NET ASSETS</b>	4,903,260	15,259,964
<b>NET ASSETS, beginning</b>	199,303,696	184,043,732
<b>NET ASSETS, ending</b>	<u>\$ 204,206,956</u>	<u>\$ 199,303,696</u>



**LEWISVILLE**

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**CITY OF LEWISVILLE, TEXAS  
WATER AND SEWER UTILITY ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 25,883,729	\$ 25,182,620
Cash received (paid) from transactions with other funds	(35,403)	115,807
Cash paid to employees for services	(5,481,740)	(5,116,357)
Cash paid for goods and services	<u>(8,243,933)</u>	<u>(7,813,427)</u>
Net cash provided by (used in) operating activities	<u>12,122,653</u>	<u>12,368,643</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers out to other funds	<u>(3,108,655)</u>	<u>(3,024,891)</u>
Net cash provided by (used in) noncapital financing activities	<u>(3,108,655)</u>	<u>(3,024,891)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(8,520,826)	(6,462,525)
Proceeds from the sale of equipment	-	4,385
Proceeds from the sale of revenue bonds	11,900,000	10,300,000
Principal paid on revenue bond maturities	(4,975,000)	(6,620,000)
Impact fees	919,107	1,773,100
Interest paid	(2,040,257)	(1,855,168)
Bond issuance cost paid	<u>(77,923)</u>	<u>(143,745)</u>
Net cash provided by (used in) capital and related financing activities	<u>(2,794,899)</u>	<u>(3,003,953)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(56,909,851)	(55,909,950)
Proceeds from sale and maturities of investments	47,871,956	47,362,043
Interest received	<u>1,416,141</u>	<u>2,083,989</u>
Net cash provided by (used in) investing activities	<u>(7,621,754)</u>	<u>(6,463,918)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(1,402,655)	(124,119)
<b>CASH, beginning of year</b>	<u>5,820,631</u>	<u>5,944,750</u>
<b>CASH, end of year</b>	<u>\$ 4,417,976</u>	<u>\$ 5,820,631</u>
Classified as		
Unrestricted cash and cash equivalents at end of year	\$ 735,604	\$ 1,463,905
Restricted cash and cash equivalents at end of year	<u>3,682,372</u>	<u>4,356,726</u>
<b>TOTAL CASH AT END OF YEAR</b>	<u>\$ 4,417,976</u>	<u>\$ 5,820,631</u>

	<u>2009</u>	<u>2008</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 6,519,572	\$ 6,792,096
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	5,038,157	4,898,077
Provision for uncollectible accounts	73,505	48,025
Change in assets and liabilities		
(Increase) decrease in receivables	142,624	(305,467)
(Increase) decrease in prepaid items	3,243	(189)
(Increase) decrease in due from other funds	(5,099)	66,790
(Increase) decrease in due from component unit	(28,453)	-
Increase (decrease) in accounts payable and contracts payable	211,334	726,944
Increase (decrease) in accrued liabilities	(66,273)	52,082
Increase (decrease) in deposits payable	(10,455)	57,826
Increase (decrease) in contracts and retainage payable	80,129	7,159
Increase (decrease) in arbitrage payable	(58,995)	(32,753)
Increase (decrease) in compensated absences	68,197	9,036
Increase (decrease) in net pension obligations	157,018	-
Increase (decrease) in due to other funds	(1,851)	49,017
Total adjustments	<u>5,603,081</u>	<u>5,576,547</u>
Net cash provided by (used in) operating activities	<u>\$ 12,122,653</u>	<u>\$ 12,368,643</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
From contributions of capital assets	\$ 904,162	\$ 9,455,665
Increase (decrease) in fair value of investments	204,150	(298,544)



**LEWISVILLE**

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## NON-MAJOR GOVERNMENTAL FUNDS

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

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

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

### **RECREATION ACTIVITY FUND**

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

### **GRANT FUND**

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

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

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

### **MUNICIPAL COURT SECURITY FUND**

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

### **MUNICIPAL COURT TECHNOLOGY FUND**

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

### **POLICE ASSET FORFEITURE FUND**

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

### **EMPLOYEE BENEVOLENT FUND**

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

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

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

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

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



# LEWISVILLE

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## NON-MAJOR GOVERNMENTAL FUNDS

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### **DONATIONS FUND**

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

### **POLICE FEDERAL FORFEITURE FUND**

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

### **RECORDS MANAGEMENT FUND**

To account for records management fees assessed to cover expenditures related to the electronic scanning and storing of vital records.

### **JUVENILE CASE MANAGER FUND**

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

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

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

To account for assistance efforts in economic development initiatives.

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

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

**CITY OF LEWISVILLE, TEXAS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2009**

**Special Revenues**

	<b>Hotel/Motel Tax</b>	<b>Recreation Activity</b>	<b>Grant</b>	<b>Public Improvement District</b>	<b>Municipal Court Security</b>	<b>Municipal Court Technology</b>	<b>Police Asset Forfeiture</b>
<b>ASSETS</b>							
Cash	\$ 356,015	\$ 54,657	\$ 4,692	\$ 35,917	\$ 15,102	\$ 67,029	\$ 22,985
Investments	1,531,181	235,073	20,176	154,477	64,952	288,279	67,350
Receivables							
Accounts	761,124	-	395,167	-	-	-	-
Interest	9,593	1,244	78	817	344	1,666	357
Prepaid items	3,238,612	-	528	-	150	750	-
Total assets	<u>\$ 5,896,525</u>	<u>\$ 290,974</u>	<u>\$ 420,641</u>	<u>\$ 191,211</u>	<u>\$ 80,548</u>	<u>\$ 357,724</u>	<u>\$ 90,692</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities							
Accounts and contracts payable	\$ 53,939	\$ 10,900	\$ 59,382	\$ -	\$ 1,924	\$ 3,274	\$ 8,071
Deferred revenues	48,973	-	4,000	-	-	-	-
Due to other funds	1,500,000	-	279,380	-	-	-	-
Total liabilities	<u>1,602,912</u>	<u>10,900</u>	<u>342,762</u>	<u>-</u>	<u>1,924</u>	<u>3,274</u>	<u>8,071</u>
Fund balances							
Reserved for prepaid items	3,238,612	-	528	-	150	750	-
Reserved for encumbrances	8,151	6,830	77,351	-	-	-	-
Reserved for capital projects	-	-	-	-	-	-	-
Unreserved, undesignated	1,046,850	273,244	-	191,211	78,474	353,700	82,621
Total fund balances	<u>4,293,613</u>	<u>280,074</u>	<u>77,879</u>	<u>191,211</u>	<u>78,624</u>	<u>354,450</u>	<u>82,621</u>
Total liabilities and fund balances	<u>\$ 5,896,525</u>	<u>\$ 290,974</u>	<u>\$ 420,641</u>	<u>\$ 191,211</u>	<u>\$ 80,548</u>	<u>\$ 357,724</u>	<u>\$ 90,692</u>

Special Revenues

Employee Benevolent	Fire and Police Training	LEOSE	Donations	Police Federal Forfeiture	Records Management	Juvenile Case Manager	Lewisville Local Government Corporation	Castle Hills Capital Projects	Total Nonmajor Governmental Funds
\$ 4,265	\$ 6,064	\$ 2,025	\$ 54,621	\$ 21,393	\$ 240	\$ 10,862	\$ 12,211	\$ 4	\$ 668,082
18,346	26,084	8,713	234,917	92,006	1,032	46,720	52,521	-	2,841,827
-	-	-	29,993	-	-	-	-	-	1,186,284
96	138	46	1,177	487	-	250	278	-	16,571
-	-	2,340	538	-	-	-	-	-	3,242,918
<u>\$ 22,707</u>	<u>\$ 32,286</u>	<u>\$13,124</u>	<u>\$ 321,246</u>	<u>\$ 113,886</u>	<u>\$ 1,272</u>	<u>\$ 57,832</u>	<u>\$ 65,010</u>	<u>\$ 4</u>	<u>\$ 7,955,682</u>
\$ 120	\$ 303	\$ -	\$ 43,642	\$ -	\$ -	\$ 2,548	\$ -	\$ -	\$ 184,103
-	-	-	-	-	-	-	-	-	52,973
-	-	-	-	-	-	-	-	-	1,779,380
<u>120</u>	<u>303</u>	<u>-</u>	<u>43,642</u>	<u>-</u>	<u>-</u>	<u>2,548</u>	<u>-</u>	<u>-</u>	<u>2,016,456</u>
-	-	2,340	538	-	-	-	-	-	3,242,918
-	-	-	-	-	-	-	-	-	92,332
-	-	-	-	-	-	-	-	4	4
<u>22,587</u>	<u>31,983</u>	<u>10,784</u>	<u>277,066</u>	<u>113,886</u>	<u>1,272</u>	<u>55,284</u>	<u>65,010</u>	<u>-</u>	<u>2,603,972</u>
<u>22,587</u>	<u>31,983</u>	<u>13,124</u>	<u>277,604</u>	<u>113,886</u>	<u>1,272</u>	<u>55,284</u>	<u>65,010</u>	<u>4</u>	<u>5,939,226</u>
<u>\$ 22,707</u>	<u>\$ 32,286</u>	<u>\$13,124</u>	<u>\$ 321,246</u>	<u>\$ 113,886</u>	<u>\$ 1,272</u>	<u>\$ 57,832</u>	<u>\$ 65,010</u>	<u>\$ 4</u>	<u>\$ 7,955,682</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, 2009

Special Revenues

	<u>Hotel/Motel Tax</u>	<u>Recreation Activity</u>	<u>Grant</u>	<u>Public Improvement District</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>	<u>Police Asset Forfeiture</u>
<b>REVENUES</b>							
Taxes	\$ 1,554,826	\$ -	\$ -	\$ 15,180	\$ -	\$ -	\$ -
Recreation	-	439,751	-	-	-	-	-
Investment earnings	51,546	6,653	374	4,702	2,129	9,559	2,541
Grants							
Culture, parks and recreation	-	-	312,057	-	-	-	-
Public safety	-	-	238,649	-	-	-	-
Public services	-	-	686,616	-	-	-	-
Miscellaneous	3,921	2,156	-	-	66,170	88,212	25,754
Total revenues	<u>1,610,293</u>	<u>448,560</u>	<u>1,237,696</u>	<u>19,882</u>	<u>68,299</u>	<u>97,771</u>	<u>28,295</u>
<b>EXPENDITURES</b>							
Current							
General government	1,453,077	-	-	3,398	-	-	-
Culture, parks and recreation	-	380,666	23,656	-	-	-	-
Public safety	-	-	249,459	-	39,784	117,918	34,643
Public services	-	-	711,780	-	-	-	-
Capital outlay	-	-	292,078	-	-	-	-
Total expenditures	<u>1,453,077</u>	<u>380,666</u>	<u>1,276,973</u>	<u>3,398</u>	<u>39,784</u>	<u>117,918</u>	<u>34,643</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>157,216</u>	<u>67,894</u>	<u>(39,277)</u>	<u>16,484</u>	<u>28,515</u>	<u>(20,147)</u>	<u>(6,348)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	139,397	-	56,879	-	-	-	-
Transfers out	-	-	-	(1,560)	(37,768)	(32,709)	-
Proceeds from sale of assets	-	-	-	-	-	-	5,560
Total other financing sources (uses)	<u>139,397</u>	<u>-</u>	<u>56,879</u>	<u>(1,560)</u>	<u>(37,768)</u>	<u>(32,709)</u>	<u>5,560</u>
<b>NET CHANGE IN FUND BALANCES</b>	296,613	67,894	17,602	14,924	(9,253)	(52,856)	(788)
<b>FUND BALANCES, beginning</b>	<u>3,997,000</u>	<u>212,180</u>	<u>60,277</u>	<u>176,287</u>	<u>87,877</u>	<u>407,306</u>	<u>83,409</u>
<b>FUND BALANCES, ending</b>	<u>\$ 4,293,613</u>	<u>\$ 280,074</u>	<u>\$ 77,879</u>	<u>\$ 191,211</u>	<u>\$ 78,624</u>	<u>\$ 354,450</u>	<u>\$ 82,621</u>

## Special Revenues

<u>Employee Benevolent</u>	<u>Fire and Police Training</u>	<u>LEOSE</u>	<u>Donations</u>	<u>Police Federal Forfeiture</u>	<u>Records Management</u>	<u>Juvenile Case Manager</u>	<u>Lewisville Local Government Corporation</u>	<u>Castle Hills Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,570,006
-	-	-	-	-	-	-	-	-	439,751
525	799	237	6,731	1,901	-	1,064	1,602	2,044	92,407
-	-	-	-	-	-	-	-	-	312,057
-	-	-	-	-	-	-	-	-	238,649
-	-	-	-	-	-	-	-	-	686,616
5,297	12,870	10,514	178,456	63,313	-	85,148	-	-	541,811
<u>5,822</u>	<u>13,669</u>	<u>10,751</u>	<u>185,187</u>	<u>65,214</u>	<u>-</u>	<u>86,212</u>	<u>1,602</u>	<u>2,044</u>	<u>3,881,297</u>
4,614	-	-	57,679	-	1,398	-	-	-	1,520,166
-	-	-	5,440	-	-	-	-	-	409,762
-	14,578	7,902	45,625	4,463	-	54,069	-	-	568,441
-	-	-	1,000	-	-	-	-	-	712,780
-	-	-	-	-	-	-	-	1,577,591	1,869,669
<u>4,614</u>	<u>14,578</u>	<u>7,902</u>	<u>109,744</u>	<u>4,463</u>	<u>1,398</u>	<u>54,069</u>	<u>-</u>	<u>1,577,591</u>	<u>5,080,818</u>
<u>1,208</u>	<u>(909)</u>	<u>2,849</u>	<u>75,443</u>	<u>60,751</u>	<u>(1,398)</u>	<u>32,143</u>	<u>1,602</u>	<u>(1,575,547)</u>	<u>(1,199,521)</u>
-	-	-	-	-	-	-	-	-	196,276
-	-	-	-	-	-	-	-	-	(72,037)
-	-	-	-	-	-	-	-	-	5,560
-	-	-	-	-	-	-	-	-	129,799
1,208	(909)	2,849	75,443	60,751	(1,398)	32,143	1,602	(1,575,547)	(1,069,722)
<u>21,379</u>	<u>32,892</u>	<u>10,275</u>	<u>202,161</u>	<u>53,135</u>	<u>2,670</u>	<u>23,141</u>	<u>63,408</u>	<u>1,575,551</u>	<u>7,008,948</u>
<u>\$ 22,587</u>	<u>\$ 31,983</u>	<u>\$ 13,124</u>	<u>\$ 277,604</u>	<u>\$ 113,886</u>	<u>\$ 1,272</u>	<u>\$ 55,284</u>	<u>\$ 65,010</u>	<u>\$ 4</u>	<u>\$ 5,939,226</u>

**CITY OF LEWISVILLE, TEXAS  
HOTEL/MOTEL TAX SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-3**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 356,015	\$ 106,393
Investments	1,531,181	1,744,593
Receivables		
Accounts	761,124	507,506
Interest	9,593	9,236
Prepaid items	3,238,612	3,476,038
Total assets	<u>\$ 5,896,525</u>	<u>\$ 5,843,766</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 53,939	\$ 62,160
Due to other funds	1,500,000	1,750,000
Deferred revenues	48,973	34,606
Total liabilities	<u>1,602,912</u>	<u>1,846,766</u>
 Fund balances		
Reserved for prepaid items	3,238,612	3,476,038
Reserved for encumbrances	8,151	41,813
Unreserved, undesignated	1,046,850	479,149
Total fund balances	<u>4,293,613</u>	<u>3,997,000</u>
 Total liabilities and fund balances	<u>\$ 5,896,525</u>	<u>\$ 5,843,766</u>

**CITY OF LEWISVILLE, TEXAS  
HOTEL/MOTEL TAX SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-4**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Taxes	\$ 1,554,826	\$ 1,830,230
Investment earnings	51,546	65,479
Miscellaneous	3,921	7
Total revenues	<u>1,610,293</u>	<u>1,895,716</u>
<b>EXPENDITURES</b>		
Current		
General government	<u>1,453,077</u>	<u>1,477,134</u>
Total expenditures	<u>1,453,077</u>	<u>1,477,134</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>157,216</u>	<u>418,582</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	<u>139,397</u>	-
Total other financing sources (uses)	<u>139,397</u>	-
<b>NET CHANGES IN FUND BALANCES</b>	296,613	418,582
<b>FUND BALANCES, beginning</b>	<u>3,997,000</u>	<u>3,578,418</u>
<b>FUND BALANCES, ending</b>	<u>\$ 4,293,613</u>	<u>\$ 3,997,000</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, 2009**

**EXHIBIT F-5**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$1,818,077	\$1,818,077	\$1,554,826	\$ (263,251)
Investment earnings	80,000	80,000	51,546	(28,454)
Miscellaneous	-	-	3,921	3,921
Total revenues	<u>1,898,077</u>	<u>1,898,077</u>	<u>1,610,293</u>	<u>(287,784)</u>
<b>EXPENDITURES</b>				
Current				
General government	<u>1,766,894</u>	<u>1,808,707</u>	<u>1,453,077</u>	<u>355,630</u>
Total expenditures	<u>1,766,894</u>	<u>1,808,707</u>	<u>1,453,077</u>	<u>355,630</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>131,183</u>	<u>89,370</u>	<u>157,216</u>	<u>67,846</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>139,397</u>	<u>139,397</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>139,397</u>	<u>139,397</u>
<b>NET CHANGES IN FUND BALANCES</b>	131,183	89,370	296,613	207,243
<b>FUND BALANCES, beginning</b>	<u>3,997,000</u>	<u>3,997,000</u>	<u>3,997,000</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$4,128,183</u>	<u>\$4,086,370</u>	<u>\$4,293,613</u>	<u>\$ 207,243</u>

**CITY OF LEWISVILLE, TEXAS  
RECREATION ACTIVITY SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-6**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 54,657	\$ 12,929
Investments	235,073	212,003
Receivables		
Interest	1,244	1,133
Prepaid items	-	7,081
Total assets	<u>\$ 290,974</u>	<u>\$ 233,146</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 10,900	\$ 20,966
Total liabilities	<u>10,900</u>	<u>20,966</u>
Fund balances		
Reserved for prepaid items	-	7,081
Reserved for encumbrances	6,830	-
Unreserved, undesignated	273,244	205,099
Total fund balances	<u>280,074</u>	<u>212,180</u>
 Total liabilities and fund balances	 <u>\$ 290,974</u>	 <u>\$ 233,146</u>

**CITY OF LEWISVILLE, TEXAS  
RECREATION ACTIVITY SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-7**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Recreation	\$ 439,751	\$ 457,828
Investment earnings	6,653	7,833
Miscellaneous	2,156	3,110
Total revenues	<u>448,560</u>	<u>468,771</u>
<b>EXPENDITURES</b>		
Current		
Culture, parks and recreation	<u>380,666</u>	<u>415,246</u>
Total expenditures	<u>380,666</u>	<u>415,246</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	67,894	53,525
<b>FUND BALANCES, beginning</b>	<u>212,180</u>	<u>158,655</u>
<b>FUND BALANCES, ending</b>	<u>\$ 280,074</u>	<u>\$ 212,180</u>

**CITY OF LEWISVILLE, TEXAS  
RECREATION ACTIVITY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT F-8**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Recreation	\$ 378,300	\$ 378,300	\$ 439,751	\$ 61,451
Investment earnings	8,609	8,609	6,653	(1,956)
Miscellaneous	2,100	2,100	2,156	56
Total revenues	<u>389,009</u>	<u>389,009</u>	<u>448,560</u>	<u>59,551</u>
<b>EXPENDITURES</b>				
Current				
Culture, parks and recreation	380,338	381,338	380,666	672
Capital outlay	7,840	6,840	-	6,840
Total expenditures	<u>388,178</u>	<u>388,178</u>	<u>380,666</u>	<u>7,512</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	831	831	67,894	67,063
<b>FUND BALANCES, beginning</b>				
	<u>212,180</u>	<u>212,180</u>	<u>212,180</u>	<u>-</u>
<b>FUND BALANCES, ending</b>				
	<u>\$ 213,011</u>	<u>\$ 213,011</u>	<u>\$ 280,074</u>	<u>\$ 67,063</u>

**CITY OF LEWISVILLE, TEXAS  
GRANT SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-9**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 4,692	\$ 2,592
Investments	20,176	42,511
Receivables		
Accounts	395,167	1,124,330
Interest	78	1
Prepaid items	528	333
Total assets	<u>\$ 420,641</u>	<u>\$ 1,169,767</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 59,382	\$ 196,775
Due to other funds	279,380	911,351
Deferred revenue	4,000	1,364
Total liabilities	<u>342,762</u>	<u>1,109,490</u>
Fund balances		
Reserved for prepaid items	528	333
Reserved for encumbrances	77,351	59,944
Total fund balances	<u>77,879</u>	<u>60,277</u>
 Total liabilities and fund balances	 <u>\$ 420,641</u>	 <u>\$ 1,169,767</u>

**CITY OF LEWISVILLE, TEXAS  
GRANT SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-10**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Investment earnings	\$ 374	\$ 2,386
Grants		
Culture, parks and recreation	312,057	1,061,894
Public safety	238,649	220,857
Public services	686,616	708,082
Total revenues	<u>1,237,696</u>	<u>1,993,219</u>
<b>EXPENDITURES</b>		
Current		
Culture, parks and recreation	23,656	22,149
Public safety	249,459	266,842
Public services	711,780	822,961
Capital outlay	292,078	965,024
Total expenditures	<u>1,276,973</u>	<u>2,076,976</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(39,277)</u>	<u>(83,757)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	56,879	66,389
Transfers out	-	(102,671)
Total other financing sources (uses)	<u>56,879</u>	<u>(36,282)</u>
<b>NET CHANGE IN FUND BALANCES</b>	17,602	(120,039)
<b>FUND BALANCES, beginning</b>	<u>60,277</u>	<u>180,316</u>
<b>FUND BALANCES, ending</b>	<u>\$ 77,879</u>	<u>\$ 60,277</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, 2009**

**EXHIBIT F-11**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 10,291	\$ 10,291	\$ 374	\$ (9,917)
Grants				
Culture, parks and recreation	-	-	312,057	363,019
Public safety	211,528	198,552	238,649	(10,865)
Public services	569,895	569,895	686,616	116,721
Total revenues	<u>791,714</u>	<u>778,738</u>	<u>1,237,696</u>	<u>458,958</u>
<b>EXPENDITURES</b>				
Current				
Culture, parks and recreation	-	23,656	23,656	-
Public safety	267,168	206,821	249,459	(42,638)
Public services	605,853	916,852	711,780	205,072
Capital outlay	-	833,445	292,078	541,367
Total expenditures	<u>873,021</u>	<u>1,980,774</u>	<u>1,276,973</u>	<u>703,801</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(81,307)</u>	<u>(1,202,036)</u>	<u>(39,277)</u>	<u>1,162,759</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	73,515	55,848	56,879	1,031
Total other financing sources (uses)	<u>73,515</u>	<u>55,848</u>	<u>56,879</u>	<u>1,031</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(7,792)</u>	<u>(1,146,188)</u>	<u>17,602</u>	<u>1,163,790</u>
<b>FUND BALANCES, beginning</b>	<u>60,277</u>	<u>60,277</u>	<u>60,277</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 52,485</u>	<u>\$ (1,085,911)</u>	<u>\$ 77,879</u>	<u>\$ 1,163,790</u>

**CITY OF LEWISVILLE, TEXAS  
PUBLIC IMPROVEMENT DISTRICT TAX SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-12**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 35,917	\$ 10,082
Investments	154,477	165,331
Receivables		
Interest	817	874
Total assets	<u>\$ 191,211</u>	<u>\$ 176,287</u>
 <b>FUND BALANCES</b>		
Reserved for encumbrances	-	850
Unreserved, undesignated	191,211	175,437
Total fund balances	<u>191,211</u>	<u>176,287</u>
 Total liabilities and fund balances	<u>\$ 191,211</u>	<u>\$ 176,287</u>

**CITY OF LEWISVILLE, TEXAS  
PUBLIC IMPROVEMENT DISTRICT TAX SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-13**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Taxes	\$ 15,180	\$ 15,264
Investment earnings	4,702	8,721
Total revenues	<u>19,882</u>	<u>23,985</u>
<b>EXPENDITURES</b>		
Current		
General government	3,398	3,901
Total expenditures	<u>3,398</u>	<u>3,901</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>16,484</u>	<u>20,084</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	<u>(1,560)</u>	<u>(1,560)</u>
Total other financing sources (uses)	<u>(1,560)</u>	<u>(1,560)</u>
<b>NET CHANGE IN FUND BALANCES</b>	14,924	18,524
<b>FUND BALANCES, beginning</b>	<u>176,287</u>	<u>157,763</u>
<b>FUND BALANCES, ending</b>	<u>\$ 191,211</u>	<u>\$ 176,287</u>

**CITY OF LEWISVILLE, TEXAS  
PUBLIC IMPROVEMENT DISTRICT TAX SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT F-14**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 15,188	\$ 15,188	\$ 15,180	\$ (8)
Investment earnings	500	500	4,702	4,202
Total revenues	<u>15,688</u>	<u>15,688</u>	<u>19,882</u>	<u>4,194</u>
<b>EXPENDITURES</b>				
Current				
General government	<u>55,600</u>	<u>56,450</u>	<u>3,398</u>	<u>53,052</u>
Total expenditures	<u>55,600</u>	<u>56,450</u>	<u>3,398</u>	<u>53,052</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(39,912)</u>	<u>(40,762)</u>	<u>16,484</u>	<u>57,246</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(1,560)</u>	<u>(1,560)</u>	<u>(1,560)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,560)</u>	<u>(1,560)</u>	<u>(1,560)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(41,472)</u>	<u>(42,322)</u>	<u>14,924</u>	<u>57,246</u>
<b>FUND BALANCES, beginning</b>	<u>176,287</u>	<u>176,287</u>	<u>176,287</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 134,815</u></u>	<u><u>\$ 133,965</u></u>	<u><u>\$ 191,211</u></u>	<u><u>\$ 57,246</u></u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT SECURITY SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-15**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 15,102	\$ 5,077
Investments	64,952	83,259
Receivables		
Interest	344	440
Prepaid items	150	150
Total assets	<u>\$ 80,548</u>	<u>\$ 88,926</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 1,924	\$ 1,049
Total liabilities	<u>1,924</u>	<u>1,049</u>
Fund balances		
Reserved for prepaid items	150	150
Unreserved, undesignated	78,474	87,727
Total fund balances	<u>78,624</u>	<u>87,877</u>
 Total liabilities and fund balances	 <u>\$ 80,548</u>	 <u>\$ 88,926</u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT SECURITY SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-16**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Security fee	\$ 66,170	\$ 64,699
Investment earnings	2,129	3,457
Total revenues	<u>68,299</u>	<u>68,156</u>
<b>EXPENDITURES</b>		
Current		
Public safety	39,784	32,527
Total expenditures	<u>39,784</u>	<u>32,527</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>28,515</u>	<u>35,629</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	<u>(37,768)</u>	<u>(36,668)</u>
Total other financing sources (uses)	<u>(37,768)</u>	<u>(36,668)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(9,253)	(1,039)
<b>FUND BALANCES, beginning</b>	<u>87,877</u>	<u>88,916</u>
<b>FUND BALANCES, ending</b>	<u>\$ 78,624</u>	<u>\$ 87,877</u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT SECURITY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT F-17**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Security fee	\$ 62,168	\$ 62,168	\$ 66,170	\$ 4,002
Investment earnings	4,400	4,400	2,129	(2,271)
Total revenues	<u>66,568</u>	<u>66,568</u>	<u>68,299</u>	<u>1,731</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>40,500</u>	<u>40,500</u>	<u>39,784</u>	<u>716</u>
Total expenditures	<u>40,500</u>	<u>40,500</u>	<u>39,784</u>	<u>716</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>26,068</u>	<u>26,068</u>	<u>28,515</u>	<u>2,447</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(37,768)</u>	<u>(37,768)</u>	<u>(37,768)</u>	<u>-</u>
Total other financing sources (uses)	<u>(37,768)</u>	<u>(37,768)</u>	<u>(37,768)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(11,700)	(11,700)	(9,253)	2,447
<b>FUND BALANCES, beginning</b>	<u>87,877</u>	<u>87,877</u>	<u>87,877</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 76,177</u></u>	<u><u>\$ 76,177</u></u>	<u><u>\$ 78,624</u></u>	<u><u>\$ 2,447</u></u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT TECHNOLOGY SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-18**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 67,029	\$ 23,303
Investments	288,279	382,110
Receivables		
Interest	1,666	2,021
Prepaid items	750	-
Total assets	<u>\$ 357,724</u>	<u>\$ 407,434</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 3,274	\$ 128
Total liabilities	<u>3,274</u>	<u>128</u>
Fund balances		
Reserved for prepaids	750	-
Reserved for encumbrances	-	34,432
Unreserved, undesignated	353,700	372,874
Total fund balances	<u>354,450</u>	<u>407,306</u>
 Total liabilities and fund balances	 <u>\$ 357,724</u>	 <u>\$ 407,434</u>

**CITY OF LEWISVILLE, TEXAS  
MUNICIPAL COURT TECHNOLOGY SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-19**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Technology fee	\$ 88,212	\$ 86,240
Investment earnings	9,559	15,100
Total revenues	<u>97,771</u>	<u>101,340</u>
<b>EXPENDITURES</b>		
Current		
Public safety	117,918	50,415
Total expenditures	<u>117,918</u>	<u>50,415</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(20,147)</u>	<u>50,925</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	(32,709)	-
Total other financing sources (uses)	<u>(32,709)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(52,856)	50,925
<b>FUND BALANCES, beginning</b>	<u>407,306</u>	<u>356,381</u>
<b>FUND BALANCES, ending</b>	<u>\$ 354,450</u>	<u>\$ 407,306</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, 2009**

**EXHIBIT F-20**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Technology fee	\$ 82,000	\$ 82,000	\$ 88,212	\$ 6,212
Investment earnings	16,000	16,000	9,559	(6,441)
Total revenues	<u>98,000</u>	<u>98,000</u>	<u>97,771</u>	<u>(229)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>105,071</u>	<u>158,223</u>	<u>117,918</u>	<u>40,305</u>
Total expenditures	<u>105,071</u>	<u>158,223</u>	<u>117,918</u>	<u>40,305</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(7,071)	(60,223)	(20,147)	40,076
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>(32,709)</u>	<u>(32,709)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(32,709)</u>	<u>(32,709)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	(7,071)	(92,932)	(52,856)	40,076
<b>FUND BALANCES, beginning</b>				
	<u>407,306</u>	<u>407,306</u>	<u>407,306</u>	<u>-</u>
<b>FUND BALANCES, ending</b>				
	<u>\$ 400,235</u>	<u>\$ 314,374</u>	<u>\$ 354,450</u>	<u>\$ 40,076</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE ASSET FORFEITURE SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-21**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 22,985	\$ 12,750
Investments	67,350	113,148
Receivables		
Interest	357	598
Total assets	<u>\$ 90,692</u>	<u>\$ 126,496</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 8,071	\$ 43,087
Total liabilities	<u>8,071</u>	<u>43,087</u>
Fund balances		
Unreserved, undesignated	82,621	83,409
Total fund balances	<u>82,621</u>	<u>83,409</u>
 Total liabilities and fund balances	 <u>\$ 90,692</u>	 <u>\$ 126,496</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE ASSET FORFEITURE SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-22**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Investment earnings	\$ 2,541	\$ 4,206
Miscellaneous	25,754	6,636
Total revenues	<u>28,295</u>	<u>10,842</u>
<b>EXPENDITURES</b>		
Current		
Public safety	34,643	58,299
Total expenditures	<u>34,643</u>	<u>58,299</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(6,348)	(47,457)
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from sale of assets	5,560	4,684
Total other financing sources (uses)	<u>5,560</u>	<u>4,684</u>
<b>NET CHANGE IN FUND BALANCES</b>	(788)	(42,773)
<b>FUND BALANCES, beginning</b>	<u>83,409</u>	<u>126,182</u>
<b>FUND BALANCES, ending</b>	<u>\$ 82,621</u>	<u>\$ 83,409</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE ASSET FORFEITURE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT F-23**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 5,200	\$ 5,200	\$ 2,541	\$ (2,659)
Miscellaneous	3,000	3,000	25,754	22,754
Total revenues	<u>8,200</u>	<u>8,200</u>	<u>28,295</u>	<u>20,095</u>
<b>EXPENDITURES</b>				
Current				
Public safety	18,500	41,500	34,643	6,857
Total expenditures	<u>18,500</u>	<u>41,500</u>	<u>34,643</u>	<u>6,857</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(10,300)</u>	<u>(33,300)</u>	<u>(6,348)</u>	<u>26,952</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	-	-	5,560	5,560
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,560</u>	<u>5,560</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	(10,300)	(33,300)	(788)	32,512
<b>FUND BALANCES, beginning</b>				
	<u>83,409</u>	<u>83,409</u>	<u>83,409</u>	<u>-</u>
<b>FUND BALANCES, ending</b>				
	<u>\$ 73,109</u>	<u>\$ 50,109</u>	<u>\$ 82,621</u>	<u>\$ 32,512</u>

**CITY OF LEWISVILLE, TEXAS  
EMPLOYEE BENEVOLENT SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-24**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 4,265	\$ 1,228
Investments	18,346	20,111
Receivables		
Interest	96	114
Total assets	<u>\$ 22,707</u>	<u>\$ 21,453</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	<u>\$ 120</u>	<u>\$ 74</u>
Total liabilities	<u>120</u>	<u>74</u>
 Fund balances		
Unreserved, undesignated	<u>22,587</u>	<u>21,379</u>
Total fund balances	<u>22,587</u>	<u>21,379</u>
 Total liabilities and fund balances	 <u>\$ 22,707</u>	 <u>\$ 21,453</u>

**CITY OF LEWISVILLE, TEXAS  
EMPLOYEE BENEVOLENT SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-25**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Investment earnings	\$ 525	\$ 785
Miscellaneous	5,297	4,672
Total revenues	<u>5,822</u>	<u>5,457</u>
<b>EXPENDITURES</b>		
Current		
General government	4,614	4,245
Total expenditures	<u>4,614</u>	<u>4,245</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,208	1,212
<b>FUND BALANCES, beginning</b>	<u>21,379</u>	<u>20,167</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 22,587</u></u>	<u><u>\$ 21,379</u></u>

**CITY OF LEWISVILLE, TEXAS  
 FIRE AND POLICE TRAINING SPECIAL REVENUE FUND  
 COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-26**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 6,064	\$ 1,881
Investments	26,084	30,848
Receivables		
Interest	138	163
Total assets	<u>\$ 32,286</u>	<u>\$ 32,892</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 303	\$ -
Total liabilities	<u>303</u>	<u>-</u>
Fund Balances		
Unreserved, undesignated	31,983	32,892
Total fund balances	<u>31,983</u>	<u>32,892</u>
 Total liabilities and fund balances	 <u>\$ 32,286</u>	 <u>\$ 32,892</u>

**CITY OF LEWISVILLE, TEXAS  
 FIRE AND POLICE TRAINING SPECIAL REVENUE FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
 ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-27**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Charges for services	\$ 12,870	\$ 16,041
Investment earnings	799	1,043
Total revenues	<u>13,669</u>	<u>17,084</u>
<b>EXPENDITURES</b>		
Current		
Public safety	14,578	9,410
Total expenditures	<u>14,578</u>	<u>9,410</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(909)	7,674
<b>FUND BALANCES, beginning</b>	<u>32,892</u>	<u>25,218</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 31,983</u></u>	<u><u>\$ 32,892</u></u>

**CITY OF LEWISVILLE, TEXAS  
 FIRE AND POLICE TRAINING SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT F-28**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 13,000	\$ 13,000	\$ 12,870	\$ (130)
Investment earnings	1,300	1,300	799	(501)
Total revenues	<u>14,300</u>	<u>14,300</u>	<u>13,669</u>	<u>(631)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>13,000</u>	<u>18,000</u>	<u>14,578</u>	<u>3,422</u>
Total expenditures	<u>13,000</u>	<u>18,000</u>	<u>14,578</u>	<u>3,422</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,300	(3,700)	(909)	2,791
<b>FUND BALANCES, beginning</b>	<u>32,892</u>	<u>32,892</u>	<u>32,892</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 34,192</u></u>	<u><u>\$ 29,192</u></u>	<u><u>\$ 31,983</u></u>	<u><u>\$ 2,791</u></u>

**CITY OF LEWISVILLE, TEXAS  
LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-29**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 2,025	\$ 390
Investments	8,713	6,398
Receivables		
Interest	46	34
Prepaid items	2,340	3,453
Total assets	<u>\$ 13,124</u>	<u>\$ 10,275</u>
<b>FUND BALANCES</b>		
Reserved for prepaid items	\$ 2,340	\$ 3,453
Unreserved, undesignated	10,784	6,822
Total fund balances	<u>13,124</u>	<u>10,275</u>
Total liabilities and fund balances	<u>\$ 13,124</u>	<u>\$ 10,275</u>

**CITY OF LEWISVILLE, TEXAS  
LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION  
SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-30**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Investment earnings	\$ 237	\$ 553
Miscellaneous	10,514	10,382
Total revenues	<u>10,751</u>	<u>10,935</u>
<b>EXPENDITURES</b>		
Current		
Public safety	7,902	14,012
Total expenditures	<u>7,902</u>	<u>14,012</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,849	(3,077)
<b>FUND BALANCES, beginning</b>	<u>10,275</u>	<u>13,352</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 13,124</u></u>	<u><u>\$ 10,275</u></u>

**CITY OF LEWISVILLE, TEXAS  
LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT F-31**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 450	\$ 450	\$ 237	\$ (213)
Miscellaneous	13,132	13,132	10,514	(2,618)
Total revenues	<u>13,582</u>	<u>13,582</u>	<u>10,751</u>	<u>(2,831)</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>13,132</u>	<u>13,132</u>	<u>7,902</u>	<u>5,230</u>
Total expenditures	<u>13,132</u>	<u>13,132</u>	<u>7,902</u>	<u>5,230</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	450	450	2,849	2,399
<b>FUND BALANCES, beginning</b>				
	<u>10,275</u>	<u>10,275</u>	<u>10,275</u>	<u>-</u>
<b>FUND BALANCES, ending</b>				
	<u>\$ 10,725</u>	<u>\$ 10,725</u>	<u>\$ 13,124</u>	<u>\$ 2,399</u>

**CITY OF LEWISVILLE, TEXAS  
DONATIONS SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-32**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 54,621	\$ 11,191
Investments	234,917	183,486
Receivables		
Accounts	29,993	6,252
Interest	1,177	972
Prepaid items	538	600
Total assets	<u>\$ 321,246</u>	<u>\$ 202,501</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	<u>\$ 43,642</u>	<u>\$ 340</u>
Total liabilities	<u>43,642</u>	<u>340</u>
Fund balances		
Reserved for prepaid items	538	600
Unreserved, undesignated	277,066	201,561
Total fund balances	<u>277,604</u>	<u>202,161</u>
 Total liabilities and fund balances	 <u>\$ 321,246</u>	 <u>\$ 202,501</u>

**CITY OF LEWISVILLE, TEXAS  
DONATIONS SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-33**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Investment earnings	\$ 6,731	\$ 7,653
Miscellaneous	178,456	146,711
Total revenues	<u>185,187</u>	<u>154,364</u>
<b>EXPENDITURES</b>		
Current		
General government	57,679	48,901
Culture, parks and recreation	5,440	237
Public safety	45,625	43,844
Public services	1,000	-
Capital outlay	-	10,886
Total expenditures	<u>109,744</u>	<u>103,868</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	75,443	50,496
<b>FUND BALANCES, beginning</b>	<u>202,161</u>	<u>151,665</u>
<b>FUND BALANCES, ending</b>	<u>\$ 277,604</u>	<u>\$ 202,161</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE FEDERAL FORFEITURE SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-34**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 21,393	\$ 3,039
Investments	92,006	49,832
Receivables		
Interest	487	264
Total assets	<u>\$ 113,886</u>	<u>\$ 53,135</u>
 <b>FUND BALANCES</b>		
Unreserved, undesignated	<u>\$ 113,886</u>	<u>\$ 53,135</u>
Total fund balances	<u>113,886</u>	<u>53,135</u>
 Total liabilities and fund balances	<u>\$ 113,886</u>	<u>\$ 53,135</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE FEDERAL FORFEITURE SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-35**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Investment earnings	\$ 1,901	\$ 1,939
Miscellaneous	63,313	6,005
Total revenues	<u>65,214</u>	<u>7,944</u>
<b>EXPENDITURES</b>		
Current		
Public safety	4,463	9,750
Total expenditures	<u>4,463</u>	<u>9,750</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	60,751	(1,806)
<b>FUND BALANCES, beginning</b>	<u>53,135</u>	<u>54,941</u>
<b>FUND BALANCES, ending</b>	<u>\$ 113,886</u>	<u>\$ 53,135</u>

**CITY OF LEWISVILLE, TEXAS  
POLICE FEDERAL FORFEITURE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT F-36**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ 2,379	\$ 2,379	\$ 1,901	\$ (478)
Miscellaneous	-	-	63,313	63,313
Total revenues	<u>2,379</u>	<u>2,379</u>	<u>65,214</u>	<u>62,835</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	4,463	4,463	-
Capital outlay	10,000	5,537	-	5,537
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>4,463</u>	<u>5,537</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,621)	(7,621)	60,751	68,372
<b>FUND BALANCES, beginning</b>	<u>53,135</u>	<u>53,135</u>	<u>53,135</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u>\$ 45,514</u>	<u>\$ 45,514</u>	<u>\$ 113,886</u>	<u>\$ 68,372</u>

**CITY OF LEWISVILLE, TEXAS  
RECORDS MANAGEMENT SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-37**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 240	\$ 154
Investments	1,032	2,516
Total assets	<u>\$ 1,272</u>	<u>\$ 2,670</u>
<b>FUND BALANCES</b>		
Unreserved, undesignated	\$ 1,272	\$ 2,670
Total fund balances	<u>1,272</u>	<u>2,670</u>
 Total liabilities and fund balances	 <u>\$ 1,272</u>	 <u>\$ 2,670</u>

**CITY OF LEWISVILLE, TEXAS  
RECORDS MANAGEMENT SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-38**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Investment earnings	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>		
Current		
General government	1,398	1,466
Total expenditures	<u>1,398</u>	<u>1,466</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,398)	(1,466)
<b>FUND BALANCES, beginning</b>	<u>2,670</u>	<u>4,136</u>
<b>FUND BALANCES, ending</b>	<u>\$ 1,272</u>	<u>\$ 2,670</u>

**CITY OF LEWISVILLE, TEXAS  
RECORDS MANAGEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT F-39**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current				
General government	2,636	2,636	1,398	1,238
Total expenditures	2,636	2,636	1,398	1,238
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,636)	(2,636)	(1,398)	1,238
<b>FUND BALANCES, beginning</b>	2,670	2,670	2,670	-
<b>FUND BALANCES, ending</b>	\$ 34	\$ 34	\$ 1,272	\$ 1,238

**CITY OF LEWISVILLE, TEXAS  
 JUVENILE CASE MANAGER SPECIAL REVENUE FUND  
 COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-40**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 10,862	\$ 1,451
Investments	46,720	23,804
Interest	250	-
Total assets	<u>\$ 57,832</u>	<u>\$ 25,255</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ 2,548	\$ 2,114
Total liabilities	<u>2,548</u>	<u>2,114</u>
Fund balances		
Unreserved, undesignated	<u>55,284</u>	<u>23,141</u>
Total fund balances	<u>55,284</u>	<u>23,141</u>
Total liabilities and fund balances	<u>\$ 57,832</u>	<u>\$ 25,255</u>

**CITY OF LEWISVILLE, TEXAS  
 JUVENILE CASE MANAGER SPECIAL REVENUE FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
 ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-41**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Manager fee	\$ 85,148	\$ 49,049
Investment earnings	1,064	-
Total revenues	<u>86,212</u>	<u>49,049</u>
<b>EXPENDITURES</b>		
Current		
Public safety	54,069	25,908
Total expenditures	<u>54,069</u>	<u>25,908</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	32,143	23,141
<b>FUND BALANCES, beginning</b>	<u>23,141</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 55,284</u></u>	<u><u>\$ 23,141</u></u>

**CITY OF LEWISVILLE, TEXAS  
 JUVENILE CASE MANAGER SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES-BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT F-42**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Manager fee	\$ 56,734	\$ 56,734	\$ 85,148	\$ 28,414
Investment earnings	-	-	1,064	1,064
Total revenues	<u>56,734</u>	<u>56,734</u>	<u>86,212</u>	<u>29,478</u>
<b>EXPENDITURES</b>				
Current				
Public safety	<u>54,421</u>	<u>54,421</u>	<u>54,069</u>	<u>352</u>
Total expenditures	<u>54,421</u>	<u>54,421</u>	<u>54,069</u>	<u>352</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,313	2,313	32,143	29,830
<b>FUND BALANCES, beginning</b>	<u>23,141</u>	<u>23,141</u>	<u>23,141</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 25,454</u></u>	<u><u>\$ 25,454</u></u>	<u><u>\$ 55,284</u></u>	<u><u>\$ 29,830</u></u>

**CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE LOCAL GOVERNMENT CORPORATION FUND  
 COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-43**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 12,211	\$ 3,344
Investments	52,521	54,842
Interest	278	290
Other receivables	-	4,932
Total assets	<u>\$ 65,010</u>	<u>\$ 63,408</u>
<b>FUND BALANCES</b>		
Unreserved, undesignated	<u>\$ 65,010</u>	<u>\$ 63,408</u>
Total fund balances	<u>65,010</u>	<u>63,408</u>
 Total liabilities and fund balances	 <u>\$ 65,010</u>	 <u>\$ 63,408</u>

**CITY OF LEWISVILLE, TEXAS  
 LEWISVILLE LOCAL GOVERNMENT CORPORATION FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
 ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-44**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Investment earnings	\$ 1,602	\$ 521
Miscellaneous	-	62,887
Total revenues	<u>1,602</u>	<u>63,408</u>
<b>EXPENDITURES</b>		
Current		
General government	-	-
Total expenditures	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,602	63,408
<b>FUND BALANCES, beginning</b>	<u>63,408</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 65,010</u></u>	<u><u>\$ 63,408</u></u>

**CITY OF LEWISVILLE, TEXAS  
 CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT  
 CAPITAL PROJECTS FUND COMPARATIVE BALANCE SHEETS  
 SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-45**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 4	\$ 2,328,961
Receivables		
Interest	-	2,318
Total assets	<u>\$ 4</u>	<u>\$ 2,331,279</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Accounts and contracts payable	\$ -	\$ 239,473
Retainage payable	-	516,255
Total liabilities	<u>-</u>	<u>755,728</u>
Fund balances		
Reserved for capital projects	<u>4</u>	<u>1,575,551</u>
Total fund balances	<u>4</u>	<u>1,575,551</u>
 Total liabilities and fund balances	 <u>\$ 4</u>	 <u>\$ 2,331,279</u>

**CITY OF LEWISVILLE, TEXAS  
 CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT  
 CAPITAL PROJECTS FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS  
 ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT F-46**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Investment earnings	\$ 2,044	\$ 52,990
Contributions from property owners	-	18,647,021
Total revenues	<u>2,044</u>	<u>18,700,011</u>
<b>EXPENDITURES</b>		
Interest and fiscal charges	-	678,126
Capital outlay	1,577,591	16,446,334
Total expenditures	<u>1,577,591</u>	<u>17,124,460</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,575,547)	1,575,551
<b>FUND BALANCES, beginning</b>	<u>1,575,551</u>	<u>-</u>
<b>FUND BALANCES, ending</b>	<u><u>\$ 4</u></u>	<u><u>\$ 1,575,551</u></u>



**LEWISVILLE**

Deep Roots. Broad Wings. Bright Future.

## INTERNAL SERVICE FUNDS

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

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

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

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

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

### **MAINTENANCE AND REPLACEMENT FUND**

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

**CITY OF LEWISVILLE, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008**

	<u>Self Insurance Risk</u>	<u>Health Insurance Risk Pool</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 1,460,521	\$ 372,587
Investments	6,174,014	2,899,524
Receivables		
Accounts	-	-
Interest	34,360	6,292
Other	3,100	65,952
Due from other funds	-	-
Inventory of supplies, at cost	-	-
Prepaid items	24,478	22,214
Total current assets	<u>7,696,473</u>	<u>3,366,569</u>
Noncurrent assets		
Capital assets		
Other improvements	274,272	-
Machinery and equipment	454,578	-
Vehicles	-	-
Accumulated depreciation	(480,547)	-
Capital assets, net of accumulated depreciation	<u>248,303</u>	<u>-</u>
Total assets	<u>7,944,776</u>	<u>3,366,569</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	68,993	182,834
Incurred but not reported claim reserve	793,636	584,667
Accrued liabilities	-	-
Due to other funds	-	-
Total liabilities	<u>862,629</u>	<u>767,501</u>
<b>NET ASSETS</b>		
Invested in capital assets	248,303	-
Unrestricted	6,833,844	2,599,068
Net assets	<u>\$ 7,082,147</u>	<u>\$ 2,599,068</u>

**EXHIBIT G-1**

<b>Maintenance and Replacement</b>	<b>Totals</b>	
	<b>September 30, 2009</b>	<b>September 30, 2008</b>
\$ 1,091,607	\$ 2,924,715	\$ 1,526,689
4,694,882	13,768,420	14,198,348
22,698	22,698	23,184
24,959	65,611	73,042
-	69,052	5,062
1,500,000	1,500,000	1,750,000
73,326	73,326	130,572
-	46,692	47,409
<u>7,407,472</u>	<u>18,470,514</u>	<u>17,754,306</u>
-	274,272	254,272
3,658,451	4,113,029	3,766,150
16,727,371	16,727,371	15,948,840
(14,793,114)	(15,273,661)	(13,985,262)
<u>5,592,708</u>	<u>5,841,011</u>	<u>5,984,000</u>
<u>13,000,180</u>	<u>24,311,525</u>	<u>23,738,306</u>
7,653	259,480	159,558
-	1,378,303	1,384,648
66,717	66,717	68,072
-	-	4,385
<u>74,370</u>	<u>1,704,500</u>	<u>1,616,663</u>
5,592,708	5,841,011	5,984,000
7,333,102	16,766,014	16,137,643
<u>\$ 12,925,810</u>	<u>\$ 22,607,025</u>	<u>\$ 22,121,643</u>

**CITY OF LEWISVILLE, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET ASSETS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009 WITH  
COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	<b>Self Insurance Risk</b>	<b>Health Insurance Risk Pool</b>
	<u>          </u>	<u>          </u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 2,114,981	\$ 5,558,819
Miscellaneous	-	50
Total operating revenues	<u>2,114,981</u>	<u>5,558,869</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services, net of reimbursements	1,519,335	5,981,702
Administrative	-	561,030
Depreciation	21,658	-
Total operating expenses	<u>1,540,993</u>	<u>6,542,732</u>
 Operating income (loss)	 <u>573,988</u>	 <u>(983,863)</u>
<b>NONOPERATING REVENUES</b>		
Investment earnings	185,895	60,738
Gain (loss) on disposal of assets	-	-
Total nonoperating revenues	<u>185,895</u>	<u>60,738</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	 <u>759,883</u>	 <u>(923,125)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers in	-	-
Transfers out	-	-
Intragovernmental contributions	-	-
Contributions from other funds	-	-
Total transfers and capital contributions	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	 759,883	 (923,125)
<b>NET ASSETS, beginning</b>	 <u>6,322,264</u>	 <u>3,522,193</u>
<b>NET ASSETS, ending</b>	 <u>\$ 7,082,147</u>	 <u>\$ 2,599,068</u>

**EXHIBIT G-2**

<b>Maintenance and Replacement</b>	<b>Totals</b>	
	<b>September 30, 2009</b>	<b>September 30, 2008</b>
\$ 2,767,260	\$ 10,441,060	\$ 10,496,163
93	143	1,695
<u>2,767,353</u>	<u>10,441,203</u>	<u>10,497,858</u>
916	7,501,953	6,572,905
837,067	1,398,097	1,520,398
1,826,941	1,848,599	1,767,168
<u>2,664,924</u>	<u>10,748,649</u>	<u>9,860,471</u>
<u>102,429</u>	<u>(307,446)</u>	<u>637,387</u>
134,852	381,485	757,418
124,690	124,690	235,345
<u>259,542</u>	<u>506,175</u>	<u>992,763</u>
<u>361,971</u>	<u>198,729</u>	<u>1,630,150</u>
-	-	117,811
-	-	(1,494,394)
269,033	269,033	(2,000,000)
17,620	17,620	53,770
<u>286,653</u>	<u>286,653</u>	<u>(3,322,813)</u>
648,624	485,382	(1,692,663)
<u>12,277,186</u>	<u>22,121,643</u>	<u>23,814,306</u>
<u>\$ 12,925,810</u>	<u>\$ 22,607,025</u>	<u>\$ 22,121,643</u>

**CITY OF LEWISVILLE, TEXAS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2009 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR  
ENDED SEPTEMBER 30, 2008**

	<b>Self Insurance Risk</b>	<b>Health Insurance Risk Pool</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from transactions with other funds	\$ 2,114,175	\$ 5,495,635
Cash paid to employees for services	-	-
Cash paid for goods and services	(1,080,402)	(564,540)
Cash paid for claims	(368,411)	(5,948,873)
Cash received for miscellaneous items	-	50
	<u>665,362</u>	<u>(1,017,728)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in from other funds	-	-
Transfers out to other funds	-	-
Intragovernmental contributions	-	-
Cash received (paid) on interfund loan	-	-
	<u>-</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(20,000)	-
Proceeds from the sale of equipment	-	-
	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	(20,000)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(7,511,511)	(3,396,907)
Proceeds from sale and maturities of investments	7,710,665	3,891,471
Interest received	191,664	63,631
	<u>390,818</u>	<u>558,195</u>
Net cash provided by (used in) investing activities	390,818	558,195
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>1,036,180</b>	<b>(459,533)</b>
<b>CASH, beginning of year</b>	<b>424,341</b>	<b>832,120</b>
<b>CASH, end of year</b>	<b>\$ 1,460,521</b>	<b>\$ 372,587</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 573,988	\$ (983,863)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	21,658	-
Change in assets and liabilities		
(Increase) decrease in receivables	(806)	(63,184)
(Increase) decrease in inventory of supplies	-	-
(Increase) decrease in prepaid items	3,883	(3,510)
Increase (decrease) in accounts and claims payable	66,639	32,829
Increase (decrease) in accrued liabilities	-	-
Increase (decrease) in due to other funds	-	-
	<u>91,374</u>	<u>(33,865)</u>
Total adjustments	91,374	(33,865)
Net cash provided by (used in) operating activities	<u>\$ 665,362</u>	<u>\$ (1,017,728)</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
From contributions of capital assets	\$ -	\$ -
Increase (decrease) in fair value of investments	14,898	1,091

**EXHIBIT G-3**

<b>Maintenance and Replacement</b>	<b>Totals</b>	
	<b>September 30, 2009</b>	<b>September 30, 2008</b>
\$ 2,767,746	\$ 10,377,556	\$ 10,487,278
(323,595)	(323,595)	(311,837)
(468,429)	(2,113,371)	(2,271,936)
-	(6,317,284)	(5,870,249)
93	143	1,695
<u>1,975,815</u>	<u>1,623,449</u>	<u>2,034,951</u>
-	-	68,862
-	-	(1,494,394)
-	-	(2,000,000)
<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
<u>250,000</u>	<u>250,000</u>	<u>(3,175,532)</u>
(1,398,957)	(1,418,957)	(1,553,651)
<u>124,690</u>	<u>124,690</u>	<u>275,769</u>
<u>(1,274,267)</u>	<u>(1,294,267)</u>	<u>(1,277,882)</u>
(6,159,537)	(17,067,955)	(11,955,028)
5,895,747	17,497,883	14,203,557
<u>133,621</u>	<u>388,916</u>	<u>787,200</u>
<u>(130,169)</u>	<u>818,844</u>	<u>3,035,729</u>
821,379	1,398,026	617,266
<u>270,228</u>	<u>1,526,689</u>	<u>909,423</u>
<u>\$ 1,091,607</u>	<u>\$ 2,924,715</u>	<u>\$ 1,526,689</u>
<u>\$ 102,429</u>	<u>\$ (307,446)</u>	<u>\$ 637,387</u>
1,826,941	1,848,599	1,767,168
486	(63,504)	(8,885)
57,246	57,246	(50,296)
344	717	15,792
(5,891)	93,577	(293,671)
(1,355)	(1,355)	10,346
<u>(4,385)</u>	<u>(4,385)</u>	<u>(42,890)</u>
<u>1,873,386</u>	<u>1,930,895</u>	<u>1,397,564</u>
<u>\$ 1,975,815</u>	<u>\$ 1,623,449</u>	<u>\$ 2,034,951</u>
\$ 17,620	\$ 17,620	\$ 102,721
11,146	27,135	(76,812)

**CITY OF LEWISVILLE, TEXAS  
 SELF-INSURANCE RISK INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENTS OF NET ASSETS  
 SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT G-4**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 1,460,521	\$ 424,341
Investments	6,174,014	6,373,168
Receivables		
Interest	34,360	40,129
Other	3,100	2,294
Prepaid items	24,478	28,361
Total current assets	<u>7,696,473</u>	<u>6,868,293</u>
Noncurrent assets		
Capital assets		
Other improvements	274,272	254,272
Machinery and equipment	454,578	454,578
Accumulated depreciation	(480,547)	(458,889)
Capital assets, net of accumulated depreciation	<u>248,303</u>	<u>249,961</u>
Total assets	<u>7,944,776</u>	<u>7,118,254</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	68,993	2,354
Incurred but not reported claim reserve	793,636	793,636
Total liabilities	<u>862,629</u>	<u>795,990</u>
<b>NET ASSETS</b>		
Invested in capital assets	248,303	249,961
Unrestricted	6,833,844	6,072,303
Total net assets	<u>\$ 7,082,147</u>	<u>\$ 6,322,264</u>

**CITY OF LEWISVILLE, TEXAS  
 SELF-INSURANCE RISK INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS FOR THE YEARS ENDED  
 SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT G-5**

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 2,114,981	\$ 2,067,871
Miscellaneous	-	1,365
Total operating revenues	<u>2,114,981</u>	<u>2,069,236</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services		
Life insurance	262,939	207,819
Workers' compensation	487,486	234,324
Long term disability	68,063	64,573
Liability and property/casualty	654,567	747,713
Unemployment benefits	24,950	2,135
Employee assistance program	21,330	20,976
Depreciation	21,658	31,251
Total cost of sales and services, net of reimbursements	<u>1,540,993</u>	<u>1,308,791</u>
Operating income (loss)	<u>573,988</u>	<u>760,445</u>
<b>NONOPERATING REVENUES</b>		
Investment earnings	185,895	360,250
Total nonoperating revenues	<u>185,895</u>	<u>360,250</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>759,883</u>	<u>1,120,695</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers in	-	20,296
Transfers out	-	(1,494,394)
Intragovernmental contributions	-	(1,000,000)
Total transfers and capital contributions	<u>-</u>	<u>(2,474,098)</u>
<b>CHANGE IN NET ASSETS</b>	759,883	(1,353,403)
<b>NET ASSETS, beginning</b>	<u>6,322,264</u>	<u>7,675,667</u>
<b>NET ASSETS, ending</b>	<u>\$ 7,082,147</u>	<u>\$ 6,322,264</u>

**CITY OF LEWISVILLE, TEXAS  
 SELF-INSURANCE RISK INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENTS OF CASH FLOWS  
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT G-6**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from transactions with other funds	\$ 2,114,175	\$ 2,069,627
Cash paid for goods and services	(1,080,402)	(990,437)
Cash paid for claims	(368,411)	(677,533)
Cash received for miscellaneous items	-	1,365
	<u>665,362</u>	<u>403,022</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in from other funds	-	20,296
Transfers out to other funds	-	(1,494,394)
Intragovernmental contributions	-	(1,000,000)
	<u>-</u>	<u>(2,474,098)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(20,000)	(124,046)
	<u>(20,000)</u>	<u>(124,046)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(7,511,511)	(5,331,901)
Proceeds from sale and maturities of investments	7,710,665	7,359,066
Interest received	191,664	377,724
	<u>390,818</u>	<u>2,404,889</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	1,036,180	209,767
<b>CASH, beginning of year</b>	<u>424,341</u>	<u>214,574</u>
<b>CASH, end of year</b>	<u>\$ 1,460,521</u>	<u>\$ 424,341</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 573,988	\$ 760,445
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	21,658	31,251
Change in assets and liabilities		
(Increase) decrease in receivables	(806)	1,756
(Increase) decrease in prepaid items	3,883	12,850
Increase (decrease) in accounts and claims payable	66,639	(403,280)
Total adjustments	<u>91,374</u>	<u>(357,423)</u>
Net cash provided by (used in) operating activities	<u>\$ 665,362</u>	<u>\$ 403,022</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
Increase (decrease) in fair value of investments	\$ 14,898	\$ (49,336)

**CITY OF LEWISVILLE, TEXAS  
HEALTH INSURANCE RISK POOL INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF NET ASSETS  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT G-7**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 372,587	\$ 832,120
Investments	2,899,524	3,394,088
Receivables		
Interest	6,292	9,185
Other	65,952	2,768
Prepaid items	22,214	18,704
Total assets	<u>3,366,569</u>	<u>4,256,865</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	182,834	143,660
Incurred but not reported claim reserve	584,667	591,012
Total liabilities	<u>767,501</u>	<u>734,672</u>
<b>NET ASSETS</b>		
Unrestricted	2,599,068	3,522,193
Total net assets	<u>\$ 2,599,068</u>	<u>\$ 3,522,193</u>

**CITY OF LEWISVILLE, TEXAS  
HEALTH INSURANCE RISK POOL INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS FOR THE FISCAL YEARS ENDED  
SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT G-8**

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 5,558,819	\$ 5,535,826
Miscellaneous	50	-
Total operating revenues	<u>5,558,869</u>	<u>5,535,826</u>
<b>OPERATING EXPENSES</b>		
Health claims administration	561,030	447,567
Benefits and insurance	5,981,702	5,294,171
Total operating expenses	<u>6,542,732</u>	<u>5,741,738</u>
Operating income (loss)	<u>(983,863)</u>	<u>(205,912)</u>
<b>NONOPERATING REVENUES</b>		
Investment earnings	60,738	215,390
Total nonoperating revenues	<u>60,738</u>	<u>215,390</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>(923,125)</u>	<u>9,478</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Intragovernmental contributions	-	(1,000,000)
Total transfers and capital contributions	<u>-</u>	<u>(1,000,000)</u>
<b>CHANGE IN NET ASSETS</b>	(923,125)	(990,522)
<b>NET ASSETS, beginning</b>	<u>3,522,193</u>	<u>4,512,715</u>
<b>NET ASSETS, ending</b>	<u>\$ 2,599,068</u>	<u>\$ 3,522,193</u>

**CITY OF LEWISVILLE, TEXAS  
HEALTH INSURANCE RISK POOL INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT G-9**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from transactions with other funds	\$ 5,495,635	\$ 5,534,874
Cash paid for goods and services	(564,540)	(444,378)
Cash paid for claims	(5,948,873)	(5,192,716)
Cash received for miscellaneous items	50	-
	<u>(1,017,728)</u>	<u>(102,220)</u>
Net cash provided by (used in) operating activities		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Intragovernmental contributions	-	(1,000,000)
	<u>-</u>	<u>(1,000,000)</u>
Net cash provided by (used in) noncapital financing activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(3,396,907)	(1,770,306)
Proceeds from sale and maturities of investments	3,891,471	2,857,143
Interest received	63,631	226,755
	<u>558,195</u>	<u>1,313,592</u>
Net cash provided by (used in) investing activities		
<b>NET INCREASE (DECREASE) IN CASH</b>	(459,533)	211,372
<b>CASH, beginning of year</b>	<u>832,120</u>	<u>620,748</u>
<b>CASH, end of year</b>	<u><u>\$ 372,587</u></u>	<u><u>\$ 832,120</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (983,863)	\$ (205,912)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Change in assets and liabilities		
(Increase) decrease in receivables	(63,184)	(952)
(Increase) decrease in prepaid items	(3,510)	3,189
Increase (decrease) in accounts and claims payable	32,829	101,455
	<u>(33,865)</u>	<u>103,692</u>
Total adjustments		
Net cash provided by (used in) operating activities	<u><u>\$ (1,017,728)</u></u>	<u><u>\$ (102,220)</u></u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
Increase (decrease) in fair value of investments	\$ 1,091	\$ (5,661)

**CITY OF LEWISVILLE, TEXAS  
 MAINTENANCE AND REPLACEMENT INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENTS OF NET ASSETS  
 SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT G-10**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 1,091,607	\$ 270,228
Investments	4,694,882	4,431,092
Receivables		
Accounts	22,698	23,184
Interest	24,959	23,728
Due from other funds	1,500,000	1,750,000
Inventory of supplies, at cost	73,326	130,572
Prepaid items	-	344
Total current assets	<u>7,407,472</u>	<u>6,629,148</u>
Noncurrent assets		
Capital assets		
Machinery and equipment	3,658,451	3,311,572
Vehicles	16,727,371	15,948,840
Accumulated depreciation	(14,793,114)	(13,526,373)
Capital assets, net of accumulated depreciation	<u>5,592,708</u>	<u>5,734,039</u>
Total assets	<u>13,000,180</u>	<u>12,363,187</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	7,653	13,544
Accrued liabilities	66,717	68,072
Due to other funds	-	4,385
Total liabilities	<u>74,370</u>	<u>86,001</u>
<b>NET ASSETS</b>		
Invested in capital assets	5,592,708	5,734,039
Unrestricted	7,333,102	6,543,147
Net assets	<u>\$ 12,925,810</u>	<u>\$ 12,277,186</u>

**CITY OF LEWISVILLE, TEXAS  
 MAINTENANCE AND REPLACEMENT INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET ASSETS FOR THE FISCAL YEARS ENDED  
 SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT G-11**

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 2,767,260	\$ 2,892,466
Miscellaneous	93	330
Total operating revenues	<u>2,767,353</u>	<u>2,892,796</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services	916	1,194
Administrative	837,067	1,072,831
Depreciation	1,826,941	1,735,917
Total operating expenses	<u>2,664,924</u>	<u>2,809,942</u>
Operating income (loss)	<u>102,429</u>	<u>82,854</u>
<b>NONOPERATING REVENUES</b>		
Investment earnings	134,852	181,778
Gain on disposal of assets	124,690	235,345
Total nonoperating revenues	<u>259,542</u>	<u>417,123</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>361,971</u>	<u>499,977</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>		
Transfers in	-	97,515
Intragovernmental contributions	269,033	-
Contributions from other funds	17,620	53,770
Total transfers and capital contributions	<u>286,653</u>	<u>151,285</u>
<b>CHANGE IN NET ASSETS</b>	648,624	651,262
<b>NET ASSETS, beginning</b>	<u>12,277,186</u>	<u>11,625,924</u>
<b>NET ASSETS, ending</b>	<u>\$ 12,925,810</u>	<u>\$ 12,277,186</u>

**CITY OF LEWISVILLE, TEXAS  
MAINTENANCE AND REPLACEMENT INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT G-12**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from transactions with other funds	\$ 2,767,746	\$ 2,882,777
Cash paid to employees for services	(323,595)	(311,837)
Cash paid for goods and services	(468,429)	(837,121)
Cash received for miscellaneous items	93	330
	<u>1,975,815</u>	<u>1,734,149</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in from other funds	-	48,566
Cash received (paid) on interfund loan	250,000	250,000
	<u>250,000</u>	<u>298,566</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(1,398,957)	(1,429,605)
Proceeds from the sale of equipment	124,690	275,769
	<u>(1,274,267)</u>	<u>(1,153,836)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(6,159,537)	(4,852,821)
Proceeds from sale and maturities of investments	5,895,747	3,987,348
Interest received	133,621	182,721
	<u>(130,169)</u>	<u>(682,752)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	821,379	196,127
<b>CASH, beginning of year</b>	<u>270,228</u>	<u>74,101</u>
<b>CASH, end of year</b>	<u>\$ 1,091,607</u>	<u>\$ 270,228</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 102,429	\$ 82,854
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	1,826,941	1,735,917
Change in assets and liabilities		
(Increase) decrease in receivables	486	(9,689)
(Increase) decrease in inventory of supplies	57,246	(50,296)
(Increase) decrease in prepaid items	344	(247)
Increase (decrease) in accounts payable	(5,891)	8,154
Increase (decrease) in accrued liabilities	(1,355)	10,346
Increase (decrease) in due to other funds	(4,385)	(42,890)
	<u>1,873,386</u>	<u>1,651,295</u>
Total adjustments	<u>1,873,386</u>	<u>1,651,295</u>
Net cash provided by (used in) operating activities	<u>\$ 1,975,815</u>	<u>\$ 1,734,149</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
From contributions of capital assets	\$ 17,620	\$ 102,721
Increase (decrease) in fair value of investments	11,146	(21,815)

## AGENCY AND TRUST FUNDS

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

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

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

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

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



**LEWISVILLE**

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**CITY OF LEWISVILLE, TEXAS  
 CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT  
 DEBT SERVICE AGENCY FUND  
 COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES  
 SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT H-1**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash	\$ 6,572,187	\$ 6,250,776
Investments	376,105	373,674
Receivables		
Interest	624	4,977
Total assets	<u>\$ 6,948,916</u>	<u>\$ 6,629,427</u>
<b>LIABILITIES</b>		
Due to debt holders	\$ 6,948,916	\$ 6,629,427
Total liabilities	<u>\$ 6,948,916</u>	<u>\$ 6,629,427</u>

**CITY OF LEWISVILLE, TEXAS**  
**CASTLE HILLS PUBLIC IMPROVEMENT DISTRICT DEBT SERVICE AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

**EXHIBIT H-2**

	<u>Balance</u> <u>Oct. 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Sept. 30, 2009</u>
<b>ASSETS</b>				
Cash	\$ 6,250,776	\$ 7,214,438	\$ (6,893,027)	\$ 6,572,187
Investments	373,674	2,431	-	376,105
Receivables				
Interest	4,977	624	(4,977)	624
Total assets	<u>\$ 6,629,427</u>	<u>\$ 7,217,493</u>	<u>\$ (6,898,004)</u>	<u>\$ 6,948,916</u>
<b>LIABILITIES</b>				
Due to debt holders	<u>\$ 6,629,427</u>	<u>\$ 7,014,969</u>	<u>\$ (6,695,480)</u>	<u>\$ 6,948,916</u>
Total liabilities	<u>\$ 6,629,427</u>	<u>\$ 7,014,969</u>	<u>\$ (6,695,480)</u>	<u>\$ 6,948,916</u>

**CITY OF LEWISVILLE, TEXAS  
LEWISVILLE OPEB LIABILITY TRUST FUND  
COMPARATIVE STATEMENTS OF NET ASSETS  
SEPTEMBER 30, 2009 AND 2008**

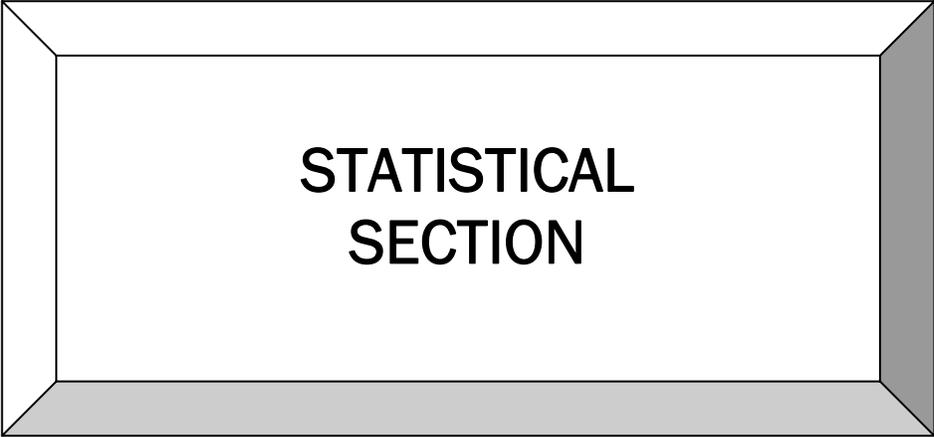
**EXHIBIT H-3**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 107,235	\$ 500,000
Investments	2,154,064	1,534,392
Receivables		
Interest	586	497
Total assets	<u>2,261,885</u>	<u>2,034,889</u>
<b>LIABILITIES</b>		
Accounts payable	<u>3,700</u>	-
Total liabilities	<u>3,700</u>	-
<b>NET ASSETS</b>		
Held in trust for retiree health benefits	2,258,185	2,034,889
Total net assets	<u>\$ 2,258,185</u>	<u>\$ 2,034,889</u>

**CITY OF LEWISVILLE, TEXAS**  
**LEWISVILLE OPEB LIABILITY TRUST FUND**  
**COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS**  
**SEPTEMBER 30, 2009 AND 2008**

**EXHIBIT H-4**

	<u>2009</u>	<u>2008</u>
<b>ADDITIONS</b>		
Employer contributions	\$ 482,500	\$ 2,000,000
Investment earnings	39,009	515
Unrealized/realized gain, net	40,487	34,374
Total additions	<u>561,996</u>	<u>2,034,889</u>
<b>DEDUCTIONS</b>		
Benefits	338,700	-
Total deductions	<u>338,700</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	223,296	2,034,889
<b>NET ASSETS, beginning</b>	<u>2,034,889</u>	<u>-</u>
<b>NET ASSETS, ending</b>	<u>\$ 2,258,185</u>	<u>\$ 2,034,889</u>



**STATISTICAL  
SECTION**



# LEWISVILLE

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# STATISTICAL SECTION

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

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



**LEWISVILLE**

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

TABLE 1

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 162,966,125	\$ 180,296,129	\$ 188,596,925	\$ 215,782,928	\$ 239,332,939	\$ 256,515,336	\$ 287,096,412	\$ 308,190,669
Restricted	9,338,234	6,655,568	3,158,418	2,954,825	1,446,727	1,725,352	1,756,591	1,867,844
Unrestricted	27,696,551	23,612,790	34,498,004	41,578,455	46,779,350	44,731,063	50,443,168	49,358,449
Total governmental activities net assets	\$ 200,000,910	\$ 210,564,487	\$ 226,253,347	\$ 260,316,208	\$ 287,559,016	\$ 302,971,751	\$ 339,296,171	\$ 359,416,962
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	\$ 108,656,568	\$ 111,479,911	\$ 117,454,232	\$ 130,190,472	\$ 137,038,948	\$ 145,843,454	\$ 159,684,492	\$ 166,895,435
Restricted	2,848,796	2,413,643	2,132,858	1,845,879	1,576,475	2,075,929	2,024,478	1,914,446
Unrestricted	29,999,852	34,563,635	34,124,375	33,789,667	37,687,853	36,677,712	38,090,009	35,940,547
Total business-type activities	\$ 141,505,216	\$ 148,457,189	\$ 153,711,465	\$ 165,826,018	\$ 176,303,276	\$ 184,597,095	\$ 199,798,979	\$ 204,750,428
<b>Primary government</b>								
Invested in capital assets, net of related debt	\$ 271,622,693	\$ 291,776,040	\$ 306,051,157	\$ 345,973,400	\$ 376,371,887	\$ 402,358,790	\$ 446,780,904	\$ 475,086,104
Restricted	12,187,030	9,069,211	5,291,276	4,800,704	3,023,202	3,801,281	3,781,069	3,782,290
Unrestricted	57,696,403	58,176,425	68,622,379	75,368,122	84,467,203	81,408,775	88,533,177	85,298,996
Total primary government	\$ 341,506,126	\$ 359,021,676	\$ 379,964,812	\$ 426,142,226	\$ 463,862,292	\$ 487,568,846	\$ 539,095,150	\$ 564,167,390

Source: Comprehensive Annual Financial Reports, beginning with implementation of GASB 34 (2002).

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

**TABLE 2**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>								
Governmental activities								
General government	\$ 8,309,866	\$ 9,129,240	\$ 8,320,410	\$ 9,767,189	\$ 13,392,249	\$ 9,848,489	\$ 10,697,346	\$ 10,746,552
Culture, parks and recreation	6,185,985	6,065,231	6,266,618	6,309,552	6,199,881	7,139,298	7,927,455	8,667,117
Public safety	23,659,747	24,321,112	25,824,358	27,664,557	28,182,352	30,491,917	33,721,041	35,349,800
Public services	12,618,057	13,222,999	15,564,147	15,182,968	13,667,907	18,569,013	19,409,072	20,313,784
Public improvement district	1,367,079	41,027	-	-	-	-	-	-
Interest on long-term debt	2,356,867	2,176,088	2,738,681	3,300,061	2,202,454	2,257,685	3,581,167	2,673,325
Total governmental activities expenses	54,497,601	54,955,697	58,714,214	62,224,327	63,644,843	68,306,402	75,336,081	77,750,578
Business-type activities								
Water and sewer	15,766,749	17,620,430	16,708,528	17,108,879	19,556,158	19,676,760	20,378,432	20,822,278
Total business-type activities expenses	15,766,749	17,620,430	16,708,528	17,108,879	19,556,158	19,676,760	20,378,432	20,822,278
Total primary government expenses	70,264,350	72,576,127	75,422,742	79,333,206	83,201,001	87,983,162	95,714,513	98,572,856
<b>Program Revenues</b>								
Governmental activities								
Charges for services								
General government	1,367,974	1,192,637	2,379,433	2,769,731	3,309,296	3,622,179	3,995,292	3,386,580
Culture, parks & recreation	1,645,140	1,628,845	1,489,037	1,511,722	1,612,039	1,537,244	1,794,574	1,741,591
Public safety	3,416,714	3,293,367	3,666,332	4,500,082	4,695,193	4,560,499	5,422,367	5,929,457
Public services	1,875,590	1,675,907	1,542,101	1,524,658	1,816,495	2,118,574	2,067,879	1,516,232
Operating grants and contributions	1,199,113	1,615,985	8,440,210	13,842,626	1,281,838	2,109,623	1,136,855	1,202,143
Capital grants and contributions	11,778,697	9,519,693	7,643,587	23,363,428	17,673,122	12,977,908	35,595,714	23,865,801
Total governmental activities program revenues	21,283,228	18,926,434	25,160,700	47,512,247	30,387,983	26,926,027	50,012,681	37,641,804
Business-type activities								
Charges for services								
Water and sewer	20,797,360	21,683,318	21,677,904	22,653,761	26,184,466	23,449,079	25,340,886	25,657,454
Capital grants and contributions	3,901,120	4,208,168	2,243,826	5,006,041	4,495,510	4,608,716	11,228,765	1,823,269
Total business-type activities program revenues	24,698,480	25,891,486	23,921,730	27,659,802	30,679,976	28,057,795	36,569,651	27,480,723
Total primary government program revenues	45,981,708	44,817,920	49,082,430	75,172,049	61,067,959	54,983,822	86,582,332	65,122,527
<b>Net (Expense)/Revenue</b>								
Governmental activities	(33,214,373)	(36,029,263)	(33,553,514)	(14,712,080)	(33,256,860)	(41,380,375)	(25,323,400)	(40,108,774)
Business-type activities	8,931,731	8,271,056	7,213,202	10,550,923	11,123,818	8,381,035	16,191,219	6,658,445
Total primary government net expense	\$ (24,282,642)	\$ (27,758,207)	\$ (26,340,312)	\$ (4,161,157)	\$ (22,133,042)	\$ (32,999,340)	\$ (9,132,181)	\$ (33,450,329)

TABLE 2

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities								
Taxes								
Property taxes	\$ 20,663,206	\$ 21,736,069	\$ 22,737,306	\$ 23,305,174	\$ 25,125,486	\$ 26,257,705	\$ 27,936,176	\$ 29,580,192
Sales taxes	16,236,120	16,242,070	16,970,465	17,284,149	18,113,568	19,216,744	18,932,595	17,686,496
Other taxes	94,192	147,819	179,804	201,297	1,074,299	1,043,749	1,119,792	1,095,822
Franchise taxes	4,234,012	4,318,129	4,276,869	4,485,406	4,599,447	4,435,578	4,803,626	4,635,238
Occupancy taxes	1,182,639	1,135,962	1,178,478	1,348,761	1,480,548	1,606,115	1,830,230	1,554,826
Penalties and interest	151,149	196,223	202,683	252,204	231,016	209,514	238,428	219,250
Investment earnings	2,754,709	1,680,425	699,017	1,518,114	2,350,326	3,614,454	3,287,167	2,051,750
Gain (loss) on disposal of assets	64,153	-	43,925	77,563	470	(2,424,552)	9,682	5,560
Miscellaneous	274,250	165,850	336,007	589,133	4,558,898	243,839	416,282	291,776
Transfers	451,192	2,389,605	2,617,820	(286,860)	2,965,612	2,943,135	3,073,842	3,108,655
Total governmental activities	46,105,622	48,012,152	49,242,374	48,774,941	60,499,670	57,146,281	61,647,820	60,229,565
Business-type activities								
Investment earnings	1,721,322	1,057,404	626,967	1,225,226	2,313,351	2,775,365	2,015,797	1,344,073
Intergovernmental contributions	-	-	300,467	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	-	33,103	4,385	-
Miscellaneous	51,978	13,118	529,186	51,544	5,701	47,451	64,325	57,586
Transfers	(451,192)	(2,389,605)	(2,617,820)	286,860	(2,965,612)	(2,943,135)	(3,073,842)	(3,108,655)
Total business-type activities	1,322,108	(1,319,083)	(1,161,200)	1,563,630	(646,560)	(87,216)	(989,335)	(1,706,996)
Total primary government	47,427,730	46,693,069	48,081,174	50,338,571	59,853,110	57,059,065	60,658,485	58,522,569
<b>Change in Net Assets</b>								
Governmental activities	12,891,249	11,982,889	15,688,860	34,062,861	27,242,810	15,765,906	36,324,420	20,120,791
Business-type activities	10,253,839	6,951,973	6,052,002	12,114,553	10,477,258	8,293,819	15,201,884	4,951,449
Total primary government	\$ 23,145,088	\$ 18,934,862	\$ 21,740,862	\$ 46,177,414	\$ 37,720,068	\$ 24,059,725	\$ 51,526,304	\$ 25,072,240

Source: Comprehensive Annual Financial Reports, beginning with implementation of GASB 34 (2002).

CITY OF LEWISVILLE, TEXAS  
**FUND BALANCES, GOVERNMENTAL FUNDS**

Last Eight Fiscal Years  
*(modified accrual basis of accounting)*  
*(Unaudited)*

TABLE 3

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General fund								
Reserved	\$ 519,919	\$ 227,089	\$ 750,570	\$ 512,805	\$ 462,132	\$ 493,778	\$ 353,725	\$ 349,986
Unreserved	12,188,815	15,856,222	17,363,344	19,371,265	26,212,925	26,272,130	31,175,630	31,658,380
Total general fund	<u>\$ 12,708,734</u>	<u>\$ 16,083,311</u>	<u>\$ 18,113,914</u>	<u>\$ 19,884,070</u>	<u>\$ 26,675,057</u>	<u>\$ 26,765,908</u>	<u>\$ 31,529,355</u>	<u>\$ 32,008,366</u>
All other governmental funds								
Reserved for								
Prepaid items	\$ 9,963	\$ 6,955	\$ 10,379	\$ 2,018,037	\$ 2,874,503	\$ 3,558,596	\$ 3,489,874	\$ 3,244,870
Encumbrances	9,443,300	5,468,943	3,759,595	5,226,719	4,795,639	10,326,967	10,158,069	11,119,868
Debt service	6,507,055	6,655,568	3,574,856	3,595,602	1,654,816	2,065,205	2,063,119	2,157,818
Capital projects	33,146,033	21,870,842	30,121,292	24,295,028	25,682,462	35,521,143	42,042,010	32,105,430
Unreserved, reported in								
Special revenue funds	(966,210)	(900,116)	2,062,957	866,024	977,086	1,099,831	1,808,703	2,603,972
Total all other governmental funds	<u>\$ 48,140,141</u>	<u>\$ 33,102,192</u>	<u>\$ 39,529,079</u>	<u>\$ 36,001,410</u>	<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, beginning with implementation of GASB 34 (2002).

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

TABLE 4

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>								
Property and other taxes	\$ 42,522,054	\$ 43,682,642	\$ 45,587,753	\$ 47,035,823	\$ 50,547,358	\$ 52,886,457	\$ 54,828,308	\$ 54,752,225
Licenses and permits	1,909,545	1,711,484	1,632,628	1,578,864	2,070,156	2,393,345	2,328,846	1,767,049
Charges for services	2,215,730	2,321,726	4,048,211	4,140,027	4,858,787	5,212,302	5,603,449	5,702,288
Recreation	1,449,901	1,402,512	1,290,580	1,332,438	1,426,331	1,385,188	1,591,676	1,536,596
Fines	1,975,469	2,414,448	2,488,340	2,686,299	2,826,234	2,680,535	2,916,566	2,950,843
Investment earnings	2,139,777	1,193,299	538,541	1,154,775	2,350,327	3,614,458	3,287,167	2,051,750
Grants								
Culture, parks and recreation	13,256	11,780	9,749	9,741	10,512	10,305	1,061,894	312,057
Public safety	221,582	200,270	199,699	559,031	384,964	588,798	220,857	238,649
Public services	889,755	1,200,842	1,029,873	1,557,993	730,845	1,256,152	708,082	686,616
Contributions and donations	4,970,537	2,676,258	10,689,358	12,803,249	3,499,030	3,205,708	27,641,031	5,072,965
Miscellaneous	560,513	448,786	601,293	1,084,302	4,961,341	761,399	975,687	1,026,728
Total revenues	58,868,119	57,264,047	68,116,025	73,942,542	73,665,885	73,994,647	101,163,563	76,097,766
<b>Expenditures</b>								
General government	6,857,933	6,424,676	6,958,931	8,181,298	7,543,722	8,505,159	8,956,950	9,334,801
Culture, parks and recreation	5,463,464	5,463,904	5,783,662	5,689,354	6,058,682	6,118,753	6,640,069	6,458,408
Public safety	22,262,598	23,279,103	25,422,485	26,960,074	28,400,718	30,221,744	32,450,887	33,755,435
Public services	7,846,700	8,369,365	8,525,945	9,101,845	9,049,144	9,696,518	9,724,646	9,998,112
Capital outlay	22,597,369	23,342,345	15,030,177	26,532,611	16,527,094	14,848,067	36,317,662	24,862,380
Debit service:								
Principal	3,575,000	4,050,000	7,608,634	4,846,032	7,163,197	5,335,000	4,995,000	5,205,000
Interest and fiscal charges	2,488,690	2,128,073	2,413,005	2,376,104	2,674,752	2,294,160	3,494,604	2,869,614
Total expenditures	71,091,754	73,057,466	71,742,839	83,687,318	77,417,309	77,019,401	102,579,818	92,483,750
Excess (deficiency) of revenues over (under) expenditures	(12,223,635)	(15,793,419)	(3,626,814)	(9,744,776)	(3,751,424)	(3,024,754)	(1,416,255)	(16,385,984)
<b>Other financing sources (uses)</b>								
Transfers in								
Transfers out	15,484,416	6,041,322	6,523,247	6,192,216	7,780,970	16,364,425	12,103,060	7,478,048
Proceeds from refunding bonds	(15,033,224)	(3,145,717)	(3,801,884)	(3,210,986)	(4,815,817)	(10,308,842)	(7,652,635)	(4,369,393)
Proceeds from general obligation bonds	7,670,000	14,206,096	6,860,000	4,790,000	6,805,000	5,070,000	8,715,000	5,430,000
Proceeds from certificates of obligation	-	-	2,475,000	-	-	13,655,000	-	-
Payments to refunding bond escrow agent	-	-	27,941	(10,201,721)	-	(5,398,353)	-	-
Premium (discount) on issuance of general obligation bonds	-	-	-	762,754	-	658,892	(5,372)	(9,037)
Proceeds from sale of assets	8,121,192	-	-	-	755,354	14,890	9,682	5,560
Total other financing sources (uses)	(4,102,443)	4,993,641	12,084,304	7,987,263	10,525,507	20,056,012	13,169,735	8,535,178
Net change in fund balances	\$ (4,102,443)	\$ (10,799,778)	\$ 8,457,490	\$ (1,757,513)	\$ 6,774,083	\$ 17,031,258	\$ 11,753,480	\$ (7,850,806)
Debt service as a percentage of non-capital expenditures	12.2%	12.4%	17.5%	11.8%	16.0%	12.3%	11.7%	11.9%

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

Source: Comprehensive Annual Financial Reports, beginning with implementation of GASB 34 (2002).

TABLE 5

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

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Less: Property Under Freeze	Less: TIRZ Zones Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property & Other					
2000	\$ 3,279,832,761	\$ 641,491,622	\$ 273,674,543	\$ -	\$ -	\$ 3,647,649,840	0.45183
2001	3,766,067,134	744,466,491	414,756,251	-	-	4,095,777,374	0.45105
2002	4,146,678,406	875,947,037	461,362,981	-	-	4,561,262,462	0.45050
2003	4,385,802,772	828,211,133	460,564,166	-	5,247,964	4,748,201,775	0.45050
2004	4,707,742,831	848,715,965	522,296,755	-	29,866,358	5,004,295,683	0.45050
2005	4,821,098,766	978,286,841	573,637,347	-	35,297,446	5,190,450,814	0.45050
2006	5,111,584,596	988,050,320	635,339,154	109,383,097	50,036,866	5,304,875,799	0.45679
2007	5,303,672,869	1,017,510,806	677,304,019	131,762,437	65,376,309	5,446,740,910	0.45679
2008	6,040,730,857	1,129,555,348	774,550,122	150,432,444	88,496,443	6,156,807,196	0.44050
2009	6,446,207,177	1,191,217,048	840,463,496	163,670,550	107,112,885	6,526,177,294	0.44021

**Source:** Denton Central Appraisal District, Certified Valuations

TABLE 6

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

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct & Overlapping Rates
	Operating/General Rate	General Obligation Debt Service	Total Direct	Lewisville Independent School District	Denton County		
2000	0.31878	0.13305	0.45183	1.5671	0.23504		2.2540
2001	0.32097	0.13008	0.45105	1.6100	0.23193		2.2930
2002	0.32046	0.13004	0.45050	1.6700	0.25193		2.3724
2003	0.31581	0.13469	0.45050	1.7700	0.24897		2.4695
2004	0.31581	0.13469	0.45050	1.7700	0.24717		2.4677
2005	0.31641	0.13409	0.45050	1.7700	0.25480		2.4753
2006	0.32107	0.13572	0.45679	1.7700	0.24648		2.4733
2007	0.32184	0.13495	0.45679	1.6400	0.23192		2.3287
2008	0.32184	0.11866	0.44050	1.3700	0.23589		2.0464
2009	0.32156	0.11865	0.44021	1.3800	0.23577		2.0560

Source: City of Lewisville, Denton County Tax Assessor

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

**TABLE 7**

	2009			2000		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Value	
Vista Ridge Joint Venture	\$ 91,082,433	1.40%	Raytheon TI Systems	\$ 52,806,009	1.45%	
GTE Southwest Inc dba Verizon	70,136,410	1.07%	Jefferson at Round Grove LP	42,437,313	1.16%	
TIC Lago Vista LP, etal.	57,373,142	0.88%	Texas New Mexico Power Company	41,583,725	1.14%	
Southwest Properties LP	56,380,038	0.86%	General Telephone Company	39,417,517	1.08%	
Columbia Medical Center Lewisville	51,764,516	0.79%	Vista Ridge OP&F Inc	38,067,873	1.04%	
Teachers Insurance Annuity Association	50,634,000	0.78%	Frankel, Edward B., MD Trust	21,433,275	0.59%	
BREOF Convergence LP	44,000,000	0.67%	RJW Interests III LP	19,842,473	0.54%	
SYSCO Food Services of Dallas LP	41,490,926	0.64%	Southwest Prop LP P/S	17,550,837	0.48%	
GRE Vista Ridge LP	41,455,654	0.64%	Art Walker Cummings Inc	15,619,829	0.43%	
KIR Lewisville LP P/S	38,527,887	0.59%	Acquiport Somerset Inc	14,584,171	0.40%	
<b>TOTAL</b>	<b>\$ 542,845,006</b>	<b>8.32%</b>	<b>TOTAL</b>	<b>\$ 303,343,022</b>	<b>8.32%</b>	

**Source:** Denton Central Appraisal District

TABLE 8

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

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Fiscal Year Levy		Amount	Percentage of Adjusted Levy
2000	\$ 16,778,186	\$ 9,886	\$ 16,788,072	\$ 16,564,598	98.73%	\$ 196,419	\$ 16,761,017	99.84%
2001	18,799,829	16,427	18,816,256	18,598,798	98.93%	191,646	18,790,444	99.86%
2002	20,766,871	64,762	20,831,633	20,493,339	98.68%	287,008	20,780,347	99.75%
2003	21,752,602	63,970	21,816,572	21,476,523	98.73%	279,028	21,755,551	99.72%
2004	22,831,246	55,992	22,887,238	22,541,885	98.73%	253,773	22,795,658	99.60%
2005	23,542,373	39,197	23,581,570	23,292,813	98.94%	200,536	23,493,349	99.63%
2006	25,246,156	(40,021)	25,206,135	24,949,844	98.83%	181,357	25,131,201	99.70%
2007	26,677,093	5,664	26,682,757	26,470,497	99.23%	140,432	26,610,929	99.73%
2008	28,264,833	(44,420)	28,220,413	28,029,846	99.17%	110,743	28,140,589	99.72%
2009	29,966,864	-	29,966,864	29,762,422	99.32%	-	29,762,422	99.32%

Source: Denton County Appraisal District and Denton County Tax Office

TABLE 9

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

	Calendar Year						
	2003	2004	2005	2006	2007	2008	2009
Construction	\$ 302,851,926	\$ 269,407,092	\$ 271,345,345	\$ 325,521,361	\$ 428,975,430	\$ 389,267,507	\$ 426,073,490
Manufacturing	639,700,970	577,502,805	651,749,063	891,564,228	829,222,026	891,125,270	751,857,471
Transportation, Warehousing	231,302,301	495,269,595	355,601,064	22,331,869	25,941,784	650,786,731	710,880,556
Wholesale Trade	318,982,975	334,301,142	374,468,902	492,483,851	546,277,231	623,518,433	745,420,584
Retail Trade	1,834,374,078	1,844,092,385	1,919,947,937	2,027,046,759	2,091,888,382	2,075,807,503	1,927,414,046
Finance, Insurance and Information	70,963,311	77,259,548	69,693,167	72,708,565	58,684,886	53,044,625	53,996,484
Real Estate, Rental and Leasing	26,345,090	32,156,100	54,857,322	39,287,358	55,201,502	49,024,728	34,973,325
Professional, Scientific and Technical Services	68,045,077	72,626,579	88,493,369	150,989,059	151,893,983	159,409,613	194,403,930
Admin, Support, Waste Mgmt, Remediation Services	92,881,630	97,175,211	200,665,461	292,811,541	158,959,087	166,466,814	163,933,681
Educational Services	2,731,051	1,221,464	1,300,212	3,510,020	7,222,172	6,159,101	5,983,619
Health Care and Social Assistance	3,154,591	4,280,367	5,698,121	5,586,377	5,232,521	9,610,245	6,350,766
Arts, Entertainment and Recreation	32,093,731	32,702,023	38,462,571	46,842,409	56,154,449	30,144,139	41,445,461
Accommodation and Food Services	160,112,893	165,856,056	178,596,005	199,071,846	203,938,455	207,232,660	209,960,645
Other Services	73,644,530	76,483,948	76,126,157	81,208,086	91,832,953	100,185,148	93,452,124
Other, including industries with less than four entities	95,264,742	78,305,983	76,944,820	79,133,007	55,438,461	62,016,500	56,823,976
Total	\$ 3,952,448,896	\$ 4,158,640,298	\$ 4,363,949,516	\$ 4,730,096,336	\$ 4,766,863,322	\$ 5,473,799,017	\$ 5,422,970,158
City direct sales tax rate	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%

**Notes:**

The North American Industry Classification System (NAICS) has replaced the U.S. Standard Industrial Classification (SIC) system. NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America. Beginning with 2003, the Texas Comptroller of Public Accounts is reporting categories under NAICS. Prior years reporting under NAICS is not available.

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 NAICS categories with fewer than four (4) taxpayers in an industry and industries with small gross sales. Among the industries included in the Other category are Agriculture, Forestry, Fishing, Hunting, Mining, Quarrying, Oil and Gas Extraction, Utilities, Management of Companies & Enterprises and Public Administration.

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

**TABLE 10**

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

Fiscal Year	City Direct Rates			Overlapping Rates	Total Direct & Overlapping Rates
	General Fund	Parks and Library Development Corporation	Denton Co. Transit Authority		
2000	1.00%	-	-	-	1.00%
2001	1.00%	-	-	-	1.00%
2002	1.00%	-	-	-	1.00%
2003	1.00%	0.25%	-	-	1.25%
2004	1.00%	0.25%	0.50%	0.50%	1.75%
2005	1.00%	0.25%	0.50%	0.50%	1.75%
2006	1.00%	0.25%	0.50%	0.50%	1.75%
2007	1.00%	0.25%	0.50%	0.50%	1.75%
2008	1.00%	0.25%	0.50%	0.50%	1.75%
2009	1.00%	0.25%	0.50%	0.50%	1.75%

**Source:** Texas Comptroller of Public Accounts

TABLE II

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

Industry	Calendar year 2009				Calendar Year 2000				
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
OTHER	839	10.05%	\$ 2,628,055	11.66%	OTHER	791	11.91%	\$ 3,938,158	22.17%
Discount Department Stores	8	0.10%	1,658,614	7.36%	Department Stores	8	0.12%	1,083,366	6.10%
Full-Service Restaurants	134	1.61%	1,246,376	5.53%	Full-Service Restaurants	63	0.95%	613,996	3.46%
Department Stores	16	0.19%	1,230,024	5.46%	Miscellaneous Retail Stores	516	7.77%	592,073	3.33%
Limited-Service Restaurants	99	1.19%	775,044	3.44%	Household Appliance Stores	26	0.39%	527,430	2.97%
Electric Power Distribution	34	0.41%	757,662	3.36%	Eating Places	133	2.00%	483,454	2.72%
Wireless Communication Carriers	60	0.72%	633,693	2.81%	Lumber, Plywood, Millwork	5	0.08%	390,282	2.20%
Home Centers	7	0.08%	596,579	2.65%	Telephone Communications	115	1.73%	381,584	2.15%
Radio, Television, and Other Electronics Stores	39	0.47%	495,674	2.20%	Semiconductor and Related Device MFG	11	0.17%	316,421	1.78%
Miscellaneous Store Retailers Stores	252	3.02%	393,924	1.75%	Jewelry Stores	44	0.66%	315,491	1.78%
Total	1,488	17.82%	\$ 10,415,645	46.20%	Total	1,712	25.79%	\$ 8,642,255	48.66%

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

**Source:** Texas Comptroller of Public Accounts



**LEWISVILLE**

Deep Roots. Broad Wings. Bright Future.

**CITY OF LEWISVILLE, TEXAS**  
**COMBINED SCHEDULE OF BONDS**  
**September 30, 2009**  
*(Unaudited)*

Issue	Interest		Date		Annual Serial	
	Rates	Payment Dates	Issued	Maturity	Payments	
General Obligation Bonds-						
Series 1999 Improvement & Refunding	4.20 - 5.25	02/15 & 08/15	05/15/99	02/15/2014	165,000 -	695,000
Series 2001	4.00 - 5.50	02/15 & 08/15	04/01/01	02/15/2013	470,000 -	595,000
Series 2002	4.75 - 5.25	02/15 & 08/15	04/01/02	02/15/2014	325,000 -	680,000
Series 2002 Refunding	3.50 - 4.00	02/15 & 08/15	12/15/02	02/15/2012	420,000 -	555,000
Series 2003	2.00 - 4.25	02/15 & 08/15	05/01/03	02/15/2019	40,000 -	200,000
Series 2004	4.00 - 5.25	02/15 & 08/15	06/01/04	02/15/2020	250,000 -	595,000
Series 2005 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	04/15/05	02/15/2021	365,000 -	1,645,000
Series 2006	4.00 - 5.00	02/15 & 08/15	05/15/06	02/15/2022	140,000 -	595,000
Series 2007 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	05/15/07	02/15/2023	510,000 -	2,235,000
Series 2008	3.50 - 4.38	02/15 & 08/15	05/15/08	02/15/2024	150,000 -	830,000
Series 2009	2.50 - 4.25	02/15 & 08/15	06/01/09	02/15/2025	250,000 -	710,000
Total General Obligation Bonds						
Revenue Bonds-						
Series 1997 Refunding & Improvement	5.20 - 5.65	02/15 & 08/15	04/01/97	02/15/2013	190,000 -	1,225,000
Series 1998	4.60 - 4.90	02/15 & 08/15	05/01/98	02/15/2011	235,000 -	310,000
Series 1999 Refunding & Improvement	4.35 - 5.00	02/15 & 08/15	06/01/99	02/15/2015	125,000 -	650,000
Series 1999 Sub. Lien	2.65 - 4.55	02/15 & 08/15	07/01/99	08/15/2019	355,000 -	700,000
Series 2002 Refunding	3.00 - 5.00	02/15 & 08/15	02/15/02	02/15/2013	185,000 -	2,145,000
Series 2002-A	4.75 - 5.25	02/15 & 08/15	04/01/02	02/15/2018	355,000 -	745,000
Series 2003	2.00 - 4.50	02/15 & 08/15	05/01/03	02/15/2019	225,000 -	380,000
Series 2003-A Refunding	2.00 - 4.00	02/15 & 08/15	08/15/03	02/15/2012	60,000 -	750,000
Series 2005 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	04/15/05	02/15/2021	220,000 -	1,345,000
Series 2006	4.00 - 4.63	02/15 & 08/15	05/15/06	02/15/2022	180,000 -	340,000
Series 2008	3.50 - 4.25	02/15 & 08/15	05/15/08	02/15/2024	430,000 -	775,000
Series 2009	2.00 - 4.30	02/15 & 08/15	06/01/09	02/15/2025	590,000 -	975,000
Total Revenue Bonds						
Total Bonds Payable						

TABLE 12

Bonds			Requirements Fiscal Year Ended September 30, 2010		Option Date
Issued	Retired/ Defeased	Outstanding	Principal	Interest	
\$ 8,220,000	\$ 7,160,000	\$ 1,060,000	\$ 205,000	\$ 46,056	02/15/08
8,110,000	5,895,000	2,215,000	515,000	91,555	02/15/10
7,735,000	5,195,000	2,540,000	465,000	109,884	02/15/11
11,335,000	9,885,000	1,450,000	575,000	46,500	N/A
2,440,000	735,000	1,705,000	145,000	63,919	02/15/13
6,860,000	1,630,000	5,230,000	380,000	226,706	02/15/14
14,445,000	2,590,000	11,855,000	1,420,000	541,478	02/15/16
6,805,000	810,000	5,995,000	355,000	257,586	02/15/17
18,725,000	1,145,000	17,580,000	665,000	798,050	02/15/18
8,715,000	315,000	8,400,000	260,000	338,606	02/15/19
5,430,000	-	5,430,000	710,000	209,749	02/15/20
<u>98,820,000</u>	<u>35,360,000</u>	<u>63,460,000</u>	<u>5,695,000</u>	<u>2,730,089</u>	
10,140,000	9,310,000	830,000	190,000	41,028	02/15/07
4,000,000	3,400,000	600,000	290,000	22,223	02/15/09
7,805,000	6,645,000	1,160,000	470,000	45,538	02/15/08
9,950,000	4,085,000	5,865,000	490,000	258,898	N/A
11,810,000	11,160,000	650,000	140,000	25,700	N/A
8,500,000	2,925,000	5,575,000	510,000	259,943	02/15/11
4,600,000	1,430,000	3,170,000	260,000	123,137	02/15/13
4,870,000	3,030,000	1,840,000	715,000	59,300	N/A
11,475,000	2,260,000	9,215,000	1,055,000	408,162	02/15/16
4,000,000	565,000	3,435,000	205,000	143,422	02/15/17
10,300,000	1,425,000	8,875,000	445,000	345,931	02/15/19
11,900,000	-	11,900,000	590,000	405,366	02/15/20
<u>99,350,000</u>	<u>46,235,000</u>	<u>53,115,000</u>	<u>5,360,000</u>	<u>2,138,648</u>	
<u>\$ 198,170,000</u>	<u>\$ 81,595,000</u>	<u>\$ 116,575,000</u>	<u>\$ 11,055,000</u>	<u>\$ 4,868,737</u>	

TABLE 13

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Water and Sewer Revenue Bonds					
2000	\$ 39,299,780	\$ -	\$ -	\$ 62,485,000	\$ 101,784,780	\$ 101,784,780	6.23%	\$ 1,309	
2001	44,029,780	-	3,500,000	57,825,000	105,354,780	105,354,780	5.84%	1,307	
2002	48,299,780	-	3,390,000	61,155,000	112,844,780	112,844,780	6.32%	1,385	
2003	46,574,780	-	3,390,000	60,455,000	110,419,780	110,419,780	5.50%	1,317	
2004	49,216,146	2,475,000	-	54,340,000	106,031,146	106,031,146	5.33%	1,234	
2005	49,213,197	2,475,000	-	51,635,000	103,323,197	103,323,197	4.94%	1,169	
2006	51,330,000	-	-	49,300,000	100,630,000	100,630,000	4.13%	1,129	
2007	59,515,000	-	-	42,510,000	102,025,000	102,025,000	3.79%	1,114	
2008	63,235,000	-	-	46,190,000	109,425,000	109,425,000	4.38%	1,179	
2009	63,460,000	-	-	53,115,000	116,575,000	116,575,000	4.55%	1,224	

**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.

TABLE 14

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

Fiscal Year	General Bonded Debt Outstanding									
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total	Less Available Debt Service Funds	Net General Bonded Debt	Percentage of Taxable Assessed Value of Property*	Per Capita**		
2000	\$ 39,299,780	\$ -	\$ -	\$ 39,299,780	\$ 5,898,916	\$ 33,400,864	0.92%	\$ 430		
2001	44,029,780	-	3,500,000	47,529,780	6,327,193	41,202,587	1.01%	511		
2002	48,299,780	-	3,390,000	51,689,780	6,507,055	45,182,725	0.99%	554		
2003	46,574,780	-	3,390,000	49,964,780	6,655,568	43,309,212	0.91%	517		
2004	49,216,146	2,475,000	-	51,691,146	3,574,856	48,116,290	0.96%	560		
2005	49,213,197	2,475,000	-	51,688,197	3,595,602	48,092,595	0.93%	544		
2006	51,330,000	-	-	51,330,000	1,654,816	49,675,184	0.94%	558		
2007	59,515,000	-	-	59,515,000	2,065,205	57,449,795	1.05%	628		
2008	63,235,000	-	-	63,235,000	2,063,119	61,171,881	0.99%	659		
2009	63,460,000	-	-	63,460,000	2,157,818	61,302,182	0.94%	644		

**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.

TABLE 15

CITY OF LEWISVILLE, TEXAS  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 As of September 30, 2009  
 (Unaudited)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
Lewisville Independent School District	\$ 928,121,982	28.68%	\$ 266,185,384
Coppell Independent School District	149,178,638	0.66%	984,579
Denton County	374,335,733	12.18%	45,594,092
Dallas County	138,531,552	0.03%	41,559
Dallas County Community College District	387,260,000	0.03%	116,178
Dallas County Hospital District	705,000,000	0.03%	211,500
Denton County Levee Improvement District #1	4,175,000	86.13%	3,595,928
Denton County RUD #1	12,890,000	100.00%	12,890,000
Subtotal, overlapping debt			329,619,221
<b>City of Lewisville (direct debt)</b>	63,460,000	100.00%	63,460,000
<b>Total direct and overlapping debt</b>			<u>\$ 393,079,221</u>

Source: Non-City debt information provided by First Southwest Company

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

**TABLE 16**

Fiscal Year	Total Revenues	Less: Operating Expenses	Net Available Revenue	Waterworks and Sewer System Revenue Bonds		Times Coverage	Maximum P & I Requirement	Times Coverage
				Average Annual Requirement	Requirement			
2000	\$ 26,607,378	\$ 9,565,021	\$ 17,042,357	\$ 4,421,127	\$ 8,102,090	3.855	\$ 8,102,090	2.103
2001	25,154,951	10,774,241	14,380,710	4,236,740	8,102,090	3.394	8,102,090	1.775
2002	24,337,623	10,640,851	13,696,772	4,712,362	8,807,526	2.907	8,807,526	1.555
2003	24,122,765	11,205,166	12,917,599	4,849,160	9,168,901	2.664	9,168,901	1.409
2004	23,973,197	11,605,378	12,367,819	4,583,375	9,168,901	2.698	9,168,901	1.349
2005	25,215,347	12,002,786	13,212,561	4,041,010	8,520,251	3.270	8,520,251	1.551
2006	30,306,218	13,484,511	16,821,707	3,855,683	8,855,999	4.363	8,855,999	1.899
2007	28,506,798	13,205,679	15,301,119	3,522,329	7,424,561	4.344	7,424,561	2.061
2008	29,194,108	13,715,038	15,479,070	3,629,359	6,919,927	4.265	6,919,927	2.237
2009	27,978,220	14,157,311	13,820,909	4,191,171	7,498,648	3.298	7,498,648	1.843

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

**Notes:**

Net Revenue has to be greater than or equal to 1.25 times the Average Annual Debt Service Requirement.

Net Revenue has to be greater than or equal to 1.10 times the Maximum Debt Service Requirement.

**CITY OF LEWISVILLE, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Calendar 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>
2000	77,737	\$ 1,634,149	\$ 21,022	30.0	12,651	1.9%
2001	80,609	1,803,082	22,368	-	11,152	2.7%
2002	81,500	1,786,146	21,916	-	12,581	4.3%
2003	83,850	2,008,980	23,959	-	13,035	4.4%
2004	85,950	1,989,405	23,146	-	13,272	3.7%
2005	88,350	2,093,188	23,692	31.6	13,513	4.1%
2006	89,100	2,437,241	27,354	32.3	13,676	4.0%
2007	91,550	2,691,387	29,398	32.6	14,702	3.6%
2008	92,850	2,497,665	26,900	30.6	15,233	4.0%
2009	95,250	2,562,225	26,900	30.6	15,780	6.7%

**Sources:** Estimated population provided by the North Central Texas Council of Governments; US Census population used in census years.  
 Personal income (total effective buying income) provided yearly from Sales and Marketing Management, "Survey of Buying Power."  
 Beginning in 2005, per capita income provided by the American Community Survey.  
 Current year personal income estimated from 2008 amount.  
 School enrollment (for schools located in Lewisville) provided by Lewisville Independent School District.  
 Unemployment rates provided on the Texas Workforce Commission website, annual rate, current year estimated as of September.  
 Median age, previously, only available in census years. Beginning 2005, provided by the American Community Survey.  
 Current year median age estimated from 2008 amount.

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

**TABLE 18**

	2009			2000		
	<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>
	Vista Ridge Mall (all outlets)	2,000	3.60%	Lewisville Independent School District		
	Lewisville Independent School District (Lewisville employment only)	1,592	2.87%	(Lewisville employment only)	1,251	2.73%
	EMC Mortgage Corp	1,394	2.51%	Horizon Health Corp	1,140	2.48%
	Fidelity Investments	1,200	2.16%	Xerox	1,100	2.40%
	Wal-Mart (all City locations)	951	1.71%	Ultrak	710	1.55%
	Lewisville Medical Center	831	1.50%	Columbia Medical Center	650	1.42%
	Nationstar Mortgage	786	1.42%	City of Lewisville	602	1.31%
	City of Lewisville	681	1.23%	Fleming Companies, Inc	595	1.30%
	HSBC	680	1.23%	Four Seasons	450	0.98%
	SYSCO Foods	625	1.13%	School of Tomorrow	380	0.83%
				Chippenhook Ltd	350	0.76%
	<b>Total</b>	<b>10,740</b>	<b>19.36%</b>	<b>Total</b>	<b>7,228</b>	<b>15.76%</b>

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

TABLE 19

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

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government and Administration and Legal	43.7	52.0	56.0	56.0	55.0	59.0	58.3	57.0	58.0	58.9
Public Safety	310.8	313.0	321.0	320.0	324.0	325.0	338.0	341.0	350.0	349.0
Public Services	126.0	125.0	126.0	125.0	123.0	123.0	124.0	123.0	124.0	126.0
Community Development	58.5	60.0	61.0	61.0	61.0	63.0	65.7	70.0	72.0	75.1
Parks and Leisure	63.0	66.0	69.0	68.0	68.0	67.0	71.0	71.0	72.0	72.0
<b>Total</b>	<b>602.0</b>	<b>616.0</b>	<b>633.0</b>	<b>630.0</b>	<b>631.0</b>	<b>637.0</b>	<b>657.0</b>	<b>662.0</b>	<b>676.0</b>	<b>681.0</b>

Source: City Budget Office

TABLE 20

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General government</b>										
Public Records	1,657	3,246	5,931	7,354	8,743	11,747	17,879	12,953	12,074	13,868
Number of telephone information requests	3,532	5,382	5,889	5,005	5,490	6,398	6,141	6,896	6,455	6,336
Birth and death certificates issued										
<b>Culture, parks &amp; recreation</b>										
Parks and Leisure										
Number registered for recreation programs	N/A	N/A	4,484	3,915	3,912	2,723	2,749	3,752	4,412	4,336
Public swim admissions	31,766	27,858	22,923	22,772	21,292	55,329	63,915	59,422	51,322	48,028
Library visits	295,268	325,787	336,840	311,403	297,676	295,255	291,141	398,160	398,568	383,836
Library volumes circulated	515,919	567,949	574,541	527,803	495,406	463,666	447,449	719,620	766,182	815,191
Lake Park day use area attendance	98,593	123,432	131,523	110,574	110,572	171,007	160,113	119,781	193,690	191,721
<b>Public safety</b>										
Police										
Calls for service	61,462	60,593	58,666	59,177	62,597	63,570	63,813	61,949	66,358	74,658
Part 1 crimes	3,362	3,433	4,320	4,420	4,478	4,305	3,610	3,238	3,577	4,039
Number of accidents	3,046	3,075	3,000	2,904	2,870	2,838	2,863	2,695	2,482	2,458
Fire										
Number of fire incidents	2,615	2,870	2,816	2,904	2,910	2,909	3,258	3,098	3,007	3,246
Number of EMS incidents	4,649	4,874	4,866	4,874	4,674	5,153	5,373	5,557	5,771	6,088
<b>Public services</b>										
Public Services										
Concrete paving repair (cubic yards)	N/A	N/A	1,107	1,285	1,475	1,279	1,225	1,211	1,187	966
Concrete utility cut repair (cubic yards)	N/A	N/A	418	336	319	420	709	457	415	393
Asphalt pothole repair (tons)	N/A	N/A	201	205	426	81	83	100	54	38
Community Development										
Building permits issued	1,299	927	833	1,081	922	844	948	766	698	552
Municipal Water System										
Number of customers	19,612	19,701	19,783	19,486	19,630	19,955	20,560	20,781	21,233	21,987
Average daily water consumption (MGD)	13.26	12.32	12.53	13.03	12.43	13.86	16.04	13.35	14.71	14.75
System capacity (MGD)	27	27	27	32	32	38	38	38	38	38.4
Number of water main breaks	130	119	98	94	73	93	212	106	120	113
Sewer System										
System treatment capacity (MGD)	12	12	12	12	12	12	15	15	15	15
Sanitation (residential)										
Residential refuse collected (tons)	38,433	32,659	32,525	35,941	31,846	27,523	27,691	28,765	27,528	27,732
Commercial refuse collected (tons)	89,772	115,566	133,517	115,661	120,535	112,205	104,929	108,242	107,798	106,084

Source: City Departments

Notes:

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

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

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

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

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

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Culture, parks &amp; recreation</b>										
Parks and Leisure										
Number of Parks	27	27	27	30	32	32	32	32	32	33
Parks (acres)	950	950	950	961	1,240	1,240	1,240	1,240	1,240	1,240
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Lighted Ball Diamonds	23	23	23	23	23	23	23	23	23	37
Lighted Tennis Courts	4	4	4	4	4	4	4	4	4	4
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Senior Citizens Center	1	1	1	1	1	1	1	1	1	1
<b>Public safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	N/A	N/A	N/A	N/A	N/A	N/A	85	95	94	96
Fire Stations	6	6	6	6	6	6	6	6	6	7
<b>Public services</b>										
Public Services										
Streets - Paved (miles)	537	537	547	538	538	565	573	573	571	571
Alleys - Paved (miles)	71	73	76	78	80	83	85	85	85	85
Number of Street Lights	N/A	N/A	N/A	2,600	2,600	2,600	2,600	2,600	2,600	2,773
Water and Sewer										
Water Mains (miles)	N/A	N/A	N/A	N/A	N/A	N/A	385	387	390	393
Fire Hydrants	N/A	N/A	N/A	N/A	N/A	N/A	2,295	2,376	3,096	3,188
Sanitary Sewer (miles)	N/A	N/A	N/A	N/A	N/A	N/A	305	307	310	312

Source: City Departments

Notes:

N/A - Data not available.

Fire Hydrants for 2008 were located by GPS, thereby giving a more accurate accounting than those counted on previous years' maps. Street Lights prior to 2009 were estimated.