

CITY OF LEWISVILLE, TEXAS



The Medical Center of Lewisville Grand Theater opened in January 2011 and is a 40,000 square foot multi-function cultural center. The facility is located at 100 N. Charles Street in Lewisville's Old Town, across from City Hall.

Comprehensive Annual Financial Report

for the fiscal year ended September 30, 2011

CITY OF LEWISVILLE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the fiscal year ended September 30, 2011



Prepared by the
FINANCE DEPARTMENT



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

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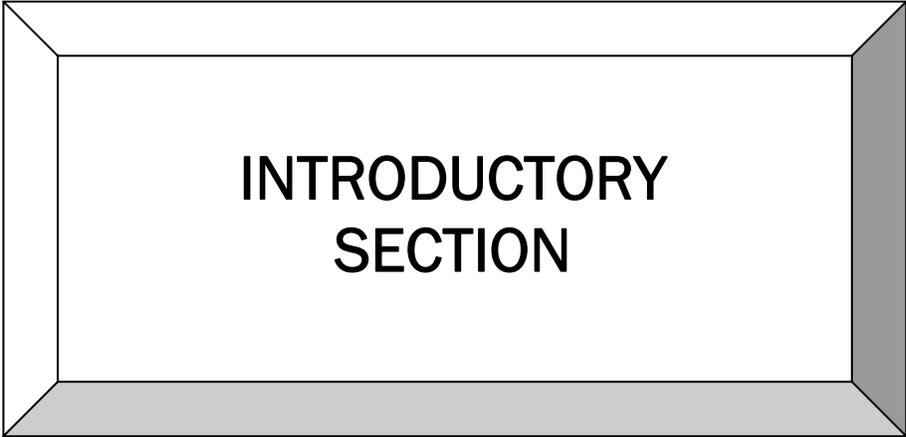
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CITY OF LEWISVILLE, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

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**INTRODUCTORY
SECTION**



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.



March 14, 2012

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, 2011, 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, 2011, 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, 2011, 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 22.7% from 77,737 to an estimated 95,390 in 2011. 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:

- The redevelopment and 94% occupancy of Lewisville's ConVergence Office Campus has helped drive the business growth in Lewisville over the past year. The 185 acre campus in southwest Lewisville 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 available for new development to maximize development potential. MedFusion, a partnership between Baylor and U.S. Oncology, took occupancy in 2010 bringing 900 employees and \$10 million in capital investment to ConVergence. Nationstar Mortgage consolidated their operations to a regional headquarters at ConVergence, bringing 900 employees into 80,000 square feet. Tribune, a national media company, located their shared services subsidiary, Blue Lynx Media at ConVergence, securing 50,000 square feet of space for 493 employees. Other companies include Overhead Door, GMAC Financial Services, JP Morgan Chase, Cyrus One (recently doubled occupancy), Archon, and Texas Instruments.
- The Vista Ridge Business Park located near the interchange of Interstate Highway 35E (I-35E) and Sam Rayburn Tollway, also known as State Highway 121 (SH-121), is home to a number of new high-quality office developments. The business park sits on 188 acres with nearly 1.8 million square feet of office, hotel and retail development. In addition to occupying space in the ConVergence Office Campus mentioned above, JP Morgan Chase and GMAC Financial Services have operations here. JP Morgan Chase recently occupied 240,000 square feet of office space, known as Lake Vista 7, with an additional 1,200 new employees and a projection for 800 more employees within 5 years. Large employers such as TIAA-CREF, Semperian Financial Services, Parago, U.S. Home Systems, and U.S. Oncology have large scale operations in the Vista Ridge Business Park. These occupancies are in large part attributable to the quality amenities nearby including Vista Ridge Mall, Costco, Best Buy, Hilton Garden Inn, Hampton Inn and variety of other restaurant and hotels. The park also has acreage for future development, with the Vista Oaks property at MacArthur and SH-121 offering a significant opportunity for office, retail and residential growth.
- Austin Ranch, a master planned community and business park in east Lewisville, is home to the corporate headquarters of Sysco Foods, Orthofix, and The Apparel Group. Austin Ranch Distribution Center is home to Grande Communications and Ricos Products Company.
- 121 Lakepointe Crossing is an emerging business park located along SH-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 expanded the original 600,000 square foot development to over 900,000 square feet to accommodate the main tenant, Alcatel-Lucent. Other tenants include the J Paul Company, Southwest Carpets, Mustang Electric Supply, and Decorator's Choice.
- Majestic Airport Center is a 160-acre, master-planned business park that will total more than 3 million square feet of Class A warehouse and distribution facilities in seven buildings. Phase I is complete, which includes DFW's first 1 million square foot speculative industrial building. Kellogg recently announced the move of their southwest

regional distribution facility to Majestic Airport Center, occupying 1 million square feet and creating 400 new jobs. Jafra Cosmetics and Cabin Innovations currently occupy the development, taking advantage of the Foreign Trade Zones and Triple Freeport exemption in place.

- Waters Ridge Business Park is the 15th largest business park in the DFW region, with over 4.7 million square feet of space. The park is home to large-scale distribution operations such as Rheem-Ruud, Toni & Guy, Four Seasons, Carquest, NTE Aviation and Kuehne + Nagel. The park also houses a mix of professional offices, including several medical and other technology companies. Those include Medical Extrusion Tech, Broadtech, Nishimoto, Telpar, Hoya Optical and Martin Marietta Materials. The area continues to thrive with Rheem-Ruud doubling its occupancy and utilizing more than 656,000 square feet of space. There has also been new construction activity for smaller office buildings from 10,000 square feet to 30,000 square feet by Vantage Companies.
- Other companies such as Caliber Collision Center, Genusys Inc., Terminex International and TruGreen Companies LLC have recently located their headquarters in Lewisville.
- New commercial construction has included a 57,000 square foot facility for Metro Auto Auction, a 60,000 square foot DCTA train maintenance facility, an 18,000 square foot Bobcat of Lewisville showroom, and a 33,000 square foot Genusys office building.
- The City of Lewisville continues to revitalize Old Town Lewisville.
 - The Medical Center of Lewisville Grand Theater, a 40,000 square-foot facility, opened January 2011. It is the first publicly operated performing arts center in southern Denton County and boasts a proscenium theater, black box theater, dance recital hall, art gallery, classrooms, and a central courtyard.
 - Immediately east of the MCL Grand Theater and across from City Hall, is a public plaza called Wayne Ferguson plaza. This park improvement is under design and financed primarily through intergovernmental grants. The park space will include a great lawn for events, projection water wall, pop-up water fountains, playground, and a history walk. The project is expected to be under construction in October of 2012.
 - Streetscape improvements along the Main and Mill Streets corridors have received funding this year. This project will create pedestrian and bike amenities to encourage walking and biking to the rail station in Old Town Lewisville. The project is anticipated to start design in March 2012.

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, facade improvement grant program and the MCL Grand Theater mentioned above. New mixed use projects, including residential units, are anticipated to be constructed in the zone in the next 3 years. Future development includes construction of the aforementioned streetscape 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 I-35E and SH-121 Tollway. The project will consist of urban residential, retail, recreation, and entertainment uses. The Denton County Transit Authority (DCTA) A-Train Station was completed in June 2011. The first phase of Hebron 121 Station, a multifamily project is underway with over 150 units completed and fully leased this year. The Zone will expire in 2038.

Metropolitan Transit System— DCTA has worked since its formation in 2001 to connect Lewisville to the DFW commuter rail network. 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 network, called the A-train, has been operational since June of 2011. Lewisville has completed master plans for the areas surrounding each of these three stations. The most notable plan, the Lake Lewisville Master Plan, was recognized by the Urban Land Institute in 2008, due in large part to its unique combination of lake frontage, commuter rail, and adjacency to an interstate highway. The City has engaged a master developer (Wynne Jackson) to plan and market the site and bring a mixed use hotel/hospitality/convention space project to fruition.

Other Major Roadway Projects—Interstate Highway 35E is scheduled to be widened from 10 to 16 lanes between I-635 and US Highway 380. The expansion will include free lanes, managed/tolled lanes, and additional new frontage lanes. The project has completed its environmental processes and is awaiting complete funding before it can proceed into implementation. \$595 million of the \$4 billion in needed funds has been allocated from regional toll revenue and Denton County. The 82nd Texas Legislature approved a public-private partnership (PPP) method of funding for the remainder of the project. The City is in the process of completing a two year project for a Corridor Development and Aesthetic Plan to guide public improvements, private developments, business retention, and new business recruitment along the corridor.

Brownfield Development— Lewisville has implemented a brownfield program, funded by a \$400,000 grant from the Environmental Protection Agency, to help plan for and initiate redevelopment. Developing in older areas with existing industrial or auto related uses typically involves overcoming environmental challenges. The program is designed to address these challenges, and has been integrated with the redevelopment planning initiatives in Old Town and along the I-35E corridor.

Residential Growth— Broadstone at Valley Parkway, a new multi-family community in southwest Lewisville, includes 363 luxury rental units and is currently under construction. The second phase of Hebron Station, with 500 new rental units, is anticipated to start construction in the summer of 2012. New single family developments this year includes King’s Grant (85 lots) and Chase Oaks (143 lots). Other projects including Rockbrook Place (153 lots), Manors at Vista Ridge (72 lots), and Lakeridge Townhomes (132 lots), have completed infrastructure improvements and have availability for immediate building permits.

FINANCIAL INFORMATION

Financial Policies—The City of Lewisville has adopted (with City Council approval) formal written financial policies and administrative directives. These include, among others, policies and directives for Audit, Revenue Management, Expenditure Control, Financial Reserve/Fund Balance Levels, Debt Management, 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 revenue and departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the 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 2011-12 and the preceding five fiscal years is reflected in the following table:

<u>Purpose</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
General Fund	0.32289	0.32289	0.32156	0.32156	0.32184	0.32184
Debt Service Fund	<u>0.11732</u>	<u>0.11732</u>	<u>0.11865</u>	<u>0.11865</u>	<u>0.11866</u>	<u>0.13495</u>
Total Tax Rate	<u>0.44021</u>	<u>0.44021</u>	<u>0.44021</u>	<u>0.44021</u>	<u>0.44050</u>	<u>0.45679</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 2010-11, the City’s payments to the districts for appraisal services were \$242,409, a decrease of \$8,536, or 3.4%,

from the amount paid by the City in 2009-10. Beginning in October 1997, the City contracted with Denton County for tax collection services. The 2010-11 cost was \$21,592.

Long-Term Financial Planning—The City prepares a series of multi-year financial plans and forecasts that enable the City to reasonably predict future impacts on the government’s financial position. For its two largest funds, the General Fund and the Water and Sewer Utility Fund, a five-year financial plan is prepared in addition to a five-year street and drainage program and a five-year water and sewer capital improvement project plan. In the age of rapid technological advances, a five-year strategic technology plan is prepared as well.

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

Outstanding General Obligation Debt at 9-30-11 (Net of Debt Service)	\$56,964,764
Estimated Population	95,390
G. O. Debt per Capita	\$597
Net G. O. Debt per Assessed Value	.94%

The City’s underlying bond ratings at September 30, 2011 were as follows:

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

Cash Management—Exclusive of the City’s long-term OPEB trust and 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, 2011, the portfolio consisted of:

<u>Year to Maturity</u>	<u>Percent of Portfolio</u>
0-1	48.89%
1-2	26.12%
2-3	24.99%

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 0.5546% in 2011.

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, 2011, 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, 2010. 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 22 consecutive years (fiscal years ended 1989-2010). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Claude E. King".

Claude E. King
City Manager

A handwritten signature in cursive script, appearing to read "Brenda Martin".

Brenda Martin, CPA
Director of Finance

CERTIFICATE OF ACHIEVEMENT

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, 2010

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.



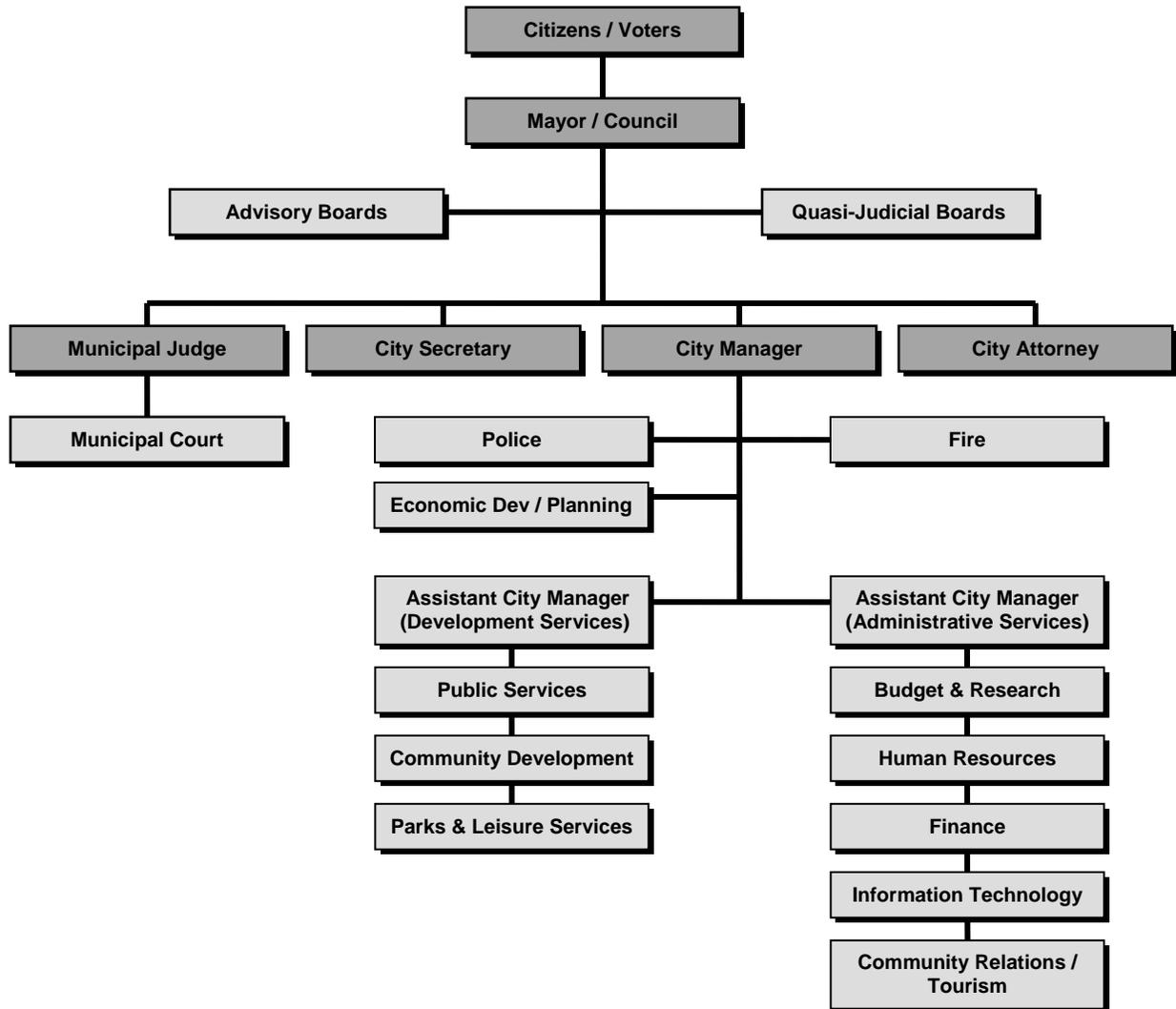
Linda C. Danson

President

Jeffrey R. Emer

Executive Director

CITY OF LEWISVILLE, TEXAS – ORGANIZATIONAL CHART



CITY OF LEWISVILLE, TEXAS – PRINCIPAL OFFICIALS

– Elected Officials –

Mayor Dean Ueckert
Mayor Pro Tem Vacant
Deputy Mayor Pro Tem Rudy Durham
Councilman John Gorena
Councilman TJ Gilmore
Councilman Leroy Vaughn

– Appointed Officials –

City Manager Claude E. King
City Secretary Julie Heinze
City Attorney Lizbeth Plaster
Municipal Judge Brian S. Holman

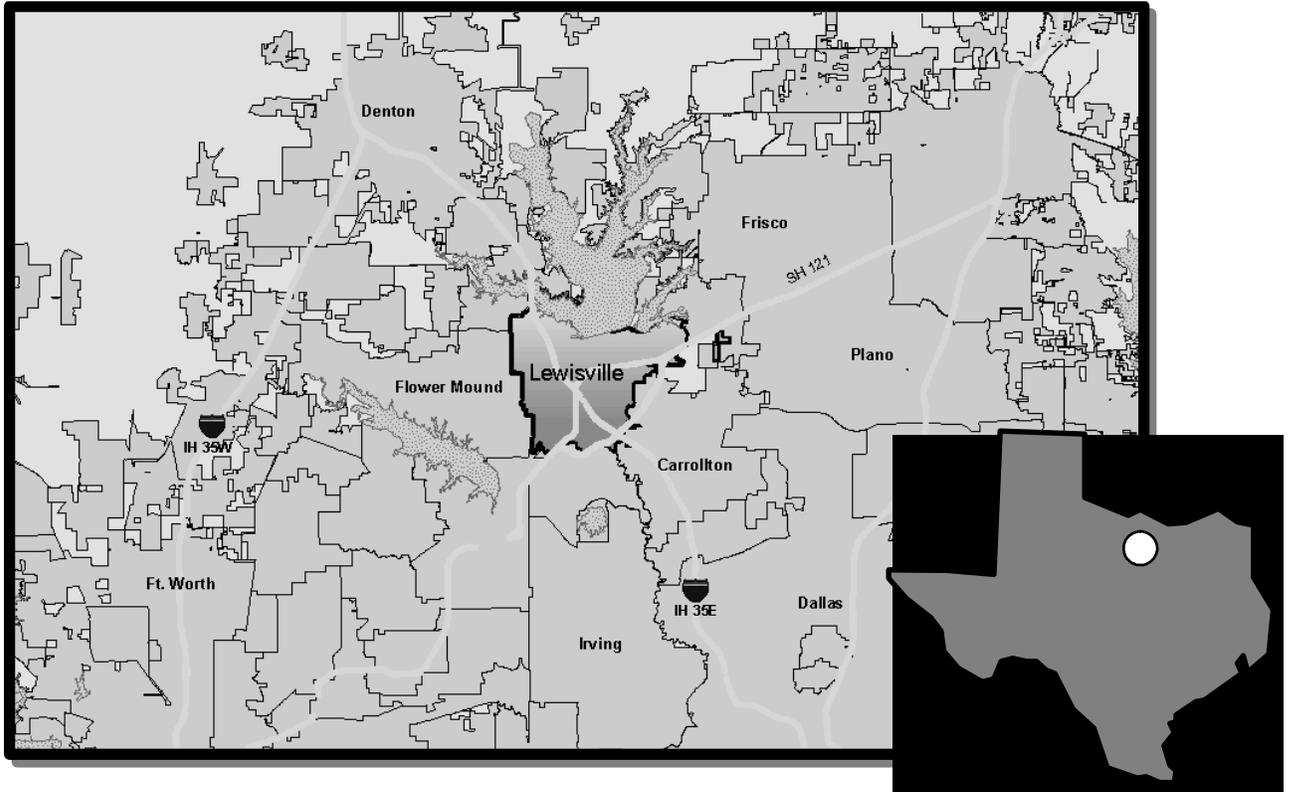
– Assistant City Managers –

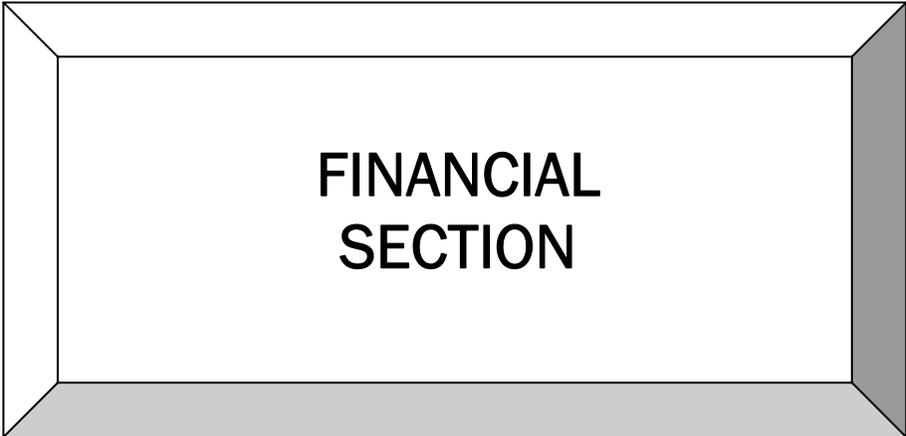
Development Services Steven L. Bacchus
Administrative Services Donna Barron

– 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 Tim Tittle
Human Resources Melinda Galler
Information Technology Services Larry Buchanan
Parks and Recreation Robert Monaghan
Police Russell Kerbow
Public Services Carole Bassinger

AREA MAP





**FINANCIAL
SECTION**



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

Report of Independent Certified Public Accountants

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

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

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, 2011, 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 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, 2011, 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 14, 2012 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 the 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 85 through 86 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 section 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 14, 2012

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2011**

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, 2011. 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, 2011 by \$565,178,397 (net assets). Of this amount, \$75,485,640 (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 decreased by \$3,761,122 for the year ended September 30, 2011.
- As of September 30, 2011, the City of Lewisville's governmental funds reported combined ending fund balances of \$72,682,226, a decrease of \$6,144,802 in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$28,989,043 or approximately 51 percent of total general fund expenditures.
- The City's total outstanding bonds (excluding component unit debt) decreased by \$1,535,000 during the current fiscal year. In 2011, the City issued \$1,605,000 of General Obligation Refunding Bonds and \$13,465,000 of Waterworks and Sewer System Revenue Refunding and Improvement bonds. The addition of \$9,400,000 in Waterworks and Sewer System Revenue Improvement bonds was offset by amortization payments on existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Lewisville's finances, in a manner similar to private-sector business. The statement of net 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 seven 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 Tax Increment Reinvestment Zone Number 2, 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-

CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2011

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 eighteen 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 fifteen 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 \$565,178,397 as of September 30, 2011. Analyzing the net assets and net expenses of governmental and business-type activities separately, the business type activities net assets are \$211,896,336. 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 (86.1 percent) reflects its investment in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2011**

**Table 1
Net Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 142,221,204	\$ 152,602,798	\$ 70,759,709	\$ 63,227,658	\$ 212,980,913	\$ 215,830,456
Capital assets	328,087,180	331,951,099	192,213,427	189,764,555	520,300,607	521,715,654
Total assets	470,308,384	484,553,897	262,973,136	252,992,213	733,281,520	737,546,110
Non-current liabilities	70,083,847	74,917,033	47,591,953	41,749,546	117,675,800	116,666,579
Other liabilities	46,942,476	48,576,013	3,484,847	3,363,999	50,427,323	51,940,012
Total liabilities	117,026,323	123,493,046	51,076,800	45,113,545	168,103,123	168,606,591
Net assets:						
Invested in capital assets, net of related debt	305,260,721	311,014,889	181,476,154	172,162,748	486,736,875	483,177,637
Restricted	1,016,096	1,324,264	1,939,786	2,147,527	2,955,882	3,471,791
Unrestricted	47,005,244	48,721,698	28,480,396	33,568,393	75,485,640	82,290,091
Total net assets	\$ 353,282,061	\$ 361,060,851	\$ 211,896,336	\$ 207,878,668	\$ 565,178,397	\$ 568,939,519

Governmental Activities

The City's general revenues increased when compared to the prior year by 1.4% or \$820,508. The primary reason for this increase were transfers and miscellaneous revenue. Transfers revenue increased \$663,636 (20.4%) from the prior year due to increased fees received from the Utility Fund. The PILOT fee rate (payments in lieu of taxes) increased from 2% to 4% along with a newly implemented franchise fee of 1% due to General Fund. These two changes, combined with an unusually dry summer, led to the increase in fees. Miscellaneous revenue increased \$685,506 from fees received for natural gas exploration activities. Unfavorably, assessed value of the property in the City decreased by \$286.2 million or 4.5% as compared to the prior year while the tax rate remained the same as 2010 at \$0.44021 per \$100 assessed valuation. The changes in the City's general revenues are as follows (Table 2):

**Table 2
General Revenues**

	2011	2010	Increase (decrease)
Property taxes	\$ 27,921,537	\$ 29,084,416	\$ (1,162,879)
Sales taxes	18,677,965	18,605,874	72,091
Hotel/motel taxes	1,862,191	1,551,355	310,836
Other taxes	1,038,923	1,046,346	(7,423)
Franchise taxes	5,272,499	5,055,711	216,788
Investment earnings	459,600	526,984	(67,384)
Gain on disposal of assets	3,075	13,118	(10,043)
Miscellaneous	1,077,579	272,693	804,886
Transfers	3,924,530	3,260,894	663,636
Total general revenues	\$ 60,237,899	\$ 59,417,391	\$ 820,508

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2011**

Governmental activities decreased the City's net assets by \$7,778,790. The key elements of this decrease are as follows:

**Table 3
Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for service	\$ 12,592,913	\$ 11,660,120	\$ 28,072,610	\$ 26,146,670	\$ 40,665,523	\$ 37,806,790
Operating grants and contributions	2,190,754	2,228,626	-	-	2,190,754	2,228,626
Capital grants and contributions	3,579,450	11,183,861	2,643,208	1,470,699	6,222,658	12,654,560
General revenues:						
Property taxes	27,921,537	29,084,416	-	-	27,921,537	29,084,416
Other taxes	26,851,578	26,259,286	-	-	26,851,578	26,259,286
Other	1,540,254	812,795	281,976	293,331	1,822,230	1,106,126
Total revenues	74,676,486	81,229,104	30,997,794	27,910,700	105,674,280	109,139,804
Expenses:						
General government	10,997,464	10,760,138	-	-	10,997,464	10,760,138
Culture, parks and recreation	9,585,769	9,299,504	-	-	9,585,769	9,299,504
Public safety	38,558,345	37,628,477	-	-	38,558,345	37,628,477
Public services	24,634,802	22,404,173	23,055,596	21,521,566	47,690,398	43,925,739
Interest on long-term debt	2,603,426	2,753,817	-	-	2,603,426	2,753,817
Total expenses	86,379,806	82,846,109	23,055,596	21,521,566	109,435,402	104,367,675
Increase (decrease) in net assets before transfers	(11,703,320)	(1,617,005)	7,942,198	6,389,134	(3,761,122)	4,772,129
Transfers	3,924,530	3,260,894	(3,924,530)	(3,260,894)	-	-
Increase (decrease) in net assets	(7,778,790)	1,643,889	4,017,668	3,128,240	(3,761,122)	4,772,129
Net assets beginning of fiscal year	361,060,851	359,416,962	207,878,668	204,750,428	568,939,519	564,167,390
Net assets ending of fiscal year	\$ 353,282,061	\$ 361,060,851	\$ 211,896,336	\$ 207,878,668	\$ 565,178,397	\$ 568,939,519

The decrease in capital grants and contributions revenue from 2010 is primarily due to fewer commercially developed projects dedicating infrastructure and right-of-way to the City (\$4.0 million) and less County funding (\$3.4 million) for road projects.

The most significant governmental expense for the City is personnel cost. For the year, payroll costs were \$47,825,976 or 55.4% of total expenses. Payroll costs were closely monitored and came in \$631,930 less than budgeted.

For activities, public safety incurred expenses of \$38,558,345. These expenses were offset by revenues of \$5,665,379, 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 \$31,120,508. Other significant governmental expenses for the City include public services which incurred \$24,634,802 in expenses, of which \$6,769,463 represents personnel charges and the general government activity which incurred \$10,997,464 in expenses, of which \$5,739,442 represents personnel charges. General government encompasses mayor and council, administration, legal, finance, human resources, information technology services, tourism,

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2011**

economic development and general government departments. The Parks and Leisure Services Department incurred \$9,585,769 in expenses, of which \$4,196,563 represents personnel charges.

Business-type Activities

Business-type activities increased the City's net assets by \$4,017,668. 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 \$28,072,610. Non-cash capital contributions from developers and cash receipts in the form of development impact fees amounted to \$2,643,208. Developer contributions are public improvement infrastructure projects that are completed by the developer. Prior to transfers, the charges for services exceeded expenses by \$5.017 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011, the City had \$520.3 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines.

**Table 4
Capital Assets at Year-end
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Improvements	\$ 201,954,886	\$ 203,233,262	\$ 546,149	\$ 383,350	\$ 202,501,035	\$ 203,616,612
Land	45,233,345	44,998,887	2,368,892	2,368,892	47,602,237	47,367,779
Buildings	46,902,889	45,837,922	774,661	803,509	47,677,550	46,641,431
Machinery & equipment	9,795,749	10,349,677	1,144,390	1,150,371	10,940,139	11,500,048
Construction in progress	24,200,311	27,531,351	19,089,174	13,499,324	43,289,485	41,030,675
Water system	-	-	100,056,622	102,185,599	100,056,622	102,185,599
Sewer system	-	-	68,233,539	69,373,510	68,233,539	69,373,510
Totals	\$ 328,087,180	\$ 331,951,099	\$ 192,213,427	\$ 189,764,555	\$ 520,300,607	\$ 521,715,654

CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2011

Major capital asset additions for 2010-2011 include:

Westwood Estates (roadway/utility improvements)	\$ 5,009,748
Arts & Events Center (City portion)	2,356,910
Police Station Remodel	1,585,053
Vista Ridge Mall Drive	1,368,456
Fiber Optic Infrastructure	758,395
Sidewalk Maintenance	474,351
Video Image Detection Cameras (FM 3040)	374,970
Network Central Switch (Annex)	298,960
Hydraulic Vacuum Sewer Cleaning Equipment	278,990
Waterline Replacements (Grove Drive/Court)	253,050
Kealy Avenue Grade Crossing	243,059
Video Image Detection Cameras (SH 121)	237,035
City Wide ADA Improvements	226,321
Video Image Detection Cameras (Main Street)	205,041
1 Ton Dry Emergency Chlorine Gas Scrubber	203,548
	<u>\$ 13,873,887</u>

The City's fiscal year 2012 capital improvement program authorizes it to spend \$135 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 \$135 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 2011-2012 consist of \$4.3 million in transfers from water and sewer operating funds for water and sewer lines, inflow and infiltration repairs, and an Eastside Gravity Main. General Fund transfers for 2011-2012 include \$3.169 million to fund concrete, asphalt and sidewalk repairs to street and sidewalks. Municipal/technology improvements for 2011-2012 include \$429,000 for a security systems conversion and \$105,000 for miscellaneous printer, phone, and computer replacements.

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

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2011**

Debt

At year end, the City had \$104 million in general obligation and revenue bonds outstanding as compared to \$105.6 million at the end of the prior fiscal year, a decrease of 1.5 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds (backed by the City)	\$ 58,235	\$ 64,810	\$ -	\$ -	\$ 58,235	\$ 64,810
Revenue bonds (backed by fee revenues)	-	-	45,780	40,740	45,780	40,740
Totals	<u>\$ 58,235</u>	<u>\$ 64,810</u>	<u>\$ 45,780</u>	<u>\$ 40,740</u>	<u>\$ 104,015</u>	<u>\$ 105,550</u>

During the current fiscal year, the City issued General Obligation Refunding Bonds in the amount of \$1.605 million and Waterworks and Sewer System Revenue Refunding and Improvement Bonds in the amount of \$13.465 million in April 2011. The General Obligation Refunding debt provided funds for refunding \$1.590 million General Obligation debt (Series 2002). The Waterworks and Sewer System Revenue Refunding and Improvement debt provided funds for refunding \$4.530 million Revenue debt (Series 2002-A) and \$9.4 million 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 carry an AAA rating from Standard and Poor's and Fitch Ratings. The City's Water and Sewer Revenue Bonds carry an AAA rating from Standard and Poor's and an AA+ rating from Fitch Ratings. Both of these entities are national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is .94%.

THE CITY'S FUNDS

At the close of the City's fiscal year on September 30, 2011, the governmental funds of the City reported a combined fund balance of \$72.7 million, a \$6.1 million decrease over the previous year.

**CITY OF LEWISVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2011**

The City's General Fund balance was \$29.3 million which was \$2,551,699 more than the prior year fund balance mainly due to reduction in the funding of capital project transfers. Current year's activity resulted in a positive variance of \$4.2 million when compared to the final amended budget of \$25.1 million. Significant budgetary variances between the final amended budget and the actual results can be summarized as follows:

- Tax revenue was \$1,414,596 more than estimated. The primary reason was sales tax revenue, which was \$941,554 more than estimated and \$10,054 more than prior year receipts due mainly to a conservative budgeting policy. Property tax revenues were favorable to budget by \$36,643. Other taxes, mainly mixed drinks, came in \$35,431 higher than expected.
- Licenses and Permits revenue was \$1,071,951 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. Natural gas well permit revenue (\$70,000) and associated road fees (\$274,531), which were not budgeted, also contributed to the increase in fund balance this year.
- Investment earnings were \$255,405 less than budgeted primarily due to a continuing decline in interest rates and 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 \$932,123. This variance is primarily due to salary savings from employee vacancies.

The City's Water and Sewer Fund net assets of \$211.7 million increased by \$4.3 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 \$19.6 million decreased by \$2.4 million 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 \$1,425,351. The Maintenance and Replacement Fund experienced a \$973,299 decrease in net assets mostly due to planned capital replacement costs exceeding one year's lease payments.

General Fund Budgetary Highlights

During fiscal year 2010-11, the City Council amended the budget for the General Fund on two separate occasions, in March for an Old Town Transit Oriented Development Sustainable Development Grant match and in December for the routine supplement completed each year of prior year encumbrances (purchases) that overlap into the next fiscal year.

Staff reviewed the supplemental appropriations and determined that reserves were sufficient to recommend approval. The net decrease to the General Fund for the year was \$900,526.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2012 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 95,390 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 2012. The combined budget appropriation for fiscal year 2011-12 totals \$105.916 million for eighteen operating funds. Another \$13.3 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 brings in more tax revenue (\$664,188) for the 2011-12 fiscal year due to the new tax rate being applied to an increased tax base. Property values increased \$193 million or 3.17%. This brings the property tax revenue budgeted for FY 2011-12 to \$20.853 million making it the single largest General Fund revenue source.

The General Fund's second largest revenue source in fiscal year 2011-2012 is sales tax receipts. Due to the volatility of the sales tax revenue source, the City has been very conservative in projecting sales tax revenue. This conservative philosophy was formalized in the City's written Revenue Policy adopted by the City Council. Under this policy sales tax revenue budget for subsequent fiscal years is limited to the estimated receipts for the current fiscal year. This practice effectively mitigates to a large degree the volatile nature of the sales tax revenue source. The City's budgeted sales tax revenue is \$18.892 million.

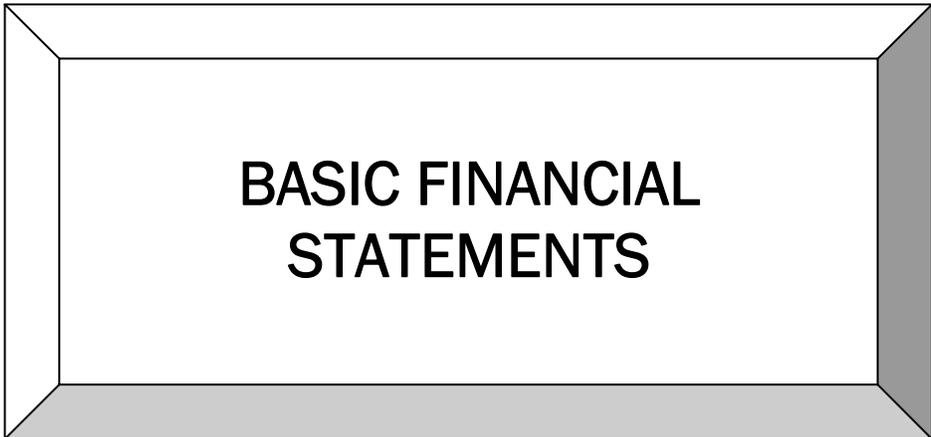
Budgeted operating expenditures in the General Fund are expected to decrease \$440,074 from the 2010-2011 fiscal year re-estimated budget. The increase is mainly attributed to salary savings from position vacancies occurring throughout the year. These savings, along with increases in sales tax revenue, result in a change to the anticipated General Fund fund balance budgeted for FY 2010-11 of \$1.95 million, or 7.9%.

As for the City's business type activities, the City budgeted a decrease of \$3.4 million for the Water and Sewer Fund's net assets. The primary item contributing to this is the increase in the amount of the transfers out to capital improvement projects for water and sewer lines, inflow and infiltration repairs, and an Eastside Gravity Main.

Water and sewer rates were reviewed by the City Council for fiscal year 2011-2012. A 0.65% rate increase for water was decided by Council to better cover expected increases in overall costs. There was no increase in sewer rates.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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



**BASIC FINANCIAL
STATEMENTS**



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

CITY OF LEWISVILLE, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

EXHIBIT 1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash	\$ 25,288,226	\$ 994,480	\$ 26,282,706	\$ 2,101,382
Investments	95,777,051	26,577,509	122,354,560	8,001,483
Receivables (net of allowances for uncollectibles)	10,587,017	4,866,485	15,453,502	875,590
Internal balances	5,682,493	(5,682,493)	-	-
Inventory of supplies	102,852	-	102,852	-
Prepaid items	4,214,074	1,426	4,215,500	-
Restricted assets				
Cash	-	1,540,231	1,540,231	-
Investments	-	41,947,237	41,947,237	-
Interest receivable	-	36,412	36,412	-
Deferred charges	569,491	478,422	1,047,913	287,996
Capital assets				
Non-depreciable	69,433,656	21,458,066	90,891,722	380,280
Depreciable (net of accumulated depreciation)	258,653,524	170,755,361	429,408,885	7,940,654
Total assets	<u>\$ 470,308,384</u>	<u>\$ 262,973,136</u>	<u>\$ 733,281,520</u>	<u>\$ 19,587,385</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 2,081,304	\$ 1,433,383	\$ 3,514,687	\$ 143,449
Incurred but not reported claim reserve	1,348,807	-	1,348,807	-
Retainage payable	62,288	-	62,288	-
Accrued liabilities	1,674,853	275,711	1,950,564	19,820
Accrued interest payable	314,482	230,224	544,706	235,539
Liabilities payable from restricted assets	-	1,516,069	1,516,069	-
Deposits payable	6,550	-	6,550	300
Unearned revenue	40,501,816	-	40,501,816	-
Money held in escrow	952,376	29,460	981,836	-
Non-current liabilities				
Due within one year	10,925,224	4,867,442	15,792,666	1,446,425
Due in more than one year	59,158,623	42,724,511	101,883,134	38,975,574
Total liabilities	<u>117,026,323</u>	<u>51,076,800</u>	<u>168,103,123</u>	<u>40,821,107</u>
Net assets				
Invested in capital assets, net of related debt	305,260,721	181,476,154	486,736,875	524,176
Restricted for debt service	1,016,096	1,939,786	2,955,882	-
Restricted for tax increment reinvestment zone	-	-	-	1,281,511
Unrestricted	47,005,244	28,480,396	75,485,640	(23,039,409)
Total net assets	<u>353,282,061</u>	<u>211,896,336</u>	<u>565,178,397</u>	<u>(21,233,722)</u>
Total liabilities and net assets	<u>\$ 470,308,384</u>	<u>\$ 262,973,136</u>	<u>\$ 733,281,520</u>	<u>\$ 19,587,385</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, 2011

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary government				
Governmental activities				
General government	\$ 10,997,464	\$ 3,348,523	\$ 234,526	\$ -
Culture, parks and recreation	9,585,769	1,631,629	159,455	305,771
Public safety	38,558,345	5,665,379	637,331	176,611
Public services	24,634,802	1,947,382	1,159,442	3,097,068
Interest on long-term debt	2,603,426	-	-	-
Total governmental activities	<u>86,379,806</u>	<u>12,592,913</u>	<u>2,190,754</u>	<u>3,579,450</u>
Business-type activities				
Water and sewer	23,055,596	28,072,610	-	2,643,208
Total business-type activities	<u>23,055,596</u>	<u>28,072,610</u>	<u>-</u>	<u>2,643,208</u>
Total primary government	<u>\$ 109,435,402</u>	<u>\$ 40,665,523</u>	<u>\$ 2,190,754</u>	<u>\$ 6,222,658</u>
Component units				
Lewisville Housing Finance Corporation	\$ -	\$ -	\$ -	\$ -
Lewisville Parks and Library Development Corporation	4,042,165	186,104	-	-
Tax Increment Reinvestment Zone (Old Town)	536,120	-	-	-
Total component units	<u>\$ 4,578,285</u>	<u>\$ 186,104</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

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (7,414,415)	\$ -	\$ (7,414,415)	\$ -
(7,488,914)	-	(7,488,914)	-
(32,079,024)	-	(32,079,024)	-
(18,430,910)	-	(18,430,910)	-
(2,603,426)	-	(2,603,426)	-
<u>(68,016,689)</u>	<u>-</u>	<u>(68,016,689)</u>	<u>-</u>
-	7,660,222	7,660,222	-
-	7,660,222	7,660,222	-
<u>\$ (68,016,689)</u>	<u>\$ 7,660,222</u>	<u>\$ (60,356,467)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	(3,856,061)
-	-	-	(536,120)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,392,181)</u>
27,774,848	-	27,774,848	551,973
18,677,965	-	18,677,965	4,781,211
1,038,923	-	1,038,923	-
5,272,499	-	5,272,499	-
1,862,191	-	1,862,191	-
146,689	-	146,689	-
459,600	269,639	729,239	41,957
3,075	-	3,075	-
1,077,579	12,337	1,089,916	-
3,924,530	(3,924,530)	-	-
<u>60,237,899</u>	<u>(3,642,554)</u>	<u>56,595,345</u>	<u>5,375,141</u>
(7,778,790)	4,017,668	(3,761,122)	982,960
361,060,851	207,878,668	568,939,519	(22,216,682)
<u>\$ 353,282,061</u>	<u>\$ 211,896,336</u>	<u>\$ 565,178,397</u>	<u>\$ (21,233,722)</u>

**CITY OF LEWISVILLE, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF SEPTEMBER 30, 2011**

EXHIBIT 3

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 5,261,787	\$ 258,788	\$ 16,064,859	\$ 779,820	\$ 22,365,254
Investments	20,018,431	985,559	61,180,711	2,924,882	85,109,583
Receivables (net of allowances for uncollectables)					
Taxes	5,365,412	60,342	-	-	5,425,754
Accounts	1,958,386	24,199	-	1,970,254	3,952,839
Unbilled accounts	230,798	-	-	-	230,798
Interest	35,455	1,690	104,791	5,357	147,293
Court	374,390	-	-	-	374,390
Other	-	-	356,497	-	356,497
Due from other funds	756,831	5,815,000	-	-	6,571,831
Prepaid items	230,316	-	4,428	2,754,424	2,989,168
Total assets	<u>\$ 34,231,806</u>	<u>\$ 7,145,578</u>	<u>\$ 77,711,286</u>	<u>\$ 8,434,737</u>	<u>\$ 127,523,407</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts and contracts payable	\$ 1,332,937	\$ -	\$ 463,904	\$ 264,221	\$ 2,061,062
Accrued liabilities	1,605,842	-	-	-	1,605,842
Deposits payable	6,550	-	-	-	6,550
Deferred revenues	1,755,875	5,875,342	40,501,816	81,395	48,214,428
Money held in escrow	102,744	-	849,632	-	952,376
Retainage payable	-	-	62,288	-	62,288
Due to other funds	107,819	-	-	1,830,816	1,938,635
Total liabilities	<u>4,911,767</u>	<u>5,875,342</u>	<u>41,877,640</u>	<u>2,176,432</u>	<u>54,841,181</u>
Fund balances					
Non spendable	230,316	-	4,428	2,754,424	2,989,168
Restricted for:					
Debt service	-	1,270,236	-	-	1,270,236
Capital projects	-	-	18,334,807	-	18,334,807
Other purposes	-	-	-	2,958,058	2,958,058
Committed to:					
Capital projects	-	-	7,396,348	-	7,396,348
Other purposes	-	-	-	308,668	308,668
Assigned to:					
Capital projects	-	-	10,098,063	-	10,098,063
Other purposes	100,680	-	-	237,155	337,835
Unassigned	28,989,043	-	-	-	28,989,043
Total fund balances	<u>29,320,039</u>	<u>1,270,236</u>	<u>35,833,646</u>	<u>6,258,305</u>	<u>72,682,226</u>
Total liabilities and fund balances	<u>\$ 34,231,806</u>	<u>\$ 7,145,578</u>	<u>\$ 77,711,286</u>	<u>\$ 8,434,737</u>	<u>\$ 127,523,407</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, 2011**

EXHIBIT 4

Total fund balances, governmental funds	\$ 72,682,226
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.	569,491
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	323,297,742
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.	(314,482)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	7,712,611
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.	(70,083,847)
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 \$175,298.	<u>19,418,320</u>
Total net assets, governmental activities	<u><u>\$ 353,282,061</u></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, 2011

	General	Debt Service	General Capital Projects	Other Governmental	Total Governmental Funds
REVENUES					
Property and other taxes	\$ 45,475,116	\$ 7,448,426	\$ -	\$ 1,877,398	\$ 54,800,940
Licenses and permits	2,210,218	-	-	-	2,210,218
Charges for services	5,543,470	-	-	-	5,543,470
Recreation	1,106,993	-	-	325,245	1,432,238
Fines and forfeitures	2,752,316	-	-	-	2,752,316
Investment earnings	113,628	6,907	322,210	16,859	459,604
Grants					
Culture, parks and recreation	-	-	-	24,424	24,424
Public safety	-	-	-	538,837	538,837
Public services	-	-	-	934,516	934,516
Contributions and donations	-	-	1,922,304	-	1,922,304
Miscellaneous	525,307	24,202	8	1,559,527	2,109,044
Total revenues	<u>57,727,048</u>	<u>7,479,535</u>	<u>2,244,522</u>	<u>5,276,806</u>	<u>72,727,911</u>
EXPENDITURES					
Current					
General government	7,585,979	-	-	1,818,812	9,404,791
Culture, parks and recreation	5,893,223	-	-	407,042	6,300,265
Public safety	34,439,273	-	-	769,748	35,209,021
Public services	8,908,812	-	-	682,741	9,591,553
Debt service					
Principal	-	6,590,000	-	-	6,590,000
Interest and fiscal charges	-	2,604,989	-	-	2,604,989
Capital outlay	11,265	-	13,887,572	431,696	14,330,533
Total expenditures	<u>56,838,552</u>	<u>9,194,989</u>	<u>13,887,572</u>	<u>4,110,039</u>	<u>84,031,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>888,496</u>	<u>(1,715,454)</u>	<u>(11,643,050)</u>	<u>1,166,767</u>	<u>(11,303,241)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	4,606,067	170,912	3,158,730	80,134	8,015,843
Transfers out	(2,942,864)	-	(8,218)	(1,148,449)	(4,099,531)
Issuance of refunding bonds	-	1,605,000	-	-	1,605,000
Payments to refunding bond escrow agent	-	(1,610,846)	-	-	(1,610,846)
Premium (discount) on issuance of general obligation bonds	-	24,898	-	-	24,898
Proceeds from sale of assets	-	-	-	3,075	3,075
Contributions from other sources	-	1,220,000	-	-	1,220,000
Net other financing sources (uses)	<u>1,663,203</u>	<u>1,409,964</u>	<u>3,150,512</u>	<u>(1,065,240)</u>	<u>5,158,439</u>
Net change in fund balances	2,551,699	(305,490)	(8,492,538)	101,527	(6,144,802)
FUND BALANCES, beginning	<u>26,768,340</u>	<u>1,575,726</u>	<u>44,326,184</u>	<u>6,156,778</u>	<u>78,827,028</u>
FUND BALANCES, ending	<u>\$ 29,320,039</u>	<u>\$ 1,270,236</u>	<u>\$ 35,833,646</u>	<u>\$ 6,258,305</u>	<u>\$ 72,682,226</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, 2011**

EXHIBIT 6

Net change in fund balances, total governmental funds \$ (6,144,802)

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. Capital outlay increased net assets \$10,625,951 for the current fiscal year.
There were no dispositions. 10,625,951

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. 1,705,165

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. (15,683,460)

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 \$8,180,000, less bond proceeds of \$1,605,000
plus \$15,000 loss on refunding, less amortization of \$21,934 is the net effect of these
differences in the treatment of long-term debt and related items. 6,568,066

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. (214,706)

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. (1,554,396)

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. 4,445

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. (979,666)

Internal service funds are used by management to charge the costs of certain
activities, such as the purchase of equipment and insurance, to individual funds. The
net revenue (expense) of certain internal service funds is reported with governmental
activities. (2,105,387)

Change in net assets, governmental activities \$ (7,778,790)

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, 2011**

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	<u> </u>	<u> </u>
ASSETS		
Current assets		
Cash	\$ 994,480	\$ 2,922,972
Investments	26,577,509	10,667,468
Receivables (net of allowances for uncollectables of \$257,557)		
Accounts	1,831,933	74,325
Unbilled accounts	3,004,410	-
Interest	30,142	16,770
Other	-	8,351
Due from other funds	107,819	1,500,000
Inventory of supplies, at cost	-	102,852
Prepaid items	1,426	1,224,906
Restricted assets		
Cash	1,540,231	-
Investments	41,947,237	-
Interest receivable	36,412	-
Total currents assets	<u>76,071,599</u>	<u>16,517,644</u>
Noncurrent assets		
Deferred bond issuance costs, net of amortization	<u>478,422</u>	<u>-</u>
Capital assets		
Land	2,368,892	-
Land improvements	106,700	-
Buildings	1,131,504	-
Other improvements	658,008	274,272
Water system	137,882,185	-
Sewer system	99,298,296	-
Machinery and equipment	4,106,095	4,827,552
Motor vehicles	-	17,007,789
Construction in progress	19,089,174	-
Total capital assets	<u>264,640,854</u>	<u>22,109,613</u>
Less - Accumulated depreciation	<u>(72,427,427)</u>	<u>(17,320,175)</u>
Capital assets, net of accumulated depreciation	<u>192,213,427</u>	<u>4,789,438</u>
Total noncurrent assets	<u>192,691,849</u>	<u>4,789,438</u>
Total assets	<u>\$ 268,763,448</u>	<u>\$ 21,307,082</u>

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	<u> </u>	<u> </u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current liabilities payable from restricted assets		
Deposits payable	\$ 1,382,919	\$ -
Accrued interest payable	230,224	-
Contracts and retainage payable	133,150	-
Money held in escrow	29,460	-
Current maturities of revenue bonds	4,430,000	-
Total current liabilities payable from restricted assets	<u>6,205,753</u>	<u>-</u>
Accounts payable	1,433,383	20,241
Incurred but not reported claim reserve	-	1,348,807
Accrued liabilities	275,711	69,011
Compensated absences	437,442	-
Due to other funds	1,070,610	275,405
Total current liabilities	<u>9,422,899</u>	<u>1,713,464</u>
Noncurrent liabilities		
Revenue bond payable	41,350,000	-
Deferred loss on refunding	(386,224)	-
Premium	930,371	-
Discount	(74,826)	-
Due to other funds	4,895,000	-
Compensated absences	342,217	-
Net pension obligation	562,973	-
Total noncurrent liabilities	<u>47,619,511</u>	<u>-</u>
Total liabilities	<u>57,042,410</u>	<u>1,713,464</u>
Net assets		
Invested in capital assets, net of related debt	175,661,154	4,789,438
Restricted		
For revenue bond retirements	1,939,786	-
Unrestricted	34,120,098	14,804,180
Total net assets	<u>\$ 211,721,038</u>	<u>\$ 19,593,618</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, 2011**

EXHIBIT 8

Total net assets, enterprise fund \$ 211,721,038

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.

175,298

Total net assets, business-type activities

\$ 211,896,336

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



LEWISVILLE

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PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for sales and services	\$ 28,072,610	\$ 9,398,480
Miscellaneous	12,337	144,690
Total operating revenues	<u>28,084,947</u>	<u>9,543,170</u>
OPERATING EXPENSES		
Cost of sales and services, net of reimbursements	8,727,633	8,330,504
Administrative	7,355,337	2,096,123
Depreciation	5,311,872	1,902,273
Total operating expenses	<u>21,394,842</u>	<u>12,328,900</u>
Total operating income (loss)	<u>6,690,105</u>	<u>(2,785,730)</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment earnings	269,639	51,705
Interest expense	(1,294,446)	-
Amortization	(73,045)	-
Gain on disposal of assets	-	206,156
Total non-operating revenues (expenses)	<u>(1,097,852)</u>	<u>257,861</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>5,592,253</u>	<u>(2,527,869)</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS		
Transfers in	-	233,218
Transfers out	(3,924,530)	(225,000)
Intragovernmental contributions	-	21,001
Contributions from developers	1,370,713	-
Contributions - impact fees	1,272,495	-
Contributions - other	-	100,000
Total transfers and capital contributions	<u>(1,281,322)</u>	<u>129,219</u>
CHANGE IN NET ASSETS	4,310,931	(2,398,650)
NET ASSETS, beginning	<u>207,410,107</u>	<u>21,992,268</u>
NET ASSETS, ending	<u>\$ 211,721,038</u>	<u>\$ 19,593,618</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, 2011**

EXHIBIT 10

Net change in fund net assets, enterprise fund \$ 4,310,931

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.

(293,263)

Change in net assets, business-type activities \$ 4,017,668

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, 2011**

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 27,435,855	\$ -
Cash received from transactions with other funds	(1,235,500)	9,601,126
Cash paid to employees for services	(5,924,551)	(361,226)
Cash paid for goods and services	(9,922,731)	(3,912,810)
Cash paid for claims	-	(6,833,662)
Cash received for miscellaneous items	-	144,690
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	10,353,073	(1,361,882)
	<hr/>	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in from other funds	-	233,218
Transfers out to other funds	(3,924,530)	(225,000)
	<hr/>	<hr/>
Net cash provided by (used in) noncapital financing activities	(3,924,530)	8,218
	<hr/>	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(5,897,703)	(1,353,219)
Proceeds from the sale of equipment	-	289,678
Proceeds from the sale revenue bonds	13,465,000	
Principal paid on revenue bond maturities	(3,895,000)	-
Principal refunded	(4,530,000)	-
Impact fees	1,272,495	-
Interest paid	(1,176,820)	-
Reduction of unamortized bond issuance cost	28,023	-
Bond issuance cost paid	(122,500)	-
	<hr/>	<hr/>
Net cash provided by (used in) capital and related financing activities	(856,505)	(1,063,541)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(97,164,293)	(18,169,724)
Proceeds from sale and maturities of investments	92,463,681	20,217,683
Interest received	332,711	74,890
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(4,367,901)	2,122,849
	<hr/>	<hr/>
NET (DECREASE) INCREASE IN CASH	1,204,137	(294,356)
	<hr/>	<hr/>
CASH, beginning of year	1,330,574	3,217,328
	<hr/>	<hr/>
CASH, end of year	\$ 2,534,711	\$ 2,922,972
	<hr/>	<hr/>
Classified as		
Unrestricted cash and cash equivalents at end of year	\$ 994,480	\$ 2,922,972
Restricted cash and cash equivalents at end of year	1,540,231	-
TOTAL CASH AT END OF YEAR	<u>\$ 2,534,711</u>	<u>\$ 2,922,972</u>

	<u>Business-Type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ 6,690,105	\$ (2,785,730)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	5,311,872	1,902,273
Provision for uncollectible accounts	80,798	-
Change in assets and liabilities		
(Increase) decrease in receivables	(786,922)	(72,759)
(Increase) decrease in inventory of supplies	-	(5,753)
(Increase) decrease in prepaid items	952	(1,124,284)
(Increase) decrease in due from other funds	(107,819)	-
Increase (decrease) in accounts and claims payable	70,551	454,865
Increase (decrease) in net pension obligations	194,299	-
Increase (decrease) in accrued liabilities	(122,087)	(5,899)
Increase (decrease) in deposits payable	48,423	-
Increase (decrease) in contracts and retainage payable	105,182	-
Increase (decrease) in compensated absences	(4,600)	-
Increase (decrease) in due to other funds	(1,127,681)	275,405
Total adjustments	<u>3,662,968</u>	<u>1,423,848</u>
Net cash provided by (used in) operating activities	<u>\$ 10,353,073</u>	<u>\$ (1,361,882)</u>
NON CASH INVESTING AND FINANCING ACTIVITIES		
From contributions of capital assets	\$ 1,370,713	\$ 100,000
Increase (decrease) in fair value of investments	(62,008)	25,714
From intragovernmental contributions	-	21,001

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, 2011**

EXHIBIT 12

	Castle Hills Debt Service Agency Fund	Lewisville OPEB Liability Trust Fund
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ 8,382,532	\$ 5,709
Investments		
Mutual funds - equity	-	1,647,640
Mutual funds - fixed income	-	1,089,583
Interest receivable	64	-
Total assets	<u>8,382,596</u>	<u>2,742,932</u>
LIABILITIES		
Accounts payable	-	4,882
Due to debt holders	8,382,596	-
Total liabilities	<u>8,382,596</u>	<u>4,882</u>
NET ASSETS		
Held in trust for retiree health benefits	<u>\$ -</u>	<u>\$ 2,738,050</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, 2011**

EXHIBIT 13

	Lewisville OPEB Liability Trust Fund
	<u> </u>
ADDITIONS	
Employer contributions	\$ 494,600
Investment earnings	64,092
Unrealized/realized gain(loss), net	(98,622)
Total additions	<u>460,070</u>
 DEDUCTIONS	
Benefits	<u>359,000</u>
Total deductions	<u>359,000</u>
 CHANGE IN NET ASSETS	 101,070
 NET ASSETS, beginning	 <u>2,636,980</u>
 NET ASSETS, ending	 <u><u>\$ 2,738,050</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, 2011

EXHIBIT 14

	Governmental Activities					
	Lewisville Housing Finance Corporation	Lewisville Industrial Development Authority, Inc.	Lewisville Parks and Library Development Corporation	Tax Increment Reinvestment Zone (Old Town)	Tax Increment Reinvestment Zone #2	Total Component Units
ASSETS						
Cash	\$ 907	\$ 1,410	\$ 1,835,105	\$ 261,246	\$ 2,714	\$ 2,101,382
Investments	3,454	5,371	6,987,402	994,920	10,336	8,001,483
Receivables						
Accounts	-	-	14	-	-	14
Taxes	-	-	861,848	-	-	861,848
Interest	6	9	11,989	1,706	18	13,728
Deferred charges	-	-	233,853	54,143	-	287,996
Capital assets						
Non-depreciable	-	-	-	380,280	-	380,280
Depreciable (net of accum deprec)	-	-	-	7,940,654	-	7,940,654
Total assets	<u>\$ 4,367</u>	<u>\$ 6,790</u>	<u>\$ 9,930,211</u>	<u>\$ 9,632,949</u>	<u>\$ 13,068</u>	<u>\$ 19,587,385</u>
LIABILITIES						
Current						
Accounts and contracts payable	\$ -	\$ -	\$ 143,749	\$ -	\$ -	\$ 143,749
Accrued liabilities	-	-	19,820	-	-	19,820
Accrued interest payable	-	-	191,967	43,572	-	235,539
Noncurrent liabilities						
Due within one year	-	-	1,406,425	40,000	-	1,446,425
Due within more than one year	-	-	31,218,816	7,756,758	-	38,975,574
Total liabilities	<u>-</u>	<u>-</u>	<u>32,980,777</u>	<u>7,840,330</u>	<u>-</u>	<u>40,821,107</u>
NET ASSETS (DEFICIT)						
Invested in capital assets, net of related debt	-	-	-	524,176	-	524,176
Unrestricted	4,367	6,790	(23,050,566)	1,268,443	13,068	(21,757,898)
Total net assets (deficit)	<u>4,367</u>	<u>6,790</u>	<u>(23,050,566)</u>	<u>1,792,619</u>	<u>13,068</u>	<u>(21,233,722)</u>
Total liabilities and net assets (deficit)	<u>\$ 4,367</u>	<u>\$ 6,790</u>	<u>\$ 9,930,211</u>	<u>\$ 9,632,949</u>	<u>\$ 13,068</u>	<u>\$ 19,587,385</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, 2011

EXHIBIT 15

	Governmental Activities					Total Component Units
	Lewisville Housing Finance Corporation	Lewisville Industrial Development Authority, Inc.	Lewisville Parks and Library Development Corporation	Tax Increment Reinvestment Zone (Old Town)	Tax Increment Reinvestment Zone #2	
EXPENSES						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture, parks and recreation	-	-	2,488,070	-	-	2,488,070
Interest on long term debt	-	-	1,554,095	351,756	-	1,905,851
Depreciation	-	-	-	184,364	-	184,364
Total expenses	-	-	4,042,165	536,120	-	4,578,285
PROGRAM REVENUES						
Charges for services						
Culture, parks and recreation	-	-	186,104	-	-	186,104
Total program revenues	-	-	186,104	-	-	186,104
GENERAL REVENUES						
Property taxes	-	-	-	551,973	-	551,973
Sales taxes	-	-	4,781,211	-	-	4,781,211
Investment earnings	17	27	35,704	6,157	52	41,957
Total general revenues	17	27	4,816,915	558,130	52	5,375,141
CHANGE IN NET ASSETS (DEFICIT)	17	27	960,854	22,010	52	982,960
Net assets (deficit), beginning	4,350	6,763	(24,011,420)	1,770,609	13,016	(22,216,682)
Net assets (deficit), ending	\$ 4,367	\$ 6,790	\$ (23,050,566)	\$ 1,792,619	\$ 13,068	\$ (21,233,722)

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



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. The City Council approves the trust's annual budget. The activities of the Lewisville Health Benefit Trust are accounted for as a blended component unit and included with the internal service funds as the Health Insurance Risk Pool Fund. The Health Benefit Trust is reported as a blended component unit since it provides services exclusively for the City of Lewisville.
- The Local Government Corporation was established July 2006 to assist in economic development initiatives. Allowable under Chapter 431 of the Texas Transportation Code, this corporation cannot incur any debt without City Council approval. The City Council appoints a board and board members are removable by the City Council. The existing four person board is comprised of current City Council members. The City Council approves the corporation's annual budget. In the event of dissolution, title to all assets transfer to the City. The activities of the Lewisville Local Government Corporation are accounted for as a blended component unit and included with the non-major governmental funds. The Local Government Corporation is reported as a blended component unit since it's governing body is substantially the same as the City's.

Discretely Presented Component Units

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

- The Lewisville Housing Finance Corporation has been established to assist in evaluating housing needs within the City. The City Council appoints a board and board members are removable by City Council. The City Council approves the corporation's annual budget. In the event of dissolution, title to all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Housing Finance Corporation, P.O. Box 299002, Lewisville, Texas 75029.

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net 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

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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.

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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:

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.

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

CITY OF LEWISVILLE, TEXAS
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retirees for insurance coverage. Expenses include claims payments, administrative costs, and reinsurance premiums for health and dental programs.

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

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

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

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, 2011, 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 statement of net assets because their use is limited by applicable bond covenants.

J. Property, Plant, and Equipment

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$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 \$492,329.

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.

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

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

K. Compensated Absences

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

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, 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 funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

This year the City implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement establishes fund balance classifications that compromise a

CITY OF LEWISVILLE, TEXAS
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hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds.

Fund balances classified as non-spendable represent amounts that are not in a spendable form (such as inventory). Fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws and regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by the intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on council direction. Unassigned fund balance is available for any purpose but is only reported in the General Fund. For further details of the various fund balance classifications refer to Note 13.

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, Old Town Tax Increment Reinvestment Zone, and Tax Increment Reinvestment Zone #2 Funds.

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

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 \$23,050,566 at September 30, 2011.

2. CASH, INVESTMENTS, AND DEPOSITS

At year end, the government's carrying amount of deposits was \$27,822,937 and the bank balance was \$29,748,477. 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 three years;
2. Short-term obligations of U.S. Government agencies which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
3. Fully insured or collateralized certificates of deposits at commercial banks;
4. Repurchase agreements collateralized by U.S. Treasury or U.S. Government agency securities in accordance with a master repurchase agreement approved by the Investment Committee;
5. Direct or unconditionally guaranteed obligations of the State of Texas; and
6. Common trusts administered by Texas banks with assets consisting of all of the above except certificates of deposit.

Investments at September 30, 2011 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, 2011 was \$32,763,579. At September 30, 2011, the City also had \$131,538,218 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.

**CITY OF LEWISVILLE, TEXAS
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At year end, the City’s investment balances were as follows:

	Carrying Amount	Fair Value	Weighted Average Maturity (Days)
U.S. Government Agency securities	\$ 32,763,579	\$ 32,763,579	529
Investment in TexPool	131,538,218	131,538,218	1
Total investments	\$ 164,301,797	\$ 164,301,797	424

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.

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, 2011.

Concentration of Credit Risk

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

Custodial Credit Risk

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

CITY OF LEWISVILLE, TEXAS
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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	\$ 563,273	\$ 226,163	\$ -	\$ -	\$ 789,436
Franchise taxes	1,674,695	-	-	-	1,674,695
Sales taxes	3,447,394	-	-	-	3,447,394
Mixed drink taxes	93,036	-	-	-	93,036
Accounts	1,173,365	-	356,497	1,443,785	2,973,647
Unbilled trade accounts	230,798	-	-	-	230,798
Interest	35,455	1,690	104,791	5,357	147,293
Court	1,721,645	-	-	-	1,721,645
Grants	-	-	-	529,969	529,969
Ambulance	1,921,733	-	-	-	1,921,733
Miscellaneous	-	24,199	-	-	24,199
Gross receivables	10,861,394	252,052	461,288	1,979,111	13,553,845
Less: allowance	(2,896,953)	(165,821)	-	(3,500)	(3,066,274)
Net total receivables	\$ 7,964,441	\$ 86,231	\$ 461,288	\$ 1,975,611	\$ 10,487,571

	Water and Sewer	Internal Service	Total Proprietary Funds	Total Governmental Funds	Total All Funds
Receivables					
Property taxes	\$ -	\$ -	\$ -	\$ 789,436	\$ 789,436
Franchise taxes	-	-	-	1,674,695	1,674,695
Sales taxes	-	-	-	3,447,394	3,447,394
Mixed drink taxes	-	-	-	93,036	93,036
Accounts	2,089,490	82,676	2,172,166	2,973,647	5,145,813
Unbilled trade accounts	3,004,410	-	3,004,410	230,798	3,235,208
Interest	66,554	16,770	83,324	147,293	230,617
Court	-	-	-	1,721,645	1,721,645
Grants	-	-	-	529,969	529,969
Ambulance	-	-	-	1,921,733	1,921,733
Miscellaneous	-	-	-	24,199	24,199
Gross receivables	5,160,454	99,446	5,259,900	13,553,845	18,813,745
Less: allowance	(257,557)	-	(257,557)	(3,066,274)	(3,323,831)
Net total receivables	\$ 4,902,897	\$ 99,446	\$ 5,002,343	\$ 10,487,571	\$ 15,489,914

CITY OF LEWISVILLE, TEXAS
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4. INTERFUND TRANSACTIONS

Interfund transactions and balances for the fiscal year 2011 were as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Nonmajor Governmental	\$ 330,816	Short-term funding of deficit cash
General Fund	Water & Sewer Utility	150,610	Properly classify revenue & expense
General Fund	Internal Service Fund	275,405	Short-term funding of deficit cash
Debt Service Fund	Water & Sewer Utility	5,815,000	Advance - Debt Conversion
Water and Sewer Utility	General Fund	107,819	Properly classify expense
Internal Service Fund	Nonmajor Governmental	1,500,000	Advance - Hotel/Convention Center
		<u>\$ 8,179,650</u>	

The interfund balance between the Internal Service and Nonmajor Governmental Funds of \$1,500,000 is not expected to be collected within one year. 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 began reimbursing the Maintenance and Replacement Fund in 2006 and is expected to complete reimbursement by 2013 when an installment payment by the convention center is made to the City.

In 2010, \$7,035,000 of revenue bonds were refunded and converted to general obligation debt. The interfund balance above between Debt Service Fund and the Water & Sewer Utility Fund reflects this principal portion that will be reimbursed each year when debt service is paid on the obligation with final payment and reimbursement to be complete by 2019.

Interfund Transfers

Transfers In	Transfers Out	Amount	Purpose
General	Water & Sewer Utility	\$ 3,753,618	Payments in lieu of taxes, franchise fee, and indirect cost reimbursement
General	Nonmajor Governmental	852,449	Indirect cost reimbursement
Debt Service	Water & Sewer Utility	170,912	Reimburse debt service interest
General Capital Projects	General	2,862,730	Financing of capital improvements
Nonmajor Governmental	General	80,134	Matching funds
Internal Service	General Capital Projects	8,218	Excess funds transfer
General Capital Projects	Nonmajor Governmental	296,000	Financing of capital improvements
		<u>\$ 8,024,061</u>	

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
<u>Governmental Funds</u>					
Capital assets, not being depreciated:					
Land	\$ 44,998,887	\$ 234,458	\$ -	\$ -	\$ 45,233,345
Construction in progress	27,531,351	10,377,632	-	(13,708,672)	24,200,311
Total capital assets, not being depreciated	<u>72,530,238</u>	<u>10,612,090</u>	<u>-</u>	<u>(13,708,672)</u>	<u>69,433,656</u>
Capital assets, being depreciated:					
Land improvements	304,052,349	1,437,473	-	7,348,163	312,837,985
Buildings	64,697,767	-	-	3,027,023	67,724,790
Other improvements	20,808,152	-	-	2,585,500	23,393,652
Machinery and equipment	22,839,938	281,553	-	747,986	23,869,477
Total capital assets being depreciated	<u>412,398,206</u>	<u>1,719,026</u>	<u>-</u>	<u>13,708,672</u>	<u>427,825,904</u>
Accumulated depreciation:					
Land improvements	(117,097,593)	(10,827,540)	-	-	(127,925,133)
Buildings	(18,859,845)	(1,962,056)	-	-	(20,821,901)
Other improvements	(4,744,789)	(1,801,845)	-	-	(6,546,634)
Machinery and equipment	(17,576,131)	(1,092,019)	-	-	(18,668,150)
Total accumulated depreciation	<u>(158,278,358)</u>	<u>(15,683,460)</u>	<u>-</u>	<u>-</u>	<u>(173,961,818)</u>
Total capital assets being depreciated, net	<u>254,119,848</u>	<u>(13,964,434)</u>	<u>-</u>	<u>13,708,672</u>	<u>253,864,086</u>
Total governmental funds capital assets, net	<u>326,650,086</u>	<u>(3,352,344)</u>	<u>-</u>	<u>-</u>	<u>323,297,742</u>
<u>Internal service funds</u>					
Capital assets, being depreciated:					
Other improvements	274,272	-	-	-	274,272
Machinery and equipment	21,660,183	1,474,220	(1,299,062)	-	21,835,341
Total internal service assets being depreciated	<u>21,934,455</u>	<u>1,474,220</u>	<u>(1,299,062)</u>	<u>-</u>	<u>22,109,613</u>
Accumulated depreciation:					
Other improvements	(59,129)	(20,127)	-	-	(79,256)
Machinery and equipment	(16,574,313)	(1,882,146)	1,215,540	-	(17,240,919)
Total accumulated depreciation	<u>(16,633,442)</u>	<u>(1,902,273)</u>	<u>1,215,540</u>	<u>-</u>	<u>(17,320,175)</u>
Total internal services funds capital assets, net	<u>5,301,013</u>	<u>(428,053)</u>	<u>(83,522)</u>	<u>-</u>	<u>4,789,438</u>
Governmental activities capital assets, net	<u>\$ 331,951,099</u>	<u>\$ (3,780,397)</u>	<u>\$ (83,522)</u>	<u>\$ -</u>	<u>\$ 328,087,180</u>

CITY OF LEWISVILLE, TEXAS
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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 2,368,892	\$ -	\$ -	\$ -	\$ 2,368,892
Construction in progress	13,499,324	6,332,887	-	(743,037)	19,089,174
Total capital assets, not being depreciated	<u>15,868,216</u>	<u>6,332,887</u>	<u>-</u>	<u>(743,037)</u>	<u>21,458,066</u>
Capital assets, being depreciated:					
Land improvements	106,700	-	-	-	106,700
Buildings	1,131,504	-	-	-	1,131,504
Other improvements	459,368	-	-	198,640	658,008
Water system	137,059,670	569,465	-	253,050	137,882,185
Sewer system	98,417,312	801,248	-	79,736	99,298,296
Machinery and equipment	3,837,340	57,144	-	211,611	4,106,095
Total capital assets being depreciated	<u>241,011,894</u>	<u>1,427,857</u>	<u>-</u>	<u>743,037</u>	<u>243,182,788</u>
Accumulated depreciation:					
Land improvements	(73,595)	(2,379)	-	-	(75,974)
Buildings	(327,995)	(28,848)	-	-	(356,843)
Other improvements	(109,123)	(33,462)	-	-	(142,585)
Water system	(34,874,071)	(2,951,492)	-	-	(37,825,563)
Sewer system	(29,043,802)	(2,020,955)	-	-	(31,064,757)
Machinery and equipment	(2,686,969)	(274,736)	-	-	(2,961,705)
Total accumulated depreciation	<u>(67,115,555)</u>	<u>(5,311,872)</u>	<u>-</u>	<u>-</u>	<u>(72,427,427)</u>
Business-type activities capital assets, net					
Total capital assets being depreciated, net	<u>173,896,339</u>	<u>(3,884,015)</u>	<u>-</u>	<u>743,037</u>	<u>170,755,361</u>
Total capital assets, net	<u>\$ 189,764,555</u>	<u>\$ 2,448,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,213,427</u>

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

Governmental activities:	
General government	\$ 859,852
Finance	4,390
Community relations/tourism	115,946
Human resources	719
Municipal court	7,827
Information technology	131,737
Police	670,520
Fire	317,454
Public works	10,452,886
Parks and leisure	2,936,377
Community development	185,752
Internal service funds	1,902,273
Total depreciation expense - governmental activities	<u>\$ 17,585,733</u>
Business-type activities:	
Water and sewer	<u>\$ 5,311,872</u>

Outstanding commitments at September 30, 2011 under authorized construction contracts were approximately \$8,920,217. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

6. EMPLOYEE RETIREMENT PLAN

Plan Description

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

Upon retirement, benefits depend upon the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. At the inception of the City's plan, the City granted monetary credits for service rendered before the plan began (or prior service credits) of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest (3% annual), prior to establishment of the plan. Monetary credits for service since the plan began (or current service credits) are 200% of the employee's accumulated contributions. In addition, the City has granted on an annually repeating basis another type of monetary credit referred to as an updated service credit. This hypothetical account balance is increased by 3% each year, not the actual interest

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

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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, 2010 valuation is effective for rates beginning January 2012).

The annual pension costs and net pension obligation is as follows:

Net Pension Obligation			
	FY 2010-11	FY 2009-10	FY 2008-09
Annual required contribution (ARC)	\$ 8,535,905	\$ 7,903,067	\$ 6,816,614
Interest on net pension obligation	249,810	103,741	-
Adjustment to the ARC	(205,863)	(84,713)	-
Annual pension costs (APC)	8,579,852	7,922,095	6,816,614
Contributions made	(6,813,495)	(5,997,951)	(5,409,954)
Increase (decrease) in net pension obligation	1,766,357	1,924,144	1,406,660
Net pension obligation, beginning of year	3,330,804	1,406,660	-
Net pension obligation, end of year	\$ 5,097,161	\$ 3,330,804	\$ 1,406,660

Three-Year Trend Information			
	FY 2010-11	FY 2009-10	FY 2008-09
Actuarial valuation date	12/31/10	12/31/09	12/31/08
Annual pension cost (APC)	\$ 8,579,851	\$ 7,922,095	\$ 6,816,614
Actual contributions made	6,813,495	5,997,951	5,409,954
Percentage of APC contributed	79.4%	75.7%	79.4%
Net pension obligation	\$ 5,097,161	\$ 3,330,804	\$ 1,406,660

The required contribution rates for fiscal year 2011 were determined as part of the December 31, 2008 and 2009 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2010, also follows:

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Schedule of Actuarial Assumptions and Valuations

	FY 2010-11 12/31/10	FY 2009-10 12/31/09	FY 2008-09 12/31/08
Valuation date			
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	27 years; closed period	28 years; closed period	29 years; closed period
Asset valuation method	Amortized Cost	Amortized Cost	Amortized Cost
Actuarial assumptions:			
Investment rate of return *	7.5%	7.5%	7.5%
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%	2.1%
* 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 2010-11 12/31/10	FY 2009-10 12/31/09	FY 2008-09 12/31/08
Actuarial valuation date			
Actuarial value of assets	\$ 144,080,655	\$ 93,785,332	\$ 86,651,580
Actuarial accrued liability	191,546,520	147,683,287	136,672,203
Funded ratio	75.2%	63.5%	63.4%
Unfunded actuarial accrued liability (UAAL)	47,465,865	53,897,955	50,020,623
Annual covered payroll	40,824,368	39,760,683	38,217,868
UAAL as a percentage of covered payroll	116.3%	135.6%	130.9%

In June, 2011, Senate Bill 350 (SB 350) was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May, 2011 meeting (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). A

complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios can be found in the December 31, 2010 TMRS Comprehensive Annual Financial Report (CAFR).

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

7. COMMITMENTS AND CONTINGENCIES

Water Contract

The City purchases all of its raw water from the City of Dallas. The raw water rate for this contract during the fiscal year was \$0.4768 per 1,000 gallons. Effective October 1, 2011, the rate became \$.4718 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 \$100,320 for the year ended September 30, 2011 to purchase life insurance policies for nineteen eligible retirees.

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Lewisville OPEB Liability Trust Fund

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

Summary of Significant Accounting Policies

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

Plan Descriptions and Contribution Information

The City provides comprehensive group medical benefits for employees at retirement who meet the eligibility requirements for postretirement benefits. Eligibility requirements are (1) age 60 and 5 years of service with the City, or (2) 20 years of service with Texas Municipal Retirement System, the City's pension provider. Election must be made at time of retirement to remain in the plan. Continuation of coverage is subject to the payment of required contributions by participating retirees and dependents. The City contributes a fixed amount toward each retiree's monthly premium, based on the tenure with the City. The City changed its substantive plan during the current year from a two percent (2%) to zero percent (0%) cap on future contribution increases. The City will not increase its contribution from this fixed amount in future years. 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, 2011, the date of the latest actuarial valuation:

Number of retirees and beneficiaries receiving benefit	51
Active plan members	619

Funding Status and Funding Progress

The City made an initial contribution to the trust of \$2,000,000 for beginning plan assets in 2008. 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.

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

Schedule of Funding Status and Funding Progress

Actuarial Valuation Date	10/1/2010	10/1/2009	10/1/2008
Actuarial Value of Assets	\$2,637,000	\$2,258,200	\$2,034,900
Actuarial Accrued Liability (AAL)	\$4,732,000	\$5,954,000	\$5,666,100
Unfunded AAL (UAAL)	\$2,095,000	\$3,695,800	\$3,631,200
Funded Ratio	55.7%	37.9%	35.9%
Covered Payroll	\$39,581,047	\$38,868,039	\$36,991,239
UAAL as a Percentage of Covered Payroll	5.3%	9.5%	9.8%

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

Schedule of Employer Contributions and Net OPEB Obligation

Contribution Year	9/30/2011	9/30/2010	9/30/2009
Annual Required Contribution	\$ 494,600	\$ 482,500	\$ 482,500
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost	\$ 494,600	\$ 482,500	\$ 482,500
Contributions made	494,600	482,500	482,500
Change in OPEB obligation	\$ -	\$ -	\$ -
Net OPEB obligation (asset)-beginning of year	-	-	-
Net OPEB obligation (asset)-end of year	\$ -	\$ -	\$ -
Percentage of annual OPEB cost contributed	100.0%	100.0%	100.0%

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

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Actuarial Assumptions

	10/1/2010	10/1/2009	10/1/2008
Valuation date	10/1/2010	10/1/2009	10/1/2008
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level dollar, open	Level dollar, open	Level dollar, open
Amortization period	30 years	30 years	30 years
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
General Inflation	3.0%	3.0%	3.0%

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

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

9. COMPONENTS OF RESTRICTED ASSETS

Cash, interest receivable, investments and prepaid items	
Deposits	\$ 1,382,362
Money held in escrow	29,460
Revenue bond current debt service accounts	2,939,161
Revenue bond future debt service accounts	3,660,849
Revenue bond construction accounts	35,512,048
	<hr/>
Total	\$43,523,880
	<hr/>

The related liabilities payable from restricted assets at September 30, 2011 are as follows:

Deposits payable	\$1,382,919
Escrow payable	29,460
Accrued interest payable	230,224
Contracts and retainage payable	133,150
Current maturities of revenue bonds	4,430,000
	<hr/>
Total	\$6,205,753
	<hr/>

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, 2011,

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the balances in both the sinking and reserve funds are sufficient to satisfy such bond ordinance requirements.

The ordinance further requires that the proceeds from the sale of the Revenue Bonds be expended for making improvements and extensions to the City's combined waterworks and sanitary sewer system. The proceeds are maintained in the revenue bond and capital projects construction accounts until such time as needed to fund the construction program.

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

Restricted Assets	
Revenue bond current debt service accounts	\$2,939,161
Revenue bond future debt service accounts	<u>3,660,849</u>
	<u>\$6,600,010</u>
Less - Liabilities payable from restricted assets	
Accrued interest payable	\$ 230,224
Current maturities of revenue bonds	<u>4,430,000</u>
	<u>4,660,224</u>
Reserved for revenue bond retirement	<u>\$1,939,786</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 \$21,868,393 for Nationwide and \$23,697,174 for AIG Valic at September 30, 2011. 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.

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

11. LONG TERM LIABILITIES

During the year, the City issued General Obligation Refunding Bonds for the purpose of refunding a portion of the City’s outstanding general obligation debt. The City also issued Waterworks and Sewer System Revenue Refunding and Improvement Bonds for the purposes of refunding a portion of the City’s outstanding Waterworks and Sewer System debt and constructing, acquiring, and installing improvements, additions, and extensions to the System.

General Obligation Bonds

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government	0.35% - 5.25%	\$58,235,000

Annual debt service requirements to maturity for General Obligation Bonds, including interest of \$13,221,742 are as follows:

<u>Year Ended September 30</u>	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	6,325,000	2,300,228	8,625,228
2013	6,350,000	2,074,212	8,424,212
2014	5,975,000	1,844,159	7,819,159
2015	5,890,000	1,600,947	7,490,947
2016	5,765,000	1,343,804	7,108,804
2017-2021	21,100,000	3,636,745	24,736,745
2022-2025	6,830,000	421,647	7,251,647
	<u>\$ 58,235,000</u>	<u>\$ 13,221,742</u>	<u>\$ 71,456,742</u>

During 2011 the City issued \$1,605,000 of General Obligation Refunding bonds, plus a cash contribution of \$30,479 to refund a portion of the City’s outstanding debt. The net proceeds of the refunding, plus the contribution, amounted to \$1,610,846 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 \$57,138 and realized an economic

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gain (difference between the present value of debt service payment on the old debt and the new debt) of \$58,793.

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, 2011, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Water supply and waste water treatment	2.00% - 5.00%	\$45,780,000
Less-Current maturities payable from restricted assets		4,430,000
		<u>\$41,350,000</u>

Revenue bond debt service requirements to maturity, including interest of \$11,575,863 are as follows:

Year Ended September 30	Revenue Bonds		Total
	Principal	Interest	
2012	4,430,000	1,759,089	6,189,089
2013	4,175,000	1,590,341	5,765,341
2014	3,965,000	1,423,239	5,388,239
2015	3,765,000	1,260,133	5,025,133
2016	3,850,000	1,095,664	4,945,664
2017-2021	15,250,000	3,488,019	18,738,019
2022-2026	9,595,000	944,378	10,539,378
2027	750,000	15,000	765,000
	<u>\$ 45,780,000</u>	<u>\$ 11,575,863</u>	<u>\$ 57,355,863</u>

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2011, the City was in compliance with all limitations and restrictions.

During 2011 the City issued \$13,465,000 of Waterworks and Sewer System Revenue Refunding and Improvement bonds, plus a cash contribution of \$55,729 to refund a portion of the City's outstanding debt. As a result of the refunding the City decreased its aggregate debt service payment to maturity by \$485,256 and realized an economic gain (difference between the present value of debt service payment on the old debt and the new debt) of \$448,615.

CITY OF LEWISVILLE, TEXAS
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Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2011 was as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Governmental activities:					
Bonds payable	\$ 64,810,000	\$ 1,605,000	\$ (8,180,000)	\$ 58,235,000	\$ 6,325,000
Less deferred amount on refunding	(562,174)	(15,000)	67,454	(509,720)	-
Premium	1,014,567	24,898	(104,640)	934,825	-
Compensated absences	6,711,751	4,339,677	(4,124,971)	6,926,457	4,600,224
Net pension obligation	2,942,889	1,554,396	-	4,497,285	-
Governmental activity long-term liabilities	<u>\$ 74,917,033</u>	<u>\$ 7,508,971</u>	<u>\$ (12,342,157)</u>	<u>\$ 70,083,847</u>	<u>\$10,925,224</u>
Business type activities:					
Bonds payable	\$ 40,740,000	\$ 13,465,000	\$ (8,425,000)	45,780,000	\$ 4,430,000
Less deferred amount on refunding	(491,341)	5,157	99,960	(386,224)	-
Premium	429,048	588,219	(86,896)	930,371	-
Discount	(81,094)	-	6,268	(74,826)	-
Compensated absences	784,259	492,085	(496,685)	779,659	437,442
Net pension obligation	368,674	194,299	-	562,973	-
Business type activity long-term liabilities	<u>\$ 41,749,546</u>	<u>\$ 14,744,760</u>	<u>\$ (8,902,353)</u>	<u>\$ 47,591,953</u>	<u>\$ 4,867,442</u>

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

Component Unit Bonded Indebtedness

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

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

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Certificates of Obligation outstanding at September 30, 2011 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	3.875% - 5.25%	\$32,310,000

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

<u>Year Ended September 30</u>	<u>Certificates of Obligation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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
2015	1,580,000	1,315,134	2,895,134
2016	1,660,000	1,235,509	2,895,509
2017-2021	9,605,000	4,867,896	14,472,896
2022-2026	8,730,000	2,406,378	11,136,378
2027-2031	5,195,000	918,238	6,113,238
2032	1,195,000	26,887	1,221,887
	<u>\$ 32,310,000</u>	<u>\$ 15,119,256</u>	<u>\$ 47,429,256</u>

Certificates of Obligation outstanding at September 30, 2011 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 and Improvements	4.0% - 5.0%	\$7,780,000

CITY OF LEWISVILLE, TEXAS
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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	
2012	40,000	347,779	387,779
2013	165,000	343,266	508,266
2014	205,000	334,941	539,941
2015	245,000	324,816	569,816
2016	295,000	312,666	607,666
2017-2021	2,170,000	1,324,003	3,494,003
2022-2026	3,680,000	704,217	4,384,217
2027-2028	980,000	24,500	1,004,500
	<u>\$ 7,780,000</u>	<u>\$ 3,716,188</u>	<u>\$ 11,496,188</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.	\$ 33,645,000	\$ -	\$ (1,335,000)	\$ 32,310,000	\$ 1,390,000
Premium	269,485	-	(15,878)	253,607	-
Compensated absences	39,811	36,456	(51,536)	24,731	16,425
Net pension obligation	19,241	17,662	-	36,903	-
LPLDC activities total:	<u>33,973,537</u>	<u>54,118</u>	<u>(1,402,414)</u>	<u>32,625,241</u>	<u>1,406,425</u>
TIRZ activities:					
Bonds payable:					
Tax and Revenue C.O.	7,800,000	-	(20,000)	7,780,000	40,000
Premium	17,824	-	(1,066)	16,758	-
TIRZ activities total:	<u>7,817,824</u>	<u>-</u>	<u>(21,066)</u>	<u>7,796,758</u>	<u>40,000</u>
Component unit long-term liabilities	<u>\$ 41,791,361</u>	<u>\$ 54,118</u>	<u>\$ (1,423,480)</u>	<u>\$ 40,421,999</u>	<u>\$ 1,446,425</u>

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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, 2011, the Lewisville Housing Finance Corporation Housing Revenue Bonds were outstanding. The principal amount payable was \$10,575,000.

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

**CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

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.

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, 2011, City of Lewisville, Texas Contract Revenue and Special Assessment Improvement Bonds outstanding aggregated was \$83,625,000.

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 2010-11, a total of \$1,169,617 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 four 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, 2010, the healthcare reinsurance provided excess coverage (beyond \$135,000 per occurrence) and an annual aggregate stop loss of approximately \$5,763,700 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 2010-11, total expenses for claims, reinsurance premiums, and administrative costs for healthcare amounted to \$7,049,713.

CITY OF LEWISVILLE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2011

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, 2011 are as follows:

	<u>2011</u>	<u>2010</u>
Claims payable, beginning of year	\$ 881,267	\$ 1,378,303
Incurred claims	7,301,202	6,374,218
Claims payments	<u>(6,833,662)</u>	<u>(6,871,254)</u>
Claims payable, end of year	<u>\$ 1,348,807</u>	<u>\$ 881,267</u>

13. ACCOUNTING CHANGES

In fiscal year 2011, the City implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The categories of fund balances presented in the City's financial statements have changed as a result of implementing this Statement.

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non Spendable Fund Balance

This represents the portion of fund balance that is not in a spendable form (such as inventory or prepaid items) or is required to be maintained intact pursuant to legal or contractual requirements.

- Restricted Fund Balance

This represents the portion of fund balance that is subject to externally enforceable legal restrictions. These restrictions are typically imposed by parties outside the government such as grantors, creditors, or other government entities through laws and regulations.

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

- Committed Fund Balance

This represents the portion of fund balance that is constrained by limitations that the ***governing body imposed*** upon itself at the highest level of decision making (City Council) and remains binding unless removed in the same manner. Any changes must take place before the end of the reporting period.

- Assigned Fund Balance

This portion of fund balance reflects the government's ***intended*** use of resources. Such intent would have to be established at either the highest level of decision making or by a body (committee) or official designated for that purpose.

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

- Unassigned Fund Balance

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

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

CITY OF LEWISVILLE, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

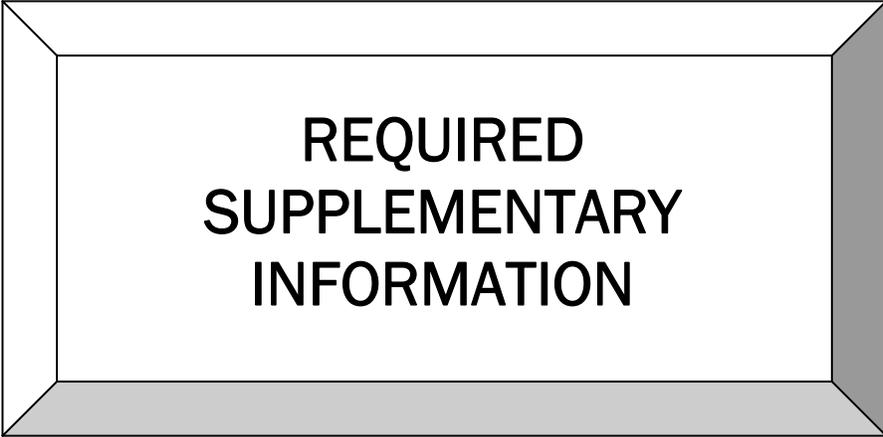
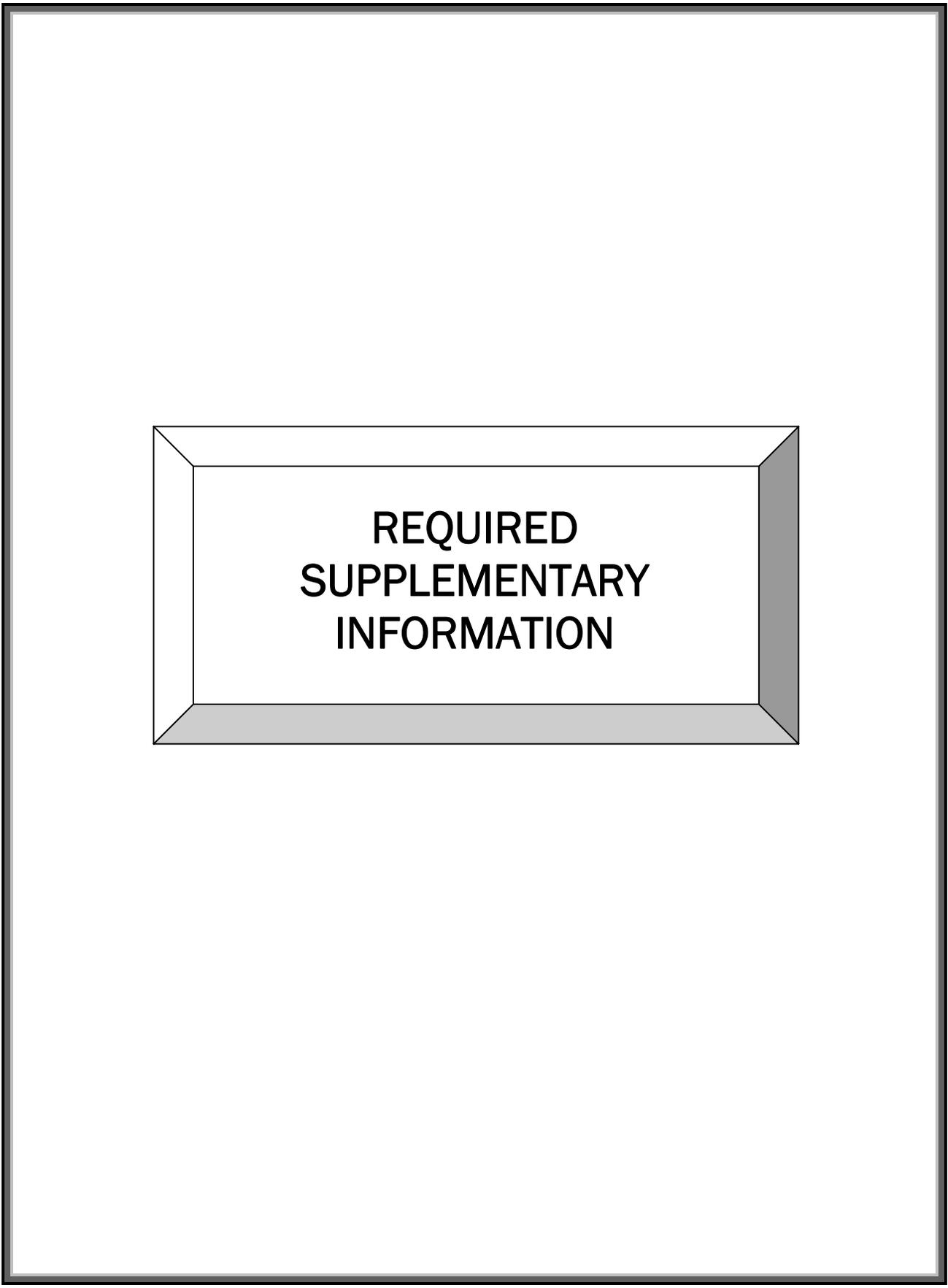
FUND BALANCE DISCLOSURE / PRESENTATION

	GOVERNMENTAL FUNDS				
	General Fund	Debt Service Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCE:					
Non Spendable:					
Prepaid expenses	230,316	-	4,428	2,754,424	2,989,168
Spendable:					
Restricted for:					
Debt service	-	1,270,236	-	-	1,270,236
Capital projects - Streets	-	-	12,833,526	-	12,833,526
Capital projects - Drainage	-	-	3,335,797	-	3,335,797
Capital projects - Other	-	-	2,165,484	-	2,165,484
Hotel/Motel Tax Fund	-	-	-	2,024,257	2,024,257
Grant Funds	-	-	-	73,843	73,843
Public Improvement District Fund	-	-	-	215,634	215,634
Municipal Court Security Fund	-	-	-	57,676	57,676
Municipal Court Technology Fund	-	-	-	189,619	189,619
Police Forfeitures Fund (State)	-	-	-	96,771	96,771
LEOSE Fund	-	-	-	6,981	6,981
Police Forfeitures Fund (Federal)	-	-	-	210,840	210,840
Juvenile Case Manager Fund	-	-	-	82,437	82,437
Committed to:					
Capital projects - Streets	-	-	4,420,462	-	4,420,462
Capital projects - Parks	-	-	2,266,555	-	2,266,555
Capital projects - Other	-	-	709,331	-	709,331
Recreation Fund	-	-	-	249,145	249,145
Fire and Police Training Fund	-	-	-	59,086	59,086
Lewisville Local Government Corporation	-	-	-	437	437
Assigned to:					
Capital projects - Streets	-	-	7,292,202	-	7,292,202
Capital projects - Animal Shelter	-	-	2,717,384	-	2,717,384
Capital projects - Other	-	-	88,477	-	88,477
Other	100,680	-	-	-	100,680
Employee Benevolent Fund	-	-	-	24,058	24,058
Donations Fund	-	-	-	213,097	213,097
Unassigned:	28,989,043	-	-	-	28,989,043
TOTAL FUND BALANCES:	<u>29,320,039</u>	<u>1,270,236</u>	<u>35,833,646</u>	<u>6,258,305</u>	<u>72,682,226</u>



LEWISVILLE

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**REQUIRED
SUPPLEMENTARY
INFORMATION**



LEWISVILLE

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CITY OF LEWISVILLE, TEXAS

EXHIBIT A-1

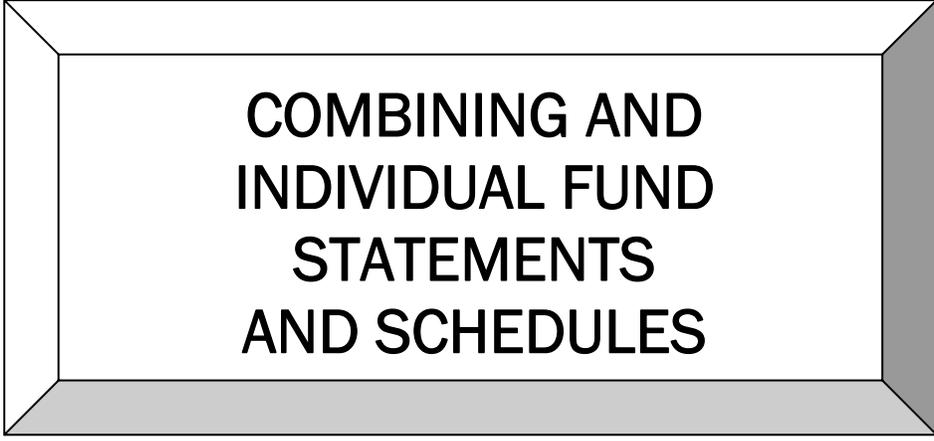
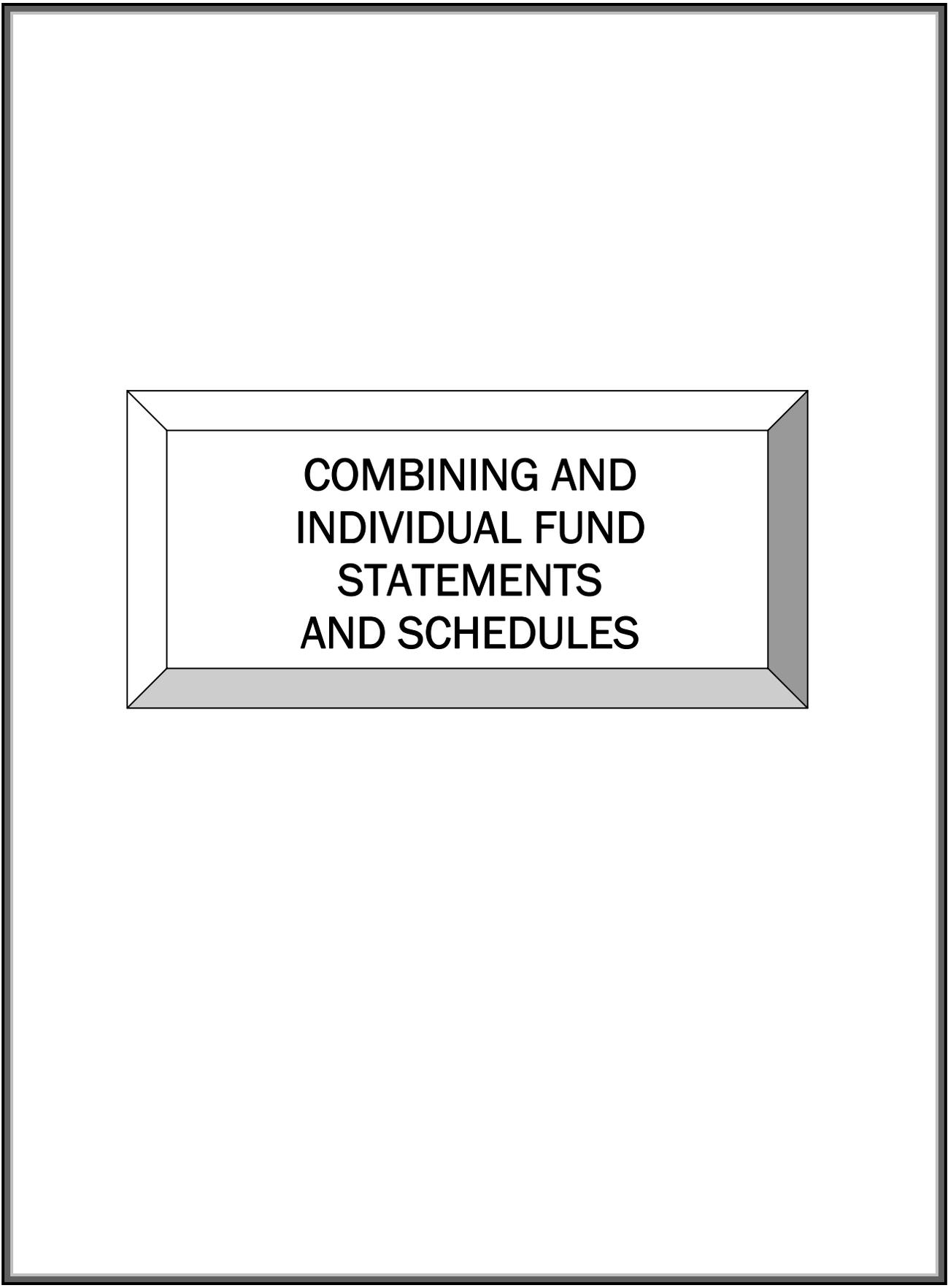
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property and other taxes	\$ 44,060,520	\$ 44,060,520	\$ 45,475,116	\$ 1,414,596
Licenses and permits	1,159,367	1,138,267	2,210,218	1,071,951
Charges for services	5,532,873	5,534,973	5,543,470	8,497
Recreation	1,075,823	1,075,823	1,106,993	31,170
Fines and forfeitures	2,978,110	2,978,110	2,752,316	(225,794)
Investment earnings	369,033	369,033	113,628	(255,405)
Miscellaneous	575,548	575,548	525,307	(50,241)
Total revenues	<u>55,751,274</u>	<u>55,732,274</u>	<u>57,727,048</u>	<u>1,994,774</u>
EXPENDITURES				
Current				
General government	935,140	888,663	812,759	75,904
Mayor and council	66,850	66,850	53,592	13,258
Administrative and legal	2,255,617	2,303,525	2,256,040	47,485
Community relations/tourism	603,033	603,033	595,806	7,227
Police	18,814,930	18,822,079	18,560,759	261,320
Fire	15,255,888	15,264,515	15,048,873	215,642
Public services	4,283,050	4,289,329	4,186,316	103,013
Parks and leisure	6,001,456	6,007,751	5,893,223	114,528
Community development	4,998,751	4,960,116	4,722,496	237,620
Finance	1,266,714	1,289,214	1,258,681	30,533
Human resources	711,792	716,792	681,627	35,165
Information technology services	1,935,970	1,943,928	1,927,474	16,454
Municipal court	908,125	906,125	829,641	76,484
Capital outlay	210,501	76,542	11,265	65,277
Total expenditures	<u>58,247,817</u>	<u>58,138,462</u>	<u>56,838,552</u>	<u>1,299,910</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,496,543)</u>	<u>(2,406,188)</u>	<u>888,496</u>	<u>3,294,684</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,721,419	3,721,419	4,606,067	884,648
Transfers out	(1,954,625)	(2,945,506)	(2,942,864)	2,642
Total other financing sources (uses)	<u>1,766,794</u>	<u>775,913</u>	<u>1,663,203</u>	<u>887,290</u>
NET CHANGE IN FUND BALANCES	(729,749)	(1,630,275)	2,551,699	4,181,974
FUND BALANCES, beginning	<u>26,768,340</u>	<u>26,768,340</u>	<u>26,768,340</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 26,038,591</u>	<u>\$ 25,138,065</u>	<u>\$ 29,320,039</u>	<u>\$ 4,181,974</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

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MAJOR GOVERNMENTAL FUNDS

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

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**CITY OF LEWISVILLE, TEXAS
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT B-1

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 5,261,787	\$ 4,867,872
Investments	20,018,431	18,974,247
Receivables (net of allowances for uncollectables of \$2,896,953 in 2011 and \$2,071,737 in 2010)		
Taxes	5,365,412	5,653,348
Accounts	1,958,386	1,911,104
Unbilled accounts	230,798	249,754
Interest	35,455	44,103
Court	374,390	225,529
Due from other funds	756,831	396,245
Prepaid items	230,316	201,588
Total assets	<u>\$ 34,231,806</u>	<u>\$ 32,523,790</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	\$ 1,332,937	\$ 1,512,150
Accrued liabilities	1,605,842	2,634,553
Deposits payable	6,550	7,890
Deferred revenues	1,755,875	1,506,013
Money held in escrow	102,744	94,844
Due to other funds	107,819	-
Total liabilities	<u>4,911,767</u>	<u>5,755,450</u>
Fund balances		
Non spendable	230,316	201,588
Spendable		
Assigned	100,680	136,854
Unassigned	28,989,043	26,429,898
Total fund balances	<u>29,320,039</u>	<u>26,768,340</u>
 Total liabilities and fund balances	<u>\$ 34,231,806</u>	<u>\$ 32,523,790</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, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
REVENUES		
Property and other taxes	\$ 45,475,116	\$ 45,983,524
Licenses and permits	2,210,218	1,894,107
Charges for services	5,543,470	5,522,540
Recreation	1,106,993	1,104,199
Fines and forfeitures	2,752,316	2,946,204
Investment earnings	113,628	76,820
Miscellaneous	525,307	470,971
Total revenues	<u>57,727,048</u>	<u>57,998,365</u>
EXPENDITURES		
Current		
General government	7,585,979	7,438,168
Culture, parks and recreation	5,893,223	5,798,718
Public safety	34,439,273	33,898,949
Public services	8,908,812	9,069,051
Capital outlay	11,265	34,995
Total expenditures	<u>56,838,552</u>	<u>56,239,881</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>888,496</u>	<u>1,758,484</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	4,606,067	3,270,917
Transfers out	(2,942,864)	(10,269,427)
Total other financing sources (uses)	<u>1,663,203</u>	<u>(6,998,510)</u>
NET CHANGE IN FUND BALANCES	2,551,699	(5,240,026)
FUND BALANCES, beginning	<u>26,768,340</u>	<u>32,008,366</u>
FUND BALANCES, ending	<u>\$ 29,320,039</u>	<u>\$ 26,768,340</u>

**CITY OF LEWISVILLE, TEXAS
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT C-1

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 258,788	\$ 321,269
Investments	985,559	1,251,680
Receivables (net of allowances for uncollectables of \$165,821 in 2011 and \$169,628 in 2010)		
Taxes	60,342	67,466
Interest	1,690	2,776
Other	24,199	-
Due from other funds	<u>5,815,000</u>	<u>7,035,000</u>
 Total assets	 <u>\$ 7,145,578</u>	 <u>\$ 8,678,191</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Deferred revenues	\$ 5,875,342	\$ 7,102,465
Total liabilities	<u>5,875,342</u>	<u>7,102,465</u>
Fund balances		
Spendable		
Restricted	<u>1,270,236</u>	<u>1,575,726</u>
Total fund balances	<u>1,270,236</u>	<u>1,575,726</u>
 Total liabilities and fund balance	 <u>\$ 7,145,578</u>	 <u>\$ 8,678,191</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, 2011 AND 2010**

EXHIBIT C-2

	<u>2011</u>	<u>2010</u>
REVENUES		
Taxes	\$ 7,448,426	\$ 7,861,818
Investment earnings	6,907	18,377
Miscellaneous	24,202	-
Total revenues	<u>7,479,535</u>	<u>7,880,195</u>
EXPENDITURES		
Debt service		
Principal	6,590,000	5,695,000
Interest and fiscal charges	2,604,989	2,849,017
Total expenditures	<u>9,194,989</u>	<u>8,544,017</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,715,454)</u>	<u>(663,822)</u>
OTHER FINANCING SOURCES (USES)		
Transfer in	170,912	70,438
Premium on issuance of bonds	24,898	-
Issuance of refunding bonds	1,605,000	2,565,000
Payment to refunding bond escrow agent	(1,610,846)	(2,555,000)
Contributions from other sources	1,220,000	-
Total other financing sources (uses)	<u>1,409,964</u>	<u>80,438</u>
NET CHANGE IN FUND BALANCES	(305,490)	(583,384)
FUND BALANCES, beginning	<u>1,575,726</u>	<u>2,159,110</u>
FUND BALANCES, ending	<u>\$ 1,270,236</u>	<u>\$ 1,575,726</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,225,088	\$ 7,225,088	\$ 7,448,426	\$ 223,338
Investment earnings	25,388	25,388	6,907	(18,481)
Miscellaneous	207,328	207,328	24,202	(183,126)
Total revenues	<u>7,457,804</u>	<u>7,457,804</u>	<u>7,479,535</u>	<u>21,731</u>
EXPENDITURES				
Debt service				
Principal	6,590,000	6,590,000	6,590,000	-
Interest and fiscal charges	2,602,024	2,641,605	2,604,989	36,616
Total expenditures	<u>9,192,024</u>	<u>9,231,605</u>	<u>9,194,989</u>	<u>36,616</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,734,220)</u>	<u>(1,773,801)</u>	<u>(1,715,454)</u>	<u>58,347</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	1,391,548	1,391,548	170,912	(1,220,636)
Premium on issuance of bonds	-	-	24,898	24,898
Issuance of refunding bonds	-	-	1,605,000	1,605,000
Payment to refunding bond escrow agent	-	(1,610,846)	(1,610,846)	-
Contributions from other sources	-	-	1,220,000	1,220,000
Total other financing sources (uses)	<u>1,391,548</u>	<u>(219,298)</u>	<u>1,409,964</u>	<u>1,629,262</u>
NET CHANGE IN FUND BALANCES	<u>(342,672)</u>	<u>(1,993,099)</u>	<u>(305,490)</u>	<u>1,687,609</u>
FUND BALANCES, beginning	<u>1,575,726</u>	<u>1,575,726</u>	<u>1,575,726</u>	<u>-</u>
FUND BALANCES, ending	<u><u>\$ 1,233,054</u></u>	<u><u>\$ (417,373)</u></u>	<u><u>\$ 1,270,236</u></u>	<u><u>\$ 1,687,609</u></u>

**CITY OF LEWISVILLE, TEXAS
GENERAL CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT D-1

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 16,064,859	\$ 17,703,903
Investments	61,180,711	68,975,269
Receivables		
Interest	104,791	151,188
Other	356,497	-
Due from other funds	-	68,126
Prepaid items	4,428	230,584
Total assets	<u>\$ 77,711,286</u>	<u>\$ 87,129,070</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	\$ 463,904	\$ 929,061
Deferred revenue	40,501,816	40,666,844
Money held in escrow	849,632	531,964
Retainage payable	62,288	675,017
Total liabilities	<u>41,877,640</u>	<u>42,802,886</u>
Fund balances		
Non spendable	4,428	230,584
Spendable		
Restricted	18,334,807	22,302,377
Committed	7,396,348	7,282,279
Assigned	10,098,063	14,510,944
Total fund balances	<u>35,833,646</u>	<u>44,326,184</u>
Total liabilities and fund balances	<u>\$ 77,711,286</u>	<u>\$ 87,129,070</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, 2011 AND 2010**

EXHIBIT D-2

	<u>2011</u>	<u>2010</u>
REVENUES		
Investment earnings	\$ 322,210	\$ 410,539
Contributions	1,922,304	4,018,465
Miscellaneous	8	3
Total revenues	<u>2,244,522</u>	<u>4,429,007</u>
EXPENDITURES		
Capital outlay	<u>13,887,572</u>	<u>13,430,459</u>
Total expenditures	<u>13,887,572</u>	<u>13,430,459</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,643,050)</u>	<u>(9,001,452)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	3,158,730	10,229,510
Transfers out	<u>(8,218)</u>	<u>(35,496)</u>
Total other financing sources (uses)	<u>3,150,512</u>	<u>10,194,014</u>
NET CHANGE IN FUND BALANCES	(8,492,538)	1,192,562
FUND BALANCES, beginning	<u>44,326,184</u>	<u>43,133,622</u>
FUND BALANCES, ending	<u>\$ 35,833,646</u>	<u>\$ 44,326,184</u>



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MAJOR PROPRIETARY ENTERPRISE FUND

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, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash	\$ 994,480	\$ 573,550
Investments	26,577,509	27,007,813
Receivables (net of allowances for uncollectables of \$257,557 in 2011 and \$176,757 in 2010)		
Accounts	1,831,933	1,146,235
Unbilled accounts	3,004,410	2,983,985
Interest	30,142	63,846
Due from other funds	107,819	-
Prepaid items	1,426	2,378
Restricted assets		
Cash	1,540,231	757,024
Investments	41,947,237	36,816,321
Interest receivable	36,412	65,780
Total currents assets	<u>76,071,599</u>	<u>69,416,932</u>
Noncurrent assets		
Deferred bond issuance costs, net of amortization	<u>478,422</u>	<u>435,456</u>
Capital assets		
Land	2,368,892	2,368,892
Land improvements	106,700	106,700
Buildings	1,131,504	1,131,504
Other improvements	658,008	459,368
Water system	137,882,185	137,059,670
Sewer system	99,298,296	98,417,312
Machinery and equipment	4,106,095	3,837,340
Construction in progress	19,089,174	13,499,324
Total capital assets	<u>264,640,854</u>	<u>256,880,110</u>
Less - accumulated depreciation	<u>(72,427,427)</u>	<u>(67,115,555)</u>
Capital assets, net of accumulated depreciation	<u>192,213,427</u>	<u>189,764,555</u>
Total noncurrent assets	<u>192,691,849</u>	<u>190,200,011</u>
Total assets	<u>\$ 268,763,448</u>	<u>\$ 259,616,943</u>

	<u>2011</u>	<u>2010</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current liabilities payable from restricted assets		
Deposits payable	\$ 1,382,919	\$ 1,334,496
Accrued interest payable	230,224	211,445
Contracts and retainage payable	133,150	27,968
Money held in escrow	29,460	20,851
Current maturities of revenue bonds	4,430,000	3,895,000
Total current liabilities payable from restricted assets	<u>6,205,753</u>	<u>5,489,760</u>
Accounts payable	1,433,383	1,371,441
Accrued liabilities	275,711	397,798
Compensated absences	437,442	436,029
Due to other funds	1,070,610	1,278,291
Total current liabilities	<u>9,422,899</u>	<u>8,973,319</u>
Noncurrent liabilities		
Revenue bond payable	41,350,000	36,845,000
Compensated absences	342,217	348,230
Net pension obligation	562,973	368,674
Due to other funds	4,895,000	5,815,000
Deferred loss on refunding	(386,224)	(491,341)
Premium	930,371	429,048
Discount	(74,826)	(81,094)
Total noncurrent liabilities	<u>47,619,511</u>	<u>43,233,517</u>
Total liabilities	<u>57,042,410</u>	<u>52,206,836</u>
Net assets		
Invested in capital assets, net of related debt	175,661,154	172,162,748
Restricted		
For revenue bond retirements	1,939,786	2,147,527
Unrestricted	34,120,098	33,099,832
Total net assets	<u>\$ 211,721,038</u>	<u>\$ 207,410,107</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, 2011 AND 2010**

EXHIBIT E-2

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 17,211,955	\$ 15,252,105
Sewer service	9,907,882	9,868,937
Tap fees	35,227	27,170
Industrial charges	80,534	132,662
Wholesale sewage treatment	622,931	694,314
Wholesale water sales	19,016	11,928
Reconnect and sample fees	195,065	159,554
Total charges for sales and service	<u>28,072,610</u>	<u>26,146,670</u>
Miscellaneous	12,337	81,358
Total operating revenues	<u>28,084,947</u>	<u>26,228,028</u>
OPERATING EXPENSES		
Cost of sales and services, net of reimbursements	8,727,633	7,091,505
Administrative	7,355,337	7,202,802
Depreciation	5,311,872	5,202,145
Total operating expenses	<u>21,394,842</u>	<u>19,496,452</u>
Total operating income	<u>6,690,105</u>	<u>6,731,576</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment earnings	269,639	211,973
Interest expense	(1,294,446)	(1,860,259)
Amortization	(73,045)	(89,944)
Total non-operating revenues (expenses)	<u>(1,097,852)</u>	<u>(1,738,230)</u>
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>5,592,253</u>	<u>4,993,346</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS		
Transfers out	(3,924,530)	(3,260,894)
Contributions from developers	1,370,713	589,435
Contributions - impact fees	1,272,495	881,264
Total transfers and capital contributions	<u>(1,281,322)</u>	<u>(1,790,195)</u>
CHANGE IN NET ASSETS	4,310,931	3,203,151
NET ASSETS, beginning	207,410,107	204,206,956
NET ASSETS, ending	<u>\$ 211,721,038</u>	<u>\$ 207,410,107</u>



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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, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 27,435,855	\$ 25,795,136
Cash received (paid) from transactions with other funds	(1,235,500)	7,084,062
Cash paid to employees for services	(5,924,551)	(5,606,570)
Cash paid for goods and services	(9,922,731)	(8,729,258)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	10,353,073	18,543,370
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out to other funds	(3,924,530)	(3,260,894)
	<hr/>	<hr/>
Net cash provided by (used in) noncapital financing activities	(3,924,530)	(3,260,894)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(5,897,703)	(5,032,874)
Proceeds from the sale of revenue bonds	13,465,000	-
Principal paid on revenue bond maturities	(3,895,000)	(4,870,000)
Principal refunded on revenue bonds	(4,530,000)	(7,505,000)
Impact fees	1,272,495	881,264
Interest paid	(1,176,820)	(2,280,842)
Reduction of unamortized bond issuance cost	28,023	237,341
Bond issuance cost paid	(122,500)	-
	<hr/>	<hr/>
Net cash provided by (used in) capital and related financing activities	(856,505)	(18,570,111)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(97,164,293)	(57,190,674)
Proceeds from sale and maturities of investments	92,463,681	57,095,412
Interest received	332,711	295,495
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(4,367,901)	200,233
NET INCREASE (DECREASE) IN CASH	1,204,137	(3,087,402)
CASH, beginning of year	<hr/>	<hr/>
	1,330,574	4,417,976
CASH, end of year	<hr/>	<hr/>
	\$ 2,534,711	\$ 1,330,574
Classified as		
Unrestricted cash and cash equivalents at end of year	\$ 994,480	\$ 573,550
Restricted cash and cash equivalents at end of year	1,540,231	757,024
TOTAL CASH AT END OF YEAR	<hr/> <hr/>	<hr/> <hr/>
	\$ 2,534,711	\$ 1,330,574

	<u>2011</u>	<u>2010</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ 6,690,105	\$ 6,731,576
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	5,311,872	5,202,145
Provision for uncollectible accounts	80,798	(117,921)
Change in assets and liabilities		
(Increase) decrease in receivables	(786,922)	(304,690)
(Increase) decrease in prepaid items	952	(380)
(Increase) decrease in due from other funds	(107,819)	37,937
Increase (decrease) in accounts payable and contracts payable	70,551	(342,241)
Increase (decrease) in net pension obligations	194,299	211,656
Increase (decrease) in accrued liabilities	(122,087)	97,079
Increase (decrease) in deposits payable	48,423	14,276
Increase (decrease) in contracts and retainage payable	105,182	(88,258)
Increase (decrease) in compensated absences	(4,600)	56,066
Increase (decrease) in due to other funds	(1,127,681)	7,046,125
Total adjustments	<u>3,662,968</u>	<u>11,811,794</u>
Net cash provided by (used in) operating activities	<u>\$ 10,353,073</u>	<u>\$ 18,543,370</u>
NON CASH INVESTING AND FINANCING ACTIVITIES		
From contributions of capital assets	\$ 1,370,713	\$ 589,435
Increase (decrease) in fair value of investments	(62,008)	196,857



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NON-MAJOR GOVERNMENTAL FUNDS

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



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NON-MAJOR GOVERNMENTAL FUNDS

DONATIONS FUND

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

POLICE FEDERAL FORFEITURE FUND

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

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 is included as a Non-Major Governmental Funds:

LEWISVILLE LOCAL GOVERNMENT CORPORATION FUND

To account for assistance efforts in economic development initiatives.

**CITY OF LEWISVILLE, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2011**

Special Revenues

	<u>Hotel/Motel Tax</u>	<u>Recreation Activity</u>	<u>Grant</u>	<u>Public Improvement District</u>	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>	<u>Police Asset Forfeiture</u>	<u>Employee Benevolent</u>
ASSETS								
Cash	\$ 465,451	\$ 54,362	\$ 9,338	\$ 44,785	\$ 12,197	\$ 40,538	\$ 33,542	\$ 5,008
Investments	1,772,603	207,029	35,559	170,556	46,450	149,344	67,948	19,075
Receivables								
Accounts	1,439,834	-	512,880	-	-	-	17,089	-
Interest	3,319	358	25	293	80	355	126	34
Prepaid items	2,751,734	-	-	-	350	-	-	-
Total assets	<u>\$ 6,432,941</u>	<u>\$ 261,749</u>	<u>\$ 557,802</u>	<u>\$ 215,634</u>	<u>\$ 59,077</u>	<u>\$ 190,237</u>	<u>\$ 118,705</u>	<u>\$ 24,117</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts and contracts payable	\$ 77,315	\$ 12,604	\$ 151,952	\$ -	\$ 1,051	\$ 618	\$ 16,497	\$ 59
Deferred revenues	79,635	-	1,409	-	-	-	-	-
Due to other funds	1,500,000	-	330,598	-	-	-	218	-
Total liabilities	<u>1,656,950</u>	<u>12,604</u>	<u>483,959</u>	<u>-</u>	<u>1,051</u>	<u>618</u>	<u>16,715</u>	<u>59</u>
Fund balances								
Non spendable	2,751,734	-	-	-	350	-	-	-
Spendable								
Restricted	2,024,257	-	73,843	215,634	57,676	189,619	101,990	-
Committed	-	249,145	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	24,058
Total fund balances	<u>4,775,991</u>	<u>249,145</u>	<u>73,843</u>	<u>215,634</u>	<u>58,026</u>	<u>189,619</u>	<u>101,990</u>	<u>24,058</u>
Total liabilities and fund balances	<u>\$ 6,432,941</u>	<u>\$ 261,749</u>	<u>\$ 557,802</u>	<u>\$ 215,634</u>	<u>\$ 59,077</u>	<u>\$ 190,237</u>	<u>\$ 118,705</u>	<u>\$ 24,117</u>

EXHIBIT F-1

Special Revenues

Fire and Police Training	LEOSE	Donations	Police Federal Forfeiture	Records Management	Juvenile Case Manager	Lewisville Local Government Corporation	Total Nonmajor Governmental Funds
\$ 12,271	\$ 1,450	\$ 44,755	\$ 38,573	\$ -	\$ 17,459	\$ 91	\$ 779,820
46,735	5,522	170,451	166,776	-	66,489	345	2,924,882
-	-	451	-	-	-	-	1,970,254
80	9	291	272	-	114	1	5,357
-	2,340	-	-	-	-	-	2,754,424
<u>\$ 59,086</u>	<u>\$ 9,321</u>	<u>\$ 215,948</u>	<u>\$ 205,621</u>	<u>\$ -</u>	<u>\$ 84,062</u>	<u>\$ 437</u>	<u>\$ 8,434,737</u>
\$ -	\$ -	\$ 2,500	\$ -	\$ -	\$ 1,625	\$ -	\$ 264,221
-	-	351	-	-	-	-	81,395
-	-	-	-	-	-	-	1,830,816
-	-	2,851	-	-	1,625	-	2,176,432
-	2,340	-	-	-	-	-	2,754,424
-	6,981	-	205,621	-	82,437	-	2,958,058
59,086	-	-	-	-	-	437	308,668
-	-	213,097	-	-	-	-	237,155
<u>59,086</u>	<u>9,321</u>	<u>213,097</u>	<u>205,621</u>	<u>-</u>	<u>82,437</u>	<u>437</u>	<u>6,258,305</u>
<u>\$ 59,086</u>	<u>\$ 9,321</u>	<u>\$ 215,948</u>	<u>\$ 205,621</u>	<u>\$ -</u>	<u>\$ 84,062</u>	<u>\$ 437</u>	<u>\$ 8,434,737</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, 2011

Special Revenues

	Hotel/Motel Tax	Recreation Activity	Grant	Public Improvement District	Municipal Court Security	Municipal Court Technology	Police Asset Forfeiture	Employee Benevolent
REVENUES								
Taxes	\$ 1,862,191	\$ -	\$ -	\$ 15,207	\$ -	\$ -	\$ -	\$ -
Recreation	-	325,245	-	-	-	-	-	-
Investment earnings	9,271	1,194	77	869	243	1,105	342	97
Grants								
Culture, parks and recreation	-	-	24,424	-	-	-	-	-
Public safety	-	-	538,837	-	-	-	-	-
Public services	-	-	472,490	-	-	-	-	-
Community development	-	-	462,026	-	-	-	-	-
Miscellaneous	58	2,037	11	-	59,599	79,447	17,450	4,540
Total revenues	<u>1,871,520</u>	<u>328,476</u>	<u>1,497,865</u>	<u>16,076</u>	<u>59,842</u>	<u>80,552</u>	<u>17,792</u>	<u>4,637</u>
EXPENDITURES								
Current								
General government	1,577,483	-	-	3,019	-	-	-	3,577
Culture, parks and recreation	-	368,551	24,137	-	-	-	-	-
Public safety	-	-	554,268	-	21,236	48,318	18,500	-
Public services	-	-	682,741	-	-	-	-	-
Capital outlay	14,960	-	318,040	-	-	13,916	-	-
Total expenditures	<u>1,592,443</u>	<u>368,551</u>	<u>1,579,186</u>	<u>3,019</u>	<u>21,236</u>	<u>62,234</u>	<u>18,500</u>	<u>3,577</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>279,077</u>	<u>(40,075)</u>	<u>(81,321)</u>	<u>13,057</u>	<u>38,606</u>	<u>18,318</u>	<u>(708)</u>	<u>1,060</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	80,134	-	-	-	-	-
Transfers out	-	-	-	(1,560)	(38,901)	(171,000)	-	-
Proceeds from sale of assets	-	-	-	-	-	-	3,075	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>80,134</u>	<u>(1,560)</u>	<u>(38,901)</u>	<u>(171,000)</u>	<u>3,075</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>279,077</u>	<u>(40,075)</u>	<u>(1,187)</u>	<u>11,497</u>	<u>(295)</u>	<u>(152,682)</u>	<u>2,367</u>	<u>1,060</u>
FUND BALANCES, beginning	<u>4,496,914</u>	<u>289,220</u>	<u>75,030</u>	<u>204,137</u>	<u>58,321</u>	<u>342,301</u>	<u>99,623</u>	<u>22,998</u>
FUND BALANCES, ending	<u>\$ 4,775,991</u>	<u>\$ 249,145</u>	<u>\$ 73,843</u>	<u>\$ 215,634</u>	<u>\$ 58,026</u>	<u>\$ 189,619</u>	<u>\$ 101,990</u>	<u>\$ 24,058</u>

Special Revenues

Fire and Police Training	LEOSE	Donations	Police Federal Forfeiture	Records Management	Juvenile Case Manager	Lewisville Local Government Corporation	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,877,398
-	-	-	-	-	-	-	325,245
228	39	1,115	880	-	326	1,073	16,859
-	-	-	-	-	-	-	24,424
-	-	-	-	-	-	-	538,837
-	-	-	-	-	-	-	472,490
-	-	-	-	-	-	-	462,026
13,062	9,431	409,301	200,444	-	78,641	685,506	1,559,527
13,290	9,470	410,416	201,324	-	78,967	686,579	5,276,806
-	-	228,980	-	1,272	-	4,481	1,818,812
-	-	14,354	-	-	-	-	407,042
4,933	11,629	36,265	18,623	-	55,976	-	769,748
-	-	-	-	-	-	-	682,741
-	-	84,780	-	-	-	-	431,696
4,933	11,629	364,379	18,623	1,272	55,976	4,481	4,110,039
8,357	(2,159)	46,037	182,701	(1,272)	22,991	682,098	1,166,767
-	-	-	-	-	-	-	80,134
-	-	-	(165,000)	-	(25,000)	(746,988)	(1,148,449)
-	-	-	-	-	-	-	3,075
-	-	-	(165,000)	-	(25,000)	(746,988)	(1,065,240)
8,357	(2,159)	46,037	17,701	(1,272)	(2,009)	(64,890)	101,527
50,729	11,480	167,060	187,920	1,272	84,446	65,327	6,156,778
\$ 59,086	\$ 9,321	\$ 213,097	\$ 205,621	\$ -	\$ 82,437	\$ 437	\$ 6,258,305

**CITY OF LEWISVILLE, TEXAS
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-3

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 465,451	\$ 425,338
Investments	1,772,603	1,629,473
Receivables		
Accounts	1,439,834	1,080,087
Interest	3,319	4,221
Prepaid items	2,751,734	2,992,562
Total assets	<u>\$ 6,432,941</u>	<u>\$ 6,131,681</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	\$ 77,315	\$ 57,275
Deferred revenues	79,635	77,492
Due to other funds	1,500,000	1,500,000
Total liabilities	<u>1,656,950</u>	<u>1,634,767</u>
 Fund balances		
Non spendable	2,751,734	2,992,562
Spendable		
Restricted	2,024,257	1,504,352
Total fund balances	<u>4,775,991</u>	<u>4,496,914</u>
 Total liabilities and fund balances	<u>\$ 6,432,941</u>	<u>\$ 6,131,681</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, 2011 AND 2010**

EXHIBIT F-4

	<u>2011</u>	<u>2010</u>
REVENUES		
Taxes	\$ 1,862,191	\$ 1,551,355
Investment earnings	9,271	13,103
Miscellaneous	58	532
Total revenues	<u>1,871,520</u>	<u>1,564,990</u>
EXPENDITURES		
Current		
General government	1,577,483	1,361,689
Capital outlay	14,960	-
Total expenditures	<u>1,592,443</u>	<u>1,361,689</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	279,077	203,301
FUND BALANCES, beginning	<u>4,496,914</u>	<u>4,293,613</u>
FUND BALANCES, ending	<u><u>\$ 4,775,991</u></u>	<u><u>\$ 4,496,914</u></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, 2011**

EXHIBIT F-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,557,248	\$ 1,557,248	\$ 1,862,191	\$ 304,943
Investment earnings	18,375	18,375	9,271	(9,104)
Miscellaneous	-	-	58	58
Total revenues	<u>1,575,623</u>	<u>1,575,623</u>	<u>1,871,520</u>	<u>295,897</u>
EXPENDITURES				
Current				
General government	1,720,821	1,760,661	1,577,483	183,178
Capital outlay	-	14,960	14,960	-
Total expenditures	<u>1,720,821</u>	<u>1,775,621</u>	<u>1,592,443</u>	<u>183,178</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(145,198)	(199,998)	279,077	479,075
FUND BALANCES, beginning	<u>4,496,914</u>	<u>4,496,914</u>	<u>4,496,914</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 4,351,716</u>	<u>\$ 4,296,916</u>	<u>\$ 4,775,991</u>	<u>\$ 479,075</u>

**CITY OF LEWISVILLE, TEXAS
RECREATION ACTIVITY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-6

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 54,362	\$ 61,753
Investments	207,029	240,591
Receivables		
Interest	358	538
Total assets	<u>\$ 261,749</u>	<u>\$ 302,882</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	<u>\$ 12,604</u>	<u>\$ 13,662</u>
Total liabilities	<u>12,604</u>	<u>13,662</u>
Fund balances		
Spendable		
Committed	<u>249,145</u>	<u>289,220</u>
Total fund balances	<u>249,145</u>	<u>289,220</u>
Total liabilities and fund balances	<u>\$ 261,749</u>	<u>\$ 302,882</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, 2011 AND 2010**

EXHIBIT F-7

	<u>2011</u>	<u>2010</u>
REVENUES		
Recreation	\$ 325,245	\$ 398,419
Investment earnings	1,194	1,527
Miscellaneous	2,037	1,860
Total revenues	<u>328,476</u>	<u>401,806</u>
EXPENDITURES		
Current		
Culture, parks and recreation	368,551	376,695
Capital outlay	-	15,965
Total expenditures	<u>368,551</u>	<u>392,660</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,075)	9,146
FUND BALANCES, beginning	<u>289,220</u>	<u>280,074</u>
FUND BALANCES, ending	<u><u>\$ 249,145</u></u>	<u><u>\$ 289,220</u></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, 2011**

EXHIBIT F-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Recreation	\$ 413,524	\$ 413,524	\$ 325,245	\$ (88,279)
Investment earnings	2,810	2,810	1,194	(1,616)
Miscellaneous	2,000	2,000	2,037	37
Total revenues	<u>418,334</u>	<u>418,334</u>	<u>328,476</u>	<u>(89,858)</u>
EXPENDITURES				
Current				
Culture, parks and recreation	418,334	443,334	368,551	74,783
Capital outlay	34,000	9,000	-	9,000
Total expenditures	<u>452,334</u>	<u>452,334</u>	<u>368,551</u>	<u>83,783</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(34,000)	(34,000)	(40,075)	(6,075)
FUND BALANCES, beginning	<u>289,220</u>	<u>289,220</u>	<u>289,220</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 255,220</u>	<u>\$ 255,220</u>	<u>\$ 249,145</u>	<u>\$ (6,075)</u>

**CITY OF LEWISVILLE, TEXAS
GRANT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-9

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 9,338	\$ 9,859
Investments	35,559	38,409
Receivables		
Accounts	512,880	575,969
Interest	25	32
Prepaid items	-	333
Total assets	<u>\$ 557,802</u>	<u>\$ 624,602</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	\$ 151,952	\$ 137,405
Deferred revenue	1,409	6,087
Due to other funds	330,598	406,080
Total liabilities	<u>483,959</u>	<u>549,572</u>
 Fund balances		
Non spendable	-	333
Spendable		
Restricted	73,843	74,697
Total fund balances	<u>73,843</u>	<u>75,030</u>
 Total liabilities and fund balances	<u>\$ 557,802</u>	<u>\$ 624,602</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, 2011 AND 2010**

EXHIBIT F-10

	<u>2011</u>	<u>2010</u>
REVENUES		
Investment earnings	\$ 77	\$ 92
Grants		
Culture, parks and recreation	24,424	29,634
Public safety	538,837	1,247,926
Public services	472,490	381,973
Community development	462,026	656,809
Miscellaneous	11	7
Total revenues	<u>1,497,865</u>	<u>2,316,441</u>
 EXPENDITURES		
Current		
Culture, parks and recreation	24,137	29,713
Public safety	554,268	913,265
Public services	682,741	423,415
Capital outlay	318,040	1,004,814
Total expenditures	<u>1,579,186</u>	<u>2,371,207</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 <u>(81,321)</u>	 <u>(54,766)</u>
 OTHER FINANCING SOURCES (USES)		
Transfers in	80,134	51,917
Total other financing sources (uses)	<u>80,134</u>	<u>51,917</u>
 NET CHANGE IN FUND BALANCES	 (1,187)	 (2,849)
 FUND BALANCES, beginning	 <u>75,030</u>	 <u>77,879</u>
 FUND BALANCES, ending	 <u>\$ 73,843</u>	 <u>\$ 75,030</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, 2011**

EXHIBIT F-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 169	\$ 169	\$ 77	\$ (92)
Grants				
Culture, parks and recreation	109,647	109,647	24,424	(85,223)
Public safety	180,130	445,454	538,837	93,383
Public services	784,535	784,535	472,490	(312,045)
Community development	-	151,565	462,026	310,461
Miscellaneous	-	-	11	11
Total revenues	<u>1,074,481</u>	<u>1,491,370</u>	<u>1,497,865</u>	<u>6,495</u>
EXPENDITURES				
Current				
Culture, parks and recreation	18,707	30,757	24,137	6,620
Public safety	198,447	605,657	554,268	51,389
Public services	894,030	1,636,912	682,741	954,171
Capital outlay	5,000	354,767	318,040	36,727
Total expenditures	<u>1,116,184</u>	<u>2,628,093</u>	<u>1,579,186</u>	<u>1,048,907</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(41,703)</u>	<u>(1,136,723)</u>	<u>(81,321)</u>	<u>1,055,402</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	41,872	48,492	80,134	31,642
Total other financing sources (uses)	<u>41,872</u>	<u>48,492</u>	<u>80,134</u>	<u>31,642</u>
NET CHANGE IN FUND BALANCES	169	(1,088,231)	(1,187)	1,087,044
FUND BALANCES, beginning	<u>75,030</u>	<u>75,030</u>	<u>75,030</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 75,199</u>	<u>\$ (1,013,201)</u>	<u>\$ 73,843</u>	<u>\$ 1,087,044</u>

**CITY OF LEWISVILLE, TEXAS
PUBLIC IMPROVEMENT DISTRICT TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-12

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 44,785	\$ 41,621
Investments	170,556	162,156
Receivables		
Interest	293	360
Total assets	<u>\$ 215,634</u>	<u>\$ 204,137</u>
 FUND BALANCES		
Spendable		
Restricted	\$ 215,634	\$ 204,137
Total fund balances	<u>215,634</u>	<u>204,137</u>
 Total liabilities and fund balances	<u>\$ 215,634</u>	<u>\$ 204,137</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, 2011 AND 2010**

EXHIBIT F-13

	<u>2011</u>	<u>2010</u>
REVENUES		
Taxes	\$ 15,207	\$ 15,108
Investment earnings	869	1,078
Total revenues	<u>16,076</u>	<u>16,186</u>
EXPENDITURES		
Current		
General government	3,019	1,700
Total expenditures	<u>3,019</u>	<u>1,700</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,057</u>	<u>14,486</u>
OTHER FINANCING SOURCES (USES)		
Transfers out	<u>(1,560)</u>	<u>(1,560)</u>
Total other financing sources (uses)	<u>(1,560)</u>	<u>(1,560)</u>
NET CHANGE IN FUND BALANCES	11,497	12,926
FUND BALANCES, beginning	<u>204,137</u>	<u>191,211</u>
FUND BALANCES, ending	<u>\$ 215,634</u>	<u>\$ 204,137</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, 2011**

EXHIBIT F-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 15,108	\$ 15,108	\$ 15,207	\$ 99
Investment earnings	1,903	1,903	869	(1,034)
Total revenues	<u>17,011</u>	<u>17,011</u>	<u>16,076</u>	<u>(935)</u>
EXPENDITURES				
Current				
General government	84,700	84,700	3,019	81,681
Total expenditures	<u>84,700</u>	<u>84,700</u>	<u>3,019</u>	<u>81,681</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(67,689)</u>	<u>(67,689)</u>	<u>13,057</u>	<u>80,746</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,560)	(1,560)	(1,560)	-
Total other financing sources (uses)	<u>(1,560)</u>	<u>(1,560)</u>	<u>(1,560)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(69,249)</u>	<u>(69,249)</u>	<u>11,497</u>	<u>80,746</u>
FUND BALANCES, beginning	<u>204,137</u>	<u>204,137</u>	<u>204,137</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 134,888</u>	<u>\$ 134,888</u>	<u>\$ 215,634</u>	<u>\$ 80,746</u>

**CITY OF LEWISVILLE, TEXAS
MUNICIPAL COURT SECURITY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-15

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 12,197	\$ 11,920
Investments	46,450	46,441
Receivables		
Interest	80	94
Prepaid items	350	520
Total assets	<u>\$ 59,077</u>	<u>\$ 58,975</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	\$ 1,051	\$ 654
Total liabilities	<u>1,051</u>	<u>654</u>
 Fund balances		
Non spendable	350	520
Spendable		
Restricted	57,676	57,801
Total fund balances	<u>58,026</u>	<u>58,321</u>
 Total liabilities and fund balances	<u>\$ 59,077</u>	<u>\$ 58,975</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, 2011 AND 2010**

EXHIBIT F-16

	<u>2011</u>	<u>2010</u>
REVENUES		
Security fee	\$ 59,599	\$ 63,870
Investment earnings	243	225
Total revenues	<u>59,842</u>	<u>64,095</u>
EXPENDITURES		
Current		
Public safety	21,236	33,497
Total expenditures	<u>21,236</u>	<u>33,497</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>38,606</u>	<u>30,598</u>
OTHER FINANCING SOURCES (USES)		
Transfers out	(38,901)	(50,901)
Total other financing sources (uses)	<u>(38,901)</u>	<u>(50,901)</u>
NET CHANGE IN FUND BALANCES	(295)	(20,303)
FUND BALANCES, beginning	<u>58,321</u>	<u>78,624</u>
FUND BALANCES, ending	<u>\$ 58,026</u>	<u>\$ 58,321</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, 2011**

EXHIBIT F-17

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Security fee	\$ 64,636	\$ 64,636	\$ 59,599	\$ (5,037)
Investment earnings	565	565	243	(322)
Total revenues	<u>65,201</u>	<u>65,201</u>	<u>59,842</u>	<u>(5,359)</u>
EXPENDITURES				
Current				
Public safety	<u>26,300</u>	<u>26,300</u>	<u>21,236</u>	<u>5,064</u>
Total expenditures	<u>26,300</u>	<u>26,300</u>	<u>21,236</u>	<u>5,064</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>38,901</u>	<u>38,901</u>	<u>38,606</u>	<u>(295)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(38,901)</u>	<u>(38,901)</u>	<u>(38,901)</u>	<u>-</u>
Total other financing sources (uses)	<u>(38,901)</u>	<u>(38,901)</u>	<u>(38,901)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	(295)	(295)
FUND BALANCES, beginning	<u>58,321</u>	<u>58,321</u>	<u>58,321</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 58,321</u>	<u>\$ 58,321</u>	<u>\$ 58,026</u>	<u>\$ (295)</u>

**CITY OF LEWISVILLE, TEXAS
MUNICIPAL COURT TECHNOLOGY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-18

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 40,538	\$ 71,016
Investments	149,344	271,526
Receivables		
Interest	355	667
Total assets	<u>\$ 190,237</u>	<u>\$ 343,209</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	<u>\$ 618</u>	<u>\$ 908</u>
Total liabilities	<u>618</u>	<u>908</u>
 Fund balances		
Spendable		
Restricted	189,619	342,301
Total fund balances	<u>189,619</u>	<u>342,301</u>
 Total liabilities and fund balances	<u>\$ 190,237</u>	<u>\$ 343,209</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, 2011 AND 2010**

EXHIBIT F-19

	<u>2011</u>	<u>2010</u>
REVENUES		
Technology fee	\$ 79,447	\$ 84,949
Investment earnings	1,105	2,062
Total revenues	<u>80,552</u>	<u>87,011</u>
EXPENDITURES		
Current		
Public safety	48,318	39,928
Capital outlay	13,916	19,232
Total expenditures	<u>62,234</u>	<u>59,160</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>18,318</u>	<u>27,851</u>
OTHER FINANCING SOURCES (USES)		
Transfers out	(171,000)	(40,000)
Total other financing sources (uses)	<u>(171,000)</u>	<u>(40,000)</u>
NET CHANGE IN FUND BALANCES	(152,682)	(12,149)
FUND BALANCES, beginning	<u>342,301</u>	<u>354,450</u>
FUND BALANCES, ending	<u>\$ 189,619</u>	<u>\$ 342,301</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, 2011**

EXHIBIT F-20

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Technology fee	\$ 84,102	\$ 84,102	\$ 79,447	\$ (4,655)
Investment earnings	3,240	3,240	1,105	(2,135)
Total revenues	<u>87,342</u>	<u>87,342</u>	<u>80,552</u>	<u>(6,790)</u>
EXPENDITURES				
Current				
Public safety	63,920	50,003	48,318	1,685
Capital outlay	131,000	13,917	13,916	1
Total expenditures	<u>194,920</u>	<u>63,920</u>	<u>62,234</u>	<u>1,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(107,578)</u>	<u>23,422</u>	<u>18,318</u>	<u>(5,104)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(40,000)</u>	<u>(171,000)</u>	<u>(171,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(40,000)</u>	<u>(171,000)</u>	<u>(171,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES				
	<u>(147,578)</u>	<u>(147,578)</u>	<u>(152,682)</u>	<u>(5,104)</u>
FUND BALANCES, beginning				
	<u>342,301</u>	<u>342,301</u>	<u>342,301</u>	<u>-</u>
FUND BALANCES, ending				
	<u>\$ 194,723</u>	<u>\$ 194,723</u>	<u>\$ 189,619</u>	<u>\$ (5,104)</u>

**CITY OF LEWISVILLE, TEXAS
POLICE ASSET FORFEITURE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-21

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 33,542	\$ 26,047
Investments	67,948	73,624
Receivables		
Accounts	17,089	-
Interest	126	163
Total assets	<u>\$ 118,705</u>	<u>\$ 99,834</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 16,497	\$ 211
Due to other funds	218	-
Total liabilities	<u>16,715</u>	<u>211</u>
 Fund balances		
Spendable		
Restricted	101,990	99,623
Total fund balances	<u>101,990</u>	<u>99,623</u>
 Total liabilities and fund balances	<u>\$ 118,705</u>	<u>\$ 99,834</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, 2011 AND 2010**

EXHIBIT F-22

	<u>2011</u>	<u>2010</u>
REVENUES		
Investment earnings	\$ 342	\$ 408
Miscellaneous	17,450	16,000
Total revenues	<u>17,792</u>	<u>16,408</u>
EXPENDITURES		
Current		
Public safety	18,500	12,524
Total expenditures	<u>18,500</u>	<u>12,524</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(708)</u>	<u>3,884</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from sale of assets	3,075	13,118
Total other financing sources (uses)	<u>3,075</u>	<u>13,118</u>
NET CHANGE IN FUND BALANCES	2,367	17,002
FUND BALANCES, beginning	<u>99,623</u>	<u>82,621</u>
FUND BALANCES, ending	<u>\$ 101,990</u>	<u>\$ 99,623</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, 2011**

EXHIBIT F-23

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 773	\$ 773	\$ 342	\$ (431)
Miscellaneous	23,500	23,500	17,450	(6,050)
Total revenues	<u>24,273</u>	<u>24,273</u>	<u>17,792</u>	<u>(6,481)</u>
EXPENDITURES				
Current				
Public safety	18,500	18,500	18,500	-
Total expenditures	<u>18,500</u>	<u>18,500</u>	<u>18,500</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,773</u>	<u>5,773</u>	<u>(708)</u>	<u>(6,481)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	4,500	4,500	3,075	(1,425)
Total other financing sources (uses)	<u>4,500</u>	<u>4,500</u>	<u>3,075</u>	<u>(1,425)</u>
NET CHANGE IN FUND BALANCES	10,273	10,273	2,367	(7,906)
FUND BALANCES, beginning	<u>99,623</u>	<u>99,623</u>	<u>99,623</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 109,896</u>	<u>\$ 109,896</u>	<u>\$ 101,990</u>	<u>\$ (7,906)</u>

**CITY OF LEWISVILLE, TEXAS
EMPLOYEE BENEVOLENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-24

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 5,008	\$ 4,662
Investments	19,075	18,158
Receivables		
Accounts	-	262
Interest	34	41
Total assets	<u>\$ 24,117</u>	<u>\$ 23,123</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	\$ 59	\$ 125
Total liabilities	<u>59</u>	<u>125</u>
 Fund balances		
Spendable		
Assigned	<u>24,058</u>	<u>22,998</u>
Total fund balances	<u>24,058</u>	<u>22,998</u>
 Total liabilities and fund balances	<u>\$ 24,117</u>	<u>\$ 23,123</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, 2011 AND 2010**

EXHIBIT F-25

	<u>2011</u>	<u>2010</u>
REVENUES		
Investment earnings	\$ 97	\$ 105
Miscellaneous	4,540	3,472
Total revenues	<u>4,637</u>	<u>3,577</u>
EXPENDITURES		
Current		
General government	3,577	3,166
Total expenditures	<u>3,577</u>	<u>3,166</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,060	411
FUND BALANCES, beginning	<u>22,998</u>	<u>22,587</u>
FUND BALANCES, ending	<u>\$ 24,058</u>	<u>\$ 22,998</u>

**CITY OF LEWISVILLE, TEXAS
 FIRE AND POLICE TRAINING SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-26

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 12,271	\$ 10,349
Investments	46,735	40,320
Receivables		
Interest	80	88
Total assets	<u>\$ 59,086</u>	<u>\$ 50,757</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	\$ -	\$ 28
Total liabilities	<u>-</u>	<u>28</u>
Fund balances		
Spendable		
Committed	59,086	50,729
Total fund balances	<u>59,086</u>	<u>50,729</u>
 Total liabilities and fund balances	 <u>\$ 59,086</u>	 <u>\$ 50,757</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, 2011 AND 2010**

EXHIBIT F-27

	<u>2011</u>	<u>2010</u>
REVENUES		
Charges for services	\$ 13,062	\$ 25,419
Investment earnings	228	252
Total revenues	<u>13,290</u>	<u>25,671</u>
EXPENDITURES		
Current		
Public safety	4,933	6,925
Total expenditures	<u>4,933</u>	<u>6,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,357	18,746
FUND BALANCES, beginning	<u>50,729</u>	<u>31,983</u>
FUND BALANCES, ending	<u>\$ 59,086</u>	<u>\$ 50,729</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, 2011**

EXHIBIT F-28

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 16,821	\$ 16,821	\$ 13,062	\$ (3,759)
Investment earnings	427	427	228	(199)
Total revenues	<u>17,248</u>	<u>17,248</u>	<u>13,290</u>	<u>(3,958)</u>
EXPENDITURES				
Current				
Public safety	<u>15,910</u>	<u>15,910</u>	<u>4,933</u>	<u>10,977</u>
Total expenditures	<u>15,910</u>	<u>15,910</u>	<u>4,933</u>	<u>10,977</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,338	1,338	8,357	7,019
FUND BALANCES, beginning	<u>50,729</u>	<u>50,729</u>	<u>50,729</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 52,067</u>	<u>\$ 52,067</u>	<u>\$ 59,086</u>	<u>\$ 7,019</u>

**CITY OF LEWISVILLE, TEXAS
LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-29

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 1,450	\$ 1,863
Investments	5,522	7,261
Receivables		
Interest	9	16
Prepaid items	2,340	2,340
Total assets	<u>\$ 9,321</u>	<u>\$ 11,480</u>
FUND BALANCES		
Non spendable	\$ 2,340	\$ 2,340
Spendable		
Restricted	6,981	9,140
Total fund balances	<u>9,321</u>	<u>11,480</u>
 Total liabilities and fund balances	 <u>\$ 9,321</u>	 <u>\$ 11,480</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, 2011 AND 2010**

EXHIBIT F-30

	<u>2011</u>	<u>2010</u>
REVENUES		
Investment earnings	\$ 39	\$ 66
Miscellaneous	9,431	9,966
Total revenues	<u>9,470</u>	<u>10,032</u>
EXPENDITURES		
Current		
Public safety	11,629	11,676
Total expenditures	<u>11,629</u>	<u>11,676</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,159)	(1,644)
FUND BALANCES, beginning	<u>11,480</u>	<u>13,124</u>
FUND BALANCES, ending	<u><u>\$ 9,321</u></u>	<u><u>\$ 11,480</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, 2011**

EXHIBIT F-31

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 158	\$ 158	\$ 39	\$ (119)
Miscellaneous	9,000	9,000	9,431	431
Total revenues	<u>9,158</u>	<u>9,158</u>	<u>9,470</u>	<u>312</u>
EXPENDITURES				
Current				
Public safety	13,932	13,932	11,629	2,303
Total expenditures	<u>13,932</u>	<u>13,932</u>	<u>11,629</u>	<u>2,303</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,774)	(4,774)	(2,159)	2,615
FUND BALANCES, beginning	<u>11,480</u>	<u>11,480</u>	<u>11,480</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 6,706</u>	<u>\$ 6,706</u>	<u>\$ 9,321</u>	<u>\$ 2,615</u>

**CITY OF LEWISVILLE, TEXAS
DONATIONS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-32

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 44,755	\$ 30,515
Investments	170,451	118,887
Receivables		
Accounts	451	1,189
Interest	291	266
Prepaid items	-	19,033
Total assets	<u>\$ 215,948</u>	<u>\$ 169,890</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	\$ 2,500	\$ 2,610
Deferred revenue	351	220
Total liabilities	<u>2,851</u>	<u>2,830</u>
 Fund balances		
Non spendable	-	19,033
Spendable		
Assigned	213,097	148,027
Total fund balances	<u>213,097</u>	<u>167,060</u>
 Total liabilities and fund balances	<u>\$ 215,948</u>	<u>\$ 169,890</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, 2011 AND 2010**

EXHIBIT F-33

	<u>2011</u>	<u>2010</u>
REVENUES		
Investment earnings	\$ 1,115	\$ 620
Miscellaneous	409,301	246,782
Total revenues	<u>410,416</u>	<u>247,402</u>
EXPENDITURES		
Current		
General government	228,980	311,023
Culture, parks and recreation	14,354	1,890
Public safety	36,265	45,033
Capital outlay	84,780	-
Total expenditures	<u>364,379</u>	<u>357,946</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	46,037	(110,544)
FUND BALANCES, beginning	<u>167,060</u>	<u>277,604</u>
FUND BALANCES, ending	<u>\$ 213,097</u>	<u>\$ 167,060</u>

**CITY OF LEWISVILLE, TEXAS
POLICE FEDERAL FORFEITURE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-34

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 38,573	\$ 38,314
Investments	166,776	149,275
Receivables		
Interest	272	331
Total assets	<u>\$ 205,621</u>	<u>\$ 187,920</u>
 FUND BALANCES		
Spendable		
Restricted	<u>\$ 205,621</u>	<u>\$ 187,920</u>
Total fund balances	<u>205,621</u>	<u>187,920</u>
 Total liabilities and fund balances	<u>\$ 205,621</u>	<u>\$ 187,920</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, 2011 AND 2010**

EXHIBIT F-35

	<u>2011</u>	<u>2010</u>
REVENUES		
Investment earnings	\$ 880	\$ 990
Miscellaneous	200,444	73,044
Total revenues	<u>201,324</u>	<u>74,034</u>
EXPENDITURES		
Current		
Public safety	18,623	-
Total expenditures	<u>18,623</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>182,701</u>	<u>74,034</u>
OTHER FINANCING SOURCES (USES)		
Transfers out	(165,000)	-
Total other financing sources (uses)	<u>(165,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	17,701	74,034
FUND BALANCES, beginning	<u>187,920</u>	<u>113,886</u>
FUND BALANCES, ending	<u>\$ 205,621</u>	<u>\$ 187,920</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, 2011**

EXHIBIT F-36

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,529	\$ 1,529	\$ 880	\$ (649)
Miscellaneous	69,000	69,000	200,444	131,444
Total revenues	<u>70,529</u>	<u>70,529</u>	<u>201,324</u>	<u>130,795</u>
EXPENDITURES				
Current				
Public safety	10,000	23,183	18,623	4,560
Capital outlay	-	26,817	-	26,817
Total expenditures	<u>10,000</u>	<u>50,000</u>	<u>18,623</u>	<u>31,377</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>60,529</u>	<u>20,529</u>	<u>182,701</u>	<u>162,172</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(165,000)	(165,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(165,000)</u>	<u>(165,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES				
	60,529	(144,471)	17,701	162,172
FUND BALANCES, beginning				
	<u>187,920</u>	<u>187,920</u>	<u>187,920</u>	<u>-</u>
FUND BALANCES, ending				
	<u>\$ 248,449</u>	<u>\$ 43,449</u>	<u>\$ 205,621</u>	<u>\$ 162,172</u>

**CITY OF LEWISVILLE, TEXAS
 RECORDS MANAGEMENT SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-37

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ -	\$ 260
Investments	-	1,012
Total assets	<u>\$ -</u>	<u>\$ 1,272</u>
 FUND BALANCES		
Spendable		
Restricted	\$ -	\$ 1,272
Total fund balances	<u>-</u>	<u>1,272</u>
 Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,272</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, 2011 AND 2010**

EXHIBIT F-38

	<u>2011</u>	<u>2010</u>
REVENUES		
Investment earnings	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>
EXPENDITURES		
Current		
General government	<u>1,272</u>	<u>-</u>
Total expenditures	<u>1,272</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,272)	-
FUND BALANCES, beginning	<u>1,272</u>	<u>1,272</u>
FUND BALANCES, ending	<u><u>\$ -</u></u>	<u><u>\$ 1,272</u></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, 2011**

EXHIBIT F-39

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current				
General government	1,272	1,272	1,272	-
Total expenditures	1,272	1,272	1,272	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,272)	(1,272)	(1,272)	-
FUND BALANCES, beginning	1,272	1,272	1,272	-
FUND BALANCES, ending	\$ -	\$ -	\$ -	\$ -

**CITY OF LEWISVILLE, TEXAS
 JUVENILE CASE MANAGER SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-40

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 17,459	\$ 17,786
Investments	66,489	69,298
Interest	114	154
Total assets	<u>\$ 84,062</u>	<u>\$ 87,238</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts and contracts payable	\$ 1,625	\$ 2,792
Total liabilities	<u>1,625</u>	<u>2,792</u>
 Fund balances		
Spendable		
Restricted	<u>82,437</u>	<u>84,446</u>
Total fund balances	<u>82,437</u>	<u>84,446</u>
 Total liabilities and fund balances	<u>\$ 84,062</u>	<u>\$ 87,238</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, 2011 AND 2010**

EXHIBIT F-41

	<u>2011</u>	<u>2010</u>
REVENUES		
Manager fee	\$ 78,641	\$ 83,512
Investment earnings	326	406
Total revenues	<u>78,967</u>	<u>83,918</u>
EXPENDITURES		
Current		
Public safety	55,976	54,756
Total expenditures	<u>55,976</u>	<u>54,756</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>22,991</u>	<u>29,162</u>
OTHER FINANCING USES		
Transfers out	(25,000)	-
Total other financing uses	<u>(25,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,009)	29,162
FUND BALANCES, beginning	<u>84,446</u>	<u>55,284</u>
FUND BALANCES, ending	<u><u>\$ 82,437</u></u>	<u><u>\$ 84,446</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, 2011

EXHIBIT F-42

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Manager fee	\$ 87,000	\$ 87,000	\$ 78,641	\$ (8,359)
Investment earnings	662	662	326	(336)
Total revenues	<u>87,662</u>	<u>87,662</u>	<u>78,967</u>	<u>(8,695)</u>
EXPENDITURES				
Current				
Public safety	56,371	56,371	55,976	395
Total expenditures	<u>56,371</u>	<u>56,371</u>	<u>55,976</u>	<u>395</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>31,291</u>	<u>31,291</u>	<u>22,991</u>	<u>(8,300)</u>
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing uses	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	6,291	6,291	(2,009)	(8,300)
FUND BALANCES, beginning	<u>84,446</u>	<u>84,446</u>	<u>84,446</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 90,737</u>	<u>\$ 90,737</u>	<u>\$ 82,437</u>	<u>\$ (8,300)</u>

**CITY OF LEWISVILLE, TEXAS
 LEWISVILLE LOCAL GOVERNMENT CORPORATION FUND
 COMPARATIVE BALANCE SHEETS
 SEPTEMBER 30, 2011 AND 2010**

EXHIBIT F-43

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 91	\$ 10,258
Investments	345	39,969
Interest	1	89
Other receivables	-	15,011
Total assets	<u>\$ 437</u>	<u>\$ 65,327</u>
 FUND BALANCES		
Spendable		
Committed	437	65,327
Total fund balances	<u>437</u>	<u>65,327</u>
 Total liabilities and fund balances	<u>\$ 437</u>	<u>\$ 65,327</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, 2011 AND 2010**

EXHIBIT F-44

	<u>2011</u>	<u>2010</u>
REVENUES		
Investment earnings	\$ 1,073	\$ 317
Miscellaneous	685,506	-
Total revenues	<u>686,579</u>	<u>317</u>
EXPENDITURES		
Current		
General government	4,481	-
Total expenditures	<u>4,481</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>682,098</u>	<u>317</u>
OTHER FINANCING USES		
Transfers out	(746,988)	-
Total other financing uses	<u>(746,988)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(64,890)	317
FUND BALANCES, beginning	<u>65,327</u>	<u>65,010</u>
FUND BALANCES, ending	<u>\$ 437</u>	<u>\$ 65,327</u>



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

INTERNAL SERVICE FUNDS

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

SELF-INSURANCE RISK FUND

To account for the funds accumulated for defined risk of workers' compensation, unemployment and liability/property casualty programs. Revenues are from premiums charged to 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 and major equipment 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, 2011 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2010

	<u>Self Insurance Risk</u>	<u>Health Insurance Risk Pool</u>
ASSETS		
Current assets		
Cash	\$ 1,680,526	\$ 369,652
Investments	6,304,833	1,038,726
Receivables		
Accounts	-	-
Interest	10,821	348
Other	5,805	2,546
Due from other funds	-	-
Inventory of supplies, at cost	-	-
Prepaid items	29,940	22,605
Total current assets	<u>8,031,925</u>	<u>1,433,877</u>
Noncurrent assets		
Capital assets		
Other improvements	274,272	-
Machinery and equipment	525,087	-
Vehicles	-	-
Accumulated depreciation	(536,035)	-
Capital assets, net of accumulated depreciation	<u>263,324</u>	<u>-</u>
Total assets	<u>8,295,249</u>	<u>1,433,877</u>
LIABILITIES		
Current liabilities		
Accounts payable	18,180	-
Incurred but not reported claim reserve	680,896	667,911
Accrued liabilities	-	-
Due to other funds	-	275,405
Total liabilities	<u>699,076</u>	<u>943,316</u>
NET ASSETS		
Invested in capital assets	263,324	-
Unrestricted	7,332,849	490,561
Net assets	<u>\$ 7,596,173</u>	<u>\$ 490,561</u>

EXHIBIT G-1

Maintenance and Replacement	Totals	
	September 30, 2011	September 30, 2010
\$ 872,794	\$ 2,922,972	\$ 3,217,328
3,323,909	10,667,468	12,715,429
74,325	74,325	-
5,601	16,770	31,983
-	8,351	17,887
1,500,000	1,500,000	1,500,000
102,852	102,852	97,099
1,172,361	1,224,906	100,622
7,051,842	16,517,644	17,680,348
-	274,272	274,272
4,302,465	4,827,552	4,266,964
17,007,789	17,007,789	17,393,219
(16,784,140)	(17,320,175)	(16,633,442)
4,526,114	4,789,438	5,301,013
11,577,956	21,307,082	22,981,361
2,061	20,241	32,916
-	1,348,807	881,267
69,011	69,011	74,910
-	275,405	-
71,072	1,713,464	989,093
4,526,114	4,789,438	5,301,013
6,980,770	14,804,180	16,691,255
\$ 11,506,884	\$ 19,593,618	\$ 21,992,268

**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, 2011 WITH
COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	Self Insurance Risk	Health Insurance Risk Pool
	<u> </u>	<u> </u>
OPERATING REVENUES		
Charges for sales and services	\$ 1,465,170	\$ 5,851,893
Miscellaneous	121	144,444
Total operating revenues	<u>1,465,291</u>	<u>5,996,337</u>
OPERATING EXPENSES		
Cost of sales and services, net of reimbursements	1,840,357	6,489,227
Administrative	-	560,486
Depreciation	29,948	-
Total operating expenses	<u>1,870,305</u>	<u>7,049,713</u>
 Operating income (loss)	 <u>(405,014)</u>	 <u>(1,053,376)</u>
NONOPERATING REVENUES		
Investment earnings	30,643	2,396
Gain (loss) on disposal of assets	-	-
Total nonoperating revenues	<u>30,643</u>	<u>2,396</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	 <u>(374,371)</u>	 <u>(1,050,980)</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS		
Transfers in	-	225,000
Transfers out	(225,000)	-
Intragovernmental contributions	-	-
Other contributions	-	-
Total transfers and capital contributions	<u>(225,000)</u>	<u>225,000</u>
CHANGE IN NET ASSETS	 <u>(599,371)</u>	 <u>(825,980)</u>
NET ASSETS, beginning	 <u>8,195,544</u>	 <u>1,316,541</u>
NET ASSETS, ending	 <u><u>\$ 7,596,173</u></u>	 <u><u>\$ 490,561</u></u>

EXHIBIT G-2

Maintenance and Replacement	Totals	
	September 30, 2011	September 30, 2010
\$ 2,081,417	\$ 9,398,480	\$ 9,480,143
125	144,690	521
<u>2,081,542</u>	<u>9,543,170</u>	<u>9,480,664</u>
920	8,330,504	7,220,790
1,535,637	2,096,123	1,164,122
1,872,325	1,902,273	1,908,012
<u>3,408,882</u>	<u>12,328,900</u>	<u>10,292,924</u>
<u>(1,327,340)</u>	<u>(2,785,730)</u>	<u>(812,260)</u>
18,666	51,705	82,708
206,156	206,156	79,299
<u>224,822</u>	<u>257,861</u>	<u>162,007</u>
<u>(1,102,518)</u>	<u>(2,527,869)</u>	<u>(650,253)</u>
8,218	233,218	35,496
-	(225,000)	-
21,001	21,001	-
100,000	100,000	-
<u>129,219</u>	<u>129,219</u>	<u>35,496</u>
<u>(973,299)</u>	<u>(2,398,650)</u>	<u>(614,757)</u>
<u>12,480,183</u>	<u>21,992,268</u>	<u>22,607,025</u>
<u>\$ 11,506,884</u>	<u>\$ 19,593,618</u>	<u>\$ 21,992,268</u>

**CITY OF LEWISVILLE, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2011 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR
ENDED SEPTEMBER 30, 2010**

	Self Insurance Risk	Health Insurance Risk Pool
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from transactions with other funds	\$ 1,460,219	\$ 6,133,815
Cash paid to employees for services	-	-
Cash paid for goods and services	(997,771)	(555,156)
Cash paid for claims	(379,415)	(6,454,247)
Cash received for miscellaneous items	121	144,444
	<u>83,154</u>	<u>(731,144)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in from other funds	-	225,000
Transfers out to other funds	(225,000)	-
	<u>(225,000)</u>	<u>225,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(16,376)	-
Proceeds from the sale of equipment	-	-
	<u>(16,376)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(9,222,365)	(4,085,326)
Proceeds from sale and maturities of investments	9,350,595	4,613,425
Interest received	34,342	16,885
	<u>162,572</u>	<u>544,984</u>
NET INCREASE (DECREASE) IN CASH	4,350	38,840
CASH, beginning of year	<u>1,676,176</u>	<u>330,812</u>
CASH, end of year	<u><u>\$ 1,680,526</u></u>	<u><u>\$ 369,652</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ (405,014)	\$ (1,053,376)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	29,948	-
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(4,951)	6,517
(Increase) decrease in inventory	-	-
(Increase) decrease in prepaid expenses	37,847	5,330
Increase (decrease) in accounts and claims payable	425,324	34,980
Increase (decrease) in accrued liabilities	-	-
Increase (decrease) in due to other funds	-	275,405
	<u>488,168</u>	<u>322,232</u>
Total adjustments	<u>488,168</u>	<u>322,232</u>
Net cash provided by (used in) operating activities	<u><u>\$ 83,154</u></u>	<u><u>\$ (731,144)</u></u>
NON CASH INVESTING AND FINANCING ACTIVITIES		
From contributions of capital assets	\$ -	\$ -
Increase (decrease) in fair value of investments	13,350	1,784
From intragovernmental contributions	-	-

Maintenance and Replacement	Totals	
	September 30, 2011	September 30, 2010
\$ 2,007,092	\$ 9,601,126	\$ 9,564,174
(361,226)	(361,226)	(343,343)
(2,359,883)	(3,912,810)	(1,963,425)
-	(6,833,662)	(6,871,254)
125	144,690	521
<u>(713,892)</u>	<u>(1,361,882)</u>	<u>386,673</u>
8,218	233,218	35,496
-	(225,000)	-
<u>8,218</u>	<u>8,218</u>	<u>35,496</u>
(1,336,843)	(1,353,219)	(1,404,090)
289,678	289,678	115,375
<u>(1,047,165)</u>	<u>(1,063,541)</u>	<u>(1,288,715)</u>
(4,862,033)	(18,169,724)	(17,428,479)
6,253,663	20,217,683	18,481,470
23,663	74,890	106,168
<u>1,415,293</u>	<u>2,122,849</u>	<u>1,159,159</u>
(337,546)	(294,356)	292,613
<u>1,210,340</u>	<u>3,217,328</u>	<u>2,924,715</u>
<u>\$ 872,794</u>	<u>\$ 2,922,972</u>	<u>\$ 3,217,328</u>
\$ (1,327,340)	\$ (2,785,730)	\$ (812,260)
1,872,325	1,902,273	1,908,012
(74,325)	(72,759)	84,031
(5,753)	(5,753)	(23,773)
(1,167,461)	(1,124,284)	(53,930)
(5,439)	454,865	(723,600)
(5,899)	(5,899)	8,193
-	275,405	-
<u>613,448</u>	<u>1,423,848</u>	<u>1,198,933</u>
<u>\$ (713,892)</u>	<u>\$ (1,361,882)</u>	<u>\$ 386,673</u>
\$ 100,000	\$ 100,000	\$ -
10,580	25,714	(63,459)
21,001	21,001	-

**CITY OF LEWISVILLE, TEXAS
 SELF-INSURANCE RISK INTERNAL SERVICE FUND
 COMPARATIVE STATEMENTS OF NET ASSETS
 SEPTEMBER 30, 2011 AND 2010**

EXHIBIT G-4

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash	\$ 1,680,526	\$ 1,676,176
Investments	6,304,833	6,433,063
Receivables		
Interest	10,821	14,520
Other	5,805	854
Prepaid items	29,940	67,787
Total current assets	<u>8,031,925</u>	<u>8,192,400</u>
Noncurrent assets		
Capital assets		
Other improvements	274,272	274,272
Machinery and equipment	525,087	508,712
Accumulated depreciation	(536,035)	(506,088)
Capital assets, net of accumulated depreciation	<u>263,324</u>	<u>276,896</u>
Total assets	<u>8,295,249</u>	<u>8,469,296</u>
LIABILITIES		
Current liabilities		
Accounts payable	18,180	25,416
Incurred but not reported claim reserve	680,896	248,336
Total liabilities	<u>699,076</u>	<u>273,752</u>
NET ASSETS		
Invested in capital assets	263,324	276,896
Unrestricted	7,332,849	7,918,648
Total net assets	<u>\$ 7,596,173</u>	<u>\$ 8,195,544</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, 2011 AND 2010**

EXHIBIT G-5

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Charges for sales and services	\$ 1,465,170	\$ 1,889,003
Miscellaneous	121	311
Total operating revenues	<u>1,465,291</u>	<u>1,889,314</u>
OPERATING EXPENSES		
Costs of sales and services		
Life insurance	315,914	305,508
Workers' compensation	867,068	(203,049)
Long term disability	65,346	63,140
Liability and property/casualty	554,169	566,618
Unemployment benefits	16,751	35,089
Employee assistance program	21,109	21,327
Depreciation	29,948	25,541
Total cost of sales and services, net of reimbursements	<u>1,870,305</u>	<u>814,174</u>
Operating income (loss)	<u>(405,014)</u>	<u>1,075,140</u>
NONOPERATING REVENUES		
Investment earnings	30,643	38,257
Total nonoperating revenues	<u>30,643</u>	<u>38,257</u>
Transfers out	(225,000)	-
Total transfers and capital contributions	<u>(225,000)</u>	<u>-</u>
CHANGE IN NET ASSETS	(599,371)	1,113,397
NET ASSETS, beginning	<u>8,195,544</u>	<u>7,082,147</u>
NET ASSETS, ending	<u>\$ 7,596,173</u>	<u>\$ 8,195,544</u>

**CITY OF LEWISVILLE, TEXAS
 SELF-INSURANCE RISK INTERNAL SERVICE FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

EXHIBIT G-6

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from transactions with other funds	\$ 1,460,219	\$ 1,891,249
Cash paid for goods and services	(997,771)	(1,114,686)
Cash paid for claims	(379,415)	(306,133)
Cash received for miscellaneous items	121	311
	<u>83,154</u>	<u>470,741</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out to other funds	(225,000)	-
	<u>(225,000)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(16,376)	(54,134)
	<u>(16,376)</u>	<u>(54,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(9,222,365)	(7,319,330)
Proceeds from sale and maturities of investments	9,350,595	7,060,281
Interest received	34,342	58,097
	<u>162,572</u>	<u>(200,952)</u>
NET INCREASE (DECREASE) IN CASH	4,350	215,655
CASH, beginning of year	<u>1,676,176</u>	<u>1,460,521</u>
CASH, end of year	<u>\$ 1,680,526</u>	<u>\$ 1,676,176</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ (405,014)	\$ 1,075,140
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	29,948	25,541
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(4,951)	2,246
(Increase) decrease in prepaid expenses	37,847	(43,309)
Increase (decrease) in accounts and claims payable	425,324	(588,877)
	<u>488,168</u>	<u>(604,399)</u>
Total adjustments	<u>488,168</u>	<u>(604,399)</u>
Net cash provided by (used in) operating activities	<u>\$ 83,154</u>	<u>\$ 470,741</u>
NON CASH INVESTING AND FINANCING ACTIVITIES		
Increase (decrease) in fair value of investments	\$ 13,350	\$ (28,350)

**CITY OF LEWISVILLE, TEXAS
HEALTH INSURANCE RISK POOL INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT G-7

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash	\$ 369,652	\$ 330,812
Investments	1,038,726	1,566,827
Receivables		
Interest	348	6,865
Other	2,546	17,033
Prepaid items	22,605	27,935
Total assets	<u>1,433,877</u>	<u>1,949,472</u>
LIABILITIES		
Current liabilities		
Due to other funds	275,405	-
Incurred but not reported claim reserve	667,911	632,931
Total liabilities	<u>943,316</u>	<u>632,931</u>
NET ASSETS		
Unrestricted	490,561	1,316,541
Total net assets	<u>\$ 490,561</u>	<u>\$ 1,316,541</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, 2011 AND 2010**

EXHIBIT G-8

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Charges for sales and services	\$ 5,851,893	\$ 5,672,693
Miscellaneous	144,444	90
Total operating revenues	<u>5,996,337</u>	<u>5,672,783</u>
OPERATING EXPENSES		
Health claims administration	560,486	538,408
Benefits and insurance	6,489,227	6,430,551
Total operating expenses	<u>7,049,713</u>	<u>6,968,959</u>
Operating income (loss)	<u>(1,053,376)</u>	<u>(1,296,176)</u>
NONOPERATING REVENUES		
Investment earnings	2,396	13,649
Total nonoperating revenues	<u>2,396</u>	<u>13,649</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>(1,050,980)</u>	<u>(1,282,527)</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS		
Transfers in	225,000	-
Total transfers and capital contributions	<u>225,000</u>	<u>-</u>
CHANGE IN NET ASSETS	(825,980)	(1,282,527)
NET ASSETS, beginning	<u>1,316,541</u>	<u>2,599,068</u>
NET ASSETS, ending	<u>\$ 490,561</u>	<u>\$ 1,316,541</u>

**CITY OF LEWISVILLE, TEXAS
HEALTH INSURANCE RISK POOL INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

EXHIBIT G-9

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from transactions with other funds	\$ 6,133,815	\$ 5,731,780
Cash paid for goods and services	(555,156)	(544,129)
Cash paid for claims	(6,454,247)	(6,565,121)
Cash received for miscellaneous items	144,444	90
	<u>(731,144)</u>	<u>(1,377,380)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in from other funds	<u>225,000</u>	<u>-</u>
	<u>225,000</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(4,085,326)	(4,743,961)
Proceeds from sale and maturities of investments	4,613,425	6,076,658
Interest received	16,885	2,908
	<u>544,984</u>	<u>1,335,605</u>
NET INCREASE (DECREASE) IN CASH	38,840	(41,775)
CASH, beginning of year	<u>330,812</u>	<u>372,587</u>
CASH, end of year	<u><u>\$ 369,652</u></u>	<u><u>\$ 330,812</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	<u>\$ (1,053,376)</u>	<u>\$ (1,296,176)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Change in assets and liabilities		
(Increase) decrease in accounts receivable	6,517	59,087
(Increase) decrease in prepaid expenses	5,330	(5,721)
Increase (decrease) in accounts and claims payable	34,980	(134,570)
Increase (decrease) in due to other funds	275,405	-
	<u>322,232</u>	<u>(81,204)</u>
Total adjustments	<u>322,232</u>	<u>(81,204)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (731,144)</u></u>	<u><u>\$ (1,377,380)</u></u>
NON CASH INVESTING AND FINANCING ACTIVITIES		
Increase (decrease) in fair value of investments	\$ 1,784	\$ (13,778)

**CITY OF LEWISVILLE, TEXAS
 MAINTENANCE AND REPLACEMENT INTERNAL SERVICE FUND
 COMPARATIVE STATEMENTS OF NET ASSETS
 SEPTEMBER 30, 2011 AND 2010**

EXHIBIT G-10

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash	\$ 872,794	\$ 1,210,340
Investments	3,323,909	4,715,539
Receivables		
Accounts	74,325	-
Interest	5,601	10,598
Due from other funds	1,500,000	1,500,000
Inventory of supplies, at cost	102,852	97,099
Prepaid items	1,172,361	4,900
Total current assets	<u>7,051,842</u>	<u>7,538,476</u>
Noncurrent assets		
Capital assets		
Machinery and equipment	4,302,465	3,758,252
Vehicles	17,007,789	17,393,219
Accumulated depreciation	(16,784,140)	(16,127,354)
Capital assets, net of accumulated depreciation	<u>4,526,114</u>	<u>5,024,117</u>
Total assets	<u>11,577,956</u>	<u>12,562,593</u>
LIABILITIES		
Current liabilities		
Accounts payable	2,061	7,500
Accrued liabilities	69,011	74,910
Total liabilities	<u>71,072</u>	<u>82,410</u>
NET ASSETS		
Invested in capital assets	4,526,114	5,024,117
Unrestricted	6,980,770	7,456,066
Net assets	<u>\$ 11,506,884</u>	<u>\$ 12,480,183</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, 2011 AND 2010**

EXHIBIT G-11

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Charges for sales and services	\$ 2,081,417	\$ 1,918,447
Miscellaneous	125	120
Total operating revenues	<u>2,081,542</u>	<u>1,918,567</u>
OPERATING EXPENSES		
Cost of sales and services	920	1,606
Administrative	1,535,637	625,714
Depreciation	1,872,325	1,882,471
Total operating expenses	<u>3,408,882</u>	<u>2,509,791</u>
Operating income (loss)	<u>(1,327,340)</u>	<u>(591,224)</u>
NONOPERATING REVENUES		
Investment earnings	18,666	30,802
Gain on disposal of assets	206,156	79,299
Total nonoperating revenues	<u>224,822</u>	<u>110,101</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>(1,102,518)</u>	<u>(481,123)</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS		
Transfers in	8,218	35,496
Intragovernmental contributions	21,001	-
Other contributions	100,000	-
Total transfers and capital contributions	<u>129,219</u>	<u>35,496</u>
CHANGE IN NET ASSETS	(973,299)	(445,627)
NET ASSETS, beginning	<u>12,480,183</u>	<u>12,925,810</u>
NET ASSETS, ending	<u>\$ 11,506,884</u>	<u>\$ 12,480,183</u>

**CITY OF LEWISVILLE, TEXAS
MAINTENANCE AND REPLACEMENT INTERNAL SERVICE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

EXHIBIT G-12

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from transactions with other funds	\$ 2,007,092	\$ 1,941,145
Cash paid to employees for services	(361,226)	(343,343)
Cash paid for goods and services	(2,359,883)	(304,610)
Cash received for miscellaneous items	125	120
	<u>(713,892)</u>	<u>1,293,312</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in from other funds	8,218	35,496
	<u>8,218</u>	<u>35,496</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,336,843)	(1,349,956)
Proceeds from the sale of equipment	289,678	115,375
	<u>(1,047,165)</u>	<u>(1,234,581)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(4,862,033)	(5,365,188)
Proceeds from sale and maturities of investments	6,253,663	5,344,531
Interest received	23,663	45,163
	<u>1,415,293</u>	<u>24,506</u>
NET INCREASE (DECREASE) IN CASH	(337,546)	118,733
CASH, beginning of year	<u>1,210,340</u>	<u>1,091,607</u>
CASH, end of year	<u>\$ 872,794</u>	<u>\$ 1,210,340</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	<u>\$ (1,327,340)</u>	<u>\$ (591,224)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	1,872,325	1,882,471
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(74,325)	22,698
(Increase) decrease in inventory	(5,753)	(23,773)
(Increase) decrease in prepaid expenses	(1,167,461)	(4,900)
Increase (decrease) in accounts payable	(5,439)	(153)
Increase (decrease) in accrued liabilities	(5,899)	8,193
	<u>613,448</u>	<u>1,884,536</u>
Total adjustments	<u>613,448</u>	<u>1,884,536</u>
Net cash provided by (used in) operating activities	<u>\$ (713,892)</u>	<u>\$ 1,293,312</u>
NON CASH INVESTING AND FINANCING ACTIVITIES		
From contributions of capital assets	\$ 100,000	\$ -
Increase (decrease) in fair value of investments	10,580	(21,331)
From intragovernmental contributions	21,001	-

AGENCY AND TRUST FUNDS

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.



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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, 2011 AND 2010**

EXHIBIT H-1

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 8,382,532	\$ 8,323,954
Receivables		
Interest	64	62
Total assets	<u>\$ 8,382,596</u>	<u>\$ 8,324,016</u>
LIABILITIES		
Due to debt holders	<u>\$ 8,382,596</u>	<u>\$ 8,324,016</u>
Total liabilities	<u>\$ 8,382,596</u>	<u>\$ 8,324,016</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, 2011**

EXHIBIT H-2

	<u>Balance</u> <u>Oct. 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Sept. 30, 2011</u>
ASSETS				
Cash	\$ 8,323,954	\$ 7,669,350	\$ (7,610,772)	\$ 8,382,532
Receivables				
Interest	62	64	(62)	64
Total assets	<u>\$ 8,324,016</u>	<u>\$ 7,669,414</u>	<u>\$ (7,610,834)</u>	<u>\$ 8,382,596</u>
LIABILITIES				
Due to debt holders	\$ 8,324,016	\$ 7,668,564	\$ (7,609,984)	\$ 8,382,596
Total liabilities	<u>\$ 8,324,016</u>	<u>\$ 7,668,564</u>	<u>\$ (7,609,984)</u>	<u>\$ 8,382,596</u>

**CITY OF LEWISVILLE, TEXAS
LEWISVILLE OPEB LIABILITY TRUST FUND
COMPARATIVE STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2011 AND 2010**

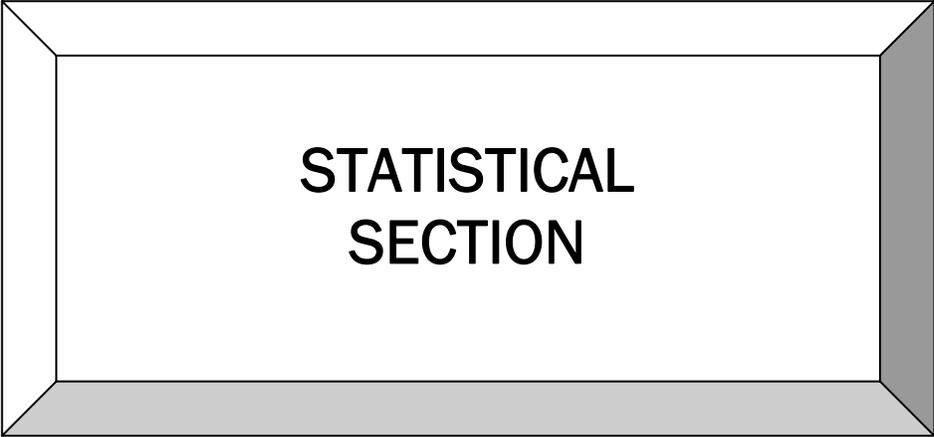
EXHIBIT H-3

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash	\$ 5,709	\$ 49,484
Investments		
Mutual funds - equity	1,647,640	1,540,102
Mutual funds - fixed income	1,089,583	1,050,318
Receivables		
Interest	-	1
Total assets	<u>2,742,932</u>	<u>2,639,905</u>
LIABILITIES		
Accounts payable	<u>4,882</u>	<u>2,925</u>
Total liabilities	<u>4,882</u>	<u>2,925</u>
NET ASSETS		
Held in trust for retiree health benefits	2,738,050	2,636,980
Total net assets	<u>\$ 2,738,050</u>	<u>\$ 2,636,980</u>

**CITY OF LEWISVILLE, TEXAS
LEWISVILLE OPEB LIABILITY TRUST FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS
SEPTEMBER 30, 2011 AND 2010**

EXHIBIT H-4

	<u>2011</u>	<u>2010</u>
ADDITIONS		
Employer contributions	\$ 494,600	\$ 482,500
Investment earnings	64,092	55,851
Unrealized/realized gain/(loss), net	(98,622)	179,144
Total additions	<u>460,070</u>	<u>717,495</u>
DEDUCTIONS		
Benefits	359,000	338,700
Total deductions	<u>359,000</u>	<u>338,700</u>
CHANGE IN NET ASSETS	101,070	378,795
NET ASSETS, beginning	<u>2,636,980</u>	<u>2,258,185</u>
NET ASSETS, ending	<u>\$ 2,738,050</u>	<u>\$ 2,636,980</u>



**STATISTICAL
SECTION**



LEWISVILLE

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STATISTICAL SECTION

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

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
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	\$ 311,014,889	\$ 305,260,721
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	1,324,264	1,016,096
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	48,721,698	47,005,244
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	\$ 361,060,851	\$ 353,282,061
Business-type activities										
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	\$ 172,162,748	\$ 181,476,154
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	2,147,527	1,939,786
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	33,568,393	28,480,396
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	\$ 207,878,668	\$ 211,896,336
Primary government										
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	\$ 483,177,637	\$ 486,736,875
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	3,471,791	2,955,882
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	82,290,091	75,485,640
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	\$ 568,939,519	\$ 565,178,397

Source: Comprehensive Annual Financial Reports

TABLE 2

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
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	\$ 10,760,138	\$ 10,997,464
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	9,299,504	9,585,769
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	37,628,477	38,558,345
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	22,404,173	24,634,802
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	2,753,817	2,603,426
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	82,846,109	86,379,806
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	21,521,566	23,055,596
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	21,521,566	23,055,596
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	104,367,675	109,435,402
Program Revenues										
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	3,306,827	3,348,523
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	1,696,101	1,631,629
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	5,000,197	5,663,379
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	1,656,995	1,947,382
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	2,228,626	2,190,754
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	11,183,861	3,579,450
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	25,072,607	18,363,117
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	26,146,670	28,072,610
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	1,470,699	2,643,208
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	27,617,369	30,715,818
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	52,689,976	49,078,935
Net (Expense)/Revenue										
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)	(57,773,502)	(68,016,689)
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	6,095,803	7,660,222
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)	\$ (51,677,699)	\$ (60,356,467)

TABLE 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets										
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	\$ 28,898,185	\$ 27,774,848
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	18,605,874	18,677,965
Other taxes	94,192	147,819	179,804	201,297	1,043,299	1,074,299	1,119,792	1,095,822	1,046,346	1,038,923
Franchise taxes	4,234,012	4,318,129	4,276,869	4,485,406	4,599,447	4,435,578	4,803,026	4,635,238	5,055,711	5,272,499
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	1,551,355	1,862,191
Penalties and interest	151,149	196,223	202,683	252,204	231,016	209,514	238,428	219,250	186,231	146,689
Investment earnings	2,754,709	1,680,425	699,017	1,518,114	2,350,326	3,614,454	3,287,167	2,051,754	526,984	459,600
Gain (loss) on disposal of assets	64,153	-	43,925	77,563	470	(2,424,552)	9,682	5,560	13,118	3,075
Miscellaneous	274,250	165,850	336,007	589,133	4,558,898	243,839	416,282	291,772	272,693	1,077,579
Transfers	451,192	2,389,605	2,617,820	(286,860)	2,965,612	2,943,135	3,073,842	3,108,655	3,260,894	3,924,530
Total governmental activities	<u>46,105,622</u>	<u>48,012,152</u>	<u>49,242,374</u>	<u>48,774,941</u>	<u>60,499,670</u>	<u>57,146,281</u>	<u>61,647,820</u>	<u>60,229,565</u>	<u>59,417,391</u>	<u>60,237,899</u>
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	211,973	269,639
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	81,358	12,337
Transfers	(451,192)	(2,389,605)	(2,617,820)	286,860	(2,965,612)	(2,943,135)	(3,073,842)	(3,108,655)	(3,260,894)	(3,924,530)
Total business-type activities	<u>1,322,108</u>	<u>(1,319,083)</u>	<u>(1,161,200)</u>	<u>1,563,630</u>	<u>(646,560)</u>	<u>(87,216)</u>	<u>(989,335)</u>	<u>(1,706,996)</u>	<u>(2,967,563)</u>	<u>(3,642,554)</u>
Total primary government	<u>47,427,730</u>	<u>46,693,069</u>	<u>48,081,174</u>	<u>50,338,571</u>	<u>59,853,110</u>	<u>57,059,065</u>	<u>60,658,485</u>	<u>58,522,569</u>	<u>56,449,828</u>	<u>56,595,345</u>
Change in Net Assets										
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	1,643,889	(7,778,790)
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	3,128,240	4,017,668
Total primary government	<u>\$ 23,145,088</u>	<u>\$ 18,934,862</u>	<u>\$ 21,740,862</u>	<u>\$ 46,177,414</u>	<u>\$ 37,720,068</u>	<u>\$ 24,059,725</u>	<u>\$ 51,526,304</u>	<u>\$ 25,072,240</u>	<u>\$ 4,772,129</u>	<u>\$ (3,761,122)</u>

Source: Comprehensive Annual Financial Reports

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Nonspendable	\$ 134,804	\$ 69,878	\$ 132,518	\$ 262,563	\$ 252,581	\$ 271,000	\$ 196,935	\$ 228,411	\$ 201,588	\$ 230,316
Assigned	385,115	157,211	618,052	250,242	209,551	222,778	156,790	121,575	136,854	100,680
Unassigned	12,188,815	15,856,222	17,363,344	19,371,265	26,212,925	26,272,130	31,175,630	31,658,380	26,429,898	28,989,043
Total general fund	\$ 12,708,734	\$ 16,083,311	\$ 18,113,914	\$ 19,884,070	\$ 26,675,057	\$ 26,765,908	\$ 31,529,355	\$ 32,008,366	\$ 26,768,340	\$ 29,320,039
All other governmental funds										
Nonspendable	\$ 6,955	\$ 6,955	10,379	3,764,412	\$ 3,774,672	\$ 3,736,550	\$ 3,489,874	\$ 3,244,870	\$ 3,245,372	\$ 2,758,852
Restricted	31,365,115	21,589,700	28,556,129	21,955,942	19,247,971	30,231,341	35,273,808	31,570,851	26,443,792	22,563,101
Committed	7,210,630	4,959,265	5,194,857	5,406,239	5,672,381	7,578,509	8,365,004	8,589,094	7,687,555	7,705,016
Assigned	9,557,441	6,546,272	5,767,714	4,874,817	7,289,482	11,025,342	12,433,089	7,827,143	14,681,969	10,335,218
Total all other governmental funds	\$ 48,140,141	\$ 33,102,192	\$ 39,529,079	\$ 36,001,410	\$ 35,984,506	\$ 52,571,742	\$ 59,561,775	\$ 51,231,958	\$ 52,058,688	\$ 43,362,187

Source: Comprehensive Annual Financial Reports

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
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	\$ 55,411,805	\$ 54,800,940
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	1,894,107	2,210,218
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	5,522,540	5,543,470
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	1,502,618	1,432,238
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	2,946,204	2,752,316
Investment earnings	2,139,777	1,193,299	538,541	1,154,775	2,350,327	3,614,458	3,287,167	2,051,749	526,987	459,604
Grants										
Culture, parks and recreation	13,256	11,780	9,749	9,741	10,512	10,305	1,061,894	312,057	29,634	24,424
Public safety	221,582	200,270	199,699	559,031	384,964	588,798	220,857	238,649	1,247,926	538,837
Public services	889,755	1,200,842	1,029,873	1,557,993	730,845	1,256,152	708,082	686,616	1,038,782	934,516
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	4,018,465	1,922,304
Miscellaneous	560,513	448,786	601,293	1,084,302	4,961,341	761,399	975,687	1,026,729	1,080,387	2,109,044
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	75,219,455	72,727,911
Expenditures										
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	9,115,750	9,404,791
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	6,207,016	6,300,265
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	35,016,553	35,209,021
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	9,492,466	9,591,553
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	14,505,465	14,330,533
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	5,695,000	6,590,000
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	2,849,017	2,604,989
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	82,881,267	84,031,152
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)	(7,661,812)	(11,303,241)
Other financing sources (uses)										
Transfers in	15,484,416	6,041,322	6,523,247	6,192,216	7,780,970	16,364,425	12,103,060	7,478,048	13,622,782	8,015,843
Transfers out	(15,033,224)	(3,145,717)	(3,801,884)	(3,210,986)	(4,815,817)	(10,308,842)	(7,652,635)	(4,369,393)	(10,397,384)	(4,099,531)
Proceeds from refunding bonds	-	-	-	9,655,000	-	5,070,000	8,715,000	5,430,000	2,565,000	1,605,000
Proceeds from general obligation bonds	7,670,000	14,206,096	6,860,000	4,790,000	6,805,000	13,655,000	-	-	(2,555,000)	(1,610,846)
Proceeds from certificates of obligation	-	-	2,475,000	-	-	-	-	-	-	-
Payments to refunding bond escrow agent	-	(12,108,060)	-	(10,201,721)	-	(5,398,353)	-	-	-	-
Premium (discount) on issuance of general obligation bonds	-	-	27,941	762,754	-	658,892	(5,372)	(9,037)	-	24,898
Proceeds from sale of assets	-	-	-	-	755,354	14,890	9,682	5,560	13,118	3,075
Contributions from other sources	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	8,121,192	4,993,641	12,084,304	7,987,263	10,525,507	20,056,012	13,169,735	8,535,178	3,248,516	5,158,439
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)	\$ (4,413,296)	\$ (6,144,802)
Debt service as a percentage of noncapital expenditures	12.2%	12.4%	17.5%	11.8%	16.0%	12.3%	11.7%	11.9%	12.1%	12.5%

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

Source: Comprehensive Annual Financial Reports

TABLE 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					
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	839,703,836	164,430,210	107,112,885	6,526,177,294	0.44021
2010	6,375,044,714	1,255,326,502	1,007,324,631	178,908,241	79,708,452	6,364,429,892	0.44021
2011	6,149,759,302	1,187,121,672	988,851,847	190,869,769	78,909,810	6,078,249,548	0.44021

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		
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
2010	0.32156	0.11865	0.44021	1.4087	0.24980		2.0987
2011	0.32289	0.11732	0.44021	1.4267	0.27390		2.1408

Source: City of Lewisville, Denton County Tax Assessor

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

TABLE 7

	2011			2002		
	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	\$ 74,620,701	1.23%	Verizon Southwest	\$ 69,555,167	1.52%
	GTE Southwest Inc dba Verizon	52,938,380	0.87%	Teachers Insurance Annuity Association	56,854,233	1.25%
	TIC Lago Vista LP etal	46,755,286	0.77%	Vista Ridge Joint Venture	47,721,048	1.05%
	Columbia Medical Center Lewisville	41,841,120	0.69%	Arcanum Chapel Hill Ltd	40,264,022	0.88%
	SYSCO Food Services of Dallas LP	40,281,918	0.66%	Vista Ridge OP&F Inc	38,006,615	0.83%
	Teachers Insurance Annuity Association	38,391,475	0.63%	Texas New Mexico Power Company	37,922,960	0.83%
	Bella Madera Apartments LLC	37,353,027	0.61%	Southwest Prop LP P/S	37,471,486	0.82%
	BREOF Convergence LP	36,831,645	0.61%	Ballantyne Partners LTD	24,000,073	0.53%
	GRE Vista Ridge LP	32,927,000	0.54%	RJW Interests III LP	23,893,547	0.52%
	DFW Lewisville Partners Group	30,863,750	0.51%	Amlt at Oak Bend LP P/S	23,716,536	0.52%
	TOTAL	\$ 432,804,302	7.12%	TOTAL	\$ 399,405,687	8.75%

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
2002	20,766,871	\$ 64,107	20,830,978	20,493,339	98.68%	287,515	20,780,854	99.76%
2003	21,752,602	63,794	21,816,396	21,476,523	98.73%	282,056	21,758,579	99.73%
2004	22,831,246	58,562	22,889,808	22,541,885	98.73%	276,399	22,818,284	99.69%
2005	23,542,373	43,013	23,585,386	23,292,813	98.94%	233,718	23,526,531	99.75%
2006	25,246,156	(25,570)	25,220,586	24,949,844	98.83%	218,912	25,168,756	99.79%
2007	26,677,093	16,800	26,693,893	26,470,497	99.23%	172,207	26,642,704	99.81%
2008	28,264,833	(41,248)	28,223,585	28,029,846	99.17%	146,102	28,175,948	99.83%
2009	29,966,864	(101,291)	29,865,573	29,762,422	99.32%	31,515	29,793,937	99.76%
2010	29,389,678	(111,739)	29,277,939	29,115,450	99.07%	21,619	29,137,069	99.52%
2011	28,228,960	-	28,228,960	28,084,210	99.49%	-	28,084,210	99.49%

Source: Denton County Appraisal District and Denton County Tax Office

TABLE 9

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

	Calendar Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Construction	\$ 302,851,926	\$ 269,407,092	\$ 271,345,345	\$ 325,521,361	\$ 428,975,430	\$ 389,267,507	\$ 426,073,490	\$ 315,604,945	\$ 508,276,308
Manufacturing	639,700,970	577,502,805	651,749,063	891,564,228	829,222,026	891,125,270	751,857,471	753,995,737	761,594,169
Transportation, Warehousing	231,302,301	495,269,595	355,601,064	22,331,869	25,941,784	650,786,731	710,880,556	691,150,901	747,819,849
Wholesale Trade	318,982,975	334,301,142	374,468,902	492,483,851	546,277,231	623,518,433	745,420,584	801,433,783	998,636,961
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	1,878,956,373	1,931,419,742
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	57,425,359	70,840,042
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	19,078,930	22,216,520
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	211,806,495	275,395,584
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	166,933,359	166,911,144
Educational Services	2,731,051	1,221,464	1,300,212	3,510,020	7,222,172	6,159,101	5,983,619	7,033,934	6,969,123
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	5,141,407	8,672,569
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	25,715,214	26,861,732
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	209,744,109	215,936,485
Other Services	73,644,530	76,483,948	76,126,157	81,208,086	91,832,953	100,185,148	93,452,124	126,406,332	130,789,356
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	51,936,646	55,951,821
Total	\$ 3,952,448,896	\$ 4,158,640,298	\$ 4,563,949,516	\$ 4,730,096,336	\$ 4,766,863,322	\$ 5,473,799,017	\$ 5,422,970,158	\$ 5,322,363,524	\$ 5,928,291,405
City direct sales tax rate	1.25%	1.25%	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		
2002	1.00%	-	-	1.00%
2003	1.00%	0.25%	-	1.25%
2004	1.00%	0.25%	0.50%	1.75%
2005	1.00%	0.25%	0.50%	1.75%
2006	1.00%	0.25%	0.50%	1.75%
2007	1.00%	0.25%	0.50%	1.75%
2008	1.00%	0.25%	0.50%	1.75%
2009	1.00%	0.25%	0.50%	1.75%
2010	1.00%	0.25%	0.50%	1.75%
2011	1.00%	0.25%	0.50%	1.75%

Source: Texas Comptroller of Public Accounts

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

Calendar year 2011						Calendar Year 2002					
Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total		
OTHER	865	9.61%	\$ 2,410,464	9.89%	OTHER	761	10.99%	\$ 1,570,096	9.65%		
Discount Department Stores	9	0.10%	1,782,920	7.31%	Department Stores (except Discount Department Stores)	8	0.12%	1,021,462	6.28%		
Full-Service Restaurants	155	1.72%	1,367,762	5.61%	Home Centers	5	0.07%	724,819	4.45%		
Department Stores (except Discount Department Stores)	20	0.22%	1,257,803	5.16%	Hydroelectric Power Generation	4	0.06%	686,749	4.22%		
Electric Power Distribution	41	0.46%	834,325	3.42%	Full-Service Restaurants	77	1.11%	672,012	4.13%		
Limited-Service Restaurants	101	1.12%	812,631	3.33%	Department Stores	6	0.09%	581,430	3.57%		
Home Centers	5	0.06%	682,460	2.80%	Household Appliance Stores	34	0.49%	489,988	3.01%		
Wireless Telecommunications carriers (except satellite)	67	0.74%	638,854	2.62%	Miscellaneous Retail Stores, Not Elsewhere Class	461	6.66%	445,611	2.74%		
Radio, Television, and Other Electronics Stores	38	0.42%	589,514	2.42%	Eating Places	136	1.96%	393,963	2.42%		
Electronic Parts and Equipment, Not Elsewhere	8	0.09%	439,664	1.80%	Corporate, Subsidiary, and Regional Managing O	4	0.06%	374,462	2.30%		
Total	1,309	14.54%	\$ 10,816,397	44.36%	Total	1,496	21.61%	\$ 6,960,590	42.78%		

Notes: The Comptroller's Office is prohibited from releasing information as to the amounts of sales or use tax paid by a particular taxpayer in the State of Texas. Therefore, the categories presented above are intended to provide alternative information regarding the sources of the City's sales tax revenue. The OTHER category above represents those NAICS 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

TABLE 12

CITY OF LEWISVILLE, TEXAS
 COMBINED SCHEDULE OF BONDS
 September 30, 2011
 (Unaudited)

Issue	Interest		Date		Annual Serial Payments		Bonds		Requirements Fiscal Year Ended		Option Date
	Rates	Payment Dates	Issued	Maturity	Payments	Issued	Retired/Defeased	Outstanding	Principal	Interest	
General Obligation Bonds-											
Series 2002 Refunding	4.00 - 4.00	02/15 & 08/15	12/15/02	02/15/2012	275,000 -	420,000	11,335,000	11,060,000	275,000	5,500	NC
Series 2003	3.75 - 4.25	02/15 & 08/15	05/01/03	02/15/2019	155,000 -	200,000	2,440,000	1,030,000	1,410,000	53,225	02/15/13
Series 2004	4.00 - 5.25	02/15 & 08/15	06/01/04	02/15/2020	415,000 -	595,000	6,860,000	2,405,000	4,455,000	195,006	02/15/14
Series 2005 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	04/15/05	02/15/2021	365,000 -	1,645,000	14,445,000	5,510,000	8,935,000	391,603	02/15/15
Series 2006	4.00 - 5.00	02/15 & 08/15	05/15/06	02/15/2022	385,000 -	595,000	6,805,000	1,535,000	5,270,000	227,986	02/15/16
Series 2007 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	05/15/07	02/15/2023	720,000 -	2,235,000	18,725,000	2,500,000	16,225,000	742,750	02/15/17
Series 2008	3.50 - 4.38	02/15 & 08/15	05/15/08	02/15/2024	300,000 -	830,000	8,715,000	725,000	7,990,000	323,556	02/15/18
Series 2009	2.00 - 4.25	02/15 & 08/15	06/01/09	02/15/2025	255,000 -	405,000	5,430,000	960,000	4,470,000	158,125	02/15/19
Series 2010 Refunding	2.67 - 2.67	02/15 & 08/15	03/01/10	02/15/2019	600,000 -	1,770,000	9,600,000	2,000,000	7,600,000	179,958	CC
Series 2011 Refunding	0.35 - 2.00	02/15 & 08/15	04/01/11	02/15/2014	525,000 -	545,000	1,605,000	-	1,605,000	22,519	NC
Total General Obligation Bonds							85,960,000	27,725,000	58,235,000	6,325,000	2,300,228
Revenue Bonds-											
Series 2002 Refunding	4.45 - 4.55	02/15 & 08/15	02/15/02	02/15/2013	170,000 -	185,000	11,810,000	11,455,000	355,000	12,200	NC
Series 2003	3.75 - 4.25	02/15 & 08/15	05/01/03	02/15/2019	285,000 -	380,000	4,600,000	1,965,000	2,635,000	99,569	02/15/13
Series 2003-A Refunding	4.00 - 4.00	02/15 & 08/15	08/15/03	02/15/2012	375,000 -	375,000	4,870,000	4,495,000	375,000	7,500	NC
Series 2005 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	04/15/05	02/15/2021	290,000 -	1,345,000	11,475,000	4,225,000	7,250,000	313,263	02/15/15
Series 2006	4.00 - 4.63	02/15 & 08/15	05/15/06	02/15/2022	220,000 -	340,000	4,000,000	980,000	3,020,000	126,522	02/15/16
Series 2008	3.50 - 4.25	02/15 & 08/15	05/15/08	02/15/2024	480,000 -	775,000	10,300,000	2,330,000	7,970,000	313,644	02/15/18
Series 2009	2.00 - 4.30	02/15 & 08/15	06/01/09	02/15/2025	615,000 -	975,000	11,900,000	1,190,000	10,710,000	381,316	02/15/19
Series 2011 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	04/01/11	02/15/2027	565,000 -	1,220,000	13,465,000	-	13,465,000	505,075	02/15/21
Total Revenue Bonds							72,420,000	26,640,000	45,780,000	4,430,000	1,759,089
Total Bonds Payable							\$ 158,380,000	\$ 54,365,000	\$ 104,015,000	\$ 10,755,000	\$ 4,059,317

NC = Non-Callable
 CC = Currently Callable

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					
2002	48,299,780	-	3,390,000	61,155,000			112,844,780	6.32%	1,385
2003	46,574,780	-	3,390,000	60,455,000			110,419,780	5.50%	1,317
2004	49,216,146	2,475,000	-	54,340,000			106,031,146	5.33%	1,234
2005	49,213,197	2,475,000	-	51,635,000			103,323,197	4.94%	1,169
2006	51,330,000	-	-	49,300,000			100,630,000	4.13%	1,129
2007	59,515,000	-	-	42,510,000			102,025,000	3.79%	1,114
2008	63,235,000	-	-	46,190,000			109,425,000	4.38%	1,179
2009	63,460,000	-	-	53,115,000			116,575,000	4.59%	1,239
2010	64,810,000	-	-	40,740,000			105,550,000	3.75%	1,108
2011	58,235,000	-	-	45,780,000			104,015,000	3.70%	1,090

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)

General Bonded Debt Outstanding									
Fiscal Year	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**	
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%	652	
2010	64,810,000	-	-	64,810,000	1,575,726	63,234,274	0.99%	664	
2011	58,235,000	-	-	58,235,000	1,270,236	56,964,764	0.94%	597	

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, 2011
 (Unaudited)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Lewisville Independent School District	\$ 1,014,778,488	27.89%	\$ 283,021,720
Coppell Independent School District	152,355,822	0.73%	1,112,198
Denton County	477,705,000	11.63%	55,557,092
Dallas County	143,932,642	0.03%	43,180
Dallas County Community College District	396,140,000	0.03%	118,842
Dallas County Hospital District	705,000,000	0.03%	211,500
Denton County Levee Improvement District #1	8,333,169	69.22%	5,768,220
Denton County RUD #1	8,590,000	84.43%	7,252,537
Subtotal, overlapping debt			353,085,288
City of Lewisville (direct debt)	58,235,000	100.00%	58,235,000
Total direct and overlapping debt			\$ 411,320,288

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		Maximum P & I Requirement	Times Coverage
				Average Annual Requirement	Times Coverage		
2002	24,337,623	10,640,851	13,696,772	4,712,362	2.907	8,807,526	1.555
2003	24,122,765	11,205,166	12,917,599	4,849,160	2.664	9,168,901	1.409
2004	23,973,197	11,605,378	12,367,819	4,583,375	2.698	9,168,901	1.349
2005	25,215,347	12,002,786	13,212,561	4,041,010	3.270	8,520,251	1.551
2006	30,306,218	13,484,511	16,821,707	3,855,683	4.363	8,855,999	1.899
2007	28,553,142	13,205,679	15,347,463	3,522,329	4.357	7,424,561	2.067
2008	29,198,493	13,715,038	15,483,455	3,629,359	4.266	6,919,927	2.238
2009	27,978,220	14,157,311	13,820,909	4,191,171	3.298	7,498,648	1.843
2010	27,321,265	14,294,307	13,026,958	3,408,059	3.822	5,512,848	2.363
2011	29,627,081	16,082,970	13,544,111	3,584,741	3.778	6,189,089	2.188

Source: Comprehensive Annual Financial Reports and Fiscal Year Operating Budgets

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

TABLE 17

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	94,070	2,542,430	27,027	31.4	15,780	6.7%
2010	95,290	2,811,055	29,500	32.5	15,678	6.4%
2011	95,390	2,814,005	29,500	32.5	16,084	6.7%

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 2009 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 2009 amount.

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

TABLE 18

	2011		2002		
	Employer	Employees	Employer	Employees	
				Percentage of Total City Employment	
JP Morgan Chase	2,817	4.92%	Lewisville Independent School District	1,803	3.72%
Lewisville Independent School District (Lewisville employment only)	2,061	3.60%	(Lewisville employment only)	1,100	2.27%
Vista Ridge Mall (all outlets)	1,980	3.46%	Xerox	1,085	2.24%
Nationstar Mortgage	1,400	2.45%	Horizon Health Corp	750	1.55%
Wal-Mart (all City locations)	873	1.53%	SYSCO Foods	710	1.46%
Lewisville Medical Center	803	1.40%	Ultrak	700	1.44%
American Building Control Inc	710	1.24%	Fleming Companies, Inc	650	1.34%
City of Lewisville	680	1.20%	Lewisville Medical Center	633	1.31%
Hoya Optical	560	0.98%	City of Lewisville	450	0.93%
SYSCO Foods	535	0.93%	Four Seasons	380	0.78%
			School of Tomorrow		
Total	12,419	21.71%	Total	8,261	17.04%

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

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

TABLE 19

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government and Administration and Legal	56.0	56.0	55.0	59.0	58.3	57.0	58.0	58.9	56.0	56.0
Public Safety	321.0	320.0	324.0	325.0	338.0	341.0	350.0	349.0	349.0	348.0
Public Services	126.0	125.0	123.0	123.0	124.0	123.0	124.0	126.0	126.0	123.0
Community Development	61.0	61.0	61.0	63.0	65.7	70.0	72.0	75.1	78.0	75.0
Parks and Leisure	69.0	68.0	68.0	67.0	71.0	71.0	72.0	72.0	79.0	78.0
Total	633.0	630.0	631.0	637.0	657.0	662.0	676.0	681.0	688.0	680.0

Source: City Budget Office

TABLE 20

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Public Records										
Number of telephone information requests	5,931	7,354	8,743	11,747	17,879	12,953	12,074	13,868	13,138	12,169
Birth and death certificates issued	5,889	5,005	5,490	6,398	6,141	6,896	6,455	6,336	4,691	3,540
Culture, parks & recreation										
Parks and Leisure										
Number registered for recreation programs	4,484	3,915	3,912	2,723	2,749	3,752	4,412	4,336	5,277	7,459
Public swim admissions	22,923	22,772	21,292	55,329	63,915	59,422	51,322	48,028	43,888	42,021
Library visits	336,840	311,403	297,676	295,255	291,141	398,160	398,568	383,836	451,015	424,079
Library volumes circulated	574,541	527,803	495,406	463,666	447,449	719,620	766,182	815,191	774,629	692,066
Lake Park day use area attendance	131,523	110,574	110,572	171,007	160,113	119,781	193,690	191,721	131,667	127,382
Public safety										
Police										
Calls for service	58,666	59,177	62,597	63,570	63,813	61,949	66,358	74,658	66,751	61,514
Part 1 crimes	4,320	4,420	4,478	4,305	3,610	3,238	3,577	4,039	4,038	3,448
Number of accidents	3,000	2,904	2,870	2,838	2,863	2,695	2,482	2,458	2,409	2,318
Fire										
Number of fire incidents	2,816	2,904	2,910	2,909	3,258	3,098	3,007	3,246	3,107	3,395
Number of EMS incidents	4,866	4,874	4,674	5,153	5,373	5,557	5,771	6,088	6,069	6,529
Public services										
Public Services										
Concrete paving repair (cubic yards)	1,107	1,285	1,475	1,279	1,225	1,211	1,187	966	830	716
Concrete utility cut repair (cubic yards)	418	336	319	420	709	457	415	393	221	306
Asphalt pothole repair (tons)	201	205	426	81	83	100	54	38	78	39
Community Development										
Building permits issued	833	1,081	922	844	948	766	698	552	509	439
Municipal Water System										
Number of customers (meters)	19,783	19,486	19,630	19,955	20,560	20,781	21,233	21,987	21,912	21,342
Average daily water consumption (MGD)	12.53	13.03	12.43	13.86	16.04	13.35	14.71	14.75	14.44	16.84
System capacity (MGD)	27	32	32	38	38	38	38	38.4	38.4	38.4
Number of water main breaks	98	94	73	93	212	106	120	113	75	96
Sewer System										
System treatment capacity (MGD)	12	12	12	12	15	15	15	15	15	15
Sanitation (residential)										
Residential refuse collected (tons)	32,525	35,941	31,846	27,523	27,691	28,765	27,528	27,732	27,179	25,302
Commercial refuse collected (tons)	133,517	115,661	120,535	112,205	104,929	108,242	107,798	106,084	109,773	104,528

Source: City Departments

Notes:

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

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

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

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

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

TABLE 21

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Culture, parks & recreation										
Parks and Leisure										
Number of Parks	27	30	32	32	32	32	32	33	33	33
Parks (acres)	950	961	1,240	1,240	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 Athletic Fields	23	23	23	23	23	23	23	37	37	37
Lighted Tennis Courts	4	4	4	4	4	4	4	4	4	4
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Senior Citizens Center	1	1	1	1	1	1	1	1	1	1
Public safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	N/A	N/A	N/A	N/A	85	95	94	96	94	95
Fire Stations	6	6	6	6	6	6	6	7	7	7
Public services										
Public Services										
Streets - Paved (miles)	547	538	538	565	573	573	571	571	573	573
Alleys - Paved (miles)	76	78	80	83	85	85	85	85	85	85
Number of Street Lights	N/A	2,600	2,600	2,600	2,600	2,600	2,600	2,773	2,983	2,911
Water and Sewer										
Water Mains (miles)	N/A	N/A	N/A	N/A	385	387	390	393	397	381
Fire Hydrants	N/A	N/A	N/A	N/A	2,295	2,376	3,096	3,188	3,261	3,110
Sanitary Sewer (miles)	N/A	N/A	N/A	N/A	305	307	310	312	315	318

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.