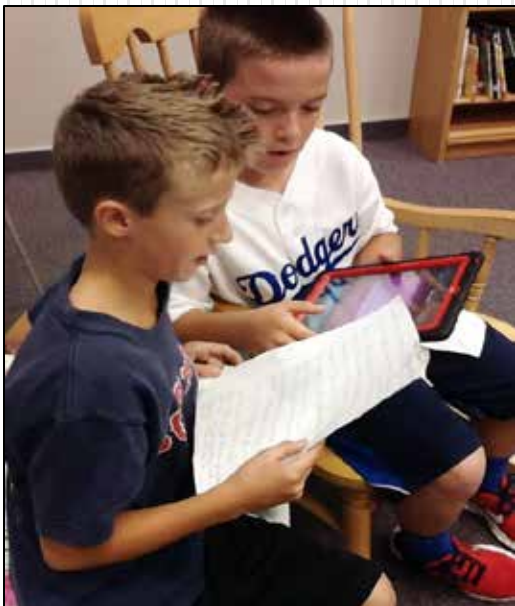




# Lewisville Independent School District



Comprehensive Annual  
Financial Report  
For the Year Ended  
August 31, 2013





**REAL INNOVATION**  
**LIMITLESS OPPORTUNITY**  
LEWISVILLE INDEPENDENT SCHOOL DISTRICT



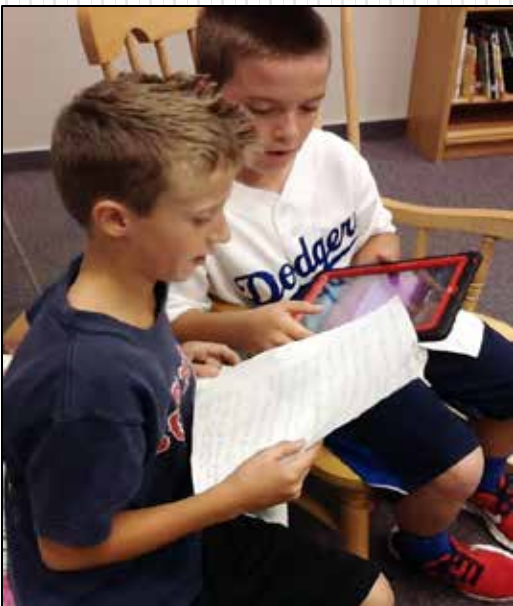
# Lewisville Independent School District



Prepared by **Division of Finance**

Dr. Quentin Burnett  
Chief Financial Officer

Becky Buck, CPA  
Executive Director of Accounting





**REAL INNOVATION**  
**LIMITLESS OPPORTUNITY**  
LEWISVILLE INDEPENDENT SCHOOL DISTRICT

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED AUGUST 31, 2013**

**TABLE OF CONTENTS**

	<u>PAGE</u>	<u>EXHIBIT</u>
<b>INTRODUCTORY SECTION</b>		
Transmittal Letter .....	i	
Principal Officials and Advisors.....	vi	
Organizational Chart.....	vii	
GFOA Certificate of Achievement .....	viii	
ASBO Certificate of Excellence .....	ix	
Certificate of the Board .....	x	
<b>FINANCIAL SECTION</b>		
Independent Auditor’s Report .....	1	
Management’s Discussion and Analysis .....	5	
<b>Basic Financial Statements:</b>		
Government-wide Financial Statements:		
Statement of Net Position .....	15	A-1
Statement of Activities .....	16	B-1
Governmental Fund Financial Statements:		
Balance Sheet – Governmental Funds .....	18	C-1
Reconciliation of Governmental Funds Balance Sheet to the		
Statement of Net Position .....	20	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balance –		
Governmental Funds.....	22	C-2
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of		
Governmental Funds to the Statement of Activities .....	24	C-3
Statement of Revenues, Expenditures, and Changes in Fund Balance –		
Budget (GAAP Basis) and Actual – General Fund.....	26	C-4
Statement of Net Position – Proprietary Fund .....	27	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund ...	28	D-2
Statement of Cash Flows – Proprietary Fund .....	29	D-3
Statement of Fiduciary Assets and Liabilities – Fiduciary Fund .....	30	E-1
Notes to the Basic Financial Statements.....	31	F-1
<b>Other Supplementary Information:</b>		
Combining and Individual Fund Financial Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds .....	54	G-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance		
– Nonmajor Governmental Funds.....	56	G-2
Supplemental Schedules:		
Schedule of Delinquent Taxes Receivable .....	60	H-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance –		
Budget (GAAP Basis) and Actual – Food Service Fund .....	62	H-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance –		
Budget (GAAP Basis) and Actual – Debt Service Fund.....	63	H-3
Statement of Changes in Fiduciary Assets and Liabilities – Fiduciary Fund .....	64	H-4

Schedule of Expenditures for Computation of Indirect Cost for 2014-2015 – General and Special Revenue Funds.....	65	H-5
---	----	-----

**STATISTICAL SECTION (Unaudited)**

**TABLE**

Government-wide Information:

Government-wide Changes in Net Position – Last Ten Fiscal Years .....	68	1
Government-wide Net Position by Component – Last Ten Fiscal Years .....	70	2

Fund Information:

All Governmental Funds – Changes in Fund Balances – Last Ten Fiscal Years.....	72	3
All Governmental Funds – Fund Balances – Last Ten Fiscal Years .....	74	4
Property Tax Levies and Collections – Last Ten Fiscal Years .....	76	5
Schedule of Tax Rate Distribution Per \$100 Valuation – Last Ten Fiscal Years .....	77	6
Assessed and Actual Value of Taxable Property – Last Ten Fiscal Years .....	78	7
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years.....	80	8
Principal Property Taxpayers – Current Year and Nine Years Ago .....	82	9
Computation of Direct and Overlapping Debt.....	83	10
Ratio of Net Bonded Debt to Taxable Assessed Valuation and Net Bonded Debt Per Capita – Last Ten Fiscal Years .....	84	11
Legal Debt Margin Information – Last Ten Fiscal Years .....	86	12
Ratio of Annual Debt Service Expenditures For General Bonded Debt To Total Expenditures – Last Ten Fiscal Years .....	88	13
Per Student Calculations (General Fund Only) Based on Revenues And Expenditures – Last Three Fiscal Years.....	89	14
Demographic Data and Economic Statistics Last Ten Fiscal Years .....	90	15
Principal Employers – Current Year and Nine Years Ago .....	92	16
Expenditures, Average Daily Attendance, and Per Pupil Costs – Last Ten Fiscal Years .....	93	17
Full-time Equivalent District Employees by Function – Last Ten Fiscal Years.....	94	18
Teacher Salary and Education – Last Ten Fiscal Years.....	96	19
School Building Information – Last Ten Fiscal Years .....	98	20

**FEDERAL AWARDS SECTION**

Auditor Documents:

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	109
Independent Auditor’s Report on Compliance for each Major Program and on Internal Control over Compliance Required by <i>OMB Circular A-133</i> .....	111

Auditor Documents:

Schedule of Findings and Questioned Costs.....	113
--	-----

Auditee Documents:

Schedule of Expenditures of Federal Awards.....	115
Notes to Schedule of Expenditures of Federal Awards .....	117

**INTRODUCTORY  
SECTION**



**REAL INNOVATION**  
**LIMITLESS OPPORTUNITY**  
LEWISVILLE INDEPENDENT SCHOOL DISTRICT



December 9, 2013

To the Board of Trustees and the Citizens of the Lewisville Independent School District:

The Texas Education Code requires that all school districts file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with the generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report of the Lewisville Independent School District (the District) for the fiscal year ended August 31, 2013.

This report consists of managements' representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements of the District have been audited by Whitley Penn L.L.P., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2013, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the year ended August 31, 2013 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports may be found in the Federal Awards section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE DISTRICT**

Lewisville ISD is an independent public educational agency operating under applicable laws and regulations of the State of Texas providing a full range of educational services appropriate to grade levels ranging from pre-kindergarten through grade twelve. LISD is located north of the Dallas/Fort Worth Metroplex. LISD encompasses 127 square miles and is made up of all, or part of, thirteen different communities: Lewisville, Flower Mound, The Colony, Highland Village, Double Oak, Copper Canyon, north Carrollton, western Plano, and portions of Frisco, Hebron, Coppell, Grapevine, and Argyle. The District is comprised of five high schools, one 9<sup>th</sup> grade campus, two 9<sup>th</sup>-10<sup>th</sup> grade campuses, two career centers, one learning center, fifteen intermediate schools, forty elementary schools and one early childhood center. The ages of the school buildings range from one to fifty-six years.

Serving more than 52,000 students, our District has experienced a period of rapid growth adding over 22,000 students in an eleven year period and will continue to grow. While the District continues to grow, the rate of growth has slowed to approximately 300-500 students per year.

The seven members of the Board of Trustees (Board) serve, without compensation, a three-year term in office. On a rotating basis, two or three places are filled during annual elections held the first Saturday in May. Vacancies may be filled by appointment until the next election. The Board has final control over local school matters limited only by the state legislature, by the courts, and by the will of the people as expressed in school Board elections. Board decisions are based on a majority vote of those present. In general, the Board adopts policies, sets direction for curriculum, employs the Superintendent, and oversees the operations of the District and its schools. Besides general Board business, Trustees are charged with numerous statutory regulations including calling trustee and other school elections and canvassing the results, organizing the Board, and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget.

## **EDUCATION**

The District is a public school system whose mission recognizes that “Students, staff and community design and implement a learning organization that provides engaging, innovative experiences every day”. Recognizing that the quality of life, both today and in the future, depends upon the quality of education provided by the public schools, the Lewisville Independent School District is dedicated to education and committed to meeting the needs of every individual. The District believes:

- Every student is uniquely capable and deserves to be challenged each day.
- Uninhibited learning depends on a safe, nurturing, inclusive and flexible environment.
- An educated citizenry is essential for equal opportunity and a prosperous society.
- Meaningful and relevant work engages students in profound learning.
- Critical thinking and problem solving today are necessary for students to be equipped for future challenges.
- Genuine transformation requires disruptive innovation.
- Education is the shared responsibility of the community.

The District has set the following goals:

- Provide all learners with safe, nurturing, inclusive and flexible learning environments.
- Engage learners through the use of technological tools to access, create and share content as well as collaborate with other learners throughout the world.
- Reframe state readiness standards in a way that leads to profound learning and has meaning and value for students.
- Create flexible systems that result in a learning organization supported by innovation and engaged staff.
- Continuously involve our diverse community, staff and students to use their strengths, resources and talents to provide engaging, innovative experiences for all learners.
- Develop and implement meaningful, varied assessments that inform and inspire students and educators for continuous improvement and growth in a way that transforms learning and teaching.
- Design an accountability system that transcends state/national mandates and reflects local values and expectations.

The District prides itself on its long-standing tradition of educational excellence. The Texas Education Agency rates public schools as either met standard, improvement required, or not rated. To receive a Met Standard rating, campuses and districts must meet or exceed the target score on all indexes for which they have performance data in 2013. Lewisville Independent School District has met standards in all areas—student achievement, student progress, closing performance gaps and postsecondary readiness.

## FINANCIAL POLICIES

*Internal Controls.* The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of “reasonable assurance” recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management. Management believes the internal controls adequately meet the above objectives.

*Budgetary Controls.* In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Trustees. Every school district in Texas is required, by law, to prepare and file a budget with the Texas Education Agency. Activities of the General Fund, Food Service Fund, and Debt Service Fund are included in the District’s formally adopted budget. Budgets for Special Revenue funds (other than the Food Service Fund) and Capital Projects Fund are prepared on a project basis, based on grant regulations or applicable bond ordinances. Budgetary control (the level at which expenditures cannot legally exceed appropriations) is maintained at the functional category level within each fund. These functional categories are defined by the Texas Education Agency and identify the purpose of transactions. Oversight control of all expenditures is maintained at this level by the Budget staff.

The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Outstanding encumbrances at the end of a fiscal year are rolled forward into the subsequent fiscal period with the budget amended accordingly. As demonstrated by the statements and schedules included in the financial section of this report, the District continues meeting its responsibility for sound financial management.

## MAJOR INITIATIVES

*Capital Projects.* In May 2008, voters approved a \$697.7 million bond package designed to finance facility needs through 2015. In the fiscal year ending August 31, 2013, the District issued \$112,275,000 in Unlimited Tax School Building Bonds. The new proceeds were issued for construction and renovation of school buildings and equipment. Unlimited Tax Refunding Bonds were issued in the amount of \$68,060,000 to refund certain outstanding debt of the District for debt service savings. The refunding decreased the aggregate debt service payments by \$6,022,623 through 2027 resulting in an economic gain of \$5,423,623.

The District continues to retire existing debt at a steady pace, but continued enrollment growth requires issuance of new debt. District personnel continually work with the community to review the facility needs of the District and to provide for those needs through additional debt issuance, as necessary, while minimizing the financial impact on the taxpayer.

*Relevant Financial Policy.* The Board recognizes the importance of maintaining sufficient fund balance to sustain the District through uncertain economic times. Acknowledging that the District’s financial position is impacted greatly by the legislature’s actions and the level of the state’s available resources, the Board has been proactive in building the District’s fund balances over time. The following policy is designed to assure a strong financial position in the event of reductions in enrollment, tax revenues or other funding:

- General Fund – The Board has resolved that the District shall not drop below a minimum of \$45,000,000 committed fund balance.
- Debt Service Fund – The District strives to maintain a Debt Service Fund balance of 10% of Debt Service Fund expenditures.
- Food Service Fund – The fund balance for Food Service should not exceed three months of average Food Service operations expenditures.

Fund balance has reached \$141.3 million in the General Fund, which will allow the District to weather the current financial storm and continue to accomplish the goals.

*Long-term Financial Planning.* The District has grown the fund balance to ensure that the needed resources are available to provide for the expected growth and unexpected situations. Projections assumed in budgeting for the subsequent fiscal year include:

- Maintenance and Operations tax rate will remain at \$1.04 per \$100 valuation through 2013-14.
- LISD will not be subject to Chapter 41 recapture.
- State funding will increase \$3.3 million in fiscal year 2013-14 as a result of the 83<sup>rd</sup> Legislative Session.
- Average Daily Attendance for budgeting purposes for 2013-14 is projected at 50,163, an increase of .02%.

Plans to facilitate this growth include new schools, additions to existing schools, improved technology focusing on greater efficiency and reduced paperwork, and continued reliance on grant funds to supplement regular funding and to expand programs needed for greater academic achievement.

## **ECONOMIC CONDITION AND OUTLOOK**

Lewisville ISD's local economy has experienced a slight downturn but remains strong. The diversity of the businesses located here and the range of housing available combined with the transportation grid and proximity to Dallas-Fort Worth and Alliance airports provide a degree of protection from the economic cycles that is not available to most school districts.

The District's largest taxpayer is only 0.41% of the taxable value of the District. This lack of dependence on a single employer or business segment means that the loss of even a large business will not negatively impact the education of children or imperil the future payment of obligations.

The District has elected to provide the "Freeport exemption" for qualifying businesses. This tax incentive has resulted in the attraction of new businesses bringing value and jobs to the District. It is believed that this will continue to be a positive force for the District and will ensure that businesses needing the facilities of DFW and Alliance airports will consider and select Lewisville ISD for their new plants and their plant expansions.

The upgrading of the road system within the metroplex continues to be a plus for the District. A combination of interstate highways, state highways, and toll roads ensures that residents can easily commute to jobs anywhere in the metroplex and serves as a magnet for the location of new businesses coming into the area.

Each of the communities within the Lewisville ISD continues to experience quality growth. The partnership between these cities and the District helps to ensure that facilities are provided at the best cost to the students and the taxpayers. The cities recognize that the impact growth will have on the schools must be part of their planning process. This understanding of the importance of schools to the health of all political subdivisions is providing help with the location and purchase of future school sites.

Residents continue to support the schools and demand the best for the students. Past Lewisville ISD bond voters reaffirmed their commitment to provide quality instruction and facilities for their students and have overwhelmingly approved issues. This support will ensure that facility needs are met in a timely manner for the near future.

## **AWARDS**

The FIRST (Financial Accountability Rating System of Texas) program, a financial accountability system for Texas school districts was developed by the Texas Education Agency in response to Senate Bill 875 of the 76<sup>th</sup> Texas Legislature in 1999. The primary goal of FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with the Texas school finance system. The District has been awarded the "Superior Achievement" rating under Texas'

Schools FIRST financial accountability rating system each year since inception. The "Superior Achievement" rating is the state's highest financial rating, demonstrating the quality of LISD's sound fiscal management and appropriate reporting system.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended August 31, 2012. This was the fourteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must also satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

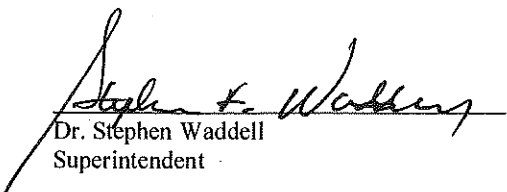
In addition, the District was awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its Comprehensive Annual Financial Report for the year ended August 31, 2012. This award has also been received for the fourteenth consecutive year. We believe the Comprehensive Annual Financial Report for the year ended August 31, 2013 continues to conform to the standards for which these awards were granted.


#### ACKNOWLEDGEMENTS

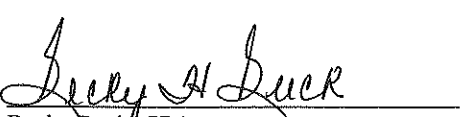
We appreciate the support of the Board of Trustees, the citizens of the District, and the business community, all who work cooperatively to ensure the best education for its students and the prudent development of the District. This cooperation is indicative of the strong support for the attainment of excellence in the District's educational programs.

Also, we would like to express an appreciation to all employees of the District's schools for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner. 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 office.

Respectfully submitted,

  
Dr. Stephen Waddell  
Superintendent

  
Dr. Quentin S. Burnett  
Chief Financial Officer

  
Becky Buck CPA  
Executive Director of Accounting

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2013**

**PRINCIPAL OFFICIALS AND ADVISORS**

**Principal Officials**

<b><u>Board of Trustees</u></b>	<b><u>Date Elected</u></b>	<b><u>Term Expires</u></b>	<b><u>Occupation</u></b>
Carol Kyer, President	1997	2014	Office Manager
Kathy Duke, Vice President	2012	2015	Commercial Insurance Agent
Trisha Sheffield, Secretary	2012	2015	Independent Copywriter
Angie Cox	2013	2016	Business Owner
Brenda Latham	2010	2016	Business Owner
Mike McDaniel	2011	2014	Entrepreneur
Kris Vaughn	2013	2016	Community Volunteer

**Administrative Officials**

Dr. Stephen Waddell, Superintendent

Ms. Barbara Brown, Chief Technology Officer

Dr. Quentin Burnett, Chief Financial Officer

Dr. Lynda Haynes, Associate Superintendent for Staff and Community Relations

Dr. Penny Reddell, Associate Superintendent for Learning and Teaching

Dr. Kevin Rogers, Chief Operating Officer

**Consultants and Advisors**

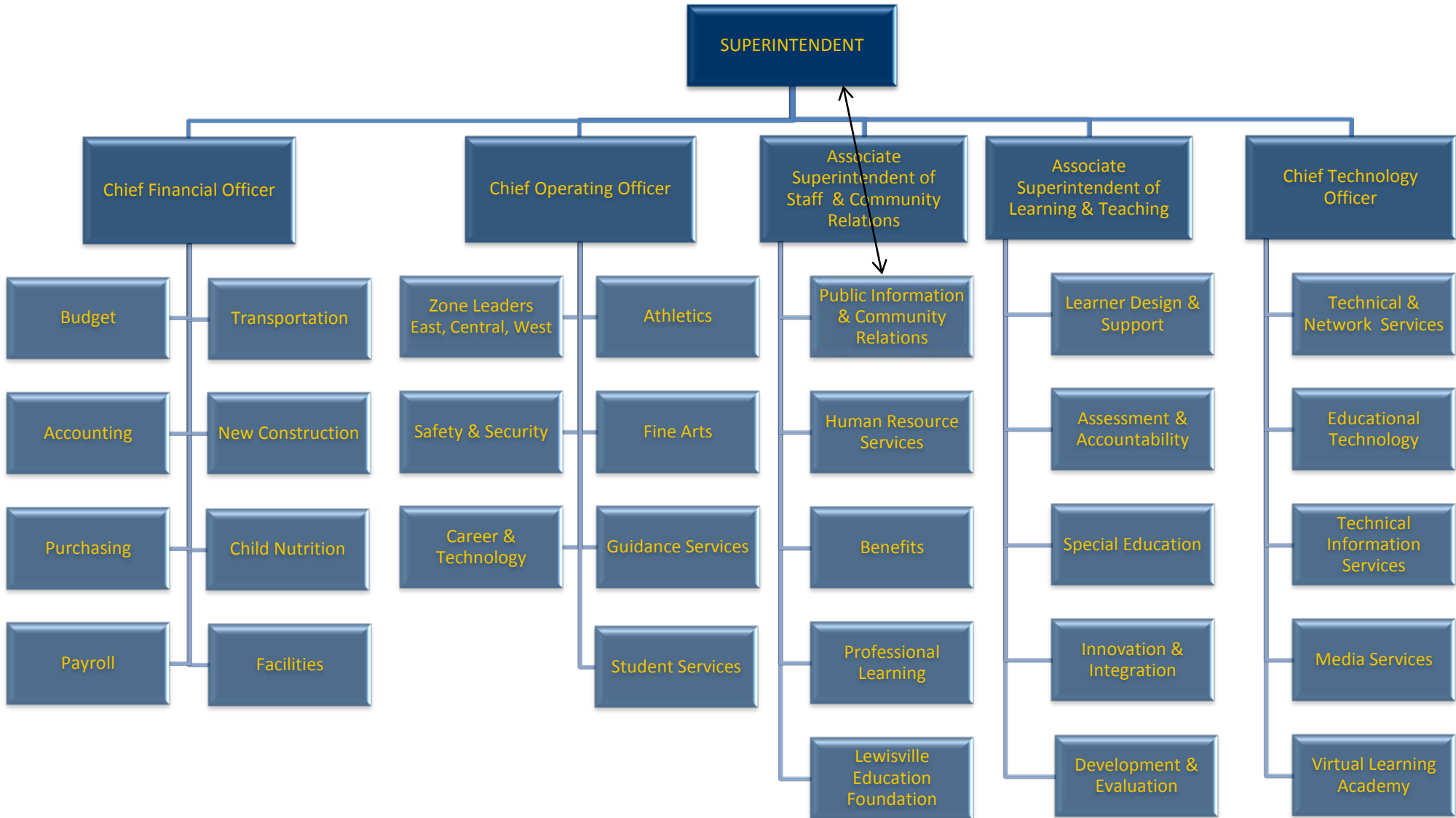
Whitley Penn L.L.P., Houston, Texas  
Independent Auditors

Southwest Securities, Dallas, Texas  
Financial Advisors

McCall, Parkhurst & Horton L.L.P. Dallas, Texas  
Bond Counsel

Law Offices of Robert E. Luna, P.G., Dallas, Texas  
Attorney

LEWISVILLE INDEPENDENT SCHOOL DISTRICT  
 ORGANIZATIONAL CHART  
 NOVEMBER 2013





Government Finance Officers Association

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

Presented to

**Lewisville Independent  
School District, Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2012**

Executive Director/CEO



# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

**Lewisville ISD**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended August 31, 2012*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read "Ron McCulley". The signature is written over a thin horizontal line.

Ron McCulley, CPPB, RSBO  
President

A handwritten signature in black ink, appearing to read "John D. Musso". The signature is written over a thin horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

CERTIFICATE OF THE BOARD

**Lewisville Independent School District**  
Name of School District

**Denton**  
County

**061-902**  
County-District No.

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and \_\_\_\_\_ approved \_\_\_\_\_ disapproved for the year ended August 31, 2013, at a meeting of Board of Trustees of such school district on the 9<sup>th</sup> day of December, 2013.

\_\_\_\_\_  
Signature of Board Secretary

\_\_\_\_\_  
Signature of Board President

**FINANCIAL  
SECTION**



**REAL INNOVATION**  
**LIMITLESS OPPORTUNITY**  
LEWISVILLE INDEPENDENT SCHOOL DISTRICT

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Lewisville Independent School District  
Lewisville, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Lewisville Independent School District (the "District") as of and for the year ended August 31, 2013, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented component unit financial statements for the Lewisville Education Foundation, Inc. as of and for the year ended December 31, 2012. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lewisville Education Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the District adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of August 31, 2013. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information (as described in the accompanying table of contents) and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the other information, such as the introductory and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information (as described in the accompanying table of contents) and the schedule of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion,

To the Board of Trustees  
Lewisville Independent School District

based on our audit, the procedures performed as described above, and the report of other auditors, the other supplementary information (as described in the accompanying table of contents) and the schedule of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas  
December 2, 2013

[This page intentionally left blank.]



## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2013**

The management of the Lewisville Independent School District offers readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended August 31, 2013. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter at the front of this report and the District's financial statements, which follow this analysis.

### **FINANCIAL HIGHLIGHTS**

- The District's total combined net position, as presented on the government-wide Statement of Net Position, exceeded liabilities by \$56 million. The net position of the District decreased by \$27.6 million during the year ended August 31, 2013.
- The District's governmental funds financial statements reported combined ending fund balance of \$252.5 million. This balance consists of \$141.3 million in the General Fund of which \$45 million is committed and \$96.1 million is unassigned and available for spending at the District's discretion. Restricted fund balance totals \$106.9 million and is used by the Debt Service Fund, Capital Projects Funds and Nonmajor Funds. Non-spendable fund balance is \$634,207 and the remaining balance consists of \$3.7 million committed.
- In May 2008, voters approved a \$697.7 million bond package designed to finance facility needs through 2015. During the 2012-13 fiscal year, the District issued \$112,275,000 in Unlimited Tax School Bonds and \$68,060,000 in Unlimited Tax Refunding Bonds to refund certain outstanding debt of the District for debt service savings. Authorized but unissued school building bonds are \$173,142,750 at August 31, 2013.
- Program revenues accounted for \$67 million of total revenues. General revenues and special items accounted for \$456.6 million.
- The General Fund had \$380 million in revenues, which primarily consisted of state aid and property taxes, and \$386 million in expenditures decreasing the fund balance this year by \$5.5 million.
- During the fiscal year 2013, the District completed projects consisted of HVAC renovations, wireless technology, software, and school renovations.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The financial statements comprise four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the basic financial statements, and (4) federal awards section. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements. The following chart summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain.

Also included as a discretely presented component unit is the Lewisville Education Foundation, Inc., a nonprofit organization, that provides support to the District, teachers, and students.

	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as Health and workers' compensation	Activities the District operates similar to private business--health insurance and workers' compensation	Instances in which the District is the trustee or agent for someone else's resources, such as student activity accounts
<i>Required financial statements</i>	Statement of Net Position	Balance sheet	Statement of net position	Statement of fiduciary net assets
	Statement of Activities	Statement of revenues, expenditures and changes in fund balance	Statement of revenues, expenses and changes in fund net position  Statement of cash flows	Statement of changes in fiduciary net assets (if applicable)
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the District's fiduciary funds do not currently contain capital assets, although they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid (not applicable to agency funds)

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The *Statement of Net Position* includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position—the difference between the District's assets, deferred outflows and liabilities—are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, additional nonfinancial factors, such as changes in the District's tax base, should be considered.

The government-wide financial statements of the District include only governmental activities. The District's basic services included here are instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

**Fund financial statements.** The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required by state law and by bond covenants, while many other funds are established

by the District to help manage money for particular purposes and compliance with various grant provisions. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental funds* — Most of the District’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.

The District maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance of the General Fund, the Debt Service Fund and the Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

- *Proprietary funds* — Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The District uses internal service funds to report activities that provide supplies and services for the District’s other programs and activities—such as the Workers’ Compensation Fund.
- *Fiduciary funds* — The District is the trustee, or fiduciary, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District’s fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information concerning the District.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a District’s financial position. The District’s combined net position decreased between fiscal years 2013 and 2012 – decreasing by \$27,695,112 as can be seen on the following table. The District’s net investment in capital assets includes its investments in capital assets (e.g. land, building, equipment, improvements, and construction in progress) less any debt, used to acquire those assets that are still outstanding. The District’s net investment in capital assets is \$106,986,251.

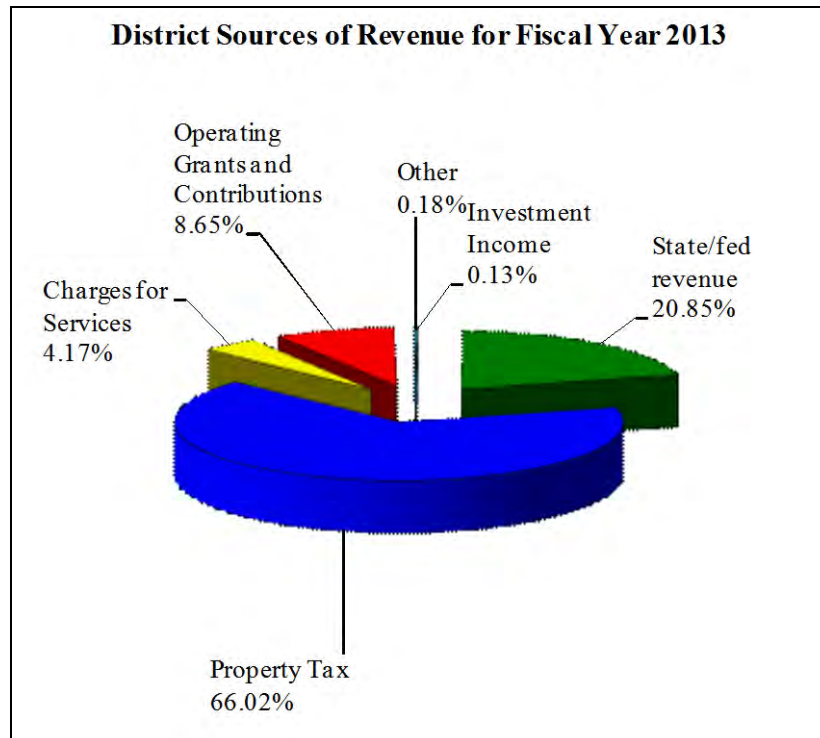
The District uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table provides a summary of the assets, deferred outflows, liabilities, and net position for governmental activities for the years ended August 31, 2013 and 2012, respectively.

	<b>FY 2013</b>	<b>FY 2012</b>
Current and Other Assets	\$ 338,216,470	\$ 332,975,199
Capital Assets	<u>1,032,933,379</u>	<u>964,626,464</u>
<b>Total Assets</b>	<u>1,371,149,849</u>	<u>1,297,601,663</u>
<b>Deferred Outflows of Resources</b>	<u>21,643,552</u>	<u>15,769,121</u>
Current Liabilities	77,381,841	100,888,889
Long-Term Liabilities	<u>1,258,737,307</u>	<u>1,128,112,530</u>
<b>Total Liabilities</b>	<u>1,336,119,148</u>	<u>1,229,001,419</u>
Net Position		
Net Investment in capital assets	106,986,251	88,217,373
Restricted	18,840,831	26,075,042
Unrestricted	<u>(69,152,829)</u>	<u>(29,923,050)</u>
<b>Total Net Position</b>	<u><b>\$ 56,674,253</b></u>	<u><b>\$ 84,369,365</b></u>

A portion of the net position is restricted as to the purpose for which they can be used. Unrestricted net position decreased by \$39,229,779.

**Changes in net position.** The District's total revenues were \$523,842,812 representing a decrease of \$2.6 million from the previous year. The majority of this decrease is attributed to the state and federal aid funding, with a \$11.1 million net decrease; state funding is due to changing of the state formula and additional funds. Additionally, there was a \$5 million decrease in operating grants and contributions, due to the lapse of federal stimulus grants, cuts in state grant funding, and decrease in activity fund revenue. Local property tax revenues increased \$13.2 million. A significant portion of the District's revenue comes from taxes as seen below. Less than nine percent comes from operating grants and contributions, while four percent relates to charges for service.



**Government-Wide Activities**

Funding for these government-wide activities is by the specific program revenue or through general revenues such as property taxes and investment earnings. The following is a summary of the governmental funds activities:

- The cost of all *governmental activities* for the year was \$551,537,924, an increase of \$39,677,476 over the previous year.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. The program revenues amounted to \$67,168,495 compared to \$72,269,171 in the previous year.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$484,369,429 which was funded from property taxes and other local sources.

The following table presents the cost of the District’s largest governmental functions as well as their related net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars, state revenues and other miscellaneous general revenues.

**Net Cost of Selected District Functions**

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction and Instruction Related Services	\$ 293,554,260	\$ 261,714,736
Support Services Student (Pupil)	69,983,845	45,460,513
Support Services Nonstudent based	55,990,656	53,215,298
Debt Service	51,615,410	51,112,187
	<u>\$ 471,144,171</u>	<u>\$ 411,502,734</u>

As seen in the following chart:

- The amount that our taxpayers paid for these activities through property taxes was \$345,857,652.
- Those who directly benefited from the programs paid \$21,848,398.
- Operating grants and contributions totaled \$45,320,097.

## Changes in the District's Net Position

	Governmental Activities		Percentage Change from Prior Year
	FY 2013	FY 2012	
<b>Revenues:</b>			
<u>Program Revenues:</u>			
Charges for Services	\$ 21,848,398	\$ 21,660,844	0.87%
Operating Grants and Contributions	45,320,097	50,608,327	-10.45%
<u>General Revenues:</u>			
Property Taxes	345,857,652	332,619,670	3.98%
State and Federal Grants	109,199,823	120,357,218	-9.27%
Investment Earnings	692,103	525,344	31.74%
Miscellaneous	924,739	717,352	28.91%
<b>Total Revenues</b>	<u>523,842,812</u>	<u>526,488,755</u>	<u>-0.50%</u>
<b>Expenses:</b>			
Instruction and Instruction Related Services	293,554,260	292,275,234	0.44%
Instructional and School Leadership	33,311,765	31,714,681	5.04%
Support Services Student (Pupil)	69,983,845	66,733,534	4.87%
Administrative Support Services	8,795,533	8,565,384	2.69%
Support Services Nonstudent Based	55,990,656	46,994,311	19.14%
Ancillary Services	4,895,546	4,909,867	-0.29%
Interest and Fiscal Charges	51,615,410	48,154,399	7.19%
Unallocated Facilities Acquisition and Construction	30,358,431	9,356,373	224.47%
Intergovernmental Charges	3,032,478	3,156,665	-3.93%
<b>Total Expenses</b>	<u>551,537,924</u>	<u>511,860,448</u>	<u>7.75%</u>
Increase (Decrease) in Net Position	(27,695,112)	14,628,307	-289.33%
Net Position- September 1	91,011,314	69,741,058	30.50%
Change in Accounting Principle	(6,641,949)	-	N/A
<b>Net Position - August 31</b>	<u>\$ 56,674,253</u>	<u>\$ 84,369,365</u>	<u>-32.83%</u>

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

**Governmental Funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$252,526,874, a decrease of \$27,734,866 in comparison with the prior year. Approximately 38% of this total amount (\$96,179,411) constitutes an unassigned fund balance, which is available for spending at the District's discretion. The remaining fund balance is not available for spending because it has already been committed, restricted, assigned or non-spendable. Below are examples:

- Construction
- Retirement of debt
- Inventories
- Prepaid Expenditures
- Minimum Fund Balance.

The District has self-imposed a limitation on the use of otherwise available expendable financial resources in governmental funds. The Board has resolved that the District shall not drop below a minimum of \$45,000,000 committed fund balance in the General Fund.

*General Fund.* The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$96,179,411, while total fund balance reached \$141,390,508. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25% of total General Fund expenditures, while total fund balances represents 37% of that same amount.

The District's General Fund balance decreased \$5,577,383 during the current fiscal year in comparison to an increase in the prior year of \$13,648,924. The majority of the difference is related to salaries and benefits from the General Fund.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$24,229,953, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the Debt Service Fund was \$651,272.

The table that follows assists in illustrating the financial activities and balance of the Debt Service Fund.

	<b>FY 2013</b>	<b>FY 2012</b>
Revenues		
Property taxes	\$ 97,946,245	\$ 90,092,368
Investment Income	60,615	75,736
Federal Revenues	503,223	526,109
Total revenues	<u>98,510,083</u>	<u>90,694,213</u>
Expenditures by function		
Principal	52,584,938	42,420,121
Interest	46,143,831	48,083,638
Total expenditures	<u>98,728,769</u>	<u>90,503,759</u>
Other Financing Sources (Uses)		
Refunding Bonds Issued	68,060,000	62,686,456
Net premiums on Issuance of Bonds	12,526,799	10,146,115
Payments to Refunded Bond Escrow	<u>(79,716,841)</u>	<u>(72,222,008)</u>
Total Other Financing Sources (Uses)	<u>869,958</u>	<u>610,563</u>
Net change in fund balance	651,272	801,017
Fund balance - September 1	<u>23,578,681</u>	<u>22,777,664</u>
Fund balance - August 31	<u>\$ 24,229,953</u>	<u>\$ 23,578,681</u>

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$78,792,250, all of which is designated for ongoing capital projects. The fund balance decreased by \$23,333,079 during the current fiscal year due to expenditures for new construction, additions and other improvements. The District's Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities specifically funded by bonds approved by the voters. Further discussion of the current year use of capital projects can be found under the Capital Assets section.

## General Fund Budgetary Highlights

In accordance with Board Policy CE (Local), the District submits amendments during the course of the budget year. Approval for budget increases for formally adopted funds shall be made by the Board of Trustees. The Board delegates the authority for approval of budget functional transfer to the budget department. The District's major budget amendments presented to the Board of Trustees throughout the year are summarized as follows:

- *Variances of original expenditure budget compared to amended budget* –The amended expenditure budget increased in the General Fund \$2,163,223 from the original budget.
- *Variances of amended budget to actual expenditures* – Expenditures were \$9.3 million less than final budgeted amounts. Salaries and benefits expenditures were \$1.5 million less than budget, a variance of .47%. This resulted from vacant positions throughout the year and hiring “greener”. The salary budget had been prepared assuming every position would be filled throughout the entire year. Many positions were not filled. Some employees resigned after the first semester of the school year. Long term substitutes were hired to fill vacancies in some cases. Benefits were under budget by \$2.1 million which resulted from health & life insurance, TRS on behalf and Medicare. Savings from salaries and benefits were used to offset the cost of the early resignation incentive (\$1.7 million). Purchased and contracted services were \$5.4 million under budget, a variance of 10.78%. Utilities accounted for \$1.85 million of the variance. The contract for transportation was \$.66 million under budget. The variance for contracted maintenance in the amount of \$1.23 million was due to variances maintenance and repairs projects controlled by the facilities, public relations and technology departments. Supplies and materials were under budget by \$1.64 million or 14.89% which was the result of under spending by various campuses and departments.
- *Variances of original revenue budget compared to actual revenue* – Local revenues were over budget by \$2.98 million which resulted from increased property tax collections, investment earnings and athletic activities. State revenues were \$1 million over budget. TRS on behalf was less due to lower payroll cost but foundation revenues were greater due to an increase in actual student enrollment and ADA. Federal revenues were \$6 million higher due to Impact Aid.

## Capital Assets

At the end of 2013, the District invested \$1,324,846,413 in a broad range of capital assets, including land, equipment, buildings, and construction in progress. This amount represents a net increase of \$89,348,228 or 7.23% over last year.

The majority of capital asset activity is reported in the Capital Projects Fund. Facility acquisitions and construction expenditures increased by 185% over fiscal year 2012.

Major capital asset events during the current year included the following:

- HVAC renovations
- Rebuild of Lewisville High School, Phase 2
- Relocation of Athletic Facilities for Marcus High School
- District-wide Wireless Initiative
- Software Acquisition
- Rebuild of Lewisville High School Auditorium
- Construction of Marcus and Flower Mound 9<sup>th</sup> Grade Centers
- Rebuild of Camey Elementary and Griffin Middle School
- Construction of Harmon Aquatic Center.



Listed in the table below are the capital assets for governmental activities for the fiscal year ended August 31, 2013 and 2012, respectively:

	<b>FY 2013</b>	<b>FY 2012</b>	<b>Total % Change</b>
Land	\$ 108,831,091	\$ 103,233,346	5.42%
Buildings and Improvements	1,136,767,803	1,087,032,815	4.58%
Vehicles	2,906,151	2,901,696	0.15%
Furniture and Equipment	22,724,701	22,758,756	-0.15%
Construction in Progress	<u>53,616,667</u>	<u>19,571,572</u>	<u>173.95%</u>
Total at historical cost	<u>1,324,846,413</u>	<u>1,235,498,185</u>	<u>7.23%</u>
Less accumulated depreciation for:			
Buildings and Improvements	276,302,993	255,856,913	7.99%
Vehicles	2,414,449	2,315,400	4.28%
Furniture and Equipment	<u>13,195,592</u>	<u>12,699,408</u>	<u>3.91%</u>
Total accumulated depreciation	<u>291,913,034</u>	<u>270,871,721</u>	<u>7.77%</u>
Net capital assets	<u>\$ 1,032,933,379</u>	<u>\$ 964,626,464</u>	<u>7.08%</u>

Additional information on the District's capital assets can be found in Note 5 of this report.

#### **Debt Administration**

- At the end of the current fiscal year, the District has total bonded debt of \$1,256,272,880, an increase of five percent from the prior year. During the fiscal year, the District issued \$112,275,000 in Unlimited Tax School Bonds. The proceeds will be used for the construction and equipping of school buildings. In addition, the District issued \$68,060,000 in Unlimited Tax Refunding Bonds. The proceeds will be used to finance construction and equipping of building and the refunding portion will be used to refund certain outstanding debt of the District for debt service savings. The District's debt includes capital appreciation bonds which accrete interest until their maturing date. Total accreted interest on these capital appreciation bonds total \$99,524,854 at the end of the fiscal year.
- In May 2008, voters approved a \$697.7 million bond package designated to finance facility needs through 2015. The District has authorized unissued bonds as of August 31, 2013 in the amount of \$173,142,750. The District continues to enjoy excellent bond ratings. The District's bonds presently carry very favorable ratings as follows:
  - Standard and Poor's "AA+"
  - Fitch Investor Service "AA+".

More detailed information about the District's debt is presented in the Notes to the Financial Statements (Note 8).

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

The District's financial position and results of operations are impacted significantly by our continued growth. The enrollment increases require additional campus personnel, support staff, instructional facilities, equipment, and supplies. In addition to the recurring, required increases that are necessary in every budget year, the opening of new campuses provide significant challenges. Although the District finances new facilities through the issuance of bonds, there are significant operating costs (staffing, utilities, insurance, etc.) associated with these facilities. These operating costs must be funded in the General Fund.

The 83<sup>rd</sup> Legislative Session restored \$3.4 billion to school funding (\$4 billion was cut from school funding in the 82<sup>nd</sup> Legislative Session). Lewisville ISD projects that state revenue will increase by approximately \$3.3 million in the 2013-14 fiscal year. Projected increases are the result of a change in the basic allotment from \$4,765 to \$4,950

and increasing the regular program average daily attendance (ADA) to 100% of actual ADA, up from 98% in the 2012-13 fiscal year.

The 2013-14 appraised property values increased by approximately 5% increasing the budget for current property tax revenue by over \$12 million. The Maintenance and Operations (M&O) tax rate remained at \$1.04 per \$100 valuation for the 2013-14 year, and the Interest and Sinking (I&S) tax rate increased to \$0.437 per \$100 valuation for the 2013-14 year. The District's estimated ADA is expected to increase by approximately 300.

General Fund expenditures are budgeted to increase by \$12.3 million or 3.1% over the prior year budgeted expenditures. To help facilitate reductions to the 2013-14 payroll budgets, an early resignation incentive was offered in the fall of 2012. Elimination of the contribution for workers' compensation was maintained in the 2013-14 year as the Workers' Compensation Fund maintains sufficient fund balance to absorb the year's expenses.

If the estimates are realized, the District's budgetary General Fund balance is expected to decrease by \$22.89 million by the close of 2014 fiscal year.

### **Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Accounting Department at William T Bolin Administrative Center, 1565 W Main Street, Lewisville, TX 75067.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Exhibit A-1

**STATEMENT OF NET POSITION  
AUGUST 31, 2013**

Data Control Codes	Total Primary Government Governmental Activities August 31, 2013	Component Unit December 31, 2012	
<b>ASSETS</b>			
1110	Cash and Temporary Investments	\$ 325,955,859	\$ 2,746,648
	Receivables:		
1225	Property Tax	5,537,733	-
1230	Allowance for Uncollectible Taxes	(1,074,451)	-
1240	Due from Other Governments	4,286,107	-
1250	Accrued Interest	466,213	-
1290	Other Receivables	429,294	31,422
1310	Inventories at Cost	561,540	-
1410	Prepaid Expenses	72,667	3,464
	Capital Assets (net of accumulated depreciation where applicable)		
1510	Land	108,831,091	-
1520	Buildings and Improvements	860,464,810	-
1531	Vehicles	491,702	-
1530	Furniture and Equipment	9,529,109	-
1580	Construction in Progress	53,616,667	-
1810	Restricted Cash and Investments	1,981,508	-
1000	<b>Total Assets</b>	<u>1,371,149,849</u>	<u>2,781,534</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
1700	Deferred Charges on Refunding	21,643,552	-
	<b>Total Deferred Outflows of Resources</b>	<u>21,643,552</u>	<u>-</u>
<b>LIABILITIES</b>			
2110	Accounts Payable	51,024,997	10,125
2140	Interest Payable	3,289,891	-
2150	Payroll Deductions & Withholding Payable	4,044,185	-
2160	Accrued Wages Payable	16,045,817	-
2180	Due to Other Governments	1,859	-
2300	Unearned Revenue	2,975,092	-
	Noncurrent Liabilities:		
2501	Due Within One Year	65,931,582	-
2502	Due in More Than One Year	1,192,805,725	-
2000	<b>Total Liabilities</b>	<u>1,336,119,148</u>	<u>10,125</u>
<b>NET POSITION</b>			
3200	Net Investment in capital assets	106,986,251	-
	Restricted for:		
3450	Food Service	3,712,705	-
3450	Grants	451,522	-
3480	Debt Service	14,676,604	-
3800	Expendable	-	146,083
3800	Nonexpendable	-	1,709,702
3900	Unrestricted	(69,152,829)	915,624
3000	<b>Total Net Position</b>	<u>\$ 56,674,253</u>	<u>\$ 2,771,409</u>

The accompanying Notes are an integral part of this statement.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2013**

Functions/Programs	Expenses	Program Revenues	
		Charges for Service	Operating Grants and Contributions
<b>Primary Government:</b>			
Governmental Activities:			
11 Instruction	\$ 282,653,927	\$ 2,840,069	\$ 26,773,449
12 Instruction Resources & Media Services	6,473,535	77,752	303,226
13 Curriculum & Instructional Staff Development	4,426,798	74,188	1,770,840
21 Instructional Leadership	6,843,861	106,292	341,893
23 School Administration	26,467,904	223,134	1,435,307
31 Guidance and Counseling	17,628,277	259,821	1,362,784
32 Social Work Services	100,963	-	4,953
33 Health Services	4,842,853	1,458	371,544
34 Pupil Transportation	10,328,260	3,285	30,218
35 Food Services	20,648,885	10,265,965	9,383,582
36 Co-Curricular Activities	16,434,607	1,849,881	989,841
41 General Administration	8,795,533	142,724	318,276
51 Plant Maintenance and Operation	46,728,086	1,310,949	1,142,847
52 Security and Monitoring	915,428	8,308	5,740
53 Data Processing Services	8,347,142	2,102	305,412
61 Community Services	4,895,546	4,595,832	245,388
71 Interest and Fiscal Charges on Long-Term Debt	51,615,410	-	503,223
81 Other Facility Costs	30,358,431	86,638	18,909
93 Fiscal Agent/Member District of Shared Service Arrangement	170,500	-	-
95 Alternative Education Program	135,992	-	12,665
99 Other Intergovernmental Charges	2,725,986	-	-
<b>TG Total Governmental Activities</b>	<b>\$ 551,537,924</b>	<b>\$ 21,848,398</b>	<b>\$ 45,320,097</b>
<b>Component Units:</b>			
Lewisville Education Foundation, Inc	\$ 632,149	\$ -	\$ 893,122
Data Control Codes	<b>General Revenues:</b>		
	Taxes:		
MT	Property Taxes - Maintenance & Operation		
DT	Property Taxes - Debt Services		
SF	Unrestricted State Aid Formula Grants		
SF	Medicaid Reimbursement		
SF	Unrestricted Federal Aid		
IE	Investment Earnings		
MI	Miscellaneous		
TR	<b>Total General Revenues and Special Items</b>		
CN	Change in Net Position		
NB	Net Position - Beginning of year		
	Change in Accounting Principle		
NE	<b>Net Position - End of year</b>		

The accompanying Notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities		Component Unit	
Year Ended August 31, 2013		Year Ended December 31, 2012	
\$	(253,040,409)	\$	-
	(6,092,557)		-
	(2,581,770)		-
	(6,395,676)		-
	(24,809,463)		-
	(16,005,672)		-
	(96,010)		-
	(4,469,851)		-
	(10,294,757)		-
	(999,338)		-
	(13,594,885)		-
	(8,334,533)		-
	(44,274,290)		-
	(901,380)		-
	(8,039,628)		-
	(54,326)		-
	(51,112,187)		-
	(30,252,884)		-
	(170,500)		-
	(123,327)		-
	(2,725,986)		-
\$	(484,369,429)		
		\$	260,973
\$	247,466,001	\$	-
	98,391,651		-
	99,178,158		-
	2,293,021		-
	7,728,644		-
	692,103		77,735
	924,739		-
\$	456,674,317	\$	77,735
	(27,695,112)		338,708
	91,011,314		2,432,701
	(6,641,949)		-
\$	56,674,253	\$	2,771,409

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2013**

Data Control Codes		100-199 General Fund
<b>ASSETS</b>		
1110	Cash and Temporary Investments	\$ 164,305,111
	Receivables:	
1220	Property Tax - Delinquent	4,166,687
1230	Allowance for Uncollectible Taxes	(890,283)
1240	Due from Other Governments	1,897,112
1250	Accrued Interest	456,859
1260	Due from Other Funds	5,177
1290	Other Receivables	380,085
1310	Inventories at Cost	143,338
1430	Prepaid Expenditures	67,759
1810	Restricted Cash and Investments	-
1000	<b>Total Assets</b>	<b>\$ 170,531,845</b>
<b>LIABILITIES</b>		
	Current Liabilities:	
2110	Accounts Payable	\$ 4,297,774
2141	Accrued Interest Payable	-
2150	Payroll Deductions & Withholding Payable	4,044,185
2160	Accrued Wages Payable	16,045,817
2170	Due to Other Funds	8,750
2180	Due to Other Governments	-
2300	Unearned Revenues	1,961,040
2000	<b>Total Liabilities</b>	<b>26,357,566</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2600	Unavailable revenue-property taxes	2,783,771
	<b>Total Deferred Inflows of Resources</b>	<b>2,783,771</b>
<b>FUND BALANCE</b>		
	Non-Spendable:	
3410	Inventory	143,338
3430	Prepaid Items	67,759
	Restricted:	
3450	Grant Funds	-
3470	Capital Acquisition Program	-
3480	Retirement of Debt	-
	Committed:	
3545	Campus Activity Funds	-
3545	Minimum Fund Balance Policy	45,000,000
3600	Unassigned	96,179,411
	<b>Total Fund Balance</b>	<b>141,390,508</b>
	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 170,531,845</b>

The accompanying Notes are an integral part of this statement.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Exhibit C-1

500-599 Debt Service Fund	600-699 Capital Projects Fund	200-499 Nonmajor Governmental Funds	Total Governmental Funds August 31, 2013
\$ 22,094,478	\$ 122,322,828	\$ 7,882,254	\$ 316,604,671
1,371,046	-	-	5,537,733
(184,168)	-	-	(1,074,451)
13,068	\$ -	2,112,873	4,023,053
9,354	-	-	466,213
8,750	-	1,677,351	1,691,278
-	35,930	7,976	423,991
-	-	418,202	561,540
2,788	-	2,120	72,667
1,981,508	-	-	1,981,508
<b>\$ 25,296,824</b>	<b>\$ 122,358,758</b>	<b>\$ 12,100,776</b>	<b>\$ 330,288,203</b>
\$ 48	\$ 43,561,331	\$ 1,293,351	\$ 49,152,504
66,246	-	-	66,246
-	-	-	4,044,185
-	-	-	16,045,817
-	5,177	1,677,351	1,691,278
-	-	1,859	1,859
-	-	1,014,052	2,975,092
<b>66,294</b>	<b>43,566,508</b>	<b>3,986,613</b>	<b>73,976,981</b>
1,000,577	-	-	3,784,348
<b>1,000,577</b>	-	-	<b>3,784,348</b>
-	-	418,202	561,540
2,788	-	2,120	72,667
-	-	3,964,208	3,964,208
-	78,792,250	-	78,792,250
24,227,165	-	-	24,227,165
-	-	3,729,633	3,729,633
-	-	-	45,000,000
-	-	-	96,179,411
<b>24,229,953</b>	<b>78,792,250</b>	<b>8,114,163</b>	<b>252,526,874</b>
<b>\$ 25,296,824</b>	<b>\$ 122,358,758</b>	<b>\$ 12,100,776</b>	<b>\$ 330,288,203</b>

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AUGUST 31, 2013**

<b>Total Fund Balance - Governmental Funds</b>	<b>\$</b>	<b>252,526,874</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		1,324,846,413
Accumulated depreciation has not been included in the governmental fund financial statements.		(291,913,034)
Deferred outflows of resources in the governmental fund financial statements was recorded as revenue in the government-wide financial statements.		3,784,348
Premiums on issuance of debt were not recognized on the balance sheet for governmental funds.		(43,209,597)
Deferred losses on issuances of debt were not recognized on the balance sheet for governmental funds.		21,643,552
Internal service funds are used by the District's management to charge the costs of certain activities, such as insurance and worker's compensation to individual funds. The assets are included with governmental activities in the statement of net position.		7,483,998
Vacation and Personal Leave Benefits liability is reported in the governmental activities but not on the fund statements.		(2,464,427)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, interest expenditures are reported when paid.		(3,223,645)
Due from other governments for the federal interest subsidy on the Build America Bonds is not recorded in the governmental fund financials because it is not available within the current period.		263,054
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(1,113,538,429)
Accreted interest for capital appreciation bonds have not been included in the governmental fund financial statements.		(99,524,854)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>56,674,253</u></b>

The accompanying Notes are an integral part of this statement.



# **Lewisville Independent School District**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED AUGUST 31, 2013**

Data Control Codes	100-199 General Fund	500-599 Debt Service Fund
<b>REVENUES:</b>		
Local and Intermediate Sources:		
	\$ 478,111	\$ 60,615
	254,522,322	97,946,245
5700	255,000,433	98,006,860
5800	115,377,906	-
5900	10,314,142	503,223
<b>5020</b>	<b>380,692,481</b>	<b>98,510,083</b>
<b>EXPENDITURES:</b>		
Current:		
0011	246,127,578	-
0012	5,550,765	-
0013	2,653,394	-
0021	6,943,671	-
0023	25,476,970	-
0031	16,580,147	-
0032	100,690	-
0033	4,594,256	-
0034	10,160,308	-
0035	-	-
0036	8,461,410	-
0041	8,529,939	-
0051	35,050,336	-
0052	892,988	-
0053	7,778,867	-
0061	4,404,945	-
0071	Debt Service:	
	-	52,584,938
	-	46,143,831
Capital Outlay:		
0081	17,278	-
Intergovernmental:		
0093	170,500	-
0095	135,992	-
0099	2,725,986	-
	<b>386,356,020</b>	<b>98,728,769</b>
1100	Excess (Deficiency) of Revenues	
	(5,663,539)	(218,686)
<b>OTHER FINANCING SOURCES (USES):</b>		
7911	-	68,060,000
7911	-	-
7912	86,156	-
7916	-	12,526,799
8940	-	(79,716,841)
	<b>86,156</b>	<b>869,958</b>
1200	(5,577,383)	651,272
0100	146,967,891	23,578,681
3000	<b>\$ 141,390,508</b>	<b>\$ 24,229,953</b>

The accompanying Notes are an integral part of this statement.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Exhibit C-2

600-699 Capital Projects Fund	200-499 Nonmajor Governmental Funds	Total Governmental Funds Year Ended August 31, 2013
\$ 142,151	\$ -	\$ 680,877
65,761	16,203,262	368,737,590
<u>207,912</u>	<u>16,203,262</u>	<u>369,418,467</u>
-	3,755,338	119,133,244
-	23,575,456	34,392,821
<u><b>207,912</b></u>	<u><b>43,534,056</b></u>	<u><b>522,944,532</b></u>
-	17,096,855	263,224,433
-	145,506	5,696,271
-	1,740,110	4,393,504
-	58,771	7,002,442
-	440,533	25,917,503
-	812,900	17,393,047
-	-	100,690
-	156,662	4,750,918
-	33,390	10,193,698
-	19,387,635	19,387,635
-	1,425,586	9,886,996
-	9,448	8,539,387
9,724,746	1,563,937	46,339,019
-	8,942	901,930
-	-	7,778,867
-	90,389	4,495,334
-	-	52,584,938
364,703	-	46,508,534
128,473,288	39,068	128,529,634
-	-	170,500
-	-	135,992
-	-	2,725,986
<u><b>138,562,737</b></u>	<u><b>43,009,732</b></u>	<u><b>666,657,258</b></u>
<u>(138,354,825)</u>	<u>524,324</u>	<u>(143,712,726)</u>
-	-	68,060,000
112,275,000	-	112,275,000
-	-	86,156
2,746,746	-	15,273,545
-	-	(79,716,841)
<u><b>115,021,746</b></u>	<u>-</u>	<u><b>115,977,860</b></u>
(23,333,079)	524,324	(27,734,866)
102,125,329	7,589,839	280,261,740
<u><b>\$ 78,792,250</b></u>	<u><b>\$ 8,114,163</b></u>	<u><b>\$ 252,526,874</b></u>

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2013**

---

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ (27,734,866)**

Amounts reported for governmental activities in the statement of activities are different because:

Current year capital outlays are expenditures in the governmental fund financials statements, but they are shown as increases in capital assets in the government-wide financial statements. The effect of removing the capital outlays is to increase net position.	99,535,259
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net position.	(28,912,919)
Disposition of capital assets is not recorded in the fund financial statements. The effect of recording loss on disposition is to decrease net position.	(2,315,425)
Current year long-term debt principal payments on contractual obligations are expenditures in the governmental fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	52,584,938
Current year bond proceeds are other financing sources in the governmental fund financial statements, but are shown as an increase in long-term debt in the government-wide financial statements.	(180,335,000)
Current year payments to escrow agent for refunded debt are other uses in the fund financial statements, but are shown as reductions in long-term debt in the district-wide financial statements.	79,716,841
Current year increase in the accretion on capital appreciation bonds is not reflected in the governmental fund financial statements, but is shown as increases in accreted interest on the government-wide financial statements.	(8,784,482)
Accreted interest paid and recorded in the fund financial statements as interest and fiscal charges, whereas in the government-wide financial statements the amount had been recorded as interest expense in prior years when interest was incurred and therefore not recorded as expense in the government-wide financials for the current year.	575,062
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements an interest expenditure is reported when due. This amount represents the current year change in accrued interest.	(1,213,391)
Amortization of deferred refunding amount is not recognized in the governmental funds. The effect of recording current year's amortization is to decrease net position.	(3,404,295)

The reacquisition price exceeded the net carrying amount of the old debt by \$1,505,162. This amount is netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than new debt. The refunding was undertaken to reduce total debt service payments and resulted in an economic gain of \$1,557,046.	51,885
The governmental fund financial statements report the net premium or discount as an other financing source or use. The government-wide financial statements present the unamortized portion of premiums and discounts on bond issuance net of long-term debt. This amount represents the removal of current year net premiums (\$14,777,934) less current amortization of bond premiums (\$7,172,734).	(7,605,200)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds such as compensated absences.	41,539
Internal service funds are used by the District's management to charge the costs of certain activities, such as insurance and workers' compensation to individual funds. The net revenue of internal service funds is reported with governmental activities.	(939,570)
Revenues in the statement of activities that do not provided current financial resources are not reported as revenues in the governmental funds.	1,044,512
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (27,695,112)</u></b>

The accompanying Notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
YEAR ENDED AUGUST 31, 2013**

Data Control Codes	General Fund 100-199 Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Final			
<b>REVENUES:</b>					
Local and Intermediate Sources:					
	Investment Income	\$ 251,000	\$ 251,000	\$ 478,111	\$ 227,111
	Other Local and Intermediate Sources	251,768,728	251,768,728	254,522,322	2,753,594
5700	Total Local and Intermediate Sources	252,019,728	252,019,728	255,000,433	2,980,705
5800	State Program Revenues	114,372,913	114,372,913	115,377,906	1,004,993
5900	Federal Program Revenues	4,150,000	4,150,000	10,314,142	6,164,142
5020	<b>Total Revenues</b>	<b>370,542,641</b>	<b>370,542,641</b>	<b>380,692,481</b>	<b>10,149,840</b>
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	248,374,256	247,814,587	246,127,578	1,687,009
0012	Instruction Resources & Media Services	5,503,211	5,572,285	5,550,765	21,520
0013	Curriculum & Instructional Staff Development	2,741,958	3,140,482	2,653,394	487,088
0021	Instructional Leadership	6,787,265	6,912,415	6,943,671	(31,256)
0023	School Administration	24,879,849	25,435,864	25,476,970	(41,106)
0031	Guidance and Counseling	16,336,446	16,741,965	16,580,147	161,818
0032	Social Work Services	77,033	104,033	100,690	3,343
0033	Health Services	4,569,655	4,700,564	4,594,256	106,308
0034	Pupil Transportation	10,823,556	10,823,780	10,160,308	663,472
0036	Co-Curricular Activities	8,486,080	8,680,917	8,461,410	219,507
0041	General Administration	9,139,606	9,344,605	8,529,939	814,666
0051	Plant Maintenance and Operation	37,345,427	37,883,384	35,050,336	2,833,048
0052	Security and Monitoring	1,075,419	1,075,929	892,988	182,941
0053	Data Processing Services	8,027,075	8,144,788	7,778,867	365,921
0061	Community Services	5,839,673	5,842,856	4,404,945	1,437,911
Capital Outlay:					
0081	Facilities Acquisition and Construction	100,000	51,278	17,278	34,000
0093	Fiscal Agent/Member District of Shared Service Arrangement	210,000	210,000	170,500	39,500
0095	Alternative Education Program	300,000	300,000	135,992	164,008
0099	Other Governmental Charges	2,900,000	2,900,000	2,725,986	174,014
	<b>Total Expenditures</b>	<b>393,516,509</b>	<b>395,679,732</b>	<b>386,356,020</b>	<b>9,323,712</b>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,973,868)	(25,137,091)	(5,663,539)	19,473,552
<b>OTHER FINANCING SOURCES (USES):</b>					
7912	Sale of Real & Personal Property	-	-	86,156	86,156
	<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>86,156</b>	<b>86,156</b>
1200	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(22,973,868)	(25,137,091)	(5,577,383)	19,559,708
0100	<b>FUND BALANCE - September 1</b>	146,967,891	146,967,891	146,967,891	-
3000	<b>FUND BALANCE - August 31</b>	<b>\$ 123,994,023</b>	<b>\$ 121,830,800</b>	<b>\$ 141,390,508</b>	<b>\$ 19,559,708</b>

The accompanying Notes are an integral part of this statement.

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
AUGUST 31, 2013**

	Total Governmental Activities Internal Service Fund August 31, 2013
<b>ASSETS</b>	
Current Assets:	
Cash and Temporary Investments	\$ 9,351,188
Receivables:	
Other Receivables	5,303
<b>Total Assets</b>	<b>9,356,491</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	4,800
Accrued Expenses	1,867,693
<b>Total Liabilities</b>	<b>1,872,493</b>
<b>NET POSITION</b>	
Unrestricted	7,483,998
<b>Total Net Position</b>	<b>\$ 7,483,998</b>

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED AUGUST 31, 2013**

	Total Governmental Activities Internal Service Fund Year Ended August 31, 2013
<b>OPERATING REVENUES:</b>	
Premiums	\$ 16,059
<b>Total Operating Revenues</b>	<b>16,059</b>
<b>OPERATING EXPENSES:</b>	
Professional and Contracted Services	86,020
Claims and premiums	880,835
<b>Total Operating Expenses</b>	<b>966,855</b>
<b>Operating Income (Loss)</b>	<b>(950,796)</b>
<b>NON-OPERATING REVENUES:</b>	
Interest Income	11,226
<b>Total Non-Operating Revenues</b>	<b>11,226</b>
<b>Change in Net Position</b>	<b>(939,570)</b>
Total Net Position - September 1	8,423,568
<b>Total Net Position - August 31</b>	<b>\$ 7,483,998</b>



**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED AUGUST 31, 2013**

	Total Governmental Activities Internal Service Fund Year Ended August 31, 2013
<b>Cash Flows from Operating Activities:</b>	
Cash received for premiums from other funds	\$ 10,806
Cash paid for claims and premiums	(1,144,578)
<b>Net cash used for operating activities</b>	<b>(1,133,772)</b>
<b>Cash Flows from Investing Activities:</b>	
Interest received on investments	11,226
<b>Net cash provided by investing activities</b>	<b>11,226</b>
Net decrease in cash and cash equivalents	(1,122,546)
Cash and cash equivalents - September 1	10,473,734
Cash and cash equivalents - August 31	<u>\$ 9,351,188</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating Income (Loss)	<u>\$ (950,796)</u>
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Decrease in Due From Other Funds	50
Increase in Receivables	(5,303)
Increase in Accounts Payable	2,644
Decrease in Accrued Expenses	(180,367)
Total Adjustments	<u>(182,976)</u>
<b>Net cash used for operating activities</b>	<b>\$ (1,133,772)</b>

The accompanying Notes are an integral part of this statement.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**AUGUST 31, 2013**

---

	<u>Total Agency Fund</u> August 31, 2013
<hr/> <b>ASSETS</b>	
Cash and Temporary Investments	\$ 1,106,442
<b>Total Assets</b>	<b><u>\$ 1,106,442</u></b>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 48,511
Due to Outside Entities	67,861
Due to Other Governments	35,044
Due to Student Groups	955,026
<b>Total Liabilities</b>	<b><u>\$ 1,106,442</u></b>

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

Lewisville Independent School District's (the "District") financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("FASR"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**Reporting Entity**

The Board of Trustees ("Board"), a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The public elects the trustees. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("Agency") or to the State Board of Education are reserved for the trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. The financial statements of the District include all activities for which the Board exercises these governance responsibilities.

For financial reporting purposes, in conformance with governmental accounting standards, the District includes all funds of the District, as well as any component units for which the District is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (1) the ability to impose will by the District, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, the District has determined that the Lewisville Education Foundation, Inc. ("LEF") should be included in the District's financial statements and reported as a discretely presented component unit.

The discretely presented component unit is reported in a separate column in the financial statements to emphasize it as legally separate from the District. LEF is a nonprofit organization with the purpose of providing financial support to the District, teachers, and students. LEF is governed by a 22 member Board of Trustees, who represents a cross-section of the community served by the District. All voting members are independent of the District; however, District administrators serve as ex-officio Board members. The accounting and reporting policies relating to the component unit included in the financial statements conform to the generally accepted accounting principles applicable to state and local governments. A copy of the complete separately audited financial statements as of and for the year ended December 31, 2012 can be obtained from Lewisville ISD Education Foundation, Inc., P.O. Box 643, Lewisville, Texas 75057.

The District receives funding from local, state, and federal government sources and complies with the requirements of these funding source entities.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities. Internal service fund activity is eliminated to avoid overstatement of revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers who directly benefit from the services provided by that function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items properly not 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 are reported as separate columns in the fund financial statements. The District reports only internal service funds as proprietary funds. Internal service funds are never considered major funds.

### 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 funds. Agency funds also use the accrual basis of accounting. 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 are recognized as revenue as the eligibility requirements imposed by the provider have been met. The effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental funds utilize the current financial resources measurement focus and the modified accrual basis of accounting. Under this method revenues are recorded when they are susceptible to accrual, which means they must be both available and measurable. Revenues are considered to be available when they are expected to be collected during the current budgetary period or within 60 days thereafter to pay liabilities outstanding at the close of the budgetary period.

Interest revenue and building rentals are recorded when earned since they are measurable and available. Other revenues such as fees, tuition, and miscellaneous revenues are recorded when received.

Revenue from investments, including governmental external investment pools, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

Under the modified accrual basis, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on long-term debt, which is recognized when due.

District accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The District has established several funds that are organized by sub-funds within a separate set of self-balancing accounts comprised of assets, liabilities, fund balance, revenues, and expenditures or expenses as appropriate. Governmental resources allocated to individual funds are recorded for the purpose of carrying on specific activities in accordance with laws, regulations, or other appropriate requirements.

The District reports the following major governmental funds:

**General fund** – The District's primary operating fund. This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.

**Debt Service Fund** – This fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.

**Capital Projects Fund** – This fund is established to account for proceeds, on the modified accrual basis, from the sale of bonds and other resources to be used for Board authorized acquisition, construction, or renovation, as well as, furnishing and equipping of major capital facilities. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal.

In addition, the District reports the following funds:

**Special Revenue Funds** – These governmental funds are established to account for programs or expenditures legally restricted for specified purposes and Food Service Program transactions.

The District's Food Service Fund is considered a special revenue fund since it meets the following criteria: (1) User fees are charged to supplement the National School Lunch Program ("NSLP"), (2) The General Fund subsidizes the Food Service Program for all expenditures in excess of NSLP and user fees, and (3) The District does not consider the Food Service Program completely self-supporting. Food Service fund balances are used exclusively for child nutrition program purposes.

**Internal Service Fund** – The District utilizes an Internal Service Fund, a proprietary fund, to account for its workers' compensation self-insurance plan.

The District continues to fully provide for incurred but not reported costs for workers' compensation claims through the establishment of undiscounted liability accounts and net position. As of August 31, 2013, the undiscounted liabilities totaled \$1,872,493 and reported net position of \$7,483,998.

Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The operating revenues of the self-insurance fund are received from both the General and Special Revenue Funds and its operating expenses are comprised of claims paid on behalf of District employees. Operating expenses also include administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The internal service fund is accounted for on a flow of economic resources measurement focus. Accordingly, the accrual basis, whereby revenues and expenses are identified in the accounting period in which they are earned and incurred and net income is determined, is utilized for this fund. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

**Agency Fund** – This custodial fund is used to account for activities of student groups and other organizational activities. Financial resources for the Agency fund are recorded as assets and liabilities; therefore, this fund does not include revenues and expenditures and has no fund equity. If the student groups declare any unused resources surplus, they are transferred to the General Fund.

### Implementation of New Standards

In the current fiscal year the District implemented the following new standards:

GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* ("GASB 62"), which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements: 1) Financial Accounting Standards Board (FASB) Statements and Interpretations; 2) Accounting Principles Board Opinions; 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. Implementation of GASB 62 is reflected in the financial statements and notes to the financial statements.

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* ("GASB 63"), amends the net asset reporting requirements in Statement No. 34 and other pronouncements by incorporating deferred outflows of the resources and deferred inflows of resources into the definitions of the

required components of the residual measure and by renaming that measure as net position rather than net assets. Implementation of GASB 63 is reflected in the financial statements.

GASB Statement 65, *Items Previously Reported as Assets and Liabilities* ("GASB 65"), establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of GASB 65 is reflected in the financial statements.

### **Budgetary Data**

Each school district in Texas is required by law to annually prepare a budget of anticipated revenues and expenditures for Governmental Funds for the fiscal year beginning September 1. The District adopts annual budgets for the General Fund, Food Service, and the Debt Service Fund.

The annual budget is prepared on the modified accrual basis of accounting. The official school budget was prepared for adoption for all governmental fund types by August 20, 2012 as required. The Board of Trustees formally adopted the budget at a duly advertised public meeting prior to the expenditure of funds. Final priorities and funding of projects are determined by the Board, which subsequently establishes a tax rate sufficient to support the approved budget.

Management has the authority to transfer any unencumbered appropriation from one appropriation to another within a single function. In addition, the administration performs budget reviews by which budget requirements are reevaluated and revisions are recommended to the Board. The Board is required to approve amendments to the budget that change any budgeted fund (the legal level of compliance), revenue object accounts, or other financing sources/uses as defined by the Agency for each individual fund type. Unexpended appropriations lapse at year-end. State law prohibits deficit fund balances. (See Note 2 for additional disclosure.)

### **Cash in Bank Depository and Investments**

The District's cash and investments are classified as cash and temporary investments. The cash and temporary investments include cash on hand, deposits with financial institutions, and short-term investments in a privately managed public funds investment pool account. The District's cash and temporary investments are short-term, highly liquid investments that are readily convertible to cash.

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At August 31, 2013, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$18,183,155 and the bank balance was \$19,804,337. At year end, the District held \$43,195 in petty cash. The District's deposits at August 31, 2013 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

The cash and cash equivalents amounts were composed of the following:

	Cash	Investments
General	\$ 8,515,796	\$ 155,789,315
Special Revenue	7,882,254	-
Debt Service	34,725	24,041,261
Capital Projects	-	122,322,828
Internal Service	643,938	8,707,250
Total Governmental Activities	17,076,713	310,860,654
Agency	1,106,442	-
Total	<u>\$ 18,183,155</u>	<u>\$ 310,860,654</u>

In addition the following is disclosed regarding coverage of combined balances on the date of highest deposits:

- a. Depository: JP Morgan Chase Bank, Lewisville, Texas.
- b. The fair value of securities pledged as of the date of the highest combined balance on deposit was \$45,045,589.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$40,456,982 which occurred during the month of June 2013.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000 (per each bank).

*Credit Risk* – State law and the Lewisville ISD Investment Policy restrict time and demand deposits to those fully collateralized or FDIC insured from eligible depositories (banks and savings banks) doing business in Texas. By policy, Certificate of Deposits are limited to maturities under three (3) months and are further collateralized to 102% with pledged securities (with 110% margin on mortgage backed securities) and all collateral is to be held by an independent custodian for any amount of principal or interest not covered by FDIC insurance. Brokered CD's must be FDIC insured and delivered versus payment to the District's depository. Maximum maturity is one year and FDIC insurance must be verified before purchase. The bank is contractually liable for monitoring and maintaining the collateral margins.

State law and the Lewisville ISD adopted Investment Policy limit repurchase agreements to banks and primary dealers. The Policy requires an industry standard, written master repurchase agreement, independent safekeeping of collateral, and a 102% margin on collateral. Repurchase agreements maximum maturity is not stated in the Policy. Fully collateralized flex repurchase agreements are restricted by Policy to be used only with bond funds and are required to match the expenditure plan of the bond proceeds.

Commercial paper is restricted by state law and Policy to dual rated A1/P1 paper. The Policy restricts all commercial paper to a maximum maturity of three months to stated maturity.

Constant dollar, local government investment pools, as defined by state law (2256.016) and approved by adopted Policy are authorized. By state law all local government pools are rated AAA or equivalent by at least one Nationally Recognized Statistical Rating Organization (NRSRO).

Neither state law nor the District's Investment Policy require SEC registered money market funds to be rated.

As of August 31, 2013:

- insured and collateralized certificates of deposit and demand deposits represented 3.21% of the total portfolio,
- municipal obligations rated AA or better by at least one NRSRO represented 19.82% of the total portfolio,
- money market mutual funds in the Escrow account represented .33% of the total portfolio,

- holding in local government investment pools that are rated AAA represented 66.03% of the total portfolio, and
- the remainder of the portfolio, 10.61% was invested in securities issued by the US Government or its agencies and instrumentalities rated AAA or equivalent by two NRSROs.

*Concentration of Credit Risk* – Lewisville ISD's adopted Investment Policy requires diversification which is monitored on at least a monthly basis. The Policy requires the following diversification:

	<u>Maximum % of Portfolio</u>
U.S. Treasury Obligations	100 %
U.S. Agency Obligations	80 %
Commercial Paper	25 %
Constant Dollar Pools	100 %
Repurchase Agreements	75 %
Certificates of Deposit	40 %
Municipal Obligations	20%

The segmented time distribution of securities as of August 31, 2013 is shown below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than</u>		
		<u>1 Year</u>	<u>1-2 Years</u>	<u>3-5 Years</u>
US Agencies				
FFCB	\$ 1,998,130	\$ -	\$ 1,998,130	\$ -
FHLMC	15,005,430	-	15,005,430	-
FNMA	15,963,129	-	14,985,660	977,469
2A-7 like Local Government Pools	205,272,579	205,272,579	-	-
Money Market Mutual Funds	1,004,039	1,004,039	-	-
Certificate of Deposit	10,000,000	10,000,000	-	-
Municipal Bonds	61,617,347	57,583,323	4,034,024	-
Total Value	<u>\$ 310,860,654</u>	<u>\$ 273,859,941</u>	<u>\$ 36,023,244</u>	<u>\$ 977,469</u>
% of Total Portfolio		88.10%	11.59%	0.31%

Abbreviations: FFCB      Federal Farm Credit Bank  
FHLMC      Federal Home Loan Mortgage Corporation  
FNMA      Federal National Mortgage Association

*Interest Rate Risk* – In order to limit interest and market rate risk from changes in interest rates, Lewisville ISD's adopted Investment Policy sets a maximum maturity of three (3) years and a maximum weighted average maturity (WAM) of 365 days on the total portfolio. Escrow sinking funds will be invested with a maximum maturity matching the termination date of the escrow.

As of August 31, 2013, the portfolio contained:

- no investment matured beyond 642 days (1.76 years),
- escrow account securities are matched to the termination date of the account or shorter, and
- the dollar weighted average maturity of the total portfolio was 101 days.



As of August 31, 2013, the portfolio contained five structured notes (callable securities) that had a combined book value of \$32,966,689 or 10.61% of the total portfolio. The details regarding these securities are shown below:

Issuer	Par	Coupon	Purchase Date	Maturity Date	Call Date	Structure	Book Value	Fair Value
FHLMC	\$ 5,000,000	0.350%	11/26/2012	2/21/2014	11/26/2013	Callable once with 5 days notice	\$ 5,000,000	\$ 5,001,810
FNMA	\$ 1,000,000	0.625%	11/18/2012	11/8/2018	11/8/2013	Callable on 11/8/13 and 11/8/16 with 10 days notice	\$ 999,568	\$ 977,469
FFCB	\$ 2,000,000	0.180%	5/20/2013	11/20/2014	9/10/2013	Callable once with 5 days notice	\$ 1,999,431	\$ 1,998,130
FHLMC	\$ 10,000,000	0.350%	11/26/2012	2/21/2014	11/26/2013	Callable once with 5 days notice	\$ 10,000,000	\$ 10,003,620
FNMA	\$ 15,000,000	0.420%	6/14/2013	6/5/2015	12/5/2013	Callable once with 10 days notice	\$ 15,000,000	\$ 14,985,660
							<u>\$ 32,998,999</u>	<u>\$ 32,966,689</u>

Abbreviations: FHLMC Federal Home Loan Mortgage Corporation  
FNMA Federal National Mortgage Association  
FFCB Federal Farm Credit Bank

*Custodial Credit Risk* – To control custody risk State law and Lewisville ISD's adopted Investment Policy requires collateral for all time and demand deposits and repurchase agreements with securities transferred only on a delivery versus payment basis and held by an independent party approved by the District and held in the District's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions and position descriptions including fair value. Repurchase agreements and deposits must be collateralized to 102% (with 110% on mortgaged-backed securities) and transactions are required to be executed under a written agreement. The counterparty of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of August 31, 2013:

- the portfolio contained two collateralized certificates of deposit,
- the portfolio contained no repurchase agreements,
- all bank demand deposits were fully insured and collateralized, and
- all pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies. Investments are recorded at fair value. Fair value is determined by the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

The Texas State Comptroller of Public Accounts exercises oversight responsibility over the external pooled funds. The Pooled Funds operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The external pooled funds use amortized cost rather than fair value to report net assets to compute share price. Accordingly, the fair value of the positions of the pooled funds is the same as the value of the external pool shares. For the purpose of the "Statement of Cash Flows," the District considers investments with maturities ninety days or less from acquisition to be cash and cash equivalents.

### Interfund Transactions

Interfund receivables and payables arise from interfund transactions in the normal course of operations and are recorded in all affected funds in the period in which transactions are executed. Interfund transfers arise from the need to move cash from bank accounts. See Note 10 for additional discussion of interfund transactions.

### Inventories

Technology, maintenance and food commodities are carried in an inventory account at cost, using the first-in, first-out method of accounting. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements. Although food commodities are received at no cost, their fair value is supplied by the Texas Department of Human Resources and recorded as inventory. In the governmental funds, a non-spendable fund balance indicates that they are unavailable as current expendable financial resources.

### Prepaid Items

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded using the consumption method in both government-wide and fund financial statements. The prepaid items have been identified as a non-spendable fund balance since it is not available for other subsequent expenditures.

### Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one year or more. However, all land and land improvements are capitalized regardless of the amount. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend the life of assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed.

All capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful life of the related capital asset. Depreciation is computed using the straight line method based on the estimated life as follows:

<u>Assets</u>	<u>Estimated Life</u>
Land improvements	10 – 20 years
Buildings and improvements	10 – 50 years
Vehicles	6 years
Furniture and Equipment	5 – 20 years

### Long-Term Debt

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

deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period it occurs.

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

### **Compensated Absences**

Employees are allowed to accrue five days of state personal leave each year without limit. The District pays a portion of accrued personal leave to retiring personnel meeting state eligibility requirements for retirement. The payment is limited to one-half of the current salary rate for the accumulated personal days. The District has accrued \$2,464,427 for accumulated personal leave that is reflected in the government-wide financial statements. Personal leave is paid out of the fund to which the employee's salary relates, the majority of which has historically been the General Fund.

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

The statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category – property taxes. This item, unavailable revenue, is reported only in the District's fund balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### **Fund Balance and Net Position**

Beginning with fiscal year 2011, the District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints.

#### **Governmental Fund Financial Statements:**

In the fund financial statements, governmental funds report fund balances as either non-spendable, restricted, committed, assigned or unassigned.

*Non-Spendable* fund balances are amounts that are not in spendable form or required to be maintained intact. Inventory and prepaid items have been properly classified as such.

*Restricted* is that portion of fund equity which has limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments.

*Committed* is that portion of fund equity which has limitations imposed by the Board of Trustees. To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The Board committed 100% of the ending

fund balance in the Campus Activity Funds for use by the respective campus. In addition, the Board committed \$45,000,000 to Minimum Fund Balance. The Minimum Fund Balance Policy was approved to set aside resources to maintain liquidity and to cover unanticipated deficits of revenue reductions that may be caused by adverse economic conditions.

*Assigned* is that portion of fund equity that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by a designee that has been granted the authority by the Board. The District did not have any assigned fund balances as of August 31, 2013.

*Unassigned* is that portion of fund equity that is available for any legal purpose. The general fund is the only fund that will have an unassigned amount. If other governmental funds incur expenditures for specified purposes that exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Beginning fund balances for the District's governmental funds have been restated to reflect the above classifications.

The order of spending and availability of the fund balances shall be to reduce funds in the following order: restricted, committed, assigned, and unassigned.

**Government-Wide Financial Statements:**

When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used. Net position on the Statement of Net Position include the following:

*Investment in Capital Assets* – The component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction, or improvement of these capital assets.

*Restricted net position* – The component of net assets calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

*Unrestricted* – The difference between the assets and liabilities that is not reported Investment in Capital Assets and Restricted Net Position.

**Self-insured Workers' Compensation**

On September 1, 1990, the District established a self-funding Workers' Compensation program. The District maintains a self-insured retention of \$400,000 per occurrence. The District currently purchases specific excess coverage to statutory limits from an insurance company that does not have a maximum amount. The District also maintains a self-insured retention of \$3,224,071 for aggregate claims. An aggregate policy from the Insurance Company provides \$1,000,000 in excess of the retention amount. Total claims exceeding the maximum aggregate policy amount become the responsibility of the District. Claims administration was provided by Edwards Claims Administration of Marble Falls, Texas.

The accrued liability for Workers' Compensation self-insurance of \$1,872,493 includes incurred but not reported (IBNR) claims for the three-year self-insurance period of which \$774,081 is expected to be due within one year. This liability reported in the fund at August 31, 2013 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. The liability booked was the undiscounted estimate of the actuary.

Changes in the workers' compensation claims liability paid during the year are as follows:

	Year Ended <u>August 31, 2013</u>	Year Ended <u>August 31, 2012</u>
Unpaid claims, beginning of year	\$ 2,048,060	\$ 2,127,137
Incurred claims (including IBNR's)	880,835	938,814
Claim payments and changes in estimate	<u>(1,056,402)</u>	<u>(1,017,891)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,872,493</u>	<u>\$ 2,048,060</u>

### Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal 2013, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the current fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

### Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Since under Texas law, appropriations lapse at fiscal year-end, outstanding encumbrances are appropriately provided for in the subsequent fiscal years' budget to provide for the liquidation of the prior commitments. As of August 31, 2013, the District had \$2,066,559 of encumbrances in the General Fund that rolled over into the new fiscal year.

### Data Control Codes

In accordance with the Financial Accountability System Resource Guide, the District has adopted and installed an accounting system that meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Financial Accountability Resource Guide. Mandatory codes are recorded in the order provided in that section.

### Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The District's calculation of the 60 day property tax accrual for the month of October 2013 is estimated based on historical subsequent collections for the months of October.

### Restatement of Prior Year Net Position

For fiscal year 2013, the District made a change in accounting principle due to the implementation of Governmental Accounting Standards Board No. 65, *Items Previously Reported as Assets and Liabilities*, which required the restatement of net position as of August 31, 2013. This resulted in a decrease in Net Position of \$6,641,949 due to expensing prior year's bond issuance cost. This change is in accordance with generally accepted accounting principles.

## NOTE 2. BUDGETARY LEGAL COMPLIANCE

During the fiscal year, the operating budget must be amended by the Board for changes that increase or decrease the original budget. All supplemental appropriations must be within limits of available revenues and fund equity. The following table summarizes changes to the originally adopted budgeted funds:

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013**

**Exhibit F-1**

<u>Fund</u>	Appropriations as of September 1, 2012 <u>(Original Budget)</u>	Supplemental Appropriations and Revisions	Appropriations as of August 31, 2013 <u>(Amended Budget)</u>
General Fund	\$ 393,516,509	\$ 2,163,223	\$ 395,679,732
Food Service Fund	22,658,620	733,730	23,392,350
Debt Service Fund	98,723,883	869,938	99,593,821
Total Budgeted Funds	<u>\$ 514,899,012</u>	<u>\$ 3,766,891</u>	<u>\$ 518,665,903</u>

Supplemental Appropriations and Revisions, directly from Fund Balance, are summarized below.

<u>General Fund</u>	<u>Food Service</u>	<u>Debt Service</u>
\$1,764,452 Purchase Orders	\$ 494,288 Purchase Orders	\$ 869,938 Bond Sales/Refunding
358,771 Rollforward of unused 11-12 budget	165,591 Coffee Bistros	
40,000 Medicaid Claims	73,851 Equipment	

A reconciliation of fund balances for budgeted and unbudgeted special revenue funds is as follows:

Budgeted - Special Revenue Fund - Food Service	\$ 3,712,705
Unbudgeted Funds	<u>4,401,458</u>
All Special Revenue Funds	<u>\$ 8,114,163</u>

**NOTE 3. PROPERTY TAXES**

The District's ad valorem property tax is levied each October 1 on the taxable value as of the prior January for all real and business personal property located in the District. The taxable value of the property tax roll upon which the levy was based for the 2012-13 fiscal year was \$23,046,548,096.

The tax rates assessed for the year ended August 31, 2013 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$0.413 per \$100 valuation, respectively, for a total of \$1.453 per \$100 valuation.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent by February 1 of the following year. Current tax collections for the year ended August 31, 2013 were 99.59% of the year-end adjusted tax levy.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of August 31, 2013, property taxes receivable, net of estimated uncollectible taxes, totaled \$3,276,404 and \$1,186,878 for the General and Debt Service Funds, respectively.

**NOTE 4. DUE TO/FROM OTHER GOVERNMENTS**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. All federal grants shown below are passed through the TEA and are reported on the

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit F-1

financial statements as Due from Other Governments. The amounts due from Denton County are for the Juvenile Justice Alternative Education Program (JJAEP) and property taxes. Amounts due from federal and state governments as of August 31, 2013 are summarized below. Amounts are expected to be collected within two months after the District fiscal year end.

<u>Fund</u>	<u>Denton County</u>	<u>State Entitlements</u>	<u>Federal Grants</u>	<u>Total</u>
General	\$ 113,010	\$ 131,044	\$ 1,653,058	\$ 1,897,112
Special Revenue	-	273,132	1,839,741	2,112,873
Debt Service	13,068	-	-	13,068
Total	<u>\$ 126,078</u>	<u>\$ 404,176</u>	<u>\$ 3,492,799</u>	<u>\$ 4,023,053</u>

Due to state represents payment due to the state for sales tax. Amounts due to other represent amounts due to a purchasing co-op.

Amounts due to local and state governments as of August 31, 2013 are summarized below.

<u>Fund</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Special Revenue	\$ 1,859	\$ -	\$ 1,859
Agency Funds	362	34,682	35,044
Total	<u>\$ 2,221</u>	<u>\$ 34,682</u>	<u>\$ 36,903</u>

## NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2013 was as follows:

### Governmental activities:

	Balance 09/01/12	Additions	Deletions	Transfers	Balance 08/31/13
Capital assets, not being depreciated:					
Land	\$ 103,233,346	\$ 5,597,745	\$ -	\$ -	\$ 108,831,091
Construction in Progress	19,571,572	51,359,008	106,742	(17,207,171)	53,616,667
Total capital assets, not being depreciated	<u>122,804,918</u>	<u>56,956,753</u>	<u>106,742</u>	<u>(17,207,171)</u>	<u>162,447,758</u>
Capital assets, being depreciated:					
Buildings and Improvements	1,087,032,815	41,426,127	8,898,310	17,207,171	1,136,767,803
Vehicles	2,901,696	97,580	93,125	-	2,906,151
Furniture and Equipment	22,758,756	1,054,799	1,088,854	-	22,724,701
Total capital assets being depreciated	<u>1,112,693,267</u>	<u>42,578,506</u>	<u>10,080,289</u>	<u>17,207,171</u>	<u>1,162,398,655</u>
Less accumulated depreciation for:					
Buildings and Improvements	255,856,913	27,201,365	6,755,285	-	276,302,993
Vehicles	2,315,400	192,175	93,126	-	2,414,449
Furniture and Equipment	12,699,408	1,519,379	1,023,195	-	13,195,592
Total accumulated depreciation	<u>270,871,721</u>	<u>28,912,919</u>	<u>7,871,606</u>	<u>-</u>	<u>291,913,034</u>
Total capital assets, being depreciated, net	<u>841,821,546</u>	<u>13,665,587</u>	<u>2,208,683</u>	<u>-</u>	<u>870,485,621</u>
Governmental activities capital assets, net	<u>\$ 964,626,464</u>	<u>\$ 70,622,340</u>	<u>\$ 2,315,425</u>	<u>\$ -</u>	<u>\$ 1,032,933,379</u>

Depreciation expense was charged to functions of the District as follows:

**Governmental activities:**

Instruction and Instructional Related Services	\$ 19,106,378
Instructional and School Leadership	579,115
Support Services Student (Pupil)	6,945,293
Administrative Support Services	238,870
Support Services - Nonstudent Based	1,651,689
Ancillary Students	391,574
Total depreciation expense - governmental activities	<u>\$ 28,912,919</u>

**Construction in Progress**

Construction in progress and remaining commitments under related construction contracts as of August 31, 2013:

	Authorized <u>Contract</u>	Total in <u>Progress</u>	Remaining <u>Commitment</u>
Tyler Munis Software	\$ 1,672,022	\$ 674,571	\$ 997,451
Lewisville HS Rebuild/Auditorium	9,650,381	6,046,851	3,603,530
Marcus HS 9th Grade Center	46,777,680	11,606,216	35,171,464
Flower Mound HS 9th Grade Center	52,912,143	18,354,574	34,557,569
Camey Elementary Rebuild	1,035,000	669,520	365,480
Griffin Middle School Rebuild	2,526,000	816,750	1,709,250
Aquatic Center/Harmon	19,101,343	15,448,185	3,653,158
Total	<u>\$ 133,674,569</u>	<u>\$ 53,616,667</u>	<u>\$ 80,057,902</u>

**NOTE 6. PENSION PLAN OBLIGATIONS**

*Plan Description* – The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading.

*Funding Policy* – Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2013, 2012, and 2011, and a state contribution rate of 6.4% for fiscal year 2013 and 6.0% for fiscal year 2012 and 6.644% for fiscal year 2011. State contributions to TRS made on behalf of the Lewisville Independent School District's employees for the years ended August 31, 2013, 2012, and 2011 were \$14,329,107, \$13,340,128, and \$15,556,539, respectively. The District paid



additional state contributions for the years ended August 31, 2013, 2012, and 2011 in the amount of \$4,325,504, \$3,788,132, and \$4,159,250, respectively, on the portion of the employees' salaries that exceeded the statutory minimum. The payments are recognized as revenues and expenditures/expenses during each period. Contributions for the retirement plan for the employees of the District represent 100% of the annual pension cost for current and the past two fiscal years.

#### **RETIREE HEALTH PLAN**

*Plan Description* – The Lewisville Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at [www.trs.state.tx.us](http://www.trs.state.tx.us), by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

*Funding Policy* – Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were .50% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2013, 2012, and 2011. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2013, 2012, and 2011, the State's contributions to TRS-Care were \$1,400,628, \$2,741,641, and \$2,842,624 respectively, the active member contributions were \$1,894,616, \$1,855,570, \$1,929,831, respectively, which equaled the required contributions each year.

#### **MEDICARE PART D – ON-BEHALF PAYMENTS**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2013, 2012 and 2011, these on-behalf payments were \$780,958, \$746,643 and \$696,433, respectively, as equal revenues and expenditures.

#### **NOTE 7. DEFERRED COMPENSATION PLAN**

Employees of the District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plan with Respect to Service for State and Local Governments). An unrelated financial institution, JEM Resource Partners, Inc. administers the Plan.

The deferred compensation plan is available to all employees of the District who are not covered under the State Retirement Plan. Under the plan, employees defer 7.5% of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, or death.

As part of its fiduciary role, the District has an obligation of due care in selecting the third-party administrator. In the opinion of the District's legal counsel, the District has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

As a result of legislative changes, all amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for

the exclusive benefits of participants and their beneficiaries and are not included in the financial statements of the District.

#### NOTE 8. LONG-TERM DEBT

Long-term debt includes par bonds and capital appreciation (deep discount) serial bonds. Bond premiums and discounts are amortized using the effective interest method.

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

The 1996, 2003, 2006, 2007, 2007R and 2013C bond series included outstanding capital appreciation bonds in the principal amount of \$60,713,429. The bonds mature variously through 2029. Interest accrues on these bonds each February 15 and August 15, even though the interest is not paid until maturity.

Debt service requirements to maturity are summarized as follows:

Year Ended			Total
<u>August 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2014	\$ 52,472,420	\$ 54,054,125	\$ 106,526,545
2015	44,128,840	63,896,870	108,025,710
2016	46,171,452	63,354,905	109,526,357
2017	56,603,384	53,024,135	109,627,519
2018	65,300,515	44,724,149	110,024,664
2019-2023	338,342,828	211,789,561	550,132,389
2024-2028	491,098,990	93,672,694	584,771,684
2029	19,420,000	582,600	20,002,600
	<u>\$ 1,113,538,429</u>	<u>\$ 585,099,039</u>	<u>\$ 1,698,637,468</u>

Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2013

Exhibit F-1

The following is a summary of the changes in the District's outstanding debt as of August 31, 2013:

Description	Interest Rate Payable	Amounts Outstanding 9/1/2012	Issued Current Year	Interest Accretion	Retired/Refunded	Amounts Outstanding 8/31/2013	Due within one year
1996 Refunding Bond	4.40 - 6.38%	\$ 22,623,358	\$ -	\$ -	\$ -	\$ 22,623,358	\$ 3,422,420
2003 Unlimited Tax/Refunding	2.50 - 5.00%	351,626	-	-	-	351,626	-
2006 Unlimited Tax	3.75 - 5.00%	11,710,681	-	-	7,580,000	4,130,681	2,120,000
2006 Refunding	4.25 - 5.00%	203,175,000	-	-	63,605,000	139,570,000	14,660,000
2007 Unlimited Tax/Refunding	4.00 - 5.00%	133,475,853	-	-	27,590,000	105,885,853	3,275,000
2007 Refunding	4.00 - 5.00%	84,056,911	-	-	1,840,000	82,216,911	1,110,000
2008 Unlimited Tax	3.50 - 5.00%	85,695,000	-	-	1,100,000	84,595,000	1,150,000
2009 Unlimited Tax	3.50 - 5.00%	160,570,000	-	-	3,410,000	157,160,000	3,530,000
2009 Unlimited Tax/Refunding	2.00 - 4.13%	2,955,000	-	-	1,900,000	1,055,000	120,000
2010 Qualified Sch Const Bonds	6.88%	29,900,000	-	-	-	29,900,000	-
2010A Unlimited Tax	2.00 - 5.00%	36,015,000	-	-	760,000	35,255,000	775,000
2010B Build America Bonds	5.974 - 6.024%	25,055,000	-	-	-	25,055,000	-
2010 Refunding Bond	2.00 - 5.00%	27,160,000	-	-	3,070,000	24,090,000	3,865,000
2011 Unlimited Tax	2.25 - 4.75%	48,685,000	-	-	1,440,000	47,245,000	1,725,000
2011 Refunding Bond	2.50 - 5.00%	33,659,938	-	-	5,889,938	27,770,000	6,815,000
2012 Unlimited Tax Bonds	3.00 - 4.00%	28,620,000	-	-	1,000,000	27,620,000	1,190,000
2012A Unlimited Tax/Refunding	3.00 - 5.00%	100,105,000	-	-	3,525,000	96,580,000	2,670,000
2012B Unlimited Refunding	2.00 - 5.00%	22,465,000	-	-	300,000	22,165,000	285,000
2012C Unlimited Tax Bonds	2.00 - 4.00%	-	33,715,000	-	-	33,715,000	1,075,000
2013A Unlimited Tax Refunding	3.00 - 5.00%	-	39,635,000	-	-	39,635,000	-
2013B Unlimited Tax Refunding	4.00 - 5.00%	-	22,865,000	-	-	22,865,000	-
2013C Unlimited Tax Refunding	.34 - 2.57%	-	5,560,000	-	65,000	5,495,000	115,000
2013D Unlimited Tax	2.00 - 4.00%	-	78,560,000	-	-	78,560,000	4,570,000
Bonded Indebtedness		1,056,278,367	180,335,000	-	123,074,938	1,113,538,429	52,472,420
Accreted Interest and CAB premium		91,315,434	495,611	8,288,871	575,062	99,524,854	7,593,335
Bond Premium		35,604,397	14,777,934	-	7,172,734	43,209,597	5,397,657
Accrued Compensated Absences		2,505,966	251,968	-	293,507	2,464,427	468,170
Total Obligations		\$ 1,185,704,164	\$ 195,860,513	\$ 8,288,871	\$ 131,116,241	\$ 1,258,737,307	\$ 65,931,582

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at August 31, 2013.

In May 2008, voters approved a \$697.7 million bond package designed to finance facility needs through 2015. Authorized but unissued school building bonds as of August 31, 2013 are \$173,142,750. During 2013, the District issued \$112,275,000 in Unlimited Tax School Building Bonds with interest rates from 2.00% to 4.00%. The proceeds were issued to provide funds to construct, acquire, and equip school buildings and purchase necessary sites for school buildings. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond orders.

In addition, the District issued \$68,060,000 in Unlimited Tax Refunding Bonds with interest rates from .34% to 5.00%. The refunding was used to refund a portion of 2006 and 2007 Unlimited Tax and Refunding with maturity dates through 2027 and interest rates from 4.25% to 5.00%. As a result, \$70,490,000 of the Unlimited Tax Series 2006 and 2007 are considered to be defeased. The proceeds were used to purchase U.S. Government securities and these securities were placed in an irrevocable escrow account until the refunded bonds are redeemed. The reacquisition price exceeded the net carrying amount of the old debt by \$9,278,726. This amount is being netted against the new debt and amortized over the life of the refunded debt. The District, in effect, decreased its aggregate debt service payments by \$6,022,623 through 2027 and resulted in an economic gain (difference between present values of the old and new debt service payment) of \$5,423,623.

**Qualified School Construction Bonds**

The District is scheduled to make annual deposits into trust accounts for the Qualified School Construction Bonds (QSCBs), Series 2010. These annual deposits plus the interest earned on the trust accounts will be used to pay off the debt upon maturity June 2016. The District accounts for these trust accounts as *Restricted Cash and Investments* on both the Statement of Net Position (Exhibit A-1) and in the Debt Service fund on the Governmental Funds Balance Sheet (Exhibit C-1). The investments are recorded at fair market value.

**NOTE 9. DEBT ISSUANCES AND DEFEASED DEBT**

In prior years and in the current year, the District issued refunding bonds for the purpose of generating resources and decreasing the total debt service payments. These refunding issues defeased selected general obligation bonds from the refunding issues of 2006 and 2007. Placing the proceeds of the refunding bonds in an irrevocable trust has provided for all future debt service payments on the original bonds. As of August 31, 2013, the outstanding balance of defeased bonds is \$106,530,000.

**NOTE 10. INTERFUND TRANSACTIONS***Receivables and payables:*

Interfund balances at August 31, 2013 consisted of the following individual fund receivables and payables that originated in the ordinary course of operations, for cash transfers between bank accounts, which have been eliminated on the government-wide statement of net position:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 5,177	\$ 8,750
Special Revenue Funds:		
Food Service Fund	1,677,351	-
Federal Funds	-	1,677,351
Debt Service Fund	8,750	-
Capital Projects Fund	-	5,177
Total	<u>\$ 1,691,278</u>	<u>\$ 1,691,278</u>

**NOTE 11. LITIGATION AND CONTINGENCIES**

The District is a party to various legal actions, none of which are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying basic financial statements for such contingencies.

The District participates in numerous State and Federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2013 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

The Tax Reform Act of 1986 imposed regulations on tax-exempt bond issues. Governmental bonds issued after August 31, 1986 are subject to the rebate provisions of the Tax Reform Act of 1986. The rebate applies to earnings from bond issue proceeds investments that exceed bond issue stated interest rates. There is a complicated formula based on a five year history, therefore the exact amount of liability, if any, is not known until five years from the bond issuance date. This calculation yielded no known material rebate liability at August 31, 2013.

**NOTE 12. REVENUES FROM LOCAL SOURCES**

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	\$ 245,968,774	\$ -	\$ 97,561,034	\$ -	\$ 343,529,808
Food Sales	-	10,682,667	-	-	10,682,667
Investment Income	478,111	-	60,615	142,151	680,877
Penalties, interest and other tax related income	1,165,181	-	385,211	-	1,550,392
Co-curricular student activities	1,016,442	3,321,718	-	41,254	4,379,414
Tuition and fees	4,839,428	4,183	-	-	4,843,611
Rental Income	407,087	-	-	-	407,087
Insurance Recovery	30,324	-	-	-	30,324
Donations	5,665	1,335,697	-	-	1,341,362
Other	1,089,421	858,997	-	24,507	1,972,925
<b>Total</b>	<b>\$ 255,000,433</b>	<b>\$ 16,203,262</b>	<b>\$ 98,006,860</b>	<b>\$ 207,912</b>	<b>\$ 369,418,467</b>

**NOTE 13. UNEARNED REVENUES**

Unearned revenues at August 31, 2013 represent assets that are not available for use by the District to liquidate current year liabilities. A summary of unearned revenues at the fund level consist of the following:

	General Fund	Special Revenue Funds	Total
Student Lunches	\$ -	\$ 912,167	\$ 912,167
Community Ed	1,939,762	-	1,939,762
Other	21,278	-	21,278
Grant Advances	-	101,885	101,885
	<b>\$ 1,961,040</b>	<b>\$ 1,014,052</b>	<b>\$ 2,975,092</b>

**NOTE 14. COMPONENT UNIT DISCLOSURES**Organization and Nature of Activities

LEF is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Public Support and Revenue

Contributions are generally temporarily or permanently restricted by the donor to support specific programs within Lewisville ISD. Unconditional promises to give are recorded as received. Contributions receivable due in the next year are recorded at their net realizable value. Contributions receivable due in subsequent years are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are received to discount the amounts. The calculated discount to present value was not materially different from the face value of the contributions receivable at December 31, 2012. An allowance for uncollectible promises to give has not been recorded based on management's evaluation of contributions receivable at year-end.

Contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions are reported as permanently restricted support if the donor directs that the donation be held in perpetuity.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. No material noncash assets or services were contributed to the Foundation during 2012.

#### Cash and Cash Equivalents

The Foundation considers all highly liquid investments, primarily checking and money market accounts, to be cash equivalents. At December 31, 2012, the carrying amount of cash was \$268,764.

#### Investments

Investments are presented in the financial statements at fair value. Realized and unrealized gains and losses on investments are reflected in the statement of activities. Purchases and sales of investments are recorded on the trade date. Investment income is recorded in the period when earned.

Investments as of December 31, 2012 are composed of the following:

	Cost	Fair Value	Unrealized Gain
Certificates of deposit	\$ 102,189	\$ 102,189	\$ -
Corporate bonds	147,727	159,066	\$ 11,339
U.S. Government secured Obligations	181,473	198,367	\$ 16,894
Individual stocks	1,174,300	1,346,008	\$ 171,708
Mutual funds	148,224	192,807	\$ 44,583
Fixed income mutual funds	413,001	479,447	\$ 66,446
	<u>\$ 2,166,914</u>	<u>\$ 2,477,884</u>	<u>\$ 310,970</u>

#### Restricted Net Assets

Temporarily restricted net assets consist of contributions from donors who have specified certain programs or scholarships within Lewisville ISD for use of the contributions.

Permanently restricted net assets consist of contributions from donors who have specified that the funds be invested in perpetuity, with earnings from the investments available for scholarships or grants.

#### Contributions and Other Receivables

Unconditional promises to give as of December 31, 2012 are as follows:

Receivable in less than one year	\$ 6,332
Receivable in one to five years	<u>14,637</u>
Total Unconditional Promises to Give	20,969
Less allowance for uncollectible amounts	-
Less discounts to net present value	<u>-</u>
Net Unconditional Promises to Give	<u>\$ 20,969</u>

Unrestricted Net Assets

Unrestricted net assets at December 31, 2012 include the following amounts designated by the Foundation's Board of Directors for grant endowment.

Silver Star Gala Grant	\$ 150,000
Silver Star Gala Scholarship	10,000
Earl Luna Memorial Grant	10,000
Pat Watts Honorary Grant	10,000
Janet Luttrell Honorary Grant	10,000
Total	<u>\$ 190,000</u>

Income Tax Status

The Foundation has received a letter of determination from the Internal Revenue Service advising that it qualifies as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to income tax. The Foundation is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code.

**NOTE 15. EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY FUNCTION**

The Texas Education Agency requires the budgets for the Governmental Fund Types to be filed with the Texas Education Agency (TEA). The expenditures should not exceed the budget in any functional category under TEA requirements. Expenditures exceeded appropriations in the General Fund for Instructional Leadership by \$31,256 and School Administration in the amount of \$41,106. Food Service expenditures exceeded appropriations in Plant Maintenance and Operations in amount of \$24,269.

# **Lewisville Independent School District**



**Other Supplementary Information**

**Combining Schedules and Other Schedules**



**REAL INNOVATION**  
**LIMITLESS OPPORTUNITY**  
LEWISVILLE INDEPENDENT SCHOOL DISTRICT

## **Nonmajor Governmental Funds**

The nonmajor governmental funds, which are made up of Special Revenue Funds are used to account for funds that are legally restricted for specified purposes excluding capital projects.

**Federal Funds** are used to account for federally funded grants and programs.

**State Funds** are used to account for state funded grants and programs.

**Local Funds** are used to account for local grants, programs and donations from corporations, foundations and other local sources.

**Food Service Fund** is used to account for allowable expenditures, as determined under the National School Lunch Program, for the operation and improvement of the Child Nutrition Programs.



**REAL INNOVATION**  
**LIMITLESS OPPORTUNITY**  
LEWISVILLE INDEPENDENT SCHOOL DISTRICT

# **Lewisville Independent School District**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2013**

		200-499		
Data Control Codes		Special Revenue Funds		
		Federal Funds	State Funds	Local Funds
<b>ASSETS</b>				
1110	Cash and Temporary Investments	\$ -	\$ 416,232	\$ 4,255,078
	Receivables:			
1240	Due from Other Governments	1,839,741	35,290	-
1260	Due from Other Funds	-	-	-
1290	Other Receivables	-	-	7,976
1310	Inventories at Cost	-	-	-
1410	Prepaid Expenditures	-	-	2,120
1000	<b>Total Assets</b>	<b>\$ 1,839,741</b>	<b>\$ 451,522</b>	<b>\$ 4,265,174</b>
<b>LIABILITIES</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 162,390	\$ 87,378	\$ 124,116
2170	Due to Other Funds	1,677,351	-	-
2180	Due to Other Governments	-	-	1,859
2300	Unearned Revenues	-	-	101,885
2000	<b>Total Liabilities</b>	<b>\$ 1,839,741</b>	<b>\$ 87,378</b>	<b>\$ 227,860</b>
<b>FUND BALANCE</b>				
Non-Spendable:				
3410	Inventory	-	-	-
3430	Prepaid Expenditures	-	-	2,120
3450	Restricted	-	364,144	305,561
3545	Committed	-	-	3,729,633
3000	<b>Total Fund Balance</b>	<b>-</b>	<b>\$ 364,144</b>	<b>\$ 4,037,314</b>
4000	<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,839,741</b>	<b>\$ 451,522</b>	<b>\$ 4,265,174</b>

240	Total Nonmajor Governmental Funds
Food Service Fund	August 31, 2013
\$ 3,210,944	\$ 7,882,254
237,842	2,112,873
1,677,351	1,677,351
-	7,976
418,202	418,202
-	2,120
<b>\$ 5,544,339</b>	<b>\$ 12,100,776</b>
\$ 919,467	\$ 1,293,351
-	1,677,351
-	1,859
912,167	1,014,052
<b>1,831,634</b>	<b>3,986,613</b>
418,202	418,202
-	2,120
3,294,503	3,964,208
-	3,729,633
<b>3,712,705</b>	<b>8,114,163</b>
<b>\$ 5,544,339</b>	<b>\$ 12,100,776</b>

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED AUGUST 31, 2013

		200-499	
Data Control Codes		Special Revenue Funds	
		Federal Funds	State Funds
<b>REVENUES:</b>			
	Local and Intermediate Sources:		
	Other Local and Intermediate Sources	\$ -	\$ 39
5700	Total Local and Intermediate Sources	-	39
5800	State Program Revenues	-	3,327,735
5900	Federal Program Revenues	13,995,793	-
<b>5020</b>	<b>Total Revenues</b>	<b>13,995,793</b>	<b>3,327,774</b>
<b>EXPENDITURES:</b>			
	Current:		
0011	Instruction	12,082,171	2,845,409
0012	Instruction Resources & Media Services	-	155
0013	Curriculum & Instructional Staff Development	1,264,430	409,706
0021	Instructional Leadership	25,102	-
0023	School Administration	22,977	-
0031	Guidance and Counseling	326,691	740
0033	Health Services	153,934	-
0034	Pupil Transportation	20,477	6,766
0035	Food Services	-	-
0036	Co-Curricular Activities	13,210	-
0041	General Administration	-	-
0051	Plant Maintenance and Operation	-	-
0052	Security and Monitoring	-	-
0061	Community Services	86,801	-
0081	Facilities Acquisition and Construction	-	-
	<b>Total Expenditures</b>	<b>13,995,793</b>	<b>3,262,776</b>
1200	Net Change in Fund Balances	-	64,998
0100	<b>FUND BALANCE - September 1</b>	-	299,146
3000	<b>FUND BALANCE - August 31</b>	<b>\$ -</b>	<b>\$ 364,144</b>



<u>Local Funds</u>	<u>240 Food Service Fund</u>	<u>Totals Nonmajor Governmental Funds Year Ended August 31, 2013</u>
\$ 5,310,534	\$ 10,892,689	\$ 16,203,262
5,310,534	10,892,689	16,203,262
600	427,003	3,755,338
-	9,579,663	23,575,456
<u>5,311,134</u>	<u>20,899,355</u>	<u>43,534,056</u>
2,169,275	-	17,096,855
145,351	-	145,506
65,974	-	1,740,110
33,669	-	58,771
417,556	-	440,533
485,469	-	812,900
2,728	-	156,662
6,147	-	33,390
11,976	19,375,659	19,387,635
1,412,376	-	1,425,586
9,448	-	9,448
46,722	1,517,215	1,563,937
8,942	-	8,942
3,588	-	90,389
39,068	-	39,068
<u>4,858,289</u>	<u>20,892,874</u>	<u>43,009,732</u>
452,845	6,481	524,324
3,584,469	3,706,224	7,589,839
<u>\$ 4,037,314</u>	<u>\$ 3,712,705</u>	<u>\$ 8,114,163</u>

# **Lewisville Independent School District**

## **Supplemental Schedules**

The schedules within this subsection are presented as supplementary information to expand upon the data presented in the other subsections of the Financial Section.



# **Lewisville Independent School District**

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2013**

Fiscal Year Ended August 31:	(1)  Maintenance	(2)  Debt Service	(3)  Assessed/ Appraised Value for School Tax Purposes	(10)  Beginning Balance 9/1/2012
2004 and prior years	1.50000	0.27000	\$ 16,138,151,856	\$ 715,972
2005	1.50000	0.27000	16,880,106,282	254,447
2006	1.50000	0.27000	17,730,993,540	191,025
2007	1.33000	0.31000	18,881,927,080	269,631
2008	1.04000	0.33000	21,061,221,028	281,324
2009	1.04000	0.34000	21,911,662,802	456,317
2010	1.04000	0.36870	23,200,406,048	472,775
2011	1.04000	0.38670	22,507,417,241	506,606
2012	1.04000	0.38600	23,095,990,992	1,165,455
2013 (school year under audit)	1.04000	0.41300	23,046,548,096	-
				<u>\$ 4,313,552</u>

Note: Amounts included on this schedule reflect actual collections and are not adjusted for the 60 day accrual.  
Sources of Information: DCTO Year to Date Collections Summary

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Exhibit H-1

(20)			(30)		(40)	(50)
Current Year's Total Levy	Debt Service Collections	Maintenance Collections	Total Collections		Entire Year's Adjustments	Ending Balance 8/31/2013
\$ -	\$ 3,278	\$ 13,913	\$ 17,191	\$ -	\$ (14,853)	\$ 683,928
-	365	2,028	2,393	-	4,325	256,379
-	1,268	7,043	8,311	-	8,805	191,519
-	13,021	55,865	68,886	-	17,387	218,132
-	25,229	79,512	104,741	-	87,035	263,618
-	50,206	153,572	203,778	-	296,711	549,250
-	70,818	199,757	270,575	-	361,636	563,836
-	70,462	189,503	259,965	-	412,209	658,850
-	131,633	354,659	486,292	-	83,202	762,365
334,866,344	97,092,715	244,494,969	341,587,684	-	8,111,196	1,389,856
<b>\$ 334,866,344</b>	<b>\$ 97,458,995</b>	<b>\$ 245,550,821</b>	<b>\$ 343,009,816</b>	<b>\$ -</b>	<b>\$ 9,367,653</b>	<b>\$ 5,537,733</b>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - FOOD SERVICE FUND  
YEAR ENDED AUGUST 31, 2013**

Data Control Codes	Food Service Fund Budgeted Amounts			Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual		
<b>REVENUES:</b>					
	Local and Intermediate Sources:				
	Other Local and Intermediate Sources	\$ 11,327,018	\$ 11,327,018	\$ 10,892,689	\$ (434,329)
5700	Total Local and Intermediate Sources	11,327,018	11,327,018	10,892,689	(434,329)
5800	State Program Revenues	502,633	502,633	427,003	(75,630)
5900	Federal Program Revenues	9,782,808	9,782,808	9,579,663	(203,145)
5020	<b>Total Revenues</b>	<b>21,612,459</b>	<b>21,612,459</b>	<b>20,899,355</b>	<b>(713,104)</b>
<b>EXPENDITURES:</b>					
	Current:				
0035	Food Services	21,165,884	21,899,404	19,375,659	2,523,745
0051	Plant Maintenance and Operation	1,492,736	1,492,946	1,517,215	(24,269)
	<b>Total Expenditures</b>	<b>22,658,620</b>	<b>23,392,350</b>	<b>20,892,874</b>	<b>2,499,476</b>
1100	Excess of Revenues Over Expenditures	(1,046,161)	(1,779,891)	6,481	1,786,372
0100	<b>FUND BALANCE - September 1</b>	3,706,224	3,706,224	3,706,224	-
3000	<b>FUND BALANCE - August 31</b>	<b>\$ 2,660,063</b>	<b>\$ 1,926,333</b>	<b>\$ 3,712,705</b>	<b>\$ 1,786,372</b>



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - DEBT SERVICE FUND  
YEAR ENDED AUGUST 31, 2013**

Data Control Codes	Debt Service Fund 500-599			Variance with Final Budget - Positive (Negative)	
	Budgeted Amounts		Actual		
	Original	Final			
<b>REVENUES:</b>					
Local and Intermediate Sources:					
	Investment Income	\$ 40,000	\$ 40,000	\$ 60,615	\$ 20,615
	Other Local and Intermediate Sources	96,748,784	96,748,784	\$ 97,946,245	1,197,461
5700	Total Local and Intermediate Sources	96,788,784	96,788,784	98,006,860	1,218,076
5900	Federal Program Revenues	526,109	526,109	503,223	(22,886)
5020	<b>Total Revenues</b>	<b>97,314,893</b>	<b>97,314,893</b>	<b>98,510,083</b>	<b>1,195,190</b>
<b>EXPENDITURES:</b>					
Current:					
0071	Debt Service:				
	Principal	53,519,938	53,370,337	52,584,938	785,399
	Interest and Fiscal Charges	45,203,945	46,223,484	46,143,831	79,653
	<b>Total Expenditures</b>	<b>98,723,883</b>	<b>99,593,821</b>	<b>98,728,769</b>	<b>865,052</b>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,408,990)	(2,278,928)	(218,686)	2,060,242
<b>OTHER FINANCING SOURCES (USES):</b>					
7911	Refunding Bonds Issued	-	68,060,000	68,060,000	-
7916	Net premiums or discounts on Issuance of Bonds	-	12,526,780	12,526,799	19
7910	Payment for Issuance Cost	(1,408,990)	549,281	-	(549,281)
8940	Payments to Refunded Bond Escrow Agent	-	(79,716,842)	(79,716,841)	1
	<b>Total Other Financing Sources (Uses)</b>	<b>(1,408,990)</b>	<b>1,419,219</b>	<b>869,958</b>	<b>(549,261)</b>
1200	Excess (Deficiency) of revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,817,980)	(859,709)	651,272	1,510,981
0100	<b>FUND BALANCE - September 1</b>	23,578,681	23,578,681	23,578,681	-
3000	<b>FUND BALANCE - August 31</b>	<b>\$ 20,760,701</b>	<b>\$ 22,718,972</b>	<b>\$ 24,229,953</b>	<b>\$ 1,510,981</b>

**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUND  
YEAR ENDED AUGUST 31, 2013**

	Agency Fund			
	10 Balance September 1, 2012	5020 Additions	6030 Deductions	11 Balance August 31, 2013
<b>ASSETS</b>				
Cash and Temporary Investments	\$ 1,135,838	\$ 2,197,278	\$ 2,226,674	\$ 1,106,442
Other Receivables	765	1,759	2,524	-
<b>Total Assets</b>	<b><u>\$ 1,136,603</u></b>	<b><u>\$ 2,199,037</u></b>	<b><u>\$ 2,229,198</u></b>	<b><u>\$ 1,106,442</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 72,631	\$ 2,153,778	# \$ 2,177,898	\$ 48,511
Due to Outside Entities	70,972	288,962	# 292,073	67,861
Due to Other Governments	30,979	11,507	- 7,442	35,044
Due to Student Groups	962,021	3,111,749	- 3,118,744	955,026
<b>Total Liabilities</b>	<b><u>\$ 1,136,603</u></b>	<b><u>\$ 5,565,996</u></b>	<b><u>\$ 5,596,157</u></b>	<b><u>\$ 1,106,442</u></b>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Exhibit H-5

**SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2014-2015  
GENERAL AND SPECIAL REVENUE FUNDS  
YEAR ENDED AUGUST 31, 2013**

**FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION**

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other)	7 Total
611X-6146	Payroll Cost	\$ -	\$ -	\$ 432,888	\$ 5,975,970	\$ -	\$ -	\$ 6,408,858
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)				9,256			9,256
6211	Legal Services	103,099	-	324,188		-	-	427,287
6212	Audit Services				72,850			72,850
6213	Tax Appraisal & Collection Appraisal in Function 99		2,793,672					2,793,672
621X	Other Prof. Services	800	-	6,134	100,473	-	-	107,407
6220	Tuition & Transfer Payments							-
6230	Education Service Centers	-	-	650	20,500	-	-	21,150
6240	Contr. Maint. & Repair					141,228		141,228
6250	Utilities							-
6260	Rentals	-	-	15,438	35,700	-	-	51,138
6290	Miscellaneous Contr.	44	-	7,025	385,113	-	-	392,182
6320	Textbooks & Reading	-	-	325	3,103	-	-	3,428
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	264	-	1,473	345,969	-	-	347,706
6410	Travel, Subsistence, Stipends	12,838	-	10,499	45,828	-	551	69,716
6420	Insurance & Bonding Costs	-	-	-	234,498	-	-	234,498
6430	Election Costs	43,092						43,092
6490	Miscellaneous Operating	12,054	-	39,022	90,829	-	-	141,905
6500	Debt Service							-
6600	Capital Outlay							-
6000	<b>TOTAL</b>	<b>\$ 172,191</b>	<b>\$ 2,793,672</b>	<b>\$ 837,642</b>	<b>\$ 7,320,089</b>	<b>\$ 141,228</b>	<b>\$ 551</b>	<b>\$ 11,265,373</b>

Total expenditures/expenses for General and Special Revenue Funds

(plus Food Service Enterprise Fund if present)

(9) \$ 429,365,752

FISCAL YEAR

LESS: Deductions of Unallowable Costs

Total Capital Outlay (6600)

(10) 781,334

Total Debt & Lease (6500)

(11) -

Plant Maintenance (Function 51, 6100-6400)

(12) 36,374,255

Food (Function 35, 6341 and 6499)

(13) 6,841,592

Stipends (6413)

(14) -

Column 4 (above) - Total Indirect Cost

7,320,089

Net Allowed Direct Cost

\$378,048,482

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)

(15) \$ 1,136,767,803

Historical Cost of Buildings over 50 years old

(16) \$ 1,294,945

Amount of Federal Money in building Cost (Net of #16)

(17) \$ -

Total Cost of Furniture & Equipment before Depreciation (1530&1540)

(18) \$ 22,724,701

Historical Cost of Furniture & Equipment over 16 years old

(19) \$ 3,488,100

Amount of Federal Money in Furniture & Equipment (Net of #19)

(20) \$ 1,178,253

Note - \$0 in Function 53 expenditures are included in this report on administrative costs.

\$2,725,986 in Function 99 expenditures for appraisal district costs are included in this report on administrative cost.

# **Lewisville Independent School District**

**STATISTICAL  
SECTION**



**REAL INNOVATION**  
**LIMITLESS OPPORTUNITY**  
LEWISVILLE INDEPENDENT SCHOOL DISTRICT

## STATISTICAL SECTION

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the District's overall financial health. This information has not been audited by the independent auditor.

<b><u>Contents</u></b>	<b><u>Table #s</u></b>
<b>Financial Trends</b> These tables contain trend information to assist the reader in understanding how the District's financial position has changed over time.	<b>1, 2, 3, &amp; 4</b>
<b>Revenue Capacity</b> These tables contain information to assist the reader in understanding and assessing the factors affecting the District's ability to generate its own-source revenues.	<b>5, 6, 7, 8, &amp; 9</b>
<b>Debt Capacity</b> These tables contain information to assist the reader in understanding the District's debt burden and its ability to issue additional debt in the future.	<b>10, 11, 12, &amp; 13</b>
<b>Economic and Demographic Information</b> These tables contain information to assist the reader in understanding the socioeconomic environment in which the District operates and to provide information that facilitates comparisons of financial statement information over time and with other school districts.	<b>14, 15, &amp; 16</b>
<b>Operating Information</b> These tables contain information intended to provide contextual information about the District's operations and resources and to assist readers in using financial statement information to understand and assess the District's economic condition.	<b>17, 18, 19, &amp; 20</b>

**Source:** Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**GOVERNMENT-WIDE  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	2004	2005	2006	2007	2008
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 194,149,021	\$ 208,660,486	\$ 222,525,780	\$ 233,395,301	\$ 260,273,302
Instruction Resources & Media Services	5,293,887	5,444,107	5,744,657	5,904,269	6,409,402
Curriculum & Instructional Staff Development	3,060,641	3,609,781	3,929,105	4,003,597	5,125,262
Instructional Leadership	5,275,559	6,199,303	6,548,039	6,187,863	6,923,768
School Administration	17,425,865	19,060,412	20,669,902	22,041,362	23,742,376
Guidance and Counseling	13,738,052	14,535,970	15,304,315	15,563,635	17,594,388
Social Work Services	41,403	45,729	56,099	57,799	63,407
Health Services	2,900,104	3,158,096	3,339,351	3,506,757	3,874,420
Pupil Transportation	6,760,370	6,916,476	7,310,324	7,836,125	8,584,076
Food Services	14,451,912	15,902,061	16,785,294	17,219,548	18,729,379
Co-Curricular Activities	9,368,810	9,765,689	10,748,037	11,462,276	12,436,255
General Administration	8,588,533	9,108,062	9,482,237	10,228,021	10,818,488
Plant Maintenance and Operation	34,761,525	38,033,030	34,388,751	40,722,312	52,752,452
Security and Monitoring	708,380	766,690	787,568	817,228	907,912
Data Processing Services	3,336,033	3,636,121	4,424,367	5,279,923	6,374,009
Community Services	2,873,862	3,345,325	3,633,360	3,884,237	4,644,760
Interest and Fiscal Charges	34,978,776	33,712,898	40,514,548	35,943,533	42,532,707
Facilities Acquisition & Construction	4,512,877	8,116,120	4,126,204	9,346,603	12,159,730
Fiscal Agent/Member District of Shared Service Arrangement	150,400	137,200	112,253	183,600	216,000
Alternative Education Program	637,231	601,051	718,345	634,391	544,858
Other Intergovernmental Charges	-	-	-	-	-
<b>Total governmental expenses</b>	<b>\$ 363,013,241</b>	<b>\$ 390,754,607</b>	<b>\$ 411,148,536</b>	<b>\$ 434,218,380</b>	<b>\$ 494,706,951</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for Service					
Instruction & Instructional Related Services	\$ 2,070,210	\$ 1,828,183	\$ 2,049,978	\$ 3,772,417	\$ 3,343,832
Food Services	10,527,610	11,623,008	12,330,866	10,846,625	10,495,811
Cocurricular/Extracurricular Activities	1,995,811	2,107,921	2,441,734	2,316,339	2,270,110
Plant Maintenance and Operations	557,573	419,513	719,024	572,796	523,627
Community Services	2,554,578	2,820,891	3,197,971	3,394,650	3,321,551
Other Activities	530,867	451,739	485,689	695,079	1,203,183
Operating Grants and Contributions	28,605,389	33,043,826	37,627,818	40,154,971	45,154,720
<b>Total Primary Government Program Revenues</b>	<b>46,842,038</b>	<b>52,295,081</b>	<b>58,853,080</b>	<b>61,752,877</b>	<b>66,312,834</b>
<b>Net (Expense)/Revenue</b>					
Total Primary Government Net Expense	\$ (316,171,203)	\$ (338,459,526)	\$ (352,295,456)	\$ (372,465,503)	\$ (428,394,117)
<b>General Revenues</b>					
Property Taxes, Levied for General Purposes	\$ 246,587,460	\$ 257,030,349	\$ 273,940,175	\$ 263,426,055	\$ 227,576,466
Property Taxes, Levied for Debt Service	44,357,028	46,307,705	49,285,770	61,240,281	71,824,072
Unrestricted State Aid Formula Grants	29,445,380	32,689,819	20,696,322	55,959,321	111,285,977
Medicaid Reimbursement	471,290	259,349	2,211,943	519,627	447,727
Unrestricted Federal Aid	3,123,868	1,527,210	3,064,901	5,286,068	1,967,127
Investment Earnings	2,186,275	5,544,472	9,863,481	16,072,818	12,095,389
Miscellaneous	304,578	1,034,958	313,985	1,182,060	2,877,938
<b>Total Primary Government General Revenues</b>	<b>326,475,879</b>	<b>344,393,862</b>	<b>359,376,577</b>	<b>403,686,230</b>	<b>428,074,696</b>
<b>Special Items -</b>					
Gain (Loss) from Sale of Capital Assets	(32,109)	-	-	-	-
Proceeds from refunding escrow	10,968	-	-	-	-
<b>Total governmental revenues</b>	<b>\$ 373,296,776</b>	<b>\$ 396,688,943</b>	<b>\$ 418,229,657</b>	<b>\$ 465,439,107</b>	<b>\$ 494,387,530</b>
<b>Change in Net Position</b>	<b>\$ 10,283,535</b>	<b>\$ 5,934,336</b>	<b>\$ 7,081,121</b>	<b>\$ 31,220,727</b>	<b>\$ (319,421)</b>



**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Table - 1

2009	2010	2011	2012	2013
\$ 275,575,208	\$ 281,620,908	\$ 288,131,488	\$ 279,955,524	\$ 282,653,927
6,617,443	6,579,218	6,708,232	6,262,370	6,473,535
6,140,070	6,049,840	6,455,220	6,057,340	4,426,798
7,452,181	6,927,337	7,406,223	6,761,534	6,843,861
27,239,901	25,468,736	25,928,350	24,953,147	26,467,904
18,828,242	18,759,542	19,133,441	17,451,208	17,628,277
107,506	107,114	100,608	98,150	100,963
4,271,152	4,333,720	4,606,909	4,481,729	4,842,853
8,755,641	9,351,970	9,529,155	9,938,802	10,328,260
19,902,076	20,547,788	20,460,244	20,080,887	20,648,885
13,715,486	13,875,563	14,874,422	14,682,758	16,434,607
10,083,602	9,591,098	9,200,921	8,565,384	8,795,533
39,867,541	41,074,887	40,156,334	39,331,624	46,728,086
939,419	912,856	938,328	994,727	915,428
7,094,566	5,943,920	6,102,614	6,667,960	8,347,142
4,795,969	5,008,193	4,910,278	4,909,867	4,895,546
47,734,528	47,244,599	50,097,646	48,154,399	51,615,410
12,552,738	17,596,170	11,272,489	9,356,373	30,358,431
163,800	238,000	201,500	170,500	170,500
329,923	611,252	153,614	246,797	135,992
2,688,343	2,768,705	2,768,281	2,739,368	2,725,986
<b>\$ 514,855,335</b>	<b>\$ 524,611,416</b>	<b>\$ 529,136,297</b>	<b>\$ 511,860,448</b>	<b>\$ 551,537,924</b>
\$ 4,489,515	\$ 3,337,481	\$ 2,441,643	\$ 3,929,999	\$ 3,098,301
9,870,594	10,698,511	10,225,992	8,895,203	10,265,965
1,990,018	2,246,881	1,779,880	1,581,926	1,849,881
419,396	747,845	974,322	1,998,227	1,310,949
3,074,598	3,008,535	4,119,209	4,447,814	4,595,832
1,198,937	1,163,296	1,193,607	807,675	727,470
47,107,497	60,913,693	73,348,310	50,608,327	45,320,097
68,150,555	82,116,242	94,082,963	72,269,171	67,168,495
<b>\$ (446,704,780)</b>	<b>\$ (442,495,174)</b>	<b>\$ (435,053,334)</b>	<b>\$ (439,591,277)</b>	<b>\$ (484,369,429)</b>
\$ 245,065,937	\$ 243,499,386	\$ 237,128,747	\$ 242,746,951	\$ 247,466,001
79,763,441	86,144,920	88,157,176	89,872,719	98,391,651
101,366,379	101,862,834	119,824,122	109,838,538	99,178,158
863,715	2,422,209	817,643	6,811,600	2,293,021
1,179,995	1,237,177	2,317,192	3,707,080	7,728,644
4,436,309	1,046,795	596,419	525,344	692,103
1,825,683	1,000,192	743,362	717,352	924,739
434,501,459	437,213,513	449,584,661	454,219,584	456,674,317
-	-	-	-	-
-	-	-	-	-
<b>\$ 502,652,014</b>	<b>\$ 519,329,755</b>	<b>\$ 543,667,624</b>	<b>\$ 526,488,755</b>	<b>\$ 523,842,812</b>
<b>\$ (12,203,321)</b>	<b>\$ (5,281,661)</b>	<b>\$ 14,531,327</b>	<b>\$ 14,628,307</b>	<b>\$ (27,695,112)</b>

**GOVERNMENT-WIDE  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	2004	2005	2006	2007
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 71,204,093	\$ 77,107,432	\$ 75,482,779	\$ 79,230,889
Restricted				
Food Service	536,392	500,169	496,120	625,897
Grants	-	-	-	-
Debt Service	12,018,522	11,027,137	-	-
Unrestricted	(50,544,527)	(47,280,503)	(27,543,543)	(200,703)
<b>Total primary government net position</b>	<b>\$ 33,214,480</b>	<b>\$ 41,354,235</b>	<b>\$ 48,435,356</b>	<b>\$ 79,656,083</b>

Source of Information: Statement of Net Position - audited financial reports.

Table - 2

2008	2009	2010	2011	2012	2013
\$ 95,241,278	\$ 96,071,603	\$ 89,609,708	\$ 75,709,046	\$ 94,859,322	\$ 106,986,251
465,126	591,559	553,210	3,010,841	3,706,224	3,712,705
-	-	-	481,060	299,146	451,522
-	-	3,802,228	17,546,501	22,069,672	14,676,604
(16,369,742)	(29,529,821)	(32,113,466)	(20,364,441)	(29,923,050)	(69,152,829)
<b>\$ 79,336,662</b>	<b>\$ 67,133,341</b>	<b>\$ 61,851,680</b>	<b>\$ 76,383,007</b>	<b>\$ 91,011,314</b>	<b>\$ 56,674,253</b>

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

**ALL GOVERNMENTAL FUNDS  
CHANGES IN FUND BALANCES  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	2004	2005	2006	2007
<b>Revenues</b>				
Local Sources:				
Property Taxes	\$ 289,880,259	\$ 304,885,381	\$ 322,152,579	\$ 324,905,827
Interest	2,141,123	5,443,591	9,698,881	15,870,053
Other	19,455,136	21,348,946	23,072,443	24,062,891
State Sources	44,443,840	48,237,752	38,747,724	76,409,975
Federal Sources	16,288,503	18,223,202	24,076,835	24,221,728
<b>Total Revenue</b>	<b>372,208,861</b>	<b>398,138,872</b>	<b>417,748,462</b>	<b>465,470,474</b>
<b>Expenditures</b>				
Instruction	185,216,694	198,756,530	211,576,146	222,031,041
Instructional Resources & Media Services	4,879,525	4,996,321	5,223,569	5,381,296
Curriculum and Instructional Staff Development	3,043,101	3,593,499	3,917,741	3,990,670
Instructional Leadership	5,258,381	6,183,698	6,515,635	6,142,297
School Administration	17,283,101	18,906,810	20,488,076	21,842,800
Guidance and Counseling	13,644,117	14,436,438	15,205,667	15,451,797
Social Work Services	41,443	45,795	56,266	57,914
Health Services	2,864,212	3,121,114	3,298,462	3,462,796
Pupil Transportation	6,728,218	6,885,749	7,235,254	7,727,669
Food Services	13,631,433	15,144,537	15,983,689	16,520,822
Co - Curricular Activities	8,341,189	8,268,362	9,088,454	9,614,950
General Administration	8,544,398	9,065,762	9,358,604	10,097,201
Plant Maintenance and Operations	34,591,407	38,030,447	34,311,650	40,484,981
Security and Monitoring	663,363	719,679	738,633	767,889
Data Processing Services	3,340,451	3,604,610	4,214,430	5,089,281
Community Services	2,815,006	3,287,525	3,559,324	3,808,679
Debt Service				
Principal	11,735,369	20,755,067	18,525,000	22,700,611
Interest	31,290,684	28,977,766	29,517,158	45,378,860
Facilities Acquisition and Construction	71,107,575	79,910,310	32,376,842	79,105,696
Intergovernmental Charges	787,631	738,251	830,598	817,991
<b>Total expenditures</b>	<b>425,807,298</b>	<b>465,428,270</b>	<b>432,021,198</b>	<b>520,475,241</b>
<b>Other financing sources (uses)</b>				
Refunding Bonds Issued	6,000,000	17,697,694	252,336,859	155,581,503
Transfers In	3,068	178,369	-	-
Issuance of Debt	64,549,999	45,000,000	54,645,683	102,386,261
Sale of Real & Personal Property	16,581	31,482	42,789	52,582
Premium on Issuance of Bonds	3,250,880	4,206,472	42,334,986	22,253,172
Transfers Out	(3,068)	(96,741)	-	-
Payments to Refunded Bond Escrow Agent	(6,444,664)	(20,473,901)	(291,602,901)	(173,473,424)
<b>Total other financing sources (uses)</b>	<b>67,372,796</b>	<b>46,543,375</b>	<b>57,757,416</b>	<b>106,800,094</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>2,205,419</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>\$ 13,774,359</b>	<b>\$ (18,540,604)</b>	<b>\$ 43,484,680</b>	<b>\$ 51,795,327</b>
<b>Debt service as a percentage of noncapital expenditures (1)</b>	<b>12.00%</b>	<b>12.66%</b>	<b>11.92%</b>	<b>15.12%</b>

Sources of Information: Statement of Revenues, Expenditure and Changes in Fund Balance - Audited financial reports

(1) In calculating the ratio of total debt service expenditures to noncapital expenditures, governmental fund expenditures for the facilities acquisition and construction of assets that are classified as capital assets for reporting in the government-wide financial statements are subtracted from the total governmental fund expenditures (Exhibit C-3).

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Table - 3

2008	2009	2010	2011	2012	2013
\$ 300,179,722	\$ 322,697,841	\$ 331,544,587	\$ 326,407,429	\$ 333,666,938	\$ 345,080,200
11,952,030	4,367,527	1,027,363	583,103	505,486	680,877
25,823,623	24,918,353	23,946,287	22,623,729	24,730,619	23,657,390
134,700,520	125,619,482	122,825,368	143,098,832	134,480,516	119,133,244
21,711,420	23,400,527	41,847,993	51,571,002	34,542,294	34,392,821
<b>494,367,315</b>	<b>501,003,730</b>	<b>521,191,598</b>	<b>544,284,095</b>	<b>527,925,853</b>	<b>522,944,532</b>
246,981,627	263,191,773	265,012,438	271,554,272	260,663,523	263,224,433
5,803,868	6,042,544	5,912,652	6,021,719	5,494,896	5,696,271
5,115,313	6,114,311	6,011,497	6,484,525	6,024,558	4,393,504
6,880,637	7,130,744	6,808,006	7,832,930	6,376,792	7,002,442
23,505,939	27,024,895	25,203,341	25,578,743	24,408,361	25,917,503
17,468,940	18,755,490	18,636,783	18,967,277	17,220,848	17,393,047
63,548	108,042	107,273	100,546	97,869	100,690
3,822,972	4,232,494	4,277,112	4,529,805	4,390,500	4,750,918
8,476,551	8,677,229	9,242,192	9,394,593	9,804,239	10,193,698
17,807,633	18,979,584	19,459,341	19,152,354	18,585,539	19,387,635
9,965,597	10,889,869	10,661,335	10,242,158	9,619,403	9,886,996
10,693,760	9,241,283	9,401,022	9,859,951	8,346,364	8,539,387
52,716,130	39,727,069	40,606,834	39,992,155	38,499,516	46,339,019
858,762	897,112	889,694	923,348	996,357	901,930
6,083,006	6,830,649	5,394,418	5,640,850	6,264,730	7,778,867
4,251,803	4,392,688	4,600,979	4,571,472	4,509,308	4,495,334
23,595,220	25,900,241	23,584,821	29,823,611	42,420,121	52,584,938
46,279,548	50,627,806	62,484,307	60,642,813	48,916,271	46,508,534
88,746,927	81,619,073	155,001,454	74,166,666	45,731,829	128,529,634
760,858	3,182,066	3,617,957	3,123,395	3,156,665	3,032,478
<b>579,878,639</b>	<b>593,564,962</b>	<b>676,913,456</b>	<b>608,603,183</b>	<b>561,527,689</b>	<b>666,657,258</b>
-	5,350,000	28,440,000	33,659,938	62,686,456	68,060,000
-	-	-	-	-	-
87,745,000	167,045,000	91,715,000	48,685,000	88,503,544	112,275,000
24,864	45,649	58,641	157,495	278,177	86,156
240,000	4,773,268	3,668,653	2,655,676	20,522,790	15,273,545
-	-	-	-	-	-
-	(5,450,359)	(29,891,161)	(35,738,783)	(72,222,008)	(79,716,841)
<b>88,009,864</b>	<b>171,763,558</b>	<b>93,991,133</b>	<b>49,419,326</b>	<b>99,768,959</b>	<b>115,977,860</b>
-	-	-	-	-	-
<b>\$ 2,498,540</b>	<b>\$ 79,202,326</b>	<b>\$ (61,730,725)</b>	<b>\$ (14,899,762)</b>	<b>\$ 66,167,123</b>	<b>\$ (27,734,866)</b>
<b>13.90%</b>	<b>14.61%</b>	<b>15.97%</b>	<b>16.60%</b>	<b>17.43%</b>	<b>17.47%</b>

**ALL GOVERNMENTAL FUNDS  
FUND BALANCES  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	2004	2005	2006	2007
<b>General Fund:</b>				
Non-spendable	\$ 6,096,083	\$ 7,327,991	\$ 698,635	\$ 608,853
Restricted	1,862,666	1,101,848	-	-
Committed	-	-	45,000,000	45,000,000
Unassigned	68,533,137	88,489,591	66,811,540	88,269,369
<b>Total General Fund</b>	<b>\$ 76,491,886</b>	<b>\$ 96,919,430</b>	<b>\$ 112,510,175</b>	<b>\$ 133,878,222</b>
<b>All Other Governmental Funds:</b>				
Non-spendable	\$ 540,293	\$ 503,223	\$ 499,006	\$ 627,704
Restricted	53,013,970	11,346,094	41,456,547	71,830,758
Committed	2,238,686	2,770,065	2,763,183	2,687,554
<b>Total All Other Governmental Funds</b>	<b>\$ 55,792,949</b>	<b>\$ 14,619,382</b>	<b>\$ 44,718,736</b>	<b>\$ 75,146,016</b>
<b>Total Governmental Funds</b>	<b>\$ 132,284,835</b>	<b>\$ 111,538,812</b>	<b>\$ 157,228,911</b>	<b>\$ 209,024,238</b>

Sources of Information: Balance Sheet Governmental Funds

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Table - 4

2008	2009	2010	2011	2012	2013
\$ 498,990	\$ 538,412	\$ 374,997	\$ 263,970	\$ 435,003	\$ 211,097
-	-	534,852	719,912	-	-
45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
86,138,856	72,156,071	74,761,188	87,335,085	101,532,888	96,179,411
<u>\$ 131,637,846</u>	<u>\$ 117,694,483</u>	<u>\$ 120,671,037</u>	<u>\$ 133,318,967</u>	<u>\$ 146,967,891</u>	<u>\$ 141,390,508</u>
\$ 488,250	\$ 592,946	\$ 562,316	\$ 509,836	\$ 483,470	\$ 423,110
76,497,868	169,326,493	104,625,785	77,187,158	129,588,374	106,983,623
2,898,814	3,111,182	3,135,241	3,078,656	3,222,005	3,729,633
<u>\$ 79,884,932</u>	<u>\$ 173,030,621</u>	<u>\$ 108,323,342</u>	<u>\$ 80,775,650</u>	<u>\$ 133,293,849</u>	<u>\$ 111,136,366</u>
<u>\$ 211,522,778</u>	<u>\$ 290,725,104</u>	<u>\$ 228,994,379</u>	<u>\$ 214,094,617</u>	<u>\$ 280,261,740</u>	<u>\$ 252,526,874</u>

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Tax Levy Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent years and cumulative adjustments (2)	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 286,785,535	\$ 283,343,372	98.80%	\$ 2,777,251	\$ 286,127,208	99.77%
2004	300,081,153	297,076,795	99.00%	2,363,945	299,442,672	99.79%
2005	319,461,652	316,082,747	98.94%	2,671,636	318,754,383	99.78%
2006	320,747,761	317,503,824	98.99%	2,406,562	319,910,386	99.74%
2007	295,398,819	292,659,331	99.07%	1,877,784	294,537,115	99.71%
2008	319,855,271	316,941,339	99.09%	1,882,308	318,823,647	99.68%
2009	327,214,703	324,566,517	99.19%	1,684,681	326,251,198	99.71%
2010	324,469,662	322,793,734	99.48%	720,127	323,513,861	99.71%
2011	330,122,034	328,956,578	99.65%	229,160	329,185,738	99.72%
2012	342,977,539	341,587,684	99.59%	-	341,587,684	99.59%

(1) Current year original tax levy net of supplements and adjustments in current tax year.

(2) Collections in subsequent years are net of supplements and adjustments in subsequent years.



**SCHEDULE OF TAX RATE DISTRIBUTION PER \$100 VALUATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	Maintenance	Debt Service	Total
2004	\$ 1.5000	\$ 0.2700	\$ 1.7700
2005	1.5000	0.2700	1.7700
2006	1.5000	0.2700	1.7700
2007	1.3300	0.3100	1.6400
2008	1.0400	0.3300	1.3700
2009	1.0400	0.3400	1.3800
2010	1.0400	0.3687	1.4087
2011	1.0400	0.3867	1.4267
2012	1.0400	0.3860	1.4260
2013	1.0400	0.4130	1.4530

Sources of Information: Lewisville ISD Budget Department

**ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	Residential	Lots, Tracts & Acreage	Commercial and Industrial	Utilities
2004	\$ 12,963,557,725	\$ 583,335,334	\$ 3,116,799,467	\$ 271,016,831
2005	13,435,102,916	591,877,856	3,681,870,559	314,621,437
2006	14,066,421,583	642,236,434	3,743,474,157	284,245,233
2007	14,794,245,905	662,713,380	4,080,024,053	307,293,020
2008	16,226,610,242	838,913,530	4,932,913,345	323,856,130
2009	16,834,933,657	828,657,120	5,278,210,410	327,325,225
2010	17,464,518,758	810,127,573	5,671,243,954	292,507,815
2011	17,388,209,969	643,775,755	5,503,954,303	248,021,610
2012	17,631,289,949	637,466,733	5,770,243,423	314,778,502
2013	17,741,329,368	615,219,945	6,090,480,644	312,951,363

Sources of Information: Denton and Tarrant Central Appraisal Districts (DCAD) and Denton County Tax Office

Note: Property is assessed at market value. Properties are assessed every year. Tax rates are per \$100 of assessed value.

Note: \* Includes gains from supplemental corrections to DCAD certified values which DCAD could not identify by category.

Table - 7

Other	Less: Exemptions	Total Taxable Assessed value	Total Direct Tax Rate
\$ 246,959,705	\$ 1,043,517,206	\$ 16,138,151,856	1.770
219,028,042	1,362,394,528	16,880,106,282	1.770
187,991,238	1,193,375,105	17,730,993,540	1.770
175,087,482	1,137,436,760	18,881,927,080	1.640
216,260,532	1,477,332,751	21,061,221,028	1.370
941,206,948	2,298,670,558	21,911,662,802	1.380
1,018,701,477	2,056,693,529 *	23,200,406,048	1.409
1,029,813,947	2,306,358,343 *	22,507,417,241	1.427
1,058,795,450	2,316,583,065 *	23,095,990,992	1.426
1,069,775,943	2,783,209,167 *	23,046,548,096	1.453

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	2004	2005	2006	2007	2008
City of Carrollton	\$ 0.59930	\$ 0.59930	\$ 0.63288	\$ 0.63288	\$ 0.61788
City of Coppell	0.64860	0.64860	0.64860	0.64146	0.64146
Town of Copper Canyon	0.14894	0.16041	0.17027	0.17027	0.19027
Denton County	0.24717	0.25480	0.24648	0.23192	0.23589
Denton County FWSD#1-B	1.00000	1.00000	1.00000	0.95000	0.90000
Denton County FWSD#1-D	1.00000	1.00000	1.00000	0.95000	0.90000
Denton County FWSD#1-E	1.00000	1.00000	1.00000	0.95000	0.90000
Denton County FWSD#1-F	-	-	-	-	-
Denton County LID#1	-	-	-	0.15500	0.15500
Denton County RUD#1	0.45000	0.45000	0.43000	0.42000	0.40000
Town of Double Oak	0.22000	0.22000	0.22000	0.22000	0.22481
Town of Flower Mound	0.44970	0.44970	0.44970	0.44970	0.44970
City of Frisco	0.43200	0.42296	0.44489	0.45000	0.45000
Frisco MUD#1	0.50000	(A)	(A)	(A)	(A)
City of Highland Village	0.56963	0.56963	0.56963	0.56963	0.56963
City of Lewisville	0.45050	0.45050	0.45679	0.45679	0.44050
City of Plano	0.45350	0.45350	0.45350	0.47350	0.47350
Tarrant County	-	-	-	-	-
Tarrant County College District	-	-	-	-	-
City of The Colony	0.72000	0.72000	0.72000	0.71500	0.69750
<b>Total</b>	<b>\$ 8.88934</b>	<b>\$ 8.39940</b>	<b>\$ 8.44274</b>	<b>\$ 8.43615</b>	<b>\$ 8.24614</b>

Sources of Information: Collin, Dallas, Denton, and Tarrant Central Appraisal Districts

Note: Tax rates are per \$100 of assessed value.

Note: (A) Dissolved in 2005.

Table - 8

	2009	2010	2011	2012	2013
\$	0.61788	\$ 0.61788	\$ 0.61788	\$ 0.61788	\$ 0.61788
	0.64146	0.64146	0.69046	0.69046	0.67046
	0.19027	0.20171	0.30171	0.30171	0.30171
	0.23577	0.24980	0.27390	0.27736	0.28287
	0.90000	0.90000	0.90000	0.88000	0.88000
	0.90000	0.90000	0.90000	0.90000	0.90000
	0.90000	0.90000	0.90000	0.90000	0.90000
	-	-	-	-	1.00000
	0.16500	0.16500	0.16350	0.16350	0.20700
	0.38000	0.35000	0.17000	0.11000	0.01000
	0.22481	0.22481	0.22481	0.22481	0.22481
	0.44970	0.44970	0.44970	0.44970	0.44970
	0.45000	0.46500	0.46500	0.46191	0.46191
	(A)	(A)	(A)	(A)	(A)
	0.56963	0.56963	0.56963	0.56963	0.56963
	0.44021	0.44021	0.44021	0.44021	0.44021
	0.47350	0.48860	0.48860	0.48860	0.48860
	-	-	-	-	0.26400
	-	-	-	-	0.14897
	0.69000	0.68800	0.68550	0.68300	0.68050
<b>\$</b>	<b>8.22823</b>	<b>\$ 8.25180</b>	<b>\$ 8.24090</b>	<b>\$ 8.15877</b>	<b>\$ 9.49825</b>

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Principal Taxpayers	2013			2004		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Digital Lewisville LLC	\$ 94,943,258	1	0.41%	\$ -	-	-
Vista Ridge Joint Venture	66,948,339	2	0.29%	44,873,885	8	0.28%
Alcatel-Lucent USA Inc	63,483,991	3	0.28%	-	-	-
Verizon Southwest	62,680,050	4	0.27%	81,330,818	1	0.50%
Oncor Elec Delivery Co	59,792,420	5	0.26%	53,428,355	4	0.33%
TIC Lago Vista LP Etal	58,500,000	6	0.25%	-	-	-
Frankel, Edward B MD TR	56,506,253	7	0.25%	47,740,867	6	0.30%
Shops at Highland Village Dev LTD	55,000,000	8	0.24%	-	-	-
Flower Mound Hospital Partners LLC	54,700,000	9	0.24%	-	-	-
Sysco Food Services of Dallas LP	53,636,885	10	0.23%	-	-	-
Southwest Property LP	-	-	-	73,638,871	2	0.46%
Frito-Lay Inc	-	-	-	63,713,074	3	0.39%
Teachers Ins & Annuity Assn	-	-	-	52,121,567	5	0.32%
Castle Hills Development Corp	-	-	-	47,050,932	7	0.29%
Albertsons Inc	-	-	-	41,660,408	9	0.26%
Columbia Medical Center Lewisville	-	-	-	39,725,510	10	0.25%
<b>Total Ten Principal Taxpayers</b>	<b>\$ 626,191,196</b>		<b>2.72%</b>	<b>\$ 545,284,287</b>		<b>3.38%</b>
<b>Total Taxable Assessed Value</b>	<b>\$ 23,046,548,096</b>			<b>\$ 16,138,151,856</b>		

Source of Information: 2011 Certified Top 10 Taxpayers Report from Denton Central Appraisal District

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**August 31, 2013**  
**(Unaudited)**

Taxing Jurisdiction	Bonded Debt	Overlapping	
		Percent	Amount
City of Carrollton *	\$ 164,049,299	31.66%	\$ 51,938,008
City of Coppell *	84,060,000	2.02%	1,698,012
Town of Copper Canyon	1,695,000	76.62%	1,298,709
Denton County	596,245,000	41.31%	246,308,810
Denton County FWSD #1-B	14,095,000	100.00%	14,095,000
Denton County FWSD #1-D	2,755,000	100.00%	2,755,000
Denton County FWSD #1-E	22,850,000	100.00%	22,850,000
Denton County FWSD #1-F	18,270,000	100.00%	18,270,000
Denton County LID #1	9,780,000	68.60%	6,709,080
Town of Flower Mound	123,855,000	83.52%	103,443,696
City of Frisco	329,689,945	5.29%	17,440,598
City of Highland Village	20,315,000	100.00%	20,315,000
City of Lewisville *	71,998,297	98.29%	70,767,126
City of Plano	306,368,017	3.65%	11,182,433
Tarrant County	336,635,000	0.09%	302,972
Tarrant County College District	14,091,612	0.09%	12,682
City of The Colony	84,865,000	96.55%	81,937,158
<b>Total Estimated Overlapping Debt</b>			<b>671,324,284</b>
Lewisville ISD			1,256,272,880
<b>Total Direct and Overlapping Debt</b>			<b>\$ 1,927,597,164</b>

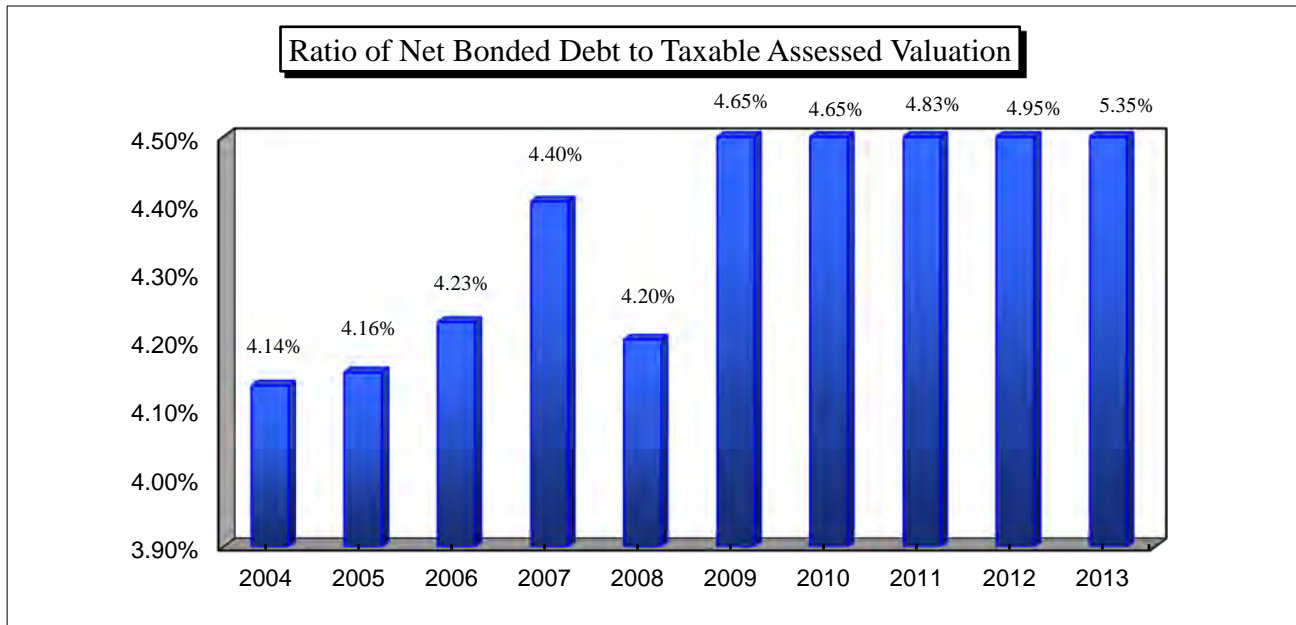
Source of Information: Individual Taxing Jurisdictions

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of these overlapping governments that is borne by the residents and businesses of the District.

Note: \* This entity information is as of 9/30/12.

**RATIO OF NET BONDED DEBT TO TAXABLE ASSESSED  
VALUATION AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	Taxable Assessed Value	Assessment Ratio	Total Bonded Debt Outstanding at Year End	Amounts Available for Retirement of Bonds
2004	\$ 16,138,151,856	100%	\$ 682,241,124	\$ 14,733,798
2005	16,880,106,282	100%	714,345,913	12,941,530
2006	17,730,993,540	100%	765,445,234	15,574,624
2007	18,881,927,080	100%	844,526,415	12,793,335
2008	21,061,221,028	100%	901,896,855	16,577,078
2009	21,911,662,802	100%	1,041,201,573	21,634,453
2010	23,200,406,048	100%	1,101,234,737	23,529,345
2011	22,507,417,241	100%	1,109,691,388	22,775,495
2012	23,095,990,992	100%	1,167,429,077	23,575,864
2013	23,046,548,096	100%	1,256,272,880	24,227,165



Sources of Information: Lewisville ISD Audited Financial Statements, Denton County,  
Denton and Tarrant Central Appraisal District, North Texas Commission



Net Bonded Debt Outstanding at Year End	Ratio Net Bonded Debt to Taxable Assessed Valuation	Estimated Population	Net Bonded Debt Per Capita	Taxable Assessed Valuation Per Capita	Net Bonded Debt To Personal Income
\$ 667,507,326	4.14%	271,422	\$ 2,459	\$ 59,458	3.83%
701,404,383	4.16%	270,402	2,594	62,426	3.53%
749,870,610	4.23%	271,526	2,762	65,301	3.39%
831,733,080	4.40%	266,237	3,124	70,921	3.46%
885,319,777	4.20%	272,836	3,245	77,194	3.40%
1,019,567,120	4.65%	283,699	3,594	77,236	3.99%
1,077,705,392	4.65%	282,889	3,810	82,012	3.99%
1,086,915,893	4.83%	294,609	3,689	76,398	3.74%
1,143,853,213	4.95%	303,646	3,767	76,062	(A)
1,232,045,715	5.35%	310,590	3,967	74,202	(A)

(A) Not available at time of publication.

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	2004	2005	2006	2007
Debt Limit	\$ 1,613,815,186	\$ 1,688,010,628	\$ 1,773,099,354	\$ 1,888,192,708
Total net debt applicable to limit	<u>667,507,326</u>	<u>701,404,383</u>	<u>749,870,610</u>	<u>831,733,080</u>
Legal debt margin	<u>\$ 946,307,860</u>	<u>\$ 986,606,245</u>	<u>\$ 1,023,228,744</u>	<u>\$ 1,056,459,628</u>
Total net debt applicable to the limit as a percentage of debt limit	41.36%	41.55%	42.29%	44.05%

Source of Information: Denton Central Appraisal District.

Notes:

- (1) The 2012 tax year appraised value is used for fiscal year 2013 tax purposes.
- (2) Taxable value is adjusted by the following exemptions and reductions: State-mandated \$10,000 homestead exemptions: state-mandated \$10,000 homestead exemption for persons 65 years of age or older or disabled; disabled veterans or deceased veterans' survivor(s) exemption; reduction of value due to agricultural valuation under Article VIII-d and the open space valuation under Article VIII 1-d-1 of the Texas Constitution; freeport exemptions; abatements; pollution control; prorated exempt property.

2008	2009	2010	2011	2012	2013
\$ 2,106,122,103	\$ 2,191,166,280	\$ 2,320,040,605	\$ 2,250,741,724	\$ 2,309,599,099	\$ 2,304,654,810
885,319,777	1,019,567,120	1,077,705,392	1,086,915,893	1,143,853,213	1,232,045,715
<u>\$ 1,220,802,326</u>	<u>\$ 1,171,599,160</u>	<u>\$ 1,242,335,213</u>	<u>\$ 1,163,825,831</u>	<u>\$ 1,165,745,886</u>	<u>\$ 1,072,609,095</u>
42.04%	46.53%	46.45%	48.29%	49.53%	53.46%

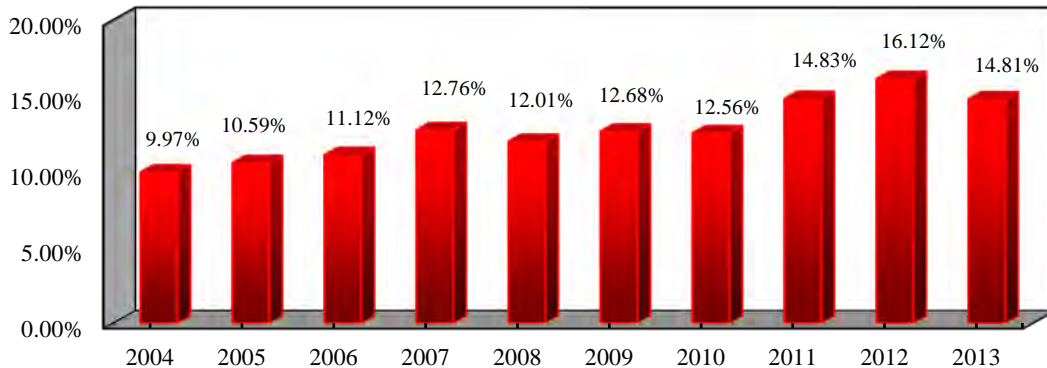
**Legal Debt Margin Calculation for Fiscal Year 2013**

Total Appraised Valuation (1)	\$ 25,829,757,263
Less - Exemptions and Reductions in Value (2)	2,783,209,167
Total Appraised Valuation for School Tax Purpose	<u>23,046,548,096</u>
Debt Limit Percentage	10%
Legal Debt Limit	<u>2,304,654,810</u>
Total Bonded Debt	1,256,272,880
Less - Reserve for Retirement of Bonded Debt	24,227,165
Net Bonded Debt Applicable to Debt Limit	<u>1,232,045,715</u>
Legal Debt Margin	<u><u>\$ 1,072,609,095</u></u>

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO TOTAL EXPENDITURES  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	Principal	Interest and Other Charges	Total Bonded Debt Expenditures	Total Expenditures	Ratio of Total Bonded Debt Expenditures To Total Expenditures
2004	\$ 11,618,083	\$ 30,855,159	\$ 42,473,242	\$ 425,807,298	9.97%
2005	20,725,000	28,584,709	49,309,709	465,428,270	10.59%
2006	18,525,000	29,517,158	48,042,158	432,021,198	11.12%
2007	22,700,611	43,720,201	66,420,812	520,475,241	12.76%
2008	23,595,220	46,043,340	69,638,560	579,878,639	12.01%
2009	25,900,241	49,338,612	75,238,853	593,564,962	12.68%
2010	23,584,821	61,441,350	85,026,171	676,913,456	12.56%
2011	29,823,611	60,458,092	90,281,703	608,603,183	14.83%
2012	42,420,121	48,083,638	90,503,759	561,527,689	16.12%
2013	52,584,938	46,143,831	98,728,769	666,657,258	14.81%

**Ratio of Total Bonded Debt Expenditures to Total Expenditures**



Sources of Information: Lewisville ISD Audited Financial Statements -  
Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Debt Service Fund only

**PER STUDENT CALCULATIONS (GENERAL FUND ONLY)  
 BASED ON REVENUES AND EXPENDITURES  
 LAST THREE FISCAL YEARS  
 (Unaudited)**

	Fiscal Year Ended August 31,		
	2013	2012	2011
Beginning Fund Equity (9/1)	\$ 146,967,891	\$ 133,318,967	\$ 120,671,037
<b>Revenues</b>			
From Ad Valorem Taxes	247,133,955	243,574,570	238,112,566
% of Total Revenue	64.91%	62.39%	61.29%
From State and Federal Funds	125,692,048	137,861,731	142,480,819
% of Total Revenue	33.02%	35.31%	36.68%
From Other Local Sources	7,866,478	8,965,366	7,881,517
% of Total Revenue	2.07%	2.30%	2.03%
<b>Total Revenues</b>	<b>380,692,481</b>	<b>390,401,667</b>	<b>388,474,902</b>
<b>Total Expenditures</b>	<b>386,356,020</b>	<b>376,931,914</b>	<b>375,984,467</b>
Net Transfers and Other Increases (Decreases) to Fund Equity	86,156	179,171	157,495
<b>Ending Fund Equity (8/31)</b>	<b>\$ 141,390,508</b>	<b>\$ 146,967,891</b>	<b>\$ 133,318,967</b>

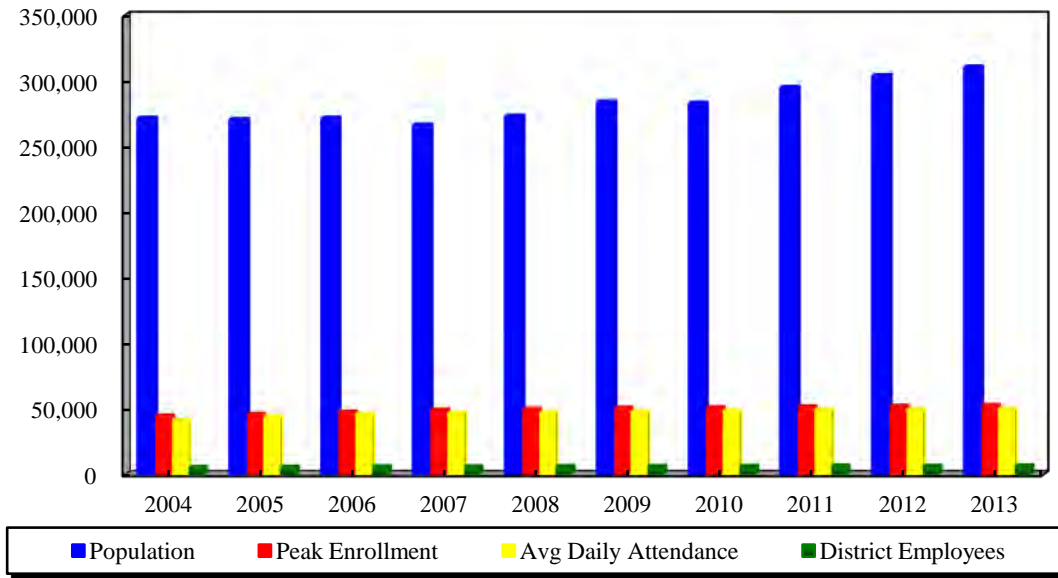
**Per Student Calculations:**

Assessed Valuation Per Student	\$ 464,536	\$ 469,212	\$ 460,491
Ad Valorem Tax Revenues Per Student	\$ 4,981	\$ 4,948	\$ 4,872
State and Federal Funds Per Student	2,534	2,801	2,915
Other Local Sources Per Student	159	182	161
<b>Total Revenues Per Student</b>	<b>\$ 7,674</b>	<b>\$ 7,931</b>	<b>\$ 7,948</b>
<b>Total Expenditures Per Student</b>	<b>\$ 7,788</b>	<b>\$ 7,658</b>	<b>\$ 7,692</b>
Average Daily Attendance	49,612	49,223	48,877

Source of Information: Lewisville ISD Audited Financial Statements, Texas Education Agency

**DEMOGRAPHIC DATA AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	Estimated Population	Peak Enrollment	Average Daily Attendance	District Employees
2004	271,422	43,757	40,752	5,035
2005	270,402	45,322	43,334	5,262
2006	271,526	47,314	45,208	5,459
2007	266,237	48,933	46,476	5,516
2008	272,836	49,465	46,924	5,796
2009	283,699	50,228	47,582	5,816
2010	282,889	50,657	48,104	5,949
2011	294,609	51,341	48,877	6,112
2012	303,646	51,874	49,223	5,908
2013	310,590	52,406	49,612	6,172



Note: Fiscal Years 2004 - 2012 District Employees is budgeted positions for general fund and food service only.  
District Employees for following years is all budgeted positions.

Source of Information: Various departments within the District, Texas Education Agency, Texas Workforce Commission

Personal Income (000)*	Per Capita Personal Income *	Unemployment Rate *
\$ 17,436,547	\$ 32,694	4.6
19,888,691	35,641	4.6
22,119,114	37,498	4.2
24,021,275	39,048	3.9
26,045,818	41,336	4.5
25,531,833	39,298	7.1
27,034,895	40,524	7.3
29,084,012	42,371	6.9
(A)	(A)	6.0
(A)	(A)	6.7 (B)

\* Denton County statistics

(A) Not available at time of publication.

(B) Average thru August 2013

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Principal Employer	2013			2004		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Lewisville ISD	6,172	1	27.68%	5,035	1	37.35%
J.P. Morgan Chase	4,350	2	19.51%	-	-	-
Nationstar Mortgage	3,500	3	15.70%	-	-	-
Frito-Lay Inc	2,500	4	11.21%	2,436	2	18.07%
Wal-Mart SuperCenters/Stores (all District locations)	1,587	5	7.12%	-	-	-
RealPage Internet Access Support	1,000	6	4.49%	-	-	-
Verizon	912	7	4.09%	-	-	-
Medical Center of Lewisville	800	8	3.59%	769	4	5.70%
Xerox	755	9	3.39%	500	9	3.71%
Ally Financial Services Group	719	10	3.22%	-	-	-
Horizon Health Care	-	-	-	1,500	3	11.13%
Sysco Foods	-	-	-	750	5	5.56%
Ultrak	-	-	-	710	6	5.27%
GE Capital	-	-	-	700	7	5.19%
City of Lewisville	-	-	-	631	8	4.68%
Fleming	-	-	-	450	10	3.34%
Total	<u>22,295</u>			<u>13,481</u>		

Note: Fiscal Year 2004 LISD Employees is budgeted positions for general fund and food service only.  
LISD Employees for 2013 is all budgeted positions.

Sources of Information: LISD Budget Department, Denton County, various municipalities, and individual employers



**EXPENDITURES, AVERAGE DAILY ATTENDANCE,  
AND PER PUPIL COSTS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	Expenditures	Average Daily Attendance	Per Pupil Costs	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
2004	\$ 301,270,493	40,752	\$ 7,393	14.3	16.14%
2005	323,642,151	43,334	7,469	13.9	16.77%
2006	346,275,751	45,208	7,660	14.0	19.41%
2007	363,320,497	46,476	7,817	14.1	22.02%
2008	403,987,226	46,924	8,609	13.9	22.77%
2009	426,550,996	47,582	8,965	13.7	24.41%
2010	424,369,306	48,104	8,822	13.6	26.80%
2011	435,472,358	48,877	8,910	13.6	31.42%
2012	414,674,907	49,223	8,424	14.0	29.60%
2013	421,781,594	49,612	8,502	14.0	32.44%

Sources of Information: Lewisville ISD Audited Financial Statements, Texas Education Agency

Expenditures include Governmental expenses for General and Special Revenue Funds of the District, excluding Debt Service, Facilities Acquisition, Community Services, and Intergovernmental Services between public schools.

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	2004	2005	2006	2007
<b>Function</b>				
Instruction	3,492.61	3,658.82	3,813.63	4,158.92
Instructional Resources & Media Services	84.00	88.50	92.00	90.00
Curriculum and Instructional Staff Development	26.50	29.00	33.00	48.00
Instructional Leadership	78.32	82.86	84.86	84.00
School Administration	362.49	379.99	418.47	452.00
Guidance and Counseling	225.98	231.43	240.43	253.25
Social Work Services	0.35	0.25	0.35	2.00
Health Services	63.40	64.65	67.65	76.50
Food Services	337.75	341.65	317.30	-
Co - Curricular Activities	13.25	13.00	13.33	15.00
General Administration	79.13	80.63	84.13	108.13
Plant Maintenance and Operations	122.00	138.75	133.01	129.76
Security and Monitoring	1.00	1.00	1.00	-
Data Processing Services	38.00	39.50	47.00	77.50
Community Services	107.10	109.50	110.75	133.76
Facilities Acquisition and Construction	3.00	2.00	2.00	-
<b>Total employees</b>	<b>5,034.88</b>	<b>5,261.53</b>	<b>5,458.91</b>	<b>5,628.82</b>

Note: Fiscal Years 2004 - 2012 Employee Count is budgeted positions for general fund and food service only.  
Employee Count for following years is all budgeted positions.

Sources of Information: Lewisville ISD Budget Department

2008	2009	2010	2011	2012	2013
4,075.22	4,142.12	4,175.30	4,249.95	4,137.00	4,362.70
94.00	95.00	89.50	92.00	88.50	88.00
40.50	43.00	44.00	44.00	48.13	21.00
78.00	92.50	86.00	87.00	78.37	82.50
434.97	458.00	455.00	471.50	439.00	462.00
250.50	258.50	256.50	259.50	245.00	246.00
0.35	1.50	1.75	1.50	1.50	1.50
69.65	76.00	76.50	79.50	81.50	81.50
334.20	328.38	342.37	359.37	348.32	349.60
14.00	15.00	15.50	15.50	13.50	15.00
86.13	94.63	106.00	106.00	96.50	90.50
129.13	134.76	129.12	132.12	126.13	124.10
1.00	1.00	-	-	-	-
63.00	75.50	76.00	76.00	69.50	111.00
123.76	128.26	137.87	137.87	134.87	132.60
2.00	2.00	-	-	-	4.00
<b>5,796.41</b>	<b>5,946.15</b>	<b>5,991.41</b>	<b>6,111.81</b>	<b>5,907.82</b>	<b>6,172.00</b>

**TEACHER SALARY AND EDUCATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year	Teacher Salary Range									
	Beginning		1-5 Years		6-10 Years		11-20 Years		Over 20 Years	
	Salary	Employees	Salary	Employees	Salary	Employees	Salary	Employees	Salary	Employees
2004	\$35,781	125	\$37,441	972	\$39,492	678	\$44,711	726	\$55,534	561
2005	37,594	168	38,669	974	40,491	760	45,551	787	56,668	581
2006	38,915	153	39,553	1,012	41,239	811	45,959	814	57,517	598
2007	42,009	154	43,309	976	44,911	859	49,682	857	61,712	622
2008	43,371	198	44,794	951	46,304	872	50,789	926	62,988	630
2009	44,694	175	45,767	967	47,247	912	51,383	980	63,842	632
2010	43,329	102	46,093	958	47,497	923	51,798	1,102	64,684	664
2011	38,548	143	44,063	926	45,948	899	50,138	1,163	63,250	653
2012	33,116	77	42,331	869	44,048	891	48,029	1,246	60,144	636
2013	44,115	180	46,992	801	48,867	869	52,134	1,259	62,654	650

Sources: Lewisville ISD PEIMS Report Data, Texas Education Agency

Table - 19

District Average Salary	Statewide Average Salary	Teacher Education			
		No Degree	Bachelor's Degree	Master's Degree	Doctorate
\$ 42,864	\$40,478	16	2,313	718	16
43,889	41,011	17	2,480	756	17
44,638	41,744	18	2,552	803	17
48,523	44,897	18	2,620	812	19
49,841	46,178	19	2,700	840	18
50,703	47,158	17	2,773	855	21
51,335	48,263	60	2,764	904	21
49,481	48,639	33	2,818	912	21
47,507	48,375	51	2,714	932	21
51,717	48,821	64	2,762	912	22

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

**SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

School	Campus Size (acres)	Grades	Fiscal Year Ended			
			2004	2005	2006	2007
<b>High Schools:</b>						
Career Center East (2010)	9.22	10 - 12	-	-	-	-
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Dale Jackson Career Center (1985)	12.01	10 - 12	55,331	55,331	55,331	55,331
Square Feet			n/a	n/a	n/a	n/a
Enrollment			n/a	n/a	n/a	n/a
Flower Mound High (1999)	62.20	9 - 12	383,280	383,280	383,280	383,280
Square Feet			2,605	2,681	2,791	2,863
Enrollment						
Hebron 9th Grade Campus (2010)	11.00	9	-	-	-	-
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Hebron High (1999)	72.15	10 - 12	389,135	389,135	389,135	389,135
Square Feet			1,856	2,020	2,162	2,336
Enrollment						
LHS-North (1977) *	15.45	9	96,440	96,440	96,440	96,440
Square Feet			870	941	n/a	n/a
Enrollment						
LHS Harmon 9th/10th Grade Campus (2011)	63.82	9 - 10	-	-	-	-
Square Feet			-	-	-	-
Enrollment			-	-	-	-
LHS Killough 9th/10th Grade Campus (2005)	18.00	9 - 10	-	175,658	175,658	175,658
Square Feet			-	-	979	987
Enrollment						
Lewisville High (1968)	41.00	10 - 12	329,464	329,464	329,464	329,464
Square Feet			2,309	2,342	2,470	2,604
Enrollment						
Lewisville Learning Center (2001)	11.29	6 - 12	49,240	49,240	49,240	49,240
Square Feet			159	149	143	179
Enrollment						
Marcus High (1981)	46.14	9 - 12	438,904	438,904	438,904	438,904
Square Feet			2,546	2,664	2,776	2,868
Enrollment						
The Colony High (1986)	45.98	9 - 12	413,841	413,841	413,841	413,841
Square Feet			1,936	1,965	1,935	1,923
Enrollment						
<b>Middle Schools:</b>						
Arbor Creek Middle (1994)	14.00	6 - 8	118,800	118,800	118,800	118,800
Square Feet			748	772	823	876
Enrollment						
Briarhill Middle (1995)	12.00	6 - 8	118,800	118,800	118,800	118,800
Square Feet			906	897	964	994
Enrollment						
Creek Valley Middle (2001)	19.64	6 - 8	122,996	122,996	122,996	122,996
Square Feet			812	900	986	1,043
Enrollment						

\* Delay Middle School as of 2011.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Table - 20

2008	2009	Fiscal Year Ended		2012	2012
		2010	2011		
-	-	-	95,168	95,168	95,168
-	-	-	n/a	n/a	n/a
55,331	55,331	55,331	55,331	55,331	55,331
n/a	n/a	n/a	n/a	n/a	n/a
383,280	408,080	408,080	408,080	408,080	408,080
2,983	3,046	3,171	3,172	3,240	3,257
-	-	179,248	179,248	179,248	179,248
-	-	-	824	768	862
389,135	409,185	409,185	409,185	409,185	409,185
2,514	2,631	2,834	2,106	2,217	2,226
96,440	96,440	96,440	-	-	-
n/a	n/a	n/a	-	-	-
-	-	-	212,748	212,748	212,748
-	-	-	-	531	1,061
175,658	175,658	175,658	175,658	175,658	175,658
970	905	908	932	434	936
329,464	360,822	360,822	360,822	360,822	360,822
2,659	2,648	2,634	2,647	2,682	1,818
49,240	49,240	61,203	61,203	61,203	61,203
179	212	280	245	246	209
438,904	474,173	474,173	474,173	474,173	474,173
2,912	3,023	3,086	3,166	3,182	3,224
413,841	427,251	427,251	427,251	427,251	427,251
1,978	1,864	1,892	1,946	1,908	1,955
118,800	121,430	121,430	121,430	121,430	121,430
830	778	820	857	923	936
118,800	121,173	121,173	121,173	121,173	121,173
1,018	1,007	971	964	993	993
122,996	125,006	125,006	125,006	125,006	125,006
783	670	673	641	659	715

(Continued on the following page)

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

School	Campus Size (acres)	Grades	Fiscal Year Ended			
			2004	2005	2006	2007
DeLay Middle (1949) *	17.74	6 - 8				
Square Feet			92,456	92,456	92,456	92,456
Enrollment			647	661	652	665
DeLay Middle (2010)	18.35	6 - 8				
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Downing Middle (2002)	15.47	6 - 8				
Square Feet			122,996	122,996	122,996	122,996
Enrollment			532	585	590	623
Durham Middle (2002)	18.89	6 - 8				
Square Feet			122,730	122,730	122,730	122,730
Enrollment			648	713	790	767
Forestwood Middle (1994)	20.84	6 - 8				
Square Feet			135,007	135,007	135,007	135,007
Enrollment			1,120	1,134	804	709
Griffin Middle (1982)	16.80	6 - 8				
Square Feet			135,212	135,212	135,212	135,212
Enrollment			756	726	698	716
Hedrick Middle (1973)	14.21	6 - 8				
Square Feet			114,212	114,212	114,212	114,212
Enrollment			690	629	634	633
Huffines Middle (1997)	15.00	6 - 8				
Square Feet			119,762	119,762	119,762	119,762
Enrollment			1,021	992	991	1,013
Killian Middle (2007)	30.60	6 - 8				
Square Feet			-	-	-	177,267
Enrollment			-	-	-	-
Lakeview Middle (1989)	28.54	6 - 8				
Square Feet			125,058	125,058	125,058	125,058
Enrollment			855	863	853	840
Lamar Middle (1987)	20.00	6 - 8				
Square Feet			132,716	132,716	132,716	132,716
Enrollment			744	737	721	813
McKamy Middle (1997)	15.00	6 - 8				
Square Feet			121,375	121,375	121,375	121,375
Enrollment			947	1,031	969	994
Shadow Ridge Middle (2005)	35.95	6 - 8				
Square Feet			-	148,350	148,350	148,350
Enrollment			-	-	539	700
<b>Elementary Schools:</b>						
Bluebonnet Elementary (2000)	12.00	K - 5				
Square Feet			58,605	58,605	58,605	58,605
Enrollment			400	461	487	537
Bridlewood Elementary (1998)	12.82	PPCD, K - 5				
Square Feet			73,100	73,100	73,100	73,100
Enrollment			709	756	774	795
Camey Elementary (1977)	10.31	PPCD, PK - 5				
Square Feet			63,875	63,875	63,875	63,875
Enrollment			586	607	579	577

\* Purnell Support Center as of FY 2011.



**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Table - 20

2008	2009	Fiscal Year Ended		2012	2012
		2010	2011		
92,456 550	92,456 620	92,456 633	92,456 n/a	92,456 n/a	92,456 n/a
-	-	-	121,398	121,398	121,398
-	-	-	756	804	845
122,996 610	125,310 667	125,310 670	125,310 716	125,310 701	125,310 677
122,730 730	125,040 693	125,040 729	125,040 782	125,040 829	125,040 813
135,007 661	142,965 655	142,965 652	142,965 633	142,965 640	142,965 637
135,212 678	137,464 680	137,464 673	137,464 682	137,464 692	137,464 696
114,212 595	116,526 618	116,526 634	116,526 609	116,526 619	116,526 622
119,762 945	122,076 909	122,076 937	122,076 896	122,076 910	122,076 902
177,267 481	179,581 581	179,581 671	179,581 746	179,581 844	179,581 864
125,058 797	130,570 837	130,570 820	130,570 791	130,570 774	130,570 834
132,716 797	135,030 797	135,030 772	135,030 802	135,030 832	135,030 845
121,375 1,020	127,775 1,046	127,775 1,035	127,775 1,078	127,775 1,116	127,775 1,155
148,350 771	150,664 781	150,664 772	150,664 782	150,664 794	150,664 804
58,605 551	69,593 563	69,593 567	69,593 541	69,593 536	69,593 474
73,100 788	82,993 777	82,993 754	82,993 732	82,993 645	82,993 576
63,875 551	63,875 577	63,875 542	63,875 545	63,875 537	63,875 513

(Continued on the following page)

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

School	Campus Size (acres)	Grades	Fiscal Year Ended			
			2004	2005	2006	2007
Castle Hills Elementary (2002)	7.04	K - 5				
Square Feet			73,557	73,557	73,557	73,557
Enrollment			669	724	446	505
Central Elementary (1957)	15.00	PK - 5				
Square Feet			152,952	152,952	152,952	152,952
Enrollment			915	897	970	1,061
College Street Elementary (1960)	6.37	PK - 5				
Square Feet			35,601	35,601	35,601	35,601
Enrollment			206	222	238	248
Coyote Ridge Elementary (2005)	16.81	K - 5				
Square Feet			-	99,939	99,939	99,939
Enrollment			-	-	505	638
Creekside Elementary (1989)	12.06	K - 5				
Square Feet			60,168	60,168	60,168	60,168
Enrollment			624	515	532	550
Degan Elementary (1973)	15.00	PPCD, PK - 5				
Square Feet			75,764	75,764	75,764	75,764
Enrollment			686	683	752	749
Donald Elementary (1989)	10.00	K - 5				
Square Feet			80,464	80,465	80,465	80,465
Enrollment			620	621	622	609
Ethridge Elementary (1990)	11.42	K - 5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			469	433	420	444
Flower Mound Elementary (1985)	10.05	K - 5				
Square Feet			79,485	79,485	79,485	79,485
Enrollment			540	537	544	591
Forest Vista Elementary (1997)	16.81	PPCD, K - 5				
Square Feet			85,610	85,610	85,610	85,610
Enrollment			578	554	538	565
Garden Ridge Elementary (1992)	10.00	K - 5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			540	515	529	499
Hebron Valley Elementary (1989)	9.18	PPCD, K - 5				
Square Feet			79,195	79,195	79,195	79,195
Enrollment			692	667	650	650
Hedrick Elementary (1974)	14.21	K - 5				
Square Feet			81,815	81,815	81,815	81,815
Enrollment			639	652	534	529
Heritage Elementary (1993)	13.36	K - 5				
Square Feet			69,620	69,620	69,620	80,517
Enrollment			594	708	740	750
Hicks Elementary (2004)	10.00	PPCD, K - 5				
Square Feet			100,479	100,479	100,479	100,479
Enrollment			-	253	366	427
Highland Village Elementary (1981)	6.42	K - 5				
Square Feet			63,823	63,823	63,823	63,823
Enrollment			436	444	420	428
Homestead Elementary (1999)	9.93	K - 5				
Square Feet			74,375	74,375	74,375	74,375
Enrollment			606	602	604	617

2008	2009	Fiscal Year Ended		2012	2012
		2010	2011		
73,557 613	73,557 689	73,557 722	73,557 771	73,557 768	73,557 784
152,952 1,122	152,952 907	152,952 934	152,952 897	152,952 920	152,952 905
35,601 252	35,601 274	35,601 263	35,601 253	35,601 264	35,601 363
99,939 726	99,939 649	99,939 594	99,939 691	99,939 622	99,939 613
60,168 515	60,168 528	60,168 553	60,168 463	60,168 491	60,168 453
75,764 712	75,764 650	75,764 642	75,764 646	75,764 631	75,764 675
80,465 566	80,465 540	80,465 517	80,465 492	80,465 462	80,465 478
63,853 417	63,853 422	63,853 426	63,853 424	63,853 431	63,853 522
79,485 631	79,485 600	79,485 592	79,485 582	79,485 565	79,485 527
85,610 550	85,610 539	85,610 529	85,610 502	85,610 474	85,610 461
63,853 515	63,853 537	63,853 527	63,853 500	63,853 474	63,853 479
79,195 638	79,195 675	79,195 661	79,195 621	79,195 644	79,195 627
81,815 582	81,815 588	81,815 636	81,815 682	81,815 668	81,815 565
80,517 773	80,517 775	80,517 748	80,517 719	80,517 710	80,517 688
100,479 515	100,479 641	100,479 670	100,479 759	100,479 660	100,479 666
63,823 405	63,823 411	63,823 397	63,823 375	63,823 391	63,823 402
74,375 592	74,375 600	74,375 609	74,375 607	74,375 638	74,375 626

(Continued on the following page)

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

School	Campus Size (acres)	Grades	Fiscal Year Ended			
			2004	2005	2006	2007
Independence Elementary (2008)	14.58	PK - 5				
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Indian Creek Elementary (1985)	10.00	PPCD, PK - 5				
Square Feet			76,172	76,172	76,172	76,172
Enrollment			558	561	577	553
Lakeland Elementary (1963) / (2008)*	10.00	K - 5				
Square Feet			81,200	81,200	81,200	81,200
Enrollment			747	771	764	782
Lewisville Elementary (2010)	13.46	K - 5				
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Liberty Elementary (2002)	9.49	K - 5				
Square Feet			73,557	73,557	73,557	86,122
Enrollment			472	552	688	761
McAuliffe Elementary (1987)	11.02	K - 5				
Square Feet			78,776	78,776	78,776	78,776
Enrollment			567	527	557	555
Morningside Elementary (1993)	10.00	K - 5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			677	594	608	665
Old Settler Elementary (1994)	14.56	PPCD, K - 5				
Square Feet			83,850	83,850	83,850	83,850
Enrollment			827	840	790	792
Owen Elementary (1987)	30.00	PPCD, PK - 5				
Square Feet			78,776	78,776	78,776	78,776
Enrollment			450	463	477	440
Parkway Elementary (1995)	11.00	K - 5				
Square Feet			73,113	73,113	73,113	73,113
Enrollment			518	520	500	494
Peters Colony Elementary (1980) / (2010)*	10.00	PK - 5				
Square Feet			76,664	76,664	76,664	76,664
Enrollment			621	613	617	671
Polser Elementary (1995)	10.00	PPCD, PK - 5				
Square Feet			73,324	73,324	73,324	73,324
Enrollment			493	484	459	499
Prairie Trail Elementary (1995)	11.65	K - 5				
Square Feet			73,324	73,324	73,324	84,221
Enrollment			661	723	722	758
Rockbrook Elementary (2003)	9.76	K - 5				
Square Feet			73,557	73,557	73,557	86,122
Enrollment			532	653	682	686
Southridge Elementary (1999)	12.00	K - 5				
Square Feet			74,375	74,375	74,375	74,375
Enrollment			505	620	631	652
Stewarts Creek Elementary (1978)	7.10	PPCD, PK - 5				
Square Feet			67,020	67,020	67,020	67,020
Enrollment			380	406	422	448

\* Original building demolished and new building built on same acreage.

2008	2009	Fiscal Year Ended		2012	2012
		2010	2011		
107,000	107,000	107,000	107,000	107,000	107,000
-	504	594	616	674	687
76,172	76,172	76,172	76,172	76,172	76,172
527	527	553	554	633	617
81,200	107,000	107,000	107,000	107,000	107,000
774	838	845	804	804	830
-	-	99,674	99,674	101,058	101,058
-	-	-	626	691	692
86,122	86,122	86,122	86,122	86,122	86,122
860	886	901	866	811	803
78,776	78,776	78,776	78,776	78,776	78,776
555	545	477	508	505	466
63,853	63,853	63,853	63,853	63,853	63,853
686	675	709	534	507	461
83,850	83,850	83,850	83,850	83,850	83,850
778	749	718	704	666	668
78,776	78,776	78,776	78,776	78,776	78,776
411	416	405	459	451	502
73,113	73,113	73,113	73,113	73,113	73,113
438	444	450	451	448	587
76,664	76,664	76,664	108,560	108,560	108,560
653	618	626	708	732	762
73,324	73,324	73,324	73,324	73,324	73,324
464	452	442	447	510	496
84,221	84,221	84,221	84,221	84,221	84,221
739	728	718	690	635	576
86,122	86,122	86,122	86,122	86,122	86,122
697	742	773	685	684	705
74,375	74,375	74,375	74,375	74,375	74,375
719	757	789	591	582	642
67,020	67,020	67,020	67,020	67,020	67,020
415	409	407	363	455	457

(Continued on the following page)

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

**SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

School	Campus Size (acres)	Grades	2004	Fiscal Year Ended		
				2005	2006	2007
Timber Creek Elementary (1978)	15.91	PPCD, PK - 5				
Square Feet			63,532	63,532	63,532	63,532
Enrollment			594	535	586	562
Valley Ridge Elementary (1996)	14.54	K - 5				
Square Feet			72,947	72,947	72,947	83,844
Enrollment			662	743	751	770
Vickery Elementary (2003)	11.85	K - 5				
Square Feet			74,117	74,117	74,117	74,117
Enrollment			529	561	568	606
Wellington Elementary (1998)	10.05	PPCD, PK - 5				
Square Feet			73,100	86,778	86,778	86,778
Enrollment			764	865	940	981
<b>Early Childhood:</b>						
Lillie Jackson Early Childhood Center (2005)	7.66	PPCD, PK	-	88,290	88,290	88,290
Square Feet			-	-	406	403
Enrollment						

PK = Pre-kindergarten  
K = Kindergarten  
PPCD = Preschool Program for Children with Disabilities

Source of Information: School District records, Lewisville ISD PEIMS Report Data

Note: The District utilized 64 single and double temporary buildings providing classrooms, office space, storage, and other uses in schools where the District needs exceeded building capacity.

2008	2009	Fiscal Year Ended		2012	2012
		2010	2011		
63,532 562	63,532 547	63,532 519	63,532 494	63,532 508	63,532 503
83,844 723	83,844 723	83,844 662	83,844 645	83,844 579	83,844 545
74,117 566	74,117 585	74,117 571	74,117 588	74,117 593	74,117 597
86,778 1,000	86,778 969	86,778 918	86,778 921	86,778 870	86,778 878
88,290 465	88,290 456	88,290 572	88,290 642	88,290 703	88,290 757

# **Lewisville Independent School District**



**FEDERAL AWARDS  
SECTION**



**REAL INNOVATION**  
**LIMITLESS OPPORTUNITY**  
LEWISVILLE INDEPENDENT SCHOOL DISTRICT

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees  
Lewisville Independent School District  
Lewisville, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information Lewisville Independent School District (the “District”), as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 2, 2013. Our report includes a reference to other auditors who audited the financial statements of Lewisville Education Foundation, Inc., as described in our report on Lewisville Independent School District’s financial statements. The financial statements of Lewisville Education Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Trustees  
Lewisville Independent School District

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item #2012-002.

### **District's Response to Findings**

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas  
December 2, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY OMB CIRCULAR A-133**

To the Board of Trustees  
Lewisville Independent School District  
Lewisville, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Lewisville Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2013.

To the Board of Trustees  
Lewisville Independent School District

## Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in cursive script that reads "Whitley Penn LLP".

Houston, Texas  
December 2, 2013

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended August 31, 2013*

**I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Internal controls over major programs:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) 2-7 of OMB Circular A-133	None

Identification of Major Programs:

<b>Name of Federal Program</b>	<b>CFDA Number</b>
<b>US Department of Education</b>	
Title I, Part A Cluster	
ESEA Title I Part A - Improving Basic Programs	84.010A
Impact Aid	84.041
Title III, Part A - LEP	84.365A
<b>US Department of Defense</b>	
Federal Flood Control Allocation	12.112
Dollar threshold used to distinguish Between Type A and Type B federal programs:	\$947,897
Auditee qualified as low-risk auditee?	Yes

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**For the Year Ended August 31, 2013**

**II. Financial Statement Findings**

**Finding #2012-002 Public Education Information Management System Reporting**

- Criteria:** Amounts reported to the Texas Education Agency (“TEA”) using the Public Education Management System (“PEIMS”) did not match the Comprehensive Annual Financial Report for the year ended August 31, 2013.
- Condition:** The Texas Education Agency’s Financial Accountability and Resource Guide section 7.3.3.2 requires that the amounts reported in the mid-year submission to the PEIMS database agree to the prior year audited amounts.
- Effect:** The District is not in compliance with the TEA PEIMS reporting requirements.
- Cause:** Lack of controls and procedures to ensure that reportable balance sheet accounts are accurate before submission.
- Recommendation:** Procedures should be developed to ensure that amounts reported in the mid-year submission agree to the previous year’s Comprehensive Annual Financial Report.

**III. Federal Award Findings and Questioned Costs**

There were no items reported.

**IV. Status of Prior Year Findings**

**Finding # 2012-001 - Maintenance of Effort for Special Education**

**Corrective Action Taken** – Resolved. The District is in compliance with the MOE requirements for the current fiscal year.

**Finding #2012-002 – Public Education Information Management System**

**Corrective Action Taken** – Unresolved. Refer to funding 2012-002.

**V. Corrective Action**

**Finding #2012-002**  
**Public Education**  
**Information**  
**Management System**

**Contact Person:** Dr. Quentin Burnett, CFO

**Response:** The District will implement procedures to ensure that all accounts, including reportable balance sheet accounts, are carefully screened before the PEIMS submission is sent for complete accuracy.

**Estimated Date of Completion:** 12/31/2013



**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

As of August 31, 2013

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF DEFENSE</b>			
Direct Programs			
ROTC	12.000	99-061902	305,687
Total Direct Programs			<u>305,687</u>
Passed through State Comptroller			
Federal Flood Control Allocation	12.112	17560019550	230,912
Total Passed through State Comptroller			<u>230,912</u>
<b>TOTAL U. S. DEPARTMENT OF DEFENSE</b>			<u>536,599</u>
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Direct Programs			
Impact Aid	84.041	61902	24,636
Impact Aid	84.041	61902	1,580,358
Impact Aid	84.041	61902	1,592,695
Impact Aid	84.041	61902	1,591,176
Impact Aid	84.041	61902	2,454,817
Total Direct Programs			<u>7,243,682</u>
Passed Through State Department of Education			
ESEA Title I Part A - Improving Basic Programs *	84.010A	12610101061902	71,109
ESEA Title I Part A - Improving Basic Programs *	84.010A	13610101061902	3,531,389
Total ESEA Title I Part A - Improving Basic Programs			<u>3,602,498</u>
IDEA - Part B, Formula **	84.027A	126600010619026600	278,265
IDEA - Part B, Formula **	84.027A	136600010619026600	8,427,533
Total IDEA - Part B, Formula			<u>8,705,798</u>
Vocational Education - Basic Grant	84.048A	13420006061902	374,858
Vocational Education - Basic Grant	84.048A	14420006061902	16,779
			<u>391,637</u>
IDEA - Part B, Preschool **	84.173A	126610010619026610	6,784
IDEA - Part B, Preschool **	84.173A	136610010619026610	197,726
Total IDEA - Part B, Preschool			<u>204,510</u>
Title III, Part A - LEP	84.365A	12671001061902	21,892
Title III, Part A - LEP	84.365A	13671001061902	605,853
Total Title III , Part A - LEP			<u>627,745</u>
Title VI Part A Summer School LEP	84.369A	69551202	35,692

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

As of August 31, 2013

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
ESEA Title II - Teacher Principal Training and Recruiting	84.367A	12694501061902	5,150
ESEA Title II - Teacher Principal Training and Recruiting	84.367A	13694501061902	616,680
Total ESEA Title II - Teacher Principal Training and Recruiting			621,830
Total Passed Through State Department of Education			14,189,710
 Title III - LEP	 84.365A	 061902	 5,548
Total Passed through University of North Texas			5,548
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<b>21,438,940</b>
 <b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Texas Health and Human Services Commission			
Medicaid Administrative Claiming Program - MAC	93.778	061902	41,376
Total Passed Texas Department of Human Services			41,376
<b>TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>41,376</b>
 <b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through Texas Department of Agriculture			
<i>Non-cash Assistance (Commodities):</i>			
National School Lunch Program ***	10.555	61902	329,087
Total Passed Through Texas Department of Agriculture			329,087
 Passed Through State Department of Education			
<i>Cash Assistance:</i>			
National School Breakfast Program ***	10.553	71401301	2,248,353
National School Lunch Program ***	10.555	71301301	7,002,223
Total Passed Through State Department of Education			9,250,576
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>			<b>9,579,663</b>
 <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 31,596,578</b>

\* Title I, Part A Cluster

\*\* Special Education Cluster (IDEA)

\*\*\* Child Nutrition Cluster

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Note 1 - Summary of Significant Accounting Policies**

The District accounts for all awards under federal programs in the General and Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited to reimbursement.” Pass-through entity identifying numbers are presented where available.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

**Note 2 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

**Note 3 - Reconciliation to Basic Financial Statements**

The following is a reconciliation of expenditures of federal awards program per the Schedule of Expenditures of Federal Awards and expenditures reported on Exhibit C-2:

Federal Program Revenues (Exhibit C-2)	\$ 34,392,821
SHARS	(2,293,020)
Interest subsidy on Build America Bonds	(503,223)
	<hr/> <hr/>
	\$ 31,596,578

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**

**Note 4 - General Fund Expenditures**

Federal awards reported in the general fund are summarized as follows:

JROTC	\$ 292,477
Impact Aid	7,243,682
Federal Flood Control Allocation	230,912
SHARS	2,293,020
Indirect Costs -	
ESEA Title I Part A - Improving Basic Programs	64,945
IDEA - Part B, Formula	156,236
IDEA - Part B, Preschool	3,625
Carl D. Perkins Basic Formula	7,187
ESEA Title II, Part A - Teacher Principal Training and Recruiting	10,883
ESEA Title III, Part A - LEP	11,175
	<u>10,314,142</u>