

# LEWISVILLE ISD

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED AUGUST 31, 2016





**Comprehensive  
Annual Financial Report**

**For the Fiscal Year Ended  
August 31, 2016**

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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**Prepared By The Division of Finance**

**Michael Ball, CPA, MBA  
Chief Financial Officer**

**Rosemary Trevino, MBA, RTSBA  
Executive Director of Accounting**



**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED AUGUST 31, 2016**

**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	ix	
ASBO Certificate of Excellence	x	
Certificate of the Board	xi	
<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	18	C-1
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	20	C-1R
Statements of Revenues, Expenditures, and Changes in Fund Balance	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) and Actual - General Fund	25	C-4
Proprietary Funds:		
Statement of Net Position	26	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position	27	D-2
Statement of Cash Flows	28	C-3
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	29	E-1
Notes to the Basic Financial Statements	30	F-1
<b>Required Supplementary Information</b>		
Schedules of the District's Proportionate Share of the Net Pension Liability Teachers Retirement System of Texas	67	G-1
Schedules of the District's Contributions Teachers Retirement System of Texas	68	G-2
Notes to Required Supplementary Information - Pensions	69	G-3

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED AUGUST 31, 2016**

**TABLE OF CONTENTS (continued)**

	<u><b>Page</b></u>	<u><b>Exhibit</b></u>
<b>Other Supplementary Information</b>		
Combining and Individual Fund Financial Statements and Schedules:		
Combining Balance Sheet - Nonmajor Governmental Funds	76	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	78	H-2
Statement of Changes in Fiduciary Assets and Liabilities - Fiduciary Fund	80	H-3
Supplemental Schedules:		
Schedule of Delinquent Taxes Receivable	82	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Food Service Fund	84	J-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Debt Service Fund	85	J-3
 <b>Statistical Section (Unaudited)</b>		
		<u><b>Table</b></u>
Government-wide Information:		
Government-wide Changes in Net Position - Last Ten Fiscal Years	90	1
Government-wide Net Position by Component - Last Ten Fiscal Years	92	2
Fund Information:		
All Governmental Funds - Changes in Fund Balances - Last Ten Fiscal Years	94	3
All Governmental Funds - Fund Balances - Last Ten Fiscal Years	96	4
Property Tax Levies and Collections - Last Ten Fiscal Years	98	5
Schedule of Tax Rate Distribution Per \$100 Valuation - Last Ten Fiscal Years	99	6
Assessed and Actual Value of Taxable Property - last Ten Fiscal Years	100	7
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	102	8
Principal Property Taxpayers - Current Year and Nine Years Ago	104	9
Computation of Direct and Overlapping Debt	105	10
All Governmental Funds - Fund Balances - Last Ten Fiscal Years	106	11
Legal Debt Margin Information - Last Ten Fiscal Years	108	12
Ratio of Annual Debt Service Expenditures For General Bonded Debt To Total Expenditures - Last Ten Fiscal Years	110	13
Ratio of Annual Debt Service Expenditures Outstanding Debt by Type - Last Ten Fiscal Years	111	14
Per Student Calculations (General Fund Only) Based on Revenues and Expenditures - Last Three Fiscal Years	113	15
Demographic Data and Economic Statistics - Last Ten Fiscal Years	114	16
Principal Employers - Current Year and Nine Years Ago	116	17
Expenditures, Average Daily Attendance, and Per Pupil Costs - Last Ten Fiscal Years	117	18
Full-time Equivalent District Employees by Function - Last Ten Fiscal Years	118	19
Teacher Salary and Education - Last Ten Fiscal Years	120	20
School Building Information - Last Ten Fiscal Years	122	21

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED AUGUST 31, 2016**

**TABLE OF CONTENTS (continued)**

	<u><b>Page</b></u>
<b>Federal Awards Section</b>	
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>	135
Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance Required by the <i>Uniform Guidance</i>	137
Schedule of Findings and Questioned Costs	139
Schedule of Expenditures of Federal Awards	141
Notes to Schedule of Expenditures of Federal Awards	143

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## INTRODUCTORY SECTION

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December 12, 2016

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, 2016.

This report consists of management's 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, 2016, 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 unmodified opinion that the District's financial statements for the year ended August 31, 2016 are fairly presented in conformity with GAAP. The independent auditor's 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**

These financial statements include all the funds of the District, as well as any component units for which the District is financially accountable.

The District 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. The District is located in Texas north of the Dallas/Fort Worth Metroplex. The District 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 operates sixty-nine campuses comprised of five high schools, three 9<sup>th</sup> grade campuses, 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 two to fifty-nine years.

The District currently serves more than 53,000 students. Over the last decade, the District's student enrollment grew by over 9,600 students. The District's growth in student enrollment has begun to stabilize at a rate of approximately 200 to 300 students per year.

The seven members of the Board of Trustees (Board) each serve, without compensation, for 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. The Board is responsible for 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 adopting and amending the annual budget, setting the tax rate, establishing a compensation plan, acting as a board of appeals in personnel and student matters, and confirming recommendations for instructional materials adoptions.

## **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 is dedicated to enriching education opportunities for students, and leading the way in classroom technology integrations. The District is committed to creating and utilizing groundbreaking, transformative and flexible learning environments that provide students tools to access, create and collaborate as thriving, 21<sup>st</sup> century digital citizens.

## 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. All the remaining bonds authorized by that election have been issued.

*Debt Portfolio Management.* In the fiscal year ending August 31, 2016, the District refunded a significant portion of the outstanding bond portfolio resulting in interest savings with no extension of the remaining term of the bonds.

The District has issued its debt on a relatively short repayment period of twenty years. District personnel continually work with the District’s Financial Advisors to monitor the interest rate market and the outstanding debt portfolio for opportunities for interest savings.

*Relevant Financial Policy.* The Board recognizes the importance of maintaining sufficient fund balance to sustain the District through any unexpected circumstances. Acknowledging that the District’s financial position is impacted greatly by the state 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 policies are 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 annual 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 in the General Fund at August 31, 2016 is deemed adequate to provide the District with the ability to accomplish its goals in the event the legislative or financial landscape changes.

*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 2016-17.
- The District will not be subject to Chapter 41 recapture.
- Due to increases in taxable property values of 9.5 percent, State funding is expected to decrease to offset the increase in local tax revenues.
- Student enrollment growth and resulting average daily attendance is expected to increase by approximately 0.4 percent..

## **ECONOMIC CONDITION AND OUTLOOK**

The local economy in the District remains strong. New businesses continue to locate both in and near the District. The resulting economic activity has created strong property value growth. The diversity of the local businesses, the range of available housing, the transportation grid, and the proximity to Dallas-Fort Worth and Alliance airports provide a strong climate for business growth within the District.

The taxable property of the District's largest taxpayer accounts for only 0.15 percent of the taxable value of the District. This indicates a significant diversification in the tax base. 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 by the District.

The District has elected to provide the "Freeport exemption" for qualifying businesses. It is believed that this will continue to be a positive economic factor 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. In past Lewisville ISD bond elections, voters have reaffirmed their commitment to provide quality instruction and facilities for their students and have overwhelmingly approved bond propositions.

## **AWARDS**

The School Financial Integrity Rating System of Texas (FIRST) 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 received a rating of A=Superior under Texas' Schools FIRST financial accountability rating system. This is the state's highest financial rating, demonstrating the quality of the District's sound fiscal management and reporting system. The District achieved the highest available rating each year since the inception of the FIRST program.

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, 2015. This was the seventeenth 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, 2015. This award has also been received for the seventeenth consecutive year. We believe the Comprehensive Annual Financial Report for the year ended August 31, 2016 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 our 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. Kevin Rogers  
Superintendent



Michael Ball, CPA  
Chief Financial Officer

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**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>
Trisha Sheffield, President	2012	2018	Independent Copywriter
Tracy Scott Miller, Vice President	2014	2017	Business Executive and Client Partner, For International BPO Company
Kristi Hassett, Secretary	2014	2017	Consultant
Angie Cox	2013	2019	Escrow Officer, Business Owner
Jenny Proznik	2016	2019	Community Volunteer
Katherine Sells	2016	2019	Community Volunteer
Kronda Thimesch	2015	2018	Business Owner

**Administrative Officials**

Dr. Kevin Rogers, Superintendent

Michael Ball, Chief Financial Officer

Buddy Bonner, Assistant Superintendent of Human Resources & Employee Engagement

Dr. Beth Brockman, Assistant Superintendent of Strategic Initiatives & Community Engagement

Dr. Joseph Coburn, Assistant Superintendent of Schools and Student Activities

Lori Rapp, Assistant Superintendent of Learning & Teaching

**Consultants and Advisors**

Whitley Penn LLP, Houston, Texas  
Independent Auditors

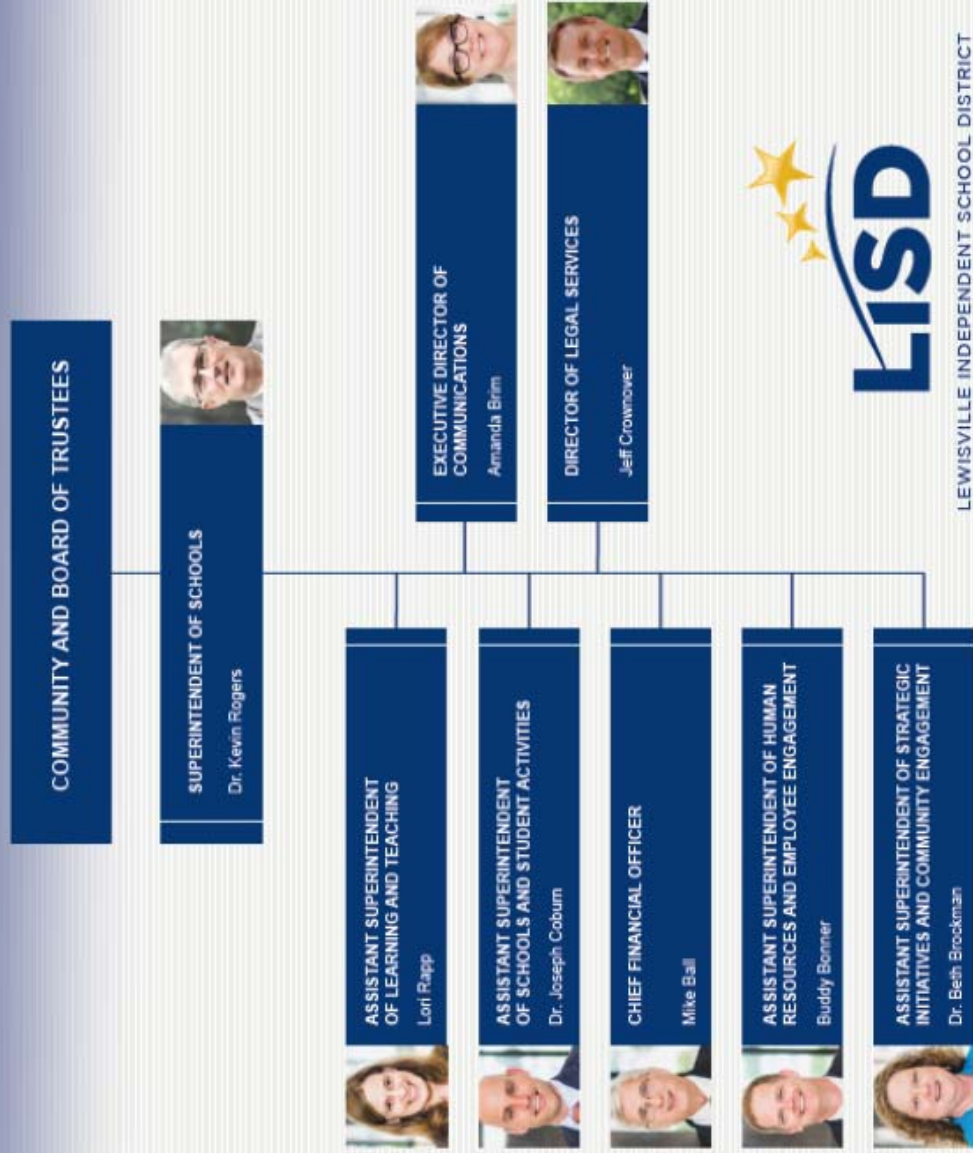
Hilltop Securities, Dallas, Texas  
Financial Advisors

McCall, Parkhurst & Horton LLP, Dallas, Texas  
Bond Counsel

Walsh Gallegos Treviño Russo & Kyle, P.C.  
Austin, Texas  
General Counsel

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

## DISTRICT ORGANIZATION AND LEADERSHIP



LEWISVILLE INDEPENDENT SCHOOL DISTRICT





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, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive style.

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Lewisville Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2015.**

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



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

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, 2016, at a meeting of Board of Trustees of such school district on the 12<sup>th</sup> day of December 2016.

  
Signature of Board Secretary

  
Signature of Board President

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## FINANCIAL SECTION

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## 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, 2016, and the related notes to the 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 to 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 of Lewisville Education Foundation, Inc. as of and for the year ended December 31, 2015. 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, Inc., 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Lewisville Education Foundation, Inc. were not audited in accordance with *Governmental Auditing Standards*.

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

To the Board of Trustees  
Lewisville Independent School District

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 Lewisville Independent School District as of August 31, 2016, and the respective changes in financial position, the respective budgetary comparison schedule for the general fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 5 through 14 and pension information on pages 67 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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), are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulation* (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* and 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.

To the Board of Trustees  
Lewisville Independent School District

The other supplementary information (as described in the accompanying table of contents) and the schedule of expenditures of federal awards are 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, based on our audit, the procedures performed as described above, and the report of the other auditors, the other supplementary information (as described in the accompanying table of contents) and the schedule of expenditures 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2016 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 12, 2016

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**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

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, 2016. 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, assets plus deferred outflows exceeded liabilities and deferred inflows by \$55.1 million. The net position of the District increased by \$45.2 million during the year ended August 31, 2016.
- The District's governmental funds financial statements reported combined ending fund balance of \$236.4 million. This balance consists of \$158.7 million in the General Fund of which \$45.0 million is committed and \$113.1 million is unassigned and available for spending at the District's discretion. Restricted fund balance totals \$71.7 million and is used by the Debt Service Fund, Capital Projects Funds and Non-major Funds. Non-spendable fund balance is \$1.0 and the remaining balance consists of \$5.5 million committed in the Non-major governmental funds.
- During the 2015-16 fiscal year, the District issued \$334,565,000 in Unlimited Tax Refunding Bonds that resulted in an economic gain of \$44,960,055.
- In the government-wide statements, program revenues accounted for \$85.6 million of total revenues. General revenues accounted for \$544.7 million.
- The General Fund had \$441.4 million in revenues, which primarily consisted of state aid and property taxes, and \$436.5 million in expenditures increasing the fund balance this year by \$3.3 million.

**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.

**LEWISVILLE INDPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

	Government-wide	Fund Statements		
		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 Worker's 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 position
	Statement of Activities	Statement of revenues, expenditures and changes in fund balance	Statement of revenues, expenses and changes in fund net position	Statement of changes in fiduciary net position (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 the 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 the year, regardless of when cash is received or paid	All revenues and expenses during the 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, deferred outflows, liabilities, and deferred inflows. 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, liabilities and deferred inflows 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, state aid 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

## LEWISVILLE INDEPENDENT SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 increased between fiscal years 2016 and 2015 - increasing by \$45.2 million 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 \$114.3 million.

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.

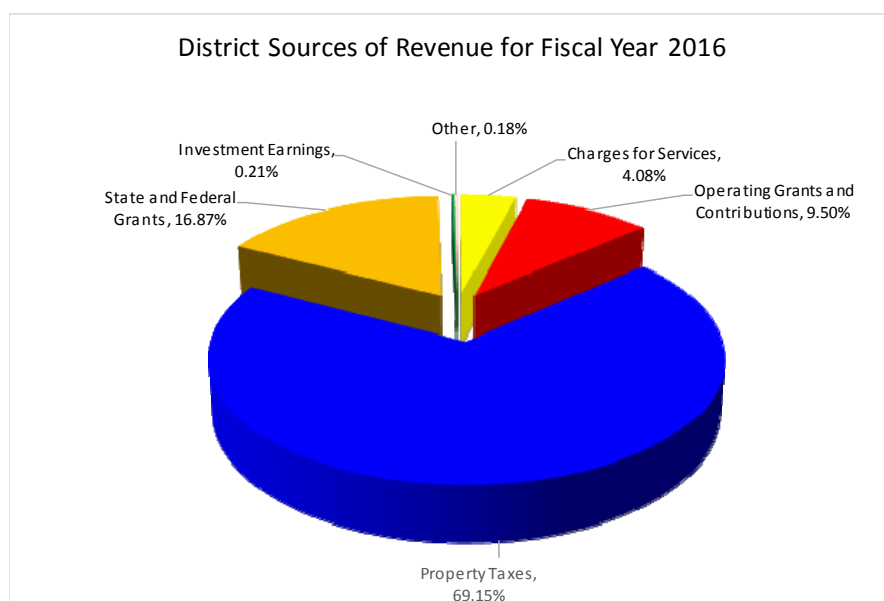
**LEWISVILLE INDPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The following table provides a summary of the assets, deferred outflows, liabilities, deferred inflows, and net position for governmental activities for the years ended August 31, 2016 and 2015, respectively.

	<b>2016</b>	<b>2015</b>
Current and Other Assets	\$ 293,109,140	\$ 324,930,090
Capital Assets	1,078,893,763	1,097,941,494
Total Assets	1,372,002,903	1,422,871,584
<b>Total Deferred Outflows of Resources</b>	<b>98,280,833</b>	<b>37,293,635</b>
Current Liabilities	49,355,935	64,252,020
Long-Term Liabilities	1,357,412,928	1,369,033,366
<b>Total Liabilities</b>	<b>1,406,768,863</b>	<b>1,433,285,386</b>
<b>Total Deferred Inflows of Resources</b>	<b>8,405,353</b>	<b>16,944,645</b>
Net Position		
Net Investment in capital assets	114,339,749	103,742,180
Restricted	31,446,968	6,796,162
Unrestricted	(90,677,197)	(100,603,154)
<b>Total Net Position</b>	<b>\$ 55,109,520</b>	<b>\$ 9,935,188</b>

A portion of the net position is restricted as to the purpose for which they can be used. Unrestricted net position increased by \$9,925,957.

**Changes in net position.** The District's total revenues were \$630.4 million representing an increase of \$34.5 million from the previous year. The majority of this increase is attributed to increases in local property tax revenue, charges for services, operating grants and contributions of \$35.2 million. This increase was offset primarily by a decrease in State aid and federal grants of \$3.9 million (State aid decreased by \$4.6 million and Impact Aid increased by \$0.7 million). As seen below, approximately two-thirds of the District's revenue comes from taxes while the remaining one-third comes primarily from program revenue and state and federal sources.



**LEWISVILLE INDPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**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 \$585.2 million, an increase of \$4.3 million 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 \$85.6 million compared to \$83.4 million in the previous year.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$499.5 million, 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	\$ 339,038,544	\$ 297,483,773
Support Services Student (Pupil)	75,015,556	50,399,110
Support Services Nonstudent based	55,594,710	51,513,575
Debt Service	39,890,376	39,400,043
	<u>\$ 509,539,186</u>	<u>\$ 438,796,501</u>

As seen in the following chart:

- The amount that our taxpayers paid for these activities through property taxes was \$435.9 million.
- Those who directly benefited from the programs paid \$25.7 million.
- Operating grants and contributions totaled \$59.9 million.

**LEWISVILLE INDPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Changes in the District's Net Position**

	<b>2016</b>	<b>2015</b>	<b>Percentage Change from Prior Year</b>
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 25,739,370	\$ 24,297,018	5.94%
Operating Grants and Contributions	59,907,871	59,099,814	1.37%
General Revenues:			
Property Taxes	435,893,537	402,859,821	8.20%
State and Federal Grants	106,341,080	107,988,403	-1.53%
Investment Earnings	1,334,784	695,192	92.00%
Miscellaneous	1,152,830	950,900	21.24%
<b>Total Revenues</b>	<b>630,369,472</b>	<b>595,891,148</b>	<b>5.79%</b>
<b>Expenses</b>			
Instruction and Instruction Related Services	339,038,544	320,912,281	5.65%
Instructional and School Leadership	40,619,621	37,682,957	7.79%
Support Services Student (Pupil)	81,718,221	74,720,750	9.36%
Administrative Support Services	9,678,040	9,024,712	7.24%
Support Services Nonstudent Based	55,594,710	53,980,570	2.99%
Ancillary Services	6,989,562	6,500,350	7.53%
Interest and Fiscal Charges	39,890,376	52,171,286	-23.54%
Other Facility Costs	8,699,867	22,960,441	-62.11%
Intergovernmental Charges	2,966,199	2,948,725	0.59%
<b>Total Expenses</b>	<b>585,195,140</b>	<b>580,902,072</b>	<b>0.74%</b>
Increase (Decrease) in Net Position	45,174,332	14,989,066	201.38%
Net Position - September 1	9,935,188	57,705,743	-82.78%
Change in Accounting Principle	-	(62,759,621)	-100.00%
<b>Net Position - August 31</b>	<b>\$ 55,109,520</b>	<b>\$ 9,935,188</b>	<b>454.69%</b>

**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 \$236.4 million, a decrease of \$17.3 million in comparison with the prior year. Approximately 48% of this total amount (\$113.1 million) 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. 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 \$45.0 million committed fund

**LEWISVILLE INDPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

balance in the General Fund. The District has \$39.9 million in restricted unspent bond proceeds in its capital projects 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 \$113.1 million, while total fund balance reached \$158.7 million. 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 26% of total General Fund expenditures, while total fund balances represents 36% of that same amount.

The District's General Fund balance increased \$3.3 million during the current fiscal year in comparison to an increase in the prior year of \$10.8 million. Local revenues increased by \$21.8 million primarily due to property taxes. Federal revenue also increased by \$1.1 million.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$29.4 million, 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 \$3.1 million, which was attributed to state aid and net resources from refunding activity.

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

	<b>2016</b>	<b>2015</b>
Revenues		
Property taxes	128,281,613	\$ 119,259,184
Investment income	291,080	105,304
State revenues	2,196,351	
Federal revenues	490,333	487,703
Total Revenues	<u>131,259,377</u>	<u>119,852,191</u>
Expenditures by function		
Principal	55,146,452	47,358,841
Interest	196,737,871	70,624,513
Total Expenditures	<u>251,884,323</u>	<u>117,983,354</u>
Other Financing Sources (Uses)		
Refunding bonds issued	334,565,000	118,570,737
Issuance of debt	-	196
Net premiums on Issuance of bonds	59,917,550	28,487,113
Payments to refunded bond escrow	<u>(270,714,408)</u>	<u>(148,763,590)</u>
Total Other Financing Sources (Uses)	<u>123,768,142</u>	<u>(1,705,544)</u>
Net change in fund balance	3,143,196	163,293
Fund balance - September 1	<u>26,268,608</u>	<u>26,105,315</u>
Fund balance - August 31	<u><u>\$ 29,411,804</u></u>	<u><u>\$ 26,268,608</u></u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$39.9 million, all of which is restricted for ongoing capital projects. The fund balance decreased by \$24.8 million during the current fiscal year due to various activity of capital projects. 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 transfers 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 \$5,046,772 from the original budget.
- *Variances of amended budget to actual expenditures*- Expenditures were \$15.0 million less than final budgeted amounts. Salaries and benefits expenditures were \$4.3 million less than budget, a variance of 1.1%. Purchased and contracted services were \$4.8 million under budget, a variance of 8.5%. The variance includes utilities, transportation, contracted maintenance projects and other contracted services. Supplies and materials were under budget by \$4.2 million or 24.9%.
- *Variances of original revenue budget compared to actual revenue* - Local revenues were under budget by \$0.3 million, which was a combination resulted from decreased property tax collections of \$2.4 million. This decrease was offset by an increase in other local revenue by \$2.1 million. State revenues were \$6.8 million over budget due to Foundation and Per Capita revenue TRS revenue. Federal revenues were \$4.4 million higher primarily due to Impact Aid and SHARS revenue.

**Capital Assets**

At the end of 2016, the District invested \$1.1 billion in a broad range of capital assets, including land, equipment, buildings, and construction in progress. This amount represents a net decrease of \$19.0 million or 1.7% over last year.

The majority of capital asset activity is reported in the Capital Projects Fund. Facility acquisitions and construction expenditures decreased by 61% from fiscal year 2015.

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

- Renovation of Highland Village Elementary School
- Partial roof replacement at The Colony High School, Marcus High School and Donald Elementary School
- Playground equipment replacement at Hebron Valley Elementary School
- Pool Plaster Replacement at Eastside Aquatic Center

**LEWISVILLE INDPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Listed in the table below are the capital assets for governmental activities for the fiscal year ended August 31, 2016 and 2015, respectively:

	<b>2016</b>	<b>2015</b>	<b>Total % Change</b>
Land	\$ 108,532,403	\$ 108,532,403	0.00%
Buildings and Improvements	1,329,957,698	1,313,912,800	1.22%
Vehicles	3,132,146	2,953,368	6.05%
Furniture and Equipment	21,346,069	21,994,112	-2.95%
Construction in Progress	-	5,742	-100.00%
Total at historical cost	<u>1,462,968,316</u>	<u>1,447,398,425</u>	<u>1.08%</u>
Less accumulated depreciation for:			
Buildings and Improvements	370,217,443	336,188,334	10.12%
Vehicles	2,581,318	2,807,861	-8.07%
Furniture and Equipment	11,275,792	10,460,736	7.79%
Total accumulated depreciation	<u>384,074,553</u>	<u>349,456,931</u>	<u>9.91%</u>
Net capital assets	<u>\$ 1,078,893,763</u>	<u>\$ 1,097,941,494</u>	<u>-1.73%</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 \$1,240,974,968 a decrease of 5.2% percent from the prior year. During the fiscal year, the District issued \$334,565,000 in Unlimited Tax Refunding Bonds. The proceeds will be used refund prior debt. The District's debt includes capital appreciation bonds which accrete interest until their maturing date. Total accreted interest on these capital appreciation bonds totaled \$54,625,149 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. All authorized bonds as of August 31, 2015 have been issued. 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 9).

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS** *(continued)*

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

The local economy continues to be strong as it has been for a number of years. During the 2015-16 fiscal year, groundbreaking was held for a new MaryKay Cosmetics \$100 million manufacturing and R&D complex located on a 26 acre site at the corner of Vista Ridge Mall Drive and Denton Tap Road near State Highway 121. The 470,000 square foot building is scheduled to open in the first quarter of 2018 and is designed to accommodate Mary Kay's growing business.

The 2016-17 appraised property values increased by approximately 9.5%. The State funding formulas currently provide that as property tax revenues increase, state funding decreases by a comparable amount after a one year period. For the 2016-17 year, property tax revenues are expected to increase by \$28.4 million while State revenues are expected to decrease by \$19.1 million.

The Maintenance and Operations (M&O) tax rate remained at \$1.04 per \$100 valuation for the 2016-17 year. The Interest and Sinking (I&S) tax rate decreased by \$0.05673 to \$0.38 per \$100 valuation for the 2016-17 year. The District's student enrollment is expected to remain fairly constant for the 2016-17 year.

General Fund expenditures are budgeted to increase by \$13.7 million or 3.1 percent over the prior year budgeted expenditures. Major expenditure changes include a salary increase of 3 percent, new positions, and increases for transportation, custodial, and contracted maintenance.

If the estimates are realized, the District's budgetary General Fund balance is expected to decrease by \$8.9 million by the close of 2017 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 West Main Street, Lewisville, TX 75067.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**August 31, 2016**

*Exhibit A-1*

Data Control Codes		<b>Total Primary Government Governmental Activities</b>	<b>Component Unit</b>
		<b>August 31, 2016</b>	<b>December 31, 2015</b>
	<b>Assets</b>		
1110	Cash and cash equivalents	\$ 273,090,366	\$ 3,368,696
	Receivables:		
1225	Property taxes	6,255,714	-
1230	Allowance for uncollectible taxes	(1,241,501)	-
1240	Due from other governments	8,645,377	-
1250	Accrued interest	184,041	-
1290	Other receivables	85,390	56,086
1300	Inventories at cost	600,204	-
1410	Prepaid items	425,212	5,596
	Capital assets (net of accumulation depreciation where applicable)		
1510	Land	108,532,403	-
1520	Buildings and improvements	959,740,255	-
1531	Vehicles	550,828	-
1530	Furniture and equipment	10,070,277	-
1810	Restricted Cash and Investments	5,064,337	-
<b>1000</b>	<b>Total Assets</b>	<b>1,372,002,903</b>	<b>3,430,378</b>
	<b>Deferred Outflows of Resources</b>		
1700	Deferred charges - refunding	43,724,219	-
1705	Deferred outflows - pension	54,556,614	-
	<b>Total Deferred Outflows of Resources</b>	<b>98,280,833</b>	<b>-</b>
	<b>Liabilities</b>		
2110	Accounts payable	14,981,863	5,924
2140	Interest payable	1,832,556	-
2150	Payroll deductions and withholdings payable	3,377,728	-
2160	Accrued wages payable	25,021,318	-
2180	Due to other governments	891,926	-
2300	Unearned revenue	3,250,544	6,000
	Noncurrent Liabilities:		
2501	Due within one year	68,869,831	-
2502	Due in more than one year	1,175,283,452	-
2540	Net pension liability	113,259,645	-
<b>2000</b>	<b>Total Liabilities</b>	<b>1,406,768,863</b>	<b>11,924</b>
	<b>Deferred Inflows of Resources</b>		
2605	Deferred inflows - pension	8,405,353	-
	<b>Total Deferred Inflows of Resources</b>	<b>8,405,353</b>	<b>-</b>
	<b>Net Position</b>		
3200	Net investment in capital assets	114,339,749	-
	<b>Restricted for:</b>		
3820	Food service	2,495,643	-
3820	Grants	75,215	-
3850	Debt service	28,876,110	-
3890	Expendable	-	264,625
3890	Nonexpendable	-	2,091,194
3900	Unrestricted	(90,677,197)	1,062,635
<b>3000</b>	<b>Total Net Position</b>	<b>\$ 55,109,520</b>	<b>\$ 3,418,454</b>

See Notes to the Financial Statements

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

*For the Year Ended August 31, 2016*

Data Control Codes	Functions/Programs	Expenses	Program Revenue	
			Charges for Services	Operating Grants and Contributions
Primary Government:				
Governmental activities:				
11	Instruction	\$ 326,660,818	\$ 1,451,595	\$ 37,836,806
12	Instruction resources & media services	7,502,899	40,658	368,972
13	Curriculum & instructional staff development	4,874,827	23,181	1,833,559
21	Instructional leadership	8,903,376	79,573	564,281
23	School administration	31,716,245	216,819	1,885,295
31	Guidance and counseling	21,097,288	236,304	1,514,257
32	Social work services	185,475	-	7,030
33	Health services	5,534,811	1,209	503,406
34	Pupil transportation	14,361,259	-	79,169
35	Food services	23,217,766	10,840,286	11,083,232
36	Co-curricular activities	17,321,622	5,116,801	457,695
41	General administration	9,678,040	272,303	509,947
51	Plant maintenance and operation	40,475,796	1,692,172	1,909,478
52	Security and monitoring	2,102,031	6,564	39,158
53	Data processing services	13,016,883	-	433,763
61	Community services	6,989,562	5,748,121	385,515
71	Interest and fiscal charges on long-term debt	39,890,376	-	490,333
81	Other facility costs	8,699,867	13,784	5,975
93	Fiscal agent/member district of shared service arrangement	98,460	-	-
95	Alternative education program	83,927	-	-
99	Other intergovernmental charges	2,783,812	-	-
TG	Total governmental activities	\$ 585,195,140	\$ 25,739,370	\$ 59,907,871
Component Units:				
	Lewisville Education Foundation, Inc.	\$ 920,029		\$ 802,994

**Data Control  
Codes**

**General revenues:**

Taxes:

<b>MT</b>	Property taxes - maintenance & operations
<b>DT</b>	Property taxes - debt services
<b>SF</b>	Unrestricted state aid formula grants
<b>GC</b>	Medicaid reimbursements
<b>GC</b>	Unrestricted federal aid
<b>IE</b>	Investment earnings
<b>MI</b>	Miscellaneous
<b>TR</b>	<b>Total general revenues</b>
<b>CN</b>	Change in net position
<b>NB</b>	<b>Net position - beginning</b>
<b>NE</b>	<b>Net position - ending</b>

See Notes to the Financial Statements

***Exhibit B-1***

<b>Net (Expense) Revenue and Changes in Net Position</b>	
<b>Governmental Activities</b>	<b>Component Unit</b>
<b>Year Ended August 31, 2016</b>	<b>Year Ended December 31, 2015</b>
\$ (287,372,417)	
(7,093,269)	
(3,018,087)	
(8,259,522)	
(29,614,131)	
(19,346,727)	
(178,445)	
(5,030,196)	
(14,282,090)	
(1,294,248)	
(11,747,126)	
(8,895,790)	
(36,874,146)	
(2,056,309)	
(12,583,120)	
(855,926)	
(39,400,043)	
(8,680,108)	
(98,460)	
(83,927)	
(2,783,812)	
<u>\$ (499,547,899)</u>	

\$ (117,035)

307,180,337	-
128,713,200	-
100,068,312	-
2,608,736	-
3,664,032	-
1,334,784	86,014
1,152,830	-
<u>544,722,231</u>	<u>86,014</u>
45,174,332	(31,021)
9,935,188	3,449,475
<u>\$ 55,109,520</u>	<u>\$ 3,418,454</u>

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

## BALANCE SHEET

### GOVERNMENTAL FUNDS

August 31, 2016

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
<b>Assets</b>				
1110	Cash and temporary investments	\$ 187,340,628	\$ 24,640,374	\$ 47,583,203
<b>Receivables:</b>				
1220	Delinquent property taxes receivables	4,572,261	1,683,453	-
1230	Allowance for uncollectible taxes (credit)	(931,842)	(309,659)	-
1240	Receivables from other governments	5,622,097	50,199	-
1250	Accrued interest	159,572	24,469	-
1260	Due from other funds	148,098	331	-
1290	Other receivables	85,390	-	-
1300	Inventories, at cost	136,541	-	-
1410	Prepaid items	397,493	4,810	-
1810	Restricted Cash and Investments	-	5,064,337	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 197,530,238</u>	<u>\$ 31,158,314</u>	<u>\$ 47,583,203</u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
2110	Accounts payable	\$ 4,251,416	\$ 23	\$ 7,711,691
2150	Payroll deductions and withholdings	3,377,728	-	-
2160	Accrued wages payable	25,021,318	-	-
2170	Due to other funds	331	148,098	-
2180	Payable to other governments	549,044	301,527	-
2300	Unearned revenue	2,205,363	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>35,405,200</u>	<u>449,648</u>	<u>7,711,691</u>
<b>Deferred Inflows of Resources</b>				
2600	Unavailable revenue - property taxes	3,453,945	1,296,862	-
	<b>Total Deferred Inflows of Resources</b>	<u>3,453,945</u>	<u>1,296,862</u>	<u>-</u>
<b>Fund Balance:</b>				
<b>Nonspendable:</b>				
3410	Inventories	136,541	-	-
3430	Prepaid items	397,493	4,810	-
<b>Restricted</b>				
3450	Grants	-	-	-
3470	Capital acquisition program	-	-	39,871,512
3480	Debt service	-	29,406,994	-
<b>Committed</b>				
3545	Campus activity	-	-	-
3545	Minimum fund balance policy	45,000,000	-	-
3600	<b>Unassigned</b>	<u>113,137,059</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Total Fund Balances</b>	<u>158,671,093</u>	<u>29,411,804</u>	<u>39,871,512</u>
<b>4000</b>	<b>Total Liabilities and Fund Balance</b>	<u>\$ 197,530,238</u>	<u>\$ 31,158,314</u>	<u>\$ 47,583,203</u>

See Notes to the Financial Statements.

*Exhibit C-1*

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 7,470,301	\$ 267,034,506
-	6,255,714
-	(1,241,501)
2,973,081	8,645,377
-	184,041
2,304,866	2,453,295
-	85,390
463,663	600,204
22,909	425,212
-	5,064,337
<u>\$ 13,234,820</u>	<u>\$ 289,506,575</u>

\$ 1,376,276	\$ 13,339,406
-	3,377,728
-	25,021,318
2,304,866	2,453,295
41,355	891,926
<u>1,045,181</u>	<u>3,250,544</u>
<u>4,767,678</u>	<u>48,334,217</u>

<u>-</u>	<u>4,750,807</u>
<u>-</u>	<u>4,750,807</u>

463,663	600,204
22,909	425,212
2,470,266	2,470,266
-	39,871,512
-	29,406,994
5,510,304	5,510,304
-	45,000,000
-	113,137,059
<u>8,467,142</u>	<u>236,421,551</u>
<u>\$ 13,234,820</u>	<u>\$ 289,506,575</u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO**  
**STATEMENT OF NET POSITION**  
*August 31, 2016*

*Exhibit C-1R*

<b>Data Control Codes</b>		
	<b>Total fund balance, governmental funds</b>	<b>\$ 236,421,551</b>
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
<b>1</b>		1,462,968,316
	Accumulated depreciation has not been included in the governmental fund financial statements	
<b>2</b>		(384,074,553)
	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	
<b>3</b>		4,750,807
<b>4</b>	Deferred charges on refunding	43,724,219
<b>5</b>	Deferred inflows and outflows related to pension liability	46,151,261
	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.	
	Long-term liabilities at year end consist of:	
<b>6</b>	General obligation bonds	(1,086,640,600)
<b>7</b>	Premiums on issuance	(99,709,219)
<b>8</b>	Accreted interest on premium compound interest bonds	(54,625,149)
<b>9</b>	Capital leases payable	(1,307,235)
<b>10</b>	Accrued compensated absences	(1,871,080)
<b>11</b>	Accrued interest payable	(1,832,556)
<b>12</b>	Net pension liability	(113,259,645)
<b>13</b>	Addition of Internal Service fund net position	<u>4,413,403</u>
<b>19</b>	<b>Total net position - governmental activities</b>	<b><u>\$ 55,109,520</u></b>

See Notes to the Financial Statements.

**Lewisville  
Independent  
School District**

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2016**

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Debt Service Fund</b>
<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$ 316,633,254	\$ 128,572,693
5800	State program revenues	117,970,990	2,196,351
5900	Federal program revenues	6,826,030	490,333
<b>5020</b>	<b>Total Revenues</b>	<b>441,430,274</b>	<b>131,259,377</b>
<b>Expenditures</b>			
<b>Current:</b>			
0011	Instruction	273,010,402	-
0012	Instructional resources and media services	6,294,498	-
0013	Curriculum and instructional staff development	2,990,389	-
0021	Instructional leadership	8,508,390	-
0023	School leadership	29,312,659	-
0031	Guidance, counseling and evaluation services	19,396,154	-
0032	Social work services	103,140	-
0033	Health services	5,083,910	-
0034	Student transportation	14,162,770	-
0035	Food services	4,188	-
0036	Extracurricular activities	10,101,436	-
0041	General administration	9,246,319	-
0051	Facilities maintenance and operations	36,752,856	-
0052	Security and monitoring services	1,927,559	-
0053	Data processing services	9,912,375	-
0061	Community services	5,889,510	-
<b>Debt service:</b>			
0071	Principal on long-term debt	658,425	55,146,452
0072	Interest on long-term debt and fees	-	196,737,871
<b>Capital outlay:</b>			
0081	Facilities acquisition and construction expenditures	222,583	-
<b>Intergovernmental:</b>			
0093	Payments related to shared services arrangements	98,460	-
0095	Payments to Juvenile Justice Alternative Education Program	83,927	-
0099	Other Intergovernmental Charges	2,783,812	-
<b>6030</b>	<b>Total Expenditures</b>	<b>436,543,762</b>	<b>251,884,323</b>
1100	Excess (deficiency) of revenues over expenditures	4,886,512	(120,624,946)
<b>Other Financing Sources (Uses)</b>			
7911	Refunding bonds issued	-	334,565,000
7912	Sale of real or personal property	100,250	-
7913	Issuances of capital leases	-	-
7915	Operating transfers in	15,421	-
7916	Premium or discount on issuance of bonds	-	59,917,550
8911	Operating transfers out	(1,700,000)	-
8949	Other uses	-	(270,714,408)
<b>7080</b>	<b>Total other financing sources and uses</b>	<b>(1,584,329)</b>	<b>123,768,142</b>
1200	Net change in fund balances	3,302,183	3,143,196
<b>0100</b>	<b>Fund Balance - beginning</b>	<b>155,368,910</b>	<b>26,268,608</b>
<b>3000</b>	<b>Fund Balance - ending</b>	<b>\$ 158,671,093</b>	<b>\$ 29,411,804</b>

See Notes to the Financial Statements.

*Exhibit C-2*

<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 171,359	\$ 16,948,953	\$ 462,326,259
-	2,424,057	122,591,398
-	26,789,146	34,105,509
171,359	46,162,156	619,023,166
-	17,882,211	290,892,613
-	115,293	6,409,791
-	1,753,308	4,743,697
-	45,987	8,554,377
-	566,019	29,878,678
-	848,082	20,244,236
-	-	103,140
-	183,598	5,267,508
-	79,169	14,241,939
-	21,028,424	21,032,612
-	1,394,105	11,495,541
-	39,006	9,285,325
19,500	2,701,980	39,474,336
-	16,388	1,943,947
-	-	9,912,375
-	111,445	6,000,955
-	-	55,804,877
-	-	196,737,871
24,950,540	59,089	25,232,212
-	-	98,460
-	-	83,927
-	-	2,783,812
24,970,040	46,824,104	760,222,229
(24,798,681)	(661,948)	(141,199,063)
-	-	334,565,000
-	-	100,250
-	-	-
-	1,700,000	1,715,421
-	-	59,917,550
-	(15,421)	(1,715,421)
-	-	(270,714,408)
-	1,684,579	123,868,392
(24,798,681)	1,022,631	(17,330,671)
64,670,193	7,444,511	253,752,222
\$ 39,871,512	\$ 8,467,142	\$ 236,421,551

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**

*Exhibit C-3*

For the Year Ended August 31, 2016

<b>Data Control Codes</b>		
	Net change in fund balances - total governmental funds (from C-3)	\$ (17,330,671)
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
1	Governmental funds capital outlay	17,160,497
2	Governmental activities depreciation expense	(36,214,186)
3	Governmental funds report the entire sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. In addition donation of \$58,750 are recorded as revenue. Thus the change in net position differs from the change in fund balance by the book value of the assets sold, donated and disposed. The District disposed of certain assets that resulted in a loss.	5,958
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,614,541
5	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	55,146,452
6	Proceeds from issuance of refunding bonds of (\$334,565,000) and premium on long-term debt of (\$59,917,550) is reported as an other financing source in the governmental funds. Amounts paid to refunding agent of \$270,714,408, net of current refunding amount of \$128,751,517 recorded on the fund statements, are reported as other financing uses in the governmental funds.	(21,931,714)
7	The deferred charges on refundings associated with the issuance is treated as a deferred outflow of resources.	26,915,089
8	Pension contributions made after the net pension liability date are reported as expenditures in the governmental funds and are reported as deferred outflows on the face of the statement of net position	9,843,086
9	Decrease in interest payable not recognized in the fund statements	196,256
10	Repayment of capital lease	648,840
11	Payment of receivable from other governments for federal subsidies	(263,054)
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
12	Amortization of premiums, deferred charges on refunding	11,122,299
13	Capital appreciation bonds matured and related accreted interest	16,787,008
14	Pension deferred outflows and inflows	(17,877,121)
15	Decrease in long term compensation absences	492,989
16	Internal service funds are used by management to charge the costs of certain activities, such as insurances, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental funds. (see D-2)	(1,141,937)
	<b>Change in net position of governmental activities (see B-1)</b>	<b>\$ 45,174,332</b>

See Notes to the Financial Statements.

## LEWISVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit C-4

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

## BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND

For the Year Ended August 31, 2016

Data Control Codes		Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget
		Original	Final		
	<b>Revenues</b>				
5700	Local revenues	\$ 316,928,713	\$ 316,928,713	\$ 316,633,254	\$ (295,459)
5800	State program revenues	111,199,624	111,199,624	117,970,990	6,771,366
5900	Federal program revenues	2,472,000	2,472,000	6,826,030	4,354,030
<b>5020</b>	<b>Total revenues</b>	<b>430,600,337</b>	<b>430,600,337</b>	<b>441,430,274</b>	<b>10,829,937</b>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	278,384,011	277,796,602	273,010,402	4,786,200
0012	Instructional resources and media services	6,373,262	6,492,237	6,294,498	197,739
0013	Curriculum and staff development	4,273,859	4,150,500	2,990,389	1,160,111
0021	Instructional leadership	8,017,323	8,678,958	8,508,390	170,568
0023	School leadership	28,779,530	29,496,733	29,312,659	184,074
	Guidance, counseling and				
	evaluation services	19,596,939	19,641,633	19,396,154	245,479
0032	Social work services	99,402	115,336	103,140	12,196
0033	Health services	5,039,621	5,323,758	5,083,910	239,848
0034	Student transportation	13,638,220	14,163,569	14,162,770	799
0035	Food services	-	26,300	4,188	22,112
0036	Extracurricular activities	10,000,606	10,662,281	10,101,436	560,845
0041	General administration	9,864,810	10,402,980	9,246,319	1,156,661
0051	Facilities maintenance and operations	40,352,328	41,143,853	36,752,856	4,390,997
0052	Security and monitoring services	2,018,054	2,157,902	1,927,559	230,343
0053	Data processing services	9,117,222	10,406,488	9,912,375	494,113
0061	Community services	6,579,030	6,634,447	5,889,510	744,937
	<b>Debt Service:</b>				
0071	Principal on long-term debt	1,100,000	714,025	658,425	55,600
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	273,387	222,583	50,804
	<b>Intergovernmental:</b>				
0093	Payments related to shared services				
	arrangements	210,000	210,000	98,460	111,540
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	200,000	200,000	83,927	116,073
0099	Payments to appraisal district	2,860,000	2,860,000	2,783,812	76,188
<b>6030</b>	<b>Total Expenditures</b>	<b>446,504,217</b>	<b>451,550,989</b>	<b>436,543,762</b>	<b>15,007,227</b>
1100	Excess (deficiency) of revenues over expenditures	(15,903,880)	(20,950,652)	4,886,512	25,837,164
	<b>Other Financing Sources (Uses)</b>				
7912	Sale of real or personal property	-	-	100,250	100,250
7913	Proceeds from capital leases	1,800,000	1,800,000	-	(1,800,000)
7915	Operating transfers in	-	-	15,421	15,421
8911	Operating transfers out	-	(1,700,000)	(1,700,000)	-
<b>7080</b>	<b>Total other financing sources and uses</b>	<b>1,800,000</b>	<b>100,000</b>	<b>(1,584,329)</b>	<b>(1,684,329)</b>
1200	Net change in fund balances	(14,103,880)	(20,850,652)	3,302,183	24,152,835
<b>0100</b>	<b>Fund balances - beginning</b>	<b>155,368,910</b>	<b>155,368,910</b>	<b>155,368,910</b>	<b>-</b>
<b>3000</b>	<b>Fund balances - ending</b>	<b>\$ 141,265,030</b>	<b>\$ 134,518,258</b>	<b>\$ 158,671,093</b>	<b>\$ 24,152,835</b>

See Notes to the Financial Statements.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT***Exhibit D-1***STATEMENT OF NET POSITION****PROPRIETARY FUNDS***August 31, 2016*

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>Assets</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 6,055,860
<b>Total Assets</b>	<b>6,055,860</b>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts payable	4,800
Accrued expenses	1,637,657
<b>Total Liabilities</b>	<b>1,642,457</b>
<b>Net Position</b>	
Unrestricted net position	4,413,403
<b>Total Net Position</b>	<b>\$ 4,413,403</b>

See Notes to the Financial Statements.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT***Exhibit D-2***STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION****PROPRIETARY FUNDS***For the Year Ended August 31, 2016*

	<b>Governmental Activities Internal Service Fund</b>
<b>Operating Revenues</b>	
Premiums	\$ 215
<b>Total Operating Revenues</b>	<u>215</u>
<b>Operating Expenses</b>	
Professional and contracted services	88,090
Claims and premiums	1,076,283
<b>Total Operating Expenses</b>	<u>1,164,373</u>
Operating (Loss)	(1,164,158)
<b>Non-Operating Revenues (Expenses)</b>	
Interest income	22,221
<b>Total Nonoperating Revenues (Expenses)</b>	<u>22,221</u>
Change in Net Position	(1,141,937)
<b>Net Position - September 1 (Beginning)</b>	<u>5,555,340</u>
<b>Net Position - August 31 (Ending)</b>	<u>\$ 4,413,403</u>

See Notes to the Financial Statements.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
*Year Ended August 31, 2016*

*Exhibit D-3*

	<b>Governmental Activities Internal Service Fund</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received for premiums from other funds	\$ 215
Cash paid for claims and premiums	(1,219,650)
<b>Net Cash Provided by (used in) Operating Activities</b>	<u>(1,219,435)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest received on investments	22,221
<b>Net Cash Provided by Investing Activities</b>	<u>22,221</u>
Net decrease in Cash and Cash Equivalents	(1,197,214)
Cash and Cash Equivalents at Beginning of Year	7,253,074
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 6,055,860</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by (used in) Operating Activities:</b>	
Operating Income (loss)	\$ (1,164,158)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>	
Increase in Accounts Payable	300
Decrease in Accrued Expenses	(55,577)
<b>Total Adjustments</b>	<u>(55,277)</u>
<b>Net Cash Used for Operating Activities</b>	<u><u>\$ (1,219,435)</u></u>

See Notes to the Financial Statements.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**August 31, 2016**

*Exhibit E-1*

	<b>Total Agency Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,151,366
Receivable from outside entities	579,909
Prepaid items	4,849
<b>Total Assets</b>	<b>\$ 2,736,124</b>
<b>Liabilities</b>	
Accounts payable	\$ 55,435
Payroll deductions and withholdings	33,130
Due to outside entities	1,407,604
Due to student groups	1,214,955
Deferred revenue	25,000
<b>Total Liabilities</b>	<b>\$ 2,736,124</b>

See Notes to the Financial Statements.

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

Lewisville Independent School District's (the "District") is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The District is autonomously governed by a seven-member Board of Trustees elected by the District's residents.

The District prepares its basic financial statements in conformity with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in Statement on Auditing Standards No. 69, as amended by Statement on Auditing Standards No.'s 91 and 93 of the American Institute of Certified Public Accountants; and it complies with the most recent requirements of the Texas Education Agency's Financial Accountability System Resource Guide (the "Resource Guide" or FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

**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. 61, *The Financial Reporting Entity: Omnibus*, 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, 2014 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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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, 2016, the undiscounted liabilities totaled \$1,642,457 and reported net position of \$4,413,403.

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, other organizational activities and the District service as business agent with Community in School. 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.

**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, 2015 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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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, Investments consist of balances in privately managed public funds investment pools and investments in United States (U.S.) securities and U.S. Agency securities. The District reports all investments at fair value, except for investment pools. The District's investment pools are valued and reported at amortized cost, which approximates fair value.. The District's cash and temporary investments are short-term, highly liquid investments that are readily convertible to cash.

The District's investments are carried at fair value based on quoted market prices at year-end, in accordance with U.S. generally accepted accounting principles. The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants*.

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, 2016, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$39,608,907 and the bank balance was \$40,941,773. At year end, the District held \$40,878 in petty cash. The District's deposits at August 31, 2016 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

	Cash	Investments
General	\$ 29,708,029	\$ 157,632,599
Special Revenue	7,470,301	-
Debt Service	59,107	29,645,604
Capital Projects	2,891	47,580,312
Internal Service	217,213	5,838,647
<b>Total Governmental Activities</b>	<b>37,457,541</b>	<b>240,697,162</b>
Agency	2,151,366	-
<b>Total</b>	<b>\$ 39,608,907</b>	<b>\$ 240,697,162</b>

The following table includes the portfolio balance, credit rating and percentage of the portfolio balance by investment type and weighted average days to maturity of investment held by the District as of August 31, 2016:

	Fair Value	S&P Credit Quality Ratings	Percentage of Investments	Weighted Average Maturity (Days)
<b>Investment Type</b>				
Certificates of Deposit	\$ 30,271,348	N/A	12.58%	223
Money Market	49,910,592	N/A	20.74%	1
<b>Total</b>	<b>80,181,940</b>		<b>33.31%</b>	
 Local Government Investment Pools *				
TexPool	118,164,323	AAAm	49.09%	42
TexPool Prime	7,210,946	AAAm	3.00%	37
<b>Total</b>	<b>125,375,269</b>		<b>52.09%</b>	
 Investments-Securities:				
Securities of U.S. Government Agencies:				
Federal Farm Credit Bank	5,016,445	AAA	2.08%	382
Federal Home Loan Bank	4,964,286	AAA	2.06%	264
Federal National Mortgage Association	4,750,063	AAA	1.97%	1,064
Federal Home Loan Mortgage Corp	9,118,807	AAA	3.79%	344
Federal Agriculture Mortgage Corporation	3,606,310	AAA	1.50%	241
<b>Total</b>	<b>27,455,911</b>		<b>11.41%</b>	
 Municipal Bonds	<b>7,684,042</b>	<b>AA</b>	<b>3.19%</b>	<b>65</b>
<b>Total Investments</b>	<b>\$ 240,697,162</b>		<b>100.00%</b>	

\* Per GASB 79, valued at amortized cost.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Investments' fair value measurements are as follows at August 31, 2016:

<b>Investments</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Certificates of Deposit	\$ -	\$ 30,271,348	\$ -	\$ 30,271,348
Money Market	-	49,910,592	-	49,910,592
US Government and Agency Securities	-	27,455,911	-	27,455,911
Municipal Bonds	-	7,684,042	-	7,684,042
<b>Total</b>	<b>\$ -</b>	<b>\$ 115,321,893</b>	<b>\$ -</b>	<b>\$ 115,321,893</b>

*Credit Risk*- Texas state law and the Lewisville ISD's Board adopted Investment Policy place high credit quality as a priority in its investment process. Credit minimums are set for appropriate invest types and a procedure is included in the policy for monitoring, disclosing and acting on credit downgrades.

All time and demand deposits are required to be FDIC insured or collateralized to 102% (or 110% if mortgage-backed securities). They must be in eligible depositories doing business in Texas and be under the terms of a written collateral agreement. The maximum maturity on depository CD as stated in the Policy is one (1) year. The bank is contractually liable for monitoring and maintaining the collateral margins.

Brokered CD securities must be FDIC insured and delivered versus payment to the District's depository. Maximum maturity of one year and FDIC insurance must be verified before purchase.

State law and the Lewisville ISD adopted Investment Policy limit repurchase agreements to Texas banks and primary dealers. State law and the Policy require a defined termination date, an industry standard, written master repurchase agreement, independent safekeeping of collateral, and a 102% margin on collateral. Fully collateralized flex repurchase agreements are restricted by the Policy to the use of bond funds and are restricted to being matched to bond proceeds expenditures plans. The term of any reverse security repurchase agreement may not exceed ninety (90) days after the date of delivery.

Obligations of the State of Texas or its agencies and instrumentalities or obligations of other states, agencies, counties, cities and other political subdivisions rated as to investments quality by a nationally recognized rating firm (NRSRO) not less than AA or its equivalent are authorized. Debt obligations have a maximum maturity of three years.

AAA-rated, local government investment pools striving to maintain a \$1 net asset value as defined by state law (2256.016) and approved by the District's adopted policy are authorized. By State law all local government pools are rated AAA or equivalent by at least one NRSRO.

The District's Investment Policy requires SEC registered money market funds to be AAA-rated and to strive to maintain at \$1 NAV.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*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	100%
Certificates of Deposit	40%
Brokered Certificate of Deposit Securities	20%
Municipal Obligations	35%

*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.

*Custodial Credit Risk*- To control custody risk State law and the District'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% and time and demand deposits collateralized to 102% (with 110% on mortgaged-backed securities). Transactions are required to be executed under a written collateral and/or repurchase agreement. The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

As of August 31, 2016, the District's investments consisted of balances held by Texas Local Government Investment Pool (TexPool), U.S. Governmental Agencies, Money Market funds and Municipal Bonds.

TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (the Trust Company) to provide a safe environment for the placement of local government funds. The portfolio consists of U.S. Treasury and government agency securities, repurchase agreements, certain mutual funds, collateralized repurchase and reverse repurchase agreements, no-load money market mutual funds regulated by the Securities and Exchange Commission and rated AAA or equivalent by at least one nationally recognized statistical rating organization, securities lending programs, and certificates of deposit. TexPool is overseen by the State Comptroller of Public Accounts and administered by Federated Investors, Inc. The State Street Bank is the custodial bank. TexPool follows chapter 2256 of the Texas Public Funds Investment Act. TexPool uses amortized cost rather than fair value to report net assets to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the District's investments in TexPool are stated at amortized cost, which approximates fair value.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

The District is invested in several Money Market accounts at East West Bank, First Financial Bank and Bank of Texas. Money Markets are a type of savings account that usually pays a higher interest rate. These funds are considered liquid and the District's Money Market funds are reported at fair value using Level 2 inputs.

The District invested in U.S. Government Agencies and municipal paper in which the carrying value reflects the fair value of the investments and are reported as Level 2 inputs.

**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 11 for additional discussion of interfund transactions.

**Inventories**

Technology and food commodities are carried in an inventory account at cost, using the first-in, first-out method of accounting. Maintenance is carried using average cost method. 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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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	6years
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.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 \$1,871,080 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**

Deferred outflows and inflows of resources are reported in the financial position as described below:

*A deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

- Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, this 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.
- Deferred outflows of resources for pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

*A deferred inflow of resources* is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual bases of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Outflows/Inflows of Resources (continued)**

- Deferred inflows of resources for pension – reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the District's proportional share of pension liabilities. These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

**Fund Balance and Net Position**

Governmental Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," provides more 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 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, 2016.

*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.

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 includes the following:

*Net Investment in Capital Assets* - The component of net position 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 position 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 \$2,939,906 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.

At August 31, 2016, the accrued liabilities for Workers' Compensation self-insurance of \$1,642,457, which includes incurred but not reported (IBNR) claims. 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:

	<b>Year Ended</b> <b>August 31, 2016</b>	<b>Year Ended</b> <b>August 31, 2015</b>
Unpaid claims, beginning of year	\$ 1,697,734	\$ 2,104,701
Incurred claims (including IBNR's)	1,164,373	689,772
Claim payments and changes in estimate	(1,219,650)	(1,096,739)
Unpaid claims, end of fiscal year	<u>\$ 1,642,457</u>	<u>\$ 1,697,734</u>

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 2016, 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, 2016, the District had encumbrances in the General Fund and Capital Projects Fund of \$1,914,584 and \$1,386,119, respectively that rolled over into the new fiscal year.

**Data Control Codes**

The data control codes refer to the account code structure prescribed by TEA in the Financial Accountability System Resource Guide. TEA requires school districts to display these codes in the financial statements submitted to them in order to insure accuracy in building a statewide database for policy development and funding plans.

**Implementation of New Standards**

GASB Statement No. 72, Fair Value Measurement and Application, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, clarifies the application of certain provisions of Statement No. 68 with regard to information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.

GASB Statement No. 79, Certain External Investment Pools and Pool Participants, addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures include information about any limitations or restrictions on participant withdrawals.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 2016 is estimated based on historical subsequent collections for the months of October.

**Pensions**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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:

<u>Fund</u>	<u>Appropriations as of September 01, 2015 (Original Budget)</u>	<u>Supplemental Appropriations and Revisions</u>	<u>Appropriations as of August 31, 2016 (Amended Budget)</u>
General Fund	\$ 446,504,217	\$ 5,046,772	\$ 451,550,989
Food Service Fund	24,990,189	190,172	25,180,361
Debt Service Fund	122,076,839	131,016,129	253,092,968
Total Budgeted Funds	<u>\$ 593,571,245</u>	<u>\$ 136,253,073</u>	<u>\$ 729,824,318</u>

The increases in appropriations for the General Fund and Food Service Fund were mainly attributed to purchases orders. The Debt Service Fund increase was related to the current refunding.

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

Budget - Special Revenue Fund - Food Service	\$ 2,495,643
Unbudgeted Funds	<u>5,971,499</u>
All Special Revenue Funds	<u><u>\$ 8,467,142</u></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 2015-16 fiscal year was \$29,093,582,239.

The tax rates assessed for the year ended August 31, 2016 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$0.437 per \$100 valuation, respectively, for a total of \$1.477 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, 2016 were 98.6% 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, 2016, property taxes receivable, net of estimated uncollectible taxes, totaled \$3,640,419 and \$1,373,794 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 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, 2016 are summarized below. Amounts are expected to be collected within two months after the District fiscal year end.

Fund	Denton County	State Entitlements	Federal Grants	Total
General	\$ 165,869	\$ 5,373,117	\$ 83,111	\$ 5,622,097
Debt Service	50,199	-	-	50,199
Special Revenue	-	459,780	2,513,301	2,973,081
Total	<u>\$ 216,068</u>	<u>\$ 5,832,897</u>	<u>\$ 2,596,412</u>	<u>\$ 8,645,377</u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Exhibit F-1**

**NOTE 4. DUE TO/FROM OTHER GOVERNMENTS (continued)**

Due to state represents payment due to the state for sales tax and overpayment of the foundation allotment. Amount due to other represents taxes collected from the purchase of land and due to the County.

Amounts due to local and state governments as of August 31, 2016 are summarized below.

Fund	State	Other	Total
General	\$ 544,649	\$ 4,395	\$ 549,044
Debt Service	299,433	2,094	301,527
Special Revenue	3,887	37,468	41,355
Total	<u>\$ 847,969</u>	<u>\$ 43,957</u>	<u>\$ 891,926</u>

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2016 was as follows:

	Balance September 1, 2015	Additions	Deletions	Transfers	Balance August 31, 2016
Capital assets, not being depreciated:					
Land	\$ 108,532,403	\$ -	\$ -	\$ -	\$ 108,532,403
Construction in progress	5,742	-	-	(5,742)	-
Total Capital Assets, not being depreciated	<u>108,538,145</u>	<u>-</u>	<u>-</u>	<u>(5,742)</u>	<u>108,532,403</u>
Capital assets, being depreciated:					
Buildings and improvements	1,313,912,800	16,195,493	156,337	5,742	1,329,957,698
Vehicles	2,953,368	249,771	70,993	-	3,132,146
Furniture and equipment	21,994,112	773,983	1,422,026	-	21,346,069
Total Capital Assets, being depreciated	<u>1,338,860,280</u>	<u>17,219,247</u>	<u>1,649,356</u>	<u>5,742</u>	<u>1,354,435,913</u>
Less accumulated depreciation for:					
Buildings and improvements	336,188,334	34,181,383	152,274	-	370,217,443
Vehicles	2,443,678	208,633	70,993	-	2,581,318
Furniture and Equipment	10,824,919	1,824,170	1,373,297	-	11,275,792
Total Accumulated Depreciation	<u>349,456,931</u>	<u>36,214,186</u>	<u>1,596,564</u>	<u>-</u>	<u>384,074,553</u>
Governmental activities capital assets, net	<u>989,403,349</u>	<u>(18,994,939)</u>	<u>(52,792)</u>	<u>5,742</u>	<u>970,361,360</u>
<b>Governmental Capital Assets</b>	<u>\$ 1,097,941,494</u>	<u>\$ (18,994,939)</u>	<u>\$ (52,792)</u>	<u>\$ -</u>	<u>\$ 1,078,893,763</u>

**NOTE 5. CAPITAL ASSETS (continued)**

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

<b><u>Governmental Activities:</u></b>	
Instruction and Instructional Related Services	\$ 21,982,350
Instructional and School Leadership	984,587
Support Services Student (Pupil)	7,932,957
Administrative Support Services	165,070
Support Services - Nonstudent Based	4,301,598
Ancillary Students	847,624
Total depreciation expense - governmental activities	<u>\$ 36,214,186</u>

**Construction in Progress**

The District did not have any Construction in progress and or remaining commitments under related construction contracts as of August 31, 2016.

**NOTE 6. DEFINED BENEFIT PENSION PLANS**

**Plan Description**

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

**Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

**NOTE 6. DEFINED BENEFIT PENSION PLANS (continued)**

**Benefits Provided**

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

**Contributions**

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

	Contribution Rates	
	Plan Fiscal Year	
	2016	2015
Member	7.20%	6.70%
Non-Employer Contributing Entity (NECE) - State	6.80%	6.80%
Employers (District)	6.80%	6.80%

**NOTE 6. DEFINED BENEFIT PENSION PLANS (continued)**

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA). Contributions and pension expense for all contributions were as follows:

	Measurement	Fiscal Year
	Contributions	TRS
	Made	Contributions
Employer (District) contributions	\$ 9,487,392	\$ 9,843,086
Member (Employee) contributions	\$ 20,682,200	\$ 23,241,286
Non-employer (State) on-behalf contributions	\$ 15,091,274	\$ 15,847,720

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

**NOTE 6. DEFINED BENEFIT PENSION PLANS (continued)**

**Actuarial Assumptions**

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Inflation	2.50%
Salary Increase including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

**Discount Rate**

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**NOTE 6. DEFINED BENEFIT PENSION PLANS (continued)**

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2015 are summarized below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Real Return Geometric Basis</b>	<b>Long-Term Expected Portfolio Real Rate of Return*</b>
<b>Global Equity</b>			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
<b>Stable Value</b>			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	8.9%	0.4%
Alpha	0%	0.0%	1.0%
<b>Total</b>	<b>100%</b>		<b>8.7%</b>

\* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2015 Net Pension Liability.

	<b>1% Decrease in Discount Rate (7.0%)</b>	<b>Decrease Rate (8.0%)</b>	<b>1% Increase in Discount Rate (9%)</b>
LISD's proportionate share of the net pension liability:	\$ 177,456,517	\$ 113,259,645	\$ 59,787,641

**NOTE 6. DEFINED BENEFIT PENSION PLANS (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**

At August 31, 2015, the District reported a liability of \$113,259,645 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportion of the net pension liability	0.3204%
District's proportionate share of the collective net pension liability	\$ 113,259,645
State's proportionate share that is associated with the District	<u>180,104,882</u>
Total	<u><u>\$ 293,364,527</u></u>

The net pension liability was measured as of August 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2014 thru August 31, 2015.

At August 31, 2015 the employer's proportion of the collective net pension liability was 0.3204% which was an increase of 0.1131% from its proportion measured as of August 31, 2014.

**NOTE 6. DEFINED BENEFIT PENSION PLANS (continued)**

**Change Since the Prior Actuarial Valuation**

The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

*Economic Assumptions:*

1. The inflation assumption was decreased from 3.00% to 2.50%
2. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%
3. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
4. The payroll growth assumption was lowered from 3.50% to 2.50%
5. The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
6. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
7. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

*Other Demographic Assumptions*

8. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
9. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
10. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
11. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
12. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

*Actuarial Methods and Policies*

13. The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source.

**NOTE 6. DEFINED BENEFIT PENSION PLANS (continued)**

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2016, the District recognized pension expense of \$18,559,209 and revenue of \$25,662,047 for support provided by the State.

At August 31, 2016, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 712,455	\$ (4,352,669)
Changes in actuarial assumptions	2,994,463	(4,040,608)
Difference between projected and actual investment earnings	15,195,734	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	25,810,876	(12,076)
Contributions paid to TRS subsequent to the measurement date	9,843,086	-
Total	<u>\$ 54,556,614</u>	<u>\$ (8,405,353)</u>

The \$9,843,086 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2017.

The net amounts of the employer's balance of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31:	Pension Expense Amount
2017	\$ (6,439,339)
2018	(6,439,339)
2019	(6,439,339)
2020	(10,671,870)
2021	(3,654,115)
2022	(2,664,173)
	<u>\$ (36,308,175)</u>

**NOTE 6. DEFINED BENEFIT PENSION PLANS (continued)**

**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 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal year 2016. 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 staff members funded by federal programs, the federal programs are required to contribute 1.0% for fiscal year 2016, 1.0% for 2015 and 0.5% for fiscal year 2014. The District contributed 100% of the annual required contribution for fiscal year 2016, 2015, and 2014.

Contributions made by the State, District, and employees, and the District's annual covered payroll for the fiscal years 2016, 2015 and 2014, are as follows:

<b>Fiscal Year</b>	<b>State TRS Contributions Made on Behalf of the District</b>	<b>District Required Contributions to TRS - Care</b>	<b>Employee Contributions to TRS - Care</b>	<b>District's Annual Covered Payroll</b>
2016	\$ 3,088,944	\$ 1,914,169	\$ 2,098,184	\$ 322,795,629
2015	2,967,042	1,817,611	2,006,474	308,689,540
2014	2,864,471	1,746,295	1,933,446	297,452,635

**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, 2016, 2015 and 2014, these on-behalf payments were \$1,161,636, \$1,258,232, and \$800,531, 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. LEASES OBLIGATIONS- CAPITAL**

In 2015, the District entered into a lease agreement as lessee for financing the acquisition of iPads valued at \$2,614,500. The equipment has a five year estimated useful life. The iPads purchased did not individually meet the District's capitalization levels and therefore are not amortized. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations are summarized as follows:

Year Ended August 31:	Principal	Interest	Total Requirements
2017	\$ 652,020	\$ 6,405	\$ 658,425
2018	655,215	3,210	658,425
	<u>\$ 1,307,235</u>	<u>\$ 9,615</u>	<u>\$ 1,316,850</u>

**NOTE 9. 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, 2007R, 2013C, 2014B and 2015 bond series included outstanding capital appreciation bonds in the principal amount of \$17,120,601. The bonds mature variously through 2030. 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 August 31:	Principal	Interest *	Requirements
2017	\$ 56,643,384	\$ 57,939,390	\$ 114,582,774
2018	64,545,515	50,104,575	114,650,090
2019	66,980,665	47,671,697	114,652,362
2020	69,623,440	45,027,032	114,650,472
2021	72,430,233	42,226,338	114,656,571
2022-2026	448,967,363	154,196,095	603,163,458
2027-2030	307,450,000	27,501,684	334,951,684
	<u>\$ 1,086,640,600</u>	<u>\$ 424,666,811</u>	<u>\$ 1,511,307,411</u>

\* Interest on Building America Bonds (BABs) amounts are included.

Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. 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, 2016.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)**

**Exhibit F-1**

**NOTE 9. LONG-TERM DEBT (continued)**

The following is a summary of the changes in the District's outstanding debt as of August 31, 2016:

Description	Interest Rate Payable	Amounts Outstanding 9/1/2015	Issued Current Year	Interest Accretion	Retired/ Refunded	Amounts Outstanding 8/31/2016	Due Within One Year
1996 Refunding Bond	4.40 - 6.38%	\$ 14,411,056	\$ -	\$ -	\$ 5,115,712	\$ 9,295,344	\$ 2,120,491
2003 Unlimited Tax/Refunding	2.50 - 5.00%	351,626	-	-	-	351,626	-
2006 Refunding	4.25 - 2.00%	113,425,000	-	-	113,425,000	-	-
2007 Unlimited Tax/Refunding	4.00 - 5.00%	17,490,000	-	-	17,490,000	-	-
2007 Refunding	4.00 - 5.00%	79,778,633	-	-	1,080,740	78,697,893	842,893
2008 Unlimited Tax	3.50 - 5.00%	45,900,000	-	-	43,640,000	2,260,000	2,260,000
2009 Unlimited Tax	3.50 - 5.00%	149,975,000	-	-	139,105,000	10,870,000	5,320,000
2009 Unlimited Tax/Refunding	2.00 - 4.13%	815,000	-	-	125,000	690,000	125,000
2010 Qualified Sch Const Bonds	6.88%	29,900,000	-	-	-	29,900,000	-
2010A Unlimited Tax	2.00 - 5.00%	33,685,000	-	-	29,035,000	4,650,000	2,340,000
2010B Build America Bonds	5.974 - 6.024%	25,055,000	-	-	-	25,055,000	-
2010 Refunding Bond	2.00 - 5.00%	19,945,000	-	-	285,000	19,660,000	290,000
2011 Unlimited Tax	2.25 - 4.75%	43,745,000	-	-	37,800,000	5,945,000	1,920,000
2011 Refunding Bond	2.50 - 2.00%	17,395,000	-	-	1,690,000	15,705,000	1,685,000
2012 Unlimited Tax Bonds	3.00 - 4.00%	25,185,000	-	-	1,305,000	23,880,000	1,265,000
2012A Unlimited Tax/Refunding	3.00 - 5.00%	91,625,000	-	-	6,195,000	85,430,000	5,785,000
2012B Unlimited Refunding	2.00 - 5.00%	21,880,000	-	-	10,615,000	11,265,000	-
2012C Unlimited Tax Bonds	2.00 - 4.00%	31,545,000	-	-	1,120,000	30,425,000	1,155,000
2013A Unlimited Tax Refunding	3.00 - 5.00%	39,635,000	-	-	-	39,635,000	6,400,000
2013B Unlimited Tax Refunding	4.00 - 5.00%	22,865,000	-	-	-	22,865,000	-
2013C Unlimited Tax Refunding	.34 - 2.57%	5,265,000	-	-	235,000	5,030,000	795,000
2013D Unlimited Tax	2.00 - 4.00%	69,000,000	-	-	4,595,000	64,405,000	3,230,000
2013E Unlimited Tax	3.00 - 5.00%	64,215,000	-	-	2,095,000	62,120,000	1,530,000
2014A Unlimited Tax Bonds	2.00 - 4.00%	96,330,000	-	-	5,240,000	91,090,000	4,525,000
2014B Unlimited Tax Refunding	5.00%	54,338,570	-	-	-	54,338,570	-
2015 Unlimited Tax Refunding	2.00 - 5.00%	63,717,167	-	-	-	63,717,167	-
2016A Unlimited Tax Refunding	1.00 - 5.00%	-	250,350,000	-	4,020,000	246,330,000	13,290,000
2016B Unlimited Tax Refunding	2.00 - 5.00%	-	84,215,000	-	1,185,000	83,030,000	765,000
Bonded Indebtedness		1,177,472,052	334,565,000	-	425,396,452	1,086,640,600	55,643,384
Accreted Interest and CAB premium		71,412,157	-	3,471,163	20,258,171	54,625,149	12,181,238
Bond Premium		60,436,790	59,917,550	-	20,645,121	99,709,219	-
Capital Leases		1,956,075	-	-	648,840	1,307,235	652,020
Accrued Compensated Absences		2,364,069	288,254	-	781,243	1,871,080	393,189
Total Obligations		\$ 1,313,641,143	\$ 394,770,804	\$ 3,471,163	\$ 467,729,827	\$ 1,244,153,283	\$ 68,869,831

**NOTE 9. LONG-TERM DEBT (continued)**

In May 2008, voters approved a \$697.7 million bond package designed to finance facility needs through 2015. All authorized school building bonds as of August 31, 2016 have been issued.

During the year, the District issued \$250,350,000 in Unlimited Tax Refunding Bonds 2016A with interest rate range of 1.00% to 5.00% and \$84,215,000 in Unlimited Tax Refunding Bond 2016B with interest rates of 2.00% to 5.00% to refund outstanding bonds of the District. The proceeds were used to purchase U.S. Government securities and these securities were placed in an irrevocable escrow agent to provide for future debt service on \$370,250,000 of refunded bonds. As a result, the refunded bonds are considered to be defeased and the related liability for the bonds has been removed from the District's liabilities. The reacquisition price exceeded the net carrying amount of the old debt by \$26,915,089, which is also known as refunding charge. This amount is being netted against the new debt and amortized over the life of the new debt, which was equal or shorter than the refunded debt. The district, in effect, decreased its aggregate debt service payments by \$35,685,000 through 2028 and resulted in an economic gain (difference between present values of the old and new debt service payment) of \$44,960,055.

The District in 2010 issued bonds that are consider Build America Bonds (BABS), which provides for a direct reimbursement of up to 35 percent of the interest paid on the bonds. The District received \$490,333 in subsidy payments from the federal government during the fiscal year ended August 31, 2016 for the BABS.

**Qualified School Construction Bonds**

Qualified School Construction Bonds ("QSCB's") are tax-credit bonds authorized through the American Recovery and Reinvestment Act. The QSCB program provides school districts the opportunity to issue interest free or very low interest bonds to finance the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed. Purchasers of QSCB's issued in 2009 receive a federal tax credit instead of interest payments. Purchasers of QSCB's issued in 2010 receive interest payments from the issuer, and the issuer can elect to receive subsidy payments from the federal government equal to the lesser of (i) the amount of interest payable under such bond on such date, or (ii) the amount of interest which would have been payable under such bond on such date if such interest were determined at the applicable credit rate determined under section 54A(b)(3) of the Internal Revenue Code with respect to such 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 10. 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. Placing the proceeds of the refunding bonds in an irrevocable trust has provided for all future debt service payments on the original bonds. Accordingly, the escrow accounts to provide for all future debt service payments are not included in the District's financial statements. As of August 31, 2016, the outstanding balance of defeased bonds is \$286,660,000.

**NOTE 11. INTERFUND TRANSACTIONS**

*Receivables and payables:*

Interfund balances at August 31, 2016, consisted of the following individual fund receivables and payables are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 148,098	\$ 331
Debt Service Fund	331	148,098
Special Revenue Funds:		
Federal Funds	-	2,304,866
Local Funds	2,304,866	-
Total	<u>\$ 2,453,295</u>	<u>\$ 2,453,295</u>

The outstanding balances between funds result mainly from the time lag between the dates expenditures occur and receipt of cash that originates in the ordinary course of operations. The cash transfers between funds to eliminate deficit cash have been eliminated on the government-wide statement of net position.

**NOTE 12. 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, 2016 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, 2016.

**NOTE 13. 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 Funds	Total
Property Taxes	\$ 304,344,704	\$ -	\$ 127,703,785	\$ -	\$ 432,048,489
Food Sales	-	10,746,006	-	-	10,746,006
Investment Income	864,068	-	291,080	157,415	1,312,563
Penalties, interest and other tax related income	1,652,679	-	577,828	-	2,230,507
Co-curricular student activities	1,013,736	4,433,764	-	-	5,447,500
Tuition and fees	6,042,094	107,629	-	-	6,149,723
Rental Income	762,508	-	-	-	762,508
E-Rate	748,755	-	-	-	748,755
Donations	2,064	1,567,274	-	-	1,569,338
Other	1,202,646	94,280	-	13,944	1,310,870
<b>Total</b>	<b>\$ 316,633,254</b>	<b>\$ 16,948,953</b>	<b>\$ 128,572,693</b>	<b>\$ 171,359</b>	<b>\$ 462,326,259</b>

**NOTE 14. UNEARNED REVENUES**

Unearned revenues at August 31, 2016 represent funds received in advance prior to revenue recognition. A summary of unearned revenues at the fund level consist of the following:

	General Fund	Special Revenue Funds	Total
Student Lunches	\$ -	\$ 963,974	\$ 963,974
Campus Support	2,055,606	-	2,055,606
Other	149,757	-	149,757
Grant Advances	-	81,207	81,207
<b>Total</b>	<b>\$ 2,205,363</b>	<b>\$ 1,045,181</b>	<b>\$ 3,250,544</b>

**NOTE 15. 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, 2015. 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 2015.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments, primarily checking and money market accounts, to be cash equivalents. At December 31, 2015, the carrying amount of cash was \$530,194.

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, 2015 are composed of the following:

	Cost	Fair Value	Unrealized Gain
Certificates of deposit	\$ 104,696	\$ 104,696	\$ -
Corporate bonds	246,687	244,226	(2,461)
US. Government secured			
Obligations	357,072	355,299	(1,773)
Individual stocks	1,371,099	1,561,096	189,997
Mutual funds	319,978	291,178	(28,800)
Fixed income mutual funds	284,314	282,007	(2,307)
	<u>\$ 2,683,846</u>	<u>\$ 2,838,502</u>	<u>\$ 154,656</u>

**NOTE 15. COMPONENT UNIT DISCLOSURES (continued)**

The following table represents the Foundation's fair value hierarchy for its investments measured at fair value as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
US Government and Agency Securities	\$ 355,299	\$ -	\$ -	\$ 355,299
Equity securities	1,852,274	-	-	1,852,274
Fixed income securities	-	526,233	-	526,233
Certificates of Deposit	-	104,696	-	104,696
			-	
<b>Total</b>	<u>\$ 2,207,573</u>	<u>\$ 630,929</u>	<u>\$ -</u>	<u>\$ 2,838,502</u>

Restricted Net Position

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

Permanently restricted net position consists 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, 2015 are as follows:

Receivable in less than one year	\$ 18,118
Receivable in one to five years	37,970
Total Unconditional Promises to Give	56,088
Less allowance for uncollectible amounts	-
Less discounts to net present value	-
Net Unconditional Promises to Give	<u>\$ 56,088</u>

Unrestricted Net Position

Unrestricted net position at December 31, 2015 includes 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
	<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.

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**Required Supplementary Information**

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**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY**  
**Teacher Retirement System of Texas**  
**For the Last Two Measurement Years Ended August 31 (1)**

**Exhibit G-1**

	<u><b>2015</b></u>	<u><b>2014</b></u>
District's proportion of the net pension liability	0.3204%	0.2073%
District's proportionate share of the net pension liability	\$ 113,259,645	\$ 55,392,223
State's proportionate share of the net pension liability associated with the District	<u>180,104,882</u>	<u>159,733,876</u>
Total	<u><u>\$ 293,364,527</u></u>	<u><u>\$ 215,126,099</u></u>
District's covered-employee payroll (for Measurement Year)	\$ 308,689,540	\$ 297,452,635
District's proportionate share of the net pension liability as a percentage of it's covered employee payroll	36.69%	18.62%
Plan fiduciary net position as a percentage of the total pension liability*	83.25%	83.25%
Plan's net pension liability as a percentage of covered-employee payroll*	72.89%	72.89%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

Net pension liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 68

\* Per Teacher Retirement System of Texas Comprehensive Annual Financial Report.

(1) Ten year of data should be presented in this schedule, but data was unavailable prior to 2014  
Net pension liability and related ratios will be presented as data becomes available.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**Teacher Retirement System of Texas**  
**Last Three Fiscal Years**

**Exhibit G-2**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contributions	\$ 9,843,086	\$ 8,805,304	\$ 5,257,484
Contributions in relation to the contractual required contributions	<u>9,843,086</u>	<u>8,805,304</u>	<u>5,257,484</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 322,795,629	\$ 308,689,540	\$ 297,452,635
Contributions as a percentage of covered employee payroll	3.05%	2.85%	1.77%

Note: The District began to report information when it implemented GASB Statement 68 and 71 in 2015.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**

*Exhibit G-3*

**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**

**Notes to Required Supplementary Information – Pension**

Effective September 1, 2014, employers who did not contribute Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

**Changes of Assumptions**

New actuarial assumptions were adopted by the Teacher Retirement System of Texas' Board of Trustees on September 24, 2015 and are effective with the valuation as of August 31, 2015. The major assumptions changes were the adoption of the use of generational mortality for the purpose of predicting future mortality improvement and the reduction in the inflation rate from 3.00% to 2.50%.

**Changes of Benefit Terms**

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

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**Other Supplementary Information**

**Combining Schedules and Other Schedules**

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## **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.

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**Lewisville  
Independent  
School District**

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT****COMBINING BALANCE SHEET****ALL NONMAJOR GOVERNMENTAL FUNDS***August 31, 2016*

		<b>200-499</b>		
<b>Data Control Codes</b>		<b>Special Revenue Funds</b>		
		<b>Federal Funds</b>	<b>State Funds</b>	<b>Local Funds</b>
	<b>Assets</b>			
1110	Cash and temporary investments	\$ -	\$ 101,902	\$ 4,004,903
	<b>Receivables:</b>			
1240	Receivables from other governments	2,513,301	6,300	-
1260	Due from other funds	-	-	2,304,866
1310	Inventories, at cost	-	-	-
1410	Prepaid items	-	-	22,909
<b>1000</b>	<b>Total Assets</b>	<u>\$ 2,513,301</u>	<u>\$ 108,202</u>	<u>\$ 6,332,678</u>
	<b>Liabilities and Fund Balance</b>			
	<b>Liabilities:</b>			
	<b>Current Liabilities:</b>			
2110	Accounts payable	\$ 170,967	\$ 32,987	\$ 351,300
2170	Due to other funds	2,304,866	-	-
2180	Due to other governments	37,468	-	3,887
2300	Unearned revenues	-	-	81,207
<b>2000</b>	<b>Total Liabilities</b>	<u>2,513,301</u>	<u>32,987</u>	<u>436,394</u>
	<b>Fund Balances:</b>			
	<b>Nonspendable</b>			
3410	Inventories	-	-	-
3430	Prepaid items	-	-	22,909
3450	<b>Restricted</b>	-	75,215	363,071
3545	<b>Committed</b>	-	-	5,510,304
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>75,215</u>	<u>5,896,284</u>
<b>4000</b>	<b>Total Liabilities and Fund Balance</b>	<u>\$ 2,513,301</u>	<u>\$ 108,202</u>	<u>\$ 6,332,678</u>

**Exhibit H-1**

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**240**

<b>Food Service Fund</b>	<b>Total NonMajor Governmental Funds</b>
\$ 3,363,496	\$ 7,470,301
453,480	2,973,081
-	2,304,866
463,663	463,663
-	22,909
<u>\$ 4,280,639</u>	<u>\$ 13,234,820</u>

\$ 821,022	\$ 1,376,276
-	2,304,866
-	41,355
963,974	1,045,181
<u>1,784,996</u>	<u>4,767,678</u>

463,663	463,663
-	22,909
2,031,980	2,470,266
	5,510,304
<u>2,495,643</u>	<u>8,467,142</u>
<u>\$ 4,280,639</u>	<u>\$ 13,234,820</u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - ALL NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended August 31, 2016**

**200-499**

Data Control Codes		Special Revenue Funds		
		Federal Funds	State Funds	Local Funds
	<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 6,108,667
5800	State program revenues	-	2,313,789	600
5900	Federal program revenues	14,408,967	-	-
<b>5020</b>	<b>Total revenues</b>	<u>14,408,967</u>	<u>2,313,789</u>	<u>6,109,267</u>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	12,047,466	2,697,704	3,137,041
0012	Instruction resources and media services	349	293	114,651
0013	Curriculum and instructional staff development	1,660,683	25,784	66,841
0021	Instructional leadership	42,364	261	3,362
0023	School leadership	24,729	-	541,290
0031	Guidance, counseling and evaluation services	257,987	-	590,095
0033	Health services	179,662	-	3,936
0034	Student transportation	79,169	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	14,949	-	1,379,156
0041	General administration	17,967	-	21,039
0051	Facilities maintenance and operations	-	-	33,183
0052	Security and monitoring services	-	-	16,388
0061	Community services	83,642	22,588	5,215
0081	Facilities acquisition and construction	-	-	59,089
<b>6030</b>	<b>Total Expenditures</b>	<u>14,408,967</u>	<u>2,746,630</u>	<u>5,971,286</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(432,841)</u>	<u>137,981</u>
	<b>Other Financing Sources (Uses)</b>			
7915	Operating transfers in	-	-	-
8911	Operating transfers out	-	(15,421)	-
<b>7080</b>	<b>Total other financing sources and uses</b>	<u>-</u>	<u>(15,421)</u>	<u>-</u>
1200	Net change in fund balances	-	(448,262)	137,981
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>523,477</u>	<u>5,758,303</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ 75,215</u>	<u>\$ 5,896,284</u>

*Exhibit H-2*

<b>240</b>	
<b>Food Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>August 31, 2016</b>
\$ 10,840,286	\$ 16,948,953
109,668	2,424,057
12,380,179	26,789,146
<u>23,330,133</u>	<u>46,162,156</u>
-	17,882,211
-	115,293
-	1,753,308
-	45,987
-	566,019
-	848,082
-	183,598
-	79,169
21,028,424	21,028,424
-	1,394,105
-	39,006
2,668,797	2,701,980
-	16,388
-	111,445
-	59,089
<u>23,697,221</u>	<u>46,824,104</u>
<u>(367,088)</u>	<u>(661,948)</u>
1,700,000	1,700,000
-	(15,421)
<u>1,700,000</u>	<u>1,684,579</u>
1,332,912	1,022,631
<u>1,162,731</u>	<u>7,444,511</u>
<u>\$ 2,495,643</u>	<u>\$ 8,467,142</u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**For the Year Ended August 31, 2016**

**Exhibit H-3**

	10 Balance August 31, 2015	5020 Additions	6030 Deductions	11 Balance August 31, 2016
<b>Student Activities</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,263,156	\$ 2,562,267	\$ 2,471,699	\$ 1,353,724
<b>Total Assets</b>	<u>\$ 1,263,156</u>	<u>\$ 2,562,267</u>	<u>\$ 2,471,699</u>	<u>\$ 1,353,724</u>
<b>Liabilities</b>				
Accounts payable	\$ 43,817	\$ 2,351,878	\$ 2,346,231	\$ 49,464
Due to outside entities	78,244	204,582	193,521	89,305
Due to other governments	44,481	7,100	51,581	-
Due to student groups	1,096,614	2,208,709	2,090,368	1,214,955
<b>Total Liabilities</b>	<u>\$ 1,263,156</u>	<u>\$ 4,772,269</u>	<u>\$ 4,681,701</u>	<u>\$ 1,353,724</u>
<b>Communities in Schools of North Texas</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 6,576,908	\$ 5,779,266	\$ 797,642
Receivable from outside entities	-	898,695	318,786	579,909
Prepaid items	-	4,849	-	4,849
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 7,480,452</u>	<u>\$ 6,098,052</u>	<u>\$ 1,382,400</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 1,195,189	\$ 1,189,218	\$ 5,971
Payroll deductions and withholdings	-	88,500	55,370	33,130
Due to outside entities	-	7,036,574	5,718,275	1,318,299
Deferred revenue	-	25,000	-	25,000
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 8,345,263</u>	<u>\$ 6,962,863</u>	<u>\$ 1,382,400</u>
<b>Total Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,263,156	\$ 9,139,175	\$ 8,250,965	\$ 2,151,366
Receivable from outside entities	-	898,695	318,786	579,909
Prepaid items	-	4,849	-	4,849
<b>Total Assets</b>	<u>\$ 1,263,156</u>	<u>\$ 10,042,719</u>	<u>\$ 8,569,751</u>	<u>\$ 2,736,124</u>
<b>Liabilities</b>				
Accounts payable	\$ 43,817	\$ 3,547,067	\$ 3,535,449	\$ 55,435
Payroll deductions and withholdings	-	88,500	55,370	33,130
Due to outside entities	78,244	7,241,156	5,911,796	1,407,604
Due to other governments	44,481	7,100	51,581	-
Due to student groups	1,096,614	2,208,709	2,090,368	1,214,955
Deferred revenue	-	25,000	-	25,000
<b>Total Liabilities</b>	<u>\$ 1,263,156</u>	<u>\$ 13,117,532</u>	<u>\$ 11,644,564</u>	<u>\$ 2,736,124</u>

### **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****SCHEDULE OF DELINQUENT TAXES RECEIVABLE***For the Year Ended August 31, 2016*

	1	2	3	10
<b>Last Ten Fiscal Years</b>	<b>Tax Rates</b>		<b>Net Assessed/Appraised Value For School Tax Purposes</b>	<b>Beginning Balance 9/1/15</b>
	<b>Maintenance</b>	<b>Debt Service</b>		
2007 and prior	Various	Various	Various	\$ 957,957
2008	1.04000	0.33000	\$ 21,061,221,028	217,896
2009	1.04000	0.33000	21,911,662,802	246,334
2010	1.04000	0.36870	23,200,406,048	234,799
2011	1.04000	0.38670	22,507,417,241	264,816
2012	1.04000	0.38670	23,095,990,992	250,346
2013	1.04000	0.41300	23,046,548,096	364,442
2014	1.04000	0.43700	24,430,987,196	520,968
2015	1.04000	0.43700	26,698,623,389	1,581,119
2016	1.04000	0.43673	29,093,582,239	-
<b>1000 Totals</b>				<u><u>\$ 4,638,677</u></u>

<b>20</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>40</b>	<b>50</b>
<b>Current Year's Total Levy</b>	<b>Maintenance Total Collections</b>	<b>Debt Service Total Collections</b>	<b>Total Collections</b>	<b>Entire Year's Adjustments</b>	<b>Ending Balance 8/31/16</b>
\$ -	\$ 15,957	\$ 3,719	\$ 19,676	\$ (145,559)	\$ 792,722
-	4,745	1,506	6,251	(2,318)	209,327
-	6,713	2,130	8,843	(3,042)	234,449
-	47,654	16,894	64,548	38,861	209,112
-	393,850	146,444	540,294	744,898	469,420
-	457,420	170,081	627,501	858,800	481,645
-	478,330	189,952	668,282	882,601	578,761
-	539,883	226,855	766,738	934,166	688,396
-	1,017,795	427,670	1,445,465	811,798	947,452
<u>429,633,657</u>	<u>301,415,151</u>	<u>126,574,076</u>	<u>427,989,227</u>	<u>-</u>	<u>1,644,430</u>
<u><u>\$ 429,633,657</u></u>	<u><u>\$ 304,377,498</u></u>	<u><u>\$ 127,759,327</u></u>	<u><u>\$ 432,136,825</u></u>	<u><u>\$ 4,120,205</u></u>	<u><u>\$ 6,255,714</u></u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**
**Exhibit J-2**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**BUDGET (GAAP BASIS) AND ACTUAL - FOOD SERVICE FUND**
**For the Year Ended August 31, 2016**

Data Control Codes		Food Service Fund Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 11,096,145	\$ 11,096,145	\$ 10,840,286	\$ (255,859)
5800	State program revenues	509,534	509,534	109,668	(399,866)
5900	Federal program revenues	11,635,258	11,635,258	12,380,179	744,921
<b>5020</b>	<b>Total Revenues</b>	<u>23,240,937</u>	<u>23,240,937</u>	<u>23,330,133</u>	<u>89,196</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0035	Food services	22,235,173	22,354,757	21,028,424	1,326,333
0051	Plant maintenance and operations	2,755,016	2,762,589	2,668,797	93,792
0081	Facilities acquisition and construction	-	63,015	-	63,015
<b>6030</b>	<b>Total Expenditures</b>	<u>24,990,189</u>	<u>25,180,361</u>	<u>23,697,221</u>	<u>1,483,140</u>
1100	Excess (deficiency) revenues over (under) expenditures	<u>(1,749,252)</u>	<u>(1,939,424)</u>	<u>(367,088)</u>	<u>1,572,336</u>
	<b>Other Financing Sources (Uses)</b>				
7915	Operating transfers in	-	1,700,000	1,700,000	-
<b>7080</b>	<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>
1200	Net change in fund balances	(1,749,252)	(239,424)	1,332,912	1,572,336
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>1,162,731</u>	<u>1,162,731</u>	<u>1,162,731</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ (586,521)</u>	<u>\$ 923,307</u>	<u>\$ 2,495,643</u>	<u>\$ 1,572,336</u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL - DEBT SERVICE FUND**  
**For the Year Ended August 31, 2016**

**Exhibit J-3**

<b>Data Control Codes</b>		<b>Debt Service Fund Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
		<b>Original</b>	<b>Final</b>		
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 120,417,630	\$ 127,668,032	\$ 128,572,693	\$ 904,661
5800	State program revenues	1,875,638	1,995,994	2,196,351	200,357
5900	Federal program revenues	487,703	487,703	490,333	2,630
<b>5020</b>	<b>Total Revenues</b>	<u>122,780,971</u>	<u>130,151,729</u>	<u>131,259,377</u>	<u>1,107,648</u>
	<b>Expenditures</b>				
	<b>Debt Service:</b>				
0071	Principal on long-term debt	50,941,452	55,146,452	55,146,452	-
0072	Interest and fiscal charges	71,135,387	197,946,516	196,737,871	1,208,645
<b>6030</b>	<b>Total Expenditures</b>	<u>122,076,839</u>	<u>253,092,968</u>	<u>251,884,323</u>	<u>1,208,645</u>
1100	Excess (deficiency) revenues over (Under) expenditures	<u>704,132</u>	<u>(122,941,239)</u>	<u>(120,624,946)</u>	<u>2,316,293</u>
	<b>Other Financing Sources (Uses)</b>				
7911	Refunding bonds issued	-	334,565,000	334,565,000	-
7916	Premium or discount on issuance of bonds	-	59,917,551	59,917,550	1
8949	Payment to bond refunding escrow agent	-	(270,837,180)	(270,714,408)	122,772
	<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>123,645,371</u>	<u>123,768,142</u>	<u>122,773</u>
1200	Net change in fund balances	704,132	704,132	3,143,196	2,439,066
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>26,268,608</u>	<u>26,268,608</u>	<u>26,268,608</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ 26,972,740</u>	<u>\$ 26,972,740</u>	<u>\$ 29,411,804</u>	<u>\$ 2,439,066</u>

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## STATISTICAL SECTION

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## 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.

### **Contents**

### **Table #s**

#### **Financial Trends**

**1, 2, 3, & 4**

These tables contain trend information to assist the reader in understanding how the District's financial position has changed over time.

#### **Revenue Capacity**

**5, 6, 7, 8, & 9**

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.

#### **Debt Capacity**

**10, 11, 12, & 13**

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.

#### **Economic and Demographic Information**

**14, 15, & 16**

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.

#### **Operating Information**

**17, 18, 19, & 20**

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.

**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)

<b>Fiscal Year Ended August 31:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 233,395,301	\$ 260,273,302	\$ 275,575,208	\$ 281,620,908
Instruction Resources & Media Services	5,904,269	6,409,402	6,617,443	6,579,218
Curriculum & Instructional Staff Development	4,003,597	5,125,262	6,140,070	6,049,840
Instructional Leadership	6,187,863	6,923,768	7,452,181	6,927,337
School Administration	22,041,362	23,742,376	27,239,901	25,468,736
Guidance and Counseling	15,563,635	17,594,388	18,828,242	18,759,542
Social Work Services	57,799	63,407	107,506	107,114
Health Services	3,506,757	3,874,420	4,271,152	4,333,720
Pupil Transportation	7,836,125	8,584,076	8,755,641	9,351,970
Food Services	17,219,548	18,729,379	19,902,076	20,547,788
Co-Curricular Activities	11,462,276	12,436,255	13,715,486	13,875,563
General Administration	10,228,021	10,818,488	10,083,602	9,591,098
Plant Maintenance and Operation	40,722,312	52,752,452	39,867,541	41,074,887
Security and Monitoring	817,228	907,912	939,419	912,856
Data Processing Services	5,279,923	6,374,009	7,094,566	5,943,920
Community Services	3,884,237	4,644,760	4,795,969	5,008,193
Interest and Fiscal Charges	35,943,533	42,532,707	47,734,528	47,244,599
Other Facility Costs	9,346,603	12,159,730	12,552,738	17,596,170
Fiscal Agent/Member District				
of Shared Service Arrangement	183,600	216,000	163,800	238,000
Alternative Education Program	634,391	544,858	329,923	611,252
Other Intergovernmental Charges	-	-	2,688,343	2,768,705
<b>Total governmental expenses</b>	<b>\$ 434,218,380</b>	<b>\$ 494,706,951</b>	<b>\$ 514,855,335</b>	<b>\$ 524,611,416</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for Service				
Instruction & Instructional Related Services	\$ 3,770,501	\$ 3,315,952	\$ 4,450,581	\$ 3,335,089
Food Services	10,846,625	10,495,811	9,870,594	10,698,511
Cocurricular/Extracurricular Activities	2,316,339	2,270,110	1,990,018	2,246,881
Plant Maintenance and Operations	572,796	523,627	419,396	747,845
Community Services	3,394,650	3,321,551	3,074,598	3,008,535
Other Activities	696,995	1,231,063	1,237,871	1,165,688
Operating Grants and Contributions	40,154,971	45,154,720	47,107,497	60,913,693
Total Primary Government Program Revenues	61,752,877	66,312,834	68,150,555	82,116,242
<b>Net (Expense)/Revenue</b>				
Total Primary Government Net Expense	\$ (372,465,503)	\$ (428,394,117)	\$ (446,704,780)	\$ (442,495,174)
<b>General Revenues</b>				
Property Taxes, Levied for General Purposes	\$ 263,426,055	\$ 227,576,466	\$ 245,065,937	\$ 243,499,386
Property Taxes, Levied for Debt Service	61,240,281	71,824,072	79,763,441	86,144,920
Unrestricted State Aid Formula Grants	55,959,321	111,285,977	101,366,379	101,862,834
Medicaid Reimbursement	519,627	447,727	863,715	2,422,209
Unrestricted Federal Aid	5,286,068	1,967,127	1,179,995	1,237,177
Investment Earnings	16,072,818	12,095,389	4,436,309	1,046,795
Miscellaneous	1,182,060	2,877,938	1,825,683	1,000,192
Total Primary Government General Revenues	403,686,230	428,074,696	434,501,459	437,213,513
<b>Total governmental revenues</b>	<b>\$ 465,439,107</b>	<b>\$ 494,387,530</b>	<b>\$ 502,652,014</b>	<b>\$ 519,329,755</b>
<b>Change in Net Position</b>	<b>\$ 31,220,727</b>	<b>\$ (319,421)</b>	<b>\$ (12,203,321)</b>	<b>\$ (5,281,661)</b>

Source of Information: The Statement of Activities – audited financial reports.

Table - 1

2011	2012	2013	2014	2015	2016
\$ 288,131,488	\$ 279,955,524	\$ 282,653,927	\$ 289,905,880	\$ 308,895,880	\$ 326,660,818
6,708,232	6,262,370	6,473,535	6,733,833	7,425,938	7,502,899
6,455,220	6,057,340	4,426,798	4,461,763	4,590,463	4,874,827
7,406,223	6,761,534	6,843,861	7,545,360	7,893,583	8,903,376
25,928,350	24,953,147	26,467,904	27,421,044	29,789,384	31,716,245
19,133,441	17,451,208	17,628,277	18,166,936	19,667,318	21,097,288
100,608	98,150	100,963	98,600	88,792	185,475
4,606,909	4,481,729	4,842,853	4,934,261	5,191,779	5,534,811
9,529,155	9,938,802	10,328,260	9,910,427	9,976,247	14,361,259
20,460,244	20,080,887	20,648,885	21,296,674	23,215,591	23,217,766
14,874,422	14,682,758	16,434,607	16,615,878	16,581,023	17,321,622
9,200,921	8,565,384	8,795,533	9,220,556	9,024,712	9,678,040
40,156,334	39,331,624	46,728,086	55,189,668	40,969,745	40,475,796
938,328	994,727	915,428	1,241,366	1,675,300	2,102,031
6,102,614	6,667,960	8,347,142	11,744,444	11,335,525	13,016,883
4,910,278	4,909,867	4,895,546	5,105,551	6,500,350	6,989,562
50,097,646	48,154,399	51,615,410	52,358,811	52,171,286	39,890,376
11,272,489	9,356,373	30,358,431	12,360,716	22,960,441	8,699,867
201,500	170,500	170,500	147,600	114,829	98,460
153,614	246,797	135,992	104,308	117,747	83,927
2,768,281	2,739,368	2,725,986	2,731,183	2,716,149	2,783,812
<b>\$ 529,136,297</b>	<b>\$ 511,860,448</b>	<b>\$ 551,537,924</b>	<b>\$ 557,294,859</b>	<b>\$ 580,902,082</b>	<b>\$ 585,195,140</b>
\$ 2,439,699	\$ 3,858,200	\$ 2,992,009	\$ 4,089,769	\$ 4,963,217	\$ 1,515,434
10,225,992	8,895,203	10,265,965	9,098,179	8,428,000	10,840,286
1,779,880	1,581,926	1,849,881	2,094,253	1,872,246	5,116,801
974,322	1,998,227	1,310,949	5,029,422	2,758,807	1,692,172
4,119,209	4,447,814	4,595,832	4,799,786	5,472,426	5,748,121
1,195,551	879,474	833,762	718,246	802,322	826,556
73,348,310	50,608,327	45,320,097	52,005,091	59,099,814	59,907,871
94,082,963	72,269,171	67,168,495	77,834,746	83,396,832	85,647,241
<b>\$ (435,053,334)</b>	<b>\$ (439,591,277)</b>	<b>\$ (484,369,429)</b>	<b>\$ (479,460,113)</b>	<b>\$ (497,505,250)</b>	<b>\$ (499,547,899)</b>
\$ 237,128,747	\$ 242,746,951	\$ 247,466,001	\$ 262,361,996	\$ 283,836,024	\$ 307,180,337
88,157,176	89,872,719	98,391,651	109,933,968	119,023,797	128,713,200
119,824,122	109,838,538	99,178,158	101,845,393	102,521,434	100,068,312
817,643	6,811,600	2,293,021	785,020	2,255,156	2,608,736
2,317,192	3,707,080	7,728,644	4,016,960	3,211,813	3,927,086
596,419	525,344	692,103	526,725	695,192	1,334,784
743,362	717,352	924,739	1,021,541	950,900	1,152,830
449,584,661	454,219,584	456,674,317	480,491,603	512,494,316	544,985,285
<b>\$ 543,667,624</b>	<b>\$ 526,488,755</b>	<b>\$ 523,842,812</b>	<b>\$ 558,326,349</b>	<b>\$ 595,891,148</b>	<b>\$ 630,632,526</b>
\$ 14,531,327	\$ 14,628,307	\$ (27,695,112)	\$ 1,031,490	\$ 14,989,066	\$ 45,437,386

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

<b>Fiscal Year Ended August 31:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 79,230,889	\$ 95,241,278	\$ 96,071,603	\$ 89,609,708
Restricted				
Food Service	625,897	465,126	591,559	553,210
Grants	-	-	-	-
Debt Service	-	-	-	3,802,228
Unrestricted	(200,703)	(16,369,742)	(29,529,821)	(32,113,466)
<b>Total primary government net position</b>	<b><u>\$ 79,656,083</u></b>	<b><u>\$ 79,336,662</u></b>	<b><u>\$ 67,133,341</u></b>	<b><u>\$ 61,851,680</u></b>

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

Table - 2

2011	2012	2013	2014	2015	2016
\$ 75,709,046	\$ 94,859,322	\$ 106,986,251	\$ 119,340,474	\$ 103,742,180	\$ 114,339,749
3,010,841	3,706,224	3,712,705	2,824,580	1,162,731	2,495,643
481,060	299,146	451,522	1,515,798	523,477	75,215
17,546,501	22,069,672	14,676,604	6,205,159	5,109,954	28,876,110
(20,364,441)	(29,923,050)	(69,152,829)	(72,180,268)	(100,603,154)	(90,677,197)
<b>\$ 76,383,007</b>	<b>\$ 91,011,314</b>	<b>\$ 56,674,253</b>	<b>\$ 57,705,743</b>	<b>\$ 9,935,188</b>	<b>\$ 55,109,520</b>

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

Fiscal Year Ended August 31:	2007	2008	2009	2010
<b>Revenues</b>				
Local Sources:				
Property Taxes	\$ 324,905,827	\$ 300,179,722	\$ 322,697,841	\$ 331,544,587
Interest	15,870,053	11,952,030	4,367,527	1,027,363
Other	24,062,891	25,823,623	24,918,353	23,946,287
State Sources	76,409,975	134,700,520	125,619,482	122,825,368
Federal Sources	24,221,728	21,711,420	23,400,527	41,847,993
<b>Total Revenue</b>	<b>465,470,474</b>	<b>494,367,315</b>	<b>501,003,730</b>	<b>521,191,598</b>
<b>Expenditures</b>				
Instruction	222,031,041	246,981,627	263,191,773	265,012,438
Instructional Resources & Media Services	5,381,296	5,803,868	6,042,544	5,912,652
Curriculum and Instructional Staff Development	3,990,670	5,115,313	6,114,311	6,011,497
Instructional Leadership	6,142,297	6,880,637	7,130,744	6,808,006
School Administration	21,842,800	23,505,939	27,024,895	25,203,341
Guidance and Counseling	15,451,797	17,468,940	18,755,490	18,636,783
Social Work Services	57,914	63,548	108,042	107,273
Health Services	3,462,796	3,822,972	4,232,494	4,277,112
Pupil Transportation	7,727,669	8,476,551	8,677,229	9,242,192
Food Services	16,520,822	17,807,633	18,979,584	19,459,341
Co-Curricular Activities	9,614,950	9,965,597	10,889,869	10,661,335
General Administration	10,097,201	10,693,760	9,241,283	9,401,022
Plant Maintenance and Operations	40,484,981	52,716,130	39,727,069	40,606,834
Security and Monitoring	767,889	858,762	897,112	889,694
Data processing Services	5,089,281	6,083,006	6,830,649	5,394,418
Community Services	3,808,679	4,251,803	4,392,688	4,600,979
Debt Service:				
Principal	22,700,611	23,595,220	25,900,241	23,584,821
Interest	45,378,860	46,279,548	50,627,806	62,484,307
Other Facility Costs	79,105,696	88,746,927	81,619,073	155,001,454
Intergovernmental Charges	817,991	760,858	3,182,066	3,617,957
<b>Total expenditures</b>	<b>520,475,241</b>	<b>579,878,639</b>	<b>593,564,962</b>	<b>676,913,456</b>
<b>Other financing sources (uses)</b>				
Refunding Bonds Issued	155,581,503	-	5,350,000	28,440,000
Issuance of Debt	102,386,261	87,745,000	167,045,000	91,715,000
Sale of Real & Personal Property	52,582	24,864	45,649	58,641
Proceeds from Capital Leases	-	-	-	-
Premium on Issuance of Bonds	22,253,172	240,000	4,773,268	3,668,653
Payments to Refunded bond Escrow Agent	(173,473,424)	-	(5,450,359)	(29,891,161)
<b>Total other financing sources (uses)</b>	<b>106,800,094</b>	<b>88,009,864</b>	<b>171,763,558</b>	<b>93,991,133</b>
<b>Net changes in fund balances</b>	<b>\$ 51,795,327</b>	<b>\$ 2,498,540</b>	<b>\$ 79,202,326</b>	<b>\$ (61,730,725)</b>
<b>Debt service as a percentage of noncapital expenditures (1)</b>	<b>15.12%</b>	<b>13.90%</b>	<b>14.61%</b>	<b>15.97%</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 non capital 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).

Table - 3

2011	2012	2013	2014	2015	2016
\$ 326,407,429	\$ 333,666,938	\$ 345,080,200	\$ 372,025,114	\$ 403,777,757	\$ 434,278,996
583,103	505,486	680,877	522,573	690,168	1,312,563
22,623,729	24,730,619	23,657,390	27,987,700	27,270,605	26,734,700
143,098,832	134,480,516	119,133,244	127,962,753	132,939,729	122,591,398
51,571,002	34,542,294	34,392,821	29,331,524	32,334,372	34,105,509
<b>544,284,095</b>	<b>527,925,853</b>	<b>522,944,532</b>	<b>557,829,664</b>	<b>597,012,631</b>	<b>619,023,166</b>
271,554,272	260,663,523	263,224,433	270,076,377	289,020,123	290,892,613
6,021,719	5,494,896	5,696,271	5,927,045	6,229,867	6,409,791
6,484,525	6,024,558	4,393,504	4,425,938	4,491,952	4,743,697
7,832,930	6,376,792	7,002,442	7,418,580	7,775,561	8,554,377
25,578,743	24,408,361	25,917,503	26,778,497	28,691,997	29,878,678
18,967,277	17,220,848	17,393,047	17,916,846	19,426,585	20,244,236
100,546	97,869	100,690	98,206	94,511	103,140
4,529,805	4,390,500	4,750,918	4,834,968	5,113,997	5,267,508
9,394,593	9,804,239	10,193,698	9,775,804	9,851,826	14,241,939
19,152,354	18,585,539	19,387,635	19,831,230	21,359,940	21,032,612
10,242,158	9,619,403	9,886,996	10,423,856	11,041,868	11,495,541
9,859,951	8,346,364	8,539,387	8,535,860	8,787,789	9,285,325
39,992,155	38,499,516	46,339,019	54,542,532	39,945,841	39,474,336
923,348	996,357	901,930	1,227,343	1,589,036	1,943,947
5,640,850	6,264,730	7,778,867	8,217,909	8,335,665	9,912,375
4,571,472	4,509,308	4,495,334	4,664,475	5,671,914	6,000,955
29,823,611	42,420,121	52,584,938	52,472,420	48,017,266	55,804,877
60,642,813	48,916,271	46,508,534	56,679,027	71,425,499	196,737,871
74,166,666	45,731,829	128,529,634	109,475,852	63,241,501	25,232,212
3,123,395	3,156,665	3,032,478	2,983,091	2,948,725	2,966,199
<b>608,603,183</b>	<b>561,527,689</b>	<b>666,657,258</b>	<b>676,305,856</b>	<b>653,061,463</b>	<b>760,222,229</b>
33,659,938	62,686,456	68,060,000	-	118,570,737	334,565,000
48,685,000	88,503,544	112,275,000	67,435,000	96,330,000	-
157,495	278,177	86,156	180,002	84,458	100,250
-	-	-	-	2,614,500	-
2,655,676	20,522,790	15,273,545	3,167,402	36,131,863	59,917,550
(35,738,783)	(72,222,008)	(79,716,841)	-	(148,763,590)	(270,714,408)
<b>49,419,326</b>	<b>99,768,959</b>	<b>115,977,860</b>	<b>70,782,404</b>	<b>104,967,968</b>	<b>123,868,392</b>
<b>\$ (14,899,762)</b>	<b>\$ 66,167,123</b>	<b>\$ (27,734,866)</b>	<b>\$ (47,693,788)</b>	<b>\$ 48,919,136</b>	<b>\$ (17,330,671)</b>
<b>16.60%</b>	<b>17.43%</b>	<b>17.47%</b>	<b>18.80%</b>	<b>19.51%</b>	<b>33.99%</b>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

<b>Fiscal Year Ended August 31:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General Fund:				
Non-spendable	\$ 608,853	\$ 498,990	\$ 538,412	\$ 374,997
Restricted	-	-	-	534,852
Committed	45,000,000	45,000,000	45,000,000	45,000,000
Unassigned	88,269,369	86,138,856	72,156,071	74,761,188
Total General Fund	<u>\$ 133,878,222</u>	<u>\$ 131,637,846</u>	<u>\$ 117,694,483</u>	<u>\$ 120,671,037</u>
All Other Governmental Funds:				
Non-spendable	\$ 627,704	\$ 488,250	\$ 592,946	\$ 562,316
Restricted	71,830,758	76,497,868	169,326,493	104,625,785
Committed	2,687,554	2,898,814	3,111,182	3,135,241
Total All Other Governmental Funds	<u>\$ 75,146,016</u>	<u>\$ 79,884,932</u>	<u>\$ 173,030,621</u>	<u>\$ 108,323,342</u>
Total Governmental Funds	<u>\$ 209,024,238</u>	<u>\$ 211,522,778</u>	<u>\$ 290,725,104</u>	<u>\$ 228,994,379</u>

Sources of Information: Balance Sheet Governmental Funds

Table - 4

2011	2012	2013	2014	2015	2016
\$ 263,970	\$ 435,003	\$ 211,097	\$ 173,544	\$ 193,789	\$ 534,034
719,912	-	-	-	-	-
45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
87,335,085	101,532,888	96,179,411	99,372,254	110,175,121	113,137,059
<u>\$ 133,318,967</u>	<u>\$ 146,967,891</u>	<u>\$ 141,390,508</u>	<u>\$ 144,545,798</u>	<u>\$ 155,368,910</u>	<u>\$ 158,671,093</u>
\$ 509,836	\$ 483,470	\$ 423,110	\$ 506,750	\$ 444,316	\$ 491,382
77,187,158	129,588,374	106,983,623	55,076,189	92,563,591	71,748,772
3,078,656	3,222,005	3,729,633	4,704,349	5,375,405	5,510,304
<u>\$ 80,775,650</u>	<u>\$ 133,293,849</u>	<u>\$ 111,136,366</u>	<u>\$ 60,287,288</u>	<u>\$ 98,383,312</u>	<u>\$ 77,750,458</u>
<u>\$ 214,094,617</u>	<u>\$ 280,261,740</u>	<u>\$ 252,526,874</u>	<u>\$ 204,833,086</u>	<u>\$ 253,752,222</u>	<u>\$ 236,421,551</u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**Table - 5**

**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
2006	\$ 320,747,761	\$ 317,503,824	98.99%	\$ 2,447,502	\$ 319,935,345	99.75%
2007	295,398,819	292,659,331	99.07%	1,933,612	294,592,943	99.73%
2008	319,855,271	316,941,339	99.09%	2,199,947	319,141,286	99.78%
2009	327,214,703	324,566,517	99.19%	2,043,782	326,610,299	99.82%
2010	324,469,662	322,793,734	99.48%	921,188	323,714,922	99.77%
2011	330,122,034	328,956,578	99.65%	509,878	329,466,456	99.80%
2012	342,977,539	341,587,684	99.59%	667,428	342,255,112	99.79%
2013	366,719,733	364,936,168	99.51%	843,016	365,779,184	99.74%
2014	399,044,450	397,463,331	99.60%	693,997	398,157,328	99.78%
2015	429,633,657	427,989,227	99.62%	-	427,989,227	99.62%

(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.

Source: Lewisville Independent School District Tax Office

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT****Table - 6****SCHEDULE OF TAX RATE DISTRIBUTION PER \$100 VALUATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended August 31:	Maintenance	Debt Service	Total
2007	\$ 1.3300	\$ 0.3100	\$ 1.6400
2008	1.0400	0.3300	1.3700
2009	1.0400	0.3300	1.3700
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
2014	1.0400	0.4370	1.4770
2015	1.0400	0.4370	1.4770
2016	1.0400	0.4367	1.4767

Sources of Information: Lewisville ISD Budget Department.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

<b>Fiscal Year Ended August 31:</b>	<b>Residential</b>	<b>Lots, Tracts &amp; Acreage</b>	<b>Commercial and Industrial</b>	<b>Utilities</b>
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
2014	18,548,727,555	742,518,427	6,590,626,517	329,230,943
2015	20,425,373,990	806,758,828	7,135,118,877	266,654,560
2016	22,384,150,211	905,141,332	8,019,884,896	352,939,887

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
\$ 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
1,162,690,402	2,942,806,648	24,430,987,196	1.477
1,339,242,138	3,274,525,004	26,698,623,389	1.477
1,462,776,051	4,031,310,138	29,093,582,239	1.477

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

<b>Fiscal Year Ended August 31:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
City of Carrollton	\$ 0.63288	\$ 0.61788	\$ 0.61788	\$ 0.61788
City of Coppell	0.64146	0.64146	0.64146	0.64146
Town of Copper Canyon	0.17027	0.19027	0.19027	0.20171
Denton County	0.23192	0.23589	0.23577	0.24980
Denton County FWSD#1-B	0.95000	0.90000	0.90000	0.90000
Denton County FWSD#1-C	-	-	-	-
Denton County FWSD#1-D	0.95000	0.90000	0.90000	0.90000
Denton County FWSD#1-E	0.95000	0.90000	0.90000	0.90000
Denton County FWSD#1-F	-	-	-	-
Denton County FWSD#1-G	-	-	-	-
Denton County FWSD#1-H	-	-	-	-
Denton County LID#1	0.15500	0.15500	0.16500	0.16500
Denton County RUD#1	0.42000	0.40000	0.38000	0.35000
Town of Double Oak	0.22000	0.22481	0.22481	0.22481
Town of Flower Mound	0.44970	0.44970	0.44970	0.44970
City of Frisco	0.45000	0.45000	0.45000	0.46500
City of Highland Village	0.56963	0.56963	0.56963	0.56963
City of Lewisville	0.45679	0.44050	0.44021	0.44021
City of Plano	0.47350	0.47350	0.47350	0.48860
Tarrant County	-	-	-	-
Tarrant County College District	-	-	-	-
Tarrant County Hospital District	-	-	-	-
City of The Colony	0.71500	0.69750	0.69000	0.68800
<b>Total</b>	<b>\$ 8.43615</b>	<b>\$ 8.24614</b>	<b>\$ 8.22823</b>	<b>\$ 8.25180</b>

District Direct Rate:

Maintenance & Operations	1.3300	1.0400	1.0400	1.0400
Debt Service	0.3100	0.3300	0.3400	0.3687
<b>Total District Direct Rates</b>	<b>1.6400</b>	<b>1.3700</b>	<b>1.3800</b>	<b>1.4087</b>

Table - 8

2011	2012	2013	2014	2015	2016
\$ 0.61788	\$ 0.61788	\$ 0.61788	\$ 0.61788	\$ 0.61538	\$ 0.60370
0.69046	0.69046	0.67046	0.63750	0.60649	0.57950
0.30171	0.30171	0.30171	0.29751	0.29751	0.29751
0.27390	0.27736	0.28287	0.28491	0.27220	0.24841
0.90000	0.88000	0.88000	0.88000	0.84000	0.74250
-	-	-	0.90000	0.90000	0.90000
0.90000	0.90000	0.90000	0.90000	0.86000	0.84000
0.90000	0.90000	0.90000	0.90000	0.90000	0.83000
-	-	1.00000	1.00000	1.00000	0.98000
-	-	-	1.00000	1.00000	1.00000
-	-	-	-	1.00000	1.00000
0.16350	0.16350	0.20700	0.18500	0.18500	0.18400
0.17000	0.11000	0.01000	N/A	N/A	N/A
0.22481	0.22481	0.22481	0.22481	0.22481	0.23240
0.44970	0.44970	0.44970	0.44970	0.43900	0.43900
0.46500	0.46191	0.46191	0.46191	0.46000	0.45000
0.56963	0.56963	0.56963	0.56963	0.56963	0.56963
0.44021	0.44021	0.44021	0.44021	0.43609	0.43609
0.48860	0.48860	0.48860	0.48860	0.48860	0.47860
-	-	0.26400	0.26400	0.26400	0.25400
-	-	0.14897	0.14950	0.14950	0.14473
-	-	-	0.22790	0.22790	0.22790
0.68550	0.68300	0.68050	0.67750	0.67250	0.66750
<b>\$ 8.24090</b>	<b>\$ 8.15877</b>	<b>\$ 9.49825</b>	<b>\$ 11.55656</b>	<b>\$ 12.40861</b>	<b>\$ 12.10547</b>
1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
0.3867	0.3860	0.4130	0.4370	0.4370	0.4367
1.4267	1.4260	1.4530	1.4770	1.4770	1.4767

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

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

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**Table - 9**

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

Principal Taxpayers	2016			2007		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
TXFM Inc.	\$ 121,602,740	1	0.42%	\$ -	-	-
Digital Lewisville LLC	98,000,000	2	0.34%	-	-	-
MP Shops at Highland Village LLC	95,000,000	3	0.33%	-	-	-
Sysco Food Services of Dallas LP	84,483,675	4	0.29%	63,443,110	5	10.73%
Frankel, Edward B MD TR	72,954,631	5	0.25%	-	-	-
GTE Southwest Inc.	72,507,980	6	0.25%	-	-	-
Vista Ridge Joint Venture	68,796,566	7	0.24%	52,141,203	6	8.82%
Oncor Elec Delivery Co						
(previously TXU Electric Delivery Co.)	67,408,650	8	0.23%	63,705,960	4	10.78%
Alcatel-Lucent USA Inc.	66,783,006	9	0.23%	-	-	-
PBH Bella Vida LLC	64,745,650	10	0.22%	-	-	-
Verizon Southwest	-	-	-	84,034,640	1	14.22%
Wal-Mart Real Est Bus TR	-	-	-	67,027,146	2	11.34%
Frito-Lay Inc.	-	-	-	78,325,828	3	13.25%
Teachers Ins & Annuity Assn	-	-	-	47,181,227	7	7.98%
Columbia Medical Center Lewisville	-	-	-	44,920,377	8	7.60%
Texas-New Mexico Power Co.	-	-	-	41,005,410	9	6.94%
Castle Hills Development Co.	-	-	-	49,226,775	10	8.33%
Total Ten Principal Taxpayers	<u>\$ 812,282,898</u>		<u>2.80%</u>	<u>\$ 591,011,676</u>		<u>100.00%</u>
Total Taxable Assessed Value	<u>\$ 29,093,582,239</u>			<u>\$ 18,881,927,080</u>		

Source of Information: 2014 Certified Top 10 Taxpayers Report from Denton Central Appraisal District

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**Table - 10**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

**August 31, 2016**

**(Unaudited)**

Taxing Jurisdiction	Gross Bonded Debt *	Overlapping	
		Percent	Amount
<b><u>Overlapping:</u></b>			
City of Carrollton	\$ 165,015,000	34.80%	\$ 57,425,220
City of Coppell	70,815,000	2.11%	\$ 1,494,197
Town of Copper Canyon	1,460,000	76.05%	\$ 1,110,330
Denton County	602,995,000	40.87%	\$ 246,444,057
Denton County FWSD#1-B	10,680,000	100.00%	\$ 10,680,000
Denton County FWSD#1-C	2,737,350	100.00%	\$ 2,737,350
Denton County FWSD#1-D	22,875,000	100.00%	\$ 22,875,000
Denton County FWSD#1-E	22,375,000	100.00%	\$ 22,375,000
Denton County FWSD#1-F	24,853,500	100.00%	\$ 24,853,500
Denton County FWSD#1-G	18,513,000	100.00%	\$ 18,513,000
Denton County FWSD#1-H	8,424,900	100.00%	\$ 8,424,900
Denton County LID#1	8,645,000	99.20%	\$ 8,575,840
Town of Flower Mound	125,210,000	96.56%	\$ 120,902,776
City of Frisco	751,405,000	4.58%	\$ 34,414,349
City of Highland Village	35,195,000	100.00%	\$ 35,195,000
City of Lewisville	89,060,000	98.92%	\$ 88,098,152
City of Plano	330,125,000	3.13%	\$ 10,332,913
Tarrant County	338,430,000	0.08%	\$ 270,744
Tarrant County Hospital District	22,335,000	0.08%	\$ 17,868
City of The Colony	95,310,000	91.31%	\$ 87,027,561
<b>Total Estimated Overlapping Debt</b>			<b>801,767,757</b>
 <b><u>Direct:</u></b>			
Lewisville ISD			1,240,974,968
<b>Total Direct and Overlapping Debt</b>			<b>2,042,742,725</b>

Source of Information: Municipal Advisory Council of Texas

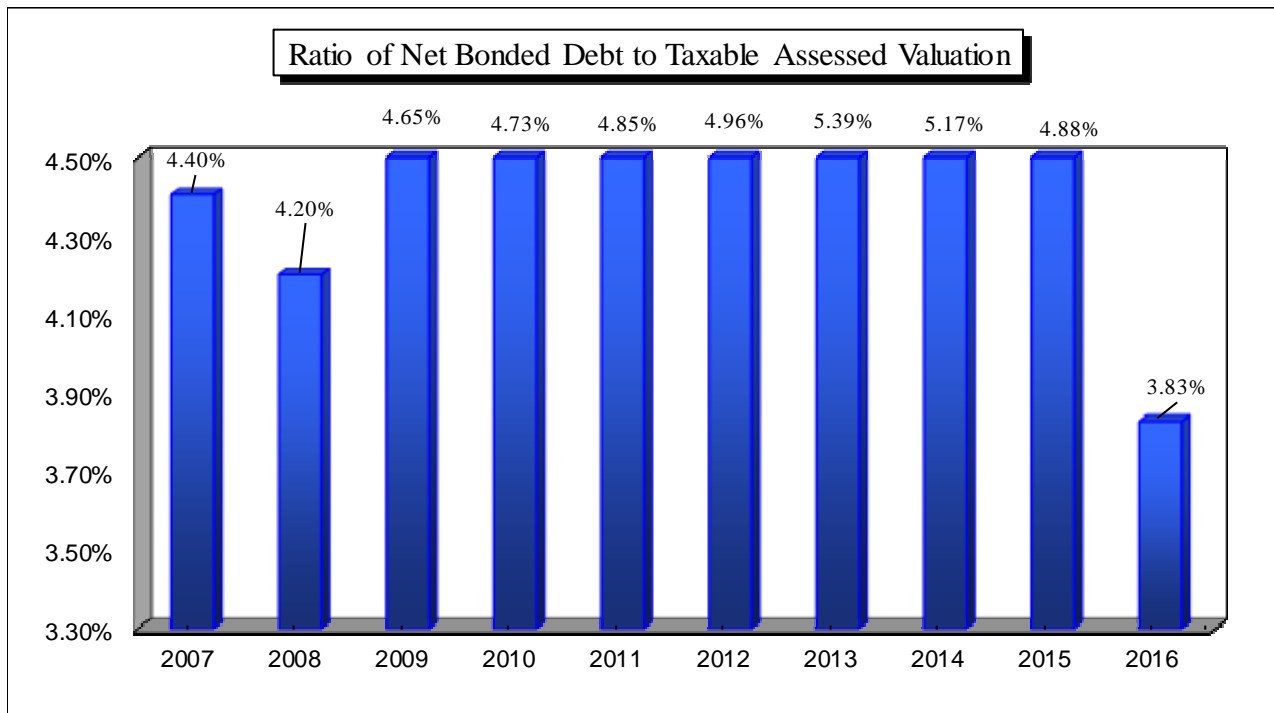
\* Information for other entities is as of 9/30/16. Some debt may be supported by other revenues and thus be considered self supporting debt. Using gross debt may overstate the actual amount of debt supported by ad valorem taxes.

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.

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

## ALL GOVERNMENTAL FUNDS FUND BALANCES 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	Net Bonded Debt Outstanding at Year End
2007	\$ 18,881,927,080	100%	\$ 844,526,415	\$ 12,793,335	\$ 831,733,080
2008	21,061,221,028	100%	901,896,855	16,577,078	885,319,777
2009	21,911,662,802	100%	1,041,201,573	21,634,453	1,019,567,120
2010	23,200,406,048	100%	1,101,234,737	3,802,228	1,097,432,509
2011	22,507,417,241	100%	1,109,691,388	17,546,501	1,092,144,887
2012	23,095,990,992	100%	1,167,429,077	22,069,672	1,145,359,405
2013	23,046,548,096	100%	1,256,272,880	14,676,604	1,241,596,276
2014	24,430,874,196	100%	1,269,178,365	6,205,159	1,262,973,206
2015	26,698,623,389	100%	1,309,320,999	5,109,954	1,304,211,045
2016	29,093,582,239	100%	1,240,974,968	28,876,110	1,212,098,858



Sources of Information: Lewisville ISD Audited Financial Statements, Municipal Advisory Council of Texas, Denton County, US Census Bureau

**Table - 11**

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
4.40%	266,237	\$ 3,124	\$ 70,921	3.48%
4.20%	272,836	3,245	77,194	3.40%
4.65%	283,699	3,594	77,236	3.98%
4.73%	282,889	3,879	82,012	4.10%
4.85%	294,609	3,707	76,398	3.68%
4.96%	303,646	3,772	76,062	3.64%
5.39%	310,590	3,998	74,202	3.74%
5.17%	318,317	3,968	76,750	(A)
4.88%	327,683	3,980	81,477	(A)
4.17%	336,569	3,601	86,442	(A)

(A) Not available at time of publication.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

<b>Fiscal Year Ended August 31:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Debt Limit	\$ 1,888,192,708	\$ 2,106,122,103	\$ 2,191,166,280	\$ 2,320,040,605
Total net debt applicable to limit	<u>831,733,080</u>	<u>885,319,777</u>	<u>1,019,567,120</u>	<u>1,097,432,509</u>
Legal debt margin	<u>\$ 1,056,459,628</u>	<u>\$ 1,220,802,326</u>	<u>\$ 1,171,599,160</u>	<u>\$ 1,222,608,096</u>
Total net debt applicable to the limit as a percentage of debt limit	44.05%	42.04%	46.53%	47.30%

Table - 12

2011	2012	2013	2014	2015	2016
\$ 2,250,741,724	\$ 2,309,599,099	\$ 2,304,654,810	\$ 2,443,098,720	\$ 2,669,862,339	\$ 2,909,358,224
<u>1,092,144,887</u>	<u>1,145,359,405</u>	<u>1,241,596,276</u>	<u>1,262,973,205</u>	<u>1,306,167,120</u>	<u>1,212,098,858</u>
<u>\$ 1,158,596,837</u>	<u>\$ 1,164,239,694</u>	<u>\$ 1,063,058,534</u>	<u>\$ 1,180,125,515</u>	<u>\$ 1,363,695,219</u>	<u>\$ 1,697,259,366</u>
48.52%	49.59%	53.87%	51.70%	48.92%	41.66%
Total Appraised Valuation (1)					\$ 33,124,892,377
Less - Exemptions and Reductions in Value (2)					<u>4,031,310,138</u>
Total Appraised Valuation for School Tax Purpose					29,093,582,239
Debt Limit Percentage					<u>10%</u>
Legal Debt Limit					<u>2,909,358,224</u>
Total Bonded Debt					1,240,974,968
Less - Reserve for Retirement of Bonded Debt					<u>28,876,110</u>
Net Bonded Debt Applicable to Debt Limit					<u>1,212,098,858</u>
Legal Debt Margin					<u>\$ 1,697,259,366</u>

Source of Information: Denton Central Appraisal District.

Notes:

(1) The 2015 tax year appraised value is used for fiscal year 2016 tax purposes.

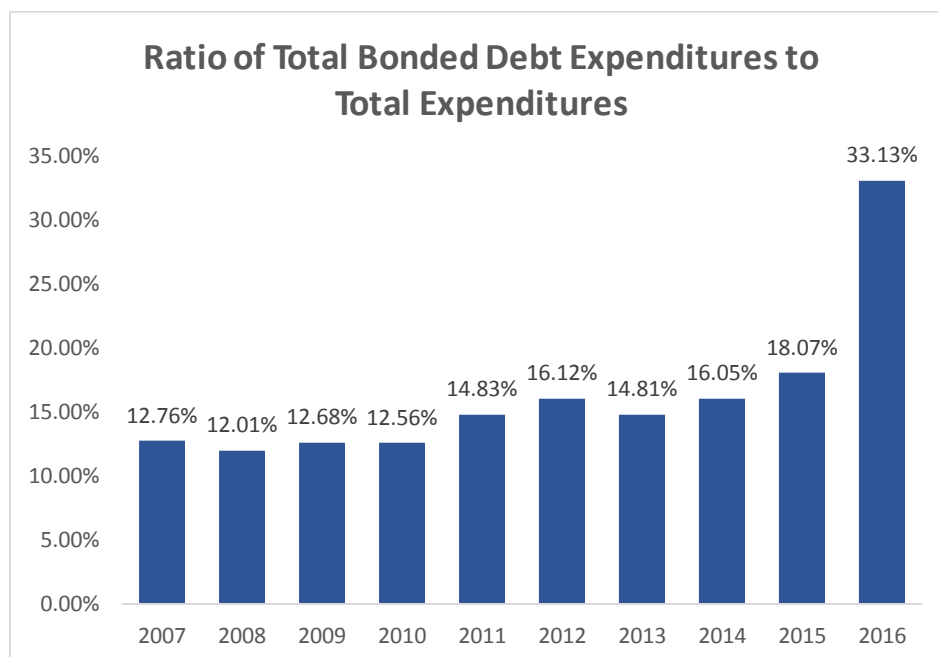
(2) Taxable value is adjusted by the following exemptions and reductions: State-mandated \$10,000 homestead exemptions: state-mandated \$10,000 homestead exemption for persons 65 years of age or older or disabled; disabled veterans or deceased veterans' survivors(s) exemption; reduction of value due 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.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**Table - 13**

**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
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%
2014	52,472,420	56,083,212	108,555,632	676,305,856	16.05%
2015	47,358,841	70,624,513	117,983,354	653,061,463	18.07%
2016	55,146,452	196,737,871 (1)	251,884,323	760,222,229	33.13%



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

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**Table - 14**

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Governmental Activities</u>					
Fiscal Year Ended August 31:	General Obligation Bonds	Capital Financing Agreements (Capital Leases)	Total Primary Government	Estimated Population	Ratio of Total Debt Per Capita
2007	\$ 844,526,415	\$ -	\$ 844,526,415	266,237	\$ 3,172
2008	901,896,855	-	901,896,855	272,836	3,306
2009	1,041,201,573	-	1,041,201,573	283,699	3,670
2010	1,101,234,737	-	1,101,234,737	282,889	3,893
2011	1,109,691,388	-	1,109,691,388	294,609	3,767
2012	1,167,429,077	-	1,167,429,077	303,646	3,845
2013	1,256,272,880	-	1,256,272,880	310,590	4,045
2014	1,269,178,365	-	1,269,178,365	318,317	3,987
2015	1,309,320,999	1,959,075	1,311,280,074	327,683	4,002
2016	1,240,974,968	1,307,235	1,242,282,203	336,569	3,691

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**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**Table - 15**

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

	<b>Fiscal Year Ended August 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Beginning Fund Equity (9/1)	\$ 155,368,910	\$ 144,545,798	\$ 141,390,508
Revenues:			
From Ad Valorem Tax	305,997,383	284,518,573	262,191,228
% of Total Revenue	69.32%	66.83%	65.71%
From State and Federal Funds	124,797,020	130,904,709	125,313,842
% of Total Revenue	28.27%	30.75%	65.71%
From Other Local Sources	10,635,871	10,247,667	11,480,645
% of Total Revenue	2.41%	2.41%	2.88%
Total Revenues	441,430,274	425,670,949	398,985,715
Total Expenditures	436,543,762	417,544,570	396,010,427
Net Transfers and Other Increases (Decreases) to Fund Equity	(1,584,329)	2,696,733	180,002
Ending Fund Equity (8/31)	\$ 158,671,093	\$ 155,368,910	\$ 144,545,798

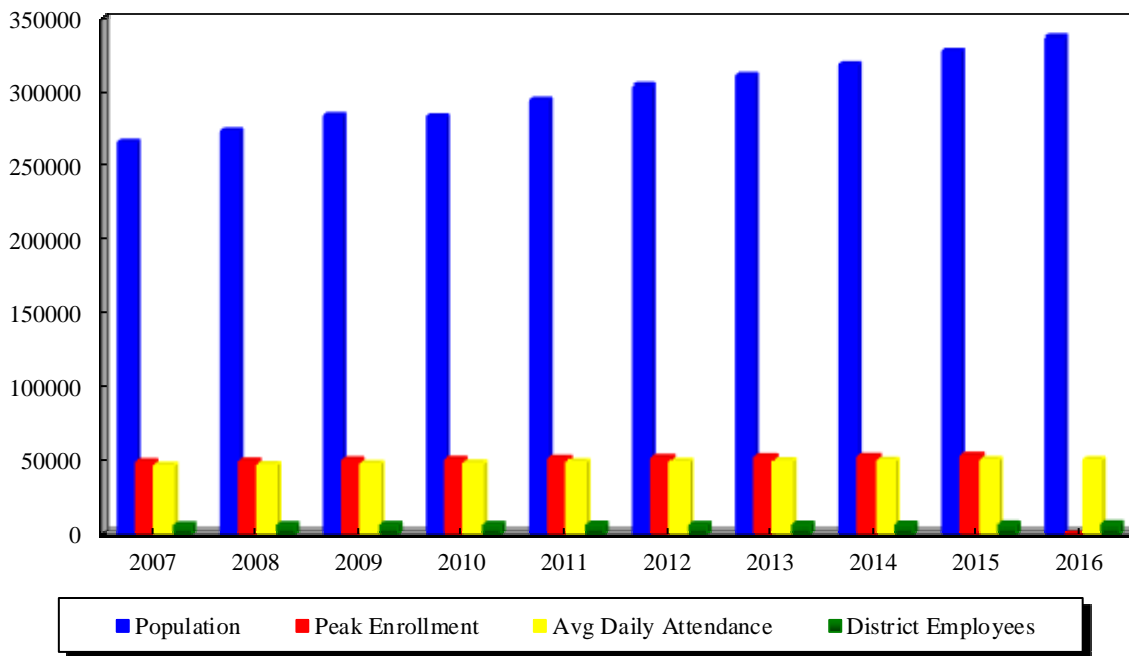
**Per Student Calculations:**

Assessed Valuation Per Student	\$ 576,225	\$ 530,022	\$ 489,623
Ad Valorem Tax Revenues Per Student	\$ 6,061	\$ 5,648	\$ 5,255
State and Federal Funds Per Student	2,472	2,599	2,511
Other Local Sources Per Student	211	203	230
Total Revenues Per Student	\$ 8,744	\$ 8,450	\$ 7,996
Total Expenditures Per Student	\$ 8,646	\$ 8,289	\$ 7,939
Average Daily Attendance	50,490	50,373	49,898

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

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**DEMOGRAPHIC DATA AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended August 31:	Estimated Population	Peak Enrollment	Average Daily Attendance	District Employees
2007	266,237	48,933	46,476	5,629
2008	272,836	49,465	46,924	5,796
2009	283,699	50,228	47,582	5,946
2010	282,889	50,657	48,104	5,991
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
2014	318,317	52,677	49,898	6,212
2015	327,683	53,393	50,373	6,270
2016	336,569	53,412	50,490	6,572



Note: Fiscal Years 2005-2012 District Employees is budgeted positions for general fund and food service only. District Employees for following years is all budgeted positions.

Source of Information: Lewisville ISD Budget and Student Services Departments, Texas Education Agency, Texas Workforce Commission

**Table - 16**

Personal Income (000)*		Per Capita Personal Income*	Unemployment Rate*
\$	23,895,056	\$ 39,236	3.8
	25,941,856	41,171	4.4
	25,590,352	39,388	7.1
	26,872,798	40,293	7.1
	29,611,735	43,178	6.6
	32,133,385	45,383	5.7
	33,237,063	45,605	5.3
	(A)	(A)	4.4
	(A)	(A)	3.5 (B)
	(A)	(A)	3.5 (B)

\* Denton County statistics

(A) Not available at time of publication.

(B) Average thru September 2015

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**Table - 17**

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

Principal Employer	2016			2007		
	Employees	Rank	Percentage of Total Employment *	Employees	Rank	Percentage of Total Employment *
Lewisville ISD	6,572	1	1.64%	5,516	1	1.79%
J.P. Morgan Chase	2,158	2	0.54%	-		-
Frito-Lay Inc.	2,500	3	0.62%	2,050	2	0.67%
Wal-Mart Supercenters/Stores (all District locations)	3,722	4	0.93%	1,279	5	0.42%
Nationstar Mortgage	-	5	0.00%	-		-
Verizon	2,250	6	0.57%	-		-
Medical Center of Lewisville	756	7	0.19%	810	6	0.26%
Xerox	850	8	0.22%	-		-
City of Lewisville	758	9	0.19%	631	10	0.20%
Ally Financial Services Group	2,000	10	0.50%	-		-
EMC Mortgage Corp	-		-	1,840	3	0.60%
Centex Home Equity Company LLC	-		-	1,400	4	0.45%
Sysco Foods	560		-	750	7	0.24%
American Building Control Inc.	-		-	710	8	0.23%
Household Automotive	-		-	700	9	0.23%
Total	<u>22,126</u>		<u>5.53%</u>	<u>15,686</u>		<u>5.09%</u>

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

\* Based on Denton County Total Employment.

Note: LISD Employees for 2015 is all budgeted positions.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**Table - 18**

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

<b>Fiscal Year Ended August 31:</b>	<b>Expenditures</b>	<b>Average Daily Attendance</b>	<b>Per Pupil Costs</b>	<b>Student to Teacher Ratio</b>	<b>Percentage of Students in Free/Reduced Lunch Program</b>
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%
2014	435,173,420	49,898	8,721	14.3	33.62%
2015	460,111,994	50,373	9,134	14.3	33.83%
2016	473,460,615	50,490	9,377	14.1	36.03%

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

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

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

<b>Fiscal Year Ended August 31:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Function</b>				
Instruction	4,158.92	4,075.22	4,142.12	4,175.30
Instructional Resources & Media Services	90.00	94.00	95.00	89.50
Curriculum and Instructional Staff Development	48.00	40.50	43.00	44.00
Instructional Leadership	84.00	78.00	92.50	86.00
School Administration	452.00	434.97	458.00	455.00
Guidance and Counseling	253.25	250.50	258.50	256.50
Social Work Services	2.00	0.35	1.50	1.75
Health Services	76.50	69.65	76.00	76.50
Food Services	-	334.20	328.38	342.37
Co-Curricular Activities	15.00	14.00	15.00	15.50
General Administration	108.13	86.13	94.63	106.00
Plant Maintenance and Operations	129.76	129.13	134.76	129.12
Security and Monitoring	-	1.00	1.00	-
Data Processing Services	77.50	63.00	75.50	76.00
Community Services	133.76	123.76	128.26	137.87
Facilities Acquisition and Construction	-	2.00	2.00	-
<b>Total employees</b>	<b>5,628.82</b>	<b>5,796.41</b>	<b>5,946.15</b>	<b>5,991.41</b>

Note: Fiscal Years 2006-2012 Employee Count is budgeted for general fund and food service only.  
Employee Count for following years is all budgeted positions.

Sources: Lewisville ISD Budget Department

Table - 19

2011	2012	2013	2014	2015	2016
4,249.95	4,137.00	4,362.70	4,350.31	4,354.22	4,487.65
92.00	88.50	88.00	101.00	102.00	104.00
44.00	48.13	21.00	26.00	26.00	41.00
87.00	78.37	82.50	93.00	127.50	89.00
471.50	439.00	462.00	473.00	480.00	506.50
259.50	245.00	246.00	251.00	255.00	265.00
1.50	1.50	1.50	1.50	1.50	98.50
79.50	81.50	81.50	82.50	84.50	83.50
359.37	348.32	349.60	349.55	349.55	385.50
15.50	13.50	15.00	16.00	17.00	17.00
106.00	96.50	90.50	92.50	92.50	97.50
132.12	126.13	124.10	127.12	127.12	124.00
-	-	-	1.00	2.00	10.00
76.00	69.50	111.00	109.00	108.00	115.00
137.87	134.87	132.60	134.12	139.12	144.13
-	-	4.00	4.00	4.00	4.00
<b>6,111.81</b>	<b>5,907.82</b>	<b>6,172.00</b>	<b>6,211.60</b>	<b>6,270.01</b>	<b>6,572.28</b>

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

## 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
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	1102	64,684	664
2011	38,548	173	44,063	926	45,948	899	50,138	1163	63,250	653
2012	33,116	77	42,331	869	44,048	891	48,029	1246	60,144	636
2013	44,115	180	46,992	801	48,867	869	52,134	1259	62,654	650
2014	46,570	150	49,082	792	49,834	859	52,854	1289	63,041	615
2015	49,410	141	50,277	822	51,393	846	54,317	1292	63,802	634
2016	47,231	159	51,495	866	52,701	795	55,323	1333	64,130	645

Sources: Lewisville ISD PEIMS report Data, Texas Education Agency

**Table - 20**

District Average Salary	Statewide Average Salary	Teacher Education			
		No Degree	Bachelor's Degree	Master's Degree	Doctorate
\$ 48,523	\$ 44,897	18	2620	812	19
49,841	46,178	19	2700	840	18
50,703	17,158	17	2773	855	21
51,335	28,263	60	2764	904	21
49,481	48,639	33	2818	912	21
47,507	48,375	51	2713	932	21
51,717	48,821	64	2762	912	22
52,786	49,692	57	2725	903	21
54,191	50,715	42	2652	913	27
55,056	51,892	37	2740	989	31

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

School	Campus Size (acres)	Grades	2007	2008	2009	2010
<b>High Schools:</b>						
Career Center East (2010)	9.22	10-12				
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Dale Jackson Career Center (1985)	12.01	10-12				
Square Feet			55,331	55,331	55,331	55,331
Enrollment			n/a	n/a	n/a	n/a
Flower Mound 9th Grade Campus (2014)	2.60	9				
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Flower Mound High (1999)	59.60	10-12				
Square Feet			383,280	383,280	408,080	408,080
Enrollment			2,863	2,863	3,046	3,171
Hebron 9th Grade Campus (2010)	11.00	9				
Square Feet			-	-	-	179,248
Enrollment			-	-	-	-
Hebron High (1999)	72.15	10-12				
Square Feet			389,135	389,135	409,185	409,185
Enrollment			2,336	2,514	2,631	2,834
LHS-North (1977)*	15.45	9				
Square Feet			96,440	96,440	96,440	96,440
Enrollment			n/a	n/a	n/a	n/a
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				
Square Feet			175,658	175,658	175,658	175,658
Enrollment			987	970	905	906
Lewisville Hight (1968)/(2012)**	41.00	11-12				
Square Feet			329,464	329,464	360,822	360,822
Enrollment			2,604	2,659	2,648	2,634
Lewisville Learning Center (2001)	11.29	6-12				
Square Feet			49,240	49,240	49,240	61,203
Enrollment			179	179	212	280
Marcus 9th Grade Campus (2014)	2.50	9				
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Marcus High (1981)	43.64	10-12				
Square Feet			438,904	438,904	474,173	474,173
Enrollment			2,868	2,912	3,023	3,086
The Colony High (1986)	45.98	9-12				
Square Feet			413,841	413,841	427,251	427,251
Enrollment			1,923	1,923	1,864	1,892

\*Delay Middle School as of 2011.

\*\* Some buildings demolished and new buildings built on same acreage.

**Table 21**

2011	2012	2013	2014	2015	2016
95,168 n/a	95,168 n/a	95,168 n/a	95,168 n/a	95,168 n/a	95,168 n/a
55,331 n/a	55,331 n/a	55,331 n/a	55,331 n/a	55,331 n/a	55,331 n/a
-	-	-	115,261	115,261	115,261
-	-	-	-	950	950
408,080 3,172	408,080 3,240	408,080 3,257	517,312 3,309	517,312 2,550	517,312 2,550
179,248 824	179,248 768	179,248 862	179,248 886	179,248 897	179,248 897
409,185 2,106	409,185 2,217	409,185 2,226	442,827 2,346	442,827 2,458	442,827 2,458
-	-	-	-	-	-
-	-	-	-	-	-
212,748 -	212,748 531	212,748 1,061	212,748 1,155	212,748 1,205	212,748 1,205
175,658 932	175,658 434	175,658 936	175,658 980	175,658 965	175,658 965
360,822 2,647	360,822 2,682	360,822 1,818	416,039 1,845	422,731 1,987	422,731 1,987
61,203 245	61,203 246	61,203 209	61,203 210	61,203 229	61,203 229
-	-	-	109,046	109,046	109,046
-	-	-	-	835	835
474,173 3,166	474,173 3,182	474,173 3,224	608,317 3,235	608,317 2,439	608,317 2,439
427,251 1,946	427,251 1,908	427,251 1,955	461,177 1,978	454,802 1,987	454,802 1,987

(Continued on the following page)

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

School	Campus Size (acres)	Grades	2007	2008	2009	2010
<b>Middle Schools:</b>						
Arbor Creek Middle (1994)	14.00	6-8				
Square Feet			118,800	118,800	121,430	121,430
Enrollment			876	830	778	820
Briarhill Middle (1995)	12.00	6-8				
Square Feet			118,800	118,800	121,173	121,173
Enrollment			994	1,018	1,007	971
Creek Valley Middle (2001)	19.64	6-8				
Square Feet			122,996	122,996	125,006	125,006
Enrollment			1,043	783	670	673
DeLay Middle (1949)*	17.74	6-8				
Square Feet			92,456	92,456	92,456	92,456
Enrollment			665	550	620	633
DeLay Middle (2010)	18.35	6-8				
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Downing Middle (2002)	15.47	6-8				
Square Feet			122,996	122,996	125,310	125,310
Enrollment			623	610	667	670
Durham Middle (2002)	18.89	6-8				
Square Feet			122,730	122,730	125,040	125,040
Enrollment			767	730	693	729
Forestwood Middle (1994)	20.84	6-8				
Square Feet			135,007	135,007	142,965	142,965
Enrollment			709	661	655	652
Griffin Middle (1982)/(2014)**	16.80	6-8				
Square Feet			135,212	135,212	137,464	137,464
Enrollment			716	678	680	673
Hedrick Middle (1973)	14.21	6-8				
Square Feet			114,212	114,212	116,526	116,526
Enrollment			633	595	618	634
Huffines Middle (1997)	15.00	6-8				
Square Feet			119,762	119,762	122,076	122,076
Enrollment			1,013	945	909	937
Killian Middle (2007)	30.60	6-8				
Square Feet			177,267	177,267	179,581	179,581
Enrollment			-	481	581	671
Lakeview Middle (1989)	28.54	6-8				
Square Feet			125,058	125,058	130,570	130,570
Enrollment			840	797	837	820
Lamar Middle (1987)	20.00	6-8				
Square Feet			132,716	132,716	135,030	135,030
Enrollment			813	797	797	772

\*Purnell Support Center as of FY 2011.

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

**Table 21**

2011	2012	2013	2014	2015	2016
121,430 857	121,430 923	121,430 936	121,430 905	121,430 894	121,430 894
121,173 964	121,173 993	121,173 993	121,173 971	121,173 955	121,173 955
125,006 641	125,006 659	125,006 715	125,006 741	125,006 795	125,006 795
92,456 n/a	92,456 n/a	92,456 n/a	92,456 n/a	92,456 n/a	92,456 n/a
121,398 756	121,398 804	121,398 845	174,568 903	179,733 984	179,733 984
125,310 716	125,310 701	125,310 677	125,310 658	125,310 606	125,310 606
125,040 782	125,040 829	125,040 813	125,040 770	125,040 762	125,040 762
142,965 633	142,965 640	142,965 637	142,965 659	142,965 693	142,965 693
137,464 682	137,464 692	137,464 696	181,298 747	181,298 765	181,298 765
116,526 609	116,526 619	116,526 622	116,526 665	116,526 672	116,526 672
122,076 896	122,076 910	122,076 902	122,076 867	122,076 841	122,076 841
179,581 746	179,581 844	179,581 864	179,581 921	179,581 950	179,581 950
130,570 791	130,570 774	130,570 834	130,570 795	130,570 817	130,570 817
135,030 802	135,030 832	135,030 845	135,030 789	135,030 764	135,030 764

(Continued on the following page)

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

School	Campus Size (acres)	Grades	2007	2008	2009	2010
McKamy Middle (1997)	15.00	6-8				
Square Feet			121,375	121,375	127,775	127,775
Enrollment			994	1,020	1,046	1,035
Shadow Ridge Middle (2005)	35.95	6-8				
Square Feet			148,350	148,350	150,664	150,664
Enrollment			700	771	781	772
<b>Elementary Schools:</b>						
Bluebonnet Elementary (2000)	12.00	K-5				
Square Feet			58,605	58,605	69,593	69,593
Enrollment			537	551	563	567
Bridlewood Elementary (1998)	12.82	K-5				
Square Feet			73,100	73,100	82,993	82,993
Enrollment			795	788	777	754
Camey Elementary (1977)/(2014)*	10.31	PPCD, PK-5				
Square Feet			63,875	63,875	63,875	63,875
Enrollment			557	551	577	542
Castle Hills Elementary (2002)	7.04	K-5				
Square Feet			73,557	73,557	73,557	73,557
Enrollment			505	613	689	722
Central Elementary (1957)	15.00	PK-5				
Square Feet			152,952	152,952	152,952	152,952
Enrollment			1,061	1,122	907	934
College Street Elementary (1960)	6.37	PK-5				
Square Feet			35,601	35,601	35,601	35,601
Enrollment			248	252	274	263
Coyote Ridge Elementary (2005)	16.81	K-5				
Square Feet			99,939	99,939	99,939	99,939
Enrollment			638	726	649	594
Creeside Elementary (1989)	12.06	K-5				
Square Feet			60,168	60,168	60,168	60,168
Enrollment			550	515	528	553
Degan Elementary (1973)	15.00	PPCD, PK-5				
Square Feet			75,764	75,764	75,764	75,764
Enrollment			749	712	650	642
Donald Elementary (1989)	10.00	K-5				
Square Feet			80,465	80,465	80,465	80,465
Enrollment			609	566	540	517
Ethridge Elementary (1990)	11.42	K-5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			444	417	422	426
Flower Mound Elementary (1985)	10.05	K-5				
Square Feet			79,485	79,485	79,485	79,485
Enrollment			591	631	600	592
Forest Vista Elementary (1997)	16.81	PPCD, PK-5				
Square Feet			85,610	85,610	85,610	85,610
Enrollment			565	550	539	529

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

**Table 21**

2011	2012	2013	2014	2015	2016
127,775 1,078	127,775 1,116	127,775 1,155	127,775 1,130	127,775 1,110	127,775 1,110
150,664 782	150,664 794	150,664 804	150,664 774	150,664 721	150,664 721
69,593 541	69,593 536	69,593 474	69,593 481	69,593 495	69,593 495
82,993 732	82,993 645	82,993 576	82,993 532	82,993 467	82,993 467
63,875 545	63,875 537	63,875 513	108,560 510	108,560 476	108,560 476
73,557 771	73,557 768	73,557 784	73,557 791	73,557 734	73,557 734
152,952 897	152,952 920	152,952 905	152,952 960	152,952 975	152,952 975
35,601 253	35,601 264	35,601 363	35,601 355	35,601 330	35,601 330
99,939 691	99,939 622	99,939 613	99,939 608	99,939 614	99,939 614
60,168 463	60,168 491	60,168 453	60,168 449*	60,168 495	60,168 495
75,764 646	75,764 631	75,764 675	75,764 632	75,764 650	75,764 650
80,465 492	80,465 462	80,465 478	80,465 503	80,465 497	80,465 497
63,853 424	63,853 431	63,853 522	63,853 518	63,853 513	63,853 513
79,485 582	79,485 565	79,485 527	79,485 505	79,485 498	79,485 498
85,610 502	85,610 474	85,610 461	85,610 549	85,610 546	85,610 546

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

School	Campus Size (acres)	Grades	2007	2008	2009	2010
Garden Ridge Elementary (1992)	10.00	K-5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			499	515	537	527
Hebron Valley Elementary (1989)	9.18 PPCD, K-5					
Square Feet			79,195	79,195	79,195	79,195
Enrollment			650	638	675	661
Hedrick Elementary (1974)	14.21	K-5				
Square Feet			81,815	81,815	81,815	81,815
Enrollment			529	582	588	636
Heritage Elementary (1993)	13.36	K-5				
Square Feet			80,517	80,517	80,517	80,517
Enrollment			750	773	775	748
Hicks Elementary (2004)	10.00	K-5				
Square Feet			100,479	100,479	100,479	100,479
Enrollment			427	515	641	670
Highland Village Elementary (1981)	6.42	K-5				
Square Feet			63,823	63,823	63,823	63,823
Enrollment			428	405	411	397
Homestead Elementary (1999)	9.93	K-5				
Square Feet			74,375	74,375	74,375	74,375
Enrollment			617	592	600	609
Independence Elementary (2008)	14.58	PK-5				
Square Feet			-	107,000	107,000	107,000
Enrollment			-	-	504	594
Indian Creek Elementary (1985)	10.00 <sup>2</sup> PPCD, PK-5					
Square Feet			76,172	76,172	76,172	76,172
Enrollment			553	527	527	553
Lakeland Elementary (1963)/(2008)*	10.00	K-5				
Square Feet			81,200	81,200	107,000	107,000
Enrollment			782	774	838	845
Lewisville Elementary (2010)	13.46	K-5				
Square Feet			-	-	-	99,674
Enrollment			-	-	-	-
Liberty Elementary (2002)	9.49	K-5				
Square Feet			86,122	86,122	86,122	86,122
Enrollment			761	860	886	901
McAuliffe Elementary (1987)	11.02 PPCD, K-5					
Square Feet			78,776	78,776	78,776	78,776
Enrollment			555	555	545	477
Morningside Elementary (1993)	10.00	K-5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			665	686	675	709
Old Settler Elementary (1994)	14.56	K-5				
Square Feet			83,850	83,850	83,850	83,850
Enrollment			792	778	749	718

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

**Table 21**

2011	2012	2013	2014	2015	2016
63,853 500	63,853 474	63,853 479	63,853 158	63,853 465	63,853 465
79,195 621	79,195 644	79,195 627	79,195 600	79,195 600	79,195 600
81,815 682	81,815 668	81,815 565	81,815 578	81,815 607	81,815 607
80,517 719	80,517 710	80,517 688	80,517 671	80,517 651	80,517 651
100,479 759	100,479 660	100,479 666	100,479 633	100,479 615	100,479 615
63,823 375	63,823 391	63,823 402	63,823 381	63,823 353	63,823 353
74,375 607	74,375 638	74,375 626	74,375 622	74,375 597	74,375 597
107,000 616	107,000 674	107,000 687	107,000 732	107,000 790	107,000 790
76,172 554	76,172 633	76,172 617	76,172 595	76,172 631	76,172 631
107,000 804	107,000 804	107,000 830	107,000 836	107,000 849	107,000 849
99,674 626	101,058 691	101,058 692	101,058 776	101,110 809	101,110 809
86,122 866	86,122 811	86,122 803	86,122 743	86,122 667	86,122 667
78,776 508	78,776 505	78,776 466	78,776 478	78,776 520	78,776 520
63,853 534	63,853 507	63,853 461	63,853 426	63,853 431	63,853 431
83,850 704	83,850 666	83,850 668	83,850 66	83,850 636	83,850 636

(Continued on the following page)

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

School	Campus Size (acres)	Grades	2007	2008	2009	2010
Owen Elementary (1987)	30.00	PPCD, PK-5				
Square Feet			78,776	78,776	78,776	78,776
Enrollment			440	411	416	405
Parkway Elementary (1995)	11.00	K-5				
Square Feet			75,113	75,113	75,113	75,113
Enrollment			494	438	444	450
Peters Colony Elementary (1980)/(2010)*	10.00	PK-5				
Square Feet			76,664	76,664	76,664	76,664
Enrollment			671	653	618	626
Polser Elementary (1995)	10.00	PPCD, PK-5				
Square Feet			73,324	73,324	73,324	73,324
Enrollment			499	464	452	442
Prairie Trail Elementary (1995)	11.65	K-5				
Square Feet			84,221	84,221	84,221	84,221
Enrollment			758	739	728	718
Rockbrook Elementary (2003)	9.76	PPCD, PK-5				
Square Feet			86,122	86,122	86,122	86,122
Enrollment			686	697	742	773
Southridge Elementary (1999)	12.00	K-5				
Square Feet			74,375	74,375	74,375	74,375
Enrollment			652	719	757	789
Stewarts Creek Elementary (1978)	7.10	PK-5				
Square Feet			67,020	67,020	67,020	67,020
Enrollment			448	415	409	407
Timber Creek Elementary (1978)	15.91	PPCD, PK-5				
Square Feet			63,532	63,532	63,532	63,532
Enrollment			562	562	547	519
Valley Ridge Elementary (1996)	14.54	K-5				
Square Feet			83,844	83,844	83,844	83,844
Enrollment			770	723	723	662
Vickery Elementary (2003)	11.85	K-5				
Square Feet			74,117	74,117	74,117	74,117
Enrollment			606	566	585	571
Wellington Elementary (1998)	10.05	PPCD, PK-5				
Square Feet			86,778	86,778	86,778	86,778
Enrollment			9,681	1,000	969	918
<b>Early Childhood:</b>						
Lillie Jackson Early Childhood Center (2005)	7.66	PPCD, PK-5				
Square Feet			88,290	88,290	88,290	88,290
Enrollment			403	465	456	572

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 69 single and double temporary buildings providing classrooms, office space, storage, and other uses in schools where the District needs exceeded building capacity.

**Table 21**

2011	2012	2013	2014	2015	2016
78,776 459	78,776 451	78,776 502	78,776 477	78,776 496	78,776 496
75,113 451	75,113 448	75,113 587	75,113 571	75,113 542	75,113 542
107,000 708	107,000 732	107,000 762	107,000 819	108,560 844	108,560 844
73,324 447	73,324 510	73,324 496	73,324 491	73,324 466	73,324 466
84,221 690	84,221 635	84,221 576	84,221 532	84,221 609	84,221 609
86,122 685	86,122 684	86,122 705	86,122 712	86,122 780	86,122 780
74,375 591	74,375 582	74,375 642	74,375 714	74,375 692	74,375 692
67,020 363	67,020 455	67,020 457	67,020 452	67,020 416	67,020 416
63,532 494	63,532 508	63,532 503	63,532 473	63,532 470	63,532 470
83,844 645	83,844 579	83,844 545	83,844 555	83,844 535	83,844 535
74,117 588	74,117 593	74,117 597	74,117 570	74,117 540	74,117 540
86,778 921	86,778 870	86,778 878	86,778 892	86,778 903	86,778 903
88,290 642	88,290 703	88,290 757	88,290 705	88,290 704	88,290 704

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**FEDERAL AWARDS  
SECTION**

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**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 of Lewisville Independent School District (the “District”) as of and for the year ended August 31, 2016, 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 12, 2016. 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 no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***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.

*Whitley Penn LLP*

Houston, Texas  
December 12, 2016

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE***

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of federal awards.

***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 the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

To the Board of Trustees  
Lewisville Independent School District

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

In our opinion, Lewisville Independent School 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, 2016.

***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 the Uniform Guidance, 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 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 Uniform Grants Guidance. Accordingly, this report is not suitable for any other purpose.

*Whitley Penn LLP*

Houston, Texas  
December 12, 2016

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended August 31, 2016*

**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 2 CFR 200.516(a)	None

Identification of Major Programs:

<b>Name of Federal Program</b>	<b>CFDA Number</b>
<b>U.S. Department of Education:</b>	
Title III, Part A – LEP	84.365A
ESEA Title I, Part A – Improving Basic Programs	84.010A
Title I 003(A) – Priority and Focus School Grant	84.010A
Impact Aid	84.041

Dollar threshold used to distinguish Between Type A and Type B federal programs:	\$930,193
Auditee qualified as low-risk auditee?	Yes

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***  
***For the Year Ended August 31, 2016***

**II. Financial Statement Findings**

There were no items reported.

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

There were no items reported.

**IV. Status of Prior Year Findings**

There were no items reported.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*As of August 31, 2016*

*Exhibit K-1*  
*Page 1 of 2*

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U. S. DEPARTMENT OF DEFENSE</b>			
<b>Direct Programs:</b>			
<i>ROTC</i>	12.000	99-061902	\$ 329,475
Total Direct Programs			329,475
<b>Passed through State Comptroller:</b>			
<i>Federal Flood Control Allocation</i>	12.112	17560019550	25,800
Total Passed through State Comptroller			25,800
<b>TOTAL U. S. DEPARTMENT OF DEFENSE</b>			355,275
<b>U. S. DEPARTMENT OF EDUCATION</b>			
<b>Direct Programs:</b>			
<i>Impact Aid</i>	84.041	61902	2,454,817
<i>Impact Aid</i>	84.041	61902	461,876
<i>Impact Aid</i>	84.041	61902	75,088
<i>Impact Aid</i>	84.041	61902	486,496
<i>Impact Aid</i>	84.041	61902	168,319
Total Direct Programs			3,646,596
<b>Passed Through State Department of Education:</b>			
<b><u>Special Education Cluster (IDEA):</u></b>			
<i>IDEA - Part B, Formula</i>	84.027A	166600010619026600	8,348,267
<i>IDEA - Part B, Preschool</i>	84.173A	166610010619026610	173,526
<b>Total Special Education Cluster (IDEA)</b>			8,521,793
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	16610101061902	4,116,406
<i>Title I 003(A) Priority and Focus School Grant</i>	84.010A	16610112061902000	28,810
<i>Vocational Education - Basic Grant</i>	84.048A	16420006061902	381,076
<i>Title III, Part A - LEP</i>	84.365A	16671001061902	886,613
<i>Title VI Part A Summer School LEP</i>	84.369A	69551502	37,845
<i>ESEA Title II - Teacher Principal Training and Recruiting</i>	84.367A	16694501061902	600,438
Total Passed Through State Department of Education			14,572,981
<b>Passed Through University of North Texas:</b>			
<i>Title III - LEP</i>	84.365A	061902	5,788
Total Passed through University of North Texas			5,788
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			18,225,365

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*As of August 31, 2016*

*Exhibit K-1*  
*Page 2 of 2*

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>Passed Through Texas Health and Human Services Commission:</b>			
<b><u>Medicaid Cluster:</u></b>			
<i>Medicaid Administrative Claiming Program - MAC</i>	93.778	061902	\$ 45,621
<b>Total Medicaid Cluster</b>			<u>45,621</u>
Total Passed Texas Department of Human Services			<u>45,621</u>
<b>TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>45,621</u>
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
<b><u>Child Nutrition Cluster:</u></b>			
<b>Passed Through Texas Department of Agriculture:</b>			
Non-cash Assistance (Commodities):			
<i>National School Lunch Program</i>	10.555	00297	1,325,754
<b>Passed Through Texas Department of Education</b>			
Cash Assistance:			
<i>School Breakfast Program</i>	10.553	71401601	2,690,731
<i>National School Lunch Program</i>	10.555	71301601	8,362,194
Total Passed Through Texas Department of Education			<u>11,052,925</u>
<b>Total Child Nutrition Cluster</b>			<u>12,378,679</u>
<b>Passed Through Texas Department of Agriculture:</b>			
<i>National School Lunch Program Training Assistance</i>	10.560	13136TX366N2545	1,500
Total Passed Texas Department of Agriculture			<u>1,327,254</u>
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>			<u>12,380,179</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 31,006,440</u>

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

**Note 1 - Basis of Accounting**

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.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such amounts 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. The district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**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, 2016. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. 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 federal revenues reported on Exhibit C-2:

Federal Program Revenues (Exhibit C-2)	\$ 34,105,509
SHARS	(2,608,736)
Interest subsidy on Build America Bonds	(490,333)
	<u>\$ 31,006,440</u>

**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	\$ 314,526
Impact Aid	3,646,596
Federal Flood Control Allocation	25,800
SHARS	2,608,736
Indirect Costs -	
ESEA Title I Part A - Improving Basic Programs	63,384
IDEA - Part B, Formula	136,205
IDEA - Part B, Preschool	2,640
Carl D. Perkins Basic Formula	4,582
ESEA Title II, Part A - Teacher Principal Training and Recruiting	9,909
ESEA Title III, Part A - LEP	13,652
	<u>\$ 6,826,030</u>





LEWISVILLE ISD  
1565 W. MAIN STREET  
LEWISVILLE, TX 75067

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**Schedule L-1 – Required Responses to Selected School FIRST Indicators**

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 54,625,149
SF11	Net Pension Assets (1920) at fiscal year-end.	\$ -0-
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$ 113,259,645
SF13	Pension Expense (6147) at fiscal year-end.	\$ 18,559,209