



# LEWISVILLE ISD

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED AUGUST 31, 2018





**Comprehensive  
Annual Financial Report**

**For the Fiscal Year Ended  
August 31, 2018**

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

1565A W. Main Street, Lewisville, Texas 75067

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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, 2018**

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INTRODUCTORY  
SECTION

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December 10, 2018

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 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, 2018.

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, 2018, 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, 2018 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's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

### **PROFILE OF THE DISTRICT**

Lewisville ISD includes all the funds of the District, as well as any component units for which the District is financially accountable.

Lewisville ISD is an independent public educational agency operating under applicable laws and regulations of the State of Texas providing a full range of educational services appropriate to grade levels ranging from pre-kindergarten through grade twelve. LISD is located north of the Dallas/Fort Worth Metroplex. LISD encompasses 127 square miles and is made up of all, or part of, thirteen different communities: Lewisville, Flower Mound, The Colony, Highland Village, Double Oak, Copper Canyon, north Carrollton, western Plano, and portions of Frisco, Hebron, Coppell, Grapevine, and Argyle. The District is comprised of five high schools, 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 middle schools, forty elementary schools and one early childhood center. The majority were built within the past 20 years, keeping pace with rapid growth.

During the current fiscal year, the District served more than 52,450 enrolled students. Over the last decade, the District's student enrollment grew by over 3,020 students. The District's growth in student enrollment has begun to stabilize and slightly decline from the rapid growth experienced in the past.

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

## EDUCATION

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

- **Student Learning**
  - Profound learning for students occurs when we provide meaningful and relevant educational opportunities.
  - In LISD, we are preparing the dreamers to be the doers by developing engaged, collaborative learners who are equipped for success.
- **Student Experience**
  - A thriving student experience comes from an environment that engages and connects students to each other and with staff.
  - In LISD, we know students thrive when they are engaged in their learning and feel a sense of belonging in our schools.
  - When students are provided enriching opportunities outside the classroom, they will find success not only in school but in their lives beyond our hallways.
- **Community Engagement**
  - We believe education is a shared responsibility between our district and the communities we serve.
  - Community engagement is critical to the success of LISD.
  - Through intentional strategic partnerships at the campus and district level, we can tap into the deep well of community support for LISD to forge stronger bonds with our stakeholders and develop relationships to benefit schools, local businesses and the community.
- **Resource Stewardship**
  - In LISD, when we say we want to be good stewards of our resources, we aren't just talking about taxpayer dollars.
  - Resource stewardship is about three things: our time, talent and treasure.
  - Strike a positive work/life balance with our time;
  - Nurture our talents as educators through meaningful professional learning;
  - Manage our treasure in a fiscally responsible way while still meeting student needs.

The District is dedicated to enriching education opportunities for our students and leading the way in classroom technology integrations. Utilizing groundbreaking, transformative and flexible learning environments through use of technology and initiative programs provides our students the 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 are 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 Accounting and 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 2017, voters of the District approved a \$737.5 million bond referendum designed to finance the construction, acquisition and equipment of school buildings in the District and the purchase of the necessary sites for school buildings. In the fiscal year ended August 31, 2018, the District issued Unlimited Tax School Building Bonds, Series 2018, resulting in a \$125.0 million deposit to the Capital Projects Fund. The bond proceeds were issued for construction and renovation of school buildings and equipment and major technology upgrades throughout the District.

*Debt Portfolio Management.* During the fiscal year, the District issued Unlimited Tax Refunding bonds, Series 2017A and 2018. These bonds provided the opportunity to refinance previously issued bonds at a lower interest rate. The District contributed an additional \$10.0 million from its Debt Service Fund balance to these transactions for the purpose of debt reduction. These refunding transactions and the District’s debt reduction payment reduced required future debt service payments by \$18.7 million.

The District has issued its bonds 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 uncertain economic times. Acknowledging that the District’s financial position is impacted greatly by the legislature’s actions and the level of the state’s available resources, the Board has been proactive in building the District’s fund balances over time. In June, 2017, the Board adopted a Resolution that sets parameters for minimum fund balance in the General Fund and the Debt Service Fund. Those parameters listed below are designed to assure a strong financial position in the event of reductions in enrollment, tax revenues or other funding sources:

- General Fund – The Board resolved that the District shall commit an amount equivalent to three months operating expenditures in the General Fund as its minimum fund balance in the General Fund each year.
- Debt Service Fund – The Board has resolved that the District shall commit an amount equivalent to ten percent of the annual debt service required on bonds approved by the voters of the District as its minimum fund balance in the Debt Service Fund each year.

The District’s fund balance at August 31, 2018 in both the General Fund and the Debt Service Fund exceed these parameters.

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

- The Maintenance and Operations tax rate will remain at \$1.04 per \$100 valuation for the fiscal year ending August 31, 2019.
- The District is expected to be subject to recapture payments under Chapter 41 of the Texas Education Code for the fiscal year ending August 31, 2019 in the amount of \$34.5 million.
- The District has experienced growth in taxable property values of approximately 8.5 percent. This increase is expected to result in increased ad-valorem tax collections. Approximately 8.5 percent of ad-valorem tax collections is expected to be paid to the State in the form of recapture payments for the fiscal year ending August 31, 2019.
- Student enrollment growth and resulting average daily attendance are expected to decrease by approximately 1.0 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 value of the District's ten largest taxpayers accounts for only 2.6 percent of the taxable property value in the District. The top twenty largest taxpayers represent only 4.3 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 to meet the needs of students at the best value to the taxpayers. The cities recognize that the impact growth will have on the schools must be part of their planning process.

In all sub-markets across the District's economy, fundamentals are stronger than ever; vacancies are low while rents and sales prices are increasing steadily.

The industrial sub-market is experiencing vacancies less than one-third the historical average. More than 7 million square feet has delivered so far this cycle, and about 95% of that was leased as of mid-year 2018 according to CoStar Analytics. Bed Bath & Beyond opened their nearly 800,000 square foot e-commerce facility in the Majestic Airport Center. Mary Kay will open its 470,000 square foot facility later this year with more than 500 employees. Furthermore, the Majestic Airport Center retained Kellogg's for another ten-year lease.

In the office sub-market, JP Morgan vacated a large campus in December 2017 but Nationstar Mortgage back-filled the space earlier this summer. The deal was recognized by the Dallas Business Journal as a finalist and award for the one of the Best Real Estate Commercial Deals of the year. According to CoStar Analytics, rent growth in the office sub-market is outperforming the Dallas-Fort Worth metro average over the last few years.

In the retail sub-markets near the Music City Mall and surrounding shopping centers, major anchors like Dillard's and JC Penney's are seeing slight increases to their revenue over recent years, while two national brands have left the market; Toys-R-Us and Sears. Nonetheless, Lewisville is nearly identical to the DFW market trends in sale price per square foot but has experienced a much lower vacancy rate than the DFW market. In Old Town Lewisville, some market rents go for more than \$20 per square foot, which is an increase of more than 30% over the last year.

The residential sub-market throughout the District remains strong. Homesteads within the District increased during 2017 by 669 units to a total of 59,264 as of January 1, 2018. The average taxable value for homesteads within the District as reported by the Denton Central Appraisal District was \$353,537 as of January 1, 2018.

Residents continue to support the District schools and demonstrate their willingness to provide resources to serve students. Lewisville ISD voters reaffirmed their commitment to provide quality instruction and facilities for their

students by approving a \$737.5 million bond referendum in May, 2017 with affirmative votes comprising 62.4 percent of the votes cast. This support will ensure that facility needs are met in a timely manner in the future.

### 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, 2017. This was the nineteenth 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 the current Comprehensive Annual Financial Report continues to meet the requirements of the Certificate of Achievement Program, 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, 2017. This award has also been received for the nineteenth consecutive year. We believe the Comprehensive Annual Financial Report for the year ended August 31, 2018 continues to conform to the standards for which these awards were granted.

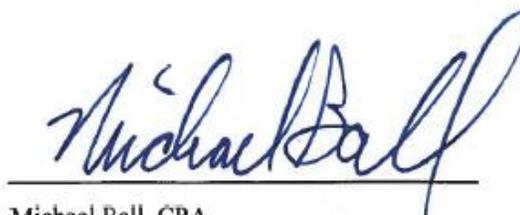
### ACKNOWLEDGEMENTS

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 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  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED AUGUST 31, 2018**

**PRINCIPAL OFFICIALS AND ADVISORS**

**Principal Officials**

<b>Board of Trustees</b>	<b>Date Elected</b>	<b>Term Expires</b>	<b>Occupation</b>
Angie Cox, President	2013	2019	Escrow Officer, Business Owner
Kronda Thimesch, Vice President	2015	2021	Business Owner
Katherine Sells, Secretary	2016	2019	Community Volunteer
Kristi Hassett	2014	2020	Independent Consultant
Allison Lassahn	2018	2021	Independent Consultant
Tracy Scott Miller	2014	2020	Business Executive and Client Partner for International BPO Company
Jenny Proznik	2016	2019	Community Volunteer

**Administrative Officials**

- Dr. Kevin Rogers, Superintendent
- Dr. Lori Rapp, Deputy Superintendent
- Michael Ball, CPA, Chief Financial Officer
- Dr. Buddy Bonner, Assistant Superintendent of Employee Services
- Amanda Brim, Chief Communications Officer
- Dr. Joseph Coburn, Chief Schools Officer
- Jeff Crownover, JD, General Counsel
- Bryon Kolbeck, Chief Technology Officer

**Consultants and Advisors**

- |  |   |
|--|---|
| Whitley Penn L.L.P., Houston, Texas<br>Independent Auditors      | Hilltop Securities, Dallas, Texas<br>Financial Advisors               |
| McCall, Parkhurst & Horton L.L.P., Dallas, Texas<br>Bond Counsel | Walsh Gallegos Treviño Russo & Kyle, P.C., Austin, Texas<br>Attorneys |

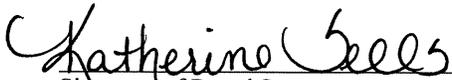
**CERTIFICATE OF BOARD**

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

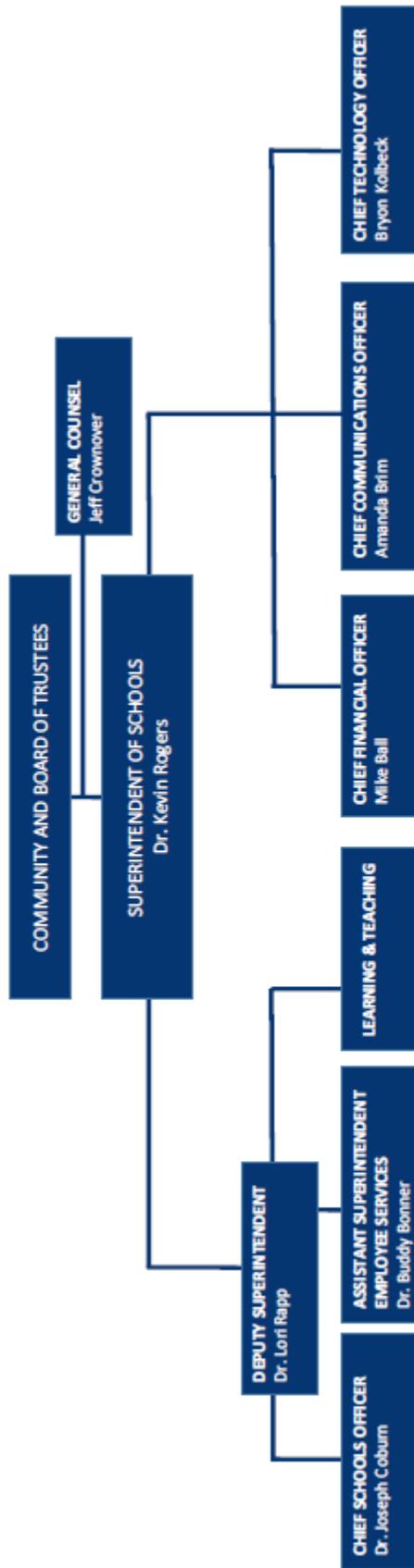
**Denton**  
County

**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, 2018, at a meeting of Board of Trustees of such school district on the 10<sup>th</sup> day of December, 2018.

  
Signature of Board Secretary

  
Signature of Board President





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, 2017**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

**Lewisville Independent School District**

for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended August 31, 2017.

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style.

John D. Musso, CAE  
Executive Director

**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, 2018, 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 the Lewisville Education Foundation, Inc. as of and for the year ended December 31, 2017. 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 the 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, 2018, 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.

### **Emphasis of Matter**

As discussed in Note 1, Note 7 and Note 16 to the financial statements, the District adopted the provisions of Government Accounting Standards Board (“GASB”) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, as of August 31, 2018. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 5 - 15 and pension information and other post employment benefit information on pages 78 - 79 and 81 - 82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

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

To the Board of Trustees  
Lewisville Independent School District

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 10, 2018 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.

The image shows a handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive style with a large, stylized "P" for "Penn".

Houston, Texas  
December 10, 2018

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**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

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, 2018. 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 liabilities and deferred inflows of the District exceeded its assets and deferred outflows at the close of the fiscal year by \$92.8 million (net deficit). This deficit is caused by the implementation of Governmental Accounting Standards Board Statements No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pension (“GASB No. 75”) and reflects the District’s proportionate share of the post-employment benefit liability in the financials. The change does not affect the financial stability of the District nor does it change how the District conducts its financial decision-making. Rather, the District is reflecting its portion of the liability that the State of Texas manages and operates on-behalf of all school districts in Texas.
- The District’s total net position increased by \$85.7 million, excluding the prior period adjustment for GASB No. 75, which decreased net position by \$288.9 million.
- The District's governmental funds financial statements reported combined ending fund balance of \$519.9 million. This balance consists of \$154.0 million in the General Fund of which \$118.4 million is committed and \$32.1 million is unassigned and available for spending at the District's discretion. Restricted fund balance totals \$360.6 million and is used by the Debt Service Fund, Capital Projects Funds and Non-major Funds. Non-spendable fund balance is \$3.5 million and the remaining balance consists of \$5.3 million committed in the Non-major governmental funds.
- During the fiscal year, the District issued \$61.165 and \$8.905 million in Unlimited Tax Refunding Bonds. The District also issued \$117.210 million in Unlimited Tax School Building Bonds for various construction activities.
- The General Fund had \$458.5 million in revenues, which primarily consisted of state aid and property taxes, and \$473.5 million in expenditures decreasing the fund balance this year by \$15.4 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 INDEPENDENT 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 is 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 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.

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

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

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

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

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

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

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a District's financial position. The District's combined net position decreased between fiscal years 2018 and 2017 - decreasing by \$203.2 million, including the prior period adjustment 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 \$99.8 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 INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

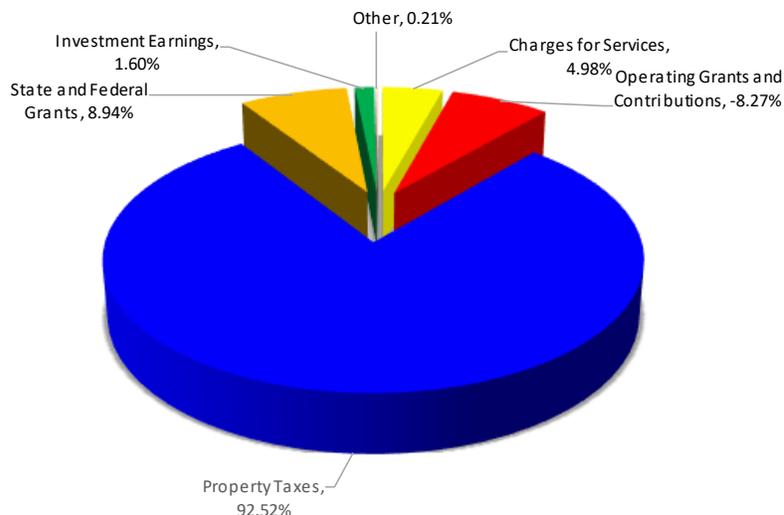
The following table provides a summary of the assets, deferred outflows, liabilities, deferred inflows, and net position for governmental activities for the years ended August 31, 2018 and 2017, respectively.

	<b>2018</b>	<b>2017</b>
Current and Other Assets	\$ 609,780,488	\$ 499,980,867
Capital Assets	1,049,367,151	1,051,558,464
Total Assets	1,659,147,639	1,551,539,331
<b>Total Deferred Outflows of Resources</b>	<b>87,739,179</b>	<b>100,098,130</b>
Current Liabilities	85,447,102	37,442,466
Long-Term Liabilities	1,654,787,179	1,484,413,153
<b>Total Liabilities</b>	<b>1,740,234,281</b>	<b>1,521,855,619</b>
<b>Total Deferred Inflows of Resources</b>	<b>99,453,987</b>	<b>19,396,318</b>
Net Position		
Net Investment in capital assets	99,766,457	126,778,118
Restricted	45,813,722	47,470,307
Unrestricted	(238,381,629)	(63,862,901)
<b>Total Net Position</b>	<b>\$ (92,801,450)</b>	<b>\$ 110,385,524</b>

A portion of the net position is restricted as to the purpose for which they can be used. Unrestricted net position decreased by \$174.5 million.

**Changes in net position.** The District's total revenues were \$558.2 million representing a decrease of \$75.6 million from the previous year. The majority of this decrease is caused the reduction in operating grants and contributions revenue of \$102.3 million attributed mainly to the GASB No. 75 entries. There was an increases in local property tax revenue of \$39.9 million due to higher assessed values on properties. State aid and federal grants decrease by \$29.6 million, due to the District receiving less aid from the State. As seen below, approximately 91% of the District's revenue comes from taxes while the remaining comes primarily from state and federal sources.

District Sources of Revenue for Fiscal Year 2018



**LEWISVILLE INDEPENDENT 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 \$472.5 million, a decrease of \$106.1 million from the previous year. GASB No. 75 entries drove the decrease.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. The program revenues amounted to a negative \$18.0 million, resulting from GASB No. 75. Prior year program revenues were \$82.5 million.

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**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction and Instruction Related Services	\$ 234,299,233	\$ 272,857,500
Support Services Student (Pupil)	63,411,454	46,360,663
Support Services Nonstudent based	50,037,577	50,801,052
Debt Service	42,467,688	41,976,302
	<u>\$ 390,215,952</u>	<u>\$ 411,995,517</u>

As seen in the following chart:

- The amount that our taxpayers paid for these activities through property taxes was \$506.0 million.
- Those who directly benefited from the programs paid \$27.3 million.
- Operating grants and contributions totaled negative \$45.2 million, due to the implementation of GASB No. 75.

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

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

	<u>2018</u>	<u>2017</u>	<u>Percentage Change from Prior Year</u>
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 27,255,910	\$ 25,369,161	7.44%
Operating Grants and Contributions	(45,220,947)	57,106,825	-179.19%
General Revenues:			
Property Taxes	505,960,636	467,040,235	8.33%
State and Federal Grants	48,901,500	78,550,665	-37.75%
Investment Earnings	8,771,027	2,702,075	224.60%
Miscellaneous	1,174,359	3,066,330	-61.70%
Extraordinary item	11,398,763	-	100.00%
<b>Total Revenues</b>	<u>558,241,248</u>	<u>633,835,291</u>	<u>-11.93%</u>
<b>Expenses</b>			
Instruction and Instruction Related Services	234,299,233	335,680,581	-30.20%
Instructional and School Leadership	29,621,308	42,185,652	-29.78%
Support Services Student (Pupil)	70,364,270	81,466,511	-13.63%
Administrative Support Services	7,691,141	10,177,321	-24.43%
Support Services Nonstudent Based	50,037,577	55,685,420	-10.14%
Ancillary Services	5,723,026	7,351,795	-22.15%
Interest and Fiscal Charges	42,467,688	39,817,052	6.66%
Other Facility Costs	29,245,473	3,171,803	822.05%
Intergovernmental Charges	3,055,240	3,023,152	1.06%
<b>Total Expenses</b>	<u>472,504,956</u>	<u>578,559,287</u>	<u>-18.33%</u>
Increase (Decrease) in Net Position	85,736,292	55,276,004	55.11%
Net Position - September 1	110,385,524	55,109,520	100.30%
Change in Accounting Principle	(288,923,266)	-	100.00%
<b>Net Position - August 31</b>	<u>\$ (92,801,450)</u>	<u>\$ 110,385,524</u>	<u>-184.07%</u>

\* Implementation of GASB 75 was effective at the beginning of the 2018 fiscal year. Changes for revenues and expenses prior to the implementation have not been calculated and are not available for comparison.

Revenues for the District's governmental activities decreased year over year overall by \$75.6 million for the fiscal year ended August 31, 2018. The decrease is caused by the reduction in operating grants and contributions revenue by \$102.3 million mainly due to the GASB 75 OPEB entries. The OPEB entries were related to the overall reduction in the OPEB liability for the year, which resulted in negative on-behalf adjustment.

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

Governmental Revenues by Type	FY 2017	FY 2018	Negative On-behalf Activities	FY 2018	Variance**
		including Negative On-behalf Activities*		excluding Negative On-behalf Activities	
<b>Program Revenues:</b>					
Charges for services	\$ 25,369,161	\$ 27,255,910	\$ -	\$ 27,255,910	\$ 1,886,749
Operating grants and contributions	57,106,825	(45,220,947)	(89,048,428)	43,827,481	(13,279,344)
<b>General Revenues:</b>					
Property taxes	467,040,235	505,960,636	-	505,960,636	38,920,401
State and other grants	78,550,665	48,901,500	-	48,901,500	(29,649,165)
Other	5,768,405	21,344,149	-	21,344,149	15,575,744
<b>Total Revenues</b>	<b>\$ 633,835,291</b>	<b>\$ 558,241,248</b>	<b>\$ (89,048,428)</b>	<b>\$ 647,289,676</b>	<b>\$ 13,454,385</b>

\*as presented in Exhibit B-1

\*\* variance represents the difference between FY 2017 and FY 2018 revenues excluding Negative On-behalf Activities

Expenses for the District's governmental activities decreased year over year overall \$106.1 million for the fiscal year ended August 31, 2018. The decrease is caused mainly due to the GASB 75 OPEB entries.

Governmental Expenses by Type	FY 2017	FY 2018	Negative On-behalf Activities	FY 2018	Variance**
		including Negative On-behalf Activities*		excluding Negative On-behalf Activities	
Instruction and Instruction Related Service	\$ 335,680,581	\$ 234,299,233	\$ (65,406,070)	\$ 299,705,303	\$ (35,975,278)
Instructional and School Leadership	42,185,652	29,621,308	(8,922,652)	38,543,960	(3,641,692)
Support Services Student (Pupil)	81,466,511	70,364,270	(8,219,170)	78,583,440	(2,883,071)
Administrative Support Services	10,177,321	7,691,141	(1,656,301)	9,347,442	(829,879)
Support Services Nonstudent Based	55,685,420	50,037,577	(3,686,605)	53,724,182	(1,961,238)
Ancillary Services	7,351,795	5,723,026	(1,157,630)	6,880,656	(471,139)
Interest and Fiscal Charges	39,817,052	42,467,688	-	42,467,688	2,650,636
Other Facility Costs	3,171,803	29,245,473	-	29,245,473	26,073,670
Intergovernmental Charges	3,023,152	3,055,240	-	3,055,240	32,088
<b>Total Expenses</b>	<b>\$ 578,559,287</b>	<b>\$ 472,504,956</b>	<b>\$ (89,048,428)</b>	<b>\$ 561,553,384</b>	<b>\$ (17,005,903)</b>

\* as presented in Exhibit B-1

\*\* variance represents the difference between FY 2017 and FY 2018 expenses excluding Negative On-behalf Activities

The District's combined property tax rate decreased to \$1.4075 per \$100 of assessed value. This generated tax revenues of \$503.5 million in fiscal year 2018, an increase of \$41.9 million over the 2017 fiscal year.

**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 \$519.9 million, an increase of \$64.0 million in comparison with the prior year. Approximately 6% of this total amount (\$32.1 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 nonspendable. 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 three months of expenditures (\$118.4 million) in committed fund balance in the General Fund. The District has \$312.9 million in restricted unspent bond proceeds in its capital projects fund.

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

*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 \$32.1 million, while total fund balance was \$154.0 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 7% of total General Fund expenditures, while total fund balances represents 33% of that same amount.

The District's General Fund balance decreased \$15.4 million during the current fiscal year in comparison to an increase in the prior year of \$10.7 million. Local revenues increased by \$35.7 million primarily due to property taxes. State revenues decreased by \$27.6 million, as the District has continued to see increase in property values.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$41.1 million, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year in the Debt Service Fund was \$2.2 million, which was attributed to refunding activity, which include cash defeasance contributions from the District.

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

	<b>2018</b>	<b>2017</b>
Revenues		
Property taxes	\$ 132,571,342	\$ 124,793,362
Investment income	1,607,861	661,825
State revenues	2,125,354	2,472,502
Federal revenues	491,386	489,807
Total Revenues	<u>136,795,943</u>	<u>128,417,496</u>
Expenditures by function		
Principal	73,760,515	57,663,384
Interest	65,936,246	57,479,032
Total Expenditures	<u>139,696,761</u>	<u>115,142,416</u>
Other Financing Sources (Uses)		
Refunding bonds issued	70,070,000	68,850,000
Net premiums on issuance of bonds	10,653,676	11,267,758
Payments to refunded bond escrow	(80,032,053)	(79,527,330)
Total Other Financing Sources (Uses)	<u>691,623</u>	<u>590,428</u>
Net change in fund balance	(2,209,195)	13,865,508
Fund balance - September 1	43,277,312	29,411,804
Fund balance - August 31	<u>\$ 41,068,117</u>	<u>\$ 43,277,312</u>

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

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$312.9 million, all of which is restricted for ongoing capital projects. The fund balance increased by \$79.9 million during the current fiscal year due issuance of bonds for construction projects, less ongoing construction 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 \$18.4 million from the original budget.
- *Variances of amended budget to actual expenditures*- Expenditures were \$11.0 million less than final budgeted amounts. Salaries and benefits expenditures were \$3.4 million less than budget, a variance of 0.8%. Purchased and contracted services were \$3.9 million under budget, a variance of 6.5%. The variance includes utilities, transportation, contracted maintenance projects and other contracted services. Supplies and materials were under budget by \$2.9 million or 21.0%.
- *Variances of original revenue budget compared to actual revenue* - Local revenues were over budget by \$3.1 million. State revenues were \$3.7 million under budget due to increase of property values. Federal revenue was up by \$1.3 million primarily due to Impact Aid and SHARS revenue.

**Capital Assets**

At the end of 2018, the District invested \$1.05 billion in a broad range of capital assets, including land, equipment, buildings, and construction in progress. This amount represents a net decrease of \$2.2 million or 0.2% from last year.

The majority of capital asset activity is reported in the Capital Projects Fund. Facility acquisitions and construction expenditures increased by 274% from fiscal year 2017.

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

New Career Center West	New Mill Street Elementary
Polser 20 Year Refresh	Creekside 20 Year Refresh
MHS Limited Renovations	TCHS Softball Field Replacement
District Wide Access Control	Stage Curtain and Lighting Replacements
Exterior Lighting Replacements – Phase I	Year One Restroom Renovations
New Josey Elementary School	Security Vestibule Renovations
March 2017 Wind and Hail Damage Project	Marcus Parking Lot
HVAC Control Upgrades	Old Settlers ES 20 Year Refresh

**LEWISVILLE INDEPENDENT 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, 2018 and 2017, respectively:

	<u>2018</u>	<u>2017</u>	<u>Total % Change</u>
Land	\$ 111,886,031	\$ 111,886,031	0.00%
Buildings and Improvements	1,348,774,182	1,334,467,365	1.07%
Vehicles	3,925,480	3,331,410	17.83%
Furniture and Equipment	24,531,720	21,501,724	14.09%
Construction in Progress	15,780,221	95,706	100.00%
Total at historical cost	<u>1,504,897,634</u>	<u>1,471,282,236</u>	<u>2.28%</u>
Less accumulated depreciation for:			
Buildings and Improvements	438,785,423	404,539,946	8.47%
Vehicles	2,624,878	2,523,530	4.02%
Furniture and Equipment	14,120,182	12,660,296	11.53%
Total accumulated depreciation	<u>455,530,483</u>	<u>419,723,772</u>	<u>8.53%</u>
Net capital assets	<u>\$ 1,049,367,151</u>	<u>\$ 1,051,558,464</u>	<u>-0.21%</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 \$1,387,749,924 an increase of 1.7% percent from the prior year. During the fiscal year, the District issued \$61,165,000 and \$8,905,000 in Unlimited Tax Refunding Bonds and \$117,210,000 in Unlimited Tax School Building Bonds. The proceeds will be used to refund prior debt and to fund various construction projects. The District's debt includes capital appreciation bonds which accrete interest until their maturing date. Total accreted interest on these capital appreciation bonds totaled \$41,926,935 at the end of the fiscal year.
- 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).

**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. The 2018-2019 appraised property values increased by approximately 8.5%. The State funding formulas currently provide that as property values and associated tax revenues increase, state funding decreases by a comparable amount after a one year period. For the 2018-2019 fiscal year, property taxes are expected to increase by \$32.4 million. The District is expecting to pay recapture payments to the State in accordance with Chapter 41 of the Texas Education Code in the amount of \$34.5 million.

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

The Maintenance and Operations (M&O) tax rate remained at \$1.04 per \$100 valuation for the 2018-19 year. The Interest and Sinking (I&S) tax rate also remained unchanged at \$0.3675 per \$100 valuation for the 2018-19 year. The District's student enrollment is expected to remain fairly constant for the 2018-19 year.

General Fund expenditures are budgeted to increase by \$14.1 million or 2.90 percent over the prior year budgeted expenditures. Major expenditure changes include a salary increase of 2 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 \$8.5 million by the close of 2019 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 Chief Financial Officer at Lewisville Independent School District Administrative Center, 1565A West Main Street, Lewisville, TX 75067.

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**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
August 31, 2018

Exhibit A-1

Data Control Codes	<b>Total Primary Government Governmental Activities</b>	<b>Component Unit December 31, 2017</b>	
	<b>August 31, 2018</b>		
<b>Assets</b>			
1110	Cash and cash equivalents	\$ 587,454,688	\$ 4,001,113
	Receivables:		
1225	Property taxes	5,246,880	-
1230	Allowance for uncollectible taxes	(916,175)	-
1240	Due from other governments	3,078,114	-
1250	Accrued interest	693,260	-
1290	Other receivables	117,560	43,780
1300	Inventories at cost	642,147	-
1410	Prepaid items	3,406,149	11,923
	Capital assets (net of accumulation depreciation where applicable)		
1510	Land	111,886,031	-
1580	Construction in progress	15,780,221	-
1520	Buildings and improvements	909,988,759	-
1531	Vehicles	1,300,602	-
1530	Furniture and equipment	10,411,538	-
1810	Restricted Cash and Investments	10,057,865	-
<b>1000</b>	<b>Total Assets</b>	<b>1,659,147,639</b>	<b>4,056,816</b>
<b>Deferred Outflows of Resources</b>			
1700	Deferred outflows - charge on refunding	34,600,468	-
1705	Deferred outflows - pension	50,377,534	-
1710	Deferred outflows - OPEB	2,761,177	-
	<b>Total Deferred Outflows of Resources</b>	<b>87,739,179</b>	<b>-</b>
<b>Liabilities</b>			
2110	Accounts payable	29,429,889	-
2140	Interest payable	2,259,364	-
2150	Payroll deductions and withholdings payable	3,680,961	-
2160	Accrued wages payable	34,387,720	-
2180	Due to other governments	12,382,994	-
2300	Unearned revenue	3,306,174	7,200
	Noncurrent Liabilities:		
2501	Due within one year	84,867,635	-
2502	Due in more than one year	1,305,619,165	-
2540	Net pension liability	99,530,342	-
2545	Net Other Post Employment Benefits (OPEB) liability	164,770,037	-
<b>2000</b>	<b>Total Liabilities</b>	<b>1,740,234,281</b>	<b>7,200</b>
<b>Deferred Inflows of Resources</b>			
2605	Deferred inflows - pension	30,530,369	-
2610	Deferred inflows - OPEB	68,923,618	-
	<b>Total Deferred Inflows of Resources</b>	<b>99,453,987</b>	<b>-</b>
<b>Net Position</b>			
3200	Net investment in capital assets	99,766,457	-
	<b>Restricted for:</b>		
3820	Food service	5,679,198	-
3820	Grants	217,249	-
3850	Debt service	39,917,275	-
3890	Expendable	-	379,091
3890	Nonexpendable	-	2,360,514
3900	Unrestricted	(238,381,629)	1,310,011
<b>3000</b>	<b>Total Net Position (deficit)</b>	<b>\$ (92,801,450)</b>	<b>\$ 4,049,616</b>

See Notes to the Financial Statements

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

For the Year Ended August 31, 2018

Data Control Codes	Functions/Programs	Expenses	Program Revenue	
			Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>				
Governmental activities:				
11	Instruction	225,462,145	\$ 1,545,924	\$ (40,299,542)
12	Instruction resources & media services	5,823,255	27,270	(1,091,710)
13	Curriculum & instructional staff development	3,013,833	37,428	1,222,363
21	Instructional leadership	6,953,673	88,318	(1,719,351)
23	School administration	22,667,635	236,540	(5,780,120)
31	Guidance and counseling	15,120,788	299,365	(3,569,010)
32	Social work services	(1,132,246)	-	(712,947)
33	Health services	4,034,451	544	(940,457)
34	Pupil transportation	15,741,491	-	108,653
35	Food services	22,100,123	11,335,747	12,802,831
36	Co-curricular activities	14,499,663	5,398,161	(1,327,721)
41	General administration	7,691,141	204,184	(942,795)
51	Plant maintenance and operation	38,809,077	1,771,287	(992,072)
52	Security and monitoring	2,113,845	4,620	(159,297)
53	Data processing services	9,114,655	-	(1,388,013)
61	Community services	5,723,026	6,280,879	(923,145)
71	Interest and fiscal charges on long-term debt	42,467,688	-	491,386
81	Other facility costs	29,245,473	25,643	-
93	Fiscal agent/member district of shared service arrangement	82,000	-	-
95	Juvenile justice alternative education program	34,176	-	-
99	Other intergovernmental charges	2,939,064	-	-
<b>TG</b>	<b>Total governmental activities</b>	<b>\$ 472,504,956</b>	<b>\$ 27,255,910</b>	<b>\$ (45,220,947)</b>
<b>Component Units:</b>				
	Lewisville Education Foundation, Inc.	\$ 870,765		\$ 879,411

**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>E1</b>	Extraordinary item - hail storm insurance proceeds
<b>TR</b>	<b>Total general revenues</b>
<b>CN</b>	Change in net position
<b>NB</b>	<b>Net position - beginning</b>
<b>PA</b>	Prior period adjustments
<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, 2018</b>	<b>Year Ended December 31, 2017</b>
\$ (264,215,763)	
(6,887,695)	
(1,754,042)	
(8,584,706)	
(28,211,215)	
(18,390,433)	
419,299	
(4,974,364)	
(15,632,838)	
2,038,455	
(10,429,223)	
(8,429,752)	
(38,029,862)	
(2,268,522)	
(10,502,668)	
(365,292)	
(41,976,302)	
(29,219,830)	
(82,000)	
(34,176)	
(2,939,064)	
\$ (490,469,993)	
	\$ 8,646
373,822,932	-
132,137,704	-
42,143,916	-
3,262,951	-
3,494,633	-
8,771,027	453,865
1,174,359	-
11,398,763	-
576,206,285	453,865
85,736,292	462,511
110,385,524	3,587,105
(288,923,266)	-
\$ (92,801,450)	\$ 4,049,616

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

August 31, 2018

<b>Data Control Codes</b>	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
<b>Assets</b>			
1110 Cash and temporary investments	\$ 208,439,787	\$ 30,844,984	\$ 330,935,843
<b>Receivables:</b>			
1220 Delinquent property taxes receivables	3,827,127	1,419,753	-
1230 Allowance for uncollectible taxes (credit)	(678,922)	(237,253)	-
1240 Receivables from other governments	52,841	9,028	-
1250 Accrued interest	318,165	81,995	293,100
1260 Due from other funds	1,366,103	-	-
1290 Other receivables	117,560	-	-
1300 Inventories, at cost	111,982	-	-
1410 Prepaid items	3,405,882	267	-
1810 Restricted Cash and Investments	-	10,057,865	-
<b>1000 Total Assets</b>	<b>\$ 216,960,525</b>	<b>\$ 42,176,639</b>	<b>\$ 331,228,943</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
2110 Accounts payable	\$ 8,335,712	\$ -	\$ 18,286,934
2140 Accrued interest payable	-	82,516	-
2150 Payroll deductions and withholdings	3,680,961	-	-
2160 Accrued wages payable	33,473,104	-	15,341
2170 Due to other funds	43,159	-	-
2180 Payable to other governments	12,379,025	-	-
2300 Unearned revenue	2,334,224	-	-
<b>2000 Total Liabilities</b>	<b>60,246,185</b>	<b>82,516</b>	<b>18,302,275</b>
<b>Deferred Inflows of Resources</b>			
2600 Unavailable revenue - property taxes	2,725,902	1,026,006	-
<b>Total Deferred Inflows of Resources</b>	<b>2,725,902</b>	<b>1,026,006</b>	<b>-</b>
<b>Fund Balance:</b>			
<b>Nonspendable:</b>			
3410 Inventories	111,982	-	-
3430 Prepaid items	3,405,882	-	-
<b>Restricted</b>			
3450 Grants	-	-	-
3470 Capital acquisition program	-	-	312,926,668
3480 Debt service	-	41,068,117	-
<b>Committed</b>			
3545 Campus activity	-	-	-
3545 Minimum fund balance policy	118,368,241	-	-
3600 <b>Unassigned</b>	<b>32,102,333</b>	<b>-</b>	<b>-</b>
<b>3000 Total Fund Balances</b>	<b>153,988,438</b>	<b>41,068,117</b>	<b>312,926,668</b>
<b>4000 Total Liabilities and Fund Balance</b>	<b>\$ 216,960,525</b>	<b>\$ 42,176,639</b>	<b>\$ 331,228,943</b>

See Notes to the Financial Statements.

**Exhibit C-1**

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 12,823,911	\$ 583,044,525
-	5,246,880
-	(916,175)
3,016,245	3,078,114
-	693,260
-	1,366,103
-	117,560
530,165	642,147
-	3,406,149
-	10,057,865
<u>\$ 16,370,321</u>	<u>\$ 606,736,428</u>
\$ 1,218,817	\$ 27,841,463
-	82,516
-	3,680,961
899,275	34,387,720
1,366,103	1,409,262
3,969	12,382,994
971,950	3,306,174
<u>4,460,114</u>	<u>83,091,090</u>
-	3,751,908
<u>-</u>	<u>3,751,908</u>
-	111,982
-	3,405,882
6,619,656	6,619,656
-	312,926,668
-	41,068,117
5,290,551	5,290,551
-	118,368,241
-	32,102,333
<u>11,910,207</u>	<u>519,893,430</u>
<u>\$ 16,370,321</u>	<u>\$ 606,736,428</u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO**  
**STATEMENT OF NET POSITION**  
*August 31, 2018*

*Exhibit C-1R*

<b>Data Control Codes</b>		
	<b>Total fund balance, governmental funds</b>	\$ 519,893,430
	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.	
1		1,504,897,634
	Accumulated depreciation has not been included in the governmental fund financial statements	
2		(455,530,483)
	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).	
3		3,751,908
4	Deferred charges on refunding	34,600,468
5	Deferred inflows and outflows related to pension liability	19,847,165
6	Deferred inflows and outflows related to OPEB liability	(66,162,441)
	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:	
7	General obligation bonds	(1,243,716,701)
8	Premiums on issuance	(102,106,288)
9	Accreted interest on premium compound interest bonds	(41,926,935)
10	Accrued compensated absences	(2,736,876)
11	Accrued interest payable	(2,176,848)
12	Net pension liability	(99,530,342)
13	Net OPEB liability	(164,770,037)
14	Addition of Internal Service fund net position	<u>2,864,896</u>
19	<b>Total net position - governmental activities</b>	<u>\$ (92,801,450)</u>

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, 2018**

<b>Data</b>				
<b>Control</b>				
<b>Codes</b>		<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
	<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$ 389,133,811	\$ 134,179,203	\$ 3,219,044
5800	State program revenues	62,258,259	2,125,354	-
5900	Federal program revenues	7,094,983	491,386	-
<b>5020</b>	<b>Total Revenues</b>	<b>458,487,053</b>	<b>136,795,943</b>	<b>3,219,044</b>
	<b>Expenditures</b>			
	<b>Current:</b>			
0011	Instruction	295,395,689	-	-
0012	Instructional resources and media services	6,704,398	-	-
0013	Curriculum and instructional staff development	2,314,061	-	-
0021	Instructional leadership	10,129,682	-	-
0023	School leadership	32,352,945	-	-
0031	Guidance, counseling and evaluation services	21,563,709	-	-
0032	Social work services	325,302	-	-
0033	Health services	5,664,211	-	-
0034	Student transportation	15,515,870	-	-
0035	Food services	35,900	-	147,005
0036	Extracurricular activities	10,350,197	-	-
0041	General administration	9,704,712	-	-
0051	Facilities maintenance and operations	39,886,191	-	973
0052	Security and monitoring services	2,116,763	-	-
0053	Data processing services	11,022,216	-	-
0061	Community services	6,605,359	-	-
	<b>Debt service:</b>			
0071	Principal on long-term debt	655,215	73,760,515	-
0072	Interest on long-term debt and fees	3,210	65,936,246	862,756
	<b>Capital outlay:</b>			
0081	Facilities acquisition and construction expenditures	72,092	-	59,536,673
	<b>Intergovernmental:</b>			
0093	Payments related to shared services arrangements	82,000	-	-
0095	Payments to Juvenile Justice Alternative Education Program	34,176	-	-
0099	Other Intergovernmental Charges	2,939,064	-	-
<b>6030</b>	<b>Total Expenditures</b>	<b>473,472,962</b>	<b>139,696,761</b>	<b>60,547,407</b>
1100	Excess (deficiency) of revenues over expenditures	<b>(14,985,909)</b>	<b>(2,900,818)</b>	<b>(57,328,363)</b>
	<b>Other Financing Sources (Uses)</b>			
7901	Refunding bonds issued	-	70,070,000	-
7911	Issuance of Capital-related debt (regular bonds)	-	-	117,210,000
7912	Sale of real or personal property	80,911	-	-
7915	Transfers in	46,574	-	-
7916	Premium or discount on issuance of bonds	-	10,653,676	8,652,756
8911	Transfers out	(500,000)	-	-
8949	Payment to Bond Refunding Escrow Agent	-	(80,032,053)	-
<b>7080</b>	<b>Total other financing sources and uses</b>	<b>(372,515)</b>	<b>691,623</b>	<b>125,862,756</b>
	<b>Special Items</b>			
7919	Extraordinary Items	-	-	11,398,763
1200	Net change in fund balances	(15,358,424)	(2,209,195)	79,933,156
<b>0100</b>	<b>Fund Balance - beginning</b>	<b>169,346,862</b>	<b>43,277,312</b>	<b>232,993,512</b>
<b>3000</b>	<b>Fund Balance - ending</b>	<b>\$ 153,988,438</b>	<b>\$ 41,068,117</b>	<b>\$ 312,926,668</b>

See Notes to the Financial Statements.

*Exhibit C-2*

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 17,959,953	\$ 544,492,011
1,229,711	65,613,324
28,570,638	36,157,007
<u>47,760,302</u>	<u>646,262,342</u>
17,017,205	312,412,894
85,333	6,789,731
1,689,731	4,003,792
75,358	10,205,040
608,626	32,961,571
1,075,821	22,639,530
-	325,302
80,998	5,745,209
106,429	15,622,299
22,431,281	22,614,186
1,495,279	11,845,476
146,462	9,851,174
1,111,205	40,998,369
11,267	2,128,030
-	11,022,216
73,116	6,678,475
-	74,415,730
-	66,802,212
61,115	59,669,880
-	82,000
-	34,176
-	2,939,064
<u>46,069,226</u>	<u>719,786,356</u>
<u>1,691,076</u>	<u>(73,524,014)</u>
-	70,070,000
-	117,210,000
7,525	88,436
-	46,574
-	19,306,432
(46,574)	(546,574)
-	(80,032,053)
<u>(39,049)</u>	<u>126,142,815</u>
-	11,398,763
1,652,027	64,017,564
10,258,180	455,875,866
<u>\$ 11,910,207</u>	<u>\$ 519,893,430</u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
*For the Year Ended August 31, 2018*

*Exhibit C-3*

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-3)	\$ 64,017,564
	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	34,480,939
2	Governmental activities depreciation expense	(36,623,319)
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.	(48,934)
4	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,568,098)
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.	73,760,515
6	Proceeds from issuance of refunding and construction bonds of (\$187,280,000) and premium on long-term debt of (\$19,306,432) is reported as an other financing source in the governmental funds. Amounts paid to refunding agent of \$80,032,053, are reported as other financing uses in the governmental funds. In addition the District has a cash contribution of \$10,000,000.	(116,554,379)
7	Increase in interest payable not recognized in the fund statements	(420,712)
8	Repayment of capital lease	655,215
	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:	
9	Amortization of premiums, deferred charges on refunding	11,496,983
10	Capital appreciation bonds matured and related accreted interest	3,258,253
11	Deferred outflows of resources - TRS pension	10,598,819
12	Deferred outflows of resources - TRS OPEB	2,753,534
13	Deferred inflows of resources - TRS pension expense for the plan measurement year	(14,624,317)
14	Deferred inflows of resources - TRS OPEB expense for the plan measurement year	55,237,254
15	Increase in long term compensation absences	(449,257)
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)	<u>(233,768)</u>
	<b>Change in net position of governmental activities (see B-1)</b>	<b><u>\$ 85,736,292</u></b>

See Notes to the Financial Statements.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**  
**For the Year Ended August 31, 2018**

*Exhibit C-4*

Data Control Codes	Budgeted Amounts				
	Original	Final	Actual Amounts, GAAP Basis	Variance with Final Budget	
<b>Revenues</b>					
5700	Local revenues	\$ 386,007,365	\$ 386,007,365	\$ 389,133,811	\$ 3,126,446
5800	State program revenues	65,215,492	66,018,764	62,258,259	(3,760,505)
5900	Federal program revenues	5,698,900	5,698,900	7,094,983	1,396,083
<b>5020</b>	<b>Total Revenues</b>	<u>456,921,757</u>	<u>457,725,029</u>	<u>458,487,053</u>	<u>762,024</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	287,807,055	296,261,785	295,395,689	866,096
0012	Instructional resources and media services	6,441,033	7,016,093	6,704,398	311,695
0013	Curriculum and staff development	2,739,563	2,966,137	2,314,061	652,076
0021	Instructional leadership	9,905,368	10,440,099	10,129,682	310,417
0023	School leadership	30,351,269	32,591,264	32,352,945	238,319
	Guidance, counseling and				
0031	evaluation services	20,751,429	22,374,191	21,563,709	810,482
0032	Social work services	101,519	331,811	325,302	6,509
0033	Health services	5,431,299	5,928,339	5,664,211	264,128
0034	Student transportation	15,183,118	15,682,353	15,515,870	166,483
0035	Food services	34,134	181,848	35,900	145,948
0036	Extracurricular activities	10,184,027	10,630,798	10,350,197	280,601
0041	General administration	10,739,698	10,902,637	9,704,712	1,197,925
0051	Facilities maintenance and operations	41,085,833	42,310,719	39,886,191	2,424,528
0052	Security and monitoring services	2,001,809	2,132,228	2,116,763	15,465
0053	Data processing services	11,359,549	11,758,403	11,022,216	736,187
0061	Community services	7,942,293	8,071,743	6,605,359	1,466,384
<b>Debt Service:</b>					
0071	Principal on long-term debt	658,426	658,426	658,425	1
<b>Capital outlay:</b>					
0081	Facilities acquisition and construction	-	103,831	72,092	31,739
<b>Intergovernmental:</b>					
0091	Contracted intructional services	-	750,000	-	750,000
0093	Payments related to shared services				
	arrangements	210,000	210,000	82,000	128,000
0095	Payments to Juvenile Justice Alt. Ed.	200,000	200,000	34,176	165,824
0099	Other Intergovernmental Charges	2,949,800	2,949,800	2,939,064	10,736
<b>6030</b>	<b>Total Expenditures</b>	<u>466,077,222</u>	<u>484,452,505</u>	<u>473,472,962</u>	<u>10,979,543</u>
1100	Excess (deficiency) of revenues over expenditures	<u>(9,155,465)</u>	<u>(26,727,476)</u>	<u>(14,985,909)</u>	<u>11,741,567</u>
<b>Other Financing Sources (Uses)</b>					
7912	Sale of real or personal property	-	-	80,911	80,911
7915	Operating transfers in	-	-	46,574	46,574
8911	Operating transfers out	(500,000)	(500,000)	(500,000)	-
<b>7080</b>	<b>Total other financing sources and uses</b>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(372,515)</u>	<u>127,485</u>
1200	Net change in fund balances	(9,655,465)	(27,227,476)	(15,358,424)	11,869,052
<b>0100</b>	<b>Fund balances - beginning</b>	<u>169,346,862</u>	<u>169,346,862</u>	<u>169,346,862</u>	<u>-</u>
<b>3000</b>	<b>Fund balances - ending</b>	<u>\$ 159,691,397</u>	<u>\$ 142,119,386</u>	<u>\$ 153,988,438</u>	<u>\$ 11,869,052</u>

See Notes to the Financial Statements.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*August 31, 2018*

*Exhibit D-1*

	<u>Governmental</u> <u>Activities</u> <u>Internal Service</u> <u>Fund</u>
<b>Assets</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 4,410,163
Due from other funds	43,159
<b>Total Assets</b>	<u>4,453,322</u>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts payable	5,310
Accrued expenses	1,583,116
<b>Total Liabilities</b>	<u>1,588,426</u>
<b>Net Position</b>	
Unrestricted net position	2,864,896
<b>Total Net Position</b>	<u>\$ 2,864,896</u>

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, 2018*

	<b>Governmental Activities Internal Service Fund</b>
<b>Operating Revenues</b>	
Premiums	\$ 532,974
<b>Total Operating Revenues</b>	<u>532,974</u>
<b>Operating Expenses</b>	
Professional and contracted services	91,020
Claims and premiums	1,245,911
<b>Total Operating Expenses</b>	<u>1,336,931</u>
Operating (Loss)	(803,957)
<b>Non-Operating Revenues</b>	
Interest income	70,189
<b>Total Non-operating Revenues</b>	<u>70,189</u>
Change in Net Position	(733,768)
Transfers in	500,000
<b>Net Position - September 1 (Beginning)</b>	<u>3,098,664</u>
<b>Net Position - August 31 (Ending)</b>	<u>\$ 2,864,896</u>

See Notes to the Financial Statements.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT***Exhibit D-3***STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS***Year Ended August 31, 2018*

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received for premiums from other funds	\$ 489,815
Cash paid for claims and premiums	(1,481,958)
<b>Net Cash used for Operating Activities</b>	<u>(992,143)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Advances from other funds	500,000
<b>Net Cash Provided by Investing Activities</b>	<u>500,000</u>
<b>Cash Flows from Investing Activities:</b>	
Interest received on investments	70,189
<b>Net Cash Provided by Investing Activities</b>	<u>70,189</u>
Net decrease in Cash and Cash Equivalents	(421,954)
Cash and Cash Equivalents at Beginning of Year	4,832,117
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 4,410,163</u>
<b>Reconciliation of Operating Income to Net Cash</b>	
<b>Provided by (used in) Operating Activities:</b>	
Operating Income (Loss)	\$ (803,957)
<b>Adjustments to Reconcile Operating Income to Net Cash</b>	
<b>Provided by Operating Activities:</b>	
Increase in Interfund Receivables	(43,159)
Increase in Accounts Payable	510
Decrease in Accrued Expenses	(145,537)
<b>Total Adjustments</b>	<u>(188,186)</u>
<b>Net Cash Used for Operating Activities</b>	<u>\$ (992,143)</u>

See Notes to the Financial Statements.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**August 31, 2018**

*Exhibit E-1*

	<b>Total Agency Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,823,613
Receivable from outside entities	413,218
Prepaid items	7,927
<b>Total Assets</b>	<b>\$ 3,244,758</b>
<b>Liabilities</b>	
Accounts payable	\$ 46,090
Due to outside entities	1,677,266
Due to other governments	100
Due to student groups	1,490,902
Unearned revenue	30,400
<b>Total Liabilities</b>	<b>\$ 3,244,758</b>

See Notes to the Financial Statements.

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

Lewisville Independent School District (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, 2017 can be obtained from Lewisville ISD Education Foundation, Inc., P.O. Box 643, Lewisville, Texas 75067.

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 non-fiduciary 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 one internal service fund as a proprietary fund. 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)**

**Fund Accounting**

Governmental Funds

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.

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

**Fund Accounting (continued)**

In addition, the District reports the following funds:

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

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

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

The District continues to fully provide for incurred but not reported costs for workers' compensation claims through the establishment of undiscounted liability accounts and net position.

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 non-operating 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 non-operating 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 Communities in Schools of North Texas, Inc. Financial resources for the Agency fund are recorded as assets and liabilities; therefore, this fund does not include revenues and expenditures and has no fund equity. If the student groups declare any unused resources surplus, they are transferred to the General Fund.

**Implementation of New Standards**

In the current fiscal year, the District implemented the following new standards. The applicable provisions of these new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required

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

**Implementation of New Standards (continued)**

supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements.

GASB Statement No. 85, *Omnibus 2017*. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement establishes standards of accounting and financial reporting for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources—that is, resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the purpose of extinguishing debt. This Statement also amends accounting and financial reporting requirements for prepaid insurance associated with debt that is extinguished, whether through a legal extinguishment or through an in substance defeasance, regardless of how the cash and other monetary assets were acquired. Finally, this Statement establishes an additional disclosure requirement related to debt that is defeased in substance, regardless of how the cash and other monetary assets were acquired.

The following standards have been issued, but have not been implemented as not yet effective.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes standards of accounting and financial reporting for fiduciary activities.

GASB Statement No. 87, *Leases*. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period.

**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, 2017 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)**

**Budgetary Data (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, 2018, the carrying amount of the District's cash deposits was \$8,358,197 and the bank balance was \$10,723,740. At year end, the District included cash equivalents in its cash accounts and reported a balance of \$27,169,824. The District's deposits at August 31, 2018 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)**

**Cash in Bank Depository and Investments (continued)**

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

	Cash	Investments	Total
General	\$ -	\$ 208,439,787	\$ 208,439,787
Non-major	12,823,911	-	12,823,911
Debt Service	415,018	40,487,831	40,902,849
Capital Projects	10,989,701	319,946,142	330,935,843
Internal Service	117,581	4,292,582	4,410,163
<b>Total Governmental Activities</b>	<b>24,346,211</b>	<b>573,166,342</b>	<b>597,512,553</b>
Agency	2,823,613	-	2,823,613
<b>Total</b>	<b>\$ 27,169,824</b>	<b>\$ 573,166,342</b>	<b>\$ 600,336,166</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, 2018:

<b>Investment Type</b>	<b>Fair Value</b>	<b>S&amp;P Credit Quality Ratings</b>	<b>Percentage of Investments</b>	<b>Weighted Average Maturity (Days)</b>
Certificates of Deposit	\$ 30,883,617	N/A	5.39%	71
Money Market	98,818,622	N/A	17.24%	1
<b>Total</b>	<b>129,702,239</b>		<b>22.63%</b>	
Local Government Investment Pools *				
TexPool	261,760,307	AAAm	45.67%	28
TexPool Prime	57,989,432	AAAm	10.12%	27
<b>Total</b>	<b>319,749,739</b>		<b>55.79%</b>	
Investments-Securities:				
Securities of U.S. Government Agencies:				
Federal Farm Credit Bank	27,211,272	AA+	4.75%	389
Federal Home Loan Bank	29,628,375	AA+	5.17%	408
Federal National Mortgage Association	49,102,143	AA+	8.57%	282
Federal Home Loan Mortgage Corp	2,953,638	AA+	0.52%	444
<b>Total</b>	<b>108,895,428</b>		<b>19.00%</b>	
U.S. Treasury Securities	12,872,689	AA+	2.25%	299
Tennessee Valley Authority	1,946,247	AA+	0.34%	106
<b>Total Investments</b>	<b>\$ 573,166,342</b>		<b>100.00%</b>	

\* Per GASB 79, valued at amortized cost.

Investments' fair value input levels are as follows at August 31, 2018:

<b>Investments</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Certificates of Deposit	\$ -	\$ 30,883,617	\$ -	\$ 30,883,617
Money Market	-	98,818,622	-	98,818,622
State and Local Agencies	-	1,946,247	-	1,946,247
US Government and Agency Securities	-	121,768,117	-	121,768,117
<b>Total</b>	<b>\$ -</b>	<b>\$ 253,416,603</b>	<b>\$ -</b>	<b>\$ 253,416,603</b>

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

**Cash in Bank Depository and Investments (continued)**

*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.

*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%

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

**Cash in Bank Depository and Investments (continued)**

*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 require 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.

As of August 31, 2018, the District's investments consisted of balances held by Certificate of Deposits, Texas Local Government Investment Pool (TexPool), U.S. Governmental Agencies, Money Market funds and State and Local agencies.

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 position 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.

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

**Cash in Bank Depository and Investments (continued)**

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 Wells Fargo, East West Bank, First Financial Bank, Nexbank 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 State and Local agencies 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, and 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.

**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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition 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.

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

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:

Assets	Estimated Life
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.

**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 reflects accumulated personal leave 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 position (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 three items that qualify for reporting in this category:

- Deferred outflows or 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.

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

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

- 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.
- Deferred outflows of resources for other post-employment benefits (OPEB) other than pension – Reported in the government wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB 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 OPEB liabilities. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB investments will be amortized over a closed five year period. The remaining postemployment related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan.

A *deferred inflow of resources* is an acquisition of a government's net positions (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 three 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.
- 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.

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

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

- Deferred inflows of resources for OPEB – Reported in the government wide financial statement of net position, this deferred inflow results primarily from 1) changes in actuarial assumptions; and 2) differences between expected and actual actuarial experiences. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB 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 an amount equivalent to three months operating expenditures in the General Fund and an amount equivalent to ten percent of the annual debt service on bonds approved by the voters as Minimum Fund Balances. 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, 2018.

*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 \$500,000 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 \$2,224,347 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, 2018, the accrued liabilities for Workers' Compensation self-insurance of \$1,583,116, 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, 2018</b>	<b>Year Ended</b> <b>August 31, 2017</b>
Unpaid claims, beginning of year	\$ 1,728,653	\$ 1,642,457
Incurred claims (including IBNR's)	1,336,421	1,354,624
Claim payments and changes in estimate	(1,481,958)	(1,268,428)
Unpaid claims, end of fiscal year	<u>\$ 1,583,116</u>	<u>\$ 1,728,653</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 2018, 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, 2018, the District had encumbrances in the General Fund and Food Service program of \$2,893,098 and \$55,948, 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 ensure accuracy in building a statewide database for policy development and funding plans.

**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 includes an estimate for the month of October 2018 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 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Other Post-Employment Benefits**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan 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 OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care’s fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

**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:

Fund	Appropriations as of September 01, 2017 (Original Budget)	Supplemental Appropriations and Revisions	Appropriations as of August 31, 2018 (Amended Budget)
General Fund	\$ 466,077,222	\$ 18,375,283	\$ 484,452,505
Food Service Fund	23,892,509	62,630	23,955,139
Debt Service Fund	131,375,817	10,685,675	142,061,492
Total Budgeted Funds	<u>\$ 621,345,548</u>	<u>\$ 29,123,588</u>	<u>\$ 650,469,136</u>

The increases in appropriations for the General Fund and Food Service Fund were mainly attributed to purchase orders. The Debt Service Fund increase was related to the new debt issuances.

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

Budget - Special Revenue Fund - Food Service	\$ 5,679,198
Unbudgeted Funds	6,231,009
All Special Revenue Funds	<u>\$ 11,910,207</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 2017-18 fiscal year was \$35,772,334,352.

The tax rates assessed for the year ended August 31, 2018 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$0.3675 per \$100 valuation, respectively, for a total of \$1.4075 per \$100 valuation.

**NOTE 3. PROPERTY TAXES (continued)**

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, 2018 were 99.66% 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, 2018, property taxes receivable, net of estimated uncollectible taxes, totaled \$3,148,205 and \$1,182,500 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, 2018 are summarized below. Amounts are expected to be collected within two months after the District's fiscal year end.

Fund	Denton County	State Entitlements	Federal Grants	Total
General	\$ 25,369	\$ 11,068	\$ 16,404	\$ 52,841
Debt Service	9,028	-	-	9,028
Special Revenue	-	820,610	2,195,635	3,016,245
Total	<u>\$ 34,397</u>	<u>\$ 831,678</u>	<u>\$ 2,212,039</u>	<u>\$ 3,078,114</u>

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, 2018 are summarized below.

Fund	State	Other	Total
General	\$ 12,379,025	\$ -	\$ 12,379,025
Special Revenue	-	3,969	3,969
Total	<u>\$ 12,379,025</u>	<u>\$ 3,969</u>	<u>\$ 12,382,994</u>

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2018 was as follows:

	<b>Balance September 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance August 31, 2018</b>
Capital assets, not being depreciated:					
Land	\$ 111,886,031	\$ -	\$ -	\$ -	\$ 111,886,031
Construction in progress	95,706	15,780,221	-	(95,706)	15,780,221
Total Capital Assets, not being depreciated	<u>111,981,737</u>	<u>15,780,221</u>	<u>-</u>	<u>(95,706)</u>	<u>127,666,252</u>
Capital assets, being depreciated:					
Buildings and improvements	1,334,467,365	14,649,184	438,073	95,706	1,348,774,182
Vehicles	3,331,410	743,410	149,340	-	3,925,480
Furniture and equipment	21,501,724	3,387,519	357,523	-	24,531,720
Total Capital Assets, being depreciated	<u>1,359,300,499</u>	<u>18,780,113</u>	<u>944,936</u>	<u>95,706</u>	<u>1,377,231,382</u>
Less accumulated depreciation for:					
Buildings and improvements	404,539,946	34,601,985	356,508	-	438,785,423
Vehicles	2,523,530	249,327	147,979	-	2,624,878
Furniture and Equipment	12,660,296	1,772,007	312,121	-	14,120,182
Total Accumulated Depreciation	<u>419,723,772</u>	<u>36,623,319</u>	<u>816,608</u>	<u>-</u>	<u>455,530,483</u>
Governmental activities capital assets, net	<u>939,576,727</u>	<u>(17,843,206)</u>	<u>(128,328)</u>	<u>95,706</u>	<u>921,700,899</u>
<b>Governmental Capital Assets</b>	<u>\$ 1,051,558,464</u>	<u>\$ (2,062,985)</u>	<u>\$ (128,328)</u>	<u>\$ -</u>	<u>\$ 1,049,367,151</u>

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

<b><u>Governmental Activities:</u></b>	
Instruction and Instructional Related Services	\$ 22,212,881
Instructional and School Leadership	1,017,001
Support Services Student (Pupil)	7,898,233
Administrative Support Services	196,002
Support Services - Non-student Based	4,455,673
Ancillary Students	843,529
Total depreciation expense - governmental activities	<u>\$ 36,623,319</u>

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

**Construction in Progress**

A summary of capital projects having construction in progress as of August 31, 2018, follows:

	Authorized Contract	Total in Progress	Remaining Commitment
New Career Center West	\$ 50,110,867	\$ 940,262	\$ 49,170,605
New Mill Street Elementary	37,067,902	2,510,111	34,557,791
Polser 20 Year Refresh	8,226,953	3,149,955	5,076,998
Creekside 20 Year Refresh	5,758,078	3,066,924	2,691,154
MHS Limited Renovations	5,278,470	1,125,281	4,153,189
TCHS Softball Field Replacement	4,739,184	755,502	3,983,682
District Wide Access Control	2,200,000	36,589	2,163,411
Stage Curtain and Lighting Replacements	389,400	312,129	77,271
Exterior Lighting Replacements - Phase 1	1,233,714	44,085	1,189,629
Year One Restroom Renovations	5,685,240	1,024,151	4,661,089
New Josey Elementary School	39,237,029	185,458	39,051,571
Security Vestibule Renovations	13,737,998	343,703	13,394,295
March 2017 Wind and Hail Damage Project	15,411,298	951,731	14,459,567
Marcus Parking Lot	1,106,869	1,090,497	16,372
HVAC Control Upgrades	767,000	125,077	641,923
Old Settlers ES 20 Year Refresh	10,088,603	118,766	9,969,837
Total	<u>\$ 201,038,605</u>	<u>\$ 15,780,221</u>	<u>\$ 185,258,384</u>

**NOTE 6. DEFINED BENEFIT PENSION PLAN**

**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 PLAN (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 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

	Contribution Rates	
	Plan Fiscal Year	
	2018	2017
Member	7.70%	7.70%
Non-Employer Contributing Entity (NECE) - State	6.80%	6.80%
Employers (District)	6.80%	6.80%

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

**Contributions (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:

	<u>Measurement Year (2017)</u>		<u>Fiscal Year (2018)</u>
	Contributions Required and		TRS Contributions
	<u>Made</u>	<u>Pension Expense</u>	
Employer (District) contributions	\$ 25,664,201	\$ -	\$ 26,070,920
Non-employer (State) on-behalf contributions	16,300,412	12,155,487	16,325,538
Member (Employee) contributions	10,201,918	14,624,317	10,618,509

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 PLAN (continued)**

**Actuarial Assumptions**

The total pension liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
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	2.50%
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 PLAN (continued)**

**Discount Rate (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, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Geometric Basis</u>	<u>Long-Term Expected Portfolio Real Rate of Return*</u>
<b>Global Equity</b>			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
<b>Total</b>	<u>100%</u>		<u>8.7%</u>

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

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

**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 Net Pension Liability.

	<u>1% Decrease in Discount Rate (7.0%)</u>	<u>Discount Rate (8.0%)</u>	<u>1% Increase in Discount Rate (9%)</u>
District's proportionate share of the net pension liability:	\$ 167,788,491	\$ 99,530,342	\$ 42,694,354

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

At August 31, 2018, the District reported a liability of 99,530,342 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	0.3113%
District's proportionate share of the collective net pension liability	\$ 99,530,342
State's proportionate share that is associated with the District	<u>159,361,843</u>
Total	<u>\$ 258,892,185</u>

The net pension liability was measured as of August 31, 2017 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, 2016 thru August 31, 2017.

At August 31, 2017 the employer's proportion of the collective net pension liability was 0.3113% which was an increase from its proportion measured of 0.3098% as of August 31, 2016.

**Change Since the Prior Actuarial Valuation**

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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, 2018, the District recognized pension expense of \$26,779,804 and revenue of \$12,155,487 for support provided by the State.

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

**Change Since the Prior Actuarial Valuation (continued)**

At August 31, 2018, 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 experience	\$ 1,456,174	\$ (5,367,541)
Changes in actuarial assumptions	4,533,765	(2,595,475)
Difference between projected and actual investment earnings	15,306,611	(22,560,165)
Changes in proportion and difference between employer contributions and proportionate share of contributions	18,462,475	(7,188)
District contributions subsequent to the measurement date	10,618,509	-
Total	<u>\$ 50,377,534</u>	<u>\$ (30,530,369)</u>

The \$10,618,509 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, 2018.

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
2019	\$ 1,396,506
2020	7,749,786
2021	908,357
2022	(1,024,880)
2023	239,531
Thereafter	(40,644)
	<u>\$ 9,228,656</u>

**NOTE 7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS**

**A. Plan Description**

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

**NOTE 7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)**

**B. OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by writing to TRS at 100 Red River Street, Austin, TX, 78701-2698; on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; or by calling (512) 542-6592.

**C. Benefits Provided**

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

<b>TRS-CARE Plan Premium Rates</b>			
Effective Sept. 1, 2016 - Dec. 31, 2017			
	<b>TRS-Care 1</b>	<b>TRS-Care 2</b>	<b>TRS-Care 3</b>
	<b>Basic Plan</b>	<b>Optional Plan</b>	<b>Optional Plan</b>
Retiree*	\$ -	\$ 70	\$ 100
Retiree and Spouse	20	175	255
Retiree* and Children	41	132	182
Retiree and Family	61	237	337
Surviving Children only	28	62	82

*\*or surviving spouse*

**D. Contributions**

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

**NOTE 7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)**

**D. Contributions (continued)**

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.0% for the period to August 31, 2018 and 1.25% beginning on September 1, 2018 of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2018	2017
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.00%
Employers	0.75%	0.55%
Federal/Private Funding remitted by Employers	1.25%	1.00%

In addition to the employer contributions listed above, employers are subject to an additional surcharge. When employers hire a TRS retiree, they are required to pay to TRS-Care, a monthly surcharge of \$535 per retiree.

In addition, during the current fiscal year, \$212.0 million was transferred to TRS from the State to pay for Care during the 85<sup>th</sup> First Legislative Special Session House Bill 21, Section 10. The District reported on-behalf revenues and expenditures of \$803,271 relating to these transfers.

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 contributors were as follows:

	Measurement Year		Fiscal Year
	Contributions		TRS Care
	Required and Made	OPEB Expense	Contributions
Member (Employee)	\$ 2,166,458	\$ -	\$ 2,207,891
Non-employer contributing agency (State)	3,181,520	(89,048,428)	4,871,297
District	1,969,913	(55,237,254)	2,735,388

**NOTE 7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)**

**E. Actuarial Assumptions**

The total OPEB liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
	Rates of Disability Incidence
Valuation date	August 31, 2017
Actuarial Cost method	Individual Entry Age Normal
Inflation	2.50%
Discount rate*	3.42%
Aging factors	Based on plan specific experience
Expenses	Third-party administrative expenses to the delivery of health care benefits are included in the age adjusted claims costs.
Payroll growth rate	2.50%
Projected salary increases**	3.50% to 9.50%
Healthcare trend rates***	4.50% to 12.00%
Election rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

\* Source: Fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2017.

\*\* Includes Inflation at 2.50%

\*\*\* Initial trend rates are 7.00% for non-Medicare retirees; 10.00% for Medicare retirees and 12.00% for prescription trend rate of 4.50% over a period of 10 years.

In this valuation the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

**NOTE 7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)**

**F. Discount Rate**

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active 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 OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**G. Sensitivity of the Net OPEB Liability**

*Discount Rate* – The following presents the District’s proportional share of the net OPEB liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one- percentage point lower (2.42%) or one-percentage point higher (4.42%) than the AA/Aa rate.

<u>Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumptions</u>		
<u>1% Decrease in</u>	<u>Current Discount</u>	<u>1% Increase in</u>
<u>Discount Rate (2.42%)</u>	<u>Rate (3.42%)</u>	<u>Discount Rate (4.42%)</u>
\$ 194,469,549	\$ 164,770,037	\$ 140,898,327

*Healthcare Cost Trend Rates* – The following presents the District’s proportional share of the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate:

<u>Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumptions</u>		
<u>Current Healthcare Cost</u>		
<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
\$ 137,187,518	\$ 164,770,037	\$ 200,961,780

At June 30, 2018, the District reported a liability of \$164,770,037 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 164,770,037
State's proportionate share that is associated with District	266,112,828
Total	<u>\$ 430,882,865</u>

The Net OPEB Liability was measured as of August 31, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer’s proportion of the Net OPEB Liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the employer’s proportion of the collective Net OPEB Liability was .3789014% which was the same proportion measured as of August 31, 2016.

**NOTE 7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)**

**H. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)**

**Changes Since the Prior Actuarial Valuation**

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

There was a significant plan change adopted in fiscal year ending August 31, 2017:

- Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates. This change in plan benefits significantly lowered the OPEB liability and had an immediate effect on the OPEB expenses recognized by participating entities.
- The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
- The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

***Negative OPEB Expense***

The significant changes to the plan benefits and assumptions noted above decreased the net OPEB liability related to TRS-Care as a whole by \$33.3 billion. As a result, the District's proportional share of the net OPEB liability decreased by \$126.1 million. Because the decrease in the liability was the result of changes to plan benefits, a majority of the decrease has been recognized immediately in the District's financial statements. As a result, the District recognized a total proportional share of negative OPEB expense of \$144.3 million, a portion of this negative expense (\$89.0 million) represents the State's on-behalf share of this activity offset by what the Governmental Accounting Standards Board refers to as a negative on-behalf revenue.

**NOTE 7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)**

**H. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)**

The following table illustrates the magnitude of the negative on-behalf activity for the State’s portion of the TRS-Care benefits by individual function for both operating grants and contributions revenues and expense:

	Current Year Prior to Negative On-behalf Activities			Current Year After Negative On-behalf Activities as presented in Exhibit B-1	
	Expenses	Operating Grants and Contributions	Negative On-behalf Activities	Expenses	Operating Grants and Contributions
Instruction	\$ 289,149,581	\$ 23,387,894	\$ (63,687,436)	\$ 225,462,145	\$ (40,299,542)
Instructional Resources and Media Services	7,105,552	190,587	(1,282,297)	5,823,255	(1,091,710)
Curriculum and Staff Development	3,450,170	1,658,700	(436,337)	3,013,833	1,222,363
Instructional Leadership	9,037,406	364,382	(2,083,733)	6,953,673	(1,719,351)
School Leadership	29,506,554	1,058,799	(6,838,919)	22,667,635	(5,780,120)
Guidance, Counseling, and Evaluation Services	19,733,497	1,043,699	(4,612,709)	15,120,788	(3,569,010)
Social Work Services	(295,191)	124,108	(837,055)	(1,132,246)	(712,947)
Health Services	5,227,700	252,792	(1,193,249)	4,034,451	(940,457)
Student Transportation	15,750,396	117,558	(8,905)	15,741,491	108,653
Food Service	22,100,123	12,802,831	-	22,100,123	12,802,831
Extracurricular Activities	16,066,915	239,531	(1,567,252)	14,499,663	(1,327,721)
General Administration	9,347,442	713,506	(1,656,301)	7,691,141	(942,795)
Plant, Maintenance and Operations	40,679,094	877,945	(1,870,017)	38,809,077	(992,072)
Security and Monitoring Services	2,300,847	27,705	(187,002)	2,113,845	(159,297)
Data Processing Services	10,744,241	241,573	(1,629,586)	9,114,655	(1,388,013)
Community Services	6,880,656	234,485	(1,157,630)	5,723,026	(923,145)
Others facilities costs	42,467,688	491,386	-	42,467,688	491,386
Facilities Repairs and Maintenance	29,245,473	-	-	29,245,473	-
Other Intergovernmental	3,055,240	-	-	3,055,240	-
<b>Totals</b>	<u>\$ 561,553,384</u>	<u>\$ 43,827,481</u>	<u>\$ (89,048,428)</u>	<u>\$ 472,504,956</u>	<u>\$ (45,220,947)</u>

**NOTE 7. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)**

**H. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)**

*Deferred Outflows and Deferred Inflows of Resources Related to OPEB*

At August 31, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (3,439,700)
Changes in actuarial assumptions	-	(65,483,918)
Difference between projected and actual investment earnings	25,029	-
Changes in proportion and difference between the employer contributions and the proportionate share of contributions	760	-
Contributions paid to TRS subsequent to the measurement date	2,735,388	-
Total	<u>\$ 2,761,177</u>	<u>\$ (68,923,618)</u>

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

Year Ended August 31:	OPEB Expense Amount
2019	\$ (9,091,148)
2020	(9,091,148)
2021	(9,091,148)
2022	(9,091,148)
2023	(9,097,405)
Thereafter	(23,435,832)
	<u>\$ (68,897,829)</u>

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care retiree drug subsidy payments are made by the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2018, 2017 and 2016, the subsidy payments received by TRS-Care on behalf of the District are as follows:

Fiscal Year	Medicare Part D
2018	\$ 1,042,862
2017	996,618
2016	1,161,636

These payments are recorded as equal revenues and expenditures in the governmental funds financial statement of the District.

**NOTE 8. 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 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, 2014B and 2015 bond series included outstanding capital appreciation bonds in the principal amount of \$14,157,216. The bonds mature variously through 2022. 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
2019	\$ 77,990,665	\$ 59,534,832	\$ 137,525,497
2020	82,228,440	56,007,308	138,235,748
2021	85,220,233	57,655,205	142,875,438
2022	68,787,363	64,061,823	132,849,186
2023	96,180,000	38,277,821	134,457,821
2024-2028	575,035,000	125,652,247	700,687,247
2029-2033	175,440,000	28,248,610	203,688,610
2034-2038	82,835,000	8,291,976	91,126,976
	<u>\$ 1,243,716,701</u>	<u>\$ 437,729,822</u>	<u>\$ 1,681,446,523</u>

\* Interest on Build 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, 2018.

**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, 2018:

Description	Interest	Amounts	Issued	Interest	Retired/ Refunded	Amounts	Due
	Rate	Outstanding	Current			Accretion	Outstanding
	Payable	9/1/2017	Year			8/31/2018	One Year
1996 Refunding Bond	4.40 - 6.38%	\$ 7,174,853	\$ -	\$ -	\$ 1,980,515	\$ 5,194,338	\$ 1,850,665
2003 Unlimited Tax/Refunding	2.50 - 5.00%	351,626	-	-	-	351,626	-
2009 Unlimited Tax	3.50 - 5.00%	5,550,000	-	-	5,550,000	-	-
2009 Unlimited Tax/Refunding	2.00 - 4.13%	565,000	-	-	565,000	-	-
2010 Qualified Sch Const Bonds	6.88%	29,900,000	-	-	-	29,900,000	-
2010A Unlimited Tax	2.00 - 5.00%	2,310,000	-	-	2,310,000	-	-
2010B Build America Bonds	5.974 - 6.024%	25,055,000	-	-	-	25,055,000	-
2010 Refunding Bond	2.00 - 5.00%	19,370,000	-	-	19,370,000	-	-
2011 Unlimited Tax	2.25 - 4.75%	4,025,000	-	-	1,980,000	2,045,000	2,045,000
2011 Refunding Bond	2.50 - 2.00%	14,020,000	-	-	1,690,000	12,330,000	1,685,000
2012 Unlimited Tax Bonds	3.00 - 4.00%	22,615,000	-	-	21,255,000	1,360,000	1,360,000
2012A Unlimited Tax/Refunding	3.00 - 5.00%	78,645,000	-	-	36,745,000	41,900,000	5,490,000
2012B Unlimited Refunding	2.00 - 5.00%	11,265,000	-	-	-	11,265,000	-
2012C Unlimited Tax Bonds	2.00 - 4.00%	29,270,000	-	-	1,200,000	28,070,000	1,225,000
2013A Unlimited Tax Refunding	3.00 - 5.00%	33,235,000	-	-	6,470,000	26,765,000	7,685,000
2013B Unlimited Tax Refunding	4.00 - 5.00%	22,865,000	-	-	2,270,000	20,595,000	2,360,000
2013C Unlimited Tax Refunding	.34 - 2.57%	4,235,000	-	-	925,000	3,310,000	520,000
2013D Unlimited Tax	2.00 - 4.00%	61,175,000	-	-	4,035,000	57,140,000	4,120,000
2013E Unlimited Tax	3.00 - 5.00%	60,590,000	-	-	16,480,000	44,110,000	1,110,000
2014A Unlimited Tax Bonds	2.00 - 4.00%	86,565,000	-	-	3,620,000	82,945,000	3,695,000
2014B Unlimited Tax Refunding	5.00%	54,338,570	-	-	-	54,338,570	-
2015 Unlimited Tax Refunding	2.00 - 5.00%	63,717,167	-	-	320,000	63,397,167	320,000
2016A Unlimited Tax Refunding	1.00 - 5.00%	233,040,000	-	-	14,810,000	218,230,000	23,825,000
2016B Unlimited Tax Refunding	2.00 - 5.00%	82,265,000	-	-	-	82,265,000	2,215,000
2017 Unlimited Tax Refunding	2.00 - 5.00%	67,830,000	-	-	6,000,000	61,830,000	2,495,000
2017 Unlimited Tax	2.00 - 5.00%	193,950,000	-	-	8,505,000	185,445,000	8,945,000
2017A Unlimited Tax Refunding	2.00 - 5.00%	-	61,165,000	-	1,075,000	60,090,000	-
2018 Unlimited Tax Refunding	5.00%	-	8,905,000	-	330,000	8,575,000	2,385,000
2018 Unlimited Tax	3.00 - 5.00%	-	117,210,000	-	-	117,210,000	4,660,000
Bonded Indebtedness		1,213,922,216	187,280,000	-	157,485,515	1,243,716,701	77,990,665
Accreted Interest and CAB premium		45,185,188	-	3,671,232	6,929,485	41,926,935	6,522,071
Bond Premium		105,294,629	19,306,432	-	22,494,773	102,106,288	-
Capital Leases		655,215	-	-	655,215	-	-
Accrued Compensated Absences		2,287,619	723,369	-	274,112	2,736,876	354,899
Total Obligations		\$ 1,367,344,867	\$ 207,309,801	\$ 3,671,232	\$ 187,839,100	\$ 1,390,486,800	\$ 84,867,635

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

During the year, the District had current Refunding and issued \$61,165,000 and \$8,905,000 in Unlimited Tax Refunding Bonds Series 2017A and Series 2018, respectively with interest rate range of 2.00% to 5.00% and 5.00% to refund outstanding bonds, and to pay costs of issuance of the bonds. 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 \$77,855,000 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 \$2,489,342, 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. This resulted in an economic gain (difference between present values of the old and new debt service payment) of \$4,448,890 for the 2017A series and \$1,752,579 for the 2018 series.

The District also issued \$117,210,000 in Unlimited Tax School Building Bonds, Series 2018 with interest rates of 3.00% to 5.00% to construct, renovate, acquire and equip school buildings in the District and purchase necessary sites for school buildings and to pay costs of issuance of the bonds

The District in 2010 issued bonds that are considered Build America Bonds (BABS), which provide for a direct reimbursement of up to 35 percent of the interest paid on the bonds. The District received \$491,386 in subsidy payments from the federal government during the fiscal year ended August 31, 2018 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 2026. 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, 2018, the outstanding balance of defeased bonds is \$244,845,000.

**NOTE 11. INTERFUND TRANSACTIONS**

*Receivables and payables:*

Interfund balances at August 31, 2018, consisted of the following individual fund receivables and payables are as follows:

Fund	Receivable	Payable
General Fund	\$ 1,366,103	\$ 43,159
Special Revenue Funds:		
Federal Funds	-	1,366,103
Internal Service Fund	43,159	-
<b>Total</b>	<b>\$ 1,409,262</b>	<b>\$ 1,409,262</b>

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.

Interfund transfers are defined as “flow of assets without equivalent flows of assets in return and without a requirement of repayment.” Interfund transfers during the year ended August 31, 2018, were as follows.

<b>Transfer Out</b>	<b>Transfer In</b>		<b>Total</b>
	General Fund	Internal Service Fund	
General Fund	\$ -	\$ 500,000	\$ 500,000
Other Governmental Funds	46,574	-	46,574
	<b>\$ 46,574</b>	<b>\$ 500,000</b>	<b>\$ 546,574</b>

General Fund transferred funds to the Internal Service Fund to cover the operating loss.

**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, 2018 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, 2018.

**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	\$ 373,199,360	\$ -	\$ 131,991,990	\$ -	\$ 505,191,350
Food Sales	-	11,225,529	-	-	11,225,529
Investment Income	3,906,615	-	1,607,861	3,186,362	8,700,838
Penalties, interest and other tax related income	1,758,044	-	579,340	-	2,337,384
Co-curricular student activities	945,179	5,006,499	-	-	5,951,678
Tuition and fees	6,599,983	146,990	-	-	6,746,973
Rental Income	1,056,768	-	-	-	1,056,768
E-Rate	400,909	-	-	-	400,909
Donations	832	1,467,716	-	-	1,468,548
Other	1,266,121	113,219	12	32,682	1,412,034
<b>Total</b>	<b>\$ 389,133,811</b>	<b>\$ 17,959,953</b>	<b>\$ 134,179,203</b>	<b>\$ 3,219,044</b>	<b>\$ 544,492,011</b>

**NOTE 14. UNEARNED REVENUES**

Unearned revenues at August 31, 2018, 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	\$ -	\$ 879,170	\$ 879,170
Other	2,334,224	-	2,334,224
Grant Advances	-	92,780	92,780
<b>Total</b>	<b>\$ 2,334,224</b>	<b>\$ 971,950</b>	<b>\$ 3,306,174</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.

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

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 2017.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments, primarily checking and money market accounts, to be cash equivalents. At December 31, 2017, the carrying amount of cash was \$397,206.

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, 2017 are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Certificates of deposit	\$ 105,944	\$ 105,944	\$ -
Corporate bonds	318,092	319,275	1,183
U.S. Government secured Obligations	522,960	515,292	(7,668)
Individual stocks	1,618,521	2,048,190	429,669
Mutual funds	252,754	282,515	29,761
Fixed income mutual funds	317,053	332,691	15,638
	<u>\$ 3,135,324</u>	<u>\$ 3,603,907</u>	<u>\$ 468,583</u>

The following table represents the Foundation's fair value hierarchy for its investments measured at fair value as of December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Government and Agency Securities	\$ 515,292	\$ -	\$ -	\$ 515,292
Equity securities	2,330,705	-	-	2,330,705
Fixed income securities	-	651,966	-	651,966
Certificates of Deposit	-	105,944	-	105,944
			-	
<b>Total</b>	<u>\$ 2,845,997</u>	<u>\$ 757,910</u>	<u>\$ -</u>	<u>\$ 3,603,907</u>

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

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. The following is endowment as of December 31, 2017:

Balance 12/31/16	\$ 2,205,232
Contributions	100,057
Amounts appropriated for expenditures	(10,477)
Reclassification from temporarily restricted	58,702
Balance 12/31/17	<u>\$ 2,353,514</u>

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, 2017 are as follows:

Receivable in less than one year	\$ 14,935
Receivable in one to five years	28,845
Net Unconditional Promises to Give	<u>\$ 43,780</u>

Unrestricted Net Position

Unrestricted net position at December 31, 2017 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.

**NOTE 16. PRIOR PERIOD ADJUSTMENT**

In the current fiscal year, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. As a result, the beginning net position of the District’s governmental activities has been restated on Exhibit B-1 Statement of Activities to reflect the net OPEB liability and deferred outflow of resources related to TRS-Care contributions made after the prior measurement date of the plan as follows:

	Governmental Activities
Beginning Net Position - As Originally Presented	\$ 110,385,524
Restatement due to:	
Net OPEB liability (measurement date as of August 31, 2016)	(290,893,179)
Deferred Outflows:	
TRS-Care Contributions made to TRS-Care during the fiscal year	<u>1,969,913</u>
	<u>(288,923,266)</u>
<b>Beginning Net Position - As Restated</b>	<u><u>\$ (178,537,742)</u></u>

**NOTE 17. EXTRAORDINARY ITEMS**

During the year the District received insurance proceeds in the amount of \$11,398,763, for weather related damages to eight different campuses. The proceeds were placed in the capital project fund as other financing resource to support repairs the repairs totaling an estimated cost of \$15,411,298. The wind and hail storm damages projects are scheduled to be completed by the end of August 2020.

**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 Four Measurement Years Ended August 31 (1)**

*Exhibit G-1*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.3113%	0.3098%	0.3204%	0.2073%
District's proportionate share of the net pension liability	\$ 99,530,342	\$ 117,068,286	\$ 113,259,645	\$ 55,392,223
State's proportionate share of the net pension liability associated with the District	<u>159,361,843</u>	<u>191,175,104</u>	<u>180,104,882</u>	<u>159,733,876</u>
Total	<u>\$ 258,892,185</u>	<u>\$ 308,243,390</u>	<u>\$ 293,364,527</u>	<u>\$ 215,126,099</u>
District's covered payroll (for Measurement Year)	\$ 333,301,189	\$ 322,795,629	\$ 308,689,540	\$ 297,452,635
District's proportionate share of the net pension liability as a percentage of it's covered payroll	29.86%	36.27%	36.69%	18.62%
Plan fiduciary net position as a percentage of the total pension liability*	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll*	75.93%	92.75%	91.94%	72.89%

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 PENSION CONTRIBUTIONS**  
**Teacher Retirement System of Texas**  
**Last Five Fiscal Years**

*Exhibit G-2*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 10,618,509	\$ 10,201,918	\$ 9,843,086	\$ 8,805,304
Contributions in relation to the contractual required contributions	<u>10,618,509</u>	<u>10,201,918</u>	<u>9,843,086</u>	<u>8,805,304</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 339,675,536	\$ 333,301,189	\$ 322,795,629	\$ 308,689,540
Contributions as a percentage of covered payroll	3.13%	3.06%	3.05%	2.85%
	<u>2014</u>			
Contractually required contributions	\$ 5,257,484			
Contributions in relation to the contractual required contributions	<u>5,257,484</u>			
Contribution deficiency (excess)	<u>\$ -</u>			
District's covered payroll	\$ 297,452,635			
Contributions as a percentage of covered employee payroll	1.77%			

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

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

*Exhibit G-3*

	<u><b>2017</b></u>
District's proportion of the net OPEB liability	0.3789%
District's proportionate share of the net OPEB liability	\$ 164,770,037
State's proportionate share of the net OPEB liability associated with the District	<u>266,112,828</u>
Total	<u><u>\$ 430,882,865</u></u>
District's covered employee payroll (for Measurement Year)	\$ 333,301,189
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	49.44%
Plan fiduciary net position as a percentage of the total OPEB liability*	0.91%
Plan's net OPEB liability as a percentage of covered employee payroll*	132.55%

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

\* 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 2017  
Net OPEB liability and related ratios will be presented as data becomes available.

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

*Exhibit G-4*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,735,388	\$ 1,969,913	\$ 1,817,611	\$ 1,817,611
Contributions in relation to the contractual required contributions	<u>2,735,388</u>	<u>1,969,913</u>	<u>1,817,611</u>	<u>1,817,611</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 339,675,536	\$ 333,301,189	\$ 322,795,629	\$ 308,689,540
Contributions as a percentage of covered payroll	0.81%	0.59%	0.56%	0.59%
	<u>2014</u>			
Contractually required contributions	\$ 1,659,888			
Contributions in relation to the contractual required contributions	<u>1,659,888</u>			
Contribution deficiency (excess)	<u>\$ -</u>			
District's covered payroll	\$ 297,452,635			
Contributions as a percentage of covered payroll	0.56%			

(1) Ten year of data should be presented in this schedule, but data was unavailable prior to 2015  
Net pension liability and related ratios will be presented as data becomes available.

**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**

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

**Changes of Benefit Terms**

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

**Notes to Required Supplementary Information – OPEB**

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 Since the Prior Actuarial Valuation**

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

There was a significant plan change adopted in fiscal year ending August 31, 2017:

- Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates. This change in plan benefits significantly lowered the OPEB liability and had an immediate effect on the OPEB expenses recognized by participating entities.
- The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
- The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

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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, 2018

		<b>200-499</b>		
		<b>Special Revenue Funds</b>		
<b>Data Control Codes</b>		<b>Federal Funds</b>	<b>State Funds</b>	<b>Local Funds</b>
<b>Assets</b>				
1110	Cash and temporary investments	\$ -	\$ 267,334	\$ 6,315,453
<b>Receivables:</b>				
1240	Receivables from other governments	2,195,635	-	-
1310	Inventories, at cost	-	-	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ 2,195,635</b>	<b>\$ 267,334</b>	<b>\$ 6,315,453</b>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
2110	Accounts payable	\$ 133,918	\$ 50,085	\$ 194,202
2160	Accrued wages payable	695,614	-	10,742
2170	Due to other funds	1,366,103	-	-
2180	Due to other governments	-	-	3,969
2300	Unearned revenues	-	-	92,780
<b>2000</b>	<b>Total Liabilities</b>	<b>2,195,635</b>	<b>50,085</b>	<b>301,693</b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
3450	<b>Restricted</b>	-	217,249	723,209
3545	<b>Committed</b>	-	-	5,290,551
<b>3000</b>	<b>Total Fund Balances</b>	<b>-</b>	<b>217,249</b>	<b>6,013,760</b>
<b>4000</b>	<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,195,635</b>	<b>\$ 267,334</b>	<b>\$ 6,315,453</b>

*Exhibit H-1*

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240

<u>Food Service Fund</u>	<u>Total NonMajor Governmental Funds</u>
\$ 6,241,124	\$ 12,823,911
820,610	3,016,245
530,165	530,165
<u>\$ 7,591,899</u>	<u>\$ 16,370,321</u>

\$ 840,612	\$ 1,218,817
192,919	899,275
-	1,366,103
-	3,969
879,170	971,950
<u>1,912,701</u>	<u>4,460,114</u>

5,679,198	6,619,656
-	5,290,551
<u>5,679,198</u>	<u>11,910,207</u>
<u>\$ 7,591,899</u>	<u>\$ 16,370,321</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, 2018*

200-499

Data Control Codes		Special Revenue Funds		
		Federal Funds	State Funds	Local Funds
<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ 3,000	\$ 6,621,205
5800	State program revenues	-	1,120,312	-
5900	Federal program revenues	15,276,312	-	-
<b>5020</b>	<b>Total Revenues</b>	<b>15,276,312</b>	<b>1,123,312</b>	<b>6,621,205</b>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction	12,830,504	931,222	3,255,479
0012	Instruction resources and media services	-	29	85,304
0013	Curriculum and instructional staff development	1,592,016	3,453	94,262
0021	Instructional leadership	56,240	-	19,118
0023	School leadership	44,872	-	563,754
0031	Guidance, counseling and evaluation services	359,974	-	715,847
0033	Health services	76,531	-	4,467
0034	Student transportation	106,429	-	-
0035	Food services	-	-	1,907
0036	Extracurricular activities	15,860	-	1,479,419
0041	General administration	131,147	-	15,315
0051	Facilities maintenance and operations	-	-	58,494
0052	Security and monitoring services	-	-	11,267
0061	Community services	62,739	-	10,377
0081	Facilities acquisition and construction	-	-	61,115
<b>6030</b>	<b>Total Expenditures</b>	<b>15,276,312</b>	<b>934,704</b>	<b>6,376,125</b>
1100	Excess (deficiency) of revenues over expenditures	-	188,608	245,080
<b>Other Financing Sources (Uses)</b>				
8911	Operating transfers out	-	(46,574)	-
7912	Sale of real or personal property	-	-	-
<b>7080</b>	<b>Total other financing sources and uses</b>	<b>-</b>	<b>(46,574)</b>	<b>-</b>
1200	Net change in fund balances	-	142,034	245,080
<b>0100</b>	<b>Fund Balance - beginning</b>	<b>-</b>	<b>75,215</b>	<b>5,768,680</b>
<b>3000</b>	<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ 217,249</b>	<b>\$ 6,013,760</b>

*Exhibit H-2*

<b>240</b>		<b>Total Nonmajor Governmental Funds</b>	
<b>Food Service Fund</b>		<b>August 31, 2018</b>	
\$ 11,335,748	\$	17,959,953	
109,399		1,229,711	
13,294,326		28,570,638	
<u>24,739,473</u>		<u>47,760,302</u>	
-		17,017,205	
-		85,333	
-		1,689,731	
-		75,358	
-		608,626	
-		1,075,821	
-		80,998	
-		106,429	
22,429,374		22,431,281	
-		1,495,279	
-		146,462	
1,052,711		1,111,205	
-		11,267	
-		73,116	
-		61,115	
<u>23,482,085</u>		<u>46,069,226</u>	
<u>1,257,388</u>		<u>1,691,076</u>	
-		(46,574)	
7,525		7,525	
<u>7,525</u>		<u>(39,049)</u>	
1,264,913		1,652,027	
<u>4,414,285</u>		<u>10,258,180</u>	
<u>\$ 5,679,198</u>	<u>\$</u>	<u>11,910,207</u>	

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
For the Year Ended August 31, 2018

*Exhibit H-3*

	10 Balance August 31, 2017	5020 Additions	6030 Deductions	11 Balance August 31, 2018
<b>Student Activities</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,417,260	\$ 3,009,777	\$ 2,776,728	\$ 1,650,309
<b>Total Assets</b>	<b>\$ 1,417,260</b>	<b>\$ 3,009,777</b>	<b>\$ 2,776,728</b>	<b>\$ 1,650,309</b>
<b>Liabilities</b>				
Accounts payable	\$ 30,280	\$ 2,432,338	\$ 2,429,102	\$ 33,516
Due to outside entities	82,099	43,792	-	125,891
Due to student groups	1,304,881	186,021	-	1,490,902
<b>Total Liabilities</b>	<b>\$ 1,417,260</b>	<b>\$ 2,662,151</b>	<b>\$ 2,429,102</b>	<b>\$ 1,650,309</b>
<b>Communities in Schools of North Texas</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,445,110	\$ 4,377,066	\$ 4,648,872	\$ 1,173,304
Receivable from outside entities	113,229	722,619	422,630	413,218
Prepaid items	4,927	10,927	7,927	7,927
<b>Total Assets</b>	<b>\$ 1,563,266</b>	<b>\$ 5,110,612</b>	<b>\$ 5,079,429</b>	<b>\$ 1,594,449</b>
<b>Liabilities</b>				
Accounts payable	\$ 25,458	\$ 703,549	\$ 716,433	\$ 12,574
Due to outside entities	1,522,808	28,567	-	1,551,375
Due to other governments	-	100	-	100
Unearned revenue	15,000	15,400	-	30,400
<b>Total Liabilities</b>	<b>\$ 1,563,266</b>	<b>\$ 747,616</b>	<b>\$ 716,433</b>	<b>\$ 1,594,449</b>
<b>Total Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,862,370	\$ 7,386,843	\$ 7,425,600	\$ 2,823,613
Receivable from outside entities	113,229	722,619	422,630	413,218
Prepaid items	4,927	10,927	7,927	7,927
<b>Total Assets</b>	<b>\$ 2,980,526</b>	<b>\$ 8,120,389</b>	<b>\$ 7,856,157</b>	<b>\$ 3,244,758</b>
<b>Liabilities</b>				
Accounts payable	\$ 55,738	\$ 3,135,887	\$ 3,145,535	\$ 46,090
Due to outside entities	1,604,907	72,359	-	1,677,266
Due to other governments	-	100	-	100
Due to student groups	1,304,881	186,021	-	1,490,902
Unearned revenue	15,000	15,400	-	30,400
<b>Total Liabilities</b>	<b>\$ 2,980,526</b>	<b>\$ 3,409,767</b>	<b>\$ 3,145,535</b>	<b>\$ 3,244,758</b>

### **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, 2018*

<b>Last Ten Fiscal Years</b>	<b>Tax Rates</b>		<b>Net Assessed/Appraised Value For School Tax Purposes</b>	<b>Beginning Balance 9/1/17</b>
	<b>1</b>	<b>2</b>		
	<b>Maintenance</b>	<b>Debt Service</b>	<b>3</b>	<b>10</b>
2009 and prior	1.04000	0.33000	21,911,662,802	909,049
2010	1.04000	0.36870	23,200,406,048	198,254
2011	1.04000	0.38670	22,507,417,241	210,009
2012	1.04000	0.38670	23,095,990,992	548,948
2013	1.04000	0.41300	23,046,548,096	663,883
2014	1.04000	0.43700	24,430,987,196	712,690
2015	1.04000	0.43700	26,698,623,389	958,715
2016	1.04000	0.43673	29,093,582,239	1,150,270
2017	1.04000	0.36750	32,508,282,254	1,919,260
2018	1.04000	0.36750	35,772,334,352	-
<b>1000 Totals</b>				<u>\$ 7,271,078</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 8/31/18</b>
-	23,156	7,983	31,139	(380,437)	497,473
-	11,661	4,134	15,795	(585)	181,874
-	11,045	4,107	15,152	-	194,857
-	268,882	99,978	368,860	(1,571)	178,517
-	397,997	158,051	556,048	178,390	286,225
-	419,200	176,145	595,345	222,653	339,998
-	536,344	225,368	761,712	281,573	478,576
-	603,699	253,513	857,212	307,975	601,033
-	259,786	94,922	354,708	(792,715)	771,837
<u>503,495,606</u>	<u>370,763,965</u>	<u>131,015,151</u>	<u>501,779,116</u>	<u>-</u>	<u>1,716,490</u>
<u>\$ 503,495,606</u>	<u>\$ 373,295,735</u>	<u>\$ 132,039,352</u>	<u>\$ 505,335,087</u>	<u>\$ (184,717)</u>	<u>\$ 5,246,880</u>
Total taxes receivable per Governmental Fund Balance Sheet (C-1)					<u>\$ 5,246,880</u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL - FOOD SERVICE FUND**  
**For the Year Ended August 31, 2018**

*Exhibit J-2*

<b>Data Control Codes</b>	<b>Food Service Fund Budgeted Amounts</b>			<b>Variance with Final Budget</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>		
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 11,697,381	\$ 11,697,381	\$ 11,335,748	\$ (361,633)
5800	State program revenues	109,688	109,688	109,399	(289)
5900	Federal program revenues	12,480,281	12,500,281	13,294,326	794,045
<b>5020</b>	<b>Total Revenues</b>	<u>24,287,350</u>	<u>24,307,350</u>	<u>24,739,473</u>	<u>432,123</u>
<b>Expenditures</b>					
<b>Current:</b>					
0035	Food services	22,839,478	22,900,362	22,429,374	470,988
0051	Plant maintenance and operations	1,053,031	1,054,777	1,052,711	2,066
<b>6030</b>	<b>Total Expenditures</b>	<u>23,892,509</u>	<u>23,955,139</u>	<u>23,482,085</u>	<u>473,054</u>
1100	Excess (deficiency) revenues over (under) expenditures	<u>394,841</u>	<u>352,211</u>	<u>1,257,388</u>	<u>905,177</u>
<b>Other Financing Sources (Uses)</b>					
7912	Sale of real or personal property	-	-	7,525	(7,525)
7080	<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>-</u>	<u>7,525</u>	<u>(7,525)</u>
1200	Net change in fund balances	394,841	352,211	1,264,913	897,652
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>4,414,285</u>	<u>4,414,285</u>	<u>4,414,285</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ 4,809,126</u>	<u>\$ 4,766,496</u>	<u>\$ 5,679,198</u>	<u>\$ 897,652</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, 2018*

*Exhibit J-3*

Data Control Codes	Debt Service Fund Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual		
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 130,308,891	\$ 130,308,891	\$ 134,179,203	\$ 3,870,312
5800	State program revenues	1,603,758	1,603,758	2,125,354	521,596
5900	Federal program revenues	490,334	490,334	491,386	1,052
<b>5020</b>	<b>Total Revenues</b>	<u>132,402,983</u>	<u>132,402,983</u>	<u>136,795,943</u>	<u>4,392,960</u>
<b>Expenditures</b>					
<b>Debt Service:</b>					
0071	Principal on long-term debt	81,561,578	85,933,963	73,760,515	12,173,448
0072	Interest and fiscal charges	49,814,239	56,127,529	65,936,246	(9,808,717)
<b>6030</b>	<b>Total Expenditures</b>	<u>131,375,817</u>	<u>142,061,492</u>	<u>139,696,761</u>	<u>2,364,731</u>
1100	Excess (deficiency) revenues over (Under) expenditures	<u>1,027,166</u>	<u>(9,658,509)</u>	<u>(2,900,818)</u>	<u>6,757,691</u>
<b>Other Financing Sources (Uses)</b>					
7901	Refunding bonds issued	-	70,072,611	70,070,000	2,611
7916	Premium or discount on issuance of bonds	-	10,653,676	10,653,676	-
8949	Payment to bond refunding escrow agent	-	(80,032,053)	(80,032,053)	-
	<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>694,234</u>	<u>691,623</u>	<u>2,611</u>
1200	Net change in fund balances	1,027,166	(8,964,275)	(2,209,195)	6,760,302
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>43,277,312</u>	<u>43,277,312</u>	<u>43,277,312</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ 44,304,478</u>	<u>\$ 34,313,037</u>	<u>\$ 41,068,117</u>	<u>\$ 6,760,302</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 & 21**

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)

Fiscal Year Ended August 31:	2009	2010	2011	2012
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 275,575,208	\$ 281,620,908	\$ 288,131,488	\$ 279,955,524
Instruction Resources & Media Services	6,617,443	6,579,218	6,708,232	6,262,370
Curriculum & Instructional Staff Development	6,140,070	6,049,840	6,455,220	6,057,340
Instructional Leadership	7,452,181	6,927,337	7,406,223	6,761,534
School Administration	27,239,901	25,468,736	25,928,350	24,953,147
Guidance and Counseling	18,828,242	18,759,542	19,133,441	17,451,208
Social Work Services	107,506	107,114	100,608	98,150
Health Services	4,271,152	4,333,720	4,606,909	4,481,729
Pupil Transportation	8,755,641	9,351,970	9,529,155	9,938,802
Food Services	19,902,076	20,547,788	20,460,244	20,080,887
Co-Curricular Activities	13,715,486	13,875,563	14,874,422	14,682,758
General Administration	10,083,602	9,591,098	9,200,921	8,565,384
Plant Maintenance and Operation	39,867,541	41,074,887	40,156,334	39,331,624
Security and Monitoring	939,419	912,856	938,328	994,727
Data Processing Services	7,094,566	5,943,920	6,102,614	6,667,960
Community Services	4,795,969	5,008,193	4,910,278	4,909,867
Interest and Fiscal Charges	47,734,528	47,244,599	50,097,646	48,154,399
Other Facility Costs	12,552,738	17,596,170	11,272,489	9,356,373
Fiscal Agent/Member District of Shared Service Arrangement	163,800	238,000	201,500	170,500
Alternative Education Program	329,923	611,252	153,614	246,797
Other Intergovernmental Charges	2,688,343	2,768,705	2,768,281	2,739,368
<b>Total governmental expenses</b>	<b>\$ 514,855,335</b>	<b>\$ 524,611,416</b>	<b>\$ 529,136,297</b>	<b>\$ 511,860,448</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for Service				
Instruction & Instructional Related Services	\$ 4,450,581	\$ 3,335,089	\$ 2,439,699	\$ 3,858,200
Food Services	9,870,594	10,698,511	10,225,992	8,895,203
Cocurricular/Extracurricular Activities	1,990,018	2,246,881	1,779,880	1,581,926
Plant Maintenance and Operations	419,396	747,845	974,322	1,998,227
Community Services	3,074,598	3,008,535	4,119,209	4,447,814
Other Activities	1,237,871	1,165,688	1,195,551	879,474
Operating Grants and Contributions	47,107,497	60,913,693	73,348,310	50,608,327
Total Primary Government Program Revenues	68,150,555	82,116,242	94,082,963	72,269,171
<b>Net (Expense)/Revenue</b>				
Total Primary Government Net Expense	\$ (446,704,780)	\$ (442,495,174)	\$ (435,053,334)	\$ (439,591,277)
<b>General Revenues</b>				
Property Taxes, Levied for General Purposes	\$ 245,065,937	\$ 243,499,386	\$ 237,128,747	\$ 242,746,951
Property Taxes, Levied for Debt Service	79,763,441	86,144,920	88,157,176	89,872,719
Unrestricted State Aid Formula Grants	101,366,379	101,862,834	119,824,122	109,838,538
Medicaid Reimbursement	863,715	2,422,209	817,643	6,811,600
Unrestricted Federal Aid	1,179,995	1,237,177	2,317,192	3,707,080
Investment Earnings	4,436,309	1,046,795	596,419	525,344
Miscellaneous	1,825,683	1,000,192	743,362	717,352
Extraordinary	-	-	-	-
Total Primary Government General Revenues	434,501,459	437,213,513	449,584,661	454,219,584
<b>Total governmental revenues</b>	<b>\$ 502,652,014</b>	<b>\$ 519,329,755</b>	<b>\$ 543,667,624</b>	<b>\$ 526,488,755</b>
<b>Change in Net Position</b>	<b>\$ (12,203,321)</b>	<b>\$ (5,281,661)</b>	<b>\$ 14,531,327</b>	<b>\$ 14,628,307</b>

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

Table - 1

	2013	2014	2015	2016	2017	2018
\$	282,653,927	\$ 289,905,880	\$ 308,895,880	\$ 326,660,818	\$ 323,992,764	\$ 225,462,145
	6,473,535	6,733,833	7,425,938	7,502,899	7,585,392	5,823,255
	4,426,798	4,461,763	4,590,463	4,874,827	4,102,425	3,013,833
	6,843,861	7,545,360	7,893,583	8,903,376	9,765,778	6,953,673
	26,467,904	27,421,044	29,789,384	31,716,245	32,419,874	22,667,635
	17,628,277	18,166,936	19,667,318	21,097,288	21,185,983	15,120,788
	100,963	98,600	88,792	185,475	183,116	(1,132,246)
	4,842,853	4,934,261	5,191,779	5,534,811	5,569,943	4,034,451
	10,328,260	9,910,427	9,976,247	14,361,259	13,907,795	15,741,491
	20,648,885	21,296,674	23,215,591	23,217,766	22,907,650	22,100,123
	16,434,607	16,615,878	16,581,023	17,321,622	17,712,024	14,499,663
	8,795,533	9,220,556	9,024,712	9,678,040	10,177,321	7,691,141
	46,728,086	55,189,668	40,969,745	40,475,796	40,490,105	38,809,077
	915,428	1,241,366	1,675,300	2,102,031	2,320,402	2,113,845
	8,347,142	11,744,444	11,335,525	13,016,883	12,874,913	9,114,655
	4,895,546	5,105,551	6,500,350	6,989,562	7,351,795	5,723,026
	51,615,410	52,358,811	52,171,286	39,890,376	39,817,052	42,467,688
	30,358,431	12,360,716	22,960,441	8,699,867	3,171,803	29,245,473
	170,500	147,600	114,829	98,460	82,342	82,000
	135,992	104,308	117,747	83,927	87,576	34,176
	2,725,986	2,731,183	2,716,149	2,783,812	2,853,234	2,939,064
	<b>\$ 551,537,924</b>	<b>\$ 557,294,859</b>	<b>\$ 580,902,082</b>	<b>\$ 585,195,140</b>	<b>\$ 578,559,287</b>	<b>\$ 472,504,956</b>
\$	2,992,009	\$ 4,089,769	\$ 4,963,217	\$ 1,515,434	\$ 1,576,433	\$ 1,610,622
	10,265,965	9,098,179	8,428,000	10,840,286	10,149,919	11,335,747
	1,849,881	2,094,253	1,872,246	5,116,801	5,038,341	5,398,161
	1,310,949	5,029,422	2,758,807	1,692,172	1,922,401	1,771,287
	4,595,832	4,799,786	5,472,426	5,748,121	5,826,826	6,280,879
	833,762	718,246	802,322	826,556	855,241	859,214
	45,320,097	52,005,091	59,099,814	59,907,871	57,106,825	(45,220,947)
	67,168,495	77,834,746	83,396,832	85,647,241	82,475,986	(17,965,037)
	<b>\$ (484,369,429)</b>	<b>\$ (479,460,113)</b>	<b>\$ (497,505,250)</b>	<b>\$ (499,547,899)</b>	<b>\$ (496,083,301)</b>	<b>\$ (490,469,993)</b>
\$	247,466,001	\$ 262,361,996	\$ 283,836,024	\$ 307,180,337	\$ 342,084,310	\$ 373,822,932
	98,391,651	109,933,968	119,023,797	128,713,200	124,955,925	132,137,704
	99,178,158	101,845,393	102,521,434	100,068,312	71,851,910	42,143,916
	2,293,021	785,020	2,255,156	2,608,736	3,359,690	3,262,951
	7,728,644	4,016,960	3,211,813	3,927,086	3,339,065	3,494,633
	692,103	526,725	695,192	1,334,784	2,702,075	8,771,027
	924,739	1,021,541	950,900	1,152,830	3,066,330	1,174,359
	-	-	-	-	-	11,398,763
	456,674,317	480,491,603	512,494,316	544,985,285	551,359,305	576,206,285
	<b>\$ 523,842,812</b>	<b>\$ 558,326,349</b>	<b>\$ 595,891,148</b>	<b>\$ 630,632,526</b>	<b>\$ 633,835,291</b>	<b>\$ 558,241,248</b>
	<b>\$ (27,695,112)</b>	<b>\$ 1,031,490</b>	<b>\$ 14,989,066</b>	<b>\$ 45,437,386</b>	<b>\$ 55,276,004</b>	<b>\$ 85,736,292</b>

**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>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 96,071,603	\$ 89,609,708	\$ 75,709,046	\$ 94,859,322
Restricted				
Food Service	591,559	553,210	3,010,841	3,706,224
Grants	-	-	481,060	299,146
Debt Service	-	3,802,228	17,546,501	22,069,672
Unrestricted	(29,529,821)	(32,113,466)	(20,364,441)	(29,923,050)
<b>Total primary government net position</b>	<b>\$ 67,133,341</b>	<b>\$ 61,851,680</b>	<b>\$ 76,383,007</b>	<b>\$ 91,011,314</b>

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

Table - 2

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 106,986,251	\$ 119,340,474	\$ 103,742,180	\$ 114,339,749	\$ 126,778,118	\$ 99,766,457
3,712,705	2,824,580	1,162,731	2,495,643	4,414,285	5,679,198
451,522	1,515,798	523,477	75,215	75,215	217,249
14,676,604	6,205,159	5,109,954	28,876,110	42,980,807	39,917,275
(69,152,829)	(72,180,268)	(100,603,154)	(90,677,197)	(63,862,901)	(238,381,629)
<b>\$ 56,674,253</b>	<b>\$ 57,705,743</b>	<b>\$ 9,935,188</b>	<b>\$ 55,109,520</b>	<b>\$ 110,385,524</b>	<b>\$ (92,801,450)</b>

# LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

Fiscal Year Ended August 31:	2009	2010	2011	2012
<b>Revenues</b>				
Local Sources:				
Property Taxes	\$ 322,697,841	\$ 331,544,587	\$ 326,407,429	\$ 333,666,938
Interest	4,367,527	1,027,363	583,103	505,486
Other	24,918,353	23,946,287	22,623,729	24,730,619
State Sources	125,619,482	122,825,368	143,098,832	134,480,516
Federal Sources	23,400,527	41,847,993	51,571,002	34,542,294
<b>Total Revenue</b>	<b>501,003,730</b>	<b>521,191,598</b>	<b>544,284,095</b>	<b>527,925,853</b>
<b>Expenditures</b>				
Instruction	263,191,773	265,012,438	271,554,272	260,663,523
Instructional Resources & Media Services	6,042,544	5,912,652	6,021,719	5,494,896
Curriculum and Instructional Staff Development	6,114,311	6,011,497	6,484,525	6,024,558
Instructional Leadership	7,130,744	6,808,006	7,832,930	6,376,792
School Administration	27,024,895	25,203,341	25,578,743	24,408,361
Guidance and Counseling	18,755,490	18,636,783	18,967,277	17,220,848
Social Work Services	108,042	107,273	100,546	97,869
Health Services	4,232,494	4,277,112	4,529,805	4,390,500
Pupil Transportation	8,677,229	9,242,192	9,394,593	9,804,239
Food Services	18,979,584	19,459,341	19,152,354	18,585,539
Co-Curricular Activities	10,889,869	10,661,335	10,242,158	9,619,403
General Administration	9,241,283	9,401,022	9,859,951	8,346,364
Plant Maintenance and Operations	39,727,069	40,606,834	39,992,155	38,499,516
Security and Monitoring	897,112	889,694	923,348	996,357
Data processing Services	6,830,649	5,394,418	5,640,850	6,264,730
Community Services	4,392,688	4,600,979	4,571,472	4,509,308
Debt Service:				
Principal	25,900,241	23,584,821	29,823,611	42,420,121
Interest	50,627,806	62,484,307	60,642,813	48,916,271
Other Facility Costs	81,619,073	155,001,454	74,166,666	45,731,829
Intergovernmental Charges	3,182,066	3,617,957	3,123,395	3,156,665
<b>Total expenditures</b>	<b>593,564,962</b>	<b>676,913,456</b>	<b>608,603,183</b>	<b>561,527,689</b>
<b>Other financing sources (uses)</b>				
Refunding Bonds Issued	5,350,000	28,440,000	33,659,938	62,686,456
Issuance of Debt	167,045,000	91,715,000	48,685,000	88,503,544
Sale of Real & Personal Property	45,649	58,641	157,495	278,177
Proceeds from Capital Leases	-	-	-	-
Transfers in	-	-	-	-
Premium on Issuance of Bonds	4,773,268	3,668,653	2,655,676	20,522,790
Extraordinary Items	-	-	-	-
Transfers out	-	-	-	-
Payments to Refunded bond Escrow Agent	(5,450,359)	(29,891,161)	(35,738,783)	(72,222,008)
<b>Total other financing sources (uses)</b>	<b>171,763,558</b>	<b>93,991,133</b>	<b>49,419,326</b>	<b>99,768,959</b>
<b>Net changes in fund balances</b>	<b>\$ 79,202,326</b>	<b>\$ (61,730,725)</b>	<b>\$ (14,899,762)</b>	<b>\$ 66,167,123</b>
<b>Debt service as a percentage of noncapital expenditures (1)</b>	<b>14.61%</b>	<b>15.97%</b>	<b>16.60%</b>	<b>17.43%</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

2013	2014	2015	2016	2017	2018
\$ 345,080,200	\$ 372,025,114	\$ 403,777,757	\$ 434,278,996	\$ 466,471,035	\$ 507,528,734
680,877	522,573	690,168	1,312,563	2,658,144	8,700,838
23,657,390	27,987,700	27,270,605	26,734,700	27,560,287	28,262,439
119,133,244	127,962,753	132,939,729	122,591,398	97,575,055	65,613,324
34,392,821	29,331,524	32,334,372	34,105,509	34,264,196	36,157,007
<b>522,944,532</b>	<b>557,829,664</b>	<b>597,012,631</b>	<b>619,023,166</b>	<b>628,528,717</b>	<b>646,262,342</b>
263,224,433	270,076,377	289,020,123	290,892,613	292,762,516	312,412,894
5,696,271	5,927,045	6,229,867	6,409,791	6,446,460	6,789,731
4,393,504	4,425,938	4,491,952	4,743,697	3,959,032	4,003,792
7,002,442	7,418,580	7,775,561	8,554,377	9,365,241	10,205,040
25,917,503	26,778,497	28,691,997	29,878,678	30,421,022	32,961,571
17,393,047	17,916,846	19,426,585	20,244,236	20,236,423	22,639,530
100,690	98,206	94,511	103,140	95,657	325,302
4,750,918	4,834,968	5,113,997	5,267,508	5,275,914	5,745,209
10,193,698	9,775,804	9,851,826	14,241,939	13,788,546	15,622,299
19,387,635	19,831,230	21,359,940	21,032,612	20,804,655	22,614,186
9,886,996	10,423,856	11,041,868	11,495,541	11,969,045	11,845,476
8,539,387	8,535,860	8,787,789	9,285,325	9,699,544	9,851,174
46,339,019	54,542,532	39,945,841	39,474,336	39,615,343	40,998,369
901,930	1,227,343	1,589,036	1,943,947	2,148,795	2,128,030
7,778,867	8,217,909	8,335,665	9,912,375	9,700,756	11,022,216
4,495,334	4,664,475	5,671,914	6,000,955	6,337,872	6,678,475
52,584,938	52,472,420	48,017,266	55,804,877	60,108,857	75,278,486
46,508,534	56,679,027	71,425,499	196,737,871	57,479,032	65,939,456
128,529,634	109,475,852	63,241,501	25,232,212	11,615,220	59,669,880
3,032,478	2,983,091	2,948,725	2,966,199	3,023,152	3,055,240
<b>666,657,258</b>	<b>676,305,856</b>	<b>653,061,463</b>	<b>760,222,229</b>	<b>614,853,082</b>	<b>719,786,356</b>
68,060,000	-	118,570,737	334,565,000	68,850,000	70,070,000
112,275,000	67,435,000	96,330,000	-	193,950,000	117,210,000
86,156	180,002	84,458	100,250	876,204	88,436
-	-	2,614,500	-	-	-
-	-	-	-	-	46,574
15,273,545	3,167,402	36,131,863	59,917,550	21,629,806	19,306,432
-	-	-	-	-	11,398,763
-	-	-	-	-	(546,574)
(79,716,841)	-	(148,763,590)	(270,714,408)	(79,527,330)	(80,032,053)
<b>115,977,860</b>	<b>70,782,404</b>	<b>104,967,968</b>	<b>123,868,392</b>	<b>205,778,680</b>	<b>137,541,578</b>
<b>\$ (27,734,866)</b>	<b>\$ (47,693,788)</b>	<b>\$ 48,919,136</b>	<b>\$ (17,330,671)</b>	<b>\$ 219,454,315</b>	<b>\$ 64,017,564</b>
<b>17.47%</b>	<b>18.80%</b>	<b>19.51%</b>	<b>33.99%</b>	<b>19.42%</b>	<b>20.61%</b>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

<b>Fiscal Year Ended August 31:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Fund:				
Non-spendable	\$ 538,412	\$ 374,997	\$ 263,970	\$ 435,003
Restricted	-	534,852	719,912	-
Committed	45,000,000	45,000,000	45,000,000	45,000,000
Unassigned	72,156,071	74,761,188	87,335,085	101,532,888
Total General Fund	<u>\$ 117,694,483</u>	<u>\$ 120,671,037</u>	<u>\$ 133,318,967</u>	<u>\$ 146,967,891</u>
All Other Governmental Funds:				
Non-spendable	\$ 592,946	\$ 562,316	\$ 509,836	\$ 483,470
Restricted	169,326,493	104,625,785	77,187,158	129,588,374
Committed	3,111,182	3,135,241	3,078,656	3,222,005
Total All Other Governmental Funds	<u>\$ 173,030,621</u>	<u>\$ 108,323,342</u>	<u>\$ 80,775,650</u>	<u>\$ 133,293,849</u>
Total Governmental Funds	<u>\$ 290,725,104</u>	<u>\$ 228,994,379</u>	<u>\$ 214,094,617</u>	<u>\$ 280,261,740</u>

Sources of Information: Balance Sheet Governmental Funds.

**Table - 4**

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 211,097	\$ 173,544	\$ 193,789	\$ 534,034	\$ 2,021,399	\$ 3,417,864
-	-	-	-	-	-
45,000,000	45,000,000	45,000,000	45,000,000	107,997,995	118,368,241
96,179,411	99,372,254	110,175,121	113,137,059	59,327,468	32,102,333
<u>\$ 141,390,508</u>	<u>\$ 144,545,798</u>	<u>\$ 155,368,910</u>	<u>\$ 158,671,093</u>	<u>\$ 169,346,862</u>	<u>\$ 153,888,438</u>
\$ 423,110	\$ 506,750	\$ 444,316	\$ 491,382	\$ 633,720	\$ -
106,983,623	55,076,189	92,563,591	71,748,772	280,627,437	360,614,441
3,729,633	4,704,349	5,375,405	5,510,304	5,267,847	5,290,551
<u>\$ 111,136,366</u>	<u>\$ 60,287,288</u>	<u>\$ 98,383,312</u>	<u>\$ 77,750,458</u>	<u>\$ 286,529,004</u>	<u>\$ 365,904,992</u>
<u>\$ 252,526,874</u>	<u>\$ 204,833,086</u>	<u>\$ 253,752,222</u>	<u>\$ 236,421,551</u>	<u>\$ 455,875,866</u>	<u>\$ 519,793,430</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
2008	\$ 319,855,271	\$ 316,941,339	99.09%	\$ 2,697,074	319,638,413	99.93%
2009	327,214,703	324,566,517	99.19%	2,466,312	327,032,829	99.94%
2010	324,469,662	322,793,734	99.48%	1,481,071	324,274,805	99.94%
2011	330,122,034	328,956,578	99.65%	986,939	329,943,517	99.95%
2012	342,977,539	341,587,684	99.59%	1,103,630	342,691,314	99.92%
2013	366,719,733	364,936,168	99.51%	1,443,567	366,379,735	99.91%
2014	399,044,450	397,463,331	99.60%	1,102,543	398,565,874	99.88%
2015	429,633,657	427,989,227	99.62%	1,043,397	429,032,624	99.86%
2016	461,617,608	459,698,348	99.58%	1,147,423	460,845,771	99.83%
2017	503,495,606	501,779,116	99.66%	-	501,779,116	99.66%

(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: Denton County 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
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
2017	1.0400	0.3675	1.4075
2018	1.0400	0.3675	1.4075

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>
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
2017	24,373,415,494	806,888,779	8,620,881,936	312,785,425
2018	26,618,788,863	855,310,957	9,644,070,536	405,248,000

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**

<u>Other</u>	<u>Less: Exemptions</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
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
1,745,292,073	3,350,981,453	32,508,282,254	1.420
1,736,472,590	3,487,556,594	35,772,334,352	1.408

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

<b>Fiscal Year Ended August 31:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
City of Carrollton	\$ 0.61788	\$ 0.61788	\$ 0.61788	\$ 0.61788
City of Coppell	0.64146	0.64146	0.69046	0.69046
Town of Copper Canyon	0.19027	0.20171	0.30171	0.30171
Denton County	0.23577	0.24980	0.27390	0.27736
Denton County FWSD#1-B	0.90000	0.90000	0.90000	0.88000
Denton County FWSD#1-C	-	-	-	-
Denton County FWSD#1-D	0.90000	0.90000	0.90000	0.90000
Denton County FWSD#1-E	0.90000	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	0.16500	0.16500	0.16350	0.16350
Denton County RUD#1	0.38000	0.35000	0.17000	0.11000
Town of Double Oak	0.22481	0.22481	0.22481	0.22481
Town of Flower Mound	0.44970	0.44970	0.44970	0.44970
City of Frisco	0.45000	0.46500	0.46500	0.46191
City of Highland Village	0.56963	0.56963	0.56963	0.56963
City of Lewisville	0.44021	0.44021	0.44021	0.44021
City of Plano	0.47350	0.48860	0.48860	0.48860
Tarrant County	-	-	-	-
Tarrant County College District	-	-	-	-
Tarrant County Hospital District	-	-	-	-
City of The Colony	0.69000	0.68800	0.68550	0.68300
<b>Total</b>	<b>\$ 8.22823</b>	<b>\$ 8.25180</b>	<b>\$ 8.24090</b>	<b>\$ 8.15877</b>

District Direct Rate:

Maintenance & Operations	1.0400	1.0400	1.0400	1.0400
Debt Service	0.3400	0.3687	0.3867	0.3860
<b>Total District Direct Rates</b>	<b>1.3800</b>	<b>1.4087</b>	<b>1.4267</b>	<b>1.4260</b>

**Table - 8**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$	0.61788	\$ 0.61788	\$ 0.61538	\$ 0.60370	\$ 0.60370	\$ 0.59970
	0.67046	0.63750	0.60649	0.57950	0.59750	0.57950
	0.30171	0.29751	0.29751	0.29751	0.29751	0.29751
	0.28287	0.28491	0.27220	0.24841	0.24841	0.23781
	0.88000	0.88000	0.84000	0.74250	0.74250	0.69000
	-	0.90000	0.90000	0.90000	0.90000	0.90000
	0.90000	0.90000	0.86000	0.84000	0.84000	0.72000
	0.90000	0.90000	0.90000	0.83000	0.83000	0.78000
	1.00000	1.00000	1.00000	0.98000	0.98000	0.92000
	-	1.00000	1.00000	1.00000	1.00000	1.00000
	-	-	1.00000	1.00000	1.00000	1.00000
	0.20700	0.18500	0.18500	0.18400	0.18400	N/A
	0.01000	N/A	N/A	N/A	N/A	N/A
	0.22481	0.22481	0.22481	0.23240	0.23240	0.23240
	0.44970	0.44970	0.43900	0.43900	0.43900	0.43900
	0.46191	0.46191	0.46000	0.45000	0.45000	0.44660
	0.56963	0.56963	0.56963	0.56963	0.56963	0.56802
	0.44021	0.44021	0.43609	0.43609	0.43609	0.43609
	0.48860	0.48860	0.48860	0.47860	0.47860	0.46860
	0.26400	0.26400	0.26400	0.25400	0.25400	0.24400
	0.14897	0.14950	0.14950	0.14473	0.14473	0.14006
	-	0.22790	0.22790	0.22790	0.22790	0.22443
	0.68050	0.67750	0.67250	0.66750	0.66750	0.66500
	<b>\$ 9.49825</b>	<b>\$ 11.55656</b>	<b>\$ 12.40861</b>	<b>\$ 12.10547</b>	<b>\$ 12.12346</b>	<b>\$ 11.58872</b>
	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
	0.4130	0.4370	0.4370	0.4367	0.3800	0.3675
	1.4530	1.4770	1.4770	1.4767	1.4200	1.4075

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	2018			2009		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Toyota Motor North America Inc.	\$ 157,625,052	1	0.44%	\$ -		-
TXFM Inc.	135,000,000	2	0.38%	-		-
DFW Lewisville Partners GE Etal	101,531,170	3	0.28%	-		-
RREF Chapel Hill LLC	85,574,030	4	0.24%	-		-
Frankel, Edward B MD TR	83,987,000	5	0.23%	-		-
PBH Bella Vida LLC	85,220,823	6	0.24%	-		0.00%
Oncor Elec Delivery Co. (previously TXU Electric Delivery Co.)	70,089,670	7	0.20%	-		0.00%
MB Shops at Highland Village LLC	70,000,000	8	0.20%	-		-
Frito-Lay Inc	68,477,093	9	0.19%	59,189,910	5	0.27%
TIC Lago Vista LP Etal	68,096,000	10	0.19%	69,821,864	3	0.00
<b>Total Ten Principal Taxpayers</b>	<b>\$ 925,600,838</b>		<b>2.59%</b>	<b>\$ 129,011,774</b>		<b>0.59%</b>
<b>Total Taxable Assessed Value</b>	<b>\$ 35,772,334,352</b>			<b>\$ 21,911,662,802</b>		

Source of Information: 2018 Certified Top 10 Taxpayers Report from Denton Central Appraisal District

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Table - 10

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
August 31, 2018  
(Unaudited)**

Taxing Jurisdiction	Gross Bonded Debt *	Overlapping	
		Percent	Amount
<b><u>Overlapping:</u></b>			
City of Carrollton	\$ 174,275,000	37.23%	\$ 64,882,583
City of Coppell	100,075,000	2.07%	2,071,553
Town of Copper Canyon	1,705,000	72.41%	1,234,591
Denton County	612,630,000	40.73%	249,524,199
Denton County FWSD#1-B	8,925,000	100.00%	8,925,000
Denton County FWSD#1-C	7,360,650	100.00%	7,360,650
Denton County FWSD#1-D	20,360,000	100.00%	20,360,000
Denton County FWSD#1-E	20,100,000	100.00%	20,100,000
Denton County FWSD#1-F	22,846,500	100.00%	22,846,500
Denton County FWSD#1-G	34,897,500	100.00%	34,897,500
Denton County FWSD#1-H	30,704,850	100.00%	30,704,850
Denton County LID#1	7,560,000	94.21%	7,122,276
Town of Flower Mound	162,555,000	95.88%	155,857,734
City of Frisco	779,130,000	4.50%	35,060,850
City of Highland Village	39,325,000	100.00%	39,325,000
City of Lewisville	80545000.00%	98.15%	79,054,918
City of Lewisville	7435000.00%	100.00%	7,435,000
City of Lewisville	31015000.00%	100.00%	31,015,000
City of Lewisville	35250000.00%	100.00%	35,250,000
City of Plano	405,850,000	3.39%	13,758,315
Tarrant County	294,500,000	10.00%	294,500
Tarrant County Hospital District	19,300,000	10.00%	19,300
City of The Colony	109,985,000	87.95%	96,731,808
<b>Total Estimated Overlapping Debt</b>			<b>963,832,127</b>
 <b><u>Direct:</u></b>			
Lewisville ISD			1,387,749,924
<b>Total Direct and Overlapping Debt</b>			<b>2,351,582,051</b>

Source of Information: Municipal Advisory Council of Texas

\* Information for other entities is as of 9/30/17. 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.

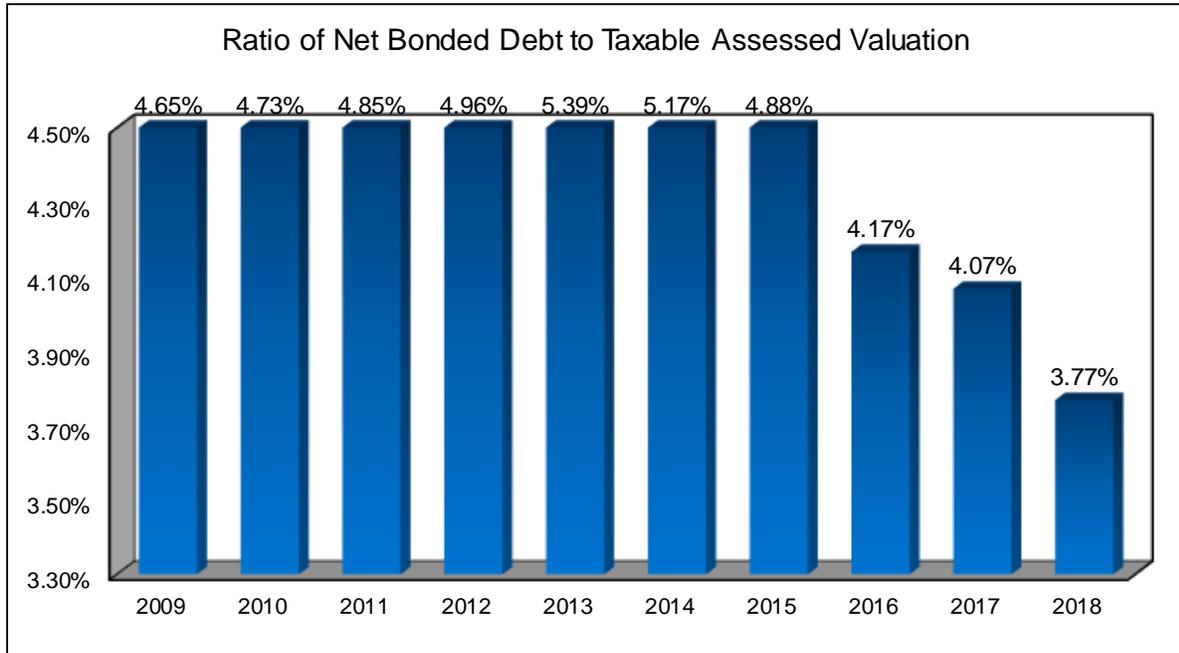
Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of these overlapping governments that is borne by the residents and businesses of the District.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**ALL GOVERNMENTAL FUNDS**

**Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt to Personal Income  
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
2009	21,911,662,802	100%	1,041,201,573	21,634,453
2010	23,200,406,048	100%	1,101,234,737	3,802,228
2011	22,507,417,241	100%	1,109,691,388	17,546,501
2012	23,095,990,992	100%	1,167,429,077	22,069,672
2013	23,046,548,096	100%	1,256,272,880	14,676,604
2014	24,430,874,196	100%	1,269,178,365	6,205,159
2015	26,698,623,389	100%	1,309,320,999	5,109,954
2016	29,093,582,239	100%	1,240,974,968	28,876,110
2017	32,508,282,254	100%	1,365,057,248	42,980,807
2018	35,772,334,352	100%	1,387,749,924	39,917,275



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

**Table - 11**

Net Bonded Debt Outstanding at Year End	Ratio Net Bonded Debt to Taxable Assessed Valuation	Estimated Population	Net Bonded Debt Per Capita	Taxable Assessed Valuation Per Capita	Net Bonded Debt To Personal Income
1,019,567,120	4.65%	283,699	3,594	77,236	3.98%
1,097,432,509	4.73%	282,889	3,879	82,012	4.10%
1,092,144,887	4.85%	294,609	3,707	76,398	3.68%
1,145,359,405	4.96%	303,646	3,772	76,062	3.64%
1,241,596,276	5.39%	310,590	3,998	74,202	3.74%
1,262,973,206	5.17%	318,317	3,968	76,750	(A)
1,304,211,045	4.88%	327,683	3,980	81,477	(A)
1,212,098,858	4.17%	336,569	3,601	86,442	(A)
1,322,076,441	4.07%	346,057	3,820	93,939	(A)
1,347,832,649	3.77%	360,320	3,741	99,279	(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>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Debt Limit	\$ 2,191,166,280	\$ 2,320,040,605	\$ 2,250,741,724	\$ 2,309,599,099
Total net debt applicable to limit	<u>1,019,567,120</u>	<u>1,097,432,509</u>	<u>1,092,144,887</u>	<u>1,145,359,405</u>
Legal debt margin	<u>\$ 1,171,599,160</u>	<u>\$ 1,222,608,096</u>	<u>\$ 1,158,596,837</u>	<u>\$ 1,164,239,694</u>
Total net debt applicable to the limit as a percentage of debt limit	46.53%	47.30%	48.52%	49.59%

Table - 12

2013	2014	2015	2016	2017	2018
\$ 2,304,654,810	\$ 2,443,098,720	\$ 2,669,862,339	\$ 2,909,358,224	\$ 3,250,828,225	\$ 3,577,233,435
1,241,596,276	1,262,973,205	1,306,167,120	1,212,098,858	1,322,076,441	1,347,832,649
<u>\$ 1,063,058,534</u>	<u>\$ 1,180,125,515</u>	<u>\$ 1,363,695,219</u>	<u>\$ 1,697,259,366</u>	<u>\$ 1,928,751,784</u>	<u>\$ 2,229,400,786</u>
53.87%	51.70%	48.92%	41.66%	45.44%	37.68%
Total Appraised Valuation (1)					\$ 39,259,890,946
Less - Exemptions and Reductions in Value (2)					3,487,556,594
Total Appraised Valuation for School Tax Purpose					<u>35,772,334,352</u>
Debt Limit Percentage					10%
Legal Debt Limit					<u>3,577,233,435</u>
Total Bonded Debt					1,387,749,924
Less - Reserve for Retirement of Bonded Debt					39,917,275
Net Bonded Debt Applicable to Debt Limit					<u>1,347,832,649</u>
Legal Debt Margin					<u>\$ 2,229,400,786</u>

Source of Information: Denton Central Appraisal District.

Notes:

(1) The 2017 tax year appraised value is used for fiscal year 2018 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.

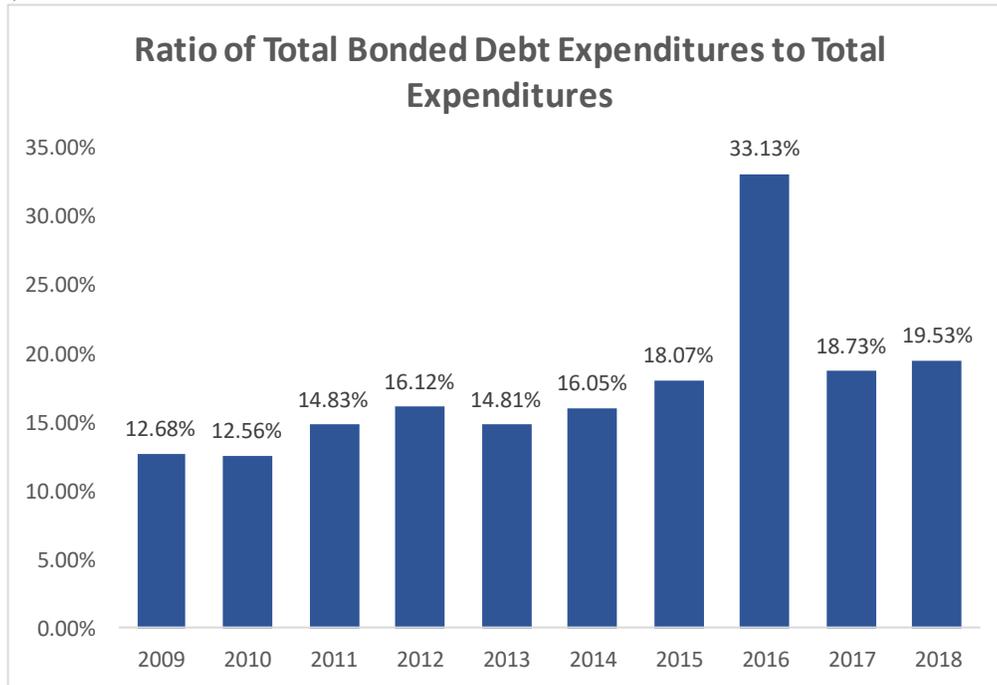
**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**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
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%
2017	57,663,384	57,479,032	115,142,416	614,853,082	18.73%
2018	73,760,515	66,799,002	140,559,517	719,786,356	19.53%

(1) Included current refunding amount of \$128,751,517, from the Unlimited Tax Refunding Bonds, 2016A and 2016B issuance.



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)**

Governmental Activities					
Fiscal Year Ended August 31:	General Obligation Bonds	Capital Financing Agreements (Capital Leases)	Total Primary Government	Estimated Population	Ratio of Total Debt Per Capita
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
2017	1,364,402,033	655,215	1,365,057,248	346,057	3,945
2018	1,387,749,924	-	1,387,749,924	360,320	3,851

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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)**

	Fiscal Year Ended August 31,		
	2018	2017	2016
Beginning Fund Equity (9/1)	\$ 169,346,862	\$ 158,671,093	\$ 155,368,910
Revenues:			
From Ad Valorem Tax	374,957,404	341,677,880	305,997,383
% of Total Revenue	81.78%	75.88%	69.32%
From State and Federal Funds	69,353,242	96,875,590	124,797,020
% of Total Revenue	15.13%	21.51%	28.27%
From Other Local Sources	14,176,407	11,757,999	10,635,871
% of Total Revenue	3.09%	2.61%	2.41%
Total Revenues	458,487,053	450,311,469	441,430,274
Total Expenditures	473,472,962	437,991,870	436,543,762
Net Transfers and Other Increases (Decreases) to Fund Equity	(372,515)	(1,643,830)	(1,584,329)
Ending Fund Equity (8/31)	<u>\$ 153,988,438</u>	<u>\$ 169,346,862</u>	<u>\$ 158,671,093</u>

**Per Student Calculations:**

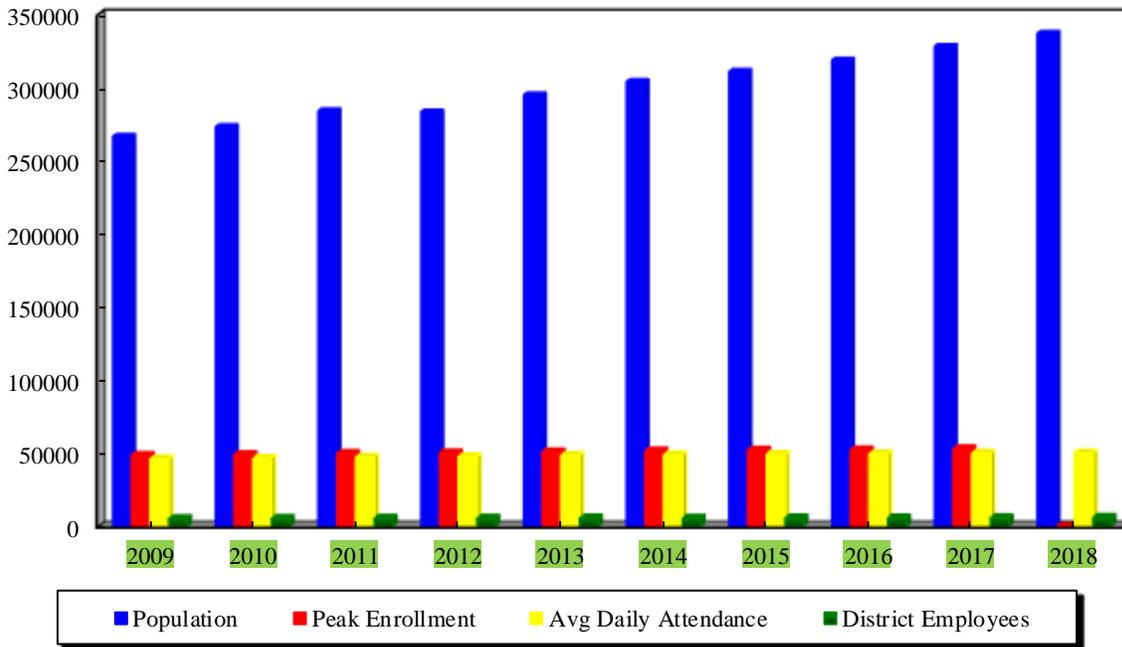
Assessed Valuation Per Student	\$ 726,666	\$ 648,299	\$ 576,225
Ad Valorem Tax Revenues Per Student	\$ 7,617	\$ 6,814	\$ 6,061
State and Federal Funds Per Student	1,409	1,932	2,472
Other Local Sources Per Student	288	234	211
Total Revenues Per Student	<u>\$ 9,314</u>	<u>\$ 8,980</u>	<u>\$ 8,743</u>
Total Expenditures Per Student	\$ 9,618	\$ 8,735	\$ 8,646
Average Daily Attendance	49,228	50,144	50,490

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
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
2017	346,057	53,363	50,144	6,361
2018	360,320	52,421	49,228	6,439



Note: Fiscal Years 2008-2012 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**

<u>Personal Income (000)*</u>	<u>Per Capita Personal Income*</u>	<u>Unemployment Rate*</u>
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
36,361,690	48,174	4.4
39,117,830	50,112	3.6
(A)	(A)	3.4
(A)	(A)	3.6 (B)
(A)	(A)	3.23 (B)

\* Denton County statistics

(A) Not available at time of publication.

(B) Average thru September 2017.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Table - 17

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

Principal Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment *	Employees	Rank	Percentage of Total Employment *
Lewisville ISD	6,439	1	1.44%	5,816	1	1.82%
Toyota Motor Corporation	4,000	2	0.89%	-		0.00%
Wal-Mart Supercenters/Stores	3,722	3		-		-
J.P. Morgan Chase	2,878	4	0.64%			-
Frito-Lay Inc.	2,500	5	0.56%	2,000	2	0.62%
Verizon	2,250	6	0.50%	-		-
Nebraska Furniture Mart	2,000	7	0.45%	-		-
Xerox	823	8	0.18%	-		-
Medical Center of Lewisville	815	9	0.18%	810	5	0.25%
City of Lewisville	781	10	0.17%	631	10	0.20%
Total	<u>26,208</u>		5.86%	<u>9,257</u>		2.89%

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

\* Based on Denton County Total Employment.

Note: LISD Employees for 2018 is all budgeted positions.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**Table - 18**

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

Fiscal Year Ended August 31:	Expenditures	Average Daily Attendance	Per Pupil Costs	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
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%
2017	476,268,891	50,144	9,498	13.8	36.03%
2018	509,016,841	49,228	10,340	14.0	38.29%

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>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Function</b>				
Instruction	4,142.12	4,175.30	4,249.95	4,137.00
Instructional Resources & Media Services	95.00	89.50	92.00	88.50
Curriculum and Instructional Staff Development	43.00	44.00	44.00	48.13
Instructional Leadership	92.50	86.00	87.00	78.37
School Administration	458.00	455.00	471.50	439.00
Guidance and Counseling	258.50	256.50	259.50	245.00
Social Work Services	1.50	1.75	1.50	1.50
Health Services	76.00	76.50	79.50	81.50
Food Services	328.38	342.37	359.37	348.32
Co-Curricular Activities	15.00	15.50	15.50	13.50
General Administration	94.63	106.00	106.00	96.50
Plant Maintenance and Operations	134.76	129.12	132.12	126.13
Security and Monitoring	1.00	-	-	-
Data Processing Services	75.50	76.00	76.00	69.50
Community Services	128.26	137.87	137.87	134.87
Facilities Acquisition and Construction	2.00	-	-	-
<b>Total employees</b>	<b><u>5,946.15</u></b>	<b><u>5,991.41</u></b>	<b><u>6,111.81</u></b>	<b><u>5,907.82</u></b>

Note: Fiscal Years 2008-2012 Employee Count is budgeted for general fund and food service only.  
Employee Count for following years is all budgeted positions.

Sources: Lewisville ISD Department of Accounting and Budgeting

Table - 19

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
4,362.70	4,350.31	4,354.22	4,487.65	4,432.88	4,582.95
88.00	101.00	102.00	104.00	92.50	52.98
21.00	26.00	26.00	41.00	16.00	9.00
82.50	93.00	127.50	89.00	108.00	1.79
462.00	473.00	480.00	506.50	501.50	544.95
246.00	251.00	255.00	265.00	267.13	213.78
1.50	1.50	1.50	98.50	1.50	1.66
81.50	82.50	84.50	83.50	85.50	70.66
349.60	349.55	349.55	385.50	355.30	408.77
15.00	16.00	17.00	17.00	15.00	13.28
90.50	92.50	92.50	97.50	95.00	203.19
124.10	127.12	127.12	124.00	117.34	116.96
-	1.00	2.00	10.00	17.00	16.94
111.00	109.00	108.00	115.00	113.00	69.60
132.60	134.12	139.12	144.13	140.00	129.24
4.00	4.00	4.00	4.00	3.00	3.00
<b>6,172.00</b>	<b>6,211.60</b>	<b>6,270.01</b>	<b>6,572.28</b>	<b>6,360.65</b>	<b>6,438.75</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
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
2017	48,429	154	51,766	888	53,929	824	56,882	1313	64,642	666
2018	50,733	122	53,697	911	55,648	759	58,172	1,268	65,317	686

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
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
56,073	52,525	39	2754	1020	33
57,639	53,334	17	2,665	1,025	38

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

School	Campus Size (acres)	Grades	2009	2010	2011	2012
<b>High Schools:</b>						
Career Center East (2010)	9.22	10-12				
Square Feet			-	-	95,168	95,168
Enrollment			-	-	n/a	n/a
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			408,080	408,080	408,080	408,080
Enrollment			3,046	3,171	3,172	3,240
Hebron 9th Grade Campus (2010)	11.00	9				
Square Feet			-	179,248	179,248	179,248
Enrollment			-	-	824	768
Hebron High (1999)	72.15	10-12				
Square Feet			409,185	409,185	409,185	409,185
Enrollment			2,631	2,834	2,106	2,217
LHS-North (1977)*	15.45	9				
Square Feet			96,440	96,440	-	-
Enrollment			n/a	n/a	-	-
LHS Harmon 9th/10th Grade Campus(2011)	63.82	9-10				
Square Feet			-	-	212,748	212,748
Enrollment			-	-	-	531
LHS Killough 9th/10th Grade Campus (2005)	18.00	9-10				
Square Feet			175,658	175,658	175,658	175,658
Enrollment			905	906	932	434
Lewisville High (1968)/(2012)**	41.00	11-12				
Square Feet			360,822	360,822	360,822	360,822
Enrollment			2,648	2,634	2,647	2,682
Lewisville Learning Center (2001)	11.29	6-12				
Square Feet			49,240	61,203	61,203	61,203
Enrollment			212	280	245	246
Marcus 9th Grade Campus (2014)	2.50	9				
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Marcus High (1981)	43.64	10-12				
Square Feet			474,173	474,173	474,173	474,173
Enrollment			3,023	3,086	3,166	3,182
The Colony High (1986)	45.98	9-12				
Square Feet			427,251	427,251	427,251	427,251
Enrollment			1,864	1,892	1,946	1,908

\*Delay Middle School as of 2011.

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

**Table 21**

2013	2014	2015	2016	2017	2018
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 -	115,261 950	115,261 950	115,261 870	115,261 890
408,080 3,257	517,312 3,309	517,312 2,550	517,312 2,550	525,871 2,709	525,871 2,726
179,248 862	179,248 886	179,248 897	179,248 897	179,248 985	179,248 891
409,185 2,226	442,827 2,346	442,827 2,458	442,827 2,458	475,135 2,633	475,135 2,692
- -	- -	- -	- -	- -	- -
212,748 1,061	212,748 1,155	212,748 1,205	212,748 1,205	212,748 1,314	212,748 1,023
175,658 936	175,658 980	175,658 965	175,658 965	175,658 1,064	175,658 1,360
360,822 1,818	416,039 1,845	422,731 1,987	422,731 1,987	436,572 2,056	436,572 2,178
61,203 209	61,203 210	61,203 229	61,203 229	61,203 236	61,203 171
- -	109,046 -	109,046 835	109,046 835	109,046 824	109,046 801
474,173 3,224	608,317 3,235	608,317 2,439	608,317 2,439	624,467 2,513	624,467 2,473
427,251 1,955	461,177 1,978	454,802 1,987	454,802 1,987	473,311 2,089	473,311 2,052

(Continued on the following page)

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

School	Campus Size (acres)	Grades	2009	2010	2011	2012
<b>Middle Schools:</b>						
Arbor Creek Middle (1994)	14.00	6-8				
Square Feet			121,430	121,430	121,430	121,430
Enrollment			778	820	857	923
Briarhill Middle (1995)	12.00	6-8				
Square Feet			121,173	121,173	121,173	121,173
Enrollment			1,007	971	964	993
Creek Valley Middle (2001)	19.64	6-8				
Square Feet			125,006	125,006	125,006	125,006
Enrollment			670	673	641	659
DeLay Middle (1949)*	17.74	6-8				
Square Feet			92,456	92,456	92,456	92,456
Enrollment			620	633	n/a	n/a
DeLay Middle (2010)	18.35	6-8				
Square Feet			-	-	121,398	121,398
Enrollment			-	-	756	804
Downing Middle (2002)	15.47	6-8				
Square Feet			125,310	125,310	125,310	125,310
Enrollment			667	670	716	701
Durham Middle (2002)	18.89	6-8				
Square Feet			125,040	125,040	125,040	125,040
Enrollment			693	729	782	829
Forestwood Middle (1994)	20.84	6-8				
Square Feet			142,965	142,965	142,965	142,965
Enrollment			655	652	633	640
Griffin Middle (1982)/(2014)**	16.80	6-8				
Square Feet			137,464	137,464	137,464	137,464
Enrollment			680	673	682	692
Hedrick Middle (1973)	14.21	6-8				
Square Feet			116,526	116,526	116,526	116,526
Enrollment			618	634	609	619
Huffines Middle (1997)	15.00	6-8				
Square Feet			122,076	122,076	122,076	122,076
Enrollment			909	937	896	910
Killian Middle (2007)	30.60	6-8				
Square Feet			179,581	179,581	179,581	179,581
Enrollment			581	671	746	844
Lakeview Middle (1989)	28.54	6-8				
Square Feet			130,570	130,570	130,570	130,570
Enrollment			837	820	791	774
Lamar Middle (1987)	20.00	6-8				
Square Feet			135,030	135,030	135,030	135,030
Enrollment			797	772	802	832

\*Purnell Support Center as of FY 2011.

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

**Table 21**

2013	2014	2015	2016	2017	2018
121,430	121,430	121,430	121,430	121,430	121,430
936	905	894	894	942	910
121,173	121,173	121,173	121,173	121,173	121,173
993	971	955	955	888	865
125,006	125,006	125,006	125,006	125,006	125,006
715	741	795	795	699	695
92,456	92,456	92,456	92,456	92,456	92,456
n/a	n/a	n/a	n/a	n/a	n/a
121,398	174,568	179,733	179,733	179,733	179,733
845	903	984	984	1,003	967
125,310	125,310	125,310	125,310	125,310	125,310
677	658	606	606	593	546
125,040	125,040	125,040	125,040	125,040	125,040
813	770	762	762	894	871
142,965	142,965	142,965	142,965	142,965	142,965
637	659	693	693	866	914
137,464	181,298	181,298	181,298	181,298	181,298
696	747	765	765	797	805
116,526	116,526	116,526	116,526	116,526	116,526
622	665	672	672	691	668
122,076	122,076	122,076	122,076	122,076	122,076
902	867	841	841	853	827
179,581	179,581	179,581	179,581	179,581	179,581
864	921	950	950	952	947
130,570	130,570	130,570	130,570	130,570	130,570
834	795	817	817	727	707
135,030	135,030	135,030	135,030	135,030	135,030
845	789	764	764	706	718

(Continued on the following page)

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

School	Campus Size (acres)	Grades	2009	2010	2011	2012
McKamy Middle (1997)	15.00	6-8				
Square Feet			127,775	127,775	127,775	127,775
Enrollment			1,046	1,035	1,078	1,116
Shadow Ridge Middle (2005)	35.95	6-8				
Square Feet			150,664	150,664	150,664	150,664
Enrollment			781	772	782	794
<b>Elementary Schools:</b>						
Bluebonnet Elementary (2000)	12.00	K-5				
Square Feet			69,593	69,593	69,593	69,593
Enrollment			563	567	541	536
Bridlewood Elementary (1998)	12.82	K-5				
Square Feet			82,993	82,993	82,993	82,993
Enrollment			777	754	732	645
Camey Elementary (1977)/(2014)*	10.31	PPCD, PK-5				
Square Feet			63,875	63,875	63,875	63,875
Enrollment			577	542	545	537
Castle Hills Elementary (2002)	7.04	K-5				
Square Feet			73,557	73,557	73,557	73,557
Enrollment			689	722	771	768
Central Elementary (1957)	15.00	PK-5				
Square Feet			152,952	152,952	152,952	152,952
Enrollment			907	934	897	920
College Street Elementary (1960)	6.37	PK-5				
Square Feet			35,601	35,601	35,601	35,601
Enrollment			274	263	253	264
Coyote Ridge Elementary (2005)	16.81	K-5				
Square Feet			99,939	99,939	99,939	99,939
Enrollment			649	594	691	622
Creekside Elementary (1989)	12.06	K-5				
Square Feet			60,168	60,168	60,168	60,168
Enrollment			528	553	463	491
Degan Elementary (1973)	15.00	PPCD, PK-5				
Square Feet			75,764	75,764	75,764	75,764
Enrollment			650	642	646	631
Donald Elementary (1989)	10.00	K-5				
Square Feet			80,465	80,465	80,465	80,465
Enrollment			540	517	492	462
Ethridge Elementary (1990)	11.42	K-5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			422	426	424	431
Flower Mound Elementary (1985)	10.05	K-5				
Square Feet			79,485	79,485	79,485	79,485
Enrollment			600	592	582	565
Forest Vista Elementary (1997)	16.81	PPCD, PK-5				
Square Feet			85,610	85,610	85,610	85,610
Enrollment			539	529	502	474

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

**Table 21**

2013	2014	2015	2016	2017	2018
127,775	127,775	127,775	127,775	127,775	127,775
1,155	1,130	1,110	1,110	1,015	941
150,664	150,664	150,664	150,664	150,664	150,664
804	774	721	721	699	721
69,593	69,593	69,593	69,593	69,593	69,593
474	481	495	495	548	510
82,993	82,993	82,993	82,993	82,993	82,993
576	532	467	467	413	402
63,875	108,560	108,560	108,560	108,560	108,560
513	510	476	476	581	596
73,557	73,557	73,557	73,557	73,557	73,557
784	791	734	734	673	641
152,952	152,952	152,952	152,952	152,952	52,952
905	960	975	975	968	908
35,601	35,601	35,601	35,601	35,601	35,601
363	355	330	330	218	246
99,939	99,939	99,939	99,939	99,939	99,939
613	608	614	614	667	688
60,168	60,168	60,168	60,168	60,168	60,168
453	449*	495	495	465	475
75,764	75,764	75,764	75,764	75,764	75,764
675	632	650	650	636	628
80,465	80,465	80,465	80,465	80,465	80,465
478	503	497	497	470	476
63,853	63,853	63,853	63,853	63,853	63,853
522	518	513	513	488	496
79,485	79,485	79,485	79,485	79,485	79,485
527	505	498	498	472	475
85,610	85,610	85,610	85,610	85,610	85,610
461	549	546	546	499	492

(Continued on the following page)

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

School	Campus Size (acres)	Grades	2009	2010	2011	2012
Garden Ridge Elementary (1992)	10.00	K-5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			537	527	500	474
Hebron Valley Elementary (1989)	9.18	PPCD, K-5				
Square Feet			79,195	79,195	79,195	79,195
Enrollment			675	661	621	644
Hedrick Elementary (1974)	14.21	K-5				
Square Feet			81,815	81,815	81,815	81,815
Enrollment			588	636	682	668
Heritage Elementary (1993)	13.36	K-5				
Square Feet			80,517	80,517	80,517	80,517
Enrollment			775	748	719	710
Hicks Elementary (2004)	10.00	K-5				
Square Feet			100,479	100,479	100,479	100,479
Enrollment			641	670	759	660
Highland Village Elementary (1981)	6.42	K-5				
Square Feet			63,823	63,823	63,823	63,823
Enrollment			411	397	375	391
Homestead Elementary (1999)	9.93	K-5				
Square Feet			74,375	74,375	74,375	74,375
Enrollment			600	609	607	638
Independence Elementary (2008)	14.58	PK-5				
Square Feet			107,000	107,000	107,000	107,000
Enrollment			504	594	616	674
Indian Creek Elementary (1985)	10.00	PPCD, PK-5				
Square Feet			76,172	76,172	76,172	76,172
Enrollment			527	553	554	633
Lakeland Elementary (1963)/(2008)*	10.00	K-5				
Square Feet			107,000	107,000	107,000	107,000
Enrollment			838	845	804	804
Lewisville Elementary (2010)	13.46	K-5				
Square Feet			-	99,674	99,674	101,058
Enrollment			-	-	626	691
Liberty Elementary (2002)	9.49	K-5				
Square Feet			86,122	86,122	86,122	86,122
Enrollment			886	901	866	811
McAuliffe Elementary (1987)	11.02	PPCD, K-5				
Square Feet			78,776	78,776	78,776	78,776
Enrollment			545	477	508	505
Morningside Elementary (1993)	10.00	K-5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			675	709	534	507
Old Settler Elementary (1994)	14.56	K-5				
Square Feet			83,850	83,850	83,850	83,850
Enrollment			749	718	704	666

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

**Table 21**

2013	2014	2015	2016	2017	2018
63,853	63,853	63,853	63,853	63,853	63,853
479	158	465	465	403	381
79,195	79,195	79,195	79,195	79,195	79,195
627	600	600	600	585	565
81,815	81,815	81,815	81,815	81,815	81,815
565	578	607	607	615	581
80,517	80,517	80,517	80,517	80,517	80,517
688	671	651	651	595	546
100,479	100,479	100,479	100,479	100,479	100,479
666	633	615	615	581	596
63,823	63,823	63,823	63,823	63,823	63,823
402	381	353	353	346	335
74,375	74,375	74,375	74,375	74,375	74,375
626	622	597	597	560	553
107,000	107,000	107,000	107,000	107,000	107,000
687	732	790	790	820	874
76,172	76,172	76,172	76,172	76,172	76,172
617	595	631	631	585	536
107,000	107,000	107,000	107,000	107,000	107,000
830	836	849	849	867	844
101,058	101,058	101,110	101,110	101,110	101,110
692	776	809	809	797	776
86,122	86,122	86,122	86,122	86,122	86,122
803	743	667	667	557	520
78,776	78,776	78,776	78,776	78,776	78,776
466	478	520	520	540	541
63,853	63,853	63,853	63,853	63,853	63,853
461	426	431	431	401	383
83,850	83,850	83,850	83,850	83,850	83,850
668	66	636	636	573	569

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

School	Campus Size (acres)	Grades	2009	2010	2011	2012
Owen Elementary (1987)	30.00	PPCD, PK-5				
Square Feet			78,776	78,776	78,776	78,776
Enrollment			416	405	459	451
Parkway Elementary (1995)	11.00	K-5				
Square Feet			75,113	75,113	75,113	75,113
Enrollment			444	450	451	448
Peters Colony Elementary (1980)/(2010)*	10.00	PK-5				
Square Feet			76,664	76,664	107,000	107,000
Enrollment			618	626	708	732
Polser Elementary (1995)	10.00	PPCD, PK-5				
Square Feet			73,324	73,324	73,324	73,324
Enrollment			452	442	447	510
Prairie Trail Elementary (1995)	11.65	K-5				
Square Feet			84,221	84,221	84,221	84,221
Enrollment			728	718	690	635
Rockbrook Elementary (2003)	9.76	PPCD, PK-5				
Square Feet			86,122	86,122	86,122	86,122
Enrollment			742	773	685	684
Southridge Elementary (1999)	12.00	K-5				
Square Feet			74,375	74,375	74,375	74,375
Enrollment			757	789	591	582
Stewarts Creek Elementary (1978)	7.10	PK-5				
Square Feet			67,020	67,020	67,020	67,020
Enrollment			409	407	363	455
Timber Creek Elementary (1978)	15.91	PPCD, PK-5				
Square Feet			63,532	63,532	63,532	63,532
Enrollment			547	519	494	508
Valley Ridge Elementary (1996)	14.54	K-5				
Square Feet			83,844	83,844	83,844	83,844
Enrollment			723	662	645	579
Vickery Elementary (2003)	11.85	K-5				
Square Feet			74,117	74,117	74,117	74,117
Enrollment			585	571	588	593
Wellington Elementary (1998)	10.05	PPCD, PK-5				
Square Feet			86,778	86,778	86,778	86,778
Enrollment			969	918	921	870
<b>Early Childhood:</b>						
Lillie Jackson Early Childhood Center (2005)	7.66	EE-PK				
Square Feet			88,290	88,290	88,290	88,290
Enrollment			456	572	642	703

PK = Pre-kindergarten

K = Kindergarten

PPCD = Preschool Program for Children with Disabilities

EE = Early Education

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**

2013	2014	2015	2016	2017	2018
78,776	78,776	78,776	78,776	78,776	78,776
502	477	496	496	445	388
75,113	75,113	75,113	75,113	75,113	75,113
587	571	542	542	536	518
107,000	107,000	108,560	108,560	108,560	108,560
762	819	844	844	723	662
73,324	73,324	73,324	73,324	73,324	73,324
496	491	466	466	422	393
84,221	84,221	84,221	84,221	84,221	84,221
576	532	609	609	657	690
86,122	86,122	86,122	86,122	86,122	86,122
705	712	780	780	753	757
74,375	74,375	74,375	74,375	74,375	74,375
642	714	692	692	651	627
67,020	67,020	67,020	67,020	67,020	67,020
457	452	416	416	410	370
63,532	63,532	63,532	63,532	63,532	63,532
503	473	470	470	492	498
83,844	83,844	83,844	83,844	83,844	838,444
545	555	535	535	473	471
74,117	74,117	74,117	74,117	74,117	74,117
597	570	540	540	538	490
86,778	86,778	86,778	86,778	86,778	86,778
878	892	903	903	906	902
88,290	88,290	88,290	88,290	88,290	88,290
757	705	704	704	695	694

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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, 2018, 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 10, 2018. 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 10, 2018

**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, 2018. 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 applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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, 2018.

***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 10, 2018

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended August 31, 2018*

**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)	No

Identification of Major Programs:

<b>Name of Federal Program</b>	<b>CFDA Number</b>
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**U.S. Department of Agriculture:**

Child Nutrition – Cluster:

School Breakfast Program	10.553
National School Lunch Program	10.555
National School Lunch Program – USDA Commodities	10.555

Child and Adult Care Food Program (CACFP)	10.558
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Dollar threshold used to distinguish Between Type A and Type B federal programs:	\$972,080
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Auditee qualified as low-risk auditee?	Yes
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**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***  
***For the Year Ended August 31, 2018***

**II. Financial Statement Findings**

There were no current year financial statement findings.

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

There were no current year federal award findings.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*As of August 31, 2018*

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF DEFENSE</b>			
<b>Direct Programs:</b>			
<i>ROTC</i>	12.000	99-061902	\$ 353,194
Total Direct Programs			353,194
<b>Passed through State Comptroller:</b>			
<i>Federal Flood Control Allocation</i>	12.112	17560019550	466,325
Total Passed through State Comptroller			466,325
<b>TOTAL U. S. DEPARTMENT OF DEFENSE</b>			819,519
<b>U. S. DEPARTMENT OF EDUCATION</b>			
<b>Direct Programs:</b>			
<i>Impact Aid</i>	84.041	61902	2,907,615
Total Direct Programs			2,907,615
<b>Passed Through Texas Education Agency:</b>			
<b><u>Special Education Cluster (IDEA):</u></b>			
<i>IDEA - Part B, Formula</i>	84.027A	186600010619026000	8,425,657
<i>IDEA - Part B, Preschool</i>	84.173A	186610010619026000	211,973
<b>Total Special Education Cluster (IDEA)</b>			8,637,630
<i>ESEA Title I Part A - Improving Basic Programs</i>	84.010A	18610101061902	4,052,583
<i>Title I 003(A) Priority and Focus School Grant</i>	84.010A	18610123061902	416,917
<i>Carl D. Perkins - Basic Formula</i>	84.048A	18420006061902	312,348
<i>Title III, Part A - ELA</i>	84.365A	18671001061902	853,520
<i>Title III, Part A - Immigrant</i>	84.365A	18671003061902	175,014
<i>LEP Summer School</i>	84.369A	69551702	42,738
<i>ESEA Title II, Part A - Supporting EF</i>	84.367A	18694501061902	809,098
<i>Title IV, Part A, Subpart I</i>	84.424A	18680101061902	81,362
Total Passed Through Texas Education Agency			6,743,580
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			18,288,825

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*As of August 31, 2018*

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<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	\$ 1,513,908
Total Passed Through Texas Department of Agriculture			1,513,908
<b>Passed Through Texas Education Agency</b>			
Cash Assistance:			
<i>School Breakfast Program</i>	10.553	71401801	2,733,786
<i>National School Lunch Program</i>	10.555	71301801	8,757,774
Total Passed Through Texas Education Agency			11,491,560
<b>Total Child Nutrition Cluster</b>			13,005,468
<b>Passed Through Texas Department of Agriculture:</b>			
<i>Child and Adult Care Food Program</i>	10.558	00297	288,858
Total Passed Texas Department of Agriculture			1,802,766
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>			13,294,326
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 32,402,670

**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 unearned 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, 2018. 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 position 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)	\$ 36,157,007
SHARS	(3,262,951)
Interest subsidy on Build America Bonds	(491,386)
	<u>\$ 32,402,670</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	\$ 337,399
Impact Aid	2,907,615
Federal Flood Control Allocation	466,325
SHARS	3,262,951
Indirect Costs -	
ESEA Title I Part A - Improving Basic Programs	71,781
Title I 1003(A) Priority and Focus School Grant	7,917
Vocational Education - Basic Grant	5,493
Title III, Part A - LEP	15,167
Title III, Part A - Immigrant	3,604
ESEA Title II - Teacher Principal Training and Recruiting	15,291
Title IV - Part A, Subpart 1	1,440
	<u>\$ 7,094,983</u>

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
*For the Year Ended August 31, 2018*

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, “The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings.” The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit’s schedule of findings and questioned costs and
- All audit findings reported in the prior audit’s summary schedule of prior audit findings except audit findings listed as corrected.

**I. Prior Audit Findings**

None Noted

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
***CORRECTIVE ACTION PLAN***  
***For the Year Ended August 31, 2018***

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.”

**I. Corrective Action Plan**

Not Applicable





LEWISVILLE ISD  
1565 W. MAIN STREET  
LEWISVILLE, TX 75067



**DO NOT PRINT IN REPORTS**

**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.	\$ 41,926,935
SF11	Net Pension Assets (1920) at fiscal year-end.	\$ -0-
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$ 99,530,342
SF13	Pension Expense (6147) at fiscal year-end.	\$ -0-