

# Lewisville Independent School District



## Comprehensive Annual Financial Report For the Year Ended August 31, 2015

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# Lewisville Independent School District



Prepared by **Division of Finance**  
Michael Ball, CPA, MBA  
Assistant Superintendent of Finance  
Becky Buck, CPA  
Executive Director of Accounting

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**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED AUGUST 31, 2015**

**TABLE OF CONTENTS**

	<u>PAGE</u>	<u>EXHIBIT</u>
<b>INTRODUCTORY SECTION</b>		
Transmittal Letter .....	i	
Principal Officials and Advisors.....	vi	
Organizational Chart.....	vii	
GFOA Certificate of Achievement.....	viii	
ASBO Certificate of Excellence.....	ix	
Certificate of the Board .....	x	
<b>FINANCIAL SECTION</b>		
Independent Auditor’s Report .....	1	
Management’s Discussion and Analysis .....	5	
<b>Basic Financial Statements:</b>		
Government-wide Financial Statements:		
Statement of Net Position .....	15	A-1
Statement of Activities .....	16	B-1
Governmental Fund Financial Statements:		
Balance Sheet – Governmental Funds .....	18	C-1
Reconciliation of Governmental Funds Balance Sheet to the		
Statement of Net Position .....	20	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balance –		
Governmental Funds.....	22	C-2
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of		
Governmental Funds to the Statement of Activities .....	24	C-3
Statement of Revenues, Expenditures, and Changes in Fund Balance –		
Budget (GAAP Basis) and Actual – General Fund.....	26	C-4
Statement of Net Position – Proprietary Fund .....	27	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund ...	28	D-2
Statement of Cash Flows – Proprietary Fund .....	29	D-3
Statement of Fiduciary Assets and Liabilities – Fiduciary Fund .....	30	E-1
Notes to the Basic Financial Statements.....	31	F-1
<b>Required Supplementary Information</b>		
Schedules of the District’s Proportionate Share of the Net Pension Liability Teachers		
Retirement System of Texas .....	57	G-1
Schedules of the District’s Contributions Teachers Retirement System of Texas.....	58	G-2
Notes to Required Supplementary Information - Pensions.....	59	G-3
<b>Other Supplementary Information:</b>		
Combining and Individual Fund Financial Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds .....	62	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance		
– Nonmajor Governmental Funds.....	64	H-2

Supplemental Schedules:		
Schedule of Delinquent Taxes Receivable .....	68	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Food Service Fund .....	70	J-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Debt Service Fund .....	71	J-3
Statement of Changes in Fiduciary Assets and Liabilities – Fiduciary Fund .....	72	J-4

**STATISTICAL SECTION (Unaudited)**

TABLE

Government-wide Information:		
Government-wide Changes in Net Position – Last Ten Fiscal Years .....	74	1
Government-wide Net Position by Component – Last Ten Fiscal Years .....	76	2
Fund Information:		
All Governmental Funds – Changes in Fund Balances – Last Ten Fiscal Years .....	78	3
All Governmental Funds – Fund Balances – Last Ten Fiscal Years .....	80	4
Property Tax Levies and Collections – Last Ten Fiscal Years .....	82	5
Schedule of Tax Rate Distribution Per \$100 Valuation – Last Ten Fiscal Years .....	83	6
Assessed and Actual Value of Taxable Property – Last Ten Fiscal Years .....	84	7
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years .....	86	8
Principal Property Taxpayers – Current Year and Nine Years Ago .....	88	9
Computation of Direct and Overlapping Debt .....	89	10
Ratio of Net Bonded Debt to Taxable Assessed Valuation and Net Bonded Debt Per Capita – Last Ten Fiscal Years .....	90	11
Legal Debt Margin Information – Last Ten Fiscal Years .....	92	12
Ratio of Annual Debt Service Expenditures For General Bonded Debt To Total Expenditures – Last Ten Fiscal Years .....	94	13
Per Student Calculations (General Fund Only) Based on Revenues And Expenditures – Last Three Fiscal Years .....	95	14
Demographic Data and Economic Statistics Last Ten Fiscal Years .....	96	15
Principal Employers – Current Year and Nine Years Ago .....	98	16
Expenditures, Average Daily Attendance, and Per Pupil Costs – Last Ten Fiscal Years .....	99	17
Full-time Equivalent District Employees by Function – Last Ten Fiscal Years .....	100	18
Teacher Salary and Education – Last Ten Fiscal Years .....	102	19
School Building Information – Last Ten Fiscal Years .....	104	20

**FEDERAL AWARDS SECTION**

Auditor Documents:		
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	115	
Independent Auditor’s Report on Compliance for each Major Program and on Internal Control over Compliance Required by <i>OMB Circular A-133</i> .....	117	
Auditor Documents:		
Schedule of Findings and Questioned Costs .....	119	
Auditee Documents:		
Schedule of Expenditures of Federal Awards .....	121	
Notes to Schedule of Expenditures of Federal Awards .....	123	

**INTRODUCTORY  
SECTION**

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December 14, 2015

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

The Texas Education Code requires that all school districts file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with the generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report of the Lewisville Independent School District (the District) for the fiscal year ended August 31, 2015.

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, 2015, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the year ended August 31, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## **PROFILE OF THE DISTRICT**

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 intermediate schools, forty elementary schools and one early childhood center. The ages of the school buildings range from one to fifty-eight years.

Serving more than 52,000 students, our District has experienced a period of rapid growth adding over 22,000 students in an eleven year period. While the District continues to grow, the rate of growth has slowed to approximately 200-500 students per year.

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

## **EDUCATION**

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

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

The District has set the following goals:

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

The District 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 our 1:X initiative gives our students tools to access, create and collaborate as thriving, 21<sup>st</sup> century digital citizens.

## **FINANCIAL POLICIES**

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

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

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

## **MAJOR INITIATIVES**

*Capital Projects.* In May 2008, voters approved a \$697.7 million bond package designed to finance facility needs through 2015. In the fiscal year ending August 31, 2015, the District issued \$96,330,000 in Unlimited Tax School Building Bonds. The new proceeds were issued for construction and renovation of school buildings and equipment.

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

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

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

Fund balance has reached \$155.3 million in the General Fund, which will allow the District to weather the current financial storm and continue to accomplish the goals.

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

- Maintenance and Operations tax rate will remain at \$1.04 per \$100 valuation through 2015-16.
- LISD will not be subject to Chapter 41 recapture.
- State funding will decrease by approximately \$14 million in fiscal year 2015-16. The one time funding of a 1.5% payroll tax is eliminated in fiscal 2015-16, reducing funding by \$3.5 million. The State increased funding by increasing the basic allotment, generating approximately \$10 million in additional revenue. The remaining reduction is a result of the funding formulas, which reduce state funding as local property tax revenue increases.
- Average Daily Attendance for budgeting purposes for 2015-16 is projected at 50,576, an increase of .036%.

## **ECONOMIC CONDITION AND OUTLOOK**

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

The District's largest taxpayer is only 0.37% of the taxable value of the District. This lack of dependence on a single employer or business segment means that the loss of even a large business will not negatively impact the education of children or imperil the future payment of obligations.

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

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

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

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

## **AWARDS**

The FIRST (Financial Accountability Rating System of Texas) program, a financial accountability system for Texas school districts was developed by the Texas Education Agency in response to Senate Bill 875 of the 76<sup>th</sup> Texas Legislature in 1999. The primary goal of FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with the Texas school finance system. The District received a rating of "P" for "Passed" under Texas' Schools FIRST financial accountability rating system. The "Passed" rating is the state's highest financial rating, demonstrating the quality of LISD's sound fiscal management and appropriate reporting system. The Texas Education Agency converted Schools FIRST to a two-tier rating system of either "P" for "Pass" or "F" for "Substandard Achievement"

for the 2014-2015 rating year. Prior to the 2014-2015 rating year, the Schools FIRST accountability rating system assigned one of four financial accountability ratings to Texas school district, with the highest being "Superior Achievement". LISD achieved the rating of Superior Achievement each year since inception.

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, 2014. This was the sixteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must also satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the District was awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its Comprehensive Annual Financial Report for the year ended August 31, 2014. This award has also been received for the sixteenth consecutive year. We believe the Comprehensive Annual Financial Report for the year ended August 31, 2015 continues to conform to the standards for which these awards were granted.

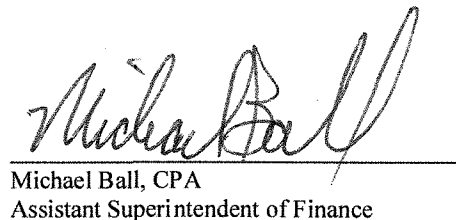
#### ACKNOWLEDGEMENTS

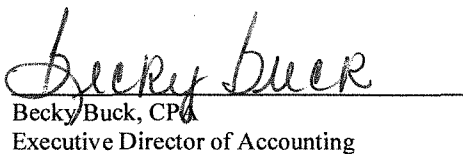
We appreciate the support of the Board of Trustees, the citizens of the District, and the business community, all who work cooperatively to ensure the best education for its students and the prudent development of the District. This cooperation is indicative of the strong support for the attainment of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

Also, we would like to express an appreciation to all employees of the District's schools for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner. The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance office.

Respectfully submitted,

  
Dr. Kevin Rogers  
Superintendent

  
Michael Ball, CPA  
Assistant Superintendent of Finance

  
Becky Buck, CPA  
Executive Director of Accounting

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 2015**

**PRINCIPAL OFFICIALS AND ADVISORS**

**Principal Officials**

<b><u>Board of Trustees</u></b>	<b><u>Date Elected</u></b>	<b><u>Term Expires</u></b>	<b><u>Occupation</u></b>
Trisha Sheffield, President	2012	2018	Independent Copywriter
Tracy Scott Miller, Vice President	2014	2017	AVP & Client Partner, Sutherland Global
Kris Vaughn, Secretary	2013	2016	Community Volunteer
Angie Cox	2013	2016	Business Owner
Kristi Hassett	2014	2017	Community Volunteer
Brenda Latham	2010	2016	Business Owner
Kronda Thimesch	2015	2018	Business Owner

**Administrative Officials**

Dr. Kevin Rogers, Superintendent

Michael Ball, Assistant Superintendent of Finance

Buddy Bonner, Assistant Superintendent of Human Resources & Employee Engagement

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

Lori Rapp, Assistant Superintendent of Learning & Teaching

Vacant, Assistant Superintendent of Schools & Student Activities

**Consultants and Advisors**

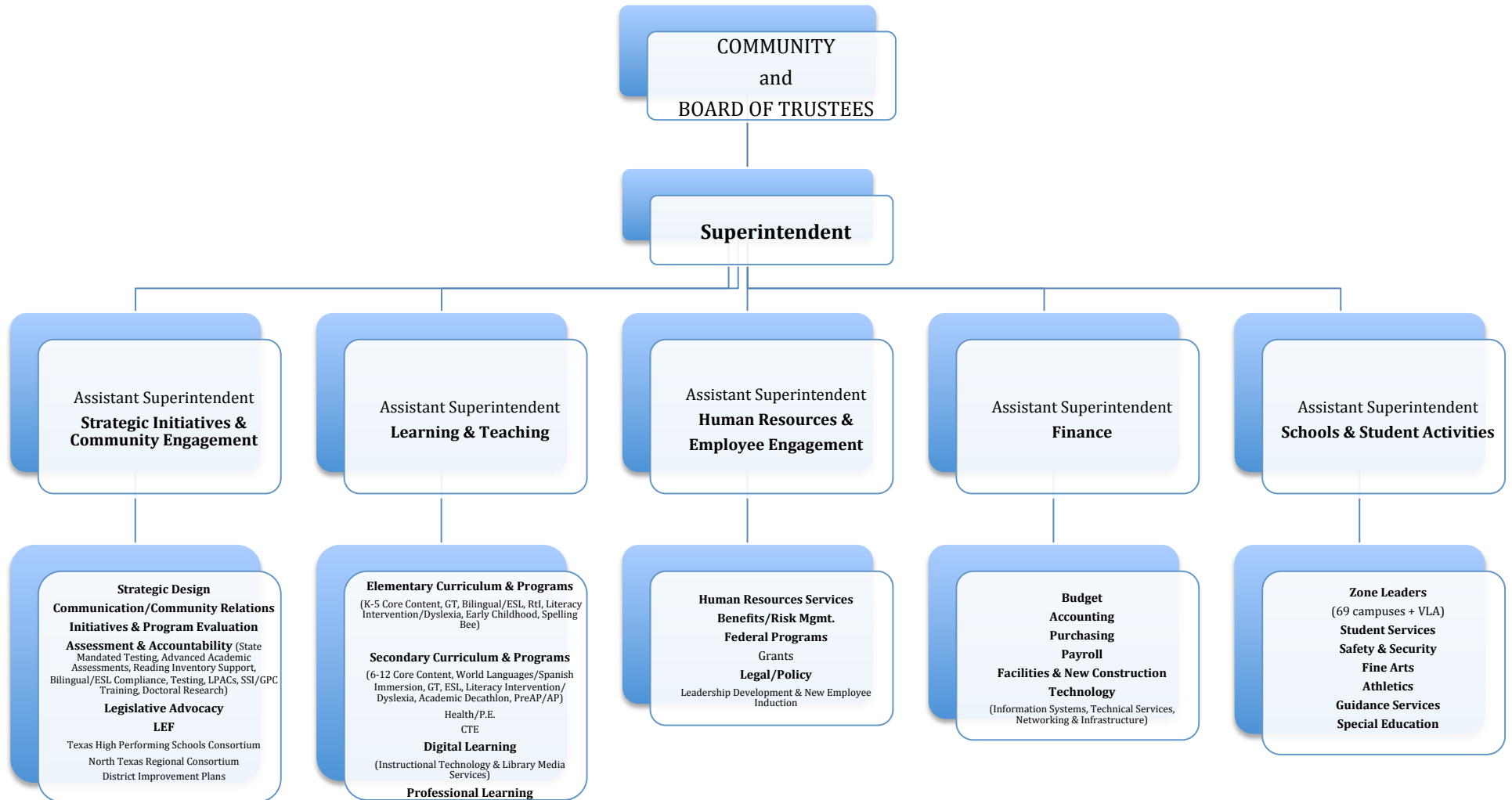
Whitley Penn L.L.P., Houston, Texas  
Independent Auditors

Southwest Securities, Dallas, Texas  
Financial Advisors

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

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

LEWISVILLE INDEPENDENT SCHOOL DISTRICT  
 ORGANIZATIONAL CHART  
 JUNE 2015





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, 2014

Executive Director/CEO



# Association of School Business Officials International



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

## Lewisville Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended August 31, 2014*

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



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA  
Executive Director

CERTIFICATE OF THE BOARD

Lewisville Independent School District  
Name of School District

Denton  
County

061-902  
County-District No.

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and ✓ approved \_\_\_\_\_ disapproved for the year ended August 31, 2015, at a meeting of Board of Trustees of such school district on the 14<sup>th</sup> day of December, 2015.

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

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

**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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented component unit financial statements of Lewisville Education Foundation, Inc. as of and for the year ended December 31, 2014. 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Lewisville Education Foundation, Inc. were not audited in accordance with *Governmental Auditing Standards*.

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

To the Board of Trustees  
Lewisville Independent School District

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

### **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lewisville Independent School District as of August 31, 2015, 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 Notes 16 and 18 to the financial statements, the District adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of August 31, 2015. 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 through 14 and pension information on pages 57 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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


To the Board of Trustees  
Lewisville Independent School District

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 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.

  
Houston, Texas  
December 14, 2015

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED AUGUST 31, 2015**

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, 2015. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter at the front of this report and the District's financial statements, which follow this analysis.

### **FINANCIAL HIGHLIGHTS**

- The District's total combined net position, as presented on the government-wide Statement of Net Position, assets plus deferred outflows exceeded liabilities and deferred inflows by \$9.9 million. The net position of the District decreased by \$47 million during the year ended August 31, 2015, due to a prior period adjustment relating to pensions. Net position as of September 1, 2014 has been restated for the implementation of GASB Statement No. 68, and amended by GASB Statement No. 71 (see Notes 16 and 18).
- The District's governmental funds financial statements reported combined ending fund balance of \$253.7 million. This balance consists of \$155.3 million in the General Fund of which \$45 million is committed and \$110 million is unassigned and available for spending at the District's discretion. Restricted fund balance totals \$93 million and is used by the Debt Service Fund, Capital Projects Funds and Non-major Funds. Non-spendable fund balance is \$638,105 and the remaining balance consists of \$5.4 million committed.
- In May 2008, voters approved a \$697.7 million bond package designed to finance facility needs through 2015. During the 2014-15 fiscal year, the District issued \$96,330,000 in Unlimited Tax School Bonds. In addition, the District issued \$118,570,737 in Unlimited Tax Refunding Bonds that resulted in an economic gain of \$16,042,958.
- Program revenues accounted for \$83 million of total revenues. General revenues accounted for \$512.5 million.
- The General Fund had \$425 million in revenues, which primarily consisted of state aid and property taxes, and \$417 million in expenditures increasing the fund balance this year by \$11 million.
- During the fiscal year 2015, the District completed projects consisted of a rebuild of Griffin Middle School and Camey Elementary School, replaced roofing and flooring at Briarhill, McKamy and Huffines Middle Schools, replaced video and playground equipment and added an addition to the Ag Barn.

### **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.

	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 workers' compensation	Activities the District operates similar to private business--health insurance and workers' compensation	Instances in which the District is the trustee or agent for someone else's resources, such as student activity accounts
<i>Required financial statements</i>	Statement of Net Position Statement of Activities	Balance sheet Statement of revenues, expenditures and changes in fund balance	Statement of net position Statement of revenues, expenses and changes in fund net position Statement of cash flows	Statement of fiduciary 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 year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid (not applicable to agency funds)

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

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

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

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

- *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 2015 and 2014 – decreasing by \$47,770,555 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 \$103,742,180.

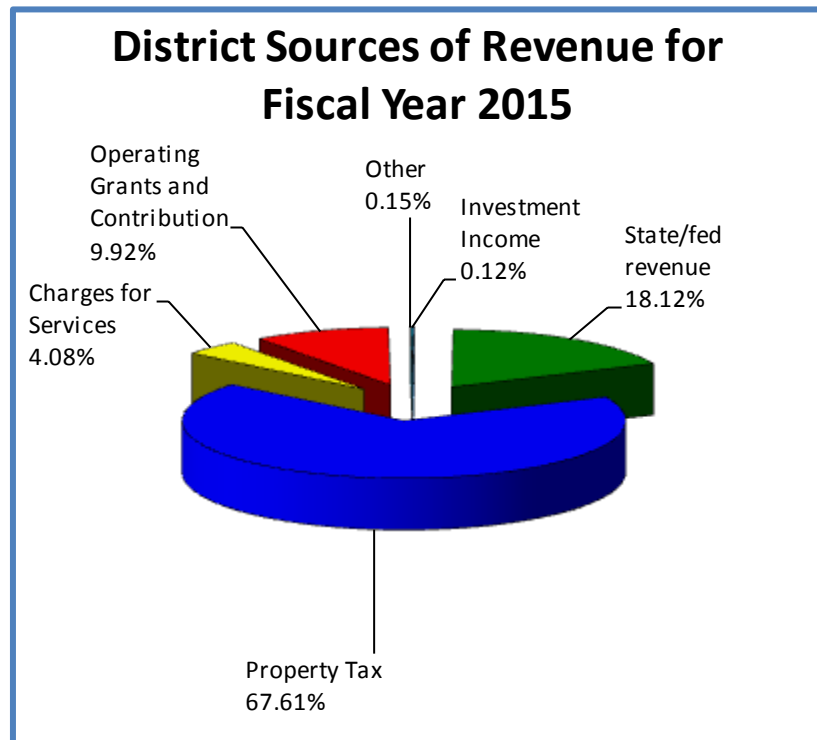
The District uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided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

The following table provides a summary of the assets, deferred outflows, liabilities, deferred inflows, and net position for governmental activities for the years ended August 31, 2015 and 2014, respectively.

	<b>FY 2015</b>	<b>FY 2014</b>
Current and Other Assets	324,930,090	\$ 276,547,273
Capital Assets	<u>1,097,941,494</u>	<u>1,096,506,477</u>
<b>Total Assets</b>	<u>1,422,871,584</u>	<u>1,373,053,750</u>
<b>Total Deferred Outflows of Resources</b>	<u>37,293,635</u>	<u>19,400,393</u>
Current Liabilities	64,252,020	63,056,748
Long-Term Liabilities	<u>1,369,033,366</u>	<u>1,271,691,652</u>
<b>Total Liabilities</b>	<u>1,433,285,386</u>	<u>1,334,748,400</u>
<b>Total Deferred Inflows of Resources</b>	<u>16,944,645</u>	<u>-</u>
Net Position		
Net Investment in capital assets	103,742,180	119,340,474
Restricted	6,796,162	10,545,537
Unrestricted	<u>(100,603,154)</u>	<u>(72,180,268)</u>
<b>Total Net Position</b>	<u><u>\$ 9,935,188</u></u>	<u><u>\$ 57,705,743</u></u>

A portion of the net position is restricted as to the purpose for which they can be used. Unrestricted net position decreased by \$28,422,886.

**Changes in net position.** The District's total revenues were \$595,891,148 representing an increase of \$37.6 million from the previous year. The majority of this increase is attributed to increases in local property tax revenue by \$30.6 million. Operating grants and contributions increased by \$7.1 million due to an increase in state Instructional Materials Allotment for textbooks. Charges for services decreased by \$1 million, while state and federal revenue increased by \$1.2 million. As seen below, two-thirds of the District's revenue comes from taxes while the remaining one-third comes primarily from program revenue and state and federal sources.



**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 \$580,902,082, an increase of \$23,607,223 over the previous year.
- Some of the *governmental activities* cost was funded by program revenues directly attributable to specific activities. The program revenues amounted to \$83,396,832 compared to \$77,834,746 in the previous year.
- The remaining cost of *governmental activities* not directly funded by program revenues was \$497,505,250 which was funded from property taxes and other local sources.

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

**Net Cost of Selected District Functions**

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction and Instruction Related Services	\$ 320,912,281	\$ 281,057,809
Support Services Student (Pupil)	74,720,750	49,177,190
Support Services Nonstudent based	53,980,570	48,936,927
Debt Service	<u>52,171,286</u>	<u>51,684,251</u>
	<u>\$ 501,784,887</u>	<u>\$ 430,856,177</u>

As seen in the following chart:

- The amount that our taxpayers paid for these activities through property taxes was \$402,859,821.
- Those who directly benefited from the programs paid \$24,297,018.
- Operating grants and contributions totaled \$59,099,814.

## Changes in the District's Net Position

	Governmental Activities		Percentage Change from Prior Year
	FY 2015	FY 2014	
<b>Revenues:</b>			
<u>Program Revenues:</u>			
Charges for Services	\$ 24,297,018	\$ 25,829,655	-5.93%
Operating Grants and Contributions	59,099,814	52,005,091	13.64%
<u>General Revenues:</u>			
Property Taxes	402,859,821	372,295,964	8.21%
State and Federal Grants	107,988,403	106,647,373	1.26%
Investment Earnings	695,192	526,725	31.98%
Miscellaneous	950,900	1,021,541	-6.92%
<b>Total Revenues</b>	<u>595,891,148</u>	<u>558,326,349</u>	<u>6.73%</u>
<b>Expenses:</b>			
Instruction and Instruction Related Services	320,912,281	301,101,476	6.58%
Instructional and School Leadership	37,682,967	34,966,404	7.77%
Support Services Student (Pupil)	74,720,750	71,022,776	5.21%
Administrative Support Services	9,024,712	9,220,556	-2.12%
Support Services Nonstudent Based	53,980,570	68,175,478	-20.82%
Ancillary Services	6,500,350	5,105,551	27.32%
Interest and Fiscal Charges	52,171,286	52,358,811	-0.36%
Other Facility Costs	22,960,441	12,360,716	85.75%
Intergovernmental Charges	2,948,725	2,983,091	-1.15%
<b>Total Expenses</b>	<u>580,902,082</u>	<u>557,294,859</u>	<u>4.24%</u>
Increase (Decrease) in Net Position	14,989,066	1,031,490	1353.15%
Net Position- September 1	57,705,743	56,674,253	1.82%
Change in Accounting Principle	(62,759,621)	-	N/A
<b>Net Position - August 31</b>	<u>\$ 9,935,188</u>	<u>\$ 57,705,743</u>	<u>-82.78%</u>

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$253,752,222, an increase of \$48,919,136 in comparison with the prior year. Approximately 43% of this total amount (\$110,175,121) constitutes an unassigned fund balance, which is available for spending at the District's discretion. The remaining fund balance is not available for spending because it has already been committed, restricted, assigned or non-spendable. Below are examples:

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

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

*General Fund.* The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$110,175,121, while total fund balance reached \$155,368,910. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26% of total General Fund expenditures, while total fund balances represents 37% of that same amount.

The District's General Fund balance increased \$10,823,112 during the current fiscal year in comparison to an increase in the prior year of \$3,155,290. The majority of the difference is related to revenue received from e-rate Impact Aid, SHARS and local property taxes.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$26,268,608, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the Debt Service Fund was \$163,293.

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

	<b>FY 2015</b>	<b>FY 2014</b>
Revenues		
Property taxes	\$ 119,259,184	\$ 109,833,886
Investment Income	105,304	106,203
Federal Revenues	487,703	488,229
Total revenues	<u>119,852,191</u>	<u>110,428,318</u>
Expenditures by function		
Principal	47,358,841	52,472,420
Interest	70,624,513	56,083,212
Total expenditures	<u>117,983,354</u>	<u>108,555,632</u>
Other Financing Sources (Uses)		
Refunding Bonds Issued	118,570,737	-
Issuance of Debt	196	-
Net premiums on Issuance of Bonds	28,487,113	2,676
Payments to Refunded Bond Escrow	<u>(148,763,590)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,705,544)</u>	<u>2,676</u>
Net change in fund balance	163,293	1,875,362
Fund balance - September 1	<u>26,105,315</u>	<u>24,229,953</u>
Fund balance - August 31	<u>\$ 26,268,608</u>	<u>\$ 26,105,315</u>

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$64,670,193, all of which is designated for ongoing capital projects. The fund balance increased by \$39,898,279 during the current fiscal year due to issuance of bonds. The District's Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities specifically funded by bonds approved by the voters. Further discussion of the current year use of capital projects can be found under the Capital Assets section.

### **General Fund Budgetary Highlights**

In accordance with Board Policy CE (Local), the District submits amendments during the course of the budget year. Approval for budget increases for formally adopted funds shall be made by the Board of Trustees. The Board

delegates the authority for approval of budget functional transfers to the budget department. The District's major budget amendments presented to the Board of Trustees throughout the year are summarized as follows:

- *Variances of original expenditure budget compared to amended budget* –The amended expenditure budget increased in the General Fund \$5,261,480 from the original budget.
- *Variances of amended budget to actual expenditures* – Expenditures were \$15.1 million less than final budgeted amounts. Salaries and benefits expenditures were \$3.5 million less than budget, a variance of .98%. This resulted from vacant positions throughout the year and hiring “greener”. The salary budget had been prepared assuming every position would be filled throughout the entire year. Many positions were not filled. Some employees resigned after the first semester of the school year. Long term substitutes were hired to fill vacancies in some cases. Purchased and contracted services were \$6.1 million under budget, a variance of 11.82%. The variance includes utilities, transportation, contracted maintenance projects and other contracted services. Utilities were under budget and accounted for \$2.3 million of the variance. The contract for transportation was \$.9 million under budget. The variance for contracted maintenance in the amount of \$1.2 million was due to variances in maintenance and repairs projects controlled by the facilities and technology departments. The remaining variance in this category relates to other contracted services including legal fees, tax appraisal and collection and consulting fees. Supplies and materials were under budget by \$4.5 million or 25.59% which was the result of under spending by various campuses and departments.
- *Variances of original revenue budget compared to actual revenue* – Local revenues were over budget by \$6.5 million which resulted from increased property tax collections, investment earnings, e-rate reimbursements and athletic activities. State revenues were \$5.9 million over budget due to an increase in actual student enrollment and ADA and revenue from TRS on Behalf. Federal revenues were \$4.1 million higher due to Impact Aid and SHARS revenue.

### **Capital Assets**

At the end of 2015, the District invested \$1,447,398,425 in a broad range of capital assets, including land, equipment, buildings, and construction in progress. This amount represents a net increase of \$28,284,993 or 1.99% over last year.

The majority of capital asset activity is reported in the Capital Projects Fund. Facility acquisitions and construction expenditures decreased by 52% over fiscal year 2014.

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

- Completion of Griffin Middle School and Camey Elementary School rebuild
- Roofing and flooring for Briarhill Middle School, McKamy Middle School and Huffines Middle School
- Video Surveillance replacements
- Playground equipment replacement
- Addition to the Ag Barn



Listed in the table below are the capital assets for governmental activities for the fiscal year ended August 31, 2015 and 2014, respectively:

	<b>FY 2015</b>	<b>FY 2014</b>	<b>Total % Change</b>
Land	\$ 108,532,403	\$ 109,000,407	-0.43%
Buildings and Improvements	1,313,912,800	1,259,052,458	4.36%
Vehicles	2,953,368	2,938,740	0.50%
Furniture and Equipment	21,994,112	19,008,378	15.71%
Construction in Progress	5,742	29,113,449	-99.98%
Total at historical cost	<u>1,447,398,425</u>	<u>1,419,113,432</u>	<u>1.99%</u>
Less accumulated depreciation for:			
Buildings and Improvements	336,188,334	309,950,057	8.47%
Vehicles	2,807,861	2,319,920	21.03%
Furniture and Equipment	10,460,736	10,336,978	1.20%
Total accumulated depreciation	<u>349,456,931</u>	<u>322,606,955</u>	<u>8.32%</u>
Net capital assets	<u>\$ 1,097,941,494</u>	<u>\$ 1,096,506,477</u>	<u>0.13%</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 \$1,311,277,074, an increase of 3.9% percent from the prior year. During the fiscal year, the District issued \$96,330,000 in Unlimited Tax School Bonds. The proceeds will be used for the construction and equipping of school buildings. The District's debt includes capital appreciation bonds which accrete interest until their maturing date. Total accreted interest on these capital appreciation bonds totaled \$71,412,157 at the end of the fiscal year.
- In May 2008, voters approved a \$697.7 million bond package designated to finance facility needs through 2015. All authorized bonds as of August 31, 2015 have been issued. The District continues to enjoy excellent bond ratings. The District's bonds presently carry very favorable ratings as follows:
  - Standard and Poor's "AA+"
  - Fitch Investor Service "AA+".

More detailed information about the District's debt is presented in the Notes to the Financial Statements (Note 9).

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

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

The 2015-16 appraised property values increased by approximately 10% increasing the budget for current property tax revenue by almost \$26 million. As property tax revenues increase, state funding decreases based upon state funding formulas. In addition, the state eliminated the funding of a 1.5% payroll tax, decreasing funding by an additional \$3.5 million. These decreases in state revenue were offset by a \$10 million increase in funding that resulted from the 84<sup>th</sup> Legislative Session.

The Maintenance and Operations (M&O) tax rate remained at \$1.04 per \$100 valuation for the 2015-16 year, and the Interest and Sinking (I&S) tax rate decreased slightly to \$0.43673 per \$100 valuation for the 2015-16 year. The District's estimated ADA is expected to increase by approximately 180.

General Fund expenditures are budgeted to increase by \$19.2 million or 4.5% over the prior year budgeted expenditures. Elimination of the contribution for workers' compensation was maintained in the 2015-16 year as the Workers' Compensation Fund maintains sufficient fund balance to absorb the year's expenses. Major expenditure changes include a salary increase of 2%, 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 \$14.1 million by the close of 2016 fiscal year.

#### **Request for Information**

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

**STATEMENT OF NET POSITION**  
**AUGUST 31, 2015**

Data Control Codes		Total Primary Government Governmental Activities	Component Unit
		August 31, 2015	December 31, 2014
<b>ASSETS</b>			
1110	Cash and Temporary Investments	\$ 306,465,325	\$ 3,386,623
	Receivables:		
1225	Property Tax	4,638,677	-
1230	Allowance for Uncollectible Taxes	(1,042,174)	-
1240	Due from Other Governments	9,469,330	-
1250	Accrued Interest	229,543	-
1290	Other Receivables	481,198	-
1310	Inventories at Cost	571,618	48,148
1410	Prepaid Items	66,487	15,257
	Capital Assets (net of accumulated depreciation where applicable)		
1510	Land	108,532,403	-
1520	Buildings and Improvements	977,724,465	-
1531	Vehicles	509,691	-
1530	Furniture and Equipment	11,169,193	-
1580	Construction in Progress	5,742	-
1810	Restricted Cash and Investments	4,050,086	-
1000	<b>Total Assets</b>	<u>1,422,871,584</u>	<u>3,450,028</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
1700	Deferred Charges - Refunding	24,031,116	-
1705	Deferred Outflows - Pension	13,262,519	-
	<b>Total Deferred Outflows of Resources</b>	<u>37,293,635</u>	<u>-</u>
<b>LIABILITIES</b>			
2110	Accounts Payable	35,015,323	553
2140	Interest Payable	2,028,812	-
2150	Payroll Deductions & Withholding Payable	2,956,414	-
2160	Accrued Wages Payable	21,038,278	-
2180	Due to Other Governments	74,518	-
2300	Unearned Revenue	3,138,675	-
	Noncurrent Liabilities:		
2501	Due Within One Year	78,967,757	-
2502	Due in More Than One Year	1,234,673,386	-
2540	Net Pension Liability	55,392,223	-
2000	<b>Total Liabilities</b>	<u>1,433,285,386</u>	<u>553</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2605	Deferred Inflows - Pension	16,944,645	-
	<b>Total Deferred Inflows of Resources</b>	<u>16,944,645</u>	<u>-</u>
<b>NET POSITION</b>			
3200	Net Investment in capital assets	103,742,180	-
	Restricted for:		
3820	Food Service	1,162,731	-
3820	Grants	523,477	-
3850	Debt Service	5,109,954	-
3890	Expendable	-	216,326
3890	Nonexpendable	-	1,981,207
3900	Unrestricted	(100,603,154)	1,251,942
3000	<b>Total Net Position</b>	<u>\$ 9,935,188</u>	<u>\$ 3,449,475</u>

The accompanying Notes are an integral part of this statement.

**STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2015**

Functions/Programs	Expenses	Program Revenues	
		Charges for Service	Operating Grants and Contributions
<b>Primary Government:</b>			
Governmental Activities:			
11 Instruction	\$ 308,895,880	\$ 4,861,492	\$ 32,714,819
12 Instruction Resources & Media Services	7,425,938	51,309	359,008
13 Curriculum & Instructional Staff Development	4,590,463	50,416	1,817,428
21 Instructional Leadership	7,893,583	78,488	419,935
23 School Administration	29,789,384	193,962	1,745,289
31 Guidance and Counseling	19,667,318	230,525	1,659,876
32 Social Work Services	88,792	-	5,873
33 Health Services	5,191,779	261	444,088
34 Pupil Transportation	9,976,247	-	34,207
35 Food Services	23,215,591	8,428,000	11,677,176
36 Co-Curricular Activities	16,581,023	1,872,246	1,191,308
41 General Administration	9,024,712	279,324	366,365
51 Plant Maintenance and Operation	40,969,745	2,758,807	1,904,987
52 Security and Monitoring	1,675,300	10,907	21,366
53 Data Processing Services	11,335,525	-	347,576
61 Community Services	6,500,350	5,472,426	327,092
71 Interest and Fiscal Charges on Long-Term Debt	52,171,286	5,200	481,835
81 Other Facility Costs	22,960,441	3,655	59,409
93 Fiscal Agent/Member District of Shared Service Arrangement	114,829	-	-
95 Alternative Education Program	117,747	-	3,522,177
99 Other Intergovernmental Charges	2,716,149	-	-
<b>TG Total Governmental Activities</b>	<b>\$ 580,902,082</b>	<b>\$ 24,297,018</b>	<b>\$ 59,099,814</b>
<b>Component Units:</b>			
Lewisville Education Foundation, Inc.	\$ 582,173	\$ -	\$ 750,609
	Data Control Codes	<b>General Revenues:</b>	
		Taxes:	
	MT	Property Taxes - Maintenance & Operation	
	DT	Property Taxes - Debt Services	
	SF	Unrestricted State Aid Formula Grants	
	GC	Medicaid Reimbursement	
	GC	Unrestricted Federal Aid	
	IE	Investment Earnings	
	MI	Miscellaneous	
	TR	<b>Total General Revenues</b>	
	CN	Change in Net Position	
	NB	Net Position - Beginning of year	
	PA	Prior Period Adjustment	
	NE	<b>Net Position - End of year</b>	

The accompanying Notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities		Component Unit	
Year Ended August 31, 2015		Year Ended December 31, 2014	
\$	(271,319,569)	\$	-
	(7,015,621)		-
	(2,722,619)		-
	(7,395,160)		-
	(27,850,133)		-
	(17,776,917)		-
	(82,919)		-
	(4,747,430)		-
	(9,942,040)		-
	(3,110,415)		-
	(13,517,469)		-
	(8,379,023)		-
	(36,305,951)		-
	(1,643,027)		-
	(10,987,949)		-
	(700,832)		-
	(51,684,251)		-
	(22,897,377)		-
	(114,829)		-
	3,404,430		-
	(2,716,149)		-
\$	(497,505,250)		
		\$	168,436
\$	283,836,024	\$	-
	119,023,797		-
	102,521,434		-
	2,255,156		-
	3,211,813		-
	695,192		20,484
	950,900		-
	512,494,316		20,484
	14,989,066		188,920
	57,705,743		3,260,555
	(62,759,621)		-
\$	9,935,188	\$	3,449,475

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2015**

		100-199
Data Control Codes		General Fund
<b>ASSETS</b>		
1110	Cash and Temporary Investments	\$ 183,514,004
	Receivables:	
1220	Property Tax - Delinquent	3,440,511
1230	Allowance for Uncollectible Taxes	(843,290)
1240	Due from Other Governments	2,213,135
1250	Accrued Interest	217,169
1260	Due from Other Funds	76,603
1290	Other Receivables	473,253
1310	Inventories at Cost	137,172
1410	Prepaid Items	56,617
1810	Restricted Cash and Investments	-
1000	<b>Total Assets</b>	<b>\$ 189,285,174</b>
<b>LIABILITIES</b>		
	Current Liabilities:	
2110	Accounts Payable	\$ 5,505,170
2150	Payroll Deductions & Withholding Payable	2,956,414
2160	Accrued Wages Payable	21,038,278
2170	Due to Other Funds	-
2180	Due to Other Governments	48,980
2300	Unearned Revenues	2,096,431
2000	<b>Total Liabilities</b>	<b>31,645,273</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2600	Unavailable revenue-property taxes	2,270,991
	<b>Total Deferred Inflows of Resources</b>	<b>2,270,991</b>
<b>FUND BALANCE</b>		
	Non-Spendable:	
3410	Inventory	137,172
3430	Prepaid Items	56,617
	Restricted:	
3450-3490	Grant Funds	-
3470	Capital Acquisition Program	-
3480	Retirement of Debt	-
	Committed:	
3545	Campus Activity Funds	-
3545	Minimum Fund Balance Policy	45,000,000
3600	Unassigned	110,175,121
	<b>Total Fund Balance</b>	<b>155,368,910</b>
	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 189,285,174</b>

The accompanying Notes are an integral part of this statement.

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

500-599 Debt Service Fund	600-699 Capital Projects Fund	200-499 Nonmajor Governmental Funds	Total Governmental Funds August 31, 2015
\$ 22,090,174	\$ 87,464,081	\$ 6,143,992	\$ 299,212,251
1,198,166	-	-	4,638,677
(198,884)	-	-	(1,042,174)
-	-	6,993,141	9,206,276
12,374	-	-	229,543
-	-	2,096,917	2,173,520
-	267	7,678	481,198
-	-	434,446	571,618
3,258	-	6,612	66,487
4,050,086	-	-	4,050,086
<b>\$ 27,155,174</b>	<b>\$ 87,464,348</b>	<b>\$ 15,682,786</b>	<b>\$ 319,587,482</b>
\$ 56	\$ 22,717,552	\$ 5,094,811	\$ 33,317,589
-	-	-	2,956,414
-	-	-	21,038,278
-	76,603	2,096,917	2,173,520
21,235	-	4,303	74,518
-	-	1,042,244	3,138,675
<b>21,291</b>	<b>22,794,155</b>	<b>8,238,275</b>	<b>62,698,994</b>
865,275	-	-	3,136,266
<b>865,275</b>	<b>-</b>	<b>-</b>	<b>3,136,266</b>
-	-	434,446	571,618
3,258	-	6,612	66,487
-	-	1,628,048	1,628,048
-	64,670,193	-	64,670,193
26,265,350	-	-	26,265,350
-	-	5,375,405	5,375,405
-	-	-	45,000,000
-	-	-	110,175,121
<b>26,268,608</b>	<b>64,670,193</b>	<b>7,444,511</b>	<b>253,752,222</b>
<b>\$ 27,155,174</b>	<b>\$ 87,464,348</b>	<b>\$ 15,682,786</b>	<b>\$ 319,587,482</b>

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AUGUST 31, 2015**

<b>Total Fund Balance - Governmental Funds</b>	<b>\$</b>	<b>253,752,222</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		1,447,398,425
Accumulated depreciation has not been included in the governmental fund financial statements.		(349,456,931)
Deferred inflows of resources in the governmental fund financial statements was recorded as revenue in the government-wide financial statements.		3,136,266
Deferred inflows relating to pension activities		(16,944,645)
Premiums on issuance of debt were not recognized on the balance sheet for governmental funds.		(60,436,790)
Deferred losses on issuances of debt were not recognized on the balance sheet for governmental funds.		24,031,116
Internal service funds are used by the District's management to charge the costs of certain activities, such as insurance and worker's compensation to individual funds. The assets are included with governmental activities in the statement of net position.		5,555,340
Personal Leave Benefits liability is reported in the governmental activities but not on the fund statements.		(2,364,069)
Leases Payable liability is reported in the governmental activities but not on the fund statements.		(1,956,075)
Net Pension liability		(55,392,223)
Deferred outflows relating to pension activities		13,262,519
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, interest expenditures are reported when paid.		(2,028,812)
Due from other governments for the federal interest subsidy on the Build America Bonds is not recorded in the governmental fund financials because it is not available within the current period.		263,054
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(1,177,472,052)
Accreted interest for capital appreciation bonds have not been included in the governmental fund financial statements.		(71,412,157)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b>9,935,188</b>

The accompanying Notes are an integral part of this statement.



**Lewisville  
Independent  
School District**

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED AUGUST 31, 2015**

Data Control Codes		100-199 General Fund	500-599 Debt Service Fund
<b>REVENUES:</b>			
	Local and Intermediate Sources:		
	Investment Income	\$ 518,361	\$ 105,304
	Other Local and Intermediate Sources	294,247,879	119,259,184
5700	Total Local and Intermediate Sources	<u>294,766,240</u>	<u>119,364,488</u>
5800	State Program Revenues	125,138,100	-
5900	Federal Program Revenues	5,766,609	487,703
<b>5020</b>	<b>Total Revenues</b>	<b><u>425,670,949</u></b>	<b><u>119,852,191</u></b>
<b>EXPENDITURES:</b>			
	Current:		
0011	Instruction	265,431,602	-
0012	Instruction Resources & Media Services	6,101,780	-
0013	Curriculum & Instructional Staff Development	2,749,217	-
0021	Instructional Leadership	7,734,608	-
0023	School Administration	28,194,929	-
0031	Guidance and Counseling	18,490,513	-
0032	Social Work Services	94,511	-
0033	Health Services	4,930,839	-
0034	Pupil Transportation	9,817,619	-
0035	Food Services	53,526	-
0036	Co-Curricular Activities	9,534,647	-
0041	General Administration	8,771,434	-
0051	Maintenance and Operation	35,621,269	-
0052	Security and Monitoring	1,575,133	-
0053	Data Processing Services	8,335,665	-
0061	Community Services	5,564,151	-
0071	Debt Service:		
	Principal	658,425	47,358,841
	Interest on long-term debt and fees	-	70,624,513
	Capital Outlay:		
0081	Facilities Acquisition and Construction	935,977	-
	Intergovernmental:		
0093	Fiscal Agent/Member District of Shared Service Arrangement	114,829	-
0095	Alternative Education Program	117,747	-
0099	Other Intergovernmental Charges	2,716,149	-
	<b>Total Expenditures</b>	<b><u>417,544,570</u></b>	<b><u>117,983,354</u></b>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,126,379</u>	<u>1,868,837</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7901	Refunding Bonds Issued	-	118,570,737
7911	Issuance of Debt	-	196
7912	Sale of Real & Personal Property	82,233	-
7913	Proceeds from Capital Leases	2,614,500	-
7916	Net premiums on Issuance of Bonds	-	28,487,113
8940	Payments to Refunded Bond Escrow Agent	-	(148,763,590)
	<b>Total Other Financing Sources (Uses)</b>	<b><u>2,696,733</u></b>	<b><u>(1,705,544)</u></b>
1200	Net Change in Fund Balances	10,823,112	163,293
0100	<b>FUND BALANCE - September 1</b>	144,545,798	26,105,315
3000	<b>FUND BALANCE - August 31</b>	<b><u>\$ 155,368,910</u></b>	<b><u>\$ 26,268,608</u></b>

The accompanying Notes are an integral part of this statement.

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Exhibit C-2

600-699 Capital Projects Fund	200-499 Nonmajor Governmental Funds	Total Governmental Funds Year Ended August 31, 2015
\$ 66,503	\$ -	\$ 690,168
593,087	16,948,212	431,048,362
659,590	16,948,212	431,738,530
-	7,801,629	132,939,729
-	26,080,060	32,334,372
<b>659,590</b>	<b>50,829,901</b>	<b>597,012,631</b>
-	23,588,521	289,020,123
-	128,087	6,229,867
-	1,742,735	4,491,952
-	40,953	7,775,561
-	497,068	28,691,997
-	936,072	19,426,585
-	-	94,511
-	183,158	5,113,997
-	34,207	9,851,826
-	21,306,414	21,359,940
-	1,507,221	11,041,868
-	16,355	8,787,789
1,644,564	2,680,008	39,945,841
-	13,903	1,589,036
-	-	8,335,665
-	107,763	5,671,914
-	-	48,017,266
800,986	-	71,425,499
62,292,540	12,984	63,241,501
-	-	114,829
-	-	117,747
-	-	2,716,149
<b>64,738,090</b>	<b>52,795,449</b>	<b>653,061,463</b>
(64,078,500)	(1,965,548)	(56,048,832)
-	-	118,570,737
96,329,804	-	96,330,000
2,225	-	84,458
-	-	2,614,500
7,644,750	-	36,131,863
-	-	(148,763,590)
<b>103,976,779</b>	<b>-</b>	<b>104,967,968</b>
39,898,279	(1,965,548)	48,919,136
24,771,914	9,410,059	204,833,086
<b>\$ 64,670,193</b>	<b>\$ 7,444,511</b>	<b>\$ 253,752,222</b>

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2015**

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 48,919,136</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Current year capital outlays are expenditures in the governmental fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The effect of removing the capital outlays is to increase net position.	40,786,108
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net position.	(35,139,796)
Disposition of capital assets is not recorded in the fund financial statements. The effect of recording loss on disposition is to decrease net position.	(4,211,295)
Current year long-term debt principal payments on contractual obligations are expenditures in the governmental fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	48,017,266
Current year bond proceeds are other financing sources in the governmental fund financial statements, but are shown as an increase in long-term debt in the government-wide financial statements.	(214,900,737)
Current year payments to escrow agent for refunded debt are other uses in the fund financial statements, but are shown as reductions in long-term debt in the district-wide financial statements.	148,763,590
Current year lease proceeds are other financing sources in the governmental fund financial statements, but are shown as an increase in long-term debt in the government-wide financial statements.	(2,614,500)
Current year increase in the accretion on capital appreciation bonds is not reflected in the governmental fund financial statements, but is shown as increases in accreted interest on the government-wide financial statements.	(13,289,380)
Accreted interest paid is recorded in the fund financial statements as interest and fiscal charges, whereas in the government-wide financial statements the amount had been recorded as interest expense in prior years when interest was incurred and therefore not recorded as expense in the government-wide financials for the current year.	19,379,100
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements an interest expenditure is reported when due. This amount represents the current year change in accrued interest.	(144,044)
Amortization of deferred refunding amount is not recognized in the governmental funds. The effect of recording current year's amortization is to decrease net position.	(3,669,188)

<p>The reacquisition price exceeded the net carrying amount of the old debt by \$683,951. This amount is netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than new debt. The refunding was undertaken to reduce total debt service payments and resulted in an economic gain of \$1,214,399.</p>	530,448
<p>The governmental fund financial statements report the net premium or discount as an other financing source or use. The government-wide financial statements present the unamortized portion of premiums and discounts on bond issuance net of long-term debt. This amount represents the removal of current year net premiums (\$28,338,259) less current amortization of bond premiums (\$8,653,673).</p>	(19,684,586)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds such as compensated absences.</p>	149,219
<p>Pension contributions made after the net pension liability date are reported as expenditures in the governmental funds and are reported as deferred outflows on the face of the statement of net position.</p>	8,805,304
<p>Pension expense for the pension plan measurement year are reported in the statement of activities but is not reported as expenditures in the governmental funds.</p>	(5,120,032)
<p>Internal service funds are used by the District's management to charge the costs of certain activities such as workers' compensation to individual funds. The net revenue of internal service funds is reported with governmental activities.</p>	(668,614)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>	(918,933)
<p><b>Change in Net Position of Governmental Activities</b></p>	<hr style="border: 1px solid black;"/> <p><b>\$ 14,989,066</b></p> <hr style="border: 1px solid black;"/>

The accompanying Notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
YEAR ENDED AUGUST 31, 2015**

Data Control Codes	General Fund 100-199 Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original	Final			
<b>REVENUES:</b>					
Local and Intermediate Sources:					
	Investment Income	\$ 100,000	\$ 100,000	\$ 518,361	\$ 418,361
	Other Local and Intermediate Sources	288,190,249	288,190,249	294,247,879	6,057,630
5700	Total Local and Intermediate Sources	288,290,249	288,290,249	294,766,240	6,475,991
5800	State Program Revenues	118,688,052	119,288,058	125,138,100	5,850,042
5900	Federal Program Revenues	1,650,000	1,650,000	5,766,609	4,116,609
5020	<b>Total Revenues</b>	<b>408,628,301</b>	<b>409,228,307</b>	<b>425,670,949</b>	<b>16,442,642</b>
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	271,685,453	270,766,399	265,431,602	5,334,797
0012	Instruction Resources & Media Services	6,126,492	6,296,820	6,101,780	195,040
0013	Curriculum & Instructional Staff Development	3,253,604	3,418,488	2,749,217	669,271
0021	Instructional Leadership	8,038,428	8,142,764	7,734,608	408,156
0023	School Administration	27,341,455	28,489,602	28,194,929	294,673
0031	Guidance and Counseling	18,337,236	18,690,643	18,490,513	200,130
0032	Social Work Services	103,813	106,997	94,511	12,486
0033	Health Services	5,076,409	5,104,174	4,930,839	173,335
0034	Pupil Transportation	10,815,508	10,810,095	9,817,619	992,476
0035	Food Services	3,000	3,812	53,526	(49,714)
0036	Co-Curricular Activities	9,863,657	10,147,900	9,534,647	613,253
0041	General Administration	9,446,279	9,658,394	8,771,434	886,960
0051	Maintenance and Operation	37,847,550	39,464,031	35,621,269	3,842,762
0052	Security and Monitoring	1,579,207	1,833,331	1,575,133	258,198
0053	Data Processing Services	8,712,763	8,858,210	8,335,665	522,545
0061	Community Services	5,661,339	5,928,985	5,564,151	364,834
0071	Debt Service:				
	Principal	-	660,000	658,425	1,575
Capital Outlay:					
0081	Facilities Acquisition and Construction	38,000	811,027	935,977	(124,950)
0093	Fiscal Agent/Member District of Shared Service Arrangement	210,000	210,000	114,829	95,171
0095	Alternative Education Program	300,000	300,000	117,747	182,253
0099	Other Governmental Charges	2,900,000	2,900,000	2,716,149	183,851
	<b>Total Expenditures</b>	<b>427,340,193</b>	<b>432,601,672</b>	<b>417,544,570</b>	<b>15,057,102</b>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,711,892)	(23,373,365)	8,126,379	31,499,744
<b>OTHER FINANCING SOURCES (USES):</b>					
7912	Sale of Real & Personal Property	-	-	82,233	82,233
7913	Proceeds from Capital Leases	-	2,614,500	2,614,500	-
	<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>2,614,500</b>	<b>2,696,733</b>	<b>82,233</b>
1200	Net Change in Fund Balances	(18,711,892)	(20,758,865)	10,823,112	31,581,977
0100	<b>FUND BALANCE - September 1</b>	144,545,798	144,545,798	144,545,798	-
3000	<b>FUND BALANCE - August 31</b>	<b>\$ 125,833,906</b>	<b>\$ 123,786,933</b>	<b>\$ 155,368,910</b>	<b>\$ 31,581,977</b>

The accompanying Notes are an integral part of this statement.

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
AUGUST 31, 2015**

	Total Governmental Activities Internal Service Fund
	August 31, 2015
<b>ASSETS</b>	
Current Assets:	
Cash and Temporary Investments	\$ 7,253,074
<b>Total Assets</b>	<b>7,253,074</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	4,500
Accrued Expenses	1,693,234
<b>Total Liabilities</b>	<b>1,697,734</b>
<b>NET POSITION</b>	
Unrestricted	5,555,340
<b>Total Net Position</b>	<b>\$ 5,555,340</b>

The accompanying Notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED AUGUST 31, 2015**

	Total Governmental Activities Internal Service Fund Year Ended August 31, 2015
<b>OPERATING REVENUES:</b>	
Premiums	\$ 16,134
<b>Total Operating Revenues</b>	<b>16,134</b>
<b>OPERATING EXPENSES:</b>	
Professional and Contracted Services	83,500
Claims and premiums	606,272
<b>Total Operating Expenses</b>	<b>689,772</b>
<b>Operating Income (Loss)</b>	<b>(673,638)</b>
<b>NON-OPERATING REVENUES:</b>	
Interest Income	5,024
<b>Total Non-Operating Revenues</b>	<b>5,024</b>
<b>Change in Net Position</b>	<b>(668,614)</b>
Total Net Position - September 1	6,223,954
<b>Total Net Position - August 31</b>	<b>\$ 5,555,340</b>

The accompanying Notes are an integral part of this statement.



**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED AUGUST 31, 2015**

	Total Governmental Activities Internal Service Fund Year Ended August 31, 2015
<b>Cash Flows from Operating Activities:</b>	
Cash received for premiums from other funds	\$ 16,134
Cash paid for claims and premiums	(1,096,739)
<b>Net cash used for operating activities</b>	<b>(1,080,605)</b>
<b>Cash Flows from Investing Activities:</b>	
Interest received on investments	5,024
<b>Net cash provided by investing activities</b>	<b>5,024</b>
Net decrease in cash and cash equivalents	(1,075,581)
Cash and cash equivalents - September 1	8,328,655
Cash and cash equivalents - August 31	<u>\$ 7,253,074</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating Income (Loss)	<u>\$ (673,638)</u>
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Decrease in Accounts Payable	(300)
Decrease in Accrued Expenses	(406,667)
Total Adjustments	(406,967)
<b>Net cash used for operating activities</b>	<b>\$ (1,080,605)</b>

The accompanying Notes are an integral part of this statement.

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUND  
AUGUST 31, 2015**

	Total Agency Fund August 31, 2015
<b>ASSETS</b>	
Cash and Temporary Investments	\$ 1,263,156
<b>Total Assets</b>	<b>\$ 1,263,156</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 43,817
Due to Outside Entities	78,244
Due to Other Governments	44,481
Due to Student Groups	1,096,614
<b>Total Liabilities</b>	<b>\$ 1,263,156</b>

The accompanying Notes are an integral part of this statement.

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

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

**Reporting Entity**

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

For financial reporting purposes, in conformance with governmental accounting standards, the District includes all funds of the District, as well as any component units for which the District is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (1) the ability to impose will by the District, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the District has determined that the Lewisville Education Foundation, Inc. ("LEF") should be included in the District's financial statements and reported as a discretely presented component unit.

The discretely presented component unit is reported in a separate column in the financial statements to emphasize it as legally separate from the District. LEF is a nonprofit organization with the purpose of providing financial support to the District, teachers, and students. LEF is governed by a 22 member Board of Trustees, who represents a cross-section of the community served by the District. All voting members are independent of the District; however, District administrators serve as ex-officio Board members. The accounting and reporting policies relating to the component unit included in the financial statements conform to the generally accepted accounting principles applicable to state and local governments. A copy of the complete separately audited financial statements as of and for the year ended December 31, 2014 can be obtained from Lewisville ISD Education Foundation, Inc., P.O. Box 643, Lewisville, Texas 75057.

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

**Government-Wide and Fund Financial Statements**

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The District reports only internal service funds as proprietary funds. Internal service funds are never considered major funds.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Agency funds also use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue as the eligibility requirements imposed by the provider have been met. The effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

In addition, the District reports the following funds:

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

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

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

The District continues to fully provide for incurred but not reported costs for workers' compensation claims through the establishment of undiscounted liability accounts and net position. As of August 31, 2015, the undiscounted liabilities totaled \$1,697,734 and reported net position of \$5,555,340.

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

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

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

### **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, 2014 as required. The Board of Trustees formally adopted the budget at a duly advertised public meeting prior to the expenditure of funds. Final priorities and funding of projects are determined by the Board, which subsequently establishes a tax rate sufficient to support the approved budget.

Management has the authority to transfer any unencumbered appropriation from one appropriation to another within a single function. In addition, the administration performs budget reviews by which budget requirements are reevaluated and revisions are recommended to the Board. The Board is required to approve amendments to the

budget that change any budgeted fund (the legal level of compliance), revenue object accounts, or other financing sources/uses as defined by the Agency for each individual fund type. Unexpended appropriations lapse at year-end. State law prohibits deficit fund balances. (See Note 2 for additional disclosure.)

### Cash in Bank Depository and Investments

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

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

At August 31, 2015, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$17,571,865 and the bank balance was \$18,923,717. At year end, the District held \$47,877 in petty cash. The District's deposits at August 31, 2015 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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

	Cash	Investments
General	\$ 8,812,194	\$ 174,701,810
Special Revenue	6,143,992	-
Debt Service	1,315,875	24,824,385
Capital Projects	-	87,464,081
Internal Service	36,648	7,216,426
Total Governmental Activities	16,308,709	294,206,702
Agency	1,263,156	-
Total	<u>\$ 17,571,865</u>	<u>\$ 294,206,702</u>

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

- a. Depository: JP Morgan Chase Bank, Lewisville, Texas.
- b. The fair value of securities pledged as of the date of the highest combined balance on deposit was \$47,350,434.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$45,230,247 which occurred during the month of February 2015.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000 (per each bank).

*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.

As of August 31, 2015:

- insured and collateralized money market accounts represented 16.81% of the total portfolio,
- insured and collateralized certificates of deposit represented 10.24% of the total portfolio,
- municipal obligations rated AA or better by at least one NRSRO represented 8.70% of the total portfolio,
- holding in local government investment pools that are rated AAA represented 49.28% of the total portfolio, and
- the remainder of the portfolio, 14.97% was invested in securities issued by the US Government or its agencies and instrumentalities rated AAA.

*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%

The segmented time distribution of securities as of August 31, 2015 is shown below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>Less than 1 Year</u>	<u>1-2 Years</u>	<u>2-3 Years</u>	<u>3-5 Years</u>
US Agencies					
FFCB	\$ 2,501,845	\$ 2,501,845	\$ -	\$ -	\$ -
FHLB	13,503,392	2,500,620	10,002,550	-	1,000,222
FHLMC	18,991,832	8,000,920	9,991,255	-	999,657
FNMA	9,012,905	8,009,266	-	-	1,003,639
2A-7 like Local Government Pools	144,991,392	144,991,392	-	-	-
Money Market Mutual Funds	49,466,244	49,466,244	-	-	-
Certificate of Deposit	30,135,232	30,135,232	-	-	-
Municipal Bonds	25,603,860	17,663,144	7,940,716	-	-
Total Value	<u>\$ 294,206,702</u>	<u>\$ 263,268,663</u>	<u>\$ 27,934,521</u>	<u>\$ -</u>	<u>\$ 3,003,518</u>
% of Total Portfolio		89.48%	9.49%	0.00%	1.02%

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

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

As of August 31, 2015, the portfolio contained:

- three investments for the Escrow Sinking Fund mature in an average 2.49 years,
- no other investments matured beyond 728 days, and
- the dollar weighted average maturity of the total portfolio was 106 days.

As of August 31, 2015, the portfolio contained seven structured notes (callable securities with various structures) that had a combined book value of \$27,999,601 or 9.51% of the total portfolio. The details regarding these securities are shown below:



Issuer	Par	Coupon	Purchase Date	Maturity Date	Call Date	Structure	Book Value	Fair Value
FHLMC	\$ 5,000,000	0.500%	6/24/2014	6/24/2016	9/24/2015	Callable quarterly with 5 day notice	\$ 5,000,000	\$ 4,999,720
FHLB	\$ 10,000,000	0.550%	12/30/2014	9/30/2016	9/30/2015	Callable quarterly with 5 day notice	\$ 10,000,000	\$ 10,002,550
FHLMC	\$ 5,000,000	0.900%	5/28/2015	8/28/2017	11/28/2015	Callable quarterly with 5 day notice	\$ 5,000,000	\$ 4,998,520
FHLMC	\$ 5,000,000	0.650%	7/23/2015	1/23/2017	10/23/2015	Callable quarterly with 5 day notice	\$ 5,000,000	\$ 4,992,735
FHMLC	\$ 1,000,000	1.000%	11/8/2012	11/8/2018	11/8/2016	Callable only on the date shown with 10 days notice	\$ 999,734	\$ 1,003,639
FHLB	\$ 1,000,000	1.250%	4/16/2015	4/16/2020	10/16/2015	Callable quarterly with 5 days notice	\$ 1,000,000	\$ 1,000,222
FHLMC	\$ 1,000,000	1.250%	6/25/2015	6/25/2020	6/25/2015	Callable quarterly with 5 days notice	\$ 999,867	\$ 999,657
							<u>\$ 27,999,601</u>	<u>\$ 27,997,043</u>

Abbreviations: FHLMC Federal Home Loan Mortgage Corporation  
FHLB Federal Home Loan Bank

*Custodial Credit Risk* – To control custody risk State law and Lewisville ISD's adopted Investment Policy requires collateral for all time and demand deposits and repurchase agreements with securities transferred only on a delivery versus payment basis and held by an independent party approved by the District and held in the District's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions and position descriptions including fair value. Repurchase agreements and deposits must be collateralized to 102% 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.

As of August 31, 2015:

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

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

policies. Investments are recorded at fair value. Fair value is determined by the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

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

**Interfund Transactions**

Interfund receivables and payables arise from interfund transactions in the normal course of operations and are recorded in all affected funds in the period in which transactions are executed. Interfund transfers arise from the need to move cash from bank accounts. See Note 11 for additional discussion of interfund transactions.

**Inventories**

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

**Prepaid Items**

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

**Capital Assets**

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

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

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

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

**Long-Term Debt**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and losses on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period it occurs.

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

**Compensated Absences**

Employees are allowed to accrue five days of state personal leave each year without limit. The District pays a portion of accrued personal leave to retiring personnel meeting state eligibility requirements for retirement. The payment is limited to one-half of the current salary rate for the accumulated personal days. The District has accrued \$2,364,069 for accumulated personal leave that is reflected in the government-wide financial statements. Personal leave is paid out of the fund to which the employee's salary relates, the majority of which has historically been the General Fund.

**Deferred Outflows/Inflows of Resources**

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

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

- Deferred outflows 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.
- 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 of differences between expected and actual actuarial experiences. 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 other 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 which is currently 6.94 years.

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

- Deferred inflows of resources for unavailable revenues – Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual bases of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows or resources for pension – Reported in the government wide financial statement of net position, these deferred inflows result primarily from the difference between projected and

actual earnings on pension plan investments. These amounts will be amortized over a closed five year period.

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

Governmental Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," provides more defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints.

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

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

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

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

*Committed* is that portion of fund equity which has limitations imposed by the Board of Trustees. To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The Board committed 100% of the ending fund balance in the Campus Activity Funds for use by the respective campus. In addition, the Board committed \$45,000,000 to Minimum Fund Balance. The Minimum Fund Balance Policy was approved to set aside resources to maintain liquidity and to cover unanticipated deficits of revenue reductions that may be caused by adverse economic conditions.

*Assigned* is that portion of fund equity that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by a designee that has been granted the authority by the Board. The District did not have any assigned fund balances as of August 31, 2015.

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

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

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

#### **Government-Wide Financial Statements:**

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

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

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

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

### Self-insured Workers' Compensation

On September 1, 1990, the District established a self-funding Workers' Compensation program. The District maintains a self-insured retention of \$400,000 per occurrence. The District currently purchases specific excess coverage to statutory limits from an insurance company that does not have a maximum amount. The District also maintains a self-insured retention of \$2,888,510 for aggregate claims. An aggregate policy from the Insurance Company provides \$1,000,000 in excess of the retention amount. Total claims exceeding the maximum aggregate policy amount become the responsibility of the District. Claims administration was provided by Edwards Claims Administration of Marble Falls, Texas.

The accrued liability for Workers' Compensation self-insurance of \$1,697,734 includes incurred but not reported (IBNR) claims for the three-year self-insurance period of which \$903,511 is expected to be due within one year. This liability reported in the fund at August 31, 2015 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. The liability booked was the undiscounted estimate of the actuary.

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

	Year Ended <u>August 31, 2015</u>	Year Ended <u>August 31, 2014</u>
Unpaid claims, beginning of year	\$ 2,104,701	\$ 1,872,493
Incurred claims (including IBNR's)	1,693,234	1,274,537
Claim payments and changes in estimate	<u>(2,100,201)</u>	<u>(1,042,329)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,697,734</u>	<u>\$ 2,104,701</u>

### Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal 2015, 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, 2015, the District had \$4,376,230 of encumbrances in the General Fund that rolled over into the new fiscal year.

### Data Control Codes

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

**Estimates**

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The District's calculation of the 60 day property tax accrual for the month of October 2015 is estimated based on historical subsequent collections for the months of October.

**Pensions**

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

**NOTE 2. BUDGETARY LEGAL COMPLIANCE**

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

<u>Fund</u>	Appropriations as of September 1, 2014 <u>(Original Budget)</u>	Supplemental Appropriations and Revisions	Appropriations as of August 31, 2015 <u>(Amended Budget)</u>
General Fund	\$ 427,340,193	\$ 5,261,479	\$ 432,601,672
Food Service Fund	24,584,895	728,888	25,313,783
Debt Service Fund	118,136,447	1,229,533	119,365,980
Total Budgeted Funds	<u>\$ 570,061,535</u>	<u>\$ 7,219,900</u>	<u>\$ 577,281,435</u>

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

<u>General Fund</u>	<u>Food Service</u>	<u>Debt Service</u>
\$4,032,564 Purchase Orders	\$728,888 Purchase Orders	\$ 1,229,533 Interest Payment
600,006 TRS on Behalf		
548,059 Rollforward of unused 13-14 budget		
80,850 Leveled Literacy Kits		

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

Budgeted - Special Revenue Fund - Food Service	\$ 1,162,731
Unbudgeted Funds	<u>6,281,780</u>
All Special Revenue Funds	<u>\$ 7,444,511</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 2014-15 fiscal year was \$26,698,623,389.

The tax rates assessed for the year ended August 31, 2015 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$0.437 per \$100 valuation, respectively, for a total of \$1.477 per \$100 valuation.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent by February 1 of the following year. Current tax collections for the year ended August 31, 2015 were 100.79% 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, 2015, property taxes receivable, net of estimated uncollectible taxes, totaled \$2,597,221 and \$999,282 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, 2015 are summarized below. Amounts are expected to be collected within two months after the District fiscal year end.

<u>Fund</u>	<u>Denton County</u>	<u>State Entitlements</u>	<u>Federal Grants</u>	<u>Total</u>
General	\$ 126,153	\$ 1,685,181	\$ 401,801	\$ 2,213,135
Special Revenue	-	5,330,376	1,662,765	6,993,141
Total	<u>\$ 126,153</u>	<u>\$ 7,015,557</u>	<u>\$ 2,064,566</u>	<u>\$ 9,206,276</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, 2015 are summarized below.

<u>Fund</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
General	\$ -	\$ 48,980	\$ 48,980
Special Revenue	4,303	-	4,303
Debt Service	-	21,235	21,235
Total	<u>\$ 4,303</u>	<u>\$ 70,215</u>	<u>\$ 74,518</u>

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2015 was as follows:

**Governmental activities:**

	Balance				Balance
	09/01/14	Additions	Deletions	Transfers	08/31/15
Capital assets, not being depreciated:					
Land	\$ 109,000,407	\$ -	\$ 468,004	\$ -	\$ 108,532,403
Construction in Progress	29,113,449	5,742	-	(29,113,449)	5,742
Total capital assets, not being depreciated	138,113,856	5,742	468,004	(29,113,449)	108,538,145
Capital assets, being depreciated:					
Buildings and Improvements	1,259,052,458	37,078,896	10,653,521	28,434,967	1,313,912,800
Vehicles	2,938,740	85,960	71,332	-	2,953,368
Furniture and Equipment	19,008,378	3,615,510	1,308,258	678,482	21,994,112
Total capital assets being depreciated	1,280,999,576	40,780,366	12,033,111	29,113,449	1,338,860,280
Less accumulated depreciation for:					
Buildings and Improvements	309,950,057	33,272,231	7,033,954	-	336,188,334
Vehicles	2,319,920	189,076	65,318	-	2,443,678
Furniture and Equipment	10,336,978	1,678,489	1,190,548	-	10,824,919
Total accumulated depreciation	322,606,955	35,139,796	8,289,820	-	349,456,931
Total capital assets, being depreciated, net	958,392,621	5,640,570	3,743,291	-	989,403,349
Governmental activities capital assets, net	\$ 1,096,506,477	\$ 5,646,312	\$ 4,211,295	\$ -	\$ 1,097,941,494

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

**Governmental activities:**

Instruction and Instructional Related Services	\$ 21,416,123
Instructional and School Leadership	940,600
Support Services Student (Pupil)	7,639,642
Administrative Support Services	177,864
Support Services - Nonstudent Based	4,117,819
Ancillary Students	847,748
Total depreciation expense - governmental activities	<u>\$ 35,139,796</u>

**Construction in Progress**

Construction in progress and remaining commitments under related construction contracts as of August 31, 2015:

	Authorized Contract	Total in Progress	Remaining Commitment
Degan Elementary - Playground	\$ 48,896	\$ 2,040	\$ 46,856
Stewarts Creek Elementary - Playground	48,897	1,851	47,046
Coyote Ridge - New Playground	48,896	1,851	47,045
Total	<u>\$ 146,689</u>	<u>\$ 5,742</u>	<u>\$ 140,947</u>



**NOTE 6. PENSION PLAN OBLIGATIONS**

*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 Trustee does not have the authority to establish or amend benefit terms.

All employee 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 Positon* – Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report (CAFR) 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.

*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 COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

*Contributions* – Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which required 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 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for a member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed under Plan Description of the TRS 2014 CAFR. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

	<u>Contribution Rates</u>	
	<u>2015</u>	<u>2014</u>
Member	6.7%	6.4%
Non-Employer Contributing Entity (NECE)-Texas	6.8%	6.8%
Employers	6.8%	6.8%
Employer Contributions - 2014	\$ 5,257,484	

Member Contributions – 2014	\$ 4,889,207
NECE On-behalf Contributions – 2014	\$15,128,671

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act. 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, 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.

*Actuarial Assumptions* – The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

*\*Includes Inflation of 3%*

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rate for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

*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. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

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

*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 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
LISD's proportionate share of the net pension liability:	\$ 98,982,544	\$ 55,392,223	\$ 22,794,781

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension* – At August 31, 2015, LISD reported a liability of \$55,392,223 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to LISD. The amount recognized LISD 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 LISD were as follows:

LISD's proportionate share of the collective net pension liability	\$ 55,392,223
State's proportionate share that is associated with LISD	<u>159,733,876</u>
Total	<u>\$215,126,099</u>

The net pension liability was measured as of August 31, 2014 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, 2013 thru August 31, 2014.

At August 31, 2014 the employer's proportion of the collective net pension liability was .2074% which was an increase (decrease) of .0001% from its proportion measured as of August 31, 2013. The change in proportion was immaterial and therefore disregarded this year.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employee went into law effective 09/01/2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2014, LISD recognized pension expense of \$5,120,032 and revenue of \$14,767,100 for support provided by the State.

At August 31, 2015, LISD reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 856,659	\$ -
Changes in actuarial assumptions	3,600,556	-
Difference between projected and actual investment earnings	-	16,930,125
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	14,520
Contributions paid to TRS subsequent to the measurement date	8,805,304	-
Total	<u>\$ 13,262,519</u>	<u>\$ 16,944,645</u>

The amount 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, 2016 (\$8,805,304). 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
2016	\$ (3,484,678)
2017	(3,484,678)
2018	(3,484,678)
2019	(3,484,679)
2020	747,853
2021	703,430
	<u>\$ (12,487,430)</u>

### RETIREE HEALTH PLAN

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

*Funding Policy* – Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2015, 2014, and 2013. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2015, 2014, and 2013, the State's contributions to TRS-Care were \$2,967,042, \$2,864,471, and \$1,400,628 respectively, the active member contributions were \$2,006,474, \$1,933,446, \$1,894,616, respectively, which equaled the required contributions each year.

### MEDICARE PART D – ON-BEHALF PAYMENTS

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2015, 2014 and 2013, these on-behalf payments were \$1,258,232, \$800,531 and \$780,958, respectively, as equal revenues and expenditures.

### NOTE 7. DEFERRED COMPENSATION PLAN

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

The deferred compensation plan is available to all employees of the District who are not covered under the State Retirement Plan. Under the plan, employees defer 7.5% of their salaries and avoid paying taxes on the deferred

portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, or death.

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

As a result of legislative changes, all amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries and are not included in the financial statements of the District.

#### NOTE 8. LEASES OBLIGATIONS- CAPITAL

This year, LISD entered into a lease agreement as lessee for financing the acquisition of iPads valued at \$2,614,500. The equipment has a five year estimated useful life. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations are summarized as follows:

Year Ended August 31:	Principal	Interest	Total Requirements
2016	\$ 648,840	\$ 9,585	\$ 658,425
2017	652,020	6,405	658,425
2018	655,215	3,210	658,425
	<u>\$ 1,956,075</u>	<u>\$ 19,200</u>	<u>\$ 1,975,275</u>

#### NOTE 9. LONG-TERM DEBT

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

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

The 1996, 2003, 2007R, 2013C, 2014B and 2015 bond series included outstanding capital appreciation bonds in the principal amount of \$57,291,009. The bonds mature variously through 2030. Interest accrues on these bonds each February 15 and August 15, even though the interest is not paid until maturity.

Debt service requirements to maturity are summarized as follows:

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

August 31:	Principal	Interest	Requirements
2016	\$ 49,941,452	\$ 70,935,387	\$ 120,876,839
2017	58,913,384	60,562,818	119,476,202
2018	67,315,515	52,230,981	119,546,496
2019	69,910,665	49,634,990	119,545,655
2020	72,713,440	46,829,382	119,542,822
2021-2025	411,647,597	186,092,558	597,740,155
2026-2030	447,029,999	47,158,405	494,188,404
	<u>\$ 1,177,472,052</u>	<u>\$ 513,444,521</u>	<u>\$ 1,690,916,573</u>

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

The following is a summary of the changes in the District's outstanding debt as of August 31, 2015:

Description	Interest Rate Payable	Amounts Outstanding 9/1/2014	Issued Current Year	Interest Accretion	Retired/Refunded	Amounts Outstanding 8/31/2015	Due within one year
1996 Refunding Bond	4.40 - 6.38%	\$ 19,200,938	\$ -	\$ -	\$ 4,789,882	\$ 14,411,056	\$ 5,115,712
2003 Unlimited Tax/Refunding	2.50 - 5.00%	351,626	-	-	-	351,626	-
2006 Unlimited Tax	3.75 - 5.00%	2,010,681	-	-	2,010,681	-	-
2006 Refunding	4.25 - 5.00%	124,910,000	-	-	11,485,000	113,425,000	10,985,000
2007 Unlimited Tax/Refunding	4.00 - 5.00%	102,610,853	-	-	85,120,853	17,490,000	-
2007 Refunding	4.00 - 5.00%	81,106,911	-	-	1,328,278	79,778,633	1,080,740
2008 Unlimited Tax	3.50 - 5.00%	83,445,000	-	-	37,545,000	45,900,000	2,155,000
2009 Unlimited Tax	3.50 - 5.00%	153,630,000	-	-	3,655,000	149,975,000	5,095,000
2009 Unlimited Tax/Refunding	2.00 - 4.13%	935,000	-	-	120,000	815,000	125,000
2010 Qualified Sch Const Bonds	6.88%	29,900,000	-	-	-	29,900,000	-
2010A Unlimited Tax	2.00 - 5.00%	34,480,000	-	-	795,000	33,685,000	820,000
2010B Build America Bonds	5.974 - 6.024%	25,055,000	-	-	-	25,055,000	-
2010 Refunding Bond	2.00 - 5.00%	20,225,000	-	-	280,000	19,945,000	285,000
2011 Unlimited Tax	2.25 - 4.75%	45,520,000	-	-	1,775,000	43,745,000	1,805,000
2011 Refunding Bond	2.50 - 5.00%	20,955,000	-	-	3,560,000	17,395,000	1,690,000
2012 Unlimited Tax Bonds	3.00 - 4.00%	26,430,000	-	-	1,245,000	25,185,000	1,305,000
2012A Unlimited Tax/Refunding	3.00 - 5.00%	93,910,000	-	-	2,285,000	91,625,000	6,195,000
2012B Unlimited Refunding	2.00 - 5.00%	21,880,000	-	-	-	21,880,000	-
2012C Unlimited Tax Bonds	2.00 - 4.00%	32,640,000	-	-	1,095,000	31,545,000	1,120,000
2013A Unlimited Tax Refunding	3.00 - 5.00%	39,635,000	-	-	-	39,635,000	-
2013B Unlimited Tax Refunding	4.00 - 5.00%	22,865,000	-	-	-	22,865,000	-
2013C Unlimited Tax Refunding	.34 - 2.57%	5,380,000	-	-	115,000	5,265,000	235,000
2013D Unlimited Tax	2.00 - 4.00%	73,990,000	-	-	4,990,000	69,000,000	4,595,000
2013E Unlimited Tax	3.00 - 5.00%	67,435,000	-	-	3,220,000	64,215,000	2,095,000
2014A Unlimited Tax Bonds	2.00 - 4.00%	-	96,330,000	-	-	96,330,000	5,240,000
2014B Unlimited Tax Refunding	5.00%	-	54,338,570	-	-	54,338,570	-
2015 Unlimited Tax Refunding	2.00 - 5.00%	-	64,232,167	-	515,000	63,717,167	-
Bonded Indebtedness		1,128,501,009	214,900,737	-	165,929,694	1,177,472,052	49,941,452
Accreted Interest and CAB premium		99,925,151	7,793,603	5,495,777	41,802,374	71,412,157	20,258,171
Bond Premium		40,752,204	28,338,259	-	8,653,673	60,436,790	7,741,801
Capital Leases		-	2,614,500	-	658,425	1,956,075	648,840
Accrued Compensated Absences		2,513,288	73,725	-	222,944	2,364,069	377,493
Total Obligations		<u>\$ 1,271,691,652</u>	<u>\$ 253,720,824</u>	<u>\$ 5,495,777</u>	<u>\$ 217,267,110</u>	<u>\$ 1,313,641,143</u>	<u>\$ 78,967,757</u>

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, 2015.

In May 2008, voters approved a \$697.7 million bond package designed to finance facility needs through 2015. All authorized school building bonds as of August 31, 2015 have been issued. During 2015, the District issued \$96,330,000 in Unlimited Tax School Building Bonds with interest rates from 2.00% to 4.00%. The proceeds were issued to provide funds to construct, acquire, and equip school buildings and purchase necessary sites for school buildings. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond orders.

In addition, the District issued \$54,338,570 in Unlimited Tax Refunding Bonds 2014B with interest rate of 5.00% and \$64,232,167 in Unlimited Tax Refunding Bond 2015 with interest rates of 2.00% to 5.00%. The refunding portion of both series was used to refund a portion of 2007 Unlimited Tax School Building and Refunding Bonds and 2008 Unlimited Tax School Building Bonds with maturity dates through 2028 and interest rates from 4.00% to 5.00%. As a result, \$118,570,737 of the tax series 2007 and 2008 are considered to be defeased. The proceeds were used to purchase U.S. Government securities and these securities were placed in an irrevocable escrow account until the refunded bonds are redeemed. The reacquisition price exceeded the net carrying amount of the old debt by \$8,300,026. This amount is being netted against the new debt and amortized over the life of the refunded debt. The district, in effect, decreased its aggregate debt service payments by \$22,739,666 through 2027 and resulted in an economic gain (difference between present values of the old and new debt service payment) of \$16,042,958.

**Qualified School Construction Bonds**

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

**NOTE 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. These refunding issues defeased selected general obligation bonds from the refunding issues of 2006 and 2008. Placing the proceeds of the refunding bonds in an irrevocable trust has provided for all future debt service payments on the original bonds. As of August 31, 2015, the outstanding balance of defeased bonds is \$76,795,000.

**NOTE 11. INTERFUND TRANSACTIONS**

*Receivables and payables:*

Interfund balances at August 31, 2015 consisted of the following individual fund receivables and payables are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 76,603	\$ -
Special Revenue Funds:		
Federal Funds	-	1,546,032
State Funds	-	550,885
Local Funds	2,096,917	-
Capital Projects Fund	-	76,603
Total	<u>\$ 2,173,520</u>	<u>\$ 2,173,520</u>

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



**NOTE 12. LITIGATION AND CONTINGENCIES**

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

The District participates in numerous State and Federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2015 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, 2015.

**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 Fund	Total
Property Taxes	\$ 282,572,644	\$ -	\$118,601,742	\$ -	\$ 401,174,386
Food Sales	-	10,447,111	-	-	10,447,111
Investment Income	518,361	-	105,304	66,503	690,168
Penalties, interest and other tax related income	-	-	-	-	-
	1,945,929	-	657,442	-	2,603,371
Co-curricular student activities	1,113,251	4,833,140	-	-	5,946,391
Tuition and fees	5,755,117	69,151	-	-	5,824,268
Rental Income	837,091	-	-	-	837,091
E-Rate	910,118	-	-	-	910,118
Donations	1,987	1,491,855	-	-	1,493,842
Other	1,111,742	106,955	-	593,087	1,811,784
Total	<u>\$ 294,766,240</u>	<u>\$ 16,948,212</u>	<u>\$119,364,488</u>	<u>\$ 659,590</u>	<u>\$ 431,738,530</u>

**NOTE 14. UNEARNED REVENUES**

Unearned revenues at August 31, 2015 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	\$ -	\$ 951,069	\$ 951,069
Campus Support	2,074,932	-	2,074,932
Other	21,499	-	21,499
Grant Advances	-	91,175	91,175
	<u>\$ 2,096,431</u>	<u>\$ 1,042,244</u>	<u>\$ 3,138,675</u>

**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, 2014. An allowance for uncollectible promises to give has not been recorded based on management's evaluation of contributions receivable at year-end.

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

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. No material noncash assets or services were contributed to the Foundation during 2014.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments, primarily checking and money market accounts, to be cash equivalents. At December 31, 2014, the carrying amount of cash was \$522,084.

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, 2014 are composed of the following:

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2015

Exhibit F-1

	Cost	Fair Value	Unrealized Gain
Certificates of deposit	\$ 104,053	\$ 104,053	\$ -
Corporate bonds	247,805	247,961	156
U.S. Government secured Obligations	369,984	371,589	1,605
Individual stocks	1,313,741	1,584,852	271,111
Mutual funds	269,084	294,449	25,365
Fixed income mutual funds	244,507	261,635	17,128
	<u>\$ 2,549,174</u>	<u>\$ 2,864,539</u>	<u>\$ 315,365</u>

Restricted Net Position

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

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

Contributions and Other Receivables

Unconditional promises to give as of December 31, 2014 are as follows:

Receivable in less than one year	\$ 16,892
Receivable in one to five years	31,256
Total Unconditional Promises to Give	48,148
Less allowance for uncollectible amounts	-
Less discounts to net present value	-
Net Unconditional Promises to Give	<u>\$ 48,148</u>

Unrestricted Net Position

Unrestricted net position at December 31, 2014 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
Total	<u>\$ 190,000</u>

Income Tax Status

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

**NOTE 16. PRIOR PERIOD ADJUSTMENT**

Net Position as of September 1, 2014 has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No. 71.

		Governmental Activities
Beginning Net Position - As Originally Presented	\$	57,705,743
Restatement due to:		
Net pension liability (measurement date as of 08/31/2013)		(68,017,105)
Deferred Outflows:		
District contributions made to TRS during the fiscal year		5,257,484
<b>Beginning Net Position - As Restated</b>	<b>\$</b>	<b>(5,053,878)</b>

**NOTE 17. EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY FUNCTION**

The Texas Education Agency requires the budgets for the Governmental Fund Types to be filed with the Texas Education Agency (TEA). The expenditures should not exceed the budget in any functional category under TEA requirements. Expenditures exceeded appropriations in the General fund for Food Services by \$49,714 and Facilities Acquisition and Construction by \$124,950.

**NOTE 18. IMPLEMENTATION OF NEW STANDARDS**

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

GASB Statement 68, *Accounting and Financial Reporting for Pensions* (“GASB68”) establishes accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or similar arrangements that meet certain criteria. The Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Implementation is reflected in the financial statements, notes to the financial statements and required supplementary information.

GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (“GASB71”) amends the transition provisions of GASB 68. GASB 71 requires that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability. Implementation is reflected in the financial statements and the notes to the financial statements.

**Required Supplementary Information**

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**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS RETIREMENT SYSTEM OF TEXAS  
AUGUST 31, 2015**

	2014
District's proportion of the net pension liability	0.2073%
District's proportionate share of the net pension liability	\$ 55,392,223
State's proportionate share of the net pension liability associated with the District	159,733,876
Total	\$ 215,126,099
District's covered-employee payroll (for Measurement Year)	\$ 297,452,635
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	18.62%
Plan fiduciary net position as a percentage of the total pension liability*	83.25%
Plan's net pension liability as a percentage of covered-employee payroll*	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.

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

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

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
TEACHERS RETIREMENT SYSTEM OF TEXAS  
AUGUST 31, 2015**

	2015	2014
Contractually required contributions	\$ 8,805,304	\$ 5,257,484
Contributions in relation to the contractual required contributions	8,805,304	5,257,484
Contribution deficiency (excess)	\$ -	\$ -
District's covered employee payroll	\$ 308,689,540	\$ 297,452,635
Contributions as a percentage of covered employee payroll	2.85%	1.77%

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



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### CHANGES IN ASSUMPTIONS

Modifications to the actuarial methods and assumptions are based on a study of actual experience as adopted on April 8, 2011. The assumptions and methods used in the current valuation are the same except for the following modifications;

- Small reductions in the rates of retirements at most age and service combinations.
- Decrease in the post-retirement rates of mortality for both males and females.
- The salary increase assumption in the first year of employment was reduced.
- The method for determining the actuarial value of assets was modified to a method that sets the actuarial value of assets as the expected actuarial value of assets plus 20% of the difference between the actual market value of the assets and the expected actuarial value of assets.

Amounts reported for 2014 reflect the adoption of a new mortality assumption that the average life expectancy for members over 65 years of age will increase by roughly nine months over the next four years.

**Lewisville  
Independent  
School District**

**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**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2015**

		200-499		
Data Control Codes		Special Revenue Funds		
		Federal Funds	State Funds	Local Funds
<b>ASSETS</b>				
1110	Cash and Temporary Investments	\$ -	\$ -	\$ 4,084,900
	Receivables:			
1240	Due from Other Governments	1,662,765	5,003,131	-
1260	Due from Other Funds	-	-	2,096,917
1290	Other Receivables	558	-	7,120
1310	Inventories at Cost	-	-	-
1410	Prepaid Items	-	-	6,612
1000	<b>Total Assets</b>	<b>\$ 1,663,323</b>	<b>\$ 5,003,131</b>	<b>\$ 6,195,549</b>
<b>LIABILITIES</b>				
	Current Liabilities:			
2110	Accounts Payable	\$ 117,028	\$ 3,928,769	\$ 342,031
2170	Due to Other Funds	1,546,032	550,885	-
2180	Due to Other Governments	-	-	4,303
2300	Unearned Revenues	263	-	90,912
2000	<b>Total Liabilities</b>	<b>1,663,323</b>	<b>4,479,654</b>	<b>437,246</b>
<b>FUND BALANCE</b>				
	Non-Spendable:			
3410	Inventory	-	-	-
3430	Prepaid Expenditures	-	-	6,612
3450	Restricted	-	523,477	376,286
3545	Committed	-	-	5,375,405
3000	<b>Total Fund Balance</b>	<b>-</b>	<b>523,477</b>	<b>5,758,303</b>
4000	<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,663,323</b>	<b>\$ 5,003,131</b>	<b>\$ 6,195,549</b>



240	Total Nonmajor Governmental Funds
Food Service Fund	August 31, 2015
\$ 2,059,092	\$ 6,143,992
327,245	6,993,141
-	2,096,917
-	7,678
434,446	434,446
-	6,612
<b>\$ 2,820,783</b>	<b>\$ 15,682,786</b>
\$ 706,983	\$ 5,094,811
-	2,096,917
-	4,303
951,069	1,042,244
<b>1,658,052</b>	<b>8,238,275</b>
434,446	434,446
-	6,612
728,285	1,628,048
-	5,375,405
<b>1,162,731</b>	<b>7,444,511</b>
<b>\$ 2,820,783</b>	<b>\$ 15,682,786</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED AUGUST 31, 2015**

		200-499	
Data Control Codes		Special Revenue Funds	
		Federal Funds	State Funds
<b>REVENUES:</b>			
	Local and Intermediate Sources:		
	Other Local and Intermediate Sources	\$ -	\$ -
5700	Total Local and Intermediate Sources	-	-
5800	State Program Revenues	-	7,696,821
5900	Federal Program Revenues	14,498,388	-
<b>5020</b>	<b>Total Revenues</b>	<b>14,498,388</b>	<b>7,696,821</b>
<b>EXPENDITURES:</b>			
	Current:		
0011	Instruction	12,132,448	8,655,549
0012	Instruction Resources & Media Services	-	80
0013	Curriculum & Instructional Staff Development	1,616,877	31,853
0021	Instructional Leadership	36,614	-
0023	School Administration	12,867	780
0031	Guidance and Counseling	360,596	880
0033	Health Services	182,508	-
0034	Pupil Transportation	34,207	-
0035	Food Services	-	-
0036	Co-Curricular Activities	20,237	-
0041	General Administration	-	-
0051	Maintenance and Operation	-	-
0052	Security and Monitoring	-	-
0061	Community Services	102,034	-
0081	Facilities Acquisition and Construction	-	-
	<b>Total Expenditures</b>	<b>14,498,388</b>	<b>8,689,142</b>
1200	Net Change in Fund Balances	-	(992,321)
0100	<b>FUND BALANCE - September 1</b>	-	1,515,798
3000	<b>FUND BALANCE - August 31</b>	<b>\$ -</b>	<b>\$ 523,477</b>

Local Funds	240 Food Service Fund	Totals Nonmajor Governmental Funds Year Ended August 31, 2015
\$ 6,393,865	\$ 10,554,347	\$ 16,948,212
6,393,865	10,554,347	16,948,212
600	104,208	7,801,629
-	11,581,672	26,080,060
<b>6,394,465</b>	<b>22,240,227</b>	<b>50,829,901</b>
2,800,524	-	23,588,521
128,007	-	128,087
94,005	-	1,742,735
4,339	-	40,953
483,421	-	497,068
574,596	-	936,072
650	-	183,158
-	-	34,207
70,212	21,236,202	21,306,414
1,486,984	-	1,507,221
16,355	-	16,355
14,134	2,665,874	2,680,008
13,903	-	13,903
5,729	-	107,763
12,984	-	12,984
<b>5,705,843</b>	<b>23,902,076</b>	<b>52,795,449</b>
688,622	(1,661,849)	(1,965,548)
5,069,681	2,824,580	9,410,059
<b>\$ 5,758,303</b>	<b>\$ 1,162,731</b>	<b>\$ 7,444,511</b>

**Lewisville  
Independent  
School District**

## **Supplemental Schedules**

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

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**Lewisville  
Independent  
School District**

**SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2015**

Fiscal Year Ended August 31:	(1)  Maintenance	(2) Tax Rates Debt Service	(3) Assessed/ Appraised Value for School Tax Purposes	(10) Beginning Balance 9/1/2014
2006 and prior years	1.50000	0.27000	\$ 17,730,993,540	\$ 853,287
2007	1.33000	0.31000	18,881,927,080	195,942
2008	1.04000	0.33000	21,061,221,028	220,574
2009	1.04000	0.33000	21,911,662,802	501,990
2010	1.04000	0.36870	23,200,406,048	1,040,885
2011	1.04000	0.38670	22,507,417,241	1,042,300
2012	1.04000	0.38670	23,095,990,992	1,050,873
2013	1.04000	0.41300	23,046,548,096	1,091,579
2014	1.04000	0.43700	24,430,987,196	1,783,565
2015 (school year under audit)	1.04000	0.43700	26,698,623,389	-
				\$ 7,780,995

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



**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Exhibit J-1

(20)			(30)		(40)	(50)
Current Year's Total Levy	Debt Service Collections	Maintenance Collections	Total Collections		Entire Year's Adjustments	Ending Balance 8/31/2015
\$ -	\$ 1,249	\$ 6,617	\$ 7,866		\$ (80,176)	\$ 765,245
-	403	1,727	2,130		(1,100)	192,712
-	645	2,033	2,678		-	217,896
-	63,026	192,786	255,812		156	246,334
-	309,981	874,367	1,184,348		378,262	234,799
-	322,794	868,132	1,190,926		413,442	264,816
-	333,365	898,184	1,231,549		431,022	250,346
-	174,262	438,819	613,081		(114,056)	364,442
-	396,526	943,677	1,340,203		77,606	520,968
394,338,667	117,597,480	279,865,851	397,463,331		4,705,783	1,581,119
<b>\$ 394,338,667</b>	<b>\$ 119,199,731</b>	<b>\$ 284,092,193</b>	<b>\$ 403,291,924</b>		<b>\$ 5,810,939</b>	<b>\$ 4,638,677</b>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - FOOD SERVICE FUND  
YEAR ENDED AUGUST 31, 2015**

Data Control Codes	Food Service Fund Budgeted Amounts			Variance with Final Budget - Positive (Negative)	
	Original	Final	Actual		
<b>REVENUES:</b>					
	Local and Intermediate Sources:				
	Other Local and Intermediate Sources	\$ 11,323,828	\$ 11,323,828	\$ 10,554,347	\$ (769,481)
5700	Total Local and Intermediate Sources	11,323,828	11,323,828	10,554,347	(769,481)
5800	State Program Revenues	502,358	502,358	104,208	(398,150)
5900	Federal Program Revenues	11,020,722	11,020,722	11,581,672	560,950
5020	<b>Total Revenues</b>	<b>22,846,908</b>	<b>22,846,908</b>	<b>22,240,227</b>	<b>(606,681)</b>
<b>EXPENDITURES:</b>					
	Current:				
0035	Food Services	21,822,970	22,094,043	21,236,202	857,841
0051	Plant Maintenance and Operation	2,761,925	2,769,740	2,665,874	103,866
0081	Facilities Acquisition and Construction	-	450,000	-	450,000
	<b>Total Expenditures</b>	<b>24,584,895</b>	<b>25,313,783</b>	<b>23,902,076</b>	<b>1,411,707</b>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,737,987)	(2,466,875)	(1,661,849)	805,026
0100	<b>FUND BALANCE - September 1</b>	2,824,580	2,824,580	2,824,580	-
3000	<b>FUND BALANCE - August 31</b>	<b>\$ 1,086,593</b>	<b>\$ 357,705</b>	<b>\$ 1,162,731</b>	<b>\$ 805,026</b>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - DEBT SERVICE FUND  
YEAR ENDED AUGUST 31, 2015**

Data Control Codes	Debt Service Fund 500-599 Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	
	Original	Final			
<b>REVENUES:</b>					
	Local and Intermediate Sources:				
	Investment Income	\$ 40,000	\$ 40,000	\$ 105,304	\$ 65,304
	Other Local and Intermediate Sources	117,674,042	117,674,042	119,259,184	1,585,142
5700	Total Local and Intermediate Sources	117,714,042	117,714,042	119,364,488	1,650,446
5900	Federal Program Revenues	480,338	480,338	487,703	7,365
5020	<b>Total Revenues</b>	<b>118,194,380</b>	<b>118,194,380</b>	<b>119,852,191</b>	<b>1,657,811</b>
<b>EXPENDITURES:</b>					
	Current:				
0071	Debt Service:				
	Principal	48,348,841	48,348,841	47,358,841	990,000
	Interest and Fiscal Charges	69,787,606	71,017,139	70,624,513	392,626
	<b>Total Expenditures</b>	<b>118,136,447</b>	<b>119,365,980</b>	<b>117,983,354</b>	<b>1,382,626</b>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	57,933	(1,171,600)	1,868,837	3,040,437
<b>OTHER FINANCING SOURCES (USES):</b>					
7911	Refunding Bonds Issued	-	118,570,933	118,570,737	(196)
7911	Issuance of Debt	-	-	196	196
7916	Net premiums or discounts on Issuance of Bonds	-	28,487,113	28,487,113	-
8940	Payments to Refunded Bond Escrow Agent	-	(148,763,591)	(148,763,590)	1
	<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,705,545)</b>	<b>(1,705,544)</b>	<b>1</b>
1200	Net Change in Fund Balances	57,933	(2,877,145)	163,293	3,040,438
0100	<b>FUND BALANCE - September 1</b>	26,105,315	26,105,315	26,105,315	-
3000	<b>FUND BALANCE - August 31</b>	<b>\$ 26,163,248</b>	<b>\$ 23,228,170</b>	<b>\$ 26,268,608</b>	<b>\$ 3,040,438</b>

**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUND  
YEAR ENDED AUGUST 31, 2015**

	Agency Fund			
	10 Balance September 1, 2014	5020 Additions	6030 Deductions	11 Balance August 31, 2015
<b>ASSETS</b>				
Cash and Temporary Investments	\$ 1,169,236	\$ 2,454,488	\$ 2,360,568	\$ 1,263,156
<b>Total Assets</b>	<b><u>\$ 1,169,236</u></b>	<b><u>\$ 2,454,488</u></b>	<b><u>\$ 2,360,568</u></b>	<b><u>\$ 1,263,156</u></b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 63,822	\$ 2,101,836	\$ 2,121,841	\$ 43,817
Due to Outside Entities	67,861	225,654	215,271	78,244
Due to Other Governments	34,682	13,025	3,226	44,481
Due to Student Groups	1,002,871	2,011,078	1,917,335	1,096,614
<b>Total Liabilities</b>	<b><u>\$ 1,169,236</u></b>	<b><u>\$ 4,351,593</u></b>	<b><u>\$ 4,257,673</u></b>	<b><u>\$ 1,263,156</u></b>

**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.

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

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

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

Fiscal Year Ended August 31:	2006	2007	2008	2009	2010
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 222,525,780	\$ 233,395,301	\$ 260,273,302	\$ 275,575,208	\$ 281,620,908
Instruction Resources & Media Services	5,744,657	5,904,269	6,409,402	6,617,443	6,579,218
Curriculum & Instructional Staff Development	3,929,105	4,003,597	5,125,262	6,140,070	6,049,840
Instructional Leadership	6,548,039	6,187,863	6,923,768	7,452,181	6,927,337
School Administration	20,669,902	22,041,362	23,742,376	27,239,901	25,468,736
Guidance and Counseling	15,304,315	15,563,635	17,594,388	18,828,242	18,759,542
Social Work Services	56,099	57,799	63,407	107,506	107,114
Health Services	3,339,351	3,506,757	3,874,420	4,271,152	4,333,720
Pupil Transportation	7,310,324	7,836,125	8,584,076	8,755,641	9,351,970
Food Services	16,785,294	17,219,548	18,729,379	19,902,076	20,547,788
Co-Curricular Activities	10,748,037	11,462,276	12,436,255	13,715,486	13,875,563
General Administration	9,482,237	10,228,021	10,818,488	10,083,602	9,591,098
Plant Maintenance and Operation	34,388,751	40,722,312	52,752,452	39,867,541	41,074,887
Security and Monitoring	787,568	817,228	907,912	939,419	912,856
Data Processing Services	4,424,367	5,279,923	6,374,009	7,094,566	5,943,920
Community Services	3,633,360	3,884,237	4,644,760	4,795,969	5,008,193
Interest and Fiscal Charges	40,514,548	35,943,533	42,532,707	47,734,528	47,244,599
Other Facility Costs	4,126,204	9,346,603	12,159,730	12,552,738	17,596,170
Fiscal Agent/Member District of Shared Service Arrangement	112,253	183,600	216,000	163,800	238,000
Alternative Education Program	718,345	634,391	544,858	329,923	611,252
Other Intergovernmental Charges	-	-	-	2,688,343	2,768,705
<b>Total governmental expenses</b>	<b>\$ 411,148,536</b>	<b>\$ 434,218,380</b>	<b>\$ 494,706,951</b>	<b>\$ 514,855,335</b>	<b>\$ 524,611,416</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for Service					
Instruction & Instructional Related Services	\$ 2,049,277	\$ 3,770,501	\$ 3,315,952	\$ 4,450,581	\$ 3,335,089
Food Services	12,330,866	10,846,625	10,495,811	9,870,594	10,698,511
Cocurricular/Extracurricular Activities	2,441,734	2,316,339	2,270,110	1,990,018	2,246,881
Plant Maintenance and Operations	719,024	572,796	523,627	419,396	747,845
Community Services	3,197,971	3,394,650	3,321,551	3,074,598	3,008,535
Other Activities	486,390	696,995	1,231,063	1,237,871	1,165,688
Operating Grants and Contributions	37,627,818	40,154,971	45,154,720	47,107,497	60,913,693
Total Primary Government Program Revenues	58,853,080	61,752,877	66,312,834	68,150,555	82,116,242
<b>Net (Expense)/Revenue</b>					
Total Primary Government Net Expense	\$ (352,295,456)	\$ (372,465,503)	\$ (428,394,117)	\$ (446,704,780)	\$ (442,495,174)
<b>General Revenues</b>					
Property Taxes, Levied for General Purposes	\$ 273,940,175	\$ 263,426,055	\$ 227,576,466	\$ 245,065,937	\$ 243,499,386
Property Taxes, Levied for Debt Service	49,285,770	61,240,281	71,824,072	79,763,441	86,144,920
Unrestricted State Aid Formula Grants	20,696,322	55,959,321	111,285,977	101,366,379	101,862,834
Medicaid Reimbursement	2,211,943	519,627	447,727	863,715	2,422,209
Unrestricted Federal Aid	3,064,901	5,286,068	1,967,127	1,179,995	1,237,177
Investment Earnings	9,863,481	16,072,818	12,095,389	4,436,309	1,046,795
Miscellaneous	313,985	1,182,060	2,877,938	1,825,683	1,000,192
Total Primary Government General Revenues	359,376,577	403,686,230	428,074,696	434,501,459	437,213,513
<b>Total governmental revenues</b>	<b>\$ 418,229,657</b>	<b>\$ 465,439,107</b>	<b>\$ 494,387,530</b>	<b>\$ 502,652,014</b>	<b>\$ 519,329,755</b>
<b>Change in Net Position</b>	<b>\$ 7,081,121</b>	<b>\$ 31,220,727</b>	<b>\$ (319,421)</b>	<b>\$ (12,203,321)</b>	<b>\$ (5,281,661)</b>



**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Table - 1

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

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

Fiscal Year Ended August 31:	2006	2007	2008	2009
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 75,482,779	\$ 79,230,889	\$ 95,241,278	\$ 96,071,603
Restricted				
Food Service	496,120	625,897	465,126	591,559
Grants	-	-	-	-
Debt Service	-	-	-	-
Unrestricted	(27,543,543)	(200,703)	(16,369,742)	(29,529,821)
<b>Total primary government net position</b>	<b>\$ 48,435,356</b>	<b>\$ 79,656,083</b>	<b>\$ 79,336,662</b>	<b>\$ 67,133,341</b>

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

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

Table - 2

2010	2011	2012	2013	2014	2015
\$ 89,609,708	\$ 75,709,046	\$ 94,859,322	\$ 106,986,251	\$ 119,340,474	\$ 103,742,180
553,210	3,010,841	3,706,224	3,712,705	2,824,580	1,162,731
-	481,060	299,146	451,522	1,515,798	523,477
3,802,228	17,546,501	22,069,672	14,676,604	6,205,159	5,109,954
(32,113,466)	(20,364,441)	(29,923,050)	(69,152,829)	(72,180,268)	(100,603,154)
<b>\$ 61,851,680</b>	<b>\$ 76,383,007</b>	<b>\$ 91,011,314</b>	<b>\$ 56,674,253</b>	<b>\$ 57,705,743</b>	<b>\$ 9,935,188</b>

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

Fiscal Year Ended August 31:	2006	2007	2008	2009
<b>Revenues</b>				
Local Sources:				
Property Taxes	\$ 322,152,579	\$ 324,905,827	\$ 300,179,722	\$ 322,697,841
Interest	9,698,881	15,870,053	11,952,030	4,367,527
Other	23,072,443	24,062,891	25,823,623	24,918,353
State Sources	38,747,724	76,409,975	134,700,520	125,619,482
Federal Sources	24,076,835	24,221,728	21,711,420	23,400,527
<b>Total Revenue</b>	<b>417,748,462</b>	<b>465,470,474</b>	<b>494,367,315</b>	<b>501,003,730</b>
<b>Expenditures</b>				
Instruction	211,576,146	222,031,041	246,981,627	263,191,773
Instructional Resources & Media Services	5,223,569	5,381,296	5,803,868	6,042,544
Curriculum and Instructional Staff Development	3,917,741	3,990,670	5,115,313	6,114,311
Instructional Leadership	6,515,635	6,142,297	6,880,637	7,130,744
School Administration	20,488,076	21,842,800	23,505,939	27,024,895
Guidance and Counseling	15,205,667	15,451,797	17,468,940	18,755,490
Social Work Services	56,266	57,914	63,548	108,042
Health Services	3,298,462	3,462,796	3,822,972	4,232,494
Pupil Transportation	7,235,254	7,727,669	8,476,551	8,677,229
Food Services	15,983,689	16,520,822	17,807,633	18,979,584
Co - Curricular Activities	9,088,454	9,614,950	9,965,597	10,889,869
General Administration	9,358,604	10,097,201	10,693,760	9,241,283
Plant Maintenance and Operations	34,311,650	40,484,981	52,716,130	39,727,069
Security and Monitoring	738,633	767,889	858,762	897,112
Data Processing Services	4,214,430	5,089,281	6,083,006	6,830,649
Community Services	3,559,324	3,808,679	4,251,803	4,392,688
Debt Service				
Principal	18,525,000	22,700,611	23,595,220	25,900,241
Interest	29,517,158	45,378,860	46,279,548	50,627,806
Other Facility Costs	32,376,842	79,105,696	88,746,927	81,619,073
Intergovernmental Charges	830,598	817,991	760,858	3,182,066
<b>Total expenditures</b>	<b>432,021,198</b>	<b>520,475,241</b>	<b>579,878,639</b>	<b>593,564,962</b>
<b>Other financing sources (uses)</b>				
Refunding Bonds Issued	252,336,859	155,581,503	-	5,350,000
Issuance of Debt	54,645,683	102,386,261	87,745,000	167,045,000
Sale of Real & Personal Property	42,789	52,582	24,864	45,649
Proceeds from Capital Leases	-	-	-	-
Premium on Issuance of Bonds	42,334,986	22,253,172	240,000	4,773,268
Payments to Refunded Bond Escrow Agent	(291,602,901)	(173,473,424)	-	(5,450,359)
<b>Total other financing sources (uses)</b>	<b>57,757,416</b>	<b>106,800,094</b>	<b>88,009,864</b>	<b>171,763,558</b>
<b>Net changes in fund balances</b>	<b>\$ 43,484,680</b>	<b>\$ 51,795,327</b>	<b>\$ 2,498,540</b>	<b>\$ 79,202,326</b>
<b>Debt service as a percentage of noncapital expenditures (1)</b>	<b>11.92%</b>	<b>15.12%</b>	<b>13.90%</b>	<b>14.61%</b>

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

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

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

Table - 3

	2010		2011		2012		2013		2014		2015
\$	331,544,587	\$	326,407,429	\$	333,666,938	\$	345,080,200	\$	372,025,114	\$	403,777,757
	1,027,363		583,103		505,486		680,877		522,573		690,168
	23,946,287		22,623,729		24,730,619		23,657,390		27,987,700		27,270,605
	122,825,368		143,098,832		134,480,516		119,133,244		127,962,753		132,939,729
	41,847,993		51,571,002		34,542,294		34,392,821		29,331,524		32,334,372
	<b>521,191,598</b>		<b>544,284,095</b>		<b>527,925,853</b>		<b>522,944,532</b>		<b>557,829,664</b>		<b>597,012,631</b>
	265,012,438		271,554,272		260,663,523		263,224,433		270,076,377		289,020,123
	5,912,652		6,021,719		5,494,896		5,696,271		5,927,045		6,229,867
	6,011,497		6,484,525		6,024,558		4,393,504		4,425,938		4,491,952
	6,808,006		7,832,930		6,376,792		7,002,442		7,418,580		7,775,561
	25,203,341		25,578,743		24,408,361		25,917,503		26,778,497		28,691,997
	18,636,783		18,967,277		17,220,848		17,393,047		17,916,846		19,426,585
	107,273		100,546		97,869		100,690		98,206		94,511
	4,277,112		4,529,805		4,390,500		4,750,918		4,834,968		5,113,997
	9,242,192		9,394,593		9,804,239		10,193,698		9,775,804		9,851,826
	19,459,341		19,152,354		18,585,539		19,387,635		19,831,230		21,359,940
	10,661,335		10,242,158		9,619,403		9,886,996		10,423,856		11,041,868
	9,401,022		9,859,951		8,346,364		8,539,387		8,535,860		8,787,789
	40,606,834		39,992,155		38,499,516		46,339,019		54,542,532		39,945,841
	889,694		923,348		996,357		901,930		1,227,343		1,589,036
	5,394,418		5,640,850		6,264,730		7,778,867		8,217,909		8,335,665
	4,600,979		4,571,472		4,509,308		4,495,334		4,664,475		5,671,914
	23,584,821		29,823,611		42,420,121		52,584,938		52,472,420		48,017,266
	62,484,307		60,642,813		48,916,271		46,508,534		56,679,027		71,425,499
	155,001,454		74,166,666		45,731,829		128,529,634		109,475,852		63,241,501
	3,617,957		3,123,395		3,156,665		3,032,478		2,983,091		2,948,725
	<b>676,913,456</b>		<b>608,603,183</b>		<b>561,527,689</b>		<b>666,657,258</b>		<b>676,305,856</b>		<b>653,061,463</b>
	28,440,000		33,659,938		62,686,456		68,060,000		-		118,570,737
	91,715,000		48,685,000		88,503,544		112,275,000		67,435,000		96,330,000
	58,641		157,495		278,177		86,156		180,002		84,458
	-		-		-		-		-		2,614,500
	3,668,653		2,655,676		20,522,790		15,273,545		3,167,402		36,131,863
	(29,891,161)		(35,738,783)		(72,222,008)		(79,716,841)		-		(148,763,590)
	<b>93,991,133</b>		<b>49,419,326</b>		<b>99,768,959</b>		<b>115,977,860</b>		<b>70,782,404</b>		<b>104,967,968</b>
\$	<b>(61,730,725)</b>	\$	<b>(14,899,762)</b>	\$	<b>66,167,123</b>	\$	<b>(27,734,866)</b>	\$	<b>(47,693,788)</b>	\$	<b>48,919,136</b>
	<b>15.97%</b>		<b>16.60%</b>		<b>17.43%</b>		<b>17.47%</b>		<b>18.87%</b>		<b>19.51%</b>

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

Fiscal Year Ended August 31:	2006	2007	2008	2009
General Fund:				
Non-spendable	\$ 698,635	\$ 608,853	\$ 498,990	\$ 538,412
Restricted	-	-	-	-
Committed	45,000,000	45,000,000	45,000,000	45,000,000
Unassigned	66,811,540	88,269,369	86,138,856	72,156,071
Total General Fund	<u>\$ 112,510,175</u>	<u>\$ 133,878,222</u>	<u>\$ 131,637,846</u>	<u>\$ 117,694,483</u>
All Other Governmental Funds:				
Non-spendable	\$ 499,006	\$ 627,704	\$ 488,250	\$ 592,946
Restricted	41,456,547	71,830,758	76,497,868	169,326,493
Committed	2,763,183	2,687,554	2,898,814	3,111,182
Total All Other Governmental Funds	<u>\$ 44,718,736</u>	<u>\$ 75,146,016</u>	<u>\$ 79,884,932</u>	<u>\$ 173,030,621</u>
Total Governmental Funds	<u>\$ 157,228,911</u>	<u>\$ 209,024,238</u>	<u>\$ 211,522,778</u>	<u>\$ 290,725,104</u>

Sources of Information: Balance Sheet Governmental Funds

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

Table - 4

2010	2011	2012	2013	2014	2015
\$ 374,997	\$ 263,970	\$ 435,003	\$ 211,097	\$ 173,544	\$ 193,789
534,852	719,912	-	-	-	-
45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
74,761,188	87,335,085	101,532,888	96,179,411	99,372,254	110,175,121
<u>\$ 120,671,037</u>	<u>\$ 133,318,967</u>	<u>\$ 146,967,891</u>	<u>\$ 141,390,508</u>	<u>\$ 144,545,798</u>	<u>\$ 155,368,910</u>
\$ 562,316	\$ 509,836	\$ 483,470	\$ 423,110	\$ 506,750	\$ 444,316
104,625,785	77,187,158	129,588,374	106,983,623	55,076,189	92,563,591
3,135,241	3,078,656	3,222,005	3,729,633	4,704,349	5,375,405
<u>\$ 108,323,342</u>	<u>\$ 80,775,650</u>	<u>\$ 133,293,849</u>	<u>\$ 111,136,366</u>	<u>\$ 60,287,288</u>	<u>\$ 98,383,312</u>
<u>\$ 228,994,379</u>	<u>\$ 214,094,617</u>	<u>\$ 280,261,740</u>	<u>\$ 252,526,874</u>	<u>\$ 204,833,086</u>	<u>\$ 253,752,222</u>

**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
2005	\$ 319,461,652	\$ 316,082,747	98.94%	\$ 2,689,467	\$ 318,772,214	99.78%
2006	320,747,761	317,503,824	98.99%	2,431,521	319,935,345	99.75%
2007	295,398,819	292,659,331	99.07%	1,923,176	294,582,507	99.72%
2008	319,855,271	316,941,339	99.09%	2,061,564	319,002,903	99.73%
2009	327,214,703	324,566,517	99.19%	1,867,938	326,434,455	99.76%
2010	324,469,662	322,793,734	99.48%	969,748	323,763,482	99.78%
2011	330,122,034	328,956,578	99.65%	599,563	329,556,141	99.83%
2012	342,977,539	341,587,684	99.59%	753,164	342,340,848	99.81%
2013	366,719,733	364,936,168	99.51%	1,010,443	365,946,611	99.79%
2014	394,338,667	397,463,331	100.79%	-	397,463,331	100.79%

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

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



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

Fiscal Year Ended August 31:	Maintenance	Debt Service	Total
2006	\$ 1.5000	\$ 0.2700	\$ 1.7700
2007	1.3300	0.3100	1.6400
2008	1.0400	0.3300	1.3700
2009	1.0400	0.3400	1.3800
2010	1.0400	0.3687	1.4087
2011	1.0400	0.3867	1.4267
2012	1.0400	0.3860	1.4260
2013	1.0400	0.4130	1.4530
2014	1.0400	0.4370	1.4770
2015	1.0400	0.4370	1.4770

Sources of Information: Lewisville ISD Budget Department

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

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

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

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

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

Table - 7

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

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

Fiscal Year Ended August 31:	2006	2007	2008	2009	2010
City of Carrollton	\$ 0.63288	\$ 0.63288	\$ 0.61788	\$ 0.61788	\$ 0.61788
City of Coppell	0.64860	0.64146	0.64146	0.64146	0.64146
Town of Copper Canyon	0.17027	0.17027	0.19027	0.19027	0.20171
Denton County	0.24648	0.23192	0.23589	0.23577	0.24980
Denton County FWSD#1-B	1.00000	0.95000	0.90000	0.90000	0.90000
Denton County FWSD#1-C	-	-	-	-	-
Denton County FWSD#1-D	1.00000	0.95000	0.90000	0.90000	0.90000
Denton County FWSD#1-E	1.00000	0.95000	0.90000	0.90000	0.90000
Denton County FWSD#1-F	-	-	-	-	-
Denton County FWSD#1-G	-	-	-	-	-
Denton County FWSD#1-H	-	-	-	-	-
Denton County LID#1	-	0.15500	0.15500	0.16500	0.16500
Denton County RUD#1	0.43000	0.42000	0.40000	0.38000	0.35000
Town of Double Oak	0.22000	0.22000	0.22481	0.22481	0.22481
Town of Flower Mound	0.44970	0.44970	0.44970	0.44970	0.44970
City of Frisco	0.44489	0.45000	0.45000	0.45000	0.46500
City of Highland Village	0.56963	0.56963	0.56963	0.56963	0.56963
City of Lewisville	0.45679	0.45679	0.44050	0.44021	0.44021
City of Plano	0.45350	0.47350	0.47350	0.47350	0.48860
Tarrant County	-	-	-	-	-
Tarrant County College District	-	-	-	-	-
Tarrant County Hospital District	-	-	-	-	-
City of The Colony	0.72000	0.71500	0.69750	0.69000	0.68800
<b>Total</b>	<b>\$ 8.44274</b>	<b>\$ 8.43615</b>	<b>\$ 8.24614</b>	<b>\$ 8.22823</b>	<b>\$ 8.25180</b>

District Direct Rate:

Maintenance & Operations	1.5000	1.3300	1.0400	1.0400	1.0400
Debt Service	0.2700	0.3100	0.3300	0.3400	0.3687
<b>Total District Direct Rates</b>	<b>1.7700</b>	<b>1.6400</b>	<b>1.3700</b>	<b>1.3800</b>	<b>1.4087</b>

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

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

	2011	2012	2013	2014	2015
\$	0.61788	\$ 0.61788	\$ 0.61788	\$ 0.61788	\$ 0.61538
	0.69046	0.69046	0.67046	0.63750	0.60649
	0.30171	0.30171	0.30171	0.29751	0.29751
	0.27390	0.27736	0.28287	0.28491	0.27220
	0.90000	0.88000	0.88000	0.88000	0.84000
	-	-	-	0.90000	0.90000
	0.90000	0.90000	0.90000	0.90000	0.86000
	0.90000	0.90000	0.90000	0.90000	0.90000
	-	-	1.00000	1.00000	1.00000
	-	-	-	1.00000	1.00000
	-	-	-	-	1.00000
	0.16350	0.16350	0.20700	0.18500	0.18500
	0.17000	0.11000	0.01000	N/A	N/A
	0.22481	0.22481	0.22481	0.22481	0.22481
	0.44970	0.44970	0.44970	0.44970	0.43900
	0.46500	0.46191	0.46191	0.46191	0.46000
	0.56963	0.56963	0.56963	0.56963	0.56963
	0.44021	0.44021	0.44021	0.44021	0.43609
	0.48860	0.48860	0.48860	0.48860	0.48860
	-	-	0.26400	0.26400	0.26400
	-	-	0.14897	0.14950	0.14950
	-	-	-	0.22790	0.22790
	0.68550	0.68300	0.68050	0.67750	0.67250
<b>\$</b>	<b>8.24090</b>	<b>\$ 8.15877</b>	<b>\$ 9.49825</b>	<b>\$ 11.55655</b>	<b>\$ 12.40861</b>
	1.0400	1.0400	1.0400	1.0400	1.0400
	0.3867	0.3860	0.4130	0.4370	0.4370
	1.4267	1.4260	1.4530	1.4770	1.4770

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

Principal Taxpayers	2015			2006		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Digital Lewisville LLC	\$ 98,000,000	1	0.37%	\$ -	-	-
Alcatel-Lucent USA Inc.	84,337,637	2	0.32%	-	-	-
Sysco Food Services of Dallas LP	77,239,765	3	0.29%	62,916,715	4	0.35%
PBH Bella Vida LLC	70,850,000	4	0.27%	-	-	-
Frankel, Edward B MD TR	69,996,018	5	0.26%	-	-	-
GTE Southwest Inc.	69,296,890	6	0.26%	-	-	-
MP Shops at Highland Village LLC	68,804,600	7	0.26%	-	-	-
Columbia Medical Center Lewisville	67,500,000	8	0.25%	44,194,459	10	0.25%
TIC Lago Vista LP Etal	60,556,800	9	0.23%	-	-	-
Mansions at Sunset Ridge Partners LP	54,882,733	10	0.21%	-	-	-
Verizon Southwest	-	-	-	96,476,663	1	0.54%
Southwest Property LP	-	-	-	74,612,289	2	0.42%
Wal-Mart Real Est Bus TR	-	-	-	67,302,780	3	0.38%
Oncor Elec Delivery Co (previously TXU Electric Delivery Co.)	-	-	-	61,382,810	5	0.35%
Frito-Lay Inc.	-	-	-	59,180,364	6	0.33%
Castle Hills Development Co.	-	-	-	54,277,737	7	0.31%
Teachers Ins & Annuity Assn	-	-	-	50,146,020	8	0.28%
Vista Ridge Joint Venture	-	-	-	48,564,346	9	0.27%
<b>Total Ten Principal Taxpayers</b>	<u>\$ 721,464,443</u>		<u>2.72%</u>	<u>\$ 570,489,837</u>		<u>3.21%</u>
<b>Total Taxable Assessed Value</b>	<u>\$26,698,623,389</u>			<u>\$17,730,993,540</u>		

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

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**August 31, 2015**  
**(Unaudited)**

Taxing Jurisdiction	Gross Bonded Debt *	Overlapping	
		Percent	Amount
<b><u>Overlapping:</u></b>			
City of Carrollton	\$ 162,600,000	34.15%	\$ 55,527,900
City of Coppell	66,740,000	2.12%	1,414,888
Town of Copper Canyon	1,540,000	81.95%	1,262,030
Denton County	634,275,000	41.07%	260,496,743
Denton County FWSD #1-B	6,675,000	100.00%	6,675,000
Denton County FWSD #1-C	2,737,350	100.00%	2,737,350
Denton County FWSD #1-D	22,875,000	100.00%	22,875,000
Denton County FWSD #1-E	22,375,000	100.00%	22,375,000
Denton County FWSD #1-F	25,411,500	100.00%	25,411,500
Denton County FWSD #1-G	7,672,500	100.00%	7,672,500
Denton County FWSD #1-H	8,424,900	100.00%	8,424,900
Denton County LID #1	9,035,000	93.40%	8,438,690
Town of Flower Mound	132,220,000	96.61%	127,737,742
City of Frisco	715,115,000	5.02%	35,898,773
City of Highland Village	36,265,000	100.00%	36,265,000
City of Lewisville	85,590,000	98.40%	84,220,560
City of Plano	300,470,000	3.39%	10,185,933
Tarrant County	333,795,000	0.08%	267,036
Tarrant County Hospital District	23,440,000	0.08%	18,752
City of The Colony	92,260,000	95.08%	87,720,808
<b>Total Estimated Overlapping Debt</b>			<b>805,626,105</b>
<b><u>Direct:</u></b>			
Lewisville ISD			1,311,277,074
<b>Total Direct and Overlapping Debt</b>			<b>\$ 2,116,903,179</b>

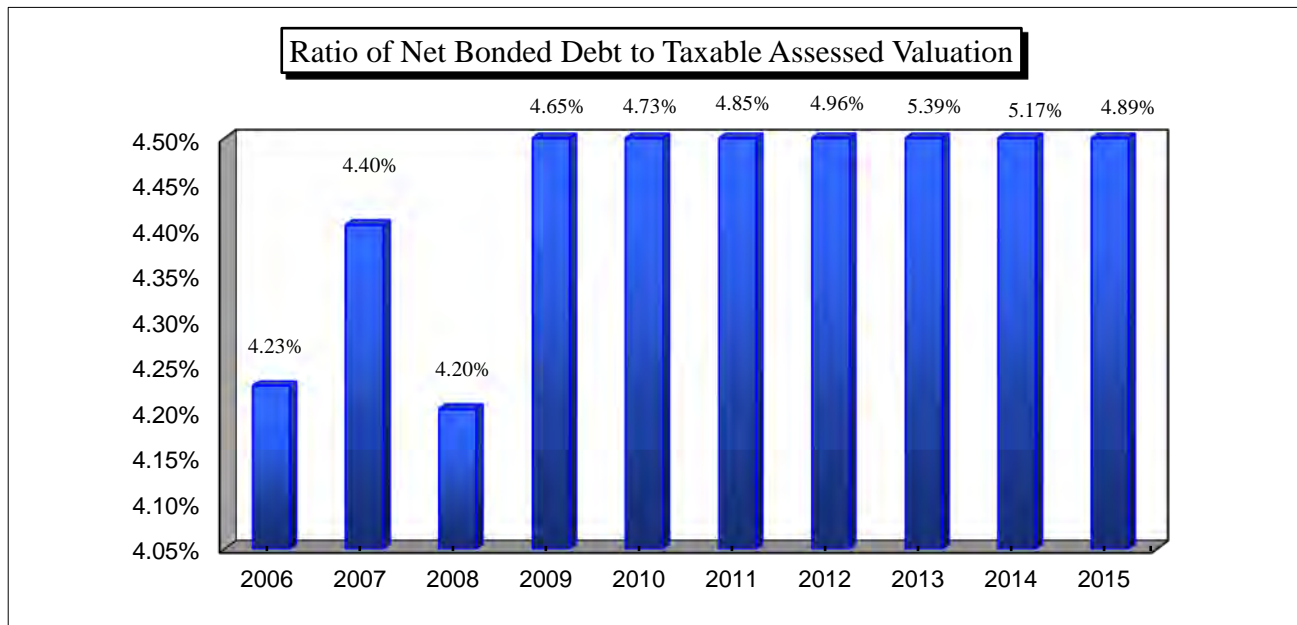
Source of Information: Municipal Advisory Council of Texas

\* Information for other entities is as of 9/30/15. 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.

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

Fiscal Year Ended August 31:	Taxable Assessed Value	Assessment Ratio	Total Bonded Debt Outstanding at Year End	Amounts Available for Retirement of Bonds
2006	\$ 17,730,993,540	100%	\$ 765,445,234	\$ 15,574,624
2007	18,881,927,080	100%	844,526,415	12,793,335
2008	21,061,221,028	100%	901,896,855	16,577,078
2009	21,911,662,802	100%	1,041,201,573	21,634,453
2010	23,200,406,048	100%	1,101,234,737	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%	1,269,178,364	6,205,159
2015	26,698,623,389	100%	1,311,277,074	5,109,954



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



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
\$ 749,870,610	4.23%	271,526	\$ 2,762	\$ 65,301	3.37%
831,733,080	4.40%	266,237	3,124	70,921	3.48%
885,319,777	4.20%	272,836	3,245	77,194	3.40%
1,019,567,120	4.65%	283,699	3,594	77,236	3.98%
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%
1,262,973,205	5.17%	318,317	3,968	76,750	(A)
1,306,167,120	4.89%	327,683	3,986	81,477	(A)

(A) Not available at time of publication.

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

Fiscal Year Ended August 31:	2006	2007	2008	2009
Debt Limit	\$ 1,773,099,354	\$ 1,888,192,708	\$ 2,106,122,103	\$ 2,191,166,280
Total net debt applicable to limit	<u>749,870,610</u>	<u>831,733,080</u>	<u>885,319,777</u>	<u>1,019,567,120</u>
Legal debt margin	<u>\$ 1,023,228,744</u>	<u>\$ 1,056,459,628</u>	<u>\$ 1,220,802,326</u>	<u>\$ 1,171,599,160</u>
Total net debt applicable to the limit as a percentage of debt limit	42.29%	44.05%	42.04%	46.53%

Source of Information: Denton Central Appraisal District.

Notes:

- (1) The 2014 tax year appraised value is used for fiscal year 2015 tax purposes.
- (2) Taxable value is adjusted by the following exemptions and reductions: State-mandated \$10,000 homestead exemptions: state-mandated \$10,000 homestead exemption for persons 65 years of age or older or disabled; disabled veterans or deceased veterans' survivor(s) exemption; reduction of value due to agricultural valuation under Article VIII-d and the open space valuation under Article VIII 1-d-1 of the Texas Constitution; freeport exemptions; abatements; pollution control; prorated exempt property.

2010	2011	2012	2013	2014	2015
\$ 2,320,040,605	\$ 2,250,741,724	\$ 2,309,599,099	\$ 2,304,654,810	\$ 2,443,098,720	\$ 2,669,862,339
1,097,432,509	1,092,144,887	1,145,359,405	1,241,596,276	1,262,973,205	1,306,167,120
<u>\$ 1,222,608,096</u>	<u>\$ 1,158,596,837</u>	<u>\$ 1,164,239,694</u>	<u>\$ 1,063,058,534</u>	<u>\$ 1,180,125,515</u>	<u>\$ 1,363,695,219</u>
47.30%	48.52%	49.59%	53.87%	51.70%	48.92%

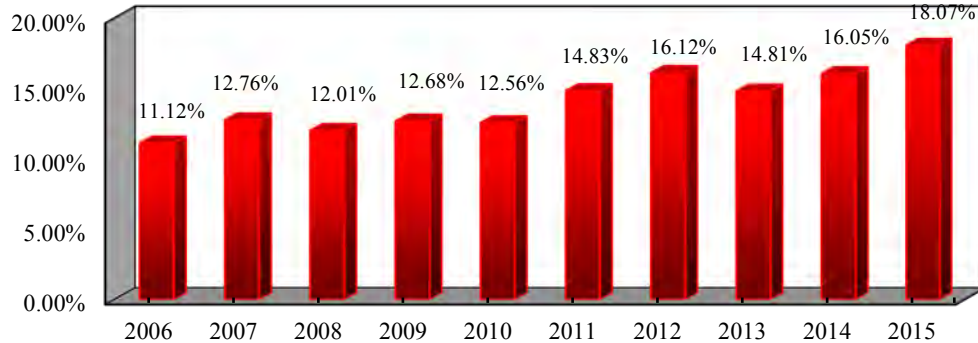
**Legal Debt Margin Calculation for Fiscal Year 2015**

Total Appraised Valuation (1)	\$ 29,973,148,393
Less - Exemptions and Reductions in Value (2)	<u>3,274,525,004</u>
Total Appraised Valuation for School Tax Purpose	26,698,623,389
Debt Limit Percentage	<u>10%</u>
Legal Debt Limit	<u>2,669,862,339</u>
Total Bonded Debt	1,311,277,074
Less - Reserve for Retirement of Bonded Debt	<u>5,109,954</u>
Net Bonded Debt Applicable to Debt Limit	<u>1,306,167,120</u>
Legal Debt Margin	<u><u>\$ 1,363,695,219</u></u>

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

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

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



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

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

	Fiscal Year Ended August 31,		
	2015	2014	2013
Beginning Fund Equity (9/1)	\$ 144,545,798	\$ 141,390,508	\$ 146,967,891
<b>Revenues</b>			
From Ad Valorem Taxes	284,518,573	262,191,228	247,133,955
% of Total Revenue	66.83%	65.70%	64.92%
From State and Federal Funds	130,904,709	125,313,842	125,692,048
% of Total Revenue	30.75%	31.41%	33.02%
From Other Local Sources	10,247,667	11,480,645	7,866,478
% of Total Revenue	2.41%	2.88%	2.07%
<b>Total Revenues</b>	<b>425,670,949</b>	<b>398,985,715</b>	<b>380,692,481</b>
<b>Total Expenditures</b>	<b>417,544,570</b>	<b>396,010,427</b>	<b>386,356,020</b>
Net Transfers and Other Increases (Decreases) to Fund Equity	2,696,733	180,002	86,156
<b>Ending Fund Equity (8/31)</b>	<b>\$ 155,368,910</b>	<b>\$ 144,545,798</b>	<b>\$ 141,390,508</b>

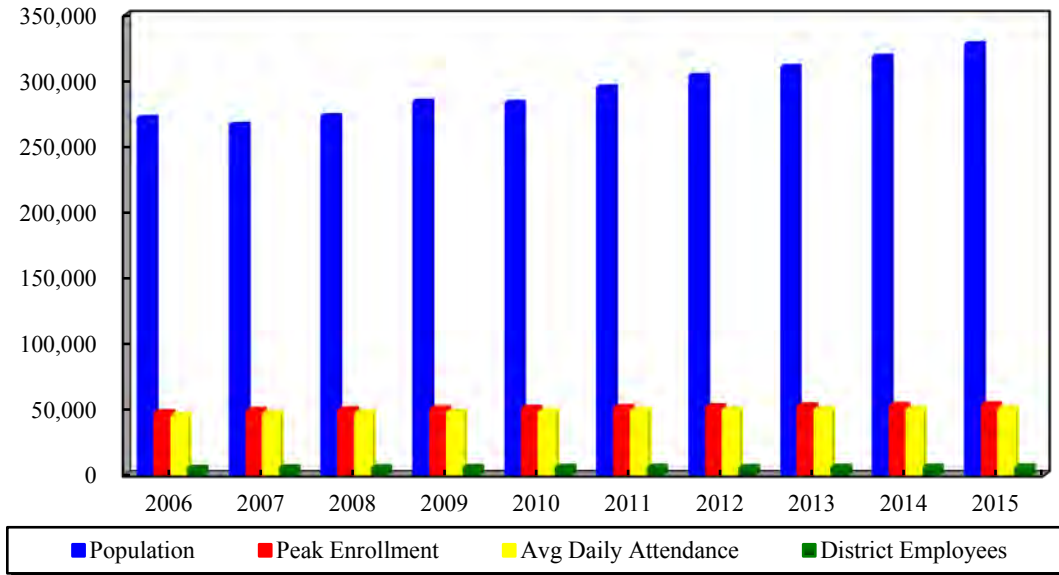
**Per Student Calculations:**

Assessed Valuation Per Student	\$ 530,022	\$ 489,623	\$ 464,536
Ad Valorem Tax Revenues Per Student	\$ 5,648	\$ 5,255	\$ 4,981
State and Federal Funds Per Student	2,599	2,511	2,534
Other Local Sources Per Student	203	230	159
<b>Total Revenues Per Student</b>	<b>\$ 8,450</b>	<b>\$ 7,996</b>	<b>\$ 7,674</b>
<b>Total Expenditures Per Student</b>	<b>\$ 8,289</b>	<b>\$ 7,936</b>	<b>\$ 7,788</b>
Average Daily Attendance	50,373	49,898	49,612

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

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

Fiscal Year Ended August 31:	Estimated Population	Peak Enrollment	Average Daily Attendance	District Employees
2006	271,526	47,314	45,208	5,459
2007	266,237	48,933	46,476	5,629
2008	272,836	49,465	46,924	5,796
2009	283,699	50,228	47,582	5,946
2010	282,889	50,657	48,104	5,991
2011	294,609	51,341	48,877	6,112
2012	303,646	51,874	49,223	5,908
2013	310,590	52,406	49,612	6,172
2014	318,317	52,677	49,898	6,212
2015	327,683	53,393	50,373	6,270



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

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

Personal Income (000)*	Per Capita Personal Income *	Unemployment Rate *
\$ 22,048,417	\$ 37,718	4.2
23,895,056	39,236	3.8
25,941,856	41,171	4.4
25,590,352	39,388	7.1
26,872,798	40,293	7.1
29,611,735	43,178	6.6
32,133,385	45,383	5.7
33,237,063	45,605	5.3
(A)	(A)	4.4
(A)	(A)	3.5 (B)

\* Denton County statistics

(A) Not available at time of publication.

(B) Average thru September 2015

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

Principal Employer	2015			2006		
	Employees	Rank	Percentage of Total Employment *	Employees	Rank	Percentage of Total Employment *
Lewisville ISD	6,270	1	1.61%	5,576	1	1.89%
J.P. Morgan Chase	4,350	2	1.12%	-	-	-
Frito-Lay Inc.	2,500	3	0.64%	2,436	2	0.83%
Wal-Mart Supercenters/Stores (all District locations)	1,481	4	0.38%	-	-	-
Nationstar Mortgage	1,315	5	0.34%	1,400	5	0.48%
Verizon	912	6	0.24%	-	-	-
Medical Center of Lewisville	791	7	0.20%	800	7	0.27%
Xerox	755	8	0.20%	1,318	6	0.45%
City of Lewisville	733	9	0.19%	657	10	0.22%
Ally Financial Services Group	719	10	0.18%	-	-	-
Vista Ridge Mall	-	-	-	2,288	3	0.78%
Horizon Health Care	-	-	-	1,500	4	0.51%
Sysco Foods	-	-	-	750	8	0.25%
Household Automotive	-	-	-	700	9	0.24%
<b>Total</b>	<b>19,826</b>		<b>5.10%</b>	<b>17,425</b>		<b>5.92%</b>

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

\* Based on Denton County Total Employment.

Note: Fiscal Year 2006 LISD Employees is budgeted positions for general fund and food service only.  
LISD Employees for 2015 is all budgeted positions.



**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
2006	\$ 346,275,751	45,208	\$ 7,660	14.0	19.41%
2007	363,320,497	46,476	7,817	14.1	22.02%
2008	403,987,226	46,924	8,609	13.9	22.77%
2009	426,550,996	47,582	8,965	13.7	24.41%
2010	424,369,306	48,104	8,822	13.6	26.80%
2011	435,472,358	48,877	8,910	13.6	31.42%
2012	414,674,907	49,223	8,424	14.0	29.60%
2013	421,781,594	49,612	8,502	14.0	32.44%
2014	435,173,420	49,898	8,721	14.3	33.62%
2015	460,111,994	50,373	9,134	14.3	33.83%

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.

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

Fiscal Year Ended August 31:	2006	2007	2008	2009
<b>Function</b>				
Instruction	3,813.63	4,158.92	4,075.22	4,142.12
Instructional Resources & Media Services	92.00	90.00	94.00	95.00
Curriculum and Instructional Staff Development	33.00	48.00	40.50	43.00
Instructional Leadership	84.86	84.00	78.00	92.50
School Administration	418.47	452.00	434.97	458.00
Guidance and Counseling	240.43	253.25	250.50	258.50
Social Work Services	0.35	2.00	0.35	1.50
Health Services	67.65	76.50	69.65	76.00
Food Services	317.30	-	334.20	328.38
Co - Curricular Activities	13.33	15.00	14.00	15.00
General Administration	84.13	108.13	86.13	94.63
Plant Maintenance and Operations	133.01	129.76	129.13	134.76
Security and Monitoring	1.00	-	1.00	1.00
Data Processing Services	47.00	77.50	63.00	75.50
Community Services	110.75	133.76	123.76	128.26
Facilities Acquisition and Construction	2.00	-	2.00	2.00
<b>Total employees</b>	<b>5,458.91</b>	<b>5,628.82</b>	<b>5,796.41</b>	<b>5,946.15</b>

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

Sources of Information: Lewisville ISD Budget Department

2010	2011	2012	2013	2014	2015
4,175.30	4,249.95	4,137.00	4,362.70	4,350.31	4,354.22
89.50	92.00	88.50	88.00	101.00	102.00
44.00	44.00	48.13	21.00	26.00	26.00
86.00	87.00	78.37	82.50	93.00	127.50
455.00	471.50	439.00	462.00	473.00	480.00
256.50	259.50	245.00	246.00	251.00	255.00
1.75	1.50	1.50	1.50	1.50	1.50
76.50	79.50	81.50	81.50	82.50	84.50
342.37	359.37	348.32	349.60	349.55	349.55
15.50	15.50	13.50	15.00	16.00	17.00
106.00	106.00	96.50	90.50	92.50	92.50
129.12	132.12	126.13	124.10	127.12	127.12
-	-	-	-	1.00	2.00
76.00	76.00	69.50	111.00	109.00	108.00
137.87	137.87	134.87	132.60	134.12	139.12
-	-	-	4.00	4.00	4.00
<b>5,991.41</b>	<b>6,111.81</b>	<b>5,907.82</b>	<b>6,172.00</b>	<b>6,211.60</b>	<b>6,270.01</b>

**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
2006	\$38,915	153	\$39,553	1,012	\$41,239	811	\$45,959	814	\$57,517	598
2007	42,009	154	43,309	976	44,911	859	49,682	857	61,712	622
2008	43,371	198	44,794	951	46,304	872	50,789	926	62,988	630
2009	44,694	175	45,767	967	47,247	912	51,383	980	63,842	632
2010	43,329	102	46,093	958	47,497	923	51,798	1,102	64,684	664
2011	38,548	143	44,063	926	45,948	899	50,138	1,163	63,250	653
2012	33,116	77	42,331	869	44,048	891	48,029	1,246	60,144	636
2013	44,115	180	46,992	801	48,867	869	52,134	1,259	62,654	650
2014	46,570	150	49,092	792	49,834	859	52,854	1,289	63,041	615
2015	49,410	141	50,277	822	51,393	846	54,317	1,292	63,802	634

Sources: Lewisville ISD PEIMS Report Data, Texas Education Agency

Table - 19

District Average Salary	Statewide Average Salary	Teacher Education			
		No Degree	Bachelor's Degree	Master's Degree	Doctorate
\$ 44,638	\$41,744	18	2,552	803	17
48,523	44,897	18	2,620	812	19
49,841	46,178	19	2,700	840	18
50,703	47,158	17	2,773	855	21
51,335	48,263	60	2,764	904	21
49,481	48,639	33	2,818	912	21
47,507	48,375	51	2,714	932	21
51,717	48,821	64	2,762	912	22
52,786	49,692	57	2,725	903	21
54,191	50,715	142	2,652	913	27

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

School	Campus Size (acres)	Grades	Fiscal Year Ended			
			2006	2007	2008	2009
<b>High Schools:</b>						
Career Center East (2010)	9.22	10 - 12	-	-	-	-
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Dale Jackson Career Center (1985)	12.01	10 - 12	55,331	55,331	55,331	55,331
Square Feet			n/a	n/a	n/a	n/a
Enrollment						
Flower Mound 9th Grade Campus (2014)	2.60	9	-	-	-	-
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Flower Mound High (1999)	59.60	10 - 12	383,280	383,280	383,280	408,080
Square Feet			2,791	2,863	2,983	3,046
Enrollment						
Hebron 9th Grade Campus (2010)	11.00	9	-	-	-	-
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Hebron High (1999)	72.15	10 - 12	389,135	389,135	389,135	409,185
Square Feet			2,162	2,336	2,514	2,631
Enrollment						
LHS-North (1977) *	15.45	9	96,440	96,440	96,440	96,440
Square Feet			n/a	n/a	n/a	n/a
Enrollment						
LHS Harmon 9th/10th Grade Campus (2011)	63.82	9 - 10	-	-	-	-
Square Feet			-	-	-	-
Enrollment			-	-	-	-
LHS Killough 9th/10th Grade Campus (2005)	18.00	9 - 10	175,658	175,658	175,658	175,658
Square Feet			979	987	970	905
Enrollment						
Lewisville High (1968) / (2012) **	41.00	11 - 12	329,464	329,464	329,464	360,822
Square Feet			2,470	2,604	2,659	2,648
Enrollment						
Lewisville Learning Center (2001)	11.29	6 - 12	49,240	49,240	49,240	49,240
Square Feet			143	179	179	212
Enrollment						
Marcus 9th Grade Campus (2014)	2.50	9	-	-	-	-
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Marcus High (1981)	43.64	10 - 12	438,904	438,904	438,904	474,173
Square Feet			2,776	2,868	2,912	3,023
Enrollment						
The Colony High (1986)	45.98	9 - 12	413,841	413,841	413,841	427,251
Square Feet			1,935	1,923	1,978	1,864
Enrollment						
<b>Middle Schools:</b>						
Arbor Creek Middle (1994)	14.00	6 - 8	118,800	118,800	118,800	121,430
Square Feet			823	876	830	778
Enrollment						

\* Delay Middle School as of 2011.

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

2010	2011	Fiscal Year Ended		2014	2015
		2012	2013		
-	95,168	95,168	95,168	95,168	95,168
-	n/a	n/a	n/a	n/a	n/a
55,331	55,331	55,331	55,331	55,331	55,331
n/a	n/a	n/a	n/a	n/a	n/a
-	-	-	-	115,261	115,261
-	-	-	-	-	950
408,080	408,080	408,080	408,080	517,312	517,312
3,171	3,172	3,240	3,257	3,309	2,550
179,248	179,248	179,248	179,248	179,248	179,248
-	824	768	862	886	897
409,185	409,185	409,185	409,185	442,827	442,827
2,834	2,106	2,217	2,226	2,346	2,458
96,440	-	-	-	-	-
n/a	-	-	-	-	-
-	212,748	212,748	212,748	212,748	212,748
-	-	531	1,061	1,155	1,205
175,658	175,658	175,658	175,658	175,658	175,658
908	932	434	936	980	965
360,822	360,822	360,822	360,822	416,039	422,731
2,634	2,647	2,682	1,818	1,845	1,987
61,203	61,203	61,203	61,203	61,203	61,203
280	245	246	209	210	229
-	-	-	-	109,046	109,046
-	-	-	-	-	835
474,173	474,173	474,173	474,173	608,317	608,317
3,086	3,166	3,182	3,224	3,235	2,439
427,251	427,251	427,251	427,251	461,177	454,802
1,892	1,946	1,908	1,955	1,978	1,987
121,430	121,430	121,430	121,430	121,430	121,430
820	857	923	936	905	894

(Continued on the following page)

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

School	Campus Size (acres)	Grades	Fiscal Year Ended			
			2006	2007	2008	2009
Briarhill Middle (1995)	12.00	6 - 8				
Square Feet			118,800	118,800	118,800	121,173
Enrollment			964	994	1,018	1,007
Creek Valley Middle (2001)	19.64	6 - 8				
Square Feet			122,996	122,996	122,996	125,006
Enrollment			986	1,043	783	670
DeLay Middle (1949) *	17.74	6 - 8				
Square Feet			92,456	92,456	92,456	92,456
Enrollment			652	665	550	620
DeLay Middle (2010)	18.35	6 - 8				
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Downing Middle (2002)	15.47	6 - 8				
Square Feet			122,996	122,996	122,996	125,310
Enrollment			590	623	610	667
Durham Middle (2002)	18.89	6 - 8				
Square Feet			122,730	122,730	122,730	125,040
Enrollment			790	767	730	693
Forestwood Middle (1994)	20.84	6 - 8				
Square Feet			135,007	135,007	135,007	142,965
Enrollment			804	709	661	655
Griffin Middle (1982) / (2014) **	16.80	6 - 8				
Square Feet			135,212	135,212	135,212	137,464
Enrollment			698	716	678	680
Hedrick Middle (1973)	14.21	6 - 8				
Square Feet			114,212	114,212	114,212	116,526
Enrollment			634	633	595	618
Huffines Middle (1997)	15.00	6 - 8				
Square Feet			119,762	119,762	119,762	122,076
Enrollment			991	1,013	945	909
Killian Middle (2007)	30.60	6 - 8				
Square Feet			-	177,267	177,267	179,581
Enrollment			-	-	481	581
Lakeview Middle (1989)	28.54	6 - 8				
Square Feet			125,058	125,058	125,058	130,570
Enrollment			853	840	797	837
Lamar Middle (1987)	20.00	6 - 8				
Square Feet			132,716	132,716	132,716	135,030
Enrollment			721	813	797	797
McKamy Middle (1997)	15.00	6 - 8				
Square Feet			121,375	121,375	121,375	127,775
Enrollment			969	994	1,020	1,046
Shadow Ridge Middle (2005)	35.95	6 - 8				
Square Feet			148,350	148,350	148,350	150,664
Enrollment			539	700	771	781
<b>Elementary Schools:</b>						
Bluebonnet Elementary (2000)	12.00	K - 5				
Square Feet			58,605	58,605	58,605	69,593
Enrollment			487	537	551	563

\* Purnell Support Center as of FY 2011.

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



2010	2011	Fiscal Year Ended		2014	2015
		2012	2013		
121,173 971	121,173 964	121,173 993	121,173 993	121,173 971	121,173 955
125,006 673	125,006 641	125,006 659	125,006 715	125,006 741	125,006 795
92,456 633	92,456 n/a	92,456 n/a	92,456 n/a	92,456 n/a	92,456 n/a
- -	121,398 756	121,398 804	121,398 845	174,568 903	179,733 984
125,310 670	125,310 716	125,310 701	125,310 677	125,310 658	125,310 606
125,040 729	125,040 782	125,040 829	125,040 813	125,040 770	125,040 762
142,965 652	142,965 633	142,965 640	142,965 637	142,965 659	142,965 693
137,464 673	137,464 682	137,464 692	137,464 696	181,298 747	181,298 765
116,526 634	116,526 609	116,526 619	116,526 622	116,526 665	116,526 672
122,076 937	122,076 896	122,076 910	122,076 902	122,076 867	122,076 841
179,581 671	179,581 746	179,581 844	179,581 864	179,581 921	179,581 950
130,570 820	130,570 791	130,570 774	130,570 834	130,570 795	130,570 817
135,030 772	135,030 802	135,030 832	135,030 845	135,030 789	135,030 764
127,775 1,035	127,775 1,078	127,775 1,116	127,775 1,155	127,775 1,130	127,775 1,110
150,664 772	150,664 782	150,664 794	150,664 804	150,664 774	150,664 721
69,593 567	69,593 541	69,593 536	69,593 474	69,593 481	69,593 495

(Continued on the following page)

LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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

School	Campus Size (acres)	Grades	Fiscal Year Ended			
			2006	2007	2008	2009
Bridlewood Elementary (1998)	12.82	K - 5				
Square Feet			73,100	73,100	73,100	82,993
Enrollment			774	795	788	777
Camey Elementary (1977) / (2014) *	10.31	PPCD, PK - 5				
Square Feet			63,875	63,875	63,875	63,875
Enrollment			579	577	551	577
Castle Hills Elementary (2002)	7.04	K - 5				
Square Feet			73,557	73,557	73,557	73,557
Enrollment			446	505	613	689
Central Elementary (1957)	15.00	PK - 5				
Square Feet			152,952	152,952	152,952	152,952
Enrollment			970	1,061	1,122	907
College Street Elementary (1960)	6.37	PK - 5				
Square Feet			35,601	35,601	35,601	35,601
Enrollment			238	248	252	274
Coyote Ridge Elementary (2005)	16.81	K - 5				
Square Feet			99,939	99,939	99,939	99,939
Enrollment			505	638	726	649
Creekside Elementary (1989)	12.06	K - 5				
Square Feet			60,168	60,168	60,168	60,168
Enrollment			532	550	515	528
Degan Elementary (1973)	15.00	PPCD, PK - 5				
Square Feet			75,764	75,764	75,764	75,764
Enrollment			752	749	712	650
Donald Elementary (1989)	10.00	K - 5				
Square Feet			80,465	80,465	80,465	80,465
Enrollment			622	609	566	540
Ethridge Elementary (1990)	11.42	K - 5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			420	444	417	422
Flower Mound Elementary (1985)	10.05	K - 5				
Square Feet			79,485	79,485	79,485	79,485
Enrollment			544	591	631	600
Forest Vista Elementary (1997)	16.81	PPCD, PK - 5				
Square Feet			85,610	85,610	85,610	85,610
Enrollment			538	565	550	539
Garden Ridge Elementary (1992)	10.00	K - 5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			529	499	515	537
Hebron Valley Elementary (1989)	9.18	PPCD, K - 5				
Square Feet			79,195	79,195	79,195	79,195
Enrollment			650	650	638	675
Hedrick Elementary (1974)	14.21	K - 5				
Square Feet			81,815	81,815	81,815	81,815
Enrollment			534	529	582	588
Heritage Elementary (1993)	13.36	K - 5				
Square Feet			69,620	80,517	80,517	80,517
Enrollment			740	750	773	775
Hicks Elementary (2004)	10.00	K - 5				
Square Feet			100,479	100,479	100,479	100,479
Enrollment			366	427	515	641

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

2010	2011	Fiscal Year Ended		2014	2015
		2012	2013		
82,993 754	82,993 732	82,993 645	82,993 576	82,993 532	82,993 467
63,875 542	63,875 545	63,875 537	63,875 513	108,560 510	108,560 476
73,557 722	73,557 771	73,557 768	73,557 784	73,557 791	73,557 734
152,952 934	152,952 897	152,952 920	152,952 905	152,952 960	152,952 975
35,601 263	35,601 253	35,601 264	35,601 363	35,601 355	35,601 330
99,939 594	99,939 691	99,939 622	99,939 613	99,939 608	99,939 614
60,168 553	60,168 463	60,168 491	60,168 453	60,168 449	60,168 495
75,764 642	75,764 646	75,764 631	75,764 675	75,764 632	75,764 650
80,465 517	80,465 492	80,465 462	80,465 478	80,465 503	80,465 497
63,853 426	63,853 424	63,853 431	63,853 522	63,853 518	63,853 513
79,485 592	79,485 582	79,485 565	79,485 527	79,485 505	79,485 498
85,610 529	85,610 502	85,610 474	85,610 461	85,610 549	85,610 546
63,853 527	63,853 500	63,853 474	63,853 479	63,853 458	63,853 465
79,195 661	79,195 621	79,195 644	79,195 627	79,195 600	79,195 600
81,815 636	81,815 682	81,815 668	81,815 565	81,815 578	81,815 607
80,517 748	80,517 719	80,517 710	80,517 688	80,517 671	80,517 651
100,479 670	100,479 759	100,479 660	100,479 666	100,479 633	100,479 615

(Continued on the following page)

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**

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

School	Campus Size (acres)	Grades	2006	Fiscal Year Ended		
				2007	2008	2009
Highland Village Elementary (1981)	6.42	K - 5				
Square Feet			63,823	63,823	63,823	63,823
Enrollment			420	428	405	411
Homestead Elementary (1999)	9.93	K - 5				
Square Feet			74,375	74,375	74,375	74,375
Enrollment			604	617	592	600
Independence Elementary (2008)	14.58	PK - 5				
Square Feet			-	-	107,000	107,000
Enrollment			-	-	-	504
Indian Creek Elementary (1985)	10.00	PPCD, PK - 5				
Square Feet			76,172	76,172	76,172	76,172
Enrollment			577	553	527	527
Lakeland Elementary (1963) / (2008) *	10.00	K - 5				
Square Feet			81,200	81,200	81,200	107,000
Enrollment			764	782	774	838
Lewisville Elementary (2010)	13.46	K - 5				
Square Feet			-	-	-	-
Enrollment			-	-	-	-
Liberty Elementary (2002)	9.49	K - 5				
Square Feet			73,557	86,122	86,122	86,122
Enrollment			688	761	860	886
McAuliffe Elementary (1987)	11.02	PPCD, K - 5				
Square Feet			78,776	78,776	78,776	78,776
Enrollment			557	555	555	545
Morningside Elementary (1993)	10.00	K - 5				
Square Feet			63,853	63,853	63,853	63,853
Enrollment			608	665	686	675
Old Settler Elementary (1994)	14.56	K - 5				
Square Feet			83,850	83,850	83,850	83,850
Enrollment			790	792	778	749
Owen Elementary (1987)	30.00	PPCD, PK - 5				
Square Feet			78,776	78,776	78,776	78,776
Enrollment			477	440	411	416
Parkway Elementary (1995)	11.00	K - 5				
Square Feet			75,113	75,113	75,113	75,113
Enrollment			500	494	438	444
Peters Colony Elementary (1980) / (2010) *	10.00	PK - 5				
Square Feet			76,664	76,664	76,664	76,664
Enrollment			617	671	653	618
Polser Elementary (1995)	10.00	PPCD, PK - 5				
Square Feet			73,324	73,324	73,324	73,324
Enrollment			459	499	464	452
Prairie Trail Elementary (1995)	11.65	K - 5				
Square Feet			73,324	84,221	84,221	84,221
Enrollment			722	758	739	728
Rockbrook Elementary (2003)	9.76	PPCD, PK - 5				
Square Feet			73,557	86,122	86,122	86,122
Enrollment			682	686	697	742

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

2010	2011	Fiscal Year Ended		2014	2015
		2012	2013		
63,823 397	63,823 375	63,823 391	63,823 402	63,823 381	63,823 353
74,375 609	74,375 607	74,375 638	74,375 626	74,375 622	74,375 597
107,000 594	107,000 616	107,000 674	107,000 687	107,000 732	107,000 790
76,172 553	76,172 554	76,172 633	76,172 617	76,172 595	76,172 631
107,000 845	107,000 804	107,000 804	107,000 830	107,000 836	107,000 849
99,674 -	99,674 626	101,058 691	101,058 692	101,058 776	101,110 809
86,122 901	86,122 866	86,122 811	86,122 803	86,122 743	86,122 667
78,776 477	78,776 508	78,776 505	78,776 466	78,776 478	78,776 520
63,853 709	63,853 534	63,853 507	63,853 461	63,853 426	63,853 431
83,850 718	83,850 704	83,850 666	83,850 668	83,850 664	83,850 636
78,776 405	78,776 459	78,776 451	78,776 502	78,776 477	78,776 496
75,113 450	75,113 451	75,113 448	75,113 587	75,113 571	75,113 542
76,664 626	107,000 708	107,000 732	107,000 762	107,000 819	108,560 844
73,324 442	73,324 447	73,324 510	73,324 496	73,324 491	73,324 466
84,221 718	84,221 690	84,221 635	84,221 576	84,221 532	84,221 609
86,122 773	86,122 685	86,122 684	86,122 705	86,122 712	86,122 780

(Continued on the following page)

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

School	Campus Size (acres)	Grades	2006	Fiscal Year Ended		
				2007	2008	2009
Southridge Elementary (1999)	12.00	K - 5				
Square Feet			74,375	74,375	74,375	74,375
Enrollment			631	652	719	757
Stewarts Creek Elementary (1978)	7.10	PK - 5				
Square Feet			67,020	67,020	67,020	67,020
Enrollment			422	448	415	409
Timber Creek Elementary (1978)	15.91	PPCD, PK - 5				
Square Feet			63,532	63,532	63,532	63,532
Enrollment			586	562	562	547
Valley Ridge Elementary (1996)	14.54	K - 5				
Square Feet			72,947	83,844	83,844	83,844
Enrollment			751	770	723	723
Vickery Elementary (2003)	11.85	K - 5				
Square Feet			74,117	74,117	74,117	74,117
Enrollment			568	606	566	585
Wellington Elementary (1998)	10.05	PPCD, PK - 5				
Square Feet			86,778	86,778	86,778	86,778
Enrollment			940	981	1,000	969
<b>Early Childhood:</b>						
Lillie Jackson Early Childhood Center (2005)	7.66	PPCD, PK	88,290	88,290	88,290	88,290
Square Feet			406	403	465	456
Enrollment						

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

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

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

2010	2011	Fiscal Year Ended		2014	2015
		2012	2013		
74,375 789	74,375 591	74,375 582	74,375 642	74,375 714	74,375 692
67,020 407	67,020 363	67,020 455	67,020 457	67,020 452	67,020 416
63,532 519	63,532 494	63,532 508	63,532 503	63,532 473	63,532 470
83,844 662	83,844 645	83,844 579	83,844 545	83,844 555	83,844 535
74,117 571	74,117 588	74,117 593	74,117 597	74,117 570	74,117 540
86,778 918	86,778 921	86,778 870	86,778 878	86,778 892	86,778 903
88,290 572	88,290 642	88,290 703	88,290 757	88,290 705	88,290 704

**Lewisville  
Independent  
School District**



**FEDERAL AWARDS  
SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lewisville Independent School District (the “District”) as of and for the year ended August 31, 2015, 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 14, 2015. 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.

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

Houston, Texas  
December 14, 2015

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

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

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

We have audited Lewisville Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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, 2015.

**Report on Internal Control Over Compliance**

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

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

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

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



Houston, Texas  
December 14, 2015

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended August 31, 2015*

**I. Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

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

Identification of Major Programs:

<b>Name of Federal Program</b>	<b>CFDA Number</b>
<b>U.S. Department of Agriculture</b>	
<b>Child Nutrition Cluster:</b>	
School Breakfast Program	10.553
National School Lunch Program	10.555
National School Lunch Program - Commodities	10.555

Dollar threshold used to distinguish Between Type A and Type B federal programs:	\$887,745
Auditee qualified as low-risk auditee?	Yes

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**For the Year Ended August 31, 2015**

**II. Financial Statement Findings**

There were no items reported.

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

There were no items reported.

**IV. Status of Prior Year Findings**

There were no items reported.



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

As of August 31, 2015

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF DEFENSE</b>			
Direct Programs			
ROTC	12.000	99-061902	\$ 319,877
Total Direct Programs			<u>319,877</u>
Passed through State Comptroller			
Federal Flood Control Allocation	12.112	17560019550	320,599
Total Passed through State Comptroller			<u>320,599</u>
<b>TOTAL U. S. DEPARTMENT OF DEFENSE</b>			<u>640,476</u>
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Direct Programs			
Impact Aid	84.041	61902	2,454,817
Impact Aid	84.041	61902	86,154
Impact Aid	84.041	61902	111,042
Total Direct Programs			<u>2,652,013</u>
Passed Through State Department of Education			
ESEA Title I Part A - Improving Basic Programs	84.010A	14610101061902	153,260
ESEA Title I Part A - Improving Basic Programs	84.010A	15610101061902	3,871,040
ESEA Title I Part A - Improving Basic Programs	84.010A	16610101061902	1,966
Total ESEA Title I Part A - Improving Basic Programs			<u>4,026,266</u>
IDEA - Part B, Formula **	84.027A	156600010619026600	8,096,509
IDEA - Part B, Formula **	84.027A	166600010619026600	432,127
Total IDEA - Part B, Formula			<u>8,528,636</u>
Vocational Education - Basic Grant	84.048A	15420006061902	359,313
Vocational Education - Basic Grant	84.048A	16420006061902	46,392
			<u>405,705</u>
IDEA - Part B, Preschool **	84.173A	146610010619026610	6,141
IDEA - Part B, Preschool **	84.173A	156610010619026610	214,014
Total IDEA - Part B, Preschool			<u>220,155</u>
Title III, Part A - LEP	84.365A	14671001061902	17,743
Title III, Part A - LEP	84.365A	15671001061902	889,444
Total Title III , Part A - LEP			<u>907,187</u>
Title VI Part A Summer School LEP	84.369A	69551402	38,729

**LEWISVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**As of August 31, 2015**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
ESEA Title II - Teacher Principal Training and Recruiting	84.367A	14694501061902	\$ 296
ESEA Title II - Teacher Principal Training and Recruiting	84.367A	15694501061902	510,670
Total ESEA Title II - Teacher Principal Training and Recruiting			<u>510,966</u>
Total Passed Through State Department of Education			<u>14,637,644</u>
Passed Through University of North Texas			
Title III - LEP	84.365A	061902	5,914
Total Passed through University of North Texas			<u>5,914</u>
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<u>17,295,571</u>
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Texas Health and Human Services Commission			
Medicaid Administrative Claiming Program - MAC	93.778	061902	73,793
Total Passed Texas Department of Human Services			<u>73,793</u>
<b>TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>73,793</u>
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through Texas Department of Agriculture			
<i>Non-cash Assistance (Commodities):</i>			
National School Lunch Program ***	10.555	00297	1,131,615
Total Passed Through Texas Department of Agriculture			<u>1,131,615</u>
Passed Through State Department of Education			
<i>Cash Assistance:</i>			
School Breakfast Program ***	10.553	71401501	2,583,722
National School Lunch Program ***	10.555	71301501	7,866,336
Total Passed Through State Department of Education			<u>10,450,058</u>
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>			<u>11,581,673</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 29,591,513</u>

\*\* Special Education Cluster (IDEA)

\*\*\* Child Nutrition Cluster

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

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

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

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

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

**Note 2 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net 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)	\$32,334,372
SHARS	(2,255,156)
Interest subsidy on Build America Bonds	(487,703)
	<u>\$29,591,513</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	\$ 299,640
Impact Aid	2,652,013
Federal Flood Control Allocation	320,599
SHARS	2,255,156
Indirect Costs -	
ESEA Title I Part A - Improving Basic Programs	66,446
IDEA - Part B, Formula	140,749
IDEA - Part B, Preschool	2,193
Carl D. Perkins Basic Formula	6,326
ESEA Title II, Part A - Teacher Principal Training and Recruiting	8,516
ESEA Title III, Part A - LEP	14,971
	<u>\$ 5,766,609</u>