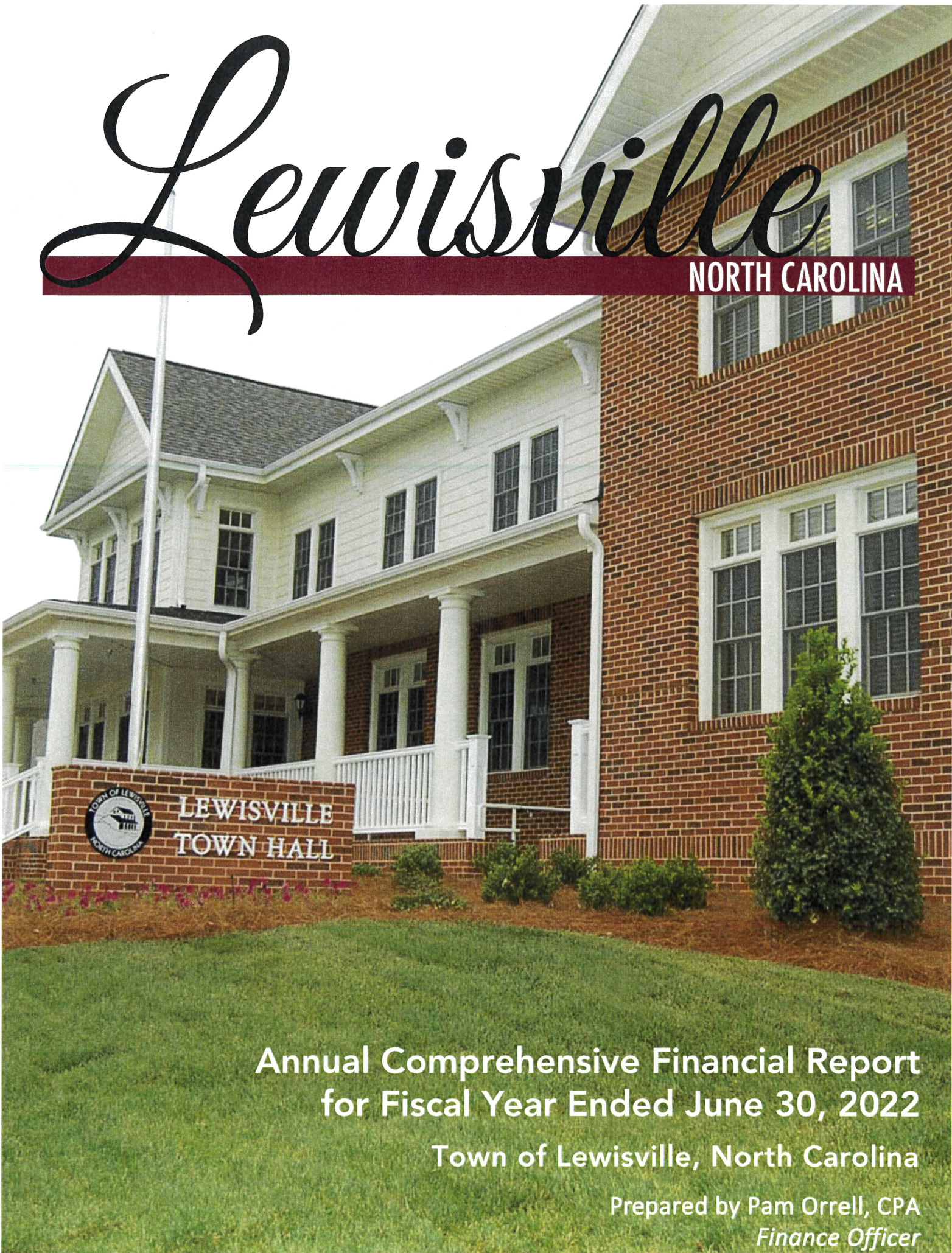


Lewisville

NORTH CAROLINA



Annual Comprehensive Financial Report
for Fiscal Year Ended June 30, 2022

Town of Lewisville, North Carolina

Prepared by Pam Orrell, CPA
Finance Officer

**TOWN OF LEWISVILLE,
NORTH CAROLINA**

**Annual Comprehensive Financial Report
For the Fiscal Year
Ended June 30, 2022**



Prepared by:
Pam Orrell, CPA
Finance Officer

TOWN OF LEWISVILLE, NORTH CAROLINA

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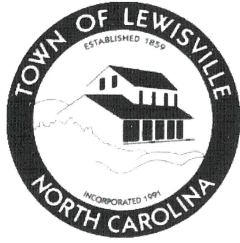
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Introductory Section



TOWN OF LEWISVILLE

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Voice 336-945-5558 Fax 336-945-5531
E-Mail: townhall@lewisvillenc.net
WebSite: www.lewisvillenc.net

October 25, 2022

The Honorable Mayor, Mike Horn,
Members of the Town Council
and Citizens of the Town of Lewisville, North Carolina

Financial Report

It is our pleasure to present the Annual Comprehensive Financial Report of the Town of Lewisville, North Carolina, for the fiscal year ended June 30, 2022. State law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Gibson & Company, P.A., a certified public accounting firm, has issued an unmodified opinion on the Town of Lewisville's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Description of the Town

The Town of Lewisville, incorporated in 1991, is located in Forsyth County, which is in the northwestern Piedmont section of North Carolina. The County is considered an urban county with nine municipalities. The County is part of the State's Piedmont Triad Region, which is nationally recognized as a major trading area.

The Town has a council-manager form of government. A mayor and six Council members are elected at large in November of the odd numbered years. The mayor is a voting member and the presiding officer of the Council. The Council typically meets on the first Thursday of the month in

a briefing session and on the second Thursday of each month for its regular session, with special meetings as necessary to work on the budget or other special projects.

Lewisville citizens enjoy a full range of municipal services including waste collection, recycling, community policing, planning and zoning, street maintenance, storm water management, parks and recreation, and cultural development. Water and sewer is provided directly to the citizens of Lewisville by the Winston-Salem/Forsyth County Utility Commission. Fire protection is provided by the Lewisville Volunteer Fire Department and the Vienna Volunteer Fire Department. These fire departments act separately from the Town as individual fire districts.

The town manager is appointed by the Council and serves at its pleasure. The town manager is responsible for implementing policies and managing daily operations. During the fiscal year 2021-2022, the town manager, with a staff of eleven, administered Town functions in accordance with Council policies, ordinances, and the annual budget ordinance. The staff positions were finance officer, town planner, public works director, town clerk, communications specialist, office manager/parks and recreation events coordinator, community center facilities/programming manager, accounting clerk, and three maintenance technicians. Town management is committed to providing staff with training opportunities to help each employee work to his or her full potential. The Town staff administers contracts for many of its services.

The financial reporting entity includes all the funds of the Town. The annual budget ordinance creates a legal limit for expenditures and, as such, is the basis for financial planning and control. The annual budget is adopted in accordance with North Carolina General Statutes. Activities of the general fund, including Powell Bill funds, the Willow Run Municipal Service District Special Revenue Fund, and the capital reserve funds are included in the annual budget ordinance. A change to the total appropriation for any department requires an amendment to the budget ordinance with approval by Council. Budget to actual comparisons are included in this report.

Management is responsible for developing an internal control system designed to protect the government's assets from loss, theft, or misuse and to maintain reliable records for compilation and presentation of the Town's financial information in conformity with generally accepted accounting principles. The Town has a small staff but employees are cross-trained and checks and balances have been included in financial procedures. Because the cost of a control should not exceed the benefits to be derived, the system is designed to provide reasonable internal control and reasonable assurance that the financial statements will be free from material misstatement.

Economic Condition and Outlook

The local economy has experienced a shift from the tobacco, textile, and furniture industries that have provided a strong base for the region to health services and related professions, higher education, financial services, and information technology. According to 2020 census data, 48.5 percent of Lewisville's population works in management, business, science, and arts occupations, 18.1 percent work in sales and office occupations, and 7.8 percent of the working population

works at home. Most workers driving to work average a 26-minute commute. These figures support the fact that Lewisville is a residential community within an urban area.

Residential property in the downtown area is gradually being zoned for business. Vacant properties are being developed in the downtown area and in some cases, the existing houses are remodeled for offices. Since 2017, the Town Council has approved one apartment complex with 120 units and 14 subdivisions with 606 lots in total.

Long-Term Financial Planning

This report reflects the dedication by our elected officials to make sound financial decisions that provide quality services, programs and capital improvements for the citizens of Lewisville. These decisions have resulted in the Town's strong financial position, which is demonstrated by maintaining a healthy available fund balance. The Town's prudent use of debt issuance and prudent management of revenue and cash resources allows for funding capital reserve funds that enable future capital projects.

Major Initiatives

Community Policing. In order to provide for the safety of Lewisville's citizens and the continued growth of the Town, the Town contracts with the Forsyth County Sheriff's Office to provide for deputies assigned specifically to Lewisville. One deputy is a sergeant who supervises the other five deputies. The total cost of this contract was \$664,516 for the fiscal year ended June 30, 2022. The Town reviews the need for more community policing officers each fiscal year during the annual budget process. It is the desire of the Town to provide citizens with twenty-four hour community policing coverage. The Town has accomplished that goal through this contract.

Mary Alice Warren Community Center. The Town completed construction of the Mary Alice Warren Community Center and opened it in November 2021. The 12,000 square foot community center was constructed on a 15-acre site donated by Lewisville resident, Mary Alice Warren. It is located adjacent to the current Jack Warren Park, a 15-acre multi-use park on land also donated to the Town by Mary Alice Warren. The project had a budget of \$4,947,137. The project was financed with an installment bank loan of \$2,000,000, as well as \$1,460,988 from the Town's Municipal Buildings/Land Capital Reserve Fund and \$159,437 from the Storm Water Capital Reserve Fund. The remainder of the budget, \$1,326,712, was funded by the General Fund.

The mission of the Mary Alice Warren Community Center is "to nurture a sense of community belonging by providing facilities, programs, educational classes, activities and events primarily designed to enhance the lives of Lewisville and neighboring area residents and their families." The community center boasts 3 multi-purpose rooms, an arts and crafts room, a small conference room and a catering kitchen.



Parks and Recreation. The Town continues its dedication to providing entertainment and recreation to the community. The Town houses two parks, Jack Warren Park and Shallowford Square, both of which boast a children's playground area. The Town also hosts an array of entertainment opportunities in Shallowford Square that includes musical concerts, starlight movie nights, an outdoor play, and the annual Fourth of July Celebration.



Street Paving. The Town continues a paving program to maintain streets within its boundaries. The amount spent on street paving and patching during fiscal year 2021-2022 was \$455,919. Overall, paving and maintenance of Town streets continues to be a priority of the Town for future years.

Planning. The Planning Board working with staff and the Town Council has completed a planning process that has resulted in the adoption by the Town Council of a new Comprehensive Plan and an updated Parks and Recreation Master Plan. With Lewisville facing an increase in growth and development, the Comprehensive Plan serves as a guide to maintain the focus and vision of Lewisville residents. It provides a clear direction for land use initiatives within our Town boundaries. The Parks and Recreation Master Plan aims to help Lewisville better serve their residents through parks, open space, and recreational opportunities. The Parks and Recreation Master Plan identifies existing facilities, needs for future parks around Town, and an

implementation plan offering guidance to fulfill those needs. Planning policies and decisions are grounded in both of these plans to ensure the vision of Lewisville continues to be considered.

The Planning Board working with staff and the Town Council has also completed a planning process that has resulted in the presentation and acceptance by the Town Council of the Northeast Area Plan. This plan has been years in the development ahead of a new public middle school in the vicinity of the intersection of Lewisville-Vienna Road and Robinhood Road. This new school is anticipated to have a significant impact on the growth and development of the northeast area of the Town. This plan will serve as a template or guide to help plan for and guide future developmental and transportation activities in this area.

Great Wagon Road. The Town of Lewisville remains committed to the construction of the Great Wagon Road. Funding of a capital reserve fund, with transfers to the capital projects fund allowed expenditures for planning and engineering fees as well as purchase of right-of-way for the construction of the road. During fiscal year 2018, the Town Council learned that the North Carolina Department of Transportation plans to assume financial responsibility for the remaining work to be done on the Great Wagon Road to include design, right-of-way acquisition, and construction. As construction of the Great Wagon Road progresses, we anticipate that the Town of Lewisville will participate financially with the North Carolina Department of Transportation on enhancements such as sidewalks, trees, and streetlights as well as the design and installation of water and sewer infrastructure. The Town shall continue funding the capital reserve fund and move funds as needed to the GWR ROW/Construction Capital Projects Fund. Total accumulation, including earnings, in the capital reserve as of June 30, 2022 was \$1,051,084. Total fund balance in the capital projects fund as of June 30, 2022 was \$735,968.

Interlocal Agreement with Winston-Salem/Forsyth County Utility Commission. The Town of Lewisville has entered into an agreement with the Winston-Salem/Forsyth County Utility Commission whereby the Commission will continue the operation of the water and sewer systems within the Town of Lewisville. This agreement establishes a capital reserve account to be funded primarily by a multiplier of water and sewer rates and a portion of assessment revenues. The capital reserve account is held by the Commission and expenditures from the capital reserve account are to be used to pay the cost of constructing water lines and sewer system facilities and the cost of future capacity purchases as they may become necessary.

Gateway Project. The Town has completed design work on the Gateway Project along with right-of-way purchase. Construction will begin in the 2022-2023 fiscal year. The project is a roadway project to make improvements from the Highway 421 Interchange on Williams Road with improvements continuing on Williams Road between the interchange and the roundabout at Shallowford Road and Williams Road. This is a project utilizing federal STP-DA funds.

Roundabout at Robinhood Road and Lewisville-Vienna Road. The Town has also been awarded funding for the construction of a single lane roundabout at Robinhood Road and Lewisville-Vienna Road. The project will include necessary sidewalk connections at the

roundabout and streetscape, lighting, and landscaping. This is a project utilizing federal STP-DA funds. Design work and right-of-way purchase will continue in fiscal year 2022-2023.

CMAQ Project Along Lewisville-Vienna Road. The Town has also been awarded funding for a CMAQ (Congestion Mitigation & Air Quality) project to extend the sidewalk along Lewisville-Vienna Road from Riverwood Drive to Robinhood Road. The project will be paid for with 80% of the expected costs coming from federal aid with a 20% match from the Town.

Awards and Acknowledgements

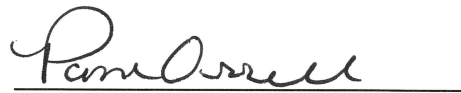
The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Town of Lewisville for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This is the seventeenth year the Town of Lewisville has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe that our current annual comprehensive financial report meets the Certificate of Achievement Program requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

This report was prepared by Finance Officer, Pam Orrell, with the assistance of Interim Town Manager, Stacy Y. Tolbert. Credit must also be given to the mayor and the governing council for their continued support in maintaining the highest standards of professionalism in the management of the Town of Lewisville's finances. Special thanks is also given to Mr. R. Harold Gibson and Mr. Monty Pendry of Gibson & Company, P.A. for their assistance in this presentation.



Stacy Y. Tolbert
Interim Town Manager



Pam Orrell
Finance Officer

**TOWN OF LEWISVILLE
NORTH CAROLINA**

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022**

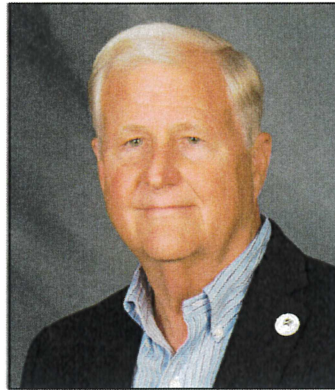
Town Council Members

Mike Horn, Mayor
Jeanne Marie Foster, Mayor Pro Tem
Fred Franklin
Melissa Hunt
Kenneth Sadler
David Smitherman
Jane Welch

Administrative and Financial Staff

Stacy Y. Tolbert, Interim Town Manager
Pam Orrell, Finance Officer
Dora K. Moore, Town Clerk

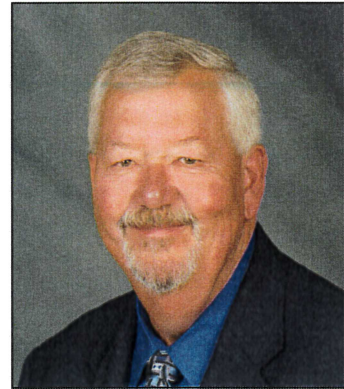
TOWN COUNCIL



Mike Horn, Mayor



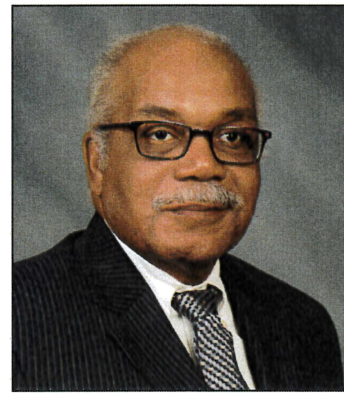
Jeanne Marie Foster, Mayor Pro Tem



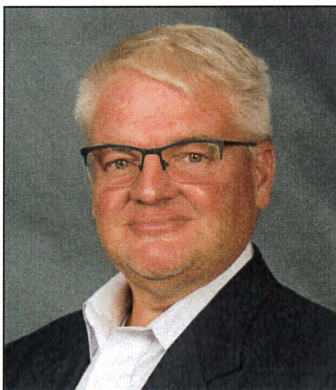
Fred Franklin



Melissa Hunt



Kenneth Sadler



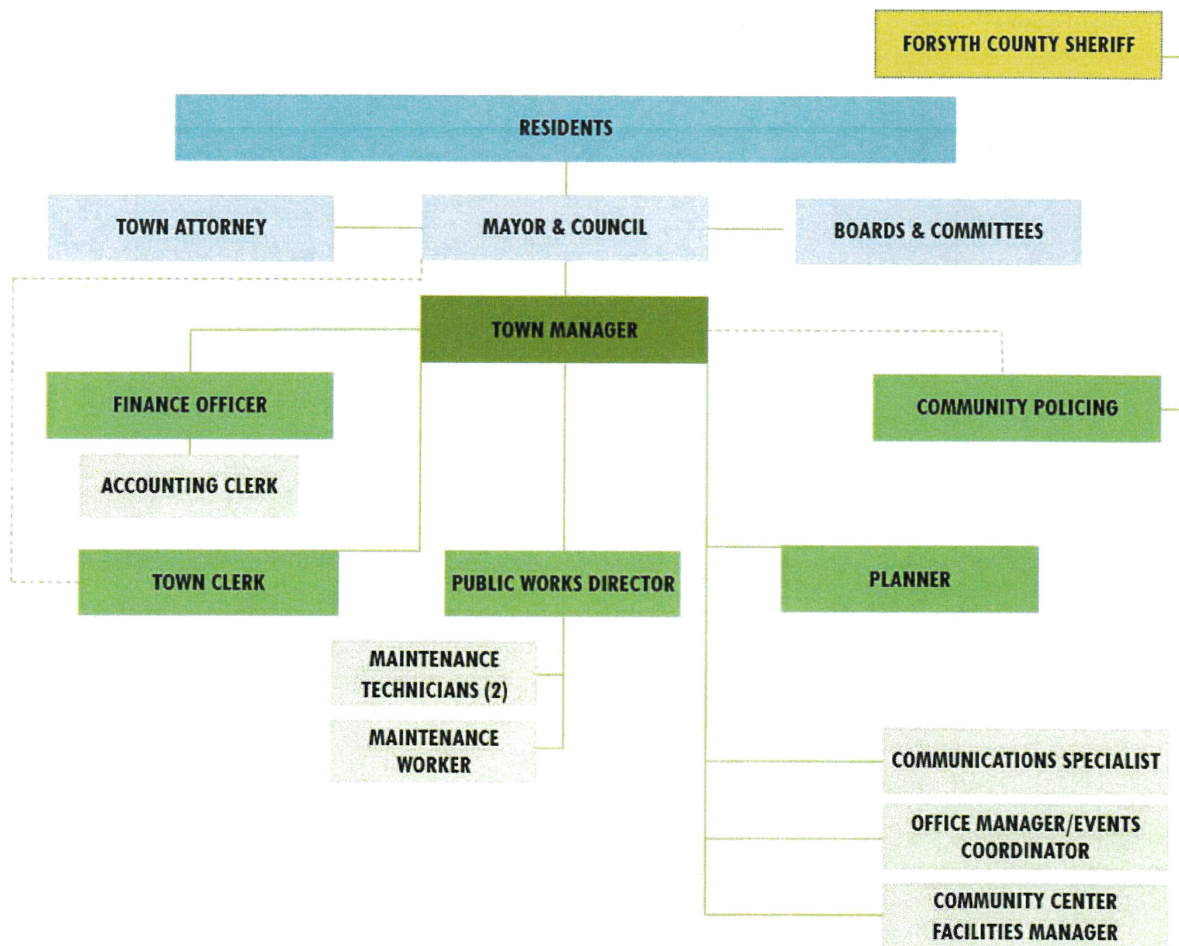
David Smitherman



Jane Welch



TOWN OF LEWISVILLE ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Lewisville
North Carolina**

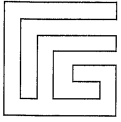
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section



Independent Auditor's Report

To the Honorable Mayor
and Members of the Town Council
Town of Lewisville, North Carolina

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lewisville, North Carolina as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise Town of Lewisville's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying 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 Town of Lewisville as of June 30, 2022, and the respective changes in financial position, and cash flows where applicable thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Lewisville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the Town of Lewisville's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards* we:

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Town of Lewisville's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Lewisville's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 44 through 45, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lewisville's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

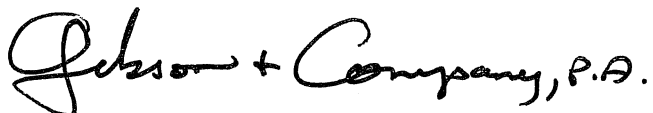
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022 on our consideration of the Town of Lewisville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Lewisville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Lewisville's internal control over financial reporting and compliance.



Winston-Salem, North Carolina
October 25, 2022

Management's Discussion and Analysis

TOWN OF LEWISVILLE, NORTH CAROLINA

Management's Discussion and Analysis

As management of the Town of Lewisville, we offer readers of the Town of Lewisville's financial statements this narrative overview and analysis of the financial activities of the Town of Lewisville for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

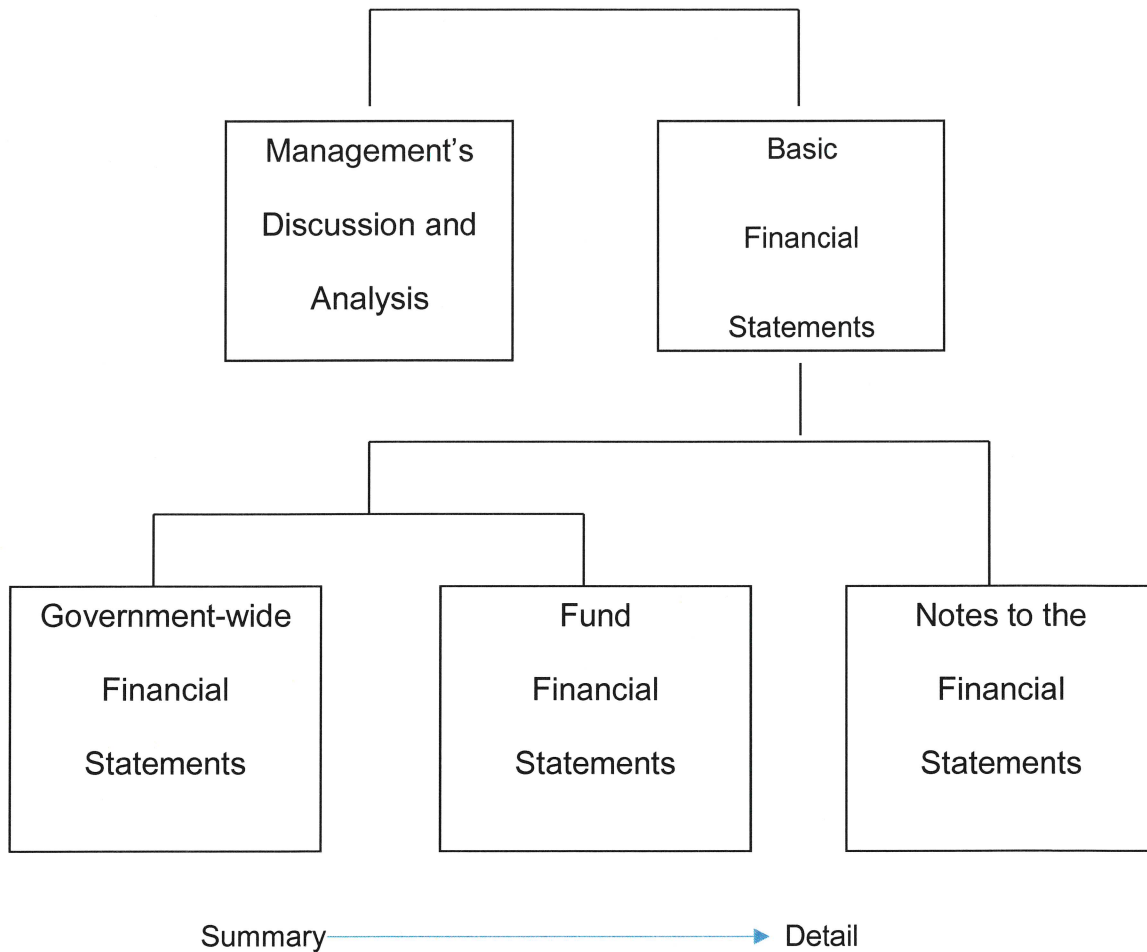
- The assets and deferred outflows of resources of the Town of Lewisville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$21,978,322 (*net position*).
- The Town's total net position increased by \$2,046,383 primarily due funds received from the American Rescue Plan Act of 2021, federal funding of the Gateway Project and the Roundabout at Lewisville-Vienna Road and Robinhood Road, and constant due diligence over spending.
- As of the close of the current fiscal year, the Town of Lewisville's governmental funds reported combined ending fund balances of \$11,220,980 a net increase of \$272,785 in fund balance. Approximately 9.34 percent of this total amount, or \$1,048,345 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,741,987 or 119.36 percent of total general fund expenditures and transfers out for the fiscal year.
- The Town of Lewisville's total debt decreased by \$349,848 (15.31%) during the current fiscal year. The Town paid \$200,000 in principal payments on the direct placement financing agreement collateralized by the Mary Alice Warren Community Center. The net pension liability for the Local Governmental Employees' Retirement System (LGERS) also decreased by \$140,299.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Lewisville's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Lewisville.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibit 1 and 2) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibit 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.

TOWN OF LEWISVILLE, NORTH CAROLINA

Management's Discussion and Analysis

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are summarized into one category: governmental activities. The governmental activities include most of the Town's basic services such as general government, public works, planning, parks and recreation, and public safety. Property taxes and State and federal grant funds finance most of these activities.

The government-wide financial statements are Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. 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 Town of Lewisville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Lewisville can be summarized into one category: governmental funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net

TOWN OF LEWISVILLE, NORTH CAROLINA

Management's Discussion and Analysis

Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Lewisville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Town Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether nor not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Town Council; 2) the final budget as amended by the Town Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Notes to the 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. The notes to the financial statements begin on page 22 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Lewisville's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 44 of this report.

Interdependence with Other Entities – The Town depends on financial resources flowing from, or associated with both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions taken by foreign governments and other holders of publicly held U.S. Treasury Securities.

TOWN OF LEWISVILLE, NORTH CAROLINA
Management's Discussion and Analysis

Government-Wide Financial Analysis

Town of Lewisville's Net Position
Figure 2

	Governmental Activities	
	2022	2021
Current and other assets	\$ 12,598,764	\$ 11,525,972
Capital assets	12,646,428	11,118,422
Total assets	25,245,192	22,644,394
Total deferred outflows of resources	188,054	157,678
Long-term liabilities outstanding	1,706,700	2,047,903
Other liabilities	1,609,692	821,487
Total liabilities	3,316,392	2,869,390
Total deferred inflows of resources	138,532	743
Net position:		
Net investment in capital assets	10,846,428	9,118,422
Restricted	1,048,345	953,673
Unrestricted	10,083,549	9,859,844
Total net position	\$ 21,978,322	\$ 19,931,939

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Lewisville exceeded liabilities and deferred inflows by \$21,978,322 as of June 30, 2022. The Town's net position increased by \$2,046,383 for the fiscal year ended June 30, 2022. However, a significant portion, \$10,846,428 or 49.35% reflects the Town's net investment in capital assets (e.g. land, buildings, machinery and equipment). The Town of Lewisville uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Town of Lewisville's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Lewisville's net position, \$1,048,345 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,083,549 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position:

TOWN OF LEWISVILLE, NORTH CAROLINA
Management's Discussion and Analysis

- Continued diligence in the collection of property taxes by maintaining a tax collection rate of 99.68%

Town of Lewisville's Change in Net Position
Figure 3

	Governmental Activities	
	2022	2021
Revenues		
Program revenues:		
Charges for services	\$ 15,924	\$ 11,755
Operating grants and contributions	1,607,748	347,424
Capital grants and contributions	277,430	91,581
General revenues:		
Property taxes	2,918,633	2,603,728
Other taxes	49,625	29,413
Unrestricted intergovernmental revenues	1,977,242	1,818,566
Other	60,336	18,176
Total revenues	6,906,938	4,920,643
Expenses		
General government	1,365,085	1,237,921
Public works	2,013,279	1,928,082
Planning	210,593	196,793
Parks and recreation	552,442	205,165
Public safety	686,204	656,398
Interest on long-term debt	32,952	32,342
Total expenses	4,860,555	4,256,701
Increase in net position before transfers	2,046,383	663,942
Transfers	-	-
Increase in net position	2,046,383	663,942
Net position, July 1	19,931,939	19,267,997
Net position, June 30	\$ 21,978,322	\$ 19,931,939

Governmental activities. Governmental activities increased the Town's net position by \$2,046,383. By constant due diligence of expenses, the Town's revenues exceeded expenses.

Financial Analysis of the Town's Funds

As noted earlier, the Town of Lewisville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Lewisville's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Lewisville's financing requirements.

The General Fund is the chief operating fund of the Town of Lewisville. At the end of the current fiscal year, the Town of Lewisville's fund balance available in the General Fund was \$7,457,553, while total fund balance reached \$7,943,134. The Town Council of the Town of Lewisville has determined that the Town should maintain an available fund balance of 65% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 155.02% of general fund expenditures, and total fund balance represents 165.12% of the same amount.

The General Fund had a net increase of \$1,775,270 during the year ended June 30, 2022. There are two primary reasons for this increase. First of all, \$1,208,168 was transferred from the American Rescue Plan Act Special Revenue Fund to the General Fund as revenue replacement due to the effects of the Covid-19 pandemic. The amount transferred to the General Fund was used to reimburse the General Fund for general government services. In addition, budgeted revenues came in higher than anticipated, specifically, local sales tax and ad valorem taxes.

At June 30, 2022, the governmental funds of the Town of Lewisville reported a combined fund balance of \$11,220,980, with a net increase of \$272,785 in fund balance. The increase in total fund balance for all governmental funds is due to revenues coming in at higher levels than expected.

General Fund Budgetary Highlights. During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Actual revenues exceeded budgeted revenue estimates in the following categories: Ad valorem, local option sales tax revenue, piped natural gas sales tax revenue, ABC Board revenues, local occupancy tax, solid waste disposal tax revenue, investment earnings, planning and developer fees, and storm water review fees.

The following significant amendments were made to adjust original budgetary expenditures:

TOWN OF LEWISVILLE, NORTH CAROLINA

Management's Discussion and Analysis

- The budget was amended by \$7,000 to increase the funding for deputy hustles during town-sponsored events in Shallowford Square.
- The budget was amended by \$5,700 for maintenance and repairs to the air conditioner units in Town Hall.
- The budget for the purchase of various supplies for the Mary Alice Warren Community Center was increased by \$15,000.
- The budget for updating the Unified Development Ordinances was increased by \$7,425.
- The budget was amended by \$6,763 to demolish a structure on land donated to the Town.
- The budget was amended by \$39,780 to fund the new position of Community Center Facilities and Programming Manager at the Mary Alice Warren Community Center.
- The budget was amended by \$10,651 to replace the fire alarm system in Town Hall.
- The budget was amended by \$15,000 to fund the mid-year increase in salaries and benefits included in the community policing contract with Forsyth County.
- The budget for snow and ice removal was increased by \$50,000.
- The budget was amended by \$15,000 for street light repairs.
- The budget for attorney fees within the governing body department was increased by \$25,000.
- The budget for right-of-way maintenance was increased by \$15,000.
- The paving and resurfacing budget was increased by \$93,769.
- The budget was amended to donate \$9,000 to the Meals-on-Wheels program administered by Senior Services, Inc.
- The budget was amended by \$37,875 to purchase audio-visual equipment for the Town Hall Council chambers.
- The budget was amended by \$14,804 to pay the town manager for his earned but unused vacation time upon his resignation.
- The budget was amended by \$6,000 to contract with Piedmont Triad Regional Council for the search for a new town manager.
- The budget was increased by \$5,000 for repairs and maintenance expenditures at Jack Warren Park.

Capital and Debt Administration

Capital assets. The Town of Lewisville's investment in capital assets for its governmental-type activities as of June 30, 2022 totals \$12,646,428 (net of accumulated depreciation). These assets include buildings, land, furniture and equipment, vehicles, infrastructure, and park facilities as well as construction in progress on various capital projects.

Capital asset transactions during the year include the following:

- The Town purchased a Ford F-250 truck and various accessories for \$50,170.
- The Town spent \$38,276 on design services and purchases of right-of-way for the Gateway Project.

TOWN OF LEWISVILLE, NORTH CAROLINA
Management's Discussion and Analysis

- The Town spent \$203,535 on design services for the roundabout project at Lewisville-Vienna Road and Robinhood Road.
- The Town spent \$1,777,504 on design services, engineering fees, construction costs, and furniture and equipment purchases for the Mary Alice Warren Community Center Project.

**Town of Lewisville's Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities	
	2022	2021
Land	\$ 1,905,327	\$ 1,905,327
Sewer rights	600,000	600,000
Construction in progress	1,851,633	4,615,874
Buildings	5,362,874	1,257,571
Furniture and equipment	342,616	21,646
Vehicles and motorized equipment	77,212	42,344
Infrastructure	1,698,293	1,780,655
Park	808,473	895,005
Total	\$ 12,646,428	\$ 11,118,422

Additional information on the Town's capital assets can be found in Note II.A.3 of the basic financial statements.

Long-term debt. As of June 30, 2022, the Town of Lewisville had long-term debt consisting of a direct placement financing agreement for the construction of the Mary Alice Warren Community Center, net pension liability, and compensated absences.

Town of Lewisville's Outstanding Liabilities
Figure 5

	Governmental Activities	
	2022	2021
Direct placement financing agreement- Mary Alice Warren Community Center	\$ 1,800,000	\$ 2,000,000
Net pension liability	96,619	236,918
Compensated absences	38,413	47,962
Total	\$ 1,935,032	\$ 2,284,880

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for the Town of Lewisville is \$128,157,288.

Additional information regarding the Town of Lewisville’s long-term debt can be found in Note II.B.5 of this report.

Economic Factors and Next Year’s Budgets and Rates

It appears that the effects of the Covid-19 pandemic are beginning to subside. Stay-at-home orders have lifted and commercial businesses have returned to operations reaching pre-pandemic levels. But the nation as a whole is facing other challenges including rising fuel prices, record inflation, and shortages of raw materials and finished goods. However, the Town of Lewisville remains optimistic about the health of the local economy. Sales tax revenues remain robust and there continues to be steady growth in the Town’s residential property tax base.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Following are highlights from the Town’s budget for the fiscal year ended June 30, 2023.

- The Town’s property tax rate for 2022-2023 will remain unchanged at 17.7 cents per \$100 valuation.
- The property tax rate for the Willow Run Municipal Service District will remain unchanged at 5 cents per \$100 valuation in 2022-2023.
- The Town will begin construction on the “Gateway Project” in the 2022-2023 fiscal year. The project is a roadway project to make improvements from the Highway 421 Interchange on Williams Road with improvements continuing on Williams Road between the interchange and the newly constructed roundabout at Shallowford Road and Williams Road. This is a project utilizing federal STP-DA funds. This project has a budget of \$1,494,680. The project will be paid for with 80% of the expected costs coming from federal aid with a 20% match from the Town.
- The Town will continue design on a new single lane roundabout at the intersection of Lewisville-Vienna Road and Robinhood Road. This is a project utilizing federal STP-DA

TOWN OF LEWISVILLE, NORTH CAROLINA
Management's Discussion and Analysis

funds. This project has an estimated cost of approximately \$1,270,000. The project will be paid for with 80% of the expected costs coming from federal aid with a 20% match from the Town.

- The Town has been awarded a \$230,940 grant from the North Carolina Parks & Recreation Trust Fund for recreational improvements at Jack Warren Park. Design on the project will begin in 2022-2023.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Pam Orrell, Finance Officer, Town of Lewisville P.O. Box 547 Lewisville, NC 27023. One can also call 336-945-5558, visit our website at www.lewisvillenc.net, or email finance@lewisvillenc.net for more information.

Basic Financial Statements

TOWN OF LEWISVILLE, NORTH CAROLINA

Statement of Net Position

June 30, 2022

Exhibit 1

	Governmental Activities	Total
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 10,523,040	\$ 10,523,040
Taxes receivable, net	22,965	22,965
Due from other governments	537,747	537,747
Other receivables	292	292
Restricted cash and cash equivalents	1,514,720	1,514,720
Total current assets	12,598,764	12,598,764
Noncurrent Assets		
Capital Assets		
Land, non-depreciable improvements, and construction in progress	4,356,960	4,356,960
Other capital assets, net of depreciation	8,289,468	8,289,468
Total capital assets	12,646,428	12,646,428
Total assets	25,245,192	25,245,192
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals	188,054	188,054
Total deferred outflows of resources	188,054	188,054
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	342,405	342,405
Contract retainage	8,000	8,000
Unearned revenue	804,068	804,068
Accrued interest payable	26,541	26,541
Current portion of long-term liabilities	228,332	228,332
Payable from restricted assets	200,346	200,346
Total current liabilities	1,609,692	1,609,692
Long-Term Liabilities		
Net pension liability	96,619	96,619
Due in more than one year	1,610,081	1,610,081
Total long-term liabilities	1,706,700	1,706,700
Total liabilities	3,316,392	3,316,392
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	138,532	138,532
Total deferred inflows of resources	138,532	138,532
NET POSITION		
Net investment in capital assets	10,846,428	10,846,428
Restricted for:		
Stabilization by State Statute	538,039	538,039
Streets	510,306	510,306
Unrestricted	10,083,549	10,083,549
Total net position	\$ 21,978,322	\$ 21,978,322

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

TOWN OF LEWISVILLE, NORTH CAROLINA

Statement of Activities

For the Year Ended June 30, 2022

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary government:						
Governmental Activities:						
General government	\$ 1,365,085	\$ -	\$ 1,208,168	\$ -	\$ (156,917)	\$ (156,917)
Public works	2,013,279	7,079	399,580	177,430	(1,429,190)	(1,429,190)
Planning	210,593	8,845	-	-	(201,748)	(201,748)
Parks and recreation	552,442	-	-	100,000	(452,442)	(452,442)
Public safety	686,204	-	-	-	(686,204)	(686,204)
Interest on long-term debt	32,952	-	-	-	(32,952)	(32,952)
Total governmental activities	4,860,555	15,924	1,607,748	277,430	(2,959,453)	(2,959,453)
Total primary government	\$ 4,860,555	\$ 15,924	\$ 1,607,748	\$ 277,430	\$ (2,959,453)	\$ (2,959,453)
General revenues:						
Taxes:						
Property taxes, levied for general purpose					2,918,633	2,918,633
Local occupancy tax					49,625	49,625
Unrestricted intergovernmental revenues					1,977,242	1,977,242
Unrestricted investment earnings					8,298	8,298
Miscellaneous					52,038	52,038
Total general revenues not including transfers					5,005,836	5,005,836
Transfers					-	-
Total general revenues and transfers					5,005,836	5,005,836
Change in net position					2,046,383	2,046,383
Net position, beginning					19,931,939	19,931,939
Net position, ending					\$ 21,978,322	\$ 21,978,322

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

TOWN OF LEWISVILLE, NORTH CAROLINA

Balance Sheet

Governmental Funds

June 30, 2022

Exhibit 3

	Major Fund			Total Non-Major Funds	Total Governmental Funds
	General Fund	Community Center Capital Project	American Rescue Plan Act Special Revenue Fund		
Assets					
Cash and cash equivalents	\$ 7,274,408	\$ 255,832	\$ 1,402	\$ 2,991,398	\$ 10,523,040
Restricted cash	710,652	-	804,068	-	1,514,720
Receivables, net:					
Taxes	22,115	-	-	850	22,965
Other	292	-	-	-	292
Due from other governments	485,289	31,925	-	20,533	537,747
Total assets	<u>8,492,756</u>	<u>287,757</u>	<u>805,470</u>	<u>3,012,781</u>	<u>12,598,764</u>
Liabilities					
Accounts payable and accrued liabilities	327,161	5,083	-	10,161	342,405
Contract retainage	-	8,000	-	-	8,000
Unearned revenue	-	-	804,068	-	804,068
Developer deposits	200,346	-	-	-	200,346
Total liabilities	<u>527,507</u>	<u>13,083</u>	<u>804,068</u>	<u>10,161</u>	<u>1,354,819</u>
Deferred Inflows of Resources					
Property taxes receivable	22,115	-	-	850	22,965
Total deferred inflows of resources	<u>22,115</u>	<u>-</u>	<u>-</u>	<u>850</u>	<u>22,965</u>
Fund Balances					
Restricted					
Stabilization by State Statute	485,581	31,925	-	20,533	538,039
Streets	510,306	-	-	-	510,306
Committed					
Special Revenue Funds	-	-	1,402	191,752	193,154
Capital Projects Funds	-	242,749	-	2,789,485	3,032,234
Assigned					
Subsequent year's expenditures	1,205,260	-	-	-	1,205,260
Unassigned	5,741,987	-	-	-	5,741,987
Total fund balances	<u>7,943,134</u>	<u>274,674</u>	<u>1,402</u>	<u>3,001,770</u>	<u>11,220,980</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,492,756</u>	<u>\$ 287,757</u>	<u>\$ 805,470</u>	<u>\$ 3,012,781</u>	

continued

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

TOWN OF LEWISVILLE, NORTH CAROLINA

Balance Sheet

Governmental Funds

June 30, 2022

Exhibit 3

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balance, governmental funds		\$ 11,220,980
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 17,854,124	
Accumulated depreciation	<u>(5,207,696)</u>	12,646,428
Deferred outflows of resources related to pensions are not reported in the funds.		188,054
Earned revenues considered deferred inflows of resources in fund statements.		22,965
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Compensated absences		(38,413)
Financing agreement		(1,800,000)
Accrued interest payable		(26,541)
Net pension liability		(96,619)
Deferred inflows of resources related to pensions are not reported in the funds.		<u>(138,532)</u>
Net position of governmental activities		<u><u>\$ 21,978,322</u></u>

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

TOWN OF LEWISVILLE, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

Exhibit 4

	Major Funds			Total Non-Major Funds	Total Governmental Funds
	General Fund	Community Center Capital Project	American Rescue Plan Act Special Revenue Fund		
REVENUES					
Ad valorem taxes	\$ 2,881,149	\$ -	\$ -	\$ 37,375	\$ 2,918,524
Unrestricted intergovernmental	1,977,242	-	-	-	1,977,242
Restricted intergovernmental	449,205	100,000	1,208,168	177,430	1,934,803
Investment earnings	2,250	256	1,402	4,390	8,298
Miscellaneous	67,807	-	-	154	67,961
Total revenues	<u>5,377,653</u>	<u>100,256</u>	<u>1,209,570</u>	<u>219,349</u>	<u>6,906,828</u>
EXPENDITURES					
Current:					
General government	1,170,546	-	-	-	1,170,546
Public works	2,009,055	-	-	280,988	2,290,043
Planning	213,536	-	-	-	213,536
Parks and recreation	260,211	1,777,504	-	-	2,037,715
Public safety	686,203	-	-	-	686,203
Debt service:					
Principal	200,000	-	-	-	200,000
Interest and other charges	36,000	-	-	-	36,000
Total expenditures	<u>4,575,551</u>	<u>1,777,504</u>	<u>-</u>	<u>280,988</u>	<u>6,634,043</u>
Excess (deficiency) of revenues over expenditures	<u>802,102</u>	<u>(1,677,248)</u>	<u>1,209,570</u>	<u>(61,639)</u>	<u>272,785</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,208,168	40,000	-	251,114	1,499,282
Transfers to other funds	(235,000)	-	(1,208,168)	(56,114)	(1,499,282)
Proceeds from financing agreement	-	-	-	-	-
Total other financing sources (uses)	<u>973,168</u>	<u>40,000</u>	<u>(1,208,168)</u>	<u>195,000</u>	<u>-</u>
Net change in fund balance	1,775,270	(1,637,248)	1,402	133,361	272,785
Fund balance, beginning	6,167,864	1,911,922	-	2,868,409	
Fund balance, ending	<u>\$ 7,943,134</u>	<u>\$ 274,674</u>	<u>\$ 1,402</u>	<u>\$ 3,001,770</u>	

continued

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

TOWN OF LEWISVILLE, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

Exhibit 4

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

Net changes in fund balances - total governmental funds \$ 272,785

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	\$ 2,069,485	
Depreciation expense for governmental activities	(533,979)	
Asset impairment loss	<u>(7,500)</u>	1,528,006

Contributions to pension plan in the current fiscal year are not included on the statement of activities.	82,886
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue for tax revenues	106
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debts	200,000	
Decrease in accrued interest payable	<u>3,048</u>	203,048

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.

Compensated absences	9,549	
Pension expense	<u>(49,997)</u>	

Total changes in net position of governmental activities \$ 2,046,383

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

TOWN OF LEWISVILLE, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2022

Exhibit 5

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Ad valorem taxes	\$ 2,765,490	\$ 2,765,490	\$ 2,881,149	\$ 115,659
Unrestricted intergovernmental	1,762,890	1,762,890	1,977,242	214,352
Restricted intergovernmental	347,640	420,361	449,205	28,844
Investment earnings	370	370	2,250	1,880
Miscellaneous	10,200	10,200	67,807	57,607
Total revenues	<u>4,886,590</u>	<u>4,959,311</u>	<u>5,377,653</u>	<u>418,342</u>
Expenditures				
Current:				
General government	1,216,476	1,389,899	1,170,546	219,353
Public works	2,098,000	2,295,701	2,009,055	286,646
Planning	462,820	463,387	213,536	249,851
Parks and recreation	361,353	391,713	260,211	131,502
Public safety	702,895	726,395	686,203	40,192
Debt service:				
Principal	200,000	200,000	200,000	-
Interest and other charges	36,000	36,000	36,000	-
Total expenditures	<u>5,077,544</u>	<u>5,503,095</u>	<u>4,575,551</u>	<u>927,544</u>
Revenues over (under) expenditures	<u>(190,954)</u>	<u>(543,784)</u>	<u>802,102</u>	<u>1,345,886</u>
Other Financing Sources (Uses):				
Transfers from other funds	-	-	1,208,168	1,208,168
Transfers to other funds	(235,000)	(235,000)	(235,000)	-
Total other financing sources (uses)	<u>(235,000)</u>	<u>(235,000)</u>	<u>973,168</u>	<u>1,208,168</u>
Fund balance appropriated	425,954	778,784	-	(778,784)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,775,270</u>	<u>\$ 1,775,270</u>
Fund balance, beginning			6,167,864	
Fund balance, ending			<u>\$ 7,943,134</u>	

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

Notes to the Financial Statements

TOWN OF LEWISVILLE, NORTH CAROLINA

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Lewisville conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

A. Reporting Entity

The Town of Lewisville is a municipal corporation that is governed by an elected mayor included in a seven-member council.

B. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Statements for the governmental fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, federal and State grants, and various other taxes and licenses. The primary expenditures are for administration, public works, public safety, street maintenance and construction, and sanitation services.

Community Center Capital Projects Fund. This fund is used to account for the funds to be used in the construction of the Mary Alice Warren Community Center.

American Rescue Plan Act Special Revenue Fund. This is a grant project ordinance that accounts for the funds received under the American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Recovery Funds and are restricted to expenditures related to mitigating the costs associated with the Covid-19 pandemic.

The Town reports the following non-major governmental funds:

Willow Run Municipal Service District Special Revenue Fund. The Willow Run Municipal Service District is a special taxing district of the Town. The proceeds of the special tax are used for the maintenance of the lakes and dams in the district.

GWR ROW/Construction Capital Reserve Fund. This fund is used to account for funds to be used in the Great Wagon Road project.

Sidewalks, Bike Paths and Greenways Capital Reserve Fund. This fund is used to account for funds to be used in future projects involving the construction of sidewalks, bike paths, and greenways.

Municipal Buildings/Land Capital Reserve Fund. This fund is used to account for funds to be used in the future construction of buildings and land purchases.

Public Works Facility Capital Reserve Fund. This fund is used to account for funds to be used in the future construction of a public works facility.

GWR ROW/Construction Capital Projects Fund. This fund is used to account for funds used in the purchase of right-of-way for and the construction of the Great Wagon Road.

Jack Warren Park Maintenance Facility/Playground Expansion Capital Projects Fund. This fund is used to account for funds to be used in the construction of a maintenance building and a playground at Jack Warren Park.

Gateway Project Capital Projects Fund. This fund is used to account for the funds used in the roadway project to make improvements along Williams Road between the Highway 421 Interchange and the roundabout at Shallowford Road.

Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Projects Fund. This fund is used to account for the funds to be used in the construction of a roundabout at the intersection of Lewisville-Vienna Road and Robinhood Road.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-Wide Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgements, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Lewisville because the tax is levied by Forsyth County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Willow Run MSD Special Revenue Fund, the GWR ROW/Construction Capital Reserve Fund, Sidewalks, Bike Paths, and Greenways Capital Reserve Fund, the Municipal Buildings/Land Capital Reserve Fund, and the Public Works Facility Capital Reserve Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the American Rescue Plan Act Special Revenue Fund, GWR ROW/Construction Capital Projects Fund, the Jack Warren Park Maintenance Facility/Playground Expansion Capital Projects Fund, the Gateway Project Capital Projects Fund, the Community Center Capital Projects Fund, and the Roundabout at Lewisville-Vienna Road and Robinhood Road Capital Projects Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board and the board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the Town are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are generally reported at fair value. The North Carolina Capital Management Trust (NCCMT), which consists of a SEC-registered mutual fund (the Government Portfolio), is authorized by G.S. 159-30(c)(8). The Government Portfolio, which invests in treasuries and government agencies, is a money market mutual fund (2a7) and maintains an AAAM rating from S&P and AAAMf by Moody's Investor Service. It is reported at fair value.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

TOWN OF LEWISVILLE, NORTH CAROLINA

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

3. Restricted Assets

Powell Bill funds are classified as restricted cash because it can be expended only for the purpose outlined in G.S. 136-41.1 through 136-41.4. Developer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

Town of Lewisville Restricted Cash

Governmental Activities:

General Fund:

Streets	\$ 510,306
Developer Deposits	200,346
ARPA Special Revenue Fund - Unassigned Proceeds	<u>804,068</u>
Total Governmental Activities	<u>1,514,720</u>
Total Restricted Cash	<u>\$ 1,514,720</u>

4. Ad Valorem Taxes Receivable

In accordance with State Law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2021.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, buildings, improvements, infrastructure, furniture and equipment, and vehicles, \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (in Years)
Park and infrastructure	10 - 30
Buildings	20
Vehicles	5
Furniture and equipment	3 - 10

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension deferrals for the 2022 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meets the criterion for this category, property taxes receivable and pension deferrals.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

9. Compensated Absences

The vacation policy of the Town provides for accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Town’s government-wide financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town’s sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

10. Reimbursements for Pandemic-Related Expenditures

During fiscal year ended June 30, 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent Covid-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The Town of Lewisville was allocated \$4,024,472 of fiscal recovery funds to be paid in two equal installments. The first installment of \$2,012,236 was received in July, 2021. The second installment of \$2,012,236 was received in July, 2022. The Lewisville Town Council has elected to use \$1,208,168 of the ARPA funds for revenue replacement in the fiscal year ended June 30, 2022. The \$1,208,168 used for revenue replacement was transferred to the General Fund from the American Rescue Plan Act Special Revenue Fund during the year ended June 30, 2022. As of June 30, 2022, the unused funds of \$804,068 are classified as unearned revenue.

11. Net Position/Fund Balances

Net Position

Net position in government-wide financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Restricted Fund Balance – The classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for Streets – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Committed Fund Balance – Portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Lewisville’s governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Willow Run MSD Special Revenue Fund – This fund is used to account for the revenue collected by and expenditures paid out of the Willow Run MSD Special Revenue Fund.

Committed for American Rescue Plan Act Special Revenue Fund – This grant project ordinance accounts for the funds received under the American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds.

Committed for Capital Projects Funds – These funds are used to account for the revenues and expenditures of the various capital projects funds of the Town.

Assigned Fund Balance – Portion of fund balance that the Town of Lewisville intends to use for specific purposes.

Subsequent year’s expenditures – Portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing board approves the appropriation.

Unassigned Fund Balance – The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Town of Lewisville has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

The Town of Lewisville has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 65% of budgeted expenditures.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Lewisville's employer contributions are recognized when due and the Town of Lewisville has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

II. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agent in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2022, the Town's deposits had a carrying amount of \$5,457,231 and a bank balance of \$5,551,598. Of the bank balance, \$250,000 was covered by federal depository insurance and the

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

remainder was covered by collateral held under the Pooling Method. At June 30, 2022, the Town's petty cash fund totaled \$200.

2. Investments

At June 30, 2022, the Town of Lewisville had \$6,580,329 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's and AAAMf by Moody's Investors Service. The Town has no policy regarding credit risk.

3. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,905,327	\$ -	\$ -	\$ 1,905,327
Sewer rights	600,000	-	-	600,000
Construction in progress	4,615,874	2,019,315	4,783,556	1,851,633
Total capital assets not being depreciated	7,121,201	2,019,315	4,783,556	4,356,960
Capital assets being depreciated:				
Buildings	3,363,778	4,394,247	-	7,758,025
Furniture and equipment	276,410	381,809	-	658,219
Vehicles and motorized equipment	80,649	50,170	-	130,819
Infrastructure	2,470,852	-	-	2,470,852
Park	2,479,249	-	-	2,479,249
Total capital assets being depreciated	8,670,938	4,826,226	-	13,497,164
Less accumulated depreciation for:				
Buildings	2,106,207	288,944	-	2,395,151
Furniture and equipment	254,764	60,839	-	315,603
Vehicles and motorized equipment	38,305	15,302	-	53,607
Infrastructure	690,197	82,362	-	772,559
Park	1,584,244	86,532	-	1,670,776
Total accumulated depreciation	4,673,717	533,979	-	5,207,696
Total capital assets being depreciated, net	3,997,221			8,289,468
Governmental activity capital assets, net	\$ 11,118,422			\$ 12,646,428

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 145,267
Public works	103,981
Planning	-
Parks and recreation	284,731
Total depreciation expense	<u>\$ 533,979</u>

Construction Commitments

The Town of Lewisville has active construction projects as of June 30, 2022. At year-end, the Town's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Gateway Project	\$ 289,993	\$ 1,220
Roundabout at Lewisville-Vienna Road and Robinhood Road	203,235	216,619
Community Center	3,890,492	69,194
	<u>\$ 4,383,720</u>	<u>\$ 287,033</u>

B. Liabilities

1. Pension Plan Obligations

a) Local Governmental Employees' Retirement System

Plan Description. The Town of Lewisville is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of the

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable services as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Lewisville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Lewisville's contractually required contribution rate for the year ended June 30, 2022, was 11.35% of compensation for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Lewisville were \$82,886 for the year ended June 30, 2022.

Refunds of Contributions. Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2022, the Town reported a liability of \$96,619 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021 (measurement date), the Town's proportion was .00630%, which was a decrease of .00033% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$49,997. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 30,737	\$ -
Changes of assumptions	60,700	-
Net difference between projected and actual earnings on pension plan investments	-	138,036
Changes in proportion and differences between Town contributions and proportionate share of contributions	13,731	496
Town contributions subsequent to the measurement date	<u>82,886</u>	<u>-</u>
Total	<u>\$ 188,054</u>	<u>\$ 138,532</u>

\$82,886 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Year Ended June 30		
2023	\$	16,423
2024		1,605
2025		(9,152)
2026		(42,240)
2027		-
Thereafter		-
	<u>\$</u>	<u>(33,364)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the 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.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.5 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$ 375,057	\$ 96,619	\$ (132,524)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

b) 457 Retirement Plan

All permanent full-time employees of the Town are eligible to participate in the Town’s 457 Retirement Plan, a cost-sharing multiple-employer defined contribution plan administered by the International City Management Association Retirement Corporation (ICMA). Participation begins at the time of employment. Under the provisions of the plan, employees may contribute up to 100% of compensation, subject to a maximum established by the Internal Revenue Code, and the Town contributes up to 1.2% of the employees’ compensation. Total contributions for the year ended June 30, 2022 amounted to \$8,671, which consisted of \$4,587 from employees and \$4,084 from the Town. Information regarding the plan may be obtained by writing to ICMA Retirement Corporation, 777 North Capitol Street NE, Washington, D.C. 20002-4200.

c) Supplemental Retirement Income Plan

All permanent full-time employees of the Town are eligible to participate in the Supplemental Retirement Income Plan, a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Participation begins at the time of employment. Under the provisions of the plan, employees may contribute up to 100% of compensation, subject to a maximum established by the Internal Revenue Code, and the Town contributes up to 1.2% of the employees’ compensation. Total contributions for the year ended June 30, 2022 amounted to \$15,632, which consisted of \$10,950 from employees and \$4,682 from the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State’s Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. The report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

2. Deferred Outflows and Inflows of Resources

Deferred outflows of resources reported on the Statement of Net Position is comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	\$ 82,886
Differences between expected and actual experience	30,737
Changes in assumptions	60,700
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>13,731</u>
Total	<u>\$ 188,054</u>

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Deferred inflows of resources at year-end is comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Taxes receivable (General Fund)	\$ -	\$ 22,115
Taxes receivable (Special Revenue Fund)	-	850
Net difference between projected and actual earnings on pension plan investments	138,036	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	496	-
Total	\$ 138,532	\$ 22,965

3. Risk Management

The Town 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. The Town participates in two self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$5 million per occurrence, property coverage up to the total insured values of the property policy and workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance and excess insurance purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town is a participant in the National Flood Insurance Program. Residents of the Town are eligible to purchase flood insurance up to the limits under the Regular Phase of the Program.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance

TOWN OF LEWISVILLE, NORTH CAROLINA

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

officer is individually bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for various amounts.

4. Commitments

The Town has entered into a contract for solid waste and recycling collection expiring in June 2024 for approximately \$884,000 per year.

5. Long-Term Obligations

a) Direct Placement Financing Agreement – Mary Alice Warren Community Center

On September 4, 2020, the Town entered into a direct placement financing agreement with a bank for \$2,000,000 to be used to construct the Mary Alice Warren Community Center. Principal payments of \$200,000 plus interest at 1.80% are due each September 4 through September 4, 2030. The loan is secured by a Deed of Trust on the Mary Alice Warren Community Center building. In the event of default, the bank may declare the unpaid principal components of the installment payments due and payable. A summary of the annual requirements of the financing agreement follows:

Year Ending June 30	Principal	Interest
2023	\$ 200,000	\$ 32,400
2024	200,000	28,800
2025	200,000	25,200
2026	200,000	21,600
2027	200,000	18,000
2028-2031	800,000	36,000
	<u>\$ 1,800,000</u>	<u>\$ 162,000</u>

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

b) Changes in Long-Term Liabilities

Compensated absences and pension liabilities for governmental activities typically have been liquidated in the general fund.

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Direct placement financing agreement - Mary Alice Warren Community Center	\$ 2,000,000	\$ -	\$ 200,000	\$ 1,800,000	\$ 200,000
Compensated absences	47,962	61,887	71,436	38,413	28,332
Net pension liability (LGERS)	236,918	-	140,299	96,619	-
Total long-term liabilities	\$ 2,284,880	\$ 61,887	\$ 411,735	\$ 1,935,032	\$ 228,332

At June 30, 2022, the Town of Lewisville had a legal debt margin of \$128,157,288.

C. Interfund Balances and Activity

Transfers from the General Fund to Non-Major Funds

From the General Fund to the GWR ROW/Construction Capital Reserve Fund for future projects related to the construction of the Great Wagon Road	\$ 115,000
From the General Fund to the Sidewalks, Bike Paths, and Greenways Capital Reserve Fund for future projects	25,000
From the General Fund to the Public Works Facility Capital Reserve Fund to finance the construction of a new public works facility	<u>95,000</u>
	<u>\$ 235,000</u>

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Transfers from Other Major Funds to the General Fund

From the American Rescue Plan Act Special Revenue Fund to the General Fund to replace lost revenue as a result of the COVID-19 pandemic	\$ 1,208,168
	<u>\$ 1,208,168</u>

Other Transfers

From the Municipal Buildings/Land Capital Reserve Fund to the Community Center Capital Projects Fund for the construction of the Mary Alice Warren Community Center	\$ 40,000
From the Sidewalks, Bike Paths, and Greenways Capital Reserve to the Gateway Project Capital Projects Fund for engineering costs related to the Gateway Project	<u>16,114</u>
	<u>\$ 56,114</u>

Transfers are used to move unrestricted revenues to finance various programs that the Town must account for in other funds in accordance with budgetary authorizations, including amounts providing matching funds for various grant programs.

D. Net Investment in Capital Assets

Net investment in capital assets on the Statement of Net Position is calculated as follows:

Capital assets	\$ 12,646,428
Less long-term debt	<u>1,800,000</u>
Net investment in capital assets	<u>\$ 10,846,428</u>

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

E. Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total Fund Balance - General Fund	\$	7,943,134
Less:		
Restricted for Stabilization by State Statute		485,581
Restricted for Streets		510,306
Appropriated fund balance in FY 2022-2023 budget		1,205,260
Remaining fund balance	\$	<u>5,741,987</u>

III. Jointly Governed Organizations

The Town, in conjunction with twelve counties and sixty-one other municipalities established the Piedmont Triad Regional Council. The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town paid membership fees of \$2,812 to the Council during the fiscal year ended June 30, 2022.

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

V. Other Matters

Effective July 14, 2014, the Town of Lewisville has entered into an agreement with the City County Utilities Commission of the City of Winston-Salem and Forsyth County (CCUC) whereby the CCUC will continue the operation of the water and sewer systems within the Town of Lewisville's Area of Influence. This agreement establishes a Capital Reserve Account to be funded primarily by a multiplier of water and sewer rates and a portion of assessment revenues. Expenditures from the Capital Reserve Account are to be used only to pay the cost of constructing water lines and sewer system facilities and the cost of future capacity purchases as they may become necessary.

TOWN OF LEWISVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Also, the Town of Lewisville has paid the CCUC \$600,000 for sewer capacity provided by the Harper Road Lift Station.

VI. *Subsequent Events*

Subsequent events have been evaluated through October 25, 2022, which is the date the financial statements were available to be issued.

Required Supplemental Financial Data

TOWN OF LEWISVILLE, NORTH CAROLINA

Town of Lewisville's Proportionate Share of Net Pension Liability (Asset)

Required Supplementary Information

Last Nine Fiscal Years *

Local Governmental Employees' Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Lewisville's proportion of the net pension liability (asset) (%)	0.00630%	0.00663%	0.00666%	0.00796%	0.00709%
Lewisville's proportion of the net pension liability (asset) (\$)	\$ 96,619	\$ 236,918	\$ 181,879	\$ 188,838	\$ 108,316
Lewisville's covered payroll	\$ 589,454	\$ 624,634	\$ 617,225	\$ 610,359	\$ 577,000
Lewisville's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	16.39%	37.93%	29.47%	30.94%	18.77%
Plan fiduciary net position as a percentage of the total pension liability **	95.51%	88.61%	90.86%	91.63%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Lewisville's proportion of the net pension liability (asset) (%)	0.00769%	0.00767%	0.00727%	0.00900%	
Lewisville's proportion of the net pension liability (asset) (\$)	\$ 163,208	\$ 34,422	\$ (42,874)	\$ 108,485	
Lewisville's covered payroll	\$ 629,911	\$ 645,697	\$ 594,539	\$ 612,200	
Lewisville's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	25.91%	5.33%	-7.21%	17.72%	
Plan fiduciary net position as a percentage of the total pension liability **	91.47%	98.09%	102.64%	94.35%	

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

This pension schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF LEWISVILLE, NORTH CAROLINA

Town of Lewisville's Contributions Required Supplementary Information Last Nine Fiscal Years

Local Governmental Employees' Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 82,886	\$ 59,830	\$ 55,905	\$ 47,835	\$ 45,777
Contributions in relation to the contractually required contribution	82,886	59,830	55,905	47,835	45,777
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Lewisville's covered payroll	\$ 730,273	\$ 589,454	\$ 624,634	\$ 617,225	\$ 610,359
Contributions as a percentage of covered payroll	11.35%	10.15%	8.95%	7.75%	7.50%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 41,833	\$ 42,015	\$ 45,651	\$ 42,034
Contributions in relation to the contractually required contribution	41,833	42,015	45,651	42,034
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Lewisville's covered payroll	\$ 577,000	\$ 629,911	\$ 645,697	\$ 594,539
Contributions as a percentage of covered payroll	7.25%	6.67%	7.07%	7.07%

This pension schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Individual Fund Schedules

TOWN OF LEWISVILLE, NORTH CAROLINA

General Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2022**

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes			
Taxes	\$ 2,761,490	\$ 2,875,299	
Penalties and interest	4,000	5,850	
Total	<u>2,765,490</u>	<u>2,881,149</u>	<u>115,659</u>
Unrestricted intergovernmental			
Local option sales taxes	896,530	1,078,665	
Telecommunications sales tax	27,950	22,070	
Electricity sales tax	438,110	435,250	
Piped natural gas sales tax	16,020	22,907	
Video programming sales tax	134,810	131,870	
Beer and wine tax	59,470	53,206	
ABC Board profit distribution	190,000	233,274	
Total	<u>1,762,890</u>	<u>1,977,242</u>	<u>214,352</u>
Restricted intergovernmental			
Powell Bill allocation	389,471	389,472	
Local occupancy tax	21,000	49,625	
Solid waste disposal tax	9,890	10,108	
Total	<u>420,361</u>	<u>449,205</u>	<u>28,844</u>
Investment earnings	<u>370</u>	<u>2,250</u>	<u>1,880</u>
Miscellaneous	<u>10,200</u>	<u>67,807</u>	<u>57,607</u>
Total revenues	<u>4,959,311</u>	<u>5,377,653</u>	<u>418,342</u>
Expenditures			
General government			
Governing body			
Salaries and employee benefits		18,785	
Professional services		85,042	
Membership dues		20,649	
Support contracts		88,997	
Other operating expenditures		37,004	
Total	<u>351,395</u>	<u>250,477</u>	<u>100,918</u>

continued

TOWN OF LEWISVILLE, NORTH CAROLINA

General Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2022**

	Budget	Actual	Variance Positive (Negative)
Administration			
Salaries and employee benefits		436,129	
Support contracts		63,044	
Other operating expenditures		195,714	
Total	<u>791,653</u>	<u>694,887</u>	<u>96,766</u>
Finance			
Salaries and employee benefits		206,351	
Support contracts		8,430	
Other operating expenditures		10,401	
Total	<u>246,851</u>	<u>225,182</u>	<u>21,669</u>
Total general government	<u>1,389,899</u>	<u>1,170,546</u>	<u>219,353</u>
Public Works			
Public works			
Salaries and employee benefits		266,464	
Support contracts		61,823	
Capital outlay		50,170	
Other operating expenditures		29,694	
Total	<u>474,909</u>	<u>408,151</u>	<u>66,758</u>
Beautification			
Support contracts		80,727	
Other operating expenditures		2,665	
Total	<u>91,228</u>	<u>83,392</u>	<u>7,836</u>
Powell Bill			
Road paving, repairs and maintenance		335,919	
Other operating expenditures		53,785	
Total	<u>425,519</u>	<u>389,704</u>	<u>35,815</u>
Storm Water			
Support contracts		53,433	
Other operating expenditures		2,618	
Total	<u>115,341</u>	<u>56,051</u>	<u>59,290</u>
Solid Waste			
Support contracts		829,040	
Other operating expenditures		4,351	
Total	<u>862,605</u>	<u>833,391</u>	<u>29,214</u>

continued

TOWN OF LEWISVILLE, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Recycling			
Support contracts		-	
Other operating expenditures		5,525	
Total	<u>7,195</u>	<u>5,525</u>	<u>1,670</u>
Streets			
Support contracts		85,189	
Road paving, repairs and maintenance		120,000	
Other operating expenditures		27,652	
Total	<u>318,904</u>	<u>232,841</u>	<u>86,063</u>
Total public works	<u>2,295,701</u>	<u>2,009,055</u>	<u>286,646</u>
Planning			
Salaries and employee benefits		107,594	
Support contracts		82,256	
Other operating expenditures		23,686	
Total planning	<u>463,387</u>	<u>213,536</u>	<u>249,851</u>
Parks and recreation			
Event expenses		54,953	
Support contracts		61,793	
Other operating expenditures		143,465	
Total parks and recreation	<u>391,713</u>	<u>260,211</u>	<u>131,502</u>
Public safety			
Community policing			
Support contracts		664,516	
Other operating expenditures		12,753	
Total	<u>714,745</u>	<u>677,269</u>	<u>37,476</u>
Public safety			
Support contracts		-	
Other operating expenditures		8,934	
Total	<u>11,650</u>	<u>8,934</u>	<u>2,716</u>
Total public safety	<u>726,395</u>	<u>686,203</u>	<u>40,192</u>

continued

TOWN OF LEWISVILLE, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Debt service			
Principal retirement		200,000	
Interest and other charges		36,000	
Total debt service	<u>236,000</u>	<u>236,000</u>	<u>-</u>
Total expenditures	<u>5,503,095</u>	<u>4,575,551</u>	<u>927,544</u>
Revenues over (under) expenditures	<u>(543,784)</u>	<u>802,102</u>	<u>1,345,886</u>
Other financing sources (uses):			
Transfers from other funds	-	1,208,168	1,208,168
Transfers to other funds	<u>(235,000)</u>	<u>(235,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(235,000)</u>	<u>973,168</u>	<u>1,208,168</u>
Fund balance appropriated	778,784	-	(778,784)
Net change in fund balance	<u>\$ -</u>	<u>1,775,270</u>	<u>\$ 1,775,270</u>
Fund balance, beginning		<u>6,167,864</u>	
Fund balance, ending		<u>\$ 7,943,134</u>	

TOWN OF LEWISVILLE, NORTH CAROLINA

Capital Projects Fund - Community Center

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues					
State grant revenue	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000
Investment earnings	-	3,337	256	3,593	3,593
Total revenues	-	3,337	100,256	103,593	103,593
Expenditures					
Capital outlay	4,947,137	2,998,552	1,777,504	4,776,056	171,081
Total expenditures	4,947,137	2,998,552	1,777,504	4,776,056	171,081
Revenues over (under) expenditures	(4,947,137)	(2,995,215)	(1,677,248)	(4,672,463)	274,674
Other financing sources (uses)					
Transfers from other funds					
General Fund	1,326,712	1,326,712	-	1,326,712	-
Municipal Buildings/Land Capital Reserve Fund	1,460,988	1,420,988	40,000	1,460,988	-
Storm Water Capital Reserve Fund	159,437	159,437	-	159,437	-
Proceeds from financing agreement	2,000,000	2,000,000	-	2,000,000	-
Total other financing sources (uses)	4,947,137	4,907,137	40,000	4,947,137	-
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	\$ -	\$ 1,911,922	(1,637,248)	\$ 274,674	\$ 274,674
Fund balance, beginning			1,911,922		
Fund balance, ending			\$ 274,674		

TOWN OF LEWISVILLE, NORTH CAROLINA

American Rescue Plan Act Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues					
American Rescue Plan Act funds	\$ 4,024,472	\$ -	\$ 1,208,168	\$ 1,208,168	\$ (2,816,304)
Investment earnings	-	-	1,402	1,402	1,402
Total revenues	<u>4,024,472</u>	<u>-</u>	<u>1,209,570</u>	<u>1,209,570</u>	<u>(2,814,902)</u>
Expenditures					
Unassigned ARPA funding	<u>2,706,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,706,072</u>
Total expenditures	<u>2,706,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,706,072</u>
Revenues over (under) expenditures	<u>1,318,400</u>	<u>-</u>	<u>1,209,570</u>	<u>1,209,570</u>	<u>(108,830)</u>
Other financing sources (uses)					
Transfers to other funds					
General Fund	<u>(1,318,400)</u>	<u>-</u>	<u>(1,208,168)</u>	<u>(1,208,168)</u>	<u>110,232</u>
Total other financing sources (uses)	<u>(1,318,400)</u>	<u>-</u>	<u>(1,208,168)</u>	<u>(1,208,168)</u>	<u>110,232</u>
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,402</u>	<u>\$ 1,402</u>	<u>\$ 1,402</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 1,402</u>		

TOWN OF LEWISVILLE, NORTH CAROLINA
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

	Willow Run Municipal Service District Special Revenue Fund	GWR ROW/ Construction Capital Reserve Fund	Sidewalks, Bike Paths, and Greenways Capital Reserve Fund	Municipal Buildings/Land Capital Reserve Fund	Public Works Facility Capital Reserve Fund
Assets					
Cash and cash equivalents	\$ 192,084	\$ 1,051,084	\$ 132,270	\$ 130,370	\$ 330,121
Taxes receivable, net	850	-	-	-	-
Due from other governments	693	-	-	-	-
Total assets	<u>193,627</u>	<u>1,051,084</u>	<u>132,270</u>	<u>130,370</u>	<u>330,121</u>
Liabilities					
Accounts payable and accrued liabilities	332	-	-	-	-
Total liabilities	<u>332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Property taxes receivable	850	-	-	-	-
Total deferred inflows of resources	<u>850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted by stabilization by State Statute	693	-	-	-	-
Committed	191,752	1,051,084	132,270	130,370	330,121
Total fund balances	<u>192,445</u>	<u>1,051,084</u>	<u>132,270</u>	<u>130,370</u>	<u>330,121</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 193,627</u>	<u>\$ 1,051,084</u>	<u>\$ 132,270</u>	<u>\$ 130,370</u>	<u>\$ 330,121</u>

continued

TOWN OF LEWISVILLE, NORTH CAROLINA
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

	GWR ROW/ Construction Capital Projects Fund	Jack Warren Park Maintenance Facility/ Playground Expansion Capital Projects Fund	Gateway Project Capital Projects Fund	Roundabout at Lewisville- Vienna Road and Robinhood Road Capital Projects Fund	Total Non- Major Governmental Funds
Assets					
Cash and cash equivalents	\$ 735,968	\$ 20,661	\$ 191,785	\$ 207,055	\$ 2,991,398
Taxes receivable, net	-	-	-	-	850
Due from other governments	-	-	-	19,840	20,533
Total assets	<u>735,968</u>	<u>20,661</u>	<u>191,785</u>	<u>226,895</u>	<u>3,012,781</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	9,829	10,161
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,829</u>	<u>10,161</u>
Deferred Inflows of Resources					
Property taxes receivable	-	-	-	-	850
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850</u>
Fund Balances					
Restricted by stabilization by State Statute	-	-	-	19,840	20,533
Committed	735,968	20,661	191,785	197,226	2,981,237
Total fund balances	<u>735,968</u>	<u>20,661</u>	<u>191,785</u>	<u>217,066</u>	<u>3,001,770</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 735,968</u>	<u>\$ 20,661</u>	<u>\$ 191,785</u>	<u>\$ 226,895</u>	<u>\$ 3,012,781</u>

TOWN OF LEWISVILLE, NORTH CAROLINA
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balance -
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2022

	Willow Run Municipal Service District Special Revenue Fund	GWR ROW/ Construction Capital Reserve Fund	Sidewalks, Bike Paths, and Greenways Capital Reserve Fund	Municipal Buildings/Land Capital Reserve Fund	Public Works Facility Capital Reserve Fund
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Ad valorem taxes	37,375	-	-	-	-
Investment earnings	253	1,683	212	152	439
Miscellaneous revenue	154	-	-	-	-
Total revenues	<u>37,782</u>	<u>1,683</u>	<u>212</u>	<u>152</u>	<u>439</u>
Expenditures					
Public works	39,177	-	-	-	-
Parks and recreation	-	-	-	-	-
Total expenditures	<u>39,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,395)</u>	<u>1,683</u>	<u>212</u>	<u>152</u>	<u>439</u>
Other financing sources (uses)					
Transfers from other funds	-	115,000	25,000	-	95,000
Transfers to other funds	-	-	(16,114)	(40,000)	-
Total other financing sources (uses)	<u>-</u>	<u>115,000</u>	<u>8,886</u>	<u>(40,000)</u>	<u>95,000</u>
Net change in fund balance	<u>(1,395)</u>	<u>116,683</u>	<u>9,098</u>	<u>(39,848)</u>	<u>95,439</u>
Fund balance, beginning	193,840	934,401	123,172	170,218	234,682
Fund balance, ending	<u>\$ 192,445</u>	<u>\$ 1,051,084</u>	<u>\$ 132,270</u>	<u>\$ 130,370</u>	<u>\$ 330,121</u>

continued

TOWN OF LEWISVILLE, NORTH CAROLINA
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balance -
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2022

	GWR ROW/ Construction Capital Projects Fund	Jack Warren Park Maintenance Facility/ Playground Expansion Capital Projects Fund	Gateway Project Capital Projects Fund	Roundabout at Lewisville- Vienna Road and Robinhood Road Capital Projects Fund	Total Non- Major Governmental Funds
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ 14,842	\$ 162,588	\$ 177,430
Ad valorem taxes	-	-	-	-	37,375
Investment earnings	1,179	33	25	414	4,390
Miscellaneous revenue	-	-	-	-	154
Total revenues	1,179	33	14,867	163,002	219,349
Expenditures					
Public works	-	-	38,276	203,535	280,988
Parks and recreation	-	-	-	-	-
Total expenditures	-	-	38,276	203,535	280,988
Revenues over (under) expenditures	1,179	33	(23,409)	(40,533)	(61,639)
Other financing sources (uses)					
Transfers from other funds	-	-	16,114	-	251,114
Transfers to other funds	-	-	-	-	(56,114)
Total other financing sources (uses)	-	-	16,114	-	195,000
Net change in fund balance	1,179	33	(7,295)	(40,533)	133,361
Fund balance, beginning	734,789	20,628	199,080	257,599	2,868,409
Fund balance, ending	\$ 735,968	\$ 20,661	\$ 191,785	\$ 217,066	\$ 3,001,770

TOWN OF LEWISVILLE, NORTH CAROLINA

Special Revenue Fund - Willow Run Municipal Service District

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Fiscal Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes	\$ 35,750	\$ 37,375	\$ 1,625
Investment earnings	-	253	253
Miscellaneous revenue	-	154	154
Total revenues	<u>35,750</u>	<u>37,782</u>	<u>2,032</u>
Expenditures			
Public works	<u>54,300</u>	<u>39,177</u>	<u>15,123</u>
Total expenditures	<u>54,300</u>	<u>39,177</u>	<u>15,123</u>
Revenues over (under) expenditures	(18,550)	(1,395)	17,155
Fund balance appropriated	18,550	-	(18,550)
Net change in fund balance	<u>\$ -</u>	<u>(1,395)</u>	<u>\$ (1,395)</u>
Fund balance, beginning		193,840	
Fund balance, ending		<u>\$ 192,445</u>	

TOWN OF LEWISVILLE, NORTH CAROLINA
GWR ROW/Construction Capital Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Fiscal Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 1,683	\$ 1,683
Total revenues	-	1,683	1,683
Expenditures	115,000	-	115,000
Revenues over (under) expenditures	(115,000)	1,683	116,683
Other financing sources (uses)			
Transfers from other funds			
General Fund	115,000	115,000	-
Total other financing sources (uses)	115,000	115,000	-
Fund balance appropriated	-	-	-
Net change in fund balance	\$ -	116,683	\$ 116,683
Fund balance, beginning		934,401	
Fund balance, ending		\$ 1,051,084	

TOWN OF LEWISVILLE, NORTH CAROLINA

Sidewalks, Bike Paths and Greenways Capital Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Fiscal Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 212	\$ 212
Total revenues	-	212	212
Expenditures	25,000	-	25,000
Revenues over (under) expenditures	(25,000)	212	25,212
Other financing sources (uses)			
Transfers from other funds			
General Fund	25,000	25,000	-
Transfers to other funds			
Gateway Project Capital Projects Fund	(16,114)	(16,114)	-
Total other financing sources (uses)	8,886	8,886	-
Fund balance appropriated	16,114	-	(16,114)
Net change in fund balance	\$ -	9,098	\$ 9,098
Fund balance, beginning		123,172	
Fund balance, ending		\$ 132,270	

TOWN OF LEWISVILLE, NORTH CAROLINA
Municipal Buildings/Land Capital Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Fiscal Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 152	\$ 152
Total revenues	-	152	152
Expenditures	-	-	-
Revenues over (under) expenditures	-	152	152
Other financing sources (uses)			
Transfers from other funds			
General Fund	-	-	-
Transfers to other funds			
Community Center Capital Projects Fund	(40,000)	(40,000)	-
Total other financing sources (uses)	(40,000)	(40,000)	-
Fund balance appropriated	40,000	-	(40,000)
Net change in fund balance	<u>\$ -</u>	<u>(39,848)</u>	<u>\$ (39,848)</u>
Fund balance, beginning		170,218	
Fund balance, ending		<u>\$ 130,370</u>	

TOWN OF LEWISVILLE, NORTH CAROLINA
Public Works Facility Capital Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Fiscal Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 439	\$ 439
Total revenues	-	439	439
Expenditures	95,000	-	95,000
Revenues over (under) expenditures	(95,000)	439	95,439
Other financing sources (uses)			
Transfers from other funds			
General Fund	95,000	95,000	-
Total other financing sources (uses)	95,000	95,000	-
Fund balance appropriated	-	-	-
Net change in fund balance	\$ -	95,439	\$ 95,439
Fund balance, beginning		234,682	
Fund balance, ending		\$ 330,121	

TOWN OF LEWISVILLE, NORTH CAROLINA

Capital Projects Fund - GWR ROW/Construction

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2022**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues					
Restricted intergovernmental	\$ -	\$ 221,684	\$ -	\$ 221,684	\$ 221,684
Investment earnings	-	43,465	1,179	44,644	44,644
Total revenues	-	265,149	1,179	266,328	266,328
Expenditures					
Capital outlay	1,563,800	1,093,360	-	1,093,360	470,440
Total expenditures	1,563,800	1,093,360	-	1,093,360	470,440
Revenues over (under) expenditures	(1,563,800)	(828,211)	1,179	(827,032)	736,768
Other financing sources (uses)					
Transfers from other funds:					
General Fund	596,000	596,000	-	596,000	-
GWR ROW/Construction Capital Reserve Fund	967,000	967,000	-	967,000	-
Total other financing sources (uses)	1,563,000	1,563,000	-	1,563,000	-
Fund balance appropriated	800	-	-	-	(800)
Net change in fund balance	\$ -	\$ 734,789	1,179	\$ 735,968	\$ 735,968
Fund balance, beginning			734,789		
Fund balance, ending			\$ 735,968		

TOWN OF LEWISVILLE, NORTH CAROLINA

**Capital Projects Fund - Jack Warren Park Maintenance Facility/Playground Expansion
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2022**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues					
Investment earnings	\$ -	\$ 1,109	\$ 33	\$ 1,142	\$ 1,142
Total revenues	-	1,109	33	1,142	1,142
Expenditures					
Capital outlay	55,000	35,481	-	35,481	19,519
Total expenditures	55,000	35,481	-	35,481	19,519
Revenues over (under) expenditures	(55,000)	(34,372)	33	(34,339)	20,661
Other financing sources (uses)					
Transfers from other funds:					
Municipal Buildings/Land Capital Reserve Fund	55,000	55,000	-	55,000	-
Total other financing sources (uses)	55,000	55,000	-	55,000	-
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	\$ -	\$ 20,628	33	\$ 20,661	\$ 20,661
Fund balance, beginning			20,628		
Fund balance, ending			\$ 20,661		

TOWN OF LEWISVILLE, NORTH CAROLINA

Capital Projects Fund - Gateway Project

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2022**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues					
Grant revenue	\$ -	\$ 402,351	\$ 14,842	\$ 417,193	\$ 417,193
Investment earnings	-	14,256	25	14,281	14,281
Total revenues	-	416,607	14,867	431,474	431,474
Expenditures					
Capital outlay	1,510,794	516,463	38,276	554,739	956,055
Total expenditures	1,510,794	516,463	38,276	554,739	956,055
Revenues over (under) expenditures	(1,510,794)	(99,856)	(23,409)	(123,265)	1,387,529
Other financing sources (uses)					
Transfers from other funds:					
General Fund	1,195,744	-	-	-	(1,195,744)
Lewisville-Vienna Road Sidewalk Extension Grant Capital Projects Fund	172,145	172,145	-	172,145	-
Sidewalks, Bike Paths and Greenways Capital Reserve Fund	141,661	125,547	16,114	141,661	-
Harper Road Lift Station Capital Projects Fund	1,244	1,244	-	1,244	-
Total other financing sources (uses)	1,510,794	298,936	16,114	315,050	(1,195,744)
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	\$ -	\$ 199,080	(7,295)	\$ 191,785	\$ 191,785
Fund balance, beginning			199,080		
Fund balance, ending			\$ 191,785		

TOWN OF LEWISVILLE, NORTH CAROLINA

**Capital Projects Fund - Roundabout at Lewisville-Vienna Road and Robinhood Road
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2022**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues					
Grant revenue	\$ -	\$ -	\$ 162,588	\$ 162,588	\$ 162,588
Investment earnings	-	3,599	414	4,013	4,013
Total revenues	-	3,599	163,002	166,601	166,601
Expenditures					
Capital outlay	1,270,000	-	203,535	203,535	1,066,465
Total expenditures	1,270,000	-	203,535	203,535	1,066,465
Revenues over (under) expenditures	(1,270,000)	3,599	(40,533)	(36,934)	1,233,066
Other financing sources (uses)					
Transfers from other funds:					
General Fund	1,270,000	254,000	-	254,000	(1,016,000)
Total other financing sources (uses)	1,270,000	254,000	-	254,000	(1,016,000)
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	\$ -	\$ 257,599	(40,533)	\$ 217,066	\$ 217,066
Fund balance, beginning			257,599		
Fund balance, ending			\$ 217,066		

Other Schedules

TOWN OF LEWISVILLE, NORTH CAROLINA

Schedule of Ad Valorem Taxes Receivable

June 30, 2022

Fiscal Year	Uncollected Balance June 30, 2021	Additions	Collections and Credits	Uncollected Balance June 30, 2022
2021-2022	\$ -	\$ 2,875,305	\$ 2,866,164	\$ 9,141
2020-2021	5,718	-	3,202	2,516
2019-2020	2,822	-	943	1,879
2018-2019	1,827	-	533	1,294
2017-2018	1,323	-	476	847
2016-2017	2,429	-	288	2,141
2015-2016	2,669	-	295	2,374
2014-2015	835	-	290	545
2013-2014	1,065	-	278	787
2012-2013	847	-	256	591
2011-2012	2,464	-	2,464	-
	\$ 21,999	\$ 2,875,305	\$ 2,875,189	22,115
				-
				\$ 22,115
<u>Reconciliation with Revenues</u>				
				\$ 2,881,149
				(5,850)
				(2,574)
				2,464
				(5,960)
				\$ 2,875,189

TOWN OF LEWISVILLE, NORTH CAROLINA
Analysis of Current Tax Levy
Town-Wide Levy
June 30, 2022

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy					
Property taxed at current rate	\$ 1,603,615,254	\$ 0.177	\$ 2,838,399	\$ 2,540,108	\$ 298,291
Discoveries - Current and prior year taxes	28,197,740	\$ 0.177	49,910	49,910	-
Releases	<u>(7,346,893)</u>	\$ 0.177	<u>(13,004)</u>	<u>(13,004)</u>	<u>-</u>
Total property valuation	<u>\$ 1,624,466,101</u>				
Net levy			2,875,305	2,577,014	298,291
Unpaid (by taxpayer) at June 30, 2022			<u>(9,141)</u>	<u>(9,141)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 2,866,164</u>	<u>\$ 2,567,873</u>	<u>\$ 298,291</u>
Current levy collection percentage			<u>99.68%</u>	<u>99.65%</u>	<u>100.00%</u>

Statistical Section

Statistical Section

This part of the Town of Lewisville's 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 Town's overall financial health.

Contents

Financial Trends – These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity – These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules help the reader understand the environment within which the Town's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

TOWN OF LEWISVILLE, NORTH CAROLINA

Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

Schedule 1

	Fiscal Year				
	2022	2021	2020	2019	2018
Governmental Activities					
Net investment in capital assets	\$ 10,846,428	\$ 9,118,422	\$ 8,154,438	\$ 7,750,583	\$ 7,125,647
Restricted	1,048,345	953,673	1,038,938	909,549	992,877
Unrestricted	10,083,549	9,859,844	10,074,621	9,587,374	8,640,880
Total governmental activities net position	\$ 21,978,322	\$ 19,931,939	\$ 19,267,997	\$ 18,247,506	\$ 16,759,404

	Fiscal Year				
	2017	2016	2015	2014	2013
Governmental Activities					
Net investment in capital assets	\$ 7,223,726	\$ 7,199,929	\$ 5,895,932	\$ 5,215,523	\$ 5,235,180
Restricted	973,381	989,343	1,634,281	892,288	936,457
Unrestricted	7,681,819	6,921,185	6,467,630	6,955,023	6,390,568
Total governmental activities net position	\$ 15,878,926	\$ 15,110,457	\$ 13,997,843	\$ 13,062,834	\$ 12,562,205

TOWN OF LEWISVILLE, NORTH CAROLINA

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

Schedule 2

	Fiscal Year				
	2022	2021	2020	2019	2018
Expenses					
Governmental Activities:					
General government	\$ 1,365,085	\$ 1,237,921	\$ 1,228,361	\$ 1,216,653	\$ 1,081,813
Public works	2,013,279	1,928,082	1,821,310	1,912,092	1,678,658
Planning	210,593	196,793	167,653	136,217	159,518
Parks and recreation	552,442	205,165	232,562	239,533	261,365
Public safety	686,204	656,398	620,797	599,102	583,362
Interest on long-term debt	32,952	32,342	15,223	20,058	24,891
Total expenses	4,860,555	4,256,701	4,085,906	4,123,655	3,789,607
Program Revenues					
Governmental activities:					
Charges for services					
Public works	7,079	500	13,015	-	-
Planning	8,845	11,255	19,350	9,785	7,375
Parks and recreation	-	-	4,513	6,355	7,980
Operating grants and contributions	1,607,748	347,424	500,300	358,916	360,642
Capital grants and contributions	277,430	91,581	178,339	779,431	24,597
Total program revenues	1,901,102	450,760	715,517	1,154,487	400,594
Net (Expense)/Revenue	(2,959,453)	(3,805,941)	(3,370,389)	(2,969,168)	(3,389,013)
General Revenues					
Governmental activities:					
Taxes					
Property taxes	2,918,633	2,603,728	2,510,252	2,486,864	2,424,805
Local option sales taxes	1,078,665	924,367	853,341	833,100	770,309
Other taxes	714,928	698,623	711,772	770,187	770,859
Other	293,610	243,165	315,515	367,119	303,518
Total general revenues	5,005,836	4,469,883	4,390,880	4,457,270	4,269,491
Change in Net Position	\$ 2,046,383	\$ 663,942	\$ 1,020,491	\$ 1,488,102	\$ 880,478

continued

TOWN OF LEWISVILLE, NORTH CAROLINA

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

Schedule 2

	Fiscal Year				
	2017	2016	2015	2014	2013
Expenses					
Governmental Activities:					
General government	\$ 1,025,807	\$ 1,005,308	\$ 1,079,253	\$ 1,046,683	\$ 1,053,173
Public works	1,667,179	1,802,150	1,766,003	1,699,946	1,432,703
Planning	149,045	154,287	139,310	126,574	117,030
Parks and recreation	245,620	239,360	224,378	215,543	202,023
Public safety	546,202	510,417	495,350	454,942	451,896
Interest on long-term debt	29,727	35,522	42,777	49,065	78,747
Total expenses	<u>3,663,580</u>	<u>3,747,044</u>	<u>3,747,071</u>	<u>3,592,753</u>	<u>3,335,572</u>
Program Revenues					
Governmental activities:					
Charges for services					
Public works	-	-	-	-	-
Planning	7,645	3,715	1,840	3,780	2,660
Parks and recreation	6,924	7,206	7,272	16,516	11,593
Operating grants and contributions	361,733	367,956	366,144	363,371	351,383
Capital grants and contributions	67,094	524,914	550,893	-	-
Total program revenues	<u>443,396</u>	<u>903,791</u>	<u>926,149</u>	<u>383,667</u>	<u>365,636</u>
Net (Expense)/Revenue	<u>(3,220,184)</u>	<u>(2,843,253)</u>	<u>(2,820,922)</u>	<u>(3,209,086)</u>	<u>(2,969,936)</u>
General Revenues					
Governmental activities:					
Taxes					
Property taxes	2,264,797	2,227,096	2,188,558	2,235,387	2,358,788
Local option sales taxes	757,868	749,667	718,672	670,731	681,564
Other taxes	769,550	771,482	776,175	694,183	674,260
Other	196,438	207,622	138,977	109,414	120,614
Total general revenues	<u>3,988,653</u>	<u>3,955,867</u>	<u>3,822,382</u>	<u>3,709,715</u>	<u>3,835,226</u>
Change in Net Position	<u>\$ 768,469</u>	<u>\$ 1,112,614</u>	<u>\$ 1,001,460</u>	<u>\$ 500,629</u>	<u>\$ 865,290</u>

TOWN OF LEWISVILLE, NORTH CAROLINA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Schedule 3

	Fiscal Year				
	2022	2021	2020	2019	2018
General Fund					
Restricted	\$ 995,887	\$ 918,731	\$ 1,032,296	\$ 906,522	\$ 992,571
Committed	-	-	534,481	432,849	328,986
Assigned	1,205,260	425,954	230,510	75,505	99,373
Unassigned	5,741,987	4,823,179	5,991,906	5,699,090	5,405,088
Total general fund	7,943,134	6,167,864	7,789,193	7,113,966	6,826,018
All Other Governmental Funds					
Restricted	52,458	34,942	6,642	3,027	306
Committed	3,225,388	4,745,389	3,384,902	3,416,383	2,827,142
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	3,277,846	4,780,331	3,391,544	3,419,410	2,827,448
Total	\$ 11,220,980	\$ 10,948,195	\$ 11,180,737	\$ 10,533,376	\$ 9,653,466

	2017	2016	2015	2014	2013
General Fund					
Restricted	\$ 944,521	\$ 904,600	\$ 1,077,518	\$ 892,042	\$ 934,579
Committed	263,501	237,395	211,875	441,726	511,004
Assigned	58,416	56,870	49,840	51,410	-
Unassigned	4,362,069	3,887,471	3,468,250	4,537,398	4,069,346
Total general fund	5,628,507	5,086,336	4,807,483	5,922,576	5,514,929
All Other Governmental Funds					
Restricted	28,860	84,743	556,763	246	1,878
Committed	3,014,944	2,745,741	2,777,191	1,935,082	1,807,729
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	3,043,804	2,830,484	3,333,954	1,935,328	1,809,607
Total	\$ 8,672,311	\$ 7,916,820	\$ 8,141,437	\$ 7,857,904	\$ 7,324,536

TOWN OF LEWISVILLE, NORTH CAROLINA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Schedule 4

	Fiscal Year				
	2022	2021	2020	2019	2018
Revenues					
Ad valorem taxes	\$ 2,918,524	\$ 2,611,194	\$ 2,510,123	\$ 2,488,852	\$ 2,428,349
Other taxes and licenses	-	-	-	28,252	35,893
Unrestricted intergovernmental	1,977,242	1,818,566	1,723,949	1,703,311	1,618,089
Restricted intergovernmental	1,934,803	468,418	714,713	536,815	427,498
Investment earnings	8,298	1,080	119,176	184,112	92,135
Miscellaneous	67,961	28,850	38,307	25,400	71,664
Total revenues	6,906,828	4,928,108	5,106,268	4,966,742	4,673,628
Expenditures					
General government	1,170,546	1,069,240	1,052,471	1,003,369	930,331
Public works	1,998,062	1,801,037	1,732,329	1,821,108	1,592,046
Planning	213,536	191,465	162,688	136,348	157,195
Parks and recreation	260,211	114,675	131,741	138,712	160,879
Public safety	686,203	656,398	620,797	599,102	583,362
Debt service					
Interest and other charges	36,000	3,978	15,713	20,548	25,382
Principal	200,000	466,672	186,666	186,666	186,666
Capital outlay	2,069,485	2,857,185	556,502	180,979	56,612
Total expenditures	6,634,043	7,160,650	4,458,907	4,086,832	3,692,473
Excess (deficiency) of revenues over expenses	272,785	(2,232,542)	647,361	879,910	981,155
Other financing sources (uses)					
Transfers from other funds	1,499,282	3,113,166	812,200	675,000	1,075,312
Transfers to other funds	(1,499,282)	(3,113,166)	(812,200)	(675,000)	(1,075,312)
Proceeds from financing agreement	-	2,000,000	-	-	-
Total other financing sources (uses)	-	2,000,000	-	-	-
Net change in fund balances	\$ 272,785	\$ (232,542)	\$ 647,361	\$ 879,910	\$ 981,155
Debt service as a percentage of noncapital expenditures	5.17%	10.94%	5.19%	5.31%	5.83%

continued

TOWN OF LEWISVILLE, NORTH CAROLINA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Schedule 4

	Fiscal Year				
	2017	2016	2015	2014	2013
Revenues					
Ad valorem taxes	\$ 2,270,001	\$ 2,229,238	\$ 2,191,391	\$ 2,240,351	\$ 2,358,321
Other taxes and licenses	33,579	28,021	28,920	26,593	28,263
Unrestricted intergovernmental	1,599,106	1,597,024	1,530,936	1,390,374	1,379,067
Restricted intergovernmental	468,304	830,917	950,782	394,406	387,378
Investment earnings	23,265	13,243	1,321	705	2,823
Miscellaneous	43,001	63,944	48,013	45,918	44,544
Total revenues	4,437,256	4,762,387	4,751,363	4,098,347	4,200,396
Expenditures					
General government	861,327	880,782	935,378	865,310	834,916
Public works	1,581,719	1,743,648	1,738,772	1,650,734	1,396,541
Planning	156,282	156,609	144,156	156,163	116,144
Parks and recreation	145,601	140,093	126,026	117,562	106,027
Public safety	546,202	510,417	495,350	454,942	451,897
Debt service					
Interest and other charges	30,217	36,260	43,512	49,555	82,110
Principal	186,666	279,999	279,999	186,666	186,667
Capital outlay	173,751	1,239,196	704,637	84,047	294,201
Total expenditures	3,681,765	4,987,004	4,467,830	3,564,979	3,468,503
Excess (deficiency) of revenues over expenses	755,491	(224,617)	283,533	533,368	731,893
Other financing sources (uses)					
Transfers from other funds	597,618	400,634	1,941,578	210,000	240,337
Transfers to other funds	(597,618)	(400,634)	(1,941,578)	(210,000)	(240,337)
Proceeds from financing agreement	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	\$ 755,491	\$ (224,617)	\$ 283,533	\$ 533,368	\$ 731,893
Debt service as a percentage of noncapital expenditures	6.18%	8.44%	8.60%	6.79%	8.50%

TOWN OF LEWISVILLE, NORTH CAROLINA

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Schedule 5

Fiscal Year Ended June 30	Tax Year Ended December 31	Real Property	Personal Property	Public Service Companies	Total Assessed Value	Property Tax Rate (Per \$100 Assessed Value)	Ratio of Assessed Value to Estimated Actual Value
2022	2021	\$ 1,414,036,663	\$ 196,968,160	\$ 19,742,925	\$ 1,630,747,748	\$ 0.177	100%
2021	2020	1,234,195,036	179,583,454	18,315,358	1,432,093,848	0.177	100%
2020	2019	1,212,725,080	176,554,947	18,818,781	1,408,098,808	0.177	100%
2019	2018	1,198,711,678	167,092,214	18,462,243	1,384,266,135	0.177	100%
2018	2017	1,175,454,913	155,271,324	16,732,981	1,347,459,218	0.177	100%
2017	2016	1,089,190,989	150,413,497	16,114,682	1,255,719,168	0.177	100%
2016	2015	1,074,660,918	147,385,322	12,013,277	1,234,059,517	0.177	100%
2015	2014	1,061,634,550	142,288,931	12,013,277	1,215,936,758	0.177	100%
2014	2013	1,055,272,908	129,358,791	12,386,287	1,197,017,986	0.177	100%
2013	2012	1,162,525,518	134,753,619	12,068,961	1,309,348,098	0.177	100%

Source: TR-1 reports compiled by the Forsyth County Tax Department on a calendar year basis to meet reporting requirements of the Tax Research Division of the North Carolina Department of Revenue.

Assessed value is established by the Forsyth County Tax Department at 100% of estimated market value.

TOWN OF LEWISVILLE, NORTH CAROLINA

Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

Schedule 6

Fiscal Year Ended June 30	(1)	(2)	(3)			(4)
	Town of Lewisville General Fund	Forsyth County	Lewisville Fire District	Combined Tax Rate		Municipal Service District
2022	\$ 0.1770	\$ 0.6778	\$ 0.0839	\$ 0.9387		\$ 0.0500
2021	0.1770	0.7435	0.0873	1.0078		0.0500
2020	0.1770	0.7535	0.0873	1.0178		0.0500
2019	0.1770	0.7235	0.0836	0.9841		0.0450
2018	0.1770	0.7235	0.0800	0.9805		0.0450
2017	0.1770	0.7310	0.0800	0.9880		0.0450
2016	0.1770	0.7310	0.0800	0.9880		0.0450
2015	0.1770	0.7168	0.0780	0.9718		0.0500
2014	0.1770	0.7168	0.0780	0.9718		0.0500
2013	0.1770	0.7168	0.0740	0.9678		0.0500

All tax rates are expressed in dollars of tax per \$100 of assessed valuation.

(1) Town of Lewisville tax rate is for general fund only. Municipalities set their own direct rate. This rate, combined with the county rate and any applicable fire tax district rate is the total overlapping tax rate.

(2) Forsyth County has a unified tax rate.

(3) The Forsyth County Board of Commissioners sets each fire tax district.

(4) Lewisville Municipal Service District is a separate fund. The tax rate is set by Municipal Council but only applies to those in that special district.

TOWN OF LEWISVILLE, NORTH CAROLINA
Principal Property Taxpayers
Current Year and Nine Years Ago

Schedule 7

Taxpayer	2022			2013		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Kaplan Partners	\$ 22,432,898	1	1.38%	\$ 24,979,780	1	1.91%
Duke Energy Corp	16,909,254	2	1.04%	6,214,150	3	0.47%
Yopp Properties, LLC	6,334,299	3	0.39%	5,012,400	4	0.38%
US Bank National Association	6,171,469	4	0.38%	-		
Kent Corporation	5,106,706	5	0.31%	4,135,900	7	0.31%
Charter Communications, Inc.	4,813,910	6	0.30%	-		
Florence H. McKeithan 2020 Family Trust	4,677,701	7	0.29%	-		
Vienna Villiage, Inc.	3,721,644	8	0.23%	3,044,140	9	0.23%
Daleco NC Inc	3,568,198	9	0.22%	-		
Millgent Properties, LLC	3,501,802	10	0.21%	-		
WLM Stone Point, LLC	-			4,667,990	6	0.36%
Gemini Lewisville Commons LLC	-			9,887,100	2	0.76%
Windstream North Carolina Inc	-			4,926,900	5	0.38%
Greenwood Developers, Inc.	-			3,626,470	8	0.28%
Lanier Williams	-			2,986,720	10	0.23%
	<u>\$ 77,237,881</u>		<u>4.75%</u>	<u>\$ 69,481,550</u>		<u>5.31%</u>

Source: Annual Tax Scroll from Forsyth County Tax Department and TR-1 Reports

TOWN OF LEWISVILLE, NORTH CAROLINA
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 8

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection on Prior Years' Levies	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2022	\$ 2,875,305	\$ 2,866,164	99.68%	\$ -	\$ 2,866,164	99.68%
2021	2,548,309	2,542,591	99.78%	3,202	2,545,793	99.90%
2020	2,477,262	2,468,292	99.64%	7,091	2,475,383	99.92%
2019	2,451,406	2,443,795	99.69%	6,317	2,450,112	99.95%
2018	2,390,255	2,381,218	99.62%	8,190	2,389,408	99.96%
2017	2,232,149	2,222,896	99.59%	7,112	2,230,008	99.90%
2016	2,193,078	2,180,617	99.43%	10,087	2,190,704	99.89%
2015	2,157,381	2,143,231	99.34%	13,605	2,156,836	99.97%
2014	2,197,203	2,173,364	98.92%	23,052	2,196,416	99.96%
2013	2,321,461	2,292,530	98.75%	28,340	2,320,870	99.97%

A revaluation of all property is required every eight (8) years by State statute. Real property was revalued on January 1, 2009, 2013, 2017 and 2021.

Source: Forsyth County Tax Department

TOWN OF LEWISVILLE, NORTH CAROLINA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Schedule 9

Fiscal Year	Installment Purchase	Percentage of Personal Income	Population	Debt per Capita
2022	\$ 1,800,000	0.35%	13,444	133.89
2021	2,000,000	0.36%	13,406	149.19
2020	466,672	0.09%	13,392	34.85
2019	653,338	0.12%	13,357	48.91
2018	840,004	0.17%	13,232	63.48
2017	1,026,670	0.21%	13,120	78.25
2016	1,213,336	0.26%	13,046	93.00
2015	1,493,335	0.32%	13,015	114.74
2014	1,773,334	0.42%	12,910	137.36
2013	1,960,000	0.49%	12,810	153.01

Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Percentage of personal income based on Schedule 12 Demographic and Economic Statistics.

TOWN OF LEWISVILLE, NORTH CAROLINA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

Schedule 10

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
<i>Debt repaid with property taxes</i>			
Forsyth County	\$ 747,658,019	3.79%	\$ 28,336,239
Subtotal, overlapping debt			28,336,239
Town of Lewisville direct debt			1,800,000
Total direct and overlapping debt			\$ 30,136,239

Source: Forsyth County Finance Department and Town of Lewisville Finance Department

Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt by those overlapping governments that is borne by the property taxpayers of the Town of Lewisville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the Town's taxable assessed value which is within Forsyth County's boundaries and dividing it by the County's total taxable assessed value.

TOWN OF LEWISVILLE, NORTH CAROLINA

Legal Debt Margin Information
Last Ten Fiscal Years

Schedule 11

Legal Debt Margin Calculation for Fical Year 2022

Assessed value	<u>\$ 1,624,466,101</u>
Debt limit (8% of assessed value)	129,957,288
Debt applicable to limit:	
Financing agreement	<u>1,800,000</u>
Legal debt margin	<u>\$ 128,157,288</u>

	Fiscal Year				
	2022	2021	2020	2019	2018
Debt limit	\$ 129,957,288	\$ 115,177,808	\$ 111,966,644	\$ 110,798,011	\$ 108,034,124
Total debt applicable to limit	<u>1,800,000</u>	<u>2,000,000</u>	<u>466,672</u>	<u>653,338</u>	<u>840,004</u>
Legal debt margin	<u>\$ 128,157,288</u>	<u>\$ 113,177,808</u>	<u>\$ 111,499,972</u>	<u>\$ 110,144,673</u>	<u>\$ 107,194,120</u>
Total debt applicable to the limit as a percentage of debt limit	<u>1.39%</u>	<u>1.74%</u>	<u>0.42%</u>	<u>0.59%</u>	<u>0.78%</u>

	Fiscal Year				
	2017	2016	2015	2014	2013
Debt limit	\$ 100,888,090	\$ 99,122,170	\$ 97,508,746	\$ 99,129,356	\$ 104,687,412
Total debt applicable to limit	<u>1,026,670</u>	<u>1,213,336</u>	<u>1,493,335</u>	<u>1,773,334</u>	<u>1,960,000</u>
Legal debt margin	<u>\$ 99,861,420</u>	<u>\$ 97,908,834</u>	<u>\$ 96,015,411</u>	<u>\$ 97,356,022</u>	<u>\$ 102,727,412</u>
Total debt applicable to the limit as a percentage of debt limit	<u>1.02%</u>	<u>1.22%</u>	<u>1.53%</u>	<u>1.79%</u>	<u>1.87%</u>

Source: Assessed values from Forsyth County tax office

TOWN OF LEWISVILLE, NORTH CAROLINA

Demographic and Economic Statistics

Last Ten Fiscal Years

Schedule 12

Fiscal Year	(1) Town of Lewisville Population	(2) Town of Lewisville Personal Income	(2) Town of Lewisville Per Capita Personal Income	(3) Forsyth County Unemployment Rate
2022	13,444	\$ 517,042,796	\$ 38,459	4.10%
2021	13,406	558,775,486	41,681	5.00%
2020	13,392	548,871,120	40,985	8.10%
2019	13,357	539,542,658	40,394	4.40%
2018	13,232	490,166,208	37,044	4.20%
2017	13,120	496,001,600	37,805	4.20%
2016	13,046	466,277,086	35,741	5.10%
2015	13,015	465,169,115	35,741	6.00%
2014	12,910	423,228,530	32,783	6.30%
2013	12,810	402,374,910	31,411	8.80%

Sources: (1) State of North Carolina Office of State Budget and Management

(2) U.S. Census Bureau - American Community Survey

(3) North Carolina Department of Commerce

TOWN OF LEWISVILLE, NORTH CAROLINA

Principal Employers

Current Year and Nine Years Ago

Schedule 13

Employer	2022			2013		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Kaplan Early Learning Company	345	1	n/a	240	1	n/a
Forsyth Country Day School	315	2	n/a	195	2	n/a
Lowe's Foods	85	3	n/a	107	3	n/a
Lewisville Middle School	72	4	n/a			
Food Lion	70	5	n/a	52	5	n/a
Lewisville Elementary School	65	6	n/a	67	4	n/a
	<u>952</u>			<u>661</u>		

Source: Employee data provided by the human resource department of each employer.

TOWN OF LEWISVILLE, NORTH CAROLINA
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

Schedule 14

Function	Full-Time Equivalent Employees as of June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Management services	1	1	1	1	1	1	1	1	1	1
Finance	2	2	2	2	2	2	2	2	2	2
Planning	1	1	1	1	1	1	1	1	1	1
Public works	4	3	3	3	3	3	3	4	4	4
Administration	3	2	2	2	2	2	2	3	3	3
Total	11	9	9	9	9	9	9	11	11	11

Source: Town of Lewisville Finance Department

TOWN OF LEWISVILLE, NORTH CAROLINA
Operating Indicators by Function/Program
Last Ten Fiscal Years

Schedule 15

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Works										
Street resurfacing (miles)	1.5600	1.1300	1.9600	2.0320	1.2152	1.8000	2.5330	2.6820	2.9200	1.7500
Planning										
Developer fees	\$ 8,845	\$ 11,255	\$ 19,350	\$ 9,785	\$ 7,375	\$ 7,645	\$ 3,715	\$ 1,840	\$ 3,780	\$ 2,660
Storm water review fees	\$ 7,079	\$ 500	\$ 13,015	\$ -	\$ 800	\$ 100	\$ -	\$ -	\$ -	\$ 600
Parks and Recreation										
Facility rentals	179	0	64	96	111	104	104	83	87	68

Source: Town of Lewisville Finance Department, Public Works Department, and Planning Department

TOWN OF LEWISVILLE, NORTH CAROLINA
Capital Asset Statistics by Function
Last Ten Fiscal Years

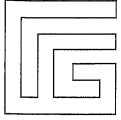
Schedule 16

Function	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police *	6	6	6	6	6	6	6	6	6	6
Streets										
Streets (miles) total	108.34	108.30	106.74	105.74	105.74	105.74	105.74	105.61	106.64	106.64
Streets (miles) town maintained	56.91	56.69	56.69	56.43	56.43	56.43	56.43	56.34	55.48	56.34
Streetlights	155	155	155	155	155	155	155	155	123	123
Parks and recreation										
Playgrounds	2	2	2	2	2	2	2	2	2	2
Community centers	2	1	1	1	1	1	1	1	1	1
Public works										
Vehicles	4	3	2	2	2	2	2	2	2	2

* Police are contracted services from Forsyth County.

Sources: Various departments in the Town of Lewisville

Compliance Section



**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***

Independent Auditor's Report

To the Honorable Mayor
and Members of the Town Council
Town of Lewisville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lewisville, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Lewisville's basic financial statements, and have issued our report thereon dated October 25, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Lewisville'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 Town of Lewisville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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.

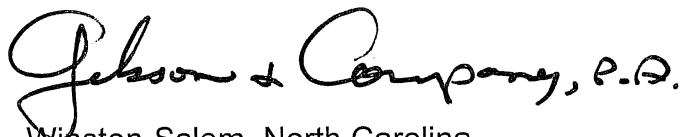
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Lewisville'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 instances 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.

Handwritten signature in cursive script: Jelson & Company, P.A.

Winston-Salem, North Carolina

October 25, 2022