

# LEWISVILLE, NORTH CAROLINA

Comprehensive Annual Financial Report  
For the Fiscal Year  
Ended June 30, 2014

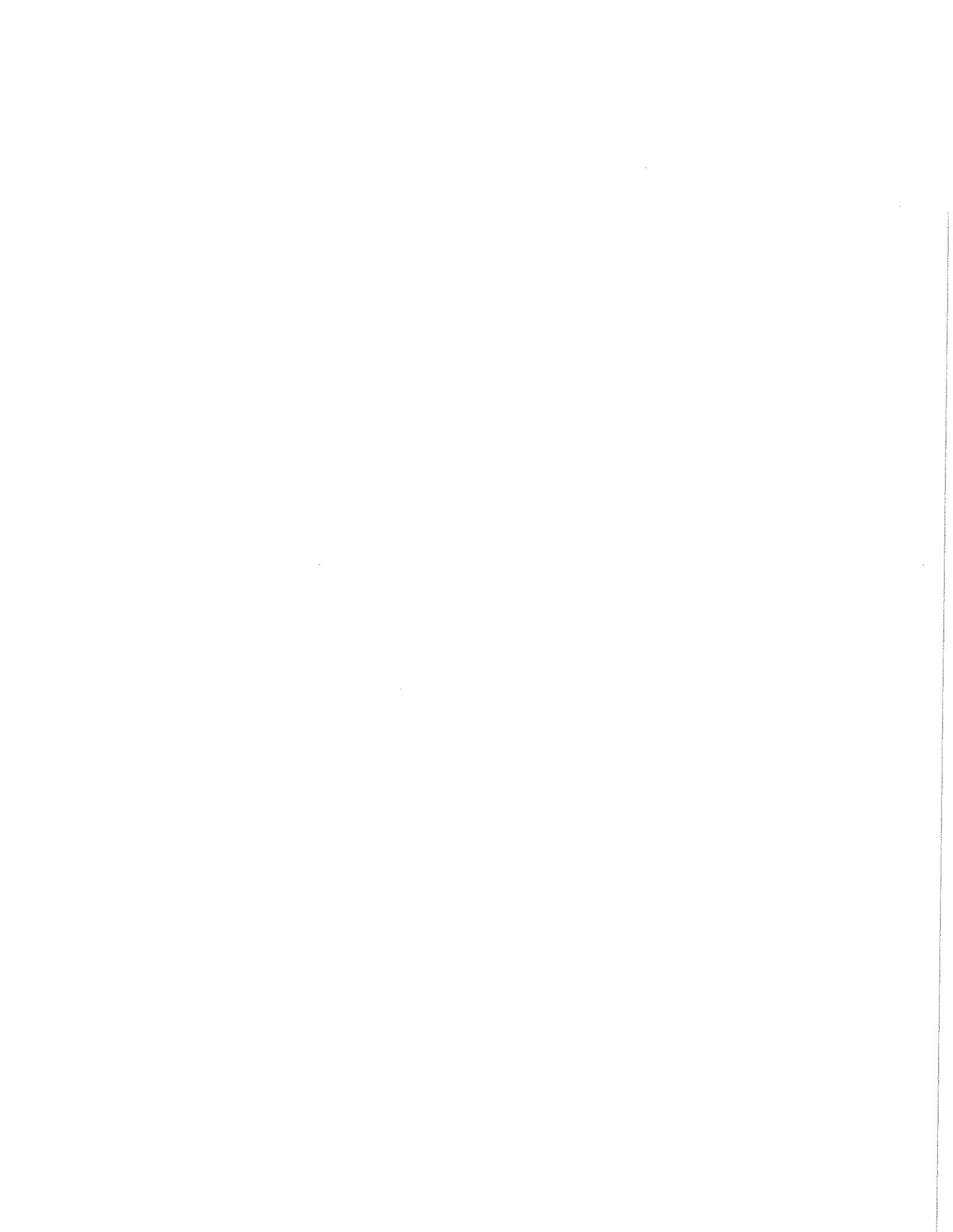


Prepared by:  
Kathy Bruce,  
Finance Officer



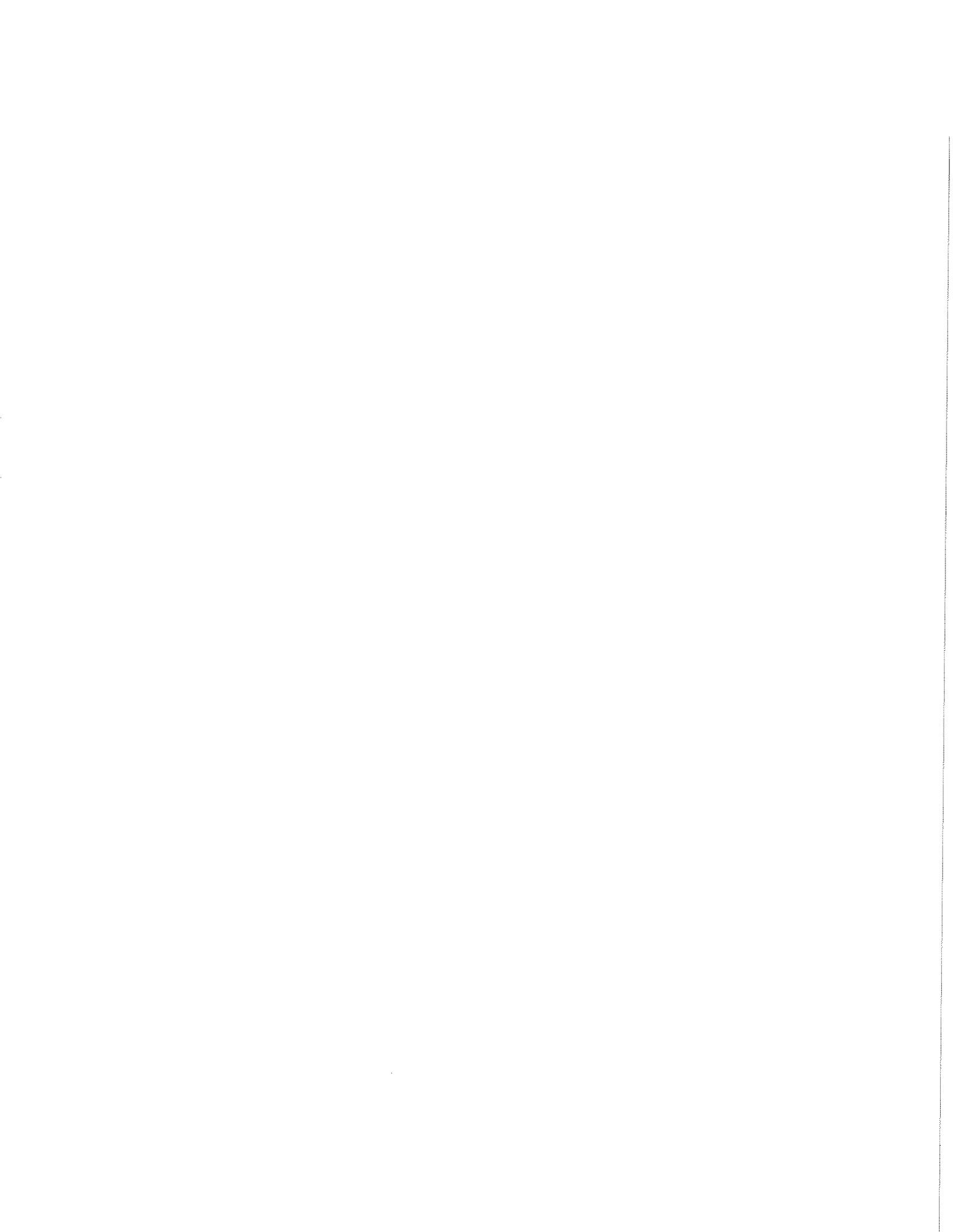
TOWN OF LEWISVILLE, NORTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

PREPARED BY  
KATHY BRUCE  
FINANCE OFFICER



TOWN OF LEWISVILLE, NORTH CAROLINA  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2014  
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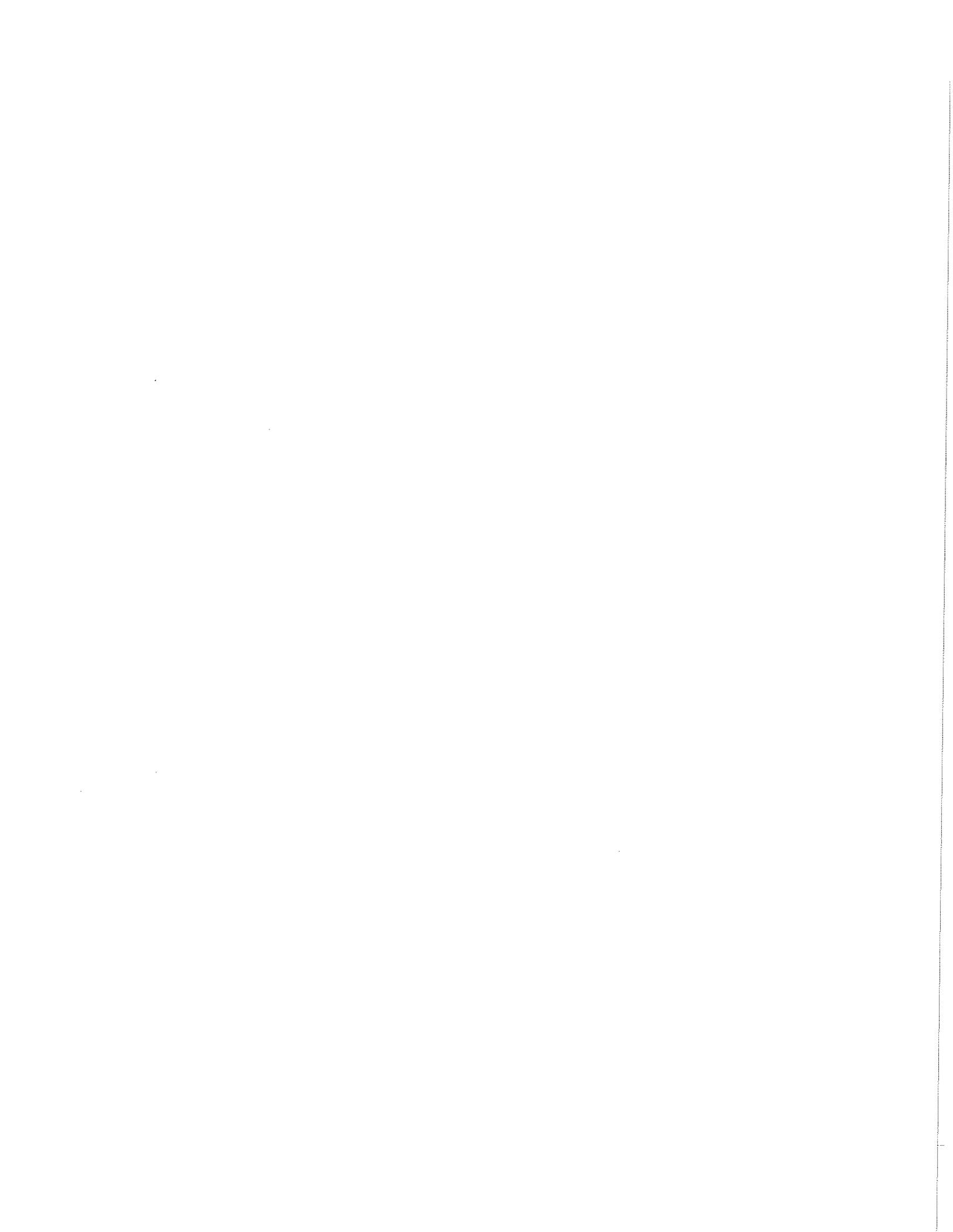
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# Introductory Section



LEWISVILLE  
INCORPORATED 1991



# TOWN OF LEWISVILLE

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Voice 336-945-5558 Fax 336-945-5531  
E-Mail: [townhall@lewisvillenc.net](mailto:townhall@lewisvillenc.net)  
WebSite: [www.lewisvillenc.net](http://www.lewisvillenc.net)

November 26, 2014

The Honorable Mayor Dan Pugh,  
Members of the Town Council  
and Citizens of the Town of Lewisville, North Carolina

The Comprehensive Annual Financial Report of the Town of Lewisville, North Carolina for the fiscal year ended June 30, 2014 is presented herewith for your review. This report is presented by the management of the Town of Lewisville, which is responsible for the completeness and reliability of the information included in this report.

As required by state law, the financial statements and supplemental schedules in the Financial Section have been audited by the independent certified public accounting firm of Gibson & Company, P.A. The audit opinion issued on the accompanying financial statements was unmodified.

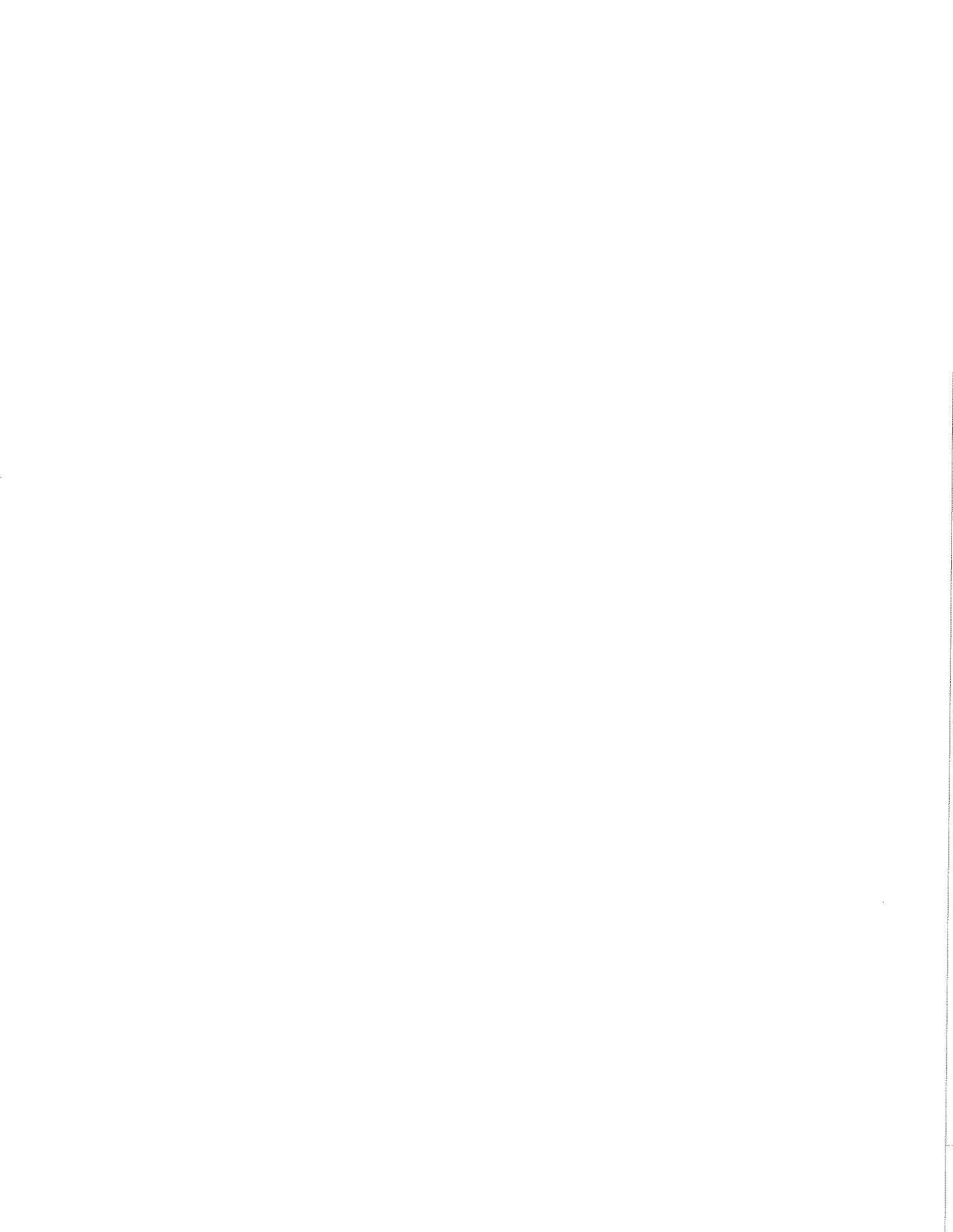
Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should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

## DESCRIPTION OF THE TOWN

Lewisville 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, including the fifth most populous city in the state, Winston-Salem. The county is part of the state's Piedmont Triad Region, which is nationally recognized as a major trading area.

## GOVERNMENT PROFILE AND FINANCIAL INFORMATION

*Form of Government* The Town has a Council-Manager form of government. A Mayor and six



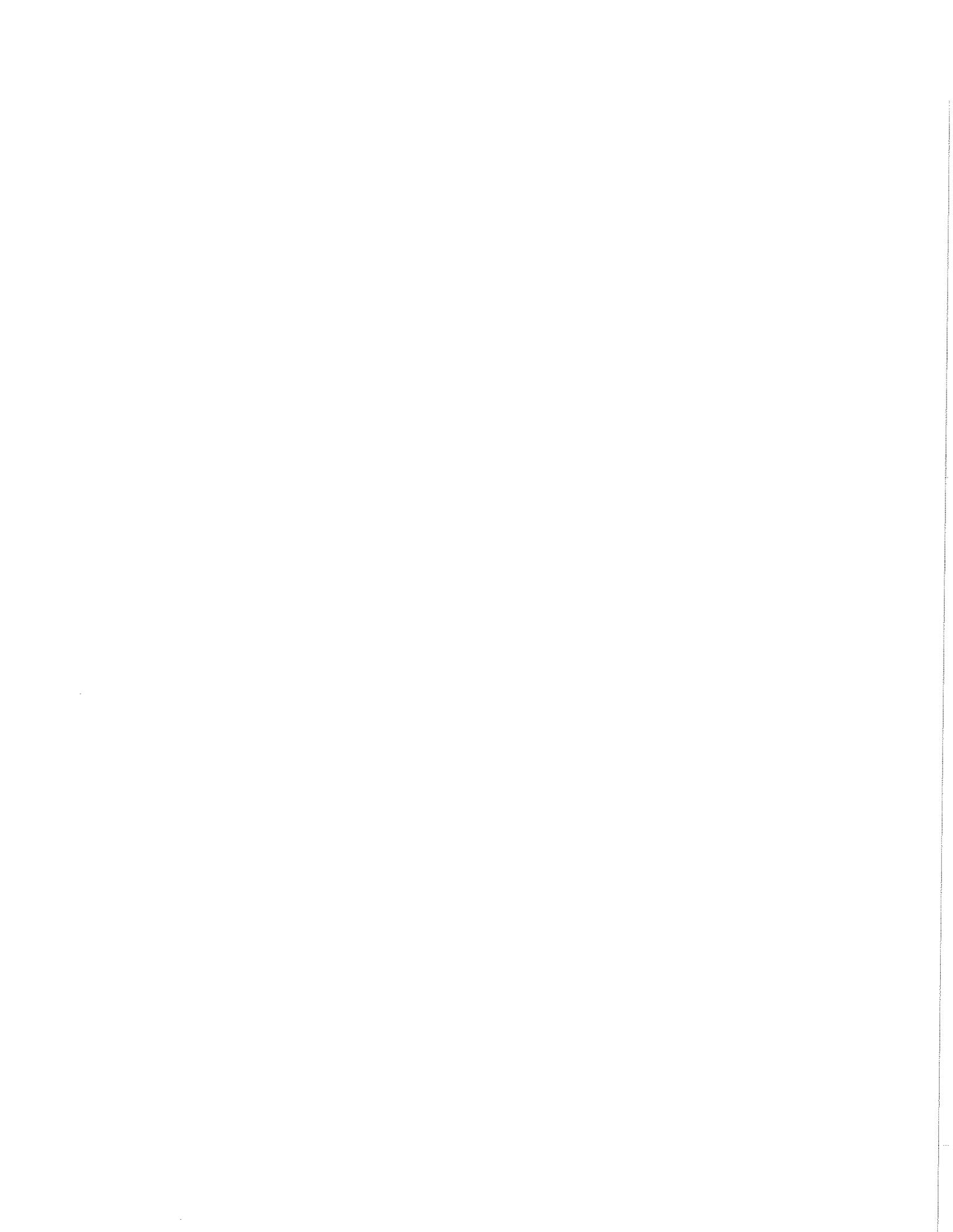
Council Members are elected at-large in November of the odd numbered years. Elected officials are limited by Town charter to four consecutive two-year terms. The Mayor is a voting member and the presiding officer of the Council. The Council typically meets on the first Thursday of the month in a briefing 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.

*Services* 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 from Winston-Salem/Forsyth County Utilities. 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.

*Town Staff* The Town Manager is appointed by the Council and serves at its pleasure. The manager is responsible for implementing policies and managing daily operations. During fiscal year 2014 the Town Manager, with a staff of ten, administered Town functions in accordance with Council policies, ordinances and the annual budget ordinance. The staff positions are Town Clerk, Finance Officer and Assistant Town Manager, Accounting Clerk, Public Information Officer and Parks and Recreation Events Coordinator, Public Works Director, Town Planner, Office Assistant, Two Maintenance Technicians, and a Laborer I. Town management is committed to providing staff with training opportunities to help each employee work to his/her full potential. The Town staff administers contracts, as awarded by council, for many of its services.

*Financial Reporting Entity and Budget* The financial reporting entity includes all the funds of the Town. The annual budget 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, and the Special Revenue Funds are included in the budget ordinance. The budget is prepared by department. 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.

*Internal Control* 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 2010 Census data, 86 percent of Lewisville's employed population works in management, professional, and related occupations or sales and office occupations. Four percent of the working population works at home, with most workers driving to work for an average 22.1 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.

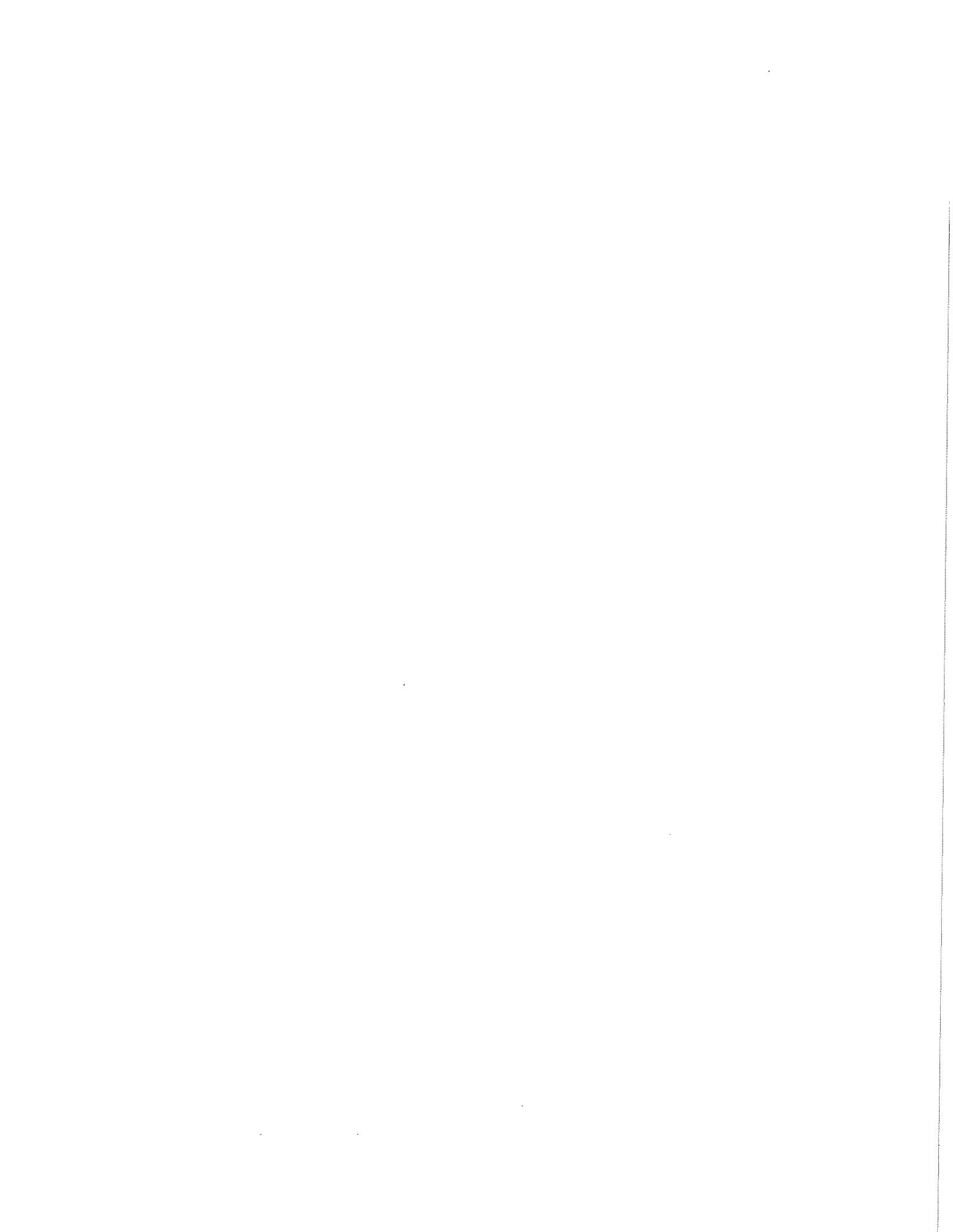
## LONG-TERM FINANCIAL PLANNING

The Annual Financial Report reflects the dedication by our elected officials to make sound financial decisions to 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 unassigned fund balance. The Town's prudent use of debt issuance, productive management of revenue and cash resources allows for funding Capital Reserve Funds that enable future Capital Projects. The availability of unassigned fund balance allows the Town to work with other organizations on joint projects and apply for grants for future opportunities.

## MAJOR INITIATIVES

### For the Year

*Community Policing:* In order to enhance the safety of Lewisville 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 Corporal and supervises the other five deputies. The total cost of this contract was \$434,886. The Town reviews the need for more community policing officers each fiscal year during the annual budget process. It has been the desire of the Town to provide citizens with twenty-four hour community policing coverage and with the addition of the fifth deputy along with the Corporal, the Town has accomplished that goal through its contract. The Town continues to review this service on an annual basis.



*StormWater:* The Council continued its annual transfer from the General Fund to the Stormwater Capital Reserve Fund during fiscal year 2014 and continued to fund the Stormwater departmental operations budget. The Stormwater Capital Reserve Fund was started in order to meet mandates made by state and federal regulations and fund unforeseen storm water projects as needed. Total accumulation in this fund, including interest as of June 30, 2014 was \$290,279.

*Parks and Recreation:* The Town continues its dedication of services to the community through its support of parks and recreation. With two functional parks, and an expanded children's playground area at Jack Warren Park, further enhancements to the playground area were made to include the purchase and installation of two new spring riders for children. Horse shoe pits were designed and installed for adult recreation. The Town will continue to explore its needs for a maintenance facility and other playground needs in future budgets.

*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 2014 was \$406,212. Overall, paving and maintenance of Town streets continues to be a priority of the Town in future budgets.

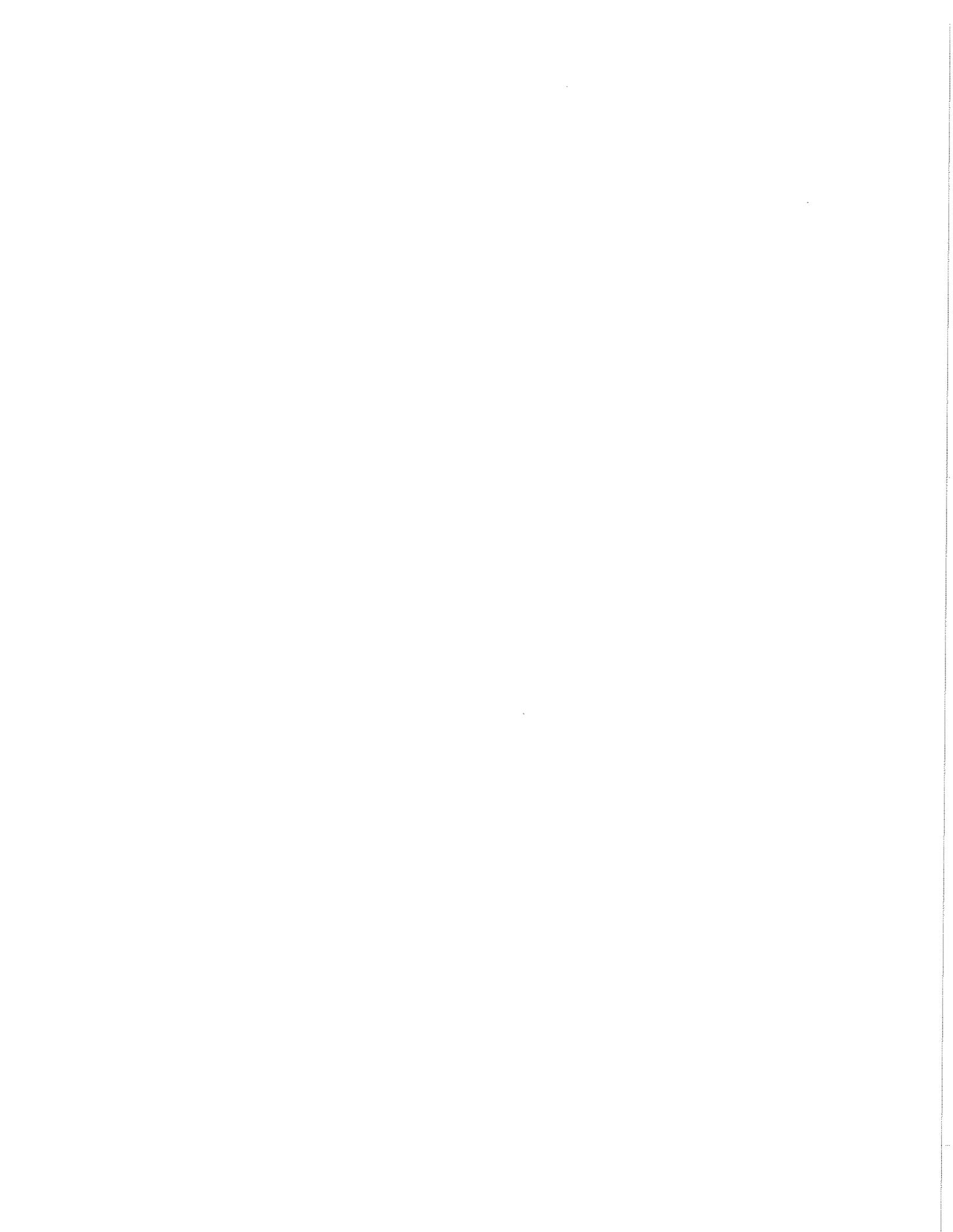
*Municipal Building:* During fiscal year 2008, the Town contracted with an architectural firm to work with staff in planning and designing a new Town Hall on Town owned property. During fiscal year 2009, an application was made to the Local Government Commission to approve debt financing for a construction loan from BB&T in the amount of \$2,800,000 for funding this project along with a transfer of \$166,553 from the Municipal Building Capital Reserve Fund and \$90,598 transfer from the General Fund to the Municipal Building Capital Project Fund. Upon approval from the LGC, the Town began construction and moved into the new facility in the Spring of 2010. Although the Town Hall construction project is complete, this fund shall remain open as Council reviews the needs for other municipal facilities. These funds will then be transferred to a future designated project fund.

#### Continuing Initiatives

*Great Wagon Road and the 2015 Plan:* The Town of Lewisville restated its commitment to the 2015 Plan as first adopted in 1994. Funding of capital reserve funds, with transfers to capital project funds, allowed the expenditure for planning and engineering fees as well as purchasing right-of-way for the construction of the road. The Town shall continue funding capital reserve funds to be moved as needed into the GWR ROW Capital Projects Fund.

#### For the Future

*Intersection Improvements:* The Town is working with the N.C. Department of Transportation on plans for improvements at the Shallowford and Williams Road Roundabout. This process is part of an agreement with the Metropolitan Planning Organization (MPO). Surface Transportation Program-Direct Attributable Funds (STP-DA) will be used for eighty percent of the project and the Town's portion will be twenty percent.



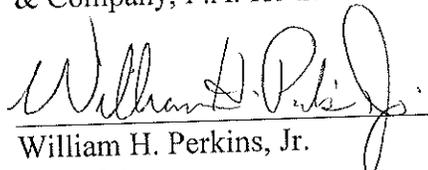
*Sidewalks:* Funds provided through the Metropolitan Planning Organization will also be used to assist Lewisville in extending the sidewalk on Lewisville-Vienna Road.

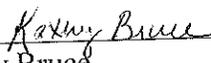
## AWARDS AND ACKNOWLEDGEMENTS

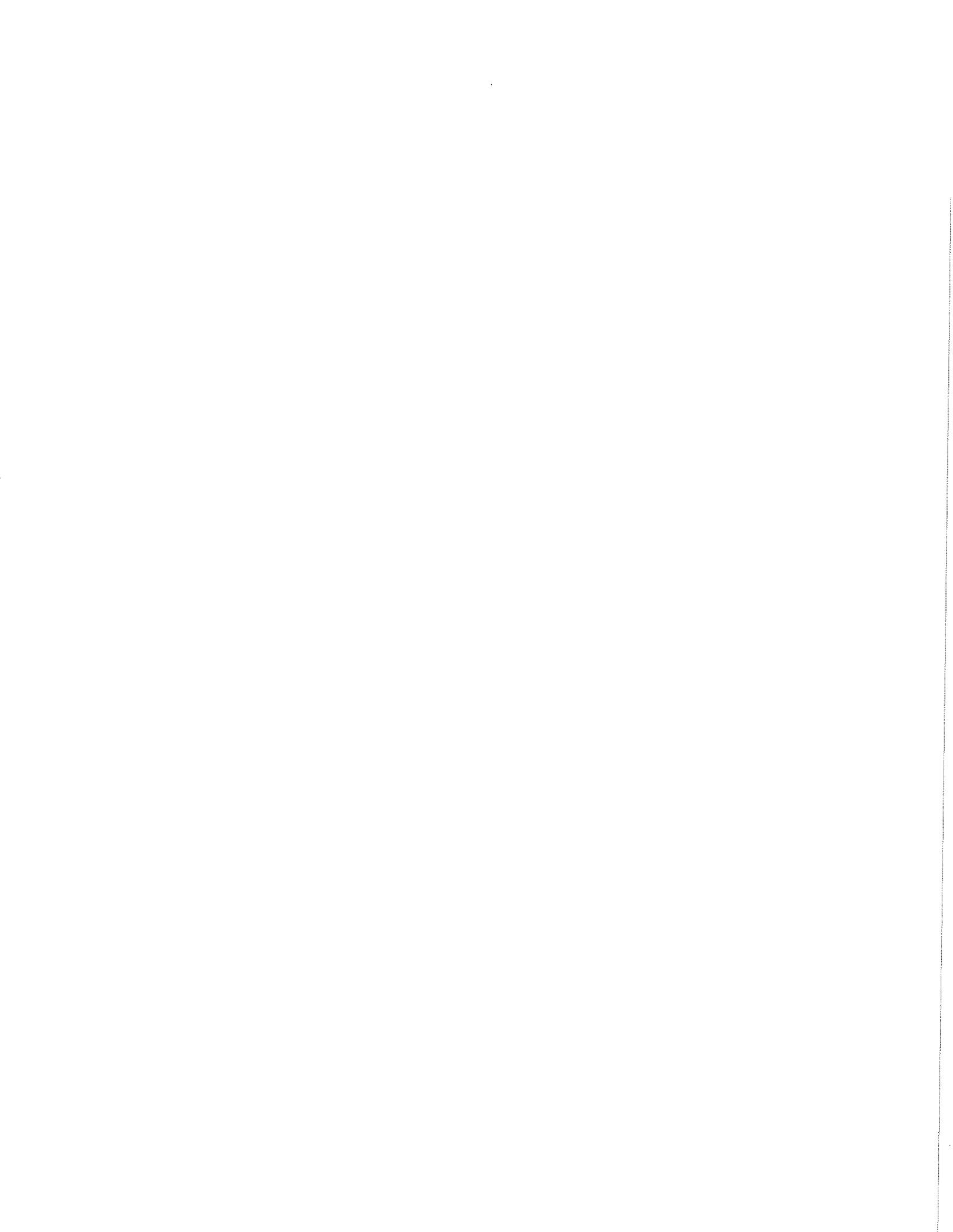
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Lewisville for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the ninth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Due to budgetary constraints, an application for the Certificate of Achievement was not requested for the fiscal year ending June 30, 2011.

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

The report was prepared by Finance Officer/Assistant Town Manager, Kathy Bruce, with the assistance of Town Manager William H. Perkins, Jr. and Public Information Officer, Lynn Hall. Credit also must be given to the mayor and the governing council for their continued support for maintaining the highest standards of professionalism in the management of the Town of Lewisville's finances. Special thanks to Mr. R. Harold Gibson and Ms. Pam A. Orrell of Gibson & Company, P.A. for their assistance in this presentation.

  
\_\_\_\_\_  
William H. Perkins, Jr.  
Town Manager

  
\_\_\_\_\_  
Kathy Bruce  
Finance Officer/Assistant Town Manager



# TOWN OF LEWISVILLE, NORTH CAROLINA

## MEMBERS OF COUNCIL

DAN PUGH  
Mayor

SANDRA MOCK  
Mayor Pro Tem/Council

MIKE HORN  
Council

ED SMITH  
Council

ROBERT GREENE  
Council

KEN SADLER  
Council

JEFF ZENGER  
Council

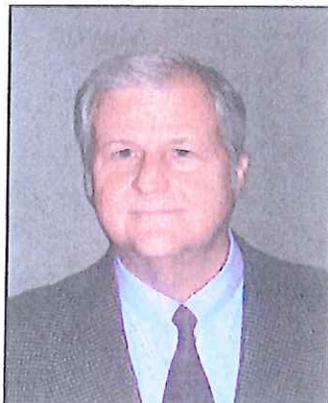
# Town Council



Dan Pugh



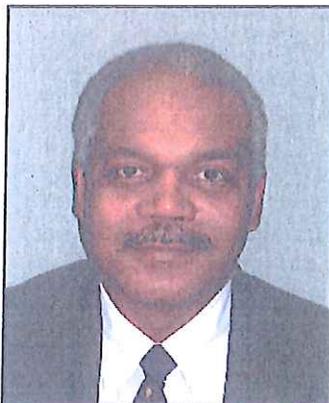
Robert Greene



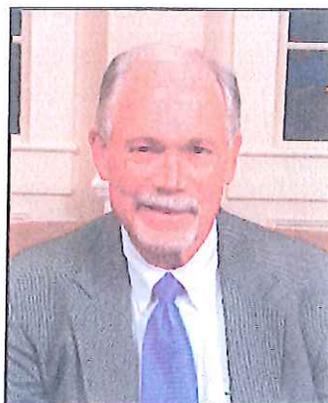
Mike Horn



Sandra Mock



Ken Sadler

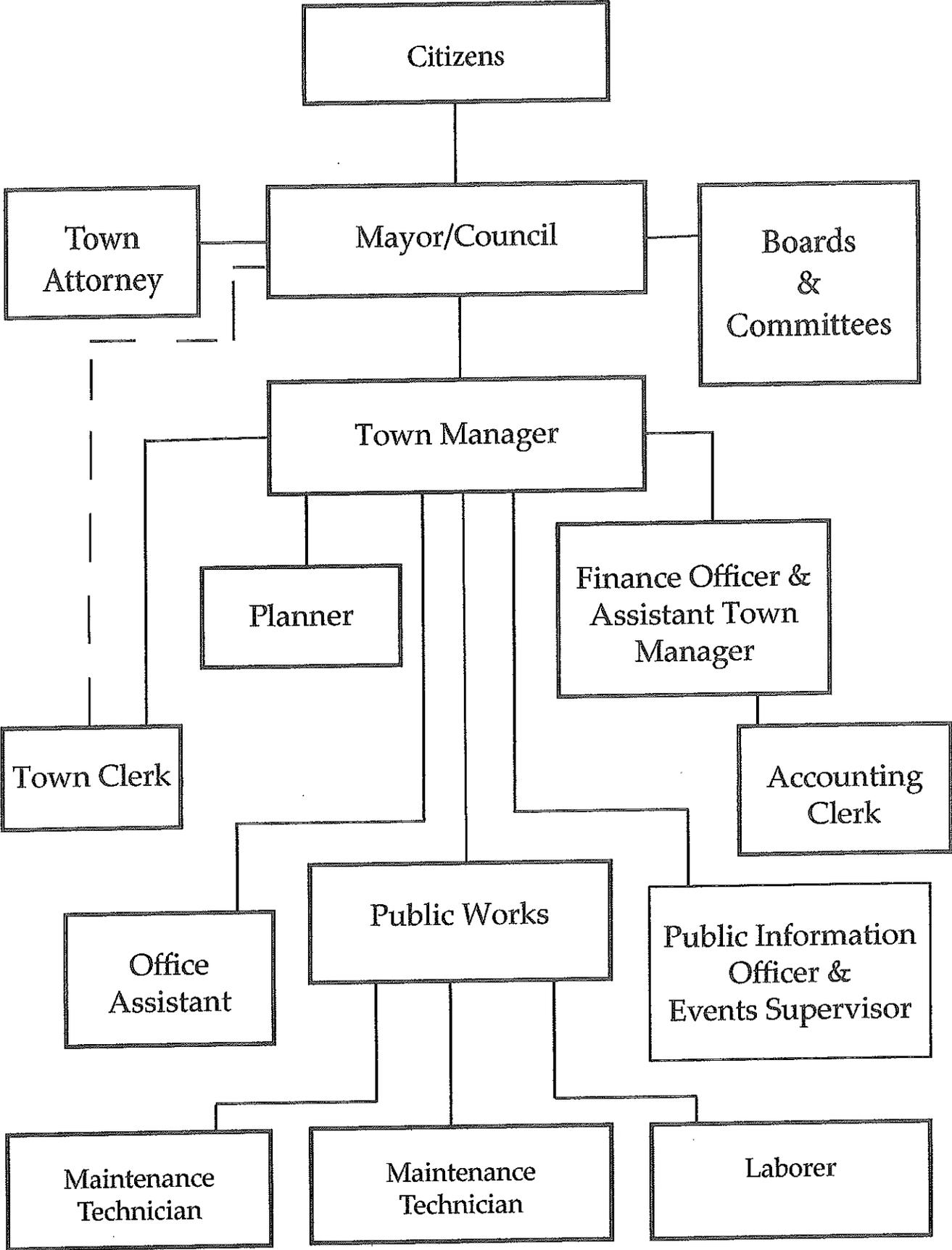


Ed Smith



Jeff Zenger

# Town of Lewisville Organizational Chart



**LEWISVILLE**

INCORPORATED 1991





Government Finance Officers Association

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

Presented to

**Town of Lewisville  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# Financial Section

**LEWISVILLE**

INCORPORATED 1991





Independent Auditor's Report

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lewisville, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

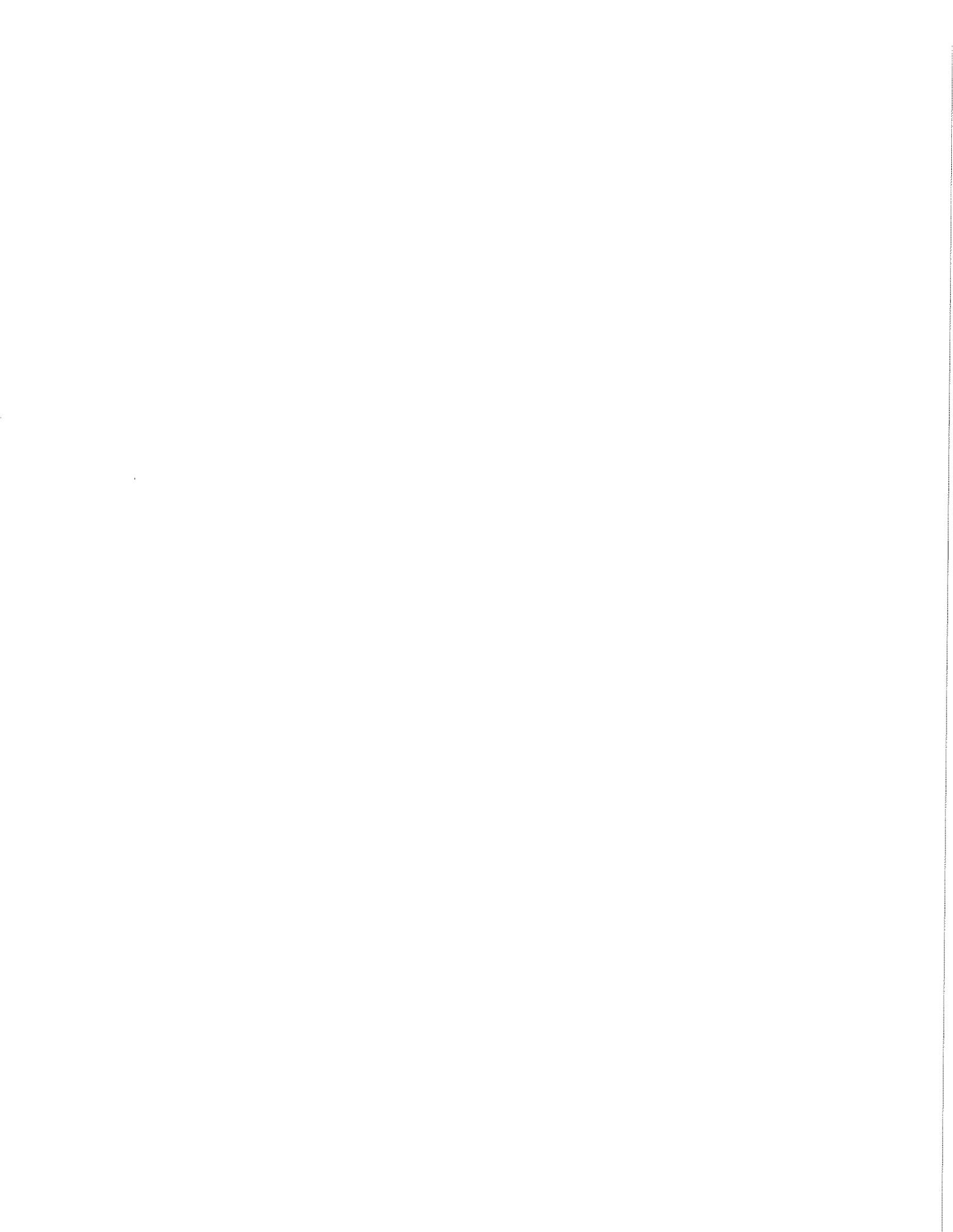
***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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



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

### *Opinions*

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lewisville, North Carolina as of June 30, 2014, and the respective changes in financial position and cash flows, where appropriate, 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.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Lewisville, North Carolina. The introductory information, combining and individual fund statements, budgetary schedules, other schedules, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and



reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, and the procedures performed as described above, the combining and individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2014 on our consideration of Town of Lewisville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Lewisville's internal control over financial reporting and compliance.

*Gibson + Company, P.A.*

Winston-Salem, North Carolina  
October 17, 2014



## Management Discussion and Analysis



## Town of Lewisville Management's Discussion and Analysis

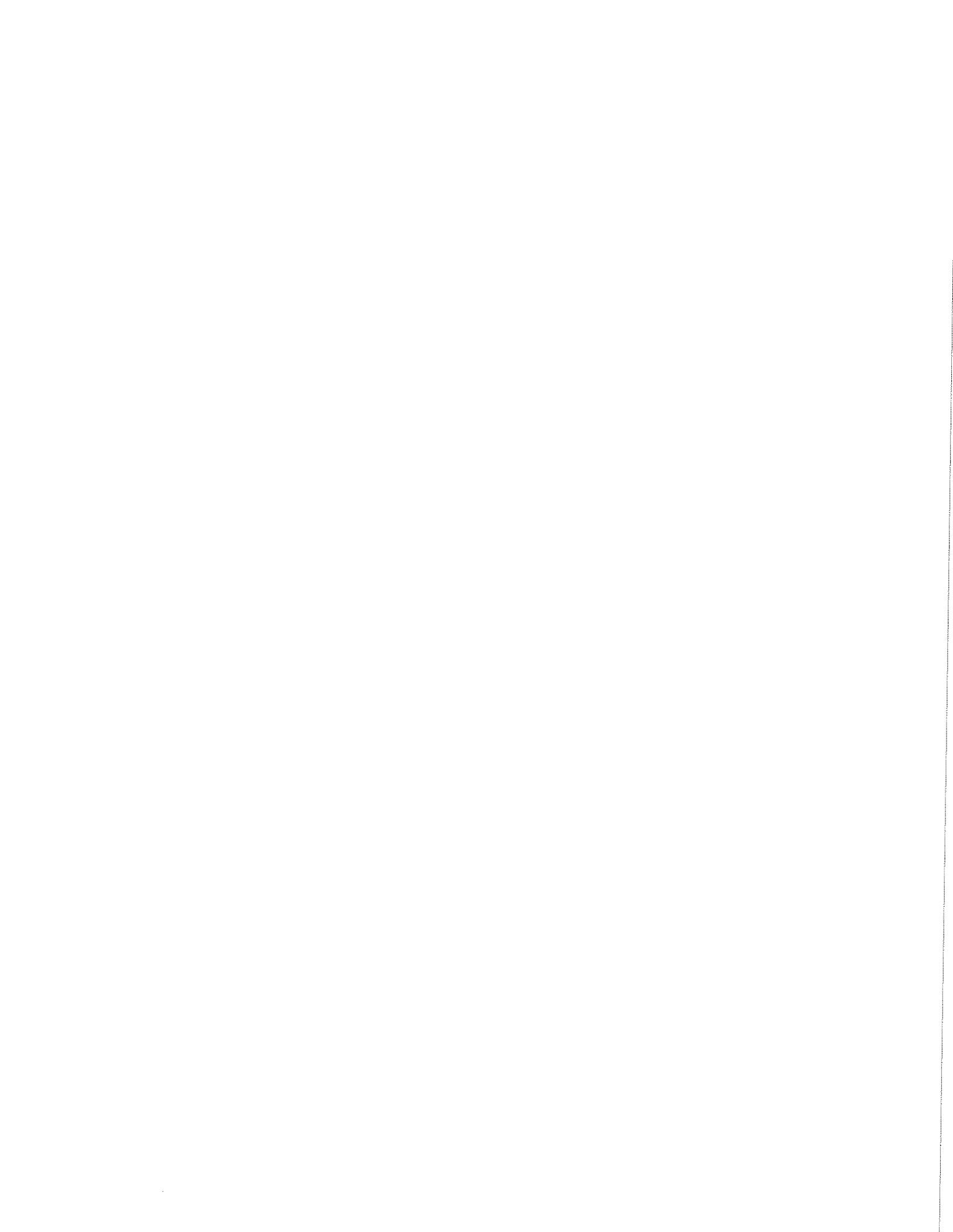
As management of the Town of Lewisville, we offer readers of the Town of Lewisville's financial statements this narrative overview and analysis of the financial activities of the Town of Lewisville for the fiscal year ended June 30, 2014. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

### Financial Highlights

- The assets of the Town of Lewisville exceeded its liabilities at the close of the fiscal year by \$13,062,834 (*net position*).
- The government's total net position increased by \$500,629 primarily due to increases in the governmental-type activities net position.
- As of the close of the current fiscal year, the Town of Lewisville's governmental funds reported combined ending fund balances of \$7,857,904 an increase of \$533,368 in comparison with the prior year. Approximately 11.36 percent of this total amount, or \$892,288 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,537,398 or 123.96 percent of total general fund expenditures for the fiscal year.
- The Town of Lewisville's total debt decreased by \$178,058 (8.89%) during the current fiscal year. The key factor in this decrease was the debt principal payments made on the loan for the Town Hall.

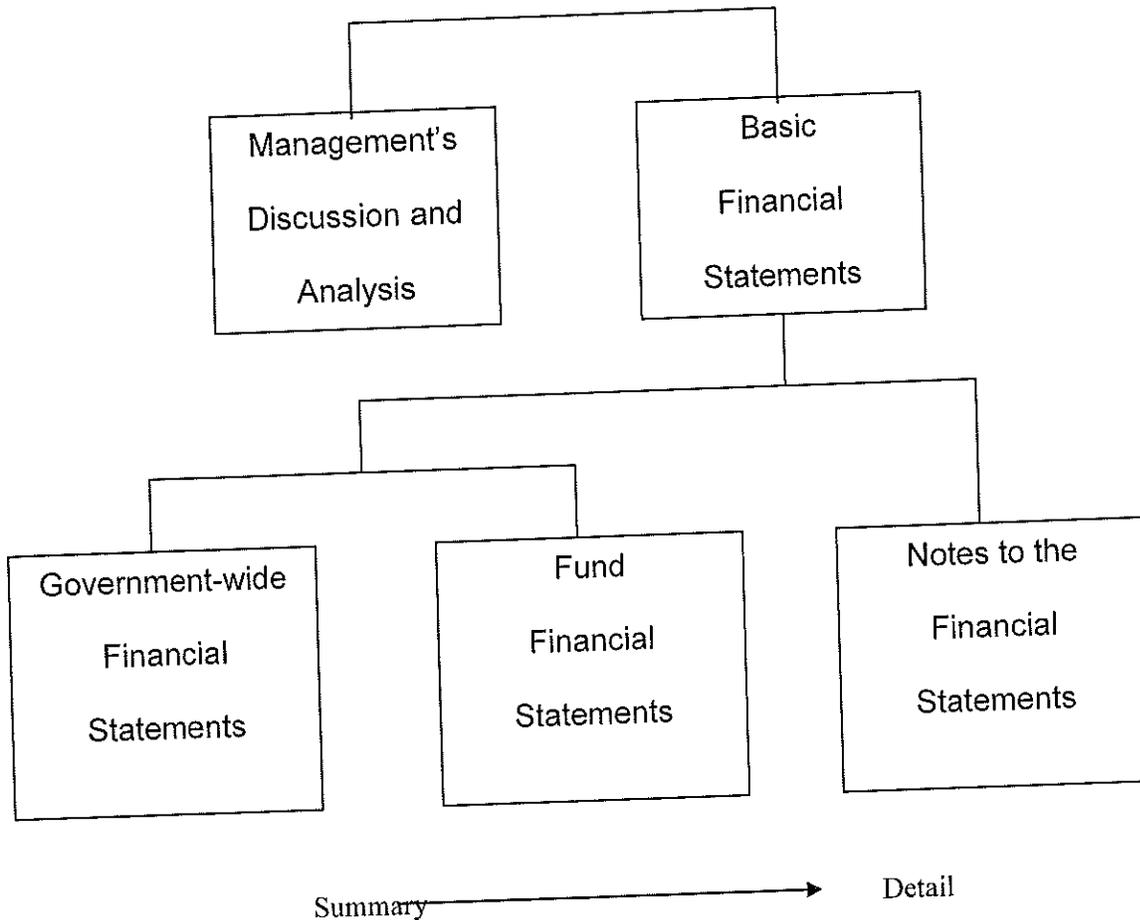
### Overview of the Financial Statements

This discussion and analysis are 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

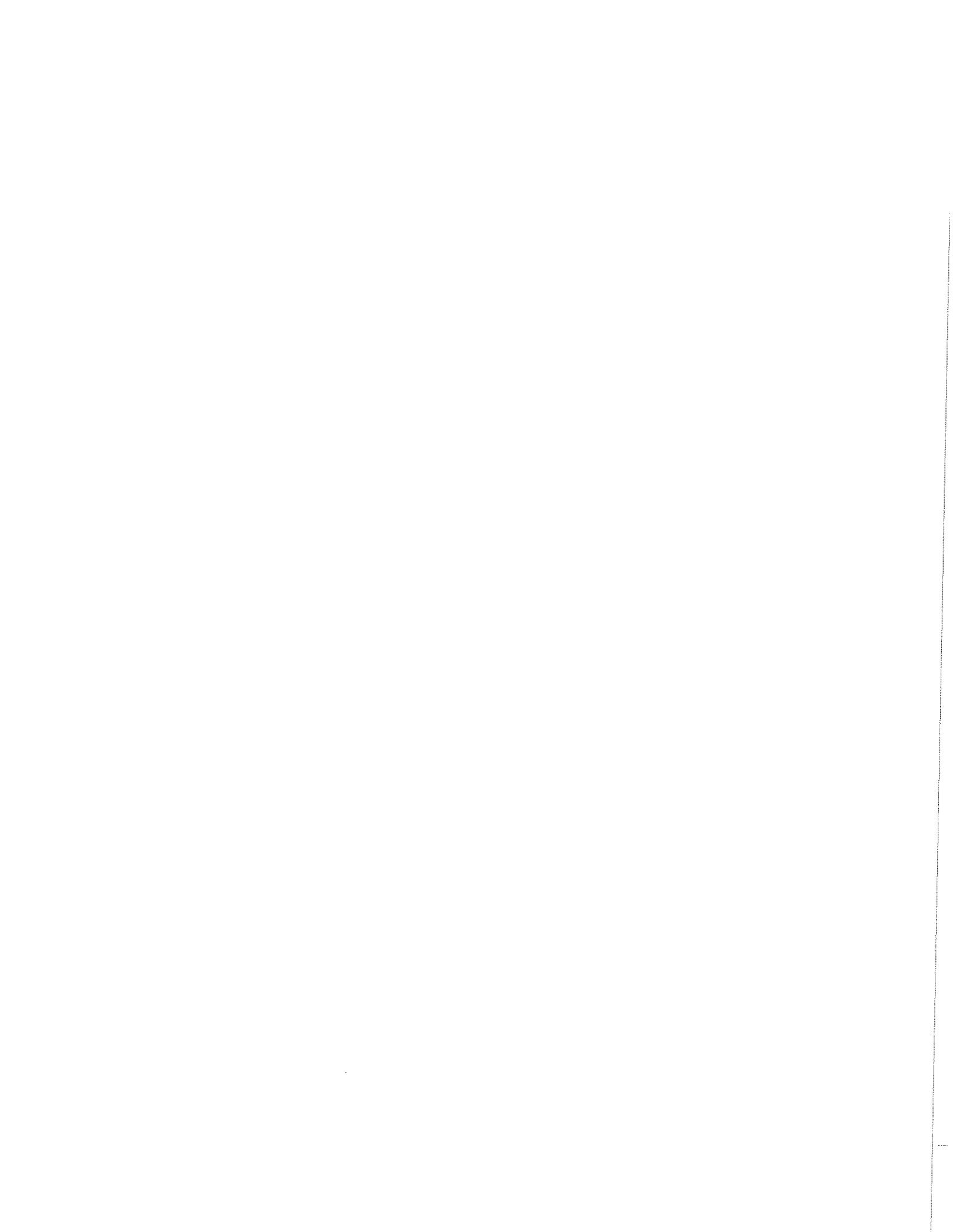


#### Basic Financial Statements

The first two statements (Exhibits 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 (Exhibits 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.

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.



## Management Discussion and Analysis Town of Lewisville

### 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 1) governmental activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and federal and State grant funds finance most of these activities.

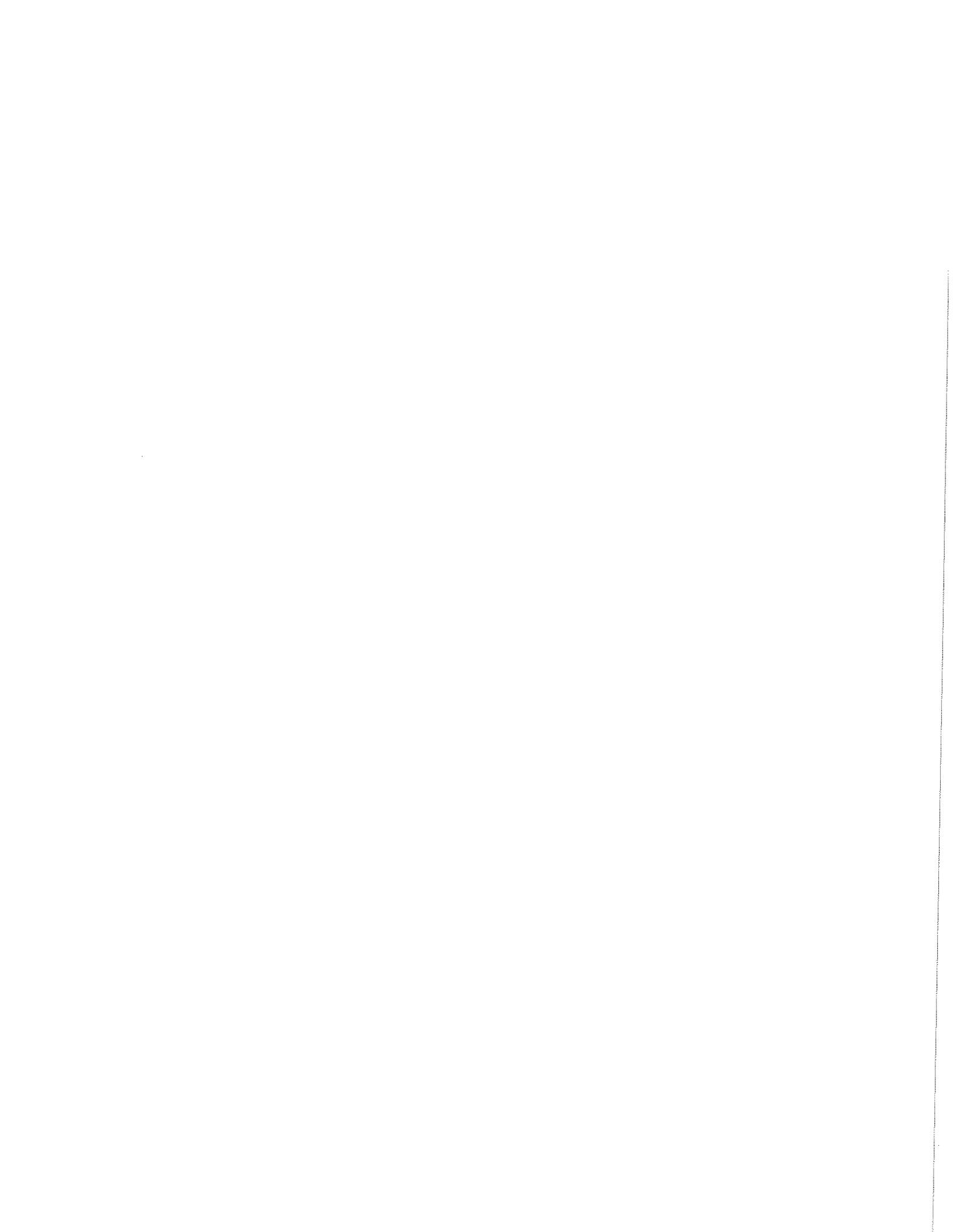
The government-wide financial statements are on Exhibits 1 and 2 of this report.

### 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 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 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 or 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 board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and



Management Discussion and Analysis  
Town of Lewisville

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 19 of this report.

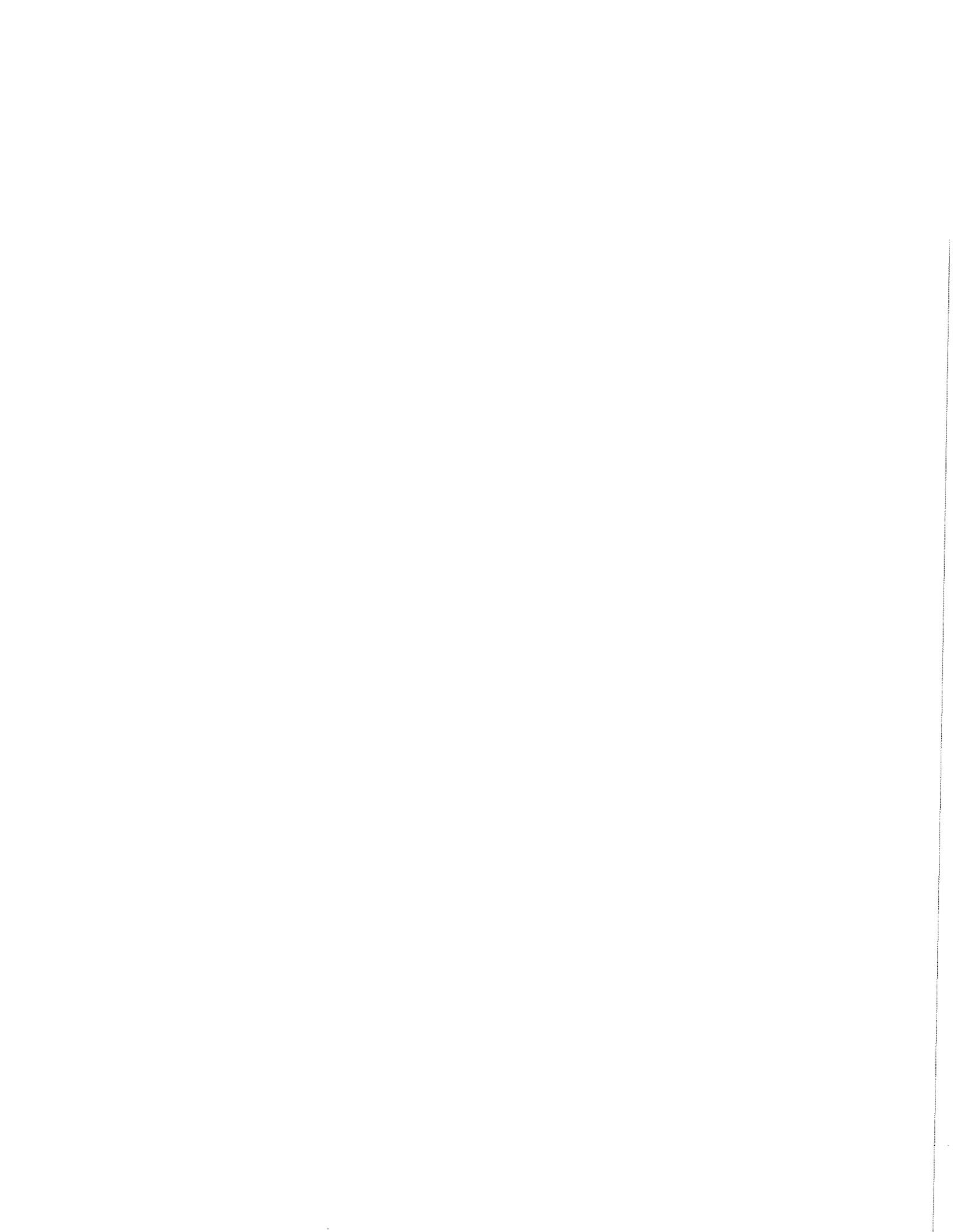
**Interdependence with Other Entities:** The Town depends on financial resources flowing from, or associated with the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to 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.

**Government-Wide Financial Analysis**

**Town of Lewisville's Net Position**  
**Figure 2**

|                                   | Governmental<br>Activities |               |
|-----------------------------------|----------------------------|---------------|
|                                   | 2014                       | 2013          |
| Current and other assets          | \$ 8,092,135               | \$ 7,581,060  |
| Capital assets                    | 6,988,857                  | 7,195,180     |
| Total assets                      | 15,080,992                 | 14,776,240    |
| Long-term liabilities outstanding | 1,618,351                  | 1,798,950     |
| Other liabilities                 | 399,807                    | 415,085       |
| Total liabilities                 | 2,018,158                  | 2,214,035     |
| Net position:                     |                            |               |
| Net investment in capital assets  | 5,215,523                  | 5,235,180     |
| Restricted                        | 892,288                    | 936,457       |
| Unrestricted                      | 6,955,023                  | 6,390,568     |
| Total net position                | \$ 13,062,834              | \$ 12,562,205 |

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Lewisville exceeded liabilities by \$13,062,834 as of June 30, 2014. The Town's net position increased by \$500,629 for the fiscal year ended June 30, 2014. However, a significant portion (39.93%) 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,



Management Discussion and Analysis  
Town of Lewisville

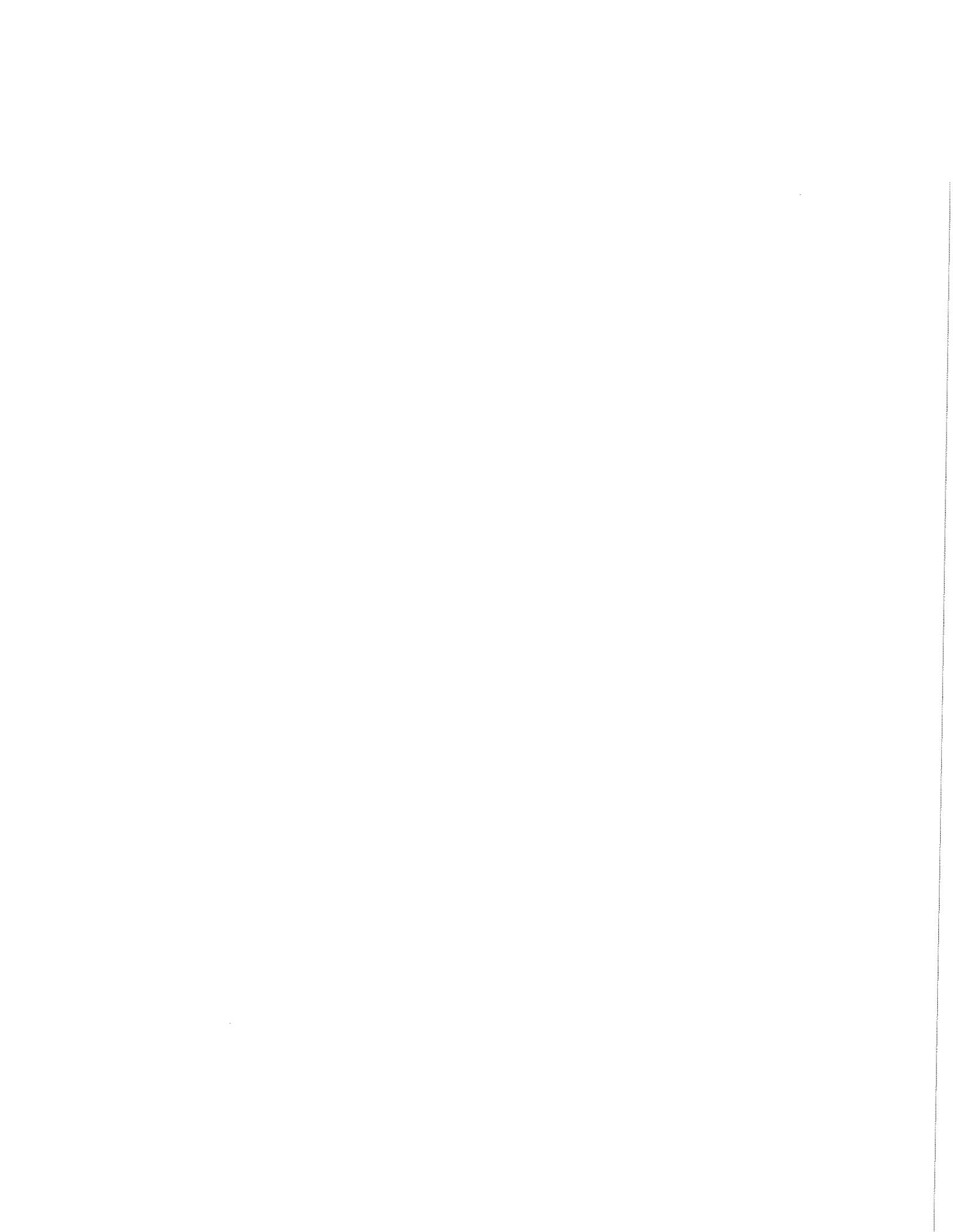
\$892,288 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,955,023 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98.92%.
- The Town did not perform any repaving or resurfacing of streets during the year ended June 30, 2014 other than Powell Bill expenditures.

**Town of Lewisville's Change in Net Position**  
**Figure 3**

|   | Governmental Activities |                      |
|---|-------------------------|----------------------|
|   | 2014                    | 2013                 |
| <b>Revenues:</b>                          |                         |                      |
| Program revenues:                         |                         |                      |
| Charges for services                      | \$ 20,296               | \$ 14,253            |
| Operating grants and contributions        | 363,371                 | 351,383              |
| Capital grants and contributions          | -                       | -                    |
| General revenues:                         |                         |                      |
| Property taxes                            | 2,235,387               | 2,358,788            |
| Other taxes                               | 57,627                  | 56,239               |
| Unrestricted intergovernmental revenues   | 1,390,374               | 1,379,067            |
| Other                                     | 26,327                  | 41,132               |
| Total revenues                            | <u>4,093,382</u>        | <u>4,200,862</u>     |
| <b>Expenses:</b>                          |                         |                      |
| General government                        | 1,046,683               | 1,053,173            |
| Public works                              | 1,699,946               | 1,432,703            |
| Planning                                  | 126,574                 | 117,030              |
| Parks and recreation                      | 215,543                 | 202,023              |
| Public safety                             | 454,942                 | 451,896              |
| Interest on long-term debt                | 49,065                  | 78,747               |
| Total expenses                            | <u>3,592,753</u>        | <u>3,335,572</u>     |
| Increase in net position before transfers | 500,629                 | 865,290              |
| Transfers                                 | <u>-</u>                | <u>-</u>             |
| Increase in net position                  | 500,629                 | 865,290              |
| Net position, July 1                      | 12,562,205              | 11,696,915           |
| Net position, June 30                     | <u>\$ 13,062,834</u>    | <u>\$ 12,562,205</u> |



Management Discussion and Analysis  
Town of Lewisville

**Governmental activities.** Governmental activities increased the Town's net position by \$500,629, thereby accounting for 100% of the total growth in the net position of the Town of Lewisville.

By constant due diligence of expenditures, the Town's revenues exceeded expenditures.

### 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, Town of Lewisville's fund balance available in the General Fund was \$4,537,398, while total fund balance reached \$5,922,576. The Town currently has an available fund balance of 123.96% of general fund expenditures, while total fund balance represents 161.80% of the same amount.

At June 30, 2014, the governmental funds of the Town of Lewisville reported a combined fund balance of \$7,857,904, with a net increase of \$533,368 in fund balance.

**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 increased over the final revenue budget estimates on the following:

- Increased ad valorem tax
- Increased CATV tax
- Increased utility franchise taxes, excise tax on gas, sales tax, video programming tax and Powell Bill distribution.
- Profitable ABC sales
- Increase in magistrate facility fees
- Increase in occupancy tax

Amendments made to original budgetary expenditures include:

- An increase of \$15,500 in maintenance and repairs of buildings and grounds of Town Hall and Town Hall Annex for boiler repairs and HVAC repairs at Community Center
- One time only increases to governing body – contributions to other agencies \$7,000
- An increase of \$6,250 in contracted services to complete the Shallowford Road Roundabout design and advertising costs.
- \$62,753 increase in contracted services for snow removal
- \$34,000 for street repairs
- \$3,480 increase to provide for a temporary part-time employee
- \$8,400 increase to provide for storm water repairs and a light pole replacement



## Management Discussion and Analysis Town of Lewisville

- \$22,000 increase to provide for possible increases in contracted services – legal and community policing.

Significant budget amendments that changed original appropriations for transfers from the general fund include the following:

- Transfer \$10,000 to Lewisville-Vienna Road Sidewalk Extension Grant Project for costs of bidding specification documents.

Significant savings from final budgetary expenditures to actual expenditures include the following:

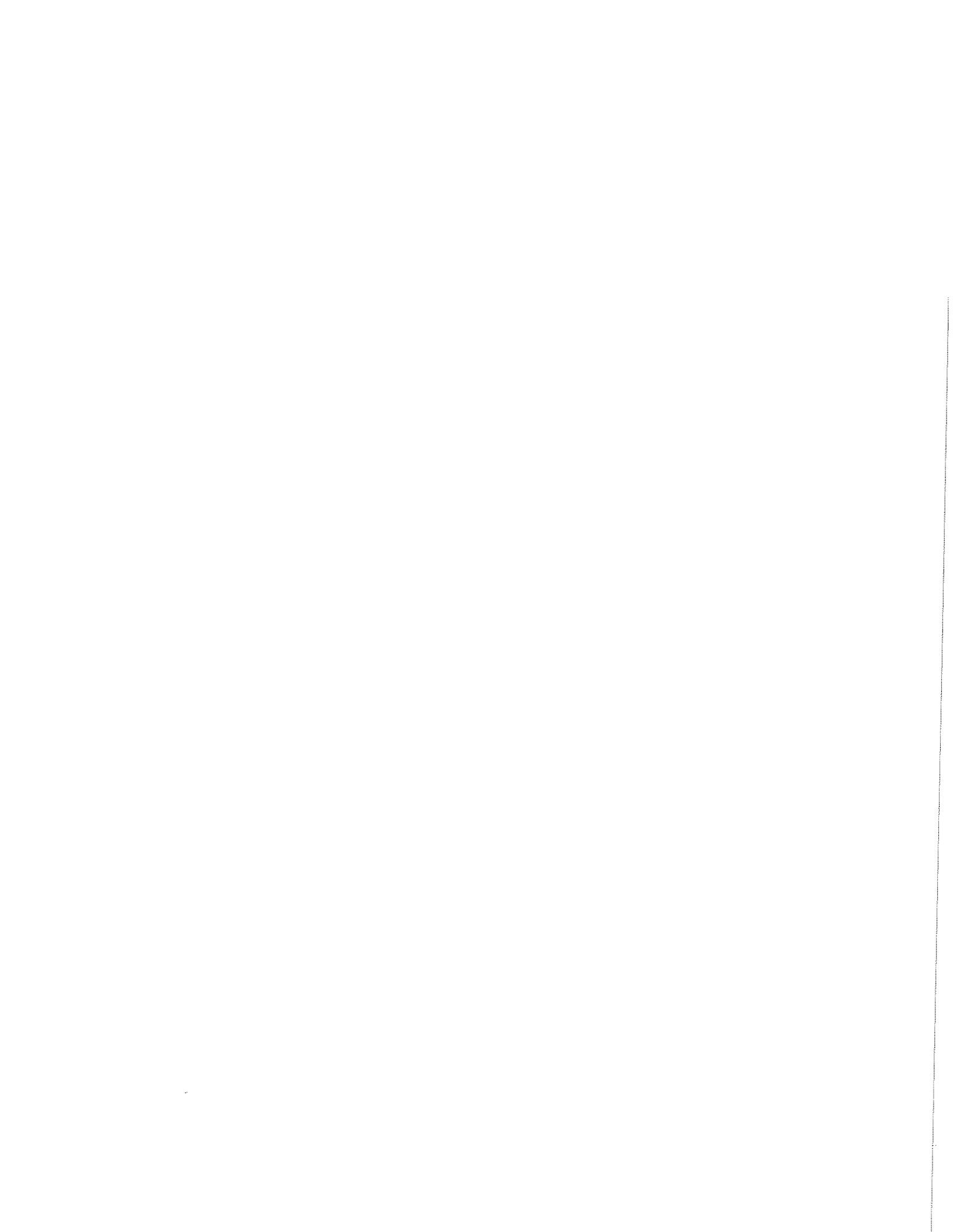
- \$5,560 on health insurance premiums
- \$18,090 on contracted services in governing body
- \$5,025 on contracted services administrative
- \$4,005 on contracted services finance
- \$5,000 on contracted service planning and zoning
- \$3,914 on contracted services beautification
- \$8,460 on overtime in administration, public works, and finance
- \$43,264 on contracted services community policing
- \$13,000 on parks and recreation events programming
- \$21,703 on utilities in various departments
- \$39,411 on solid waste contracted services and bulky item pickup
- \$74,120 in Powell Bill operations (street repairs, paving, and maintenance)
- \$7,500 in travel and training in various departments
- \$10,000 in legal for planning & zoning and governing body

### **Capital Asset and Debt Administration**

**Capital assets.** The Town of Lewisville's investment in capital assets for its governmental type activities as of June 30, 2014, totals \$6,988,857 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following:

- The Town spent \$19,753 on streetlight improvements.
- The Town spent \$78,426 on utility relocation expenses in relation to the Shallowford Road Roundabout Grant Capital Project.
- The Town spent \$5,400 on planning fees related to the Lewisville-Vienna Road Sidewalk Extension Grant Capital Project.
- The Town spent \$221 on expenses related to the GWR ROW/Construction Capital Project.



Management Discussion and Analysis  
Town of Lewisville

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

|                                  | Governmental Activities |                     |
|----------------------------------|-------------------------|---------------------|
|                                  | 2014                    | 2013                |
| Land                             | \$ 1,216,857            | \$ 1,216,857        |
| Construction in progress         | 1,009,452               | 925,405             |
| Buildings and systems            | 2,254,856               | 2,400,366           |
| Machinery and equipment          | 77,442                  | 91,640              |
| Infrastructure                   | 899,596                 | 935,569             |
| Park                             | 1,530,654               | 1,625,343           |
| Vehicles and motorized equipment | -                       | -                   |
| Total                            | <u>\$ 6,988,857</u>     | <u>\$ 7,195,180</u> |

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, 2014, the Town of Lewisville had long-term debt consisting of compensated absences and a financing agreement for the construction of the town hall building.

**Outstanding Debt  
Figure 5**

|                      | Governmental Activities |                     |
|----------------------|-------------------------|---------------------|
|                      | 2014                    | 2013                |
| Financing agreement  | \$ 1,773,334            | \$ 1,960,000        |
| Compensated absences | 51,841                  | 43,233              |
| Total                | <u>\$ 1,825,175</u>     | <u>\$ 2,003,233</u> |

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 \$97,356,022.



Management Discussion and Analysis  
Town of Lewisville

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**

The following key economic indicators reflect the growth and prosperity of the Town.

- Steady growth in residential property tax base.

**Budget Highlights for the Fiscal Year Ending June 30, 2015**

**Governmental Activities:**

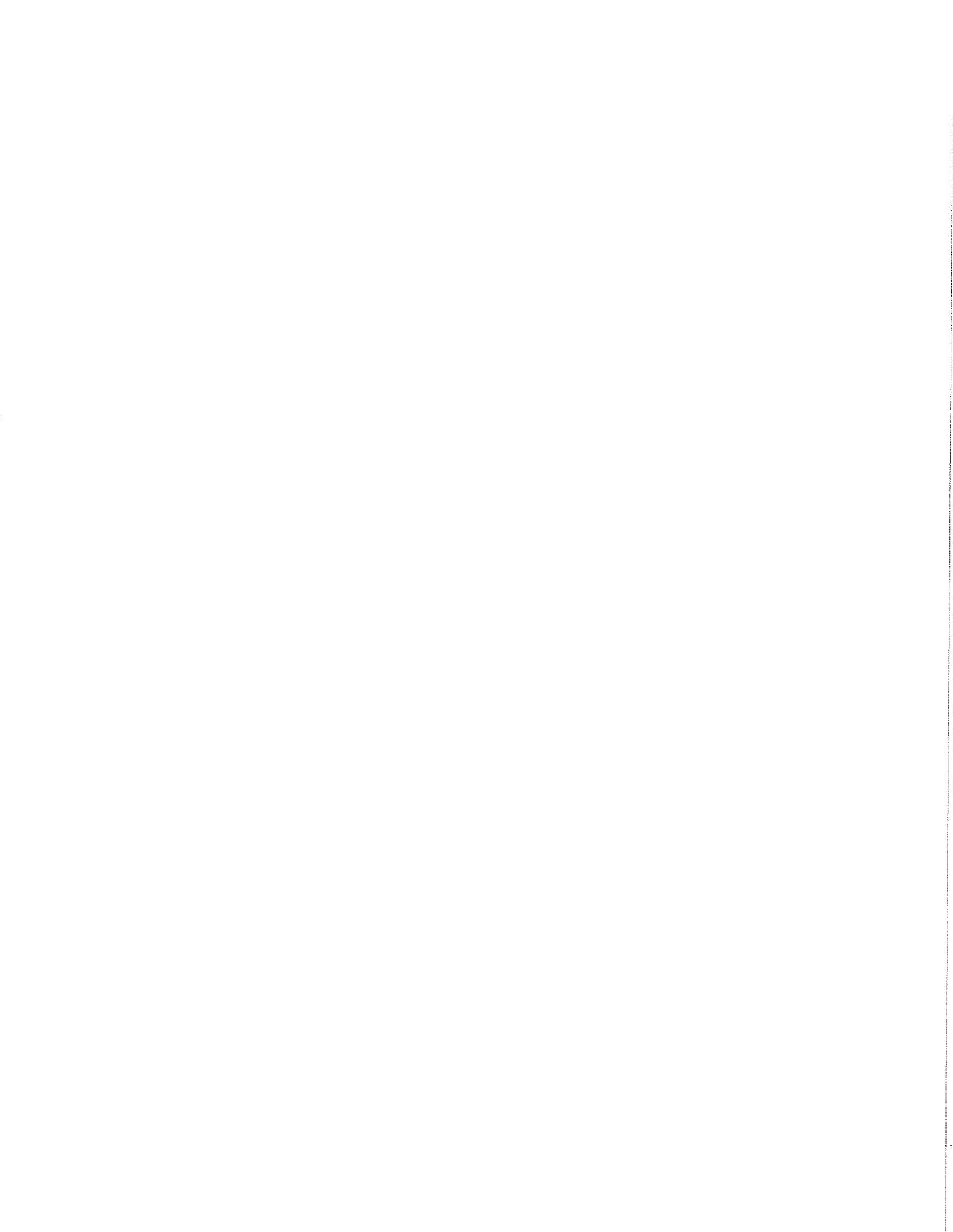
The Town will continue the process to construct a roundabout at the intersection of Shallowford Road and Williams Road.

The Town will continue the process of construction, design, and surveying for the next phase of the Great Wagon Road.

The Town will continue the process to construct a sidewalk extension on the Lewisville-Vienna Road.

**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 the Finance Officer/Assistant Manager, Town of Lewisville P.O. Box 547 Lewisville, NC 27023.



## **Basic Financial Statements**



Town of Lewisville, North Carolina  
Statement of Net Position  
June 30, 2014

|   | Governmental<br>Activities | Total         |
|---|----------------------------|---------------|
| <b>ASSETS</b>   |                            |               |
| Current assets:   |                            |               |
| Cash and cash equivalents   | \$ 7,153,943               | \$ 7,153,943  |
| Taxes receivables (net)   | 45,904                     | 45,904        |
| Accounts receivable (net)   | 31,476                     | 31,476        |
| Due from other governments  | 247,013                    | 247,013       |
| Other receivables (net)   | 446                        | 446           |
| Restricted cash and cash equivalents                                | 613,353                    | 613,353       |
| Total current assets  | 8,092,135                  | 8,092,135     |
| Non-current assets:   |                            |               |
| Capital assets  |                            |               |
| Land, non-depreciable improvements, and<br>construction in progress | 2,226,309                  | 2,226,309     |
| Other capital assets, net of depreciation                           | 4,762,548                  | 4,762,548     |
| Total capital assets  | 6,988,857                  | 6,988,857     |
| Total assets  | 15,080,992                 | 15,080,992    |
| <b>LIABILITIES</b>  |                            |               |
| Current liabilities:  |                            |               |
| Accounts payable  | 188,327                    | 188,327       |
| Accrued interest payable  | 4,656                      | 4,656         |
| Current portion of long-term liabilities                            | 206,824                    | 206,824       |
| Total current liabilities   | 399,807                    | 399,807       |
| Long-term liabilities:  |                            |               |
| Due in more than one year   | 1,618,351                  | 1,618,351     |
| Total liabilities   | 2,018,158                  | 2,018,158     |
| <b>NET POSITION</b>   |                            |               |
| Net investment in capital assets                                    | 5,215,523                  | 5,215,523     |
| Restricted for:   |                            |               |
| Stabilization by State Statute                                      | 278,935                    | 278,935       |
| Streets   | 613,353                    | 613,353       |
| Unrestricted  | 6,955,023                  | 6,955,023     |
| Total net position  | \$ 13,062,834              | \$ 13,062,834 |

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, 2014**

| Functions/Programs                   | Expenses            | Program Revenues     |                                    |                                  |
|--------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|
|                                      |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary government:</b>           |                     |                      |                                    |                                  |
| Governmental Activities:             |                     |                      |                                    |                                  |
| General government                   | \$ 1,046,683        | \$ -                 | \$ -                               | \$ -                             |
| Public works                         | 1,699,946           | -                    | 363,371                            | -                                |
| Planning                             | 126,574             | 3,780                | -                                  | -                                |
| Parks and recreation                 | 215,543             | 16,516               | -                                  | -                                |
| Public safety                        | 454,942             | -                    | -                                  | -                                |
| Interest on long-term debt           | 49,065              | -                    | -                                  | -                                |
| <b>Total governmental activities</b> | <b>3,592,753</b>    | <b>20,296</b>        | <b>363,371</b>                     | <b>-</b>                         |
| <b>Total primary government</b>      | <b>\$ 3,592,753</b> | <b>\$ 20,296</b>     | <b>\$ 363,371</b>                  | <b>\$ -</b>                      |

General revenues:

- Taxes:
  - Property taxes, levied for general purpose
  - Cable franchise tax
  - Local occupancy tax
- Unrestricted intergovernmental revenues
- Unrestricted investment earnings
- Miscellaneous

Total general revenues not including transfers

Transfers

- Total general revenues and transfers

Change in net position

Net position, beginning

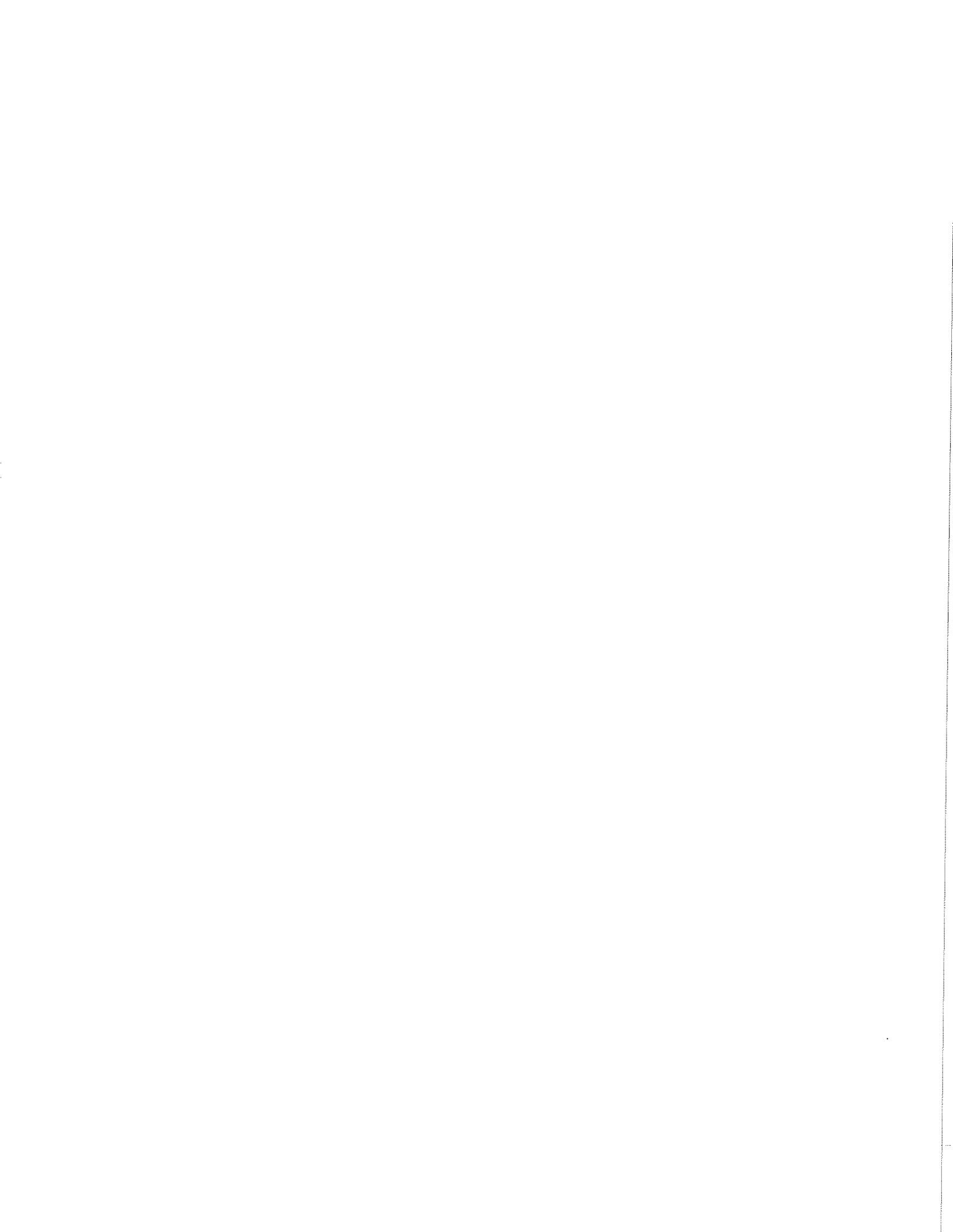
Net position, ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position

|    | Governmental<br>Activities |    | Total              |
|----|----------------------------|----|--------------------|
| \$ | (1,046,683)                | \$ | (1,046,683)        |
|    | (1,336,575)                |    | (1,336,575)        |
|    | (122,794)                  |    | (122,794)          |
|    | (199,027)                  |    | (199,027)          |
|    | (454,942)                  |    | (454,942)          |
|    | (49,065)                   |    | (49,065)           |
|    | <u>(3,209,086)</u>         |    | <u>(3,209,086)</u> |
| \$ | <u>(3,209,086)</u>         | \$ | <u>(3,209,086)</u> |
|    | 2,235,387                  |    | 2,235,387          |
|    | 26,593                     |    | 26,593             |
|    | 31,034                     |    | 31,034             |
|    | 1,390,374                  |    | 1,390,374          |
|    | 705                        |    | 705                |
|    | 25,622                     |    | 25,622             |
|    | <u>3,709,715</u>           |    | <u>3,709,715</u>   |
|    | -                          |    | -                  |
|    | <u>3,709,715</u>           |    | <u>3,709,715</u>   |
|    | 500,629                    |    | 500,629            |
|    | 12,562,205                 |    | 12,562,205         |
| \$ | <u>13,062,834</u>          | \$ | <u>13,062,834</u>  |



Town of Lewisville, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2014

|  | Major Funds         |                       | Total Governmental Funds |
|--|---------------------|-----------------------|--------------------------|
|  | General             | Total Non-Major Funds |                          |
| <b>ASSETS</b>  |                     |                       |                          |
| Cash and cash equivalents  | \$ 5,218,640        | \$ 1,935,303          | \$ 7,153,943             |
| Restricted cash  | 613,353             | -                     | 613,353                  |
| Receivables, net:  |                     |                       |                          |
| Taxes  | 45,568              | 336                   | 45,904                   |
| Accounts   | 31,476              | -                     | 31,476                   |
| Other  | 200                 | 246                   | 446                      |
| Due from other governments   | 247,013             | -                     | 247,013                  |
| Total assets   | <u>\$ 6,156,250</u> | <u>\$ 1,935,885</u>   | <u>\$ 8,092,135</u>      |
| <b>LIABILITIES</b>   |                     |                       |                          |
| Accounts payable and accrued liabilities                           | \$ 188,106          | \$ 221                | \$ 188,327               |
| Total liabilities  | <u>188,106</u>      | <u>221</u>            | <u>188,327</u>           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |                     |                       |                          |
| Property taxes receivable  | 45,568              | 336                   | 45,904                   |
| Total deferred inflows of resources                                | <u>45,568</u>       | <u>336</u>            | <u>45,904</u>            |
| <b>FUND BALANCES</b>   |                     |                       |                          |
| Restricted   |                     |                       |                          |
| Stabilization by State Statute                                     | 278,689             | 246                   | 278,935                  |
| Streets  | 613,353             | -                     | 613,353                  |
| Committed  |                     |                       |                          |
| Stormwater Capital Reserve Fund                                    | 290,278             | -                     | 290,278                  |
| Lewisville-Clemmons Road Widening                                  | 151,448             | -                     | 151,448                  |
| Stormwater - Beroth Circle Repairs                                 | -                   | -                     | -                        |
| Special revenue fund   | -                   | 71,700                | 71,700                   |
| Capital projects funds   | -                   | 1,863,382             | 1,863,382                |
| Assigned   |                     |                       |                          |
| Subsequent year's expenditures                                     | 51,410              | -                     | 51,410                   |
| Unassigned   | 4,537,398           | -                     | 4,537,398                |
| Total fund balances  | <u>5,922,576</u>    | <u>1,935,328</u>      | <u>7,857,904</u>         |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 6,156,250</u> | <u>\$ 1,935,885</u>   |                          |

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

|   |                    |           |
|---|--------------------|-----------|
| Gross capital assets at historical cost | \$ 9,420,454       |           |
| Accumulated depreciation                | <u>(2,431,597)</u> | 6,988,857 |

Liabilities for earned revenues considered deferred inflows of resources in fund statements.

45,904

Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.

|                          |                |
|--------------------------|----------------|
| Compensated absences     | (51,841)       |
| Financing agreement      | (1,773,334)    |
| Accrued interest payable | <u>(4,656)</u> |

Net position of governmental activities \$ 13,062,834

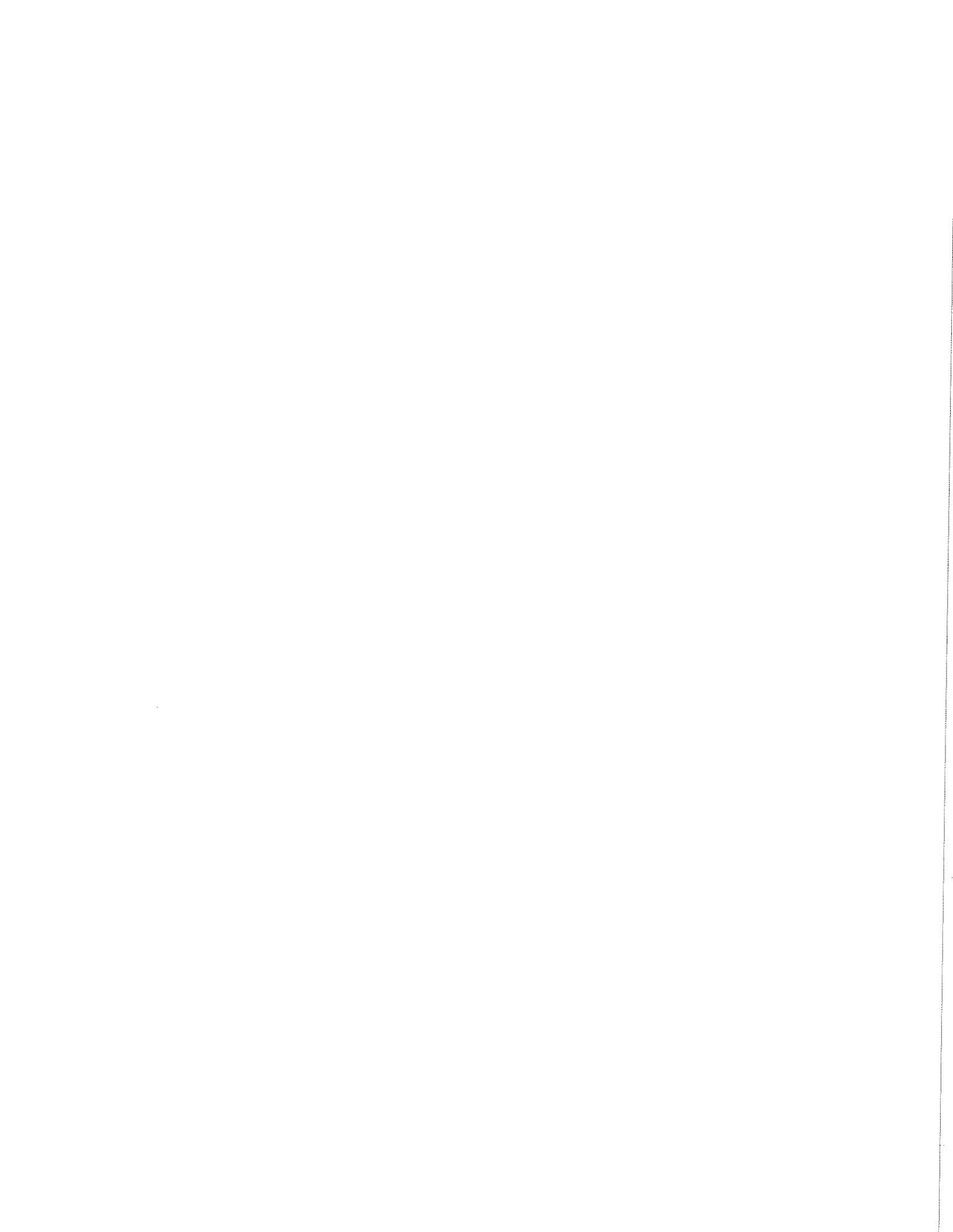
The notes to the financial statements are an integral part of this statement.



Town of Lewisville, North Carolina  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2014

|   | Major Funds         |                       | Total Governmental Funds |
|---|---------------------|-----------------------|--------------------------|
|   | General Fund        | Total Non-Major Funds |                          |
| <b>REVENUES</b>                                   |                     |                       |                          |
| Ad valorem taxes                                  | \$ 2,210,298        | \$ 30,053             | \$ 2,240,351             |
| Other taxes and licenses                          | 26,593              | -                     | 26,593                   |
| Unrestricted intergovernmental                    | 1,390,374           | -                     | 1,390,374                |
| Restricted intergovernmental                      | 394,406             | -                     | 394,406                  |
| Investment earnings                               | 505                 | 200                   | 705                      |
| Miscellaneous                                     | 45,918              | -                     | 45,918                   |
| Total revenues                                    | <u>4,068,094</u>    | <u>30,253</u>         | <u>4,098,347</u>         |
| <b>EXPENDITURES</b>                               |                     |                       |                          |
| Current:  |                     |                       |                          |
| General government                                | 865,310             | -                     | 865,310                  |
| Public works                                      | 1,650,734           | -                     | 1,650,734                |
| Planning  | 125,678             | 30,485                | 156,163                  |
| Parks and recreation                              | 117,562             | -                     | 117,562                  |
| Public safety                                     | 454,942             | -                     | 454,942                  |
| Debt service:                                     |                     |                       |                          |
| Principal   | 186,666             | -                     | 186,666                  |
| Interest and other charges                        | 49,555              | -                     | 49,555                   |
| Capital outlay                                    | -                   | 84,047                | 84,047                   |
| Total expenditures                                | <u>3,450,447</u>    | <u>114,532</u>        | <u>3,564,979</u>         |
| Excess (deficiency) of revenues over expenditures | <u>617,647</u>      | <u>(84,279)</u>       | <u>533,368</u>           |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                     |                       |                          |
| Transfers from other funds                        | -                   | 210,000               | 210,000                  |
| Transfers to other funds                          | (210,000)           | -                     | (210,000)                |
| Total other financing sources (uses)              | <u>(210,000)</u>    | <u>210,000</u>        | <u>-</u>                 |
| Net change in fund balance                        | 407,647             | 125,721               | 533,368                  |
| Fund balances, beginning                          | 5,514,929           | 1,809,607             | 7,324,536                |
| Fund balances, ending                             | <u>\$ 5,922,576</u> | <u>\$ 1,935,328</u>   | <u>\$ 7,857,904</u>      |

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

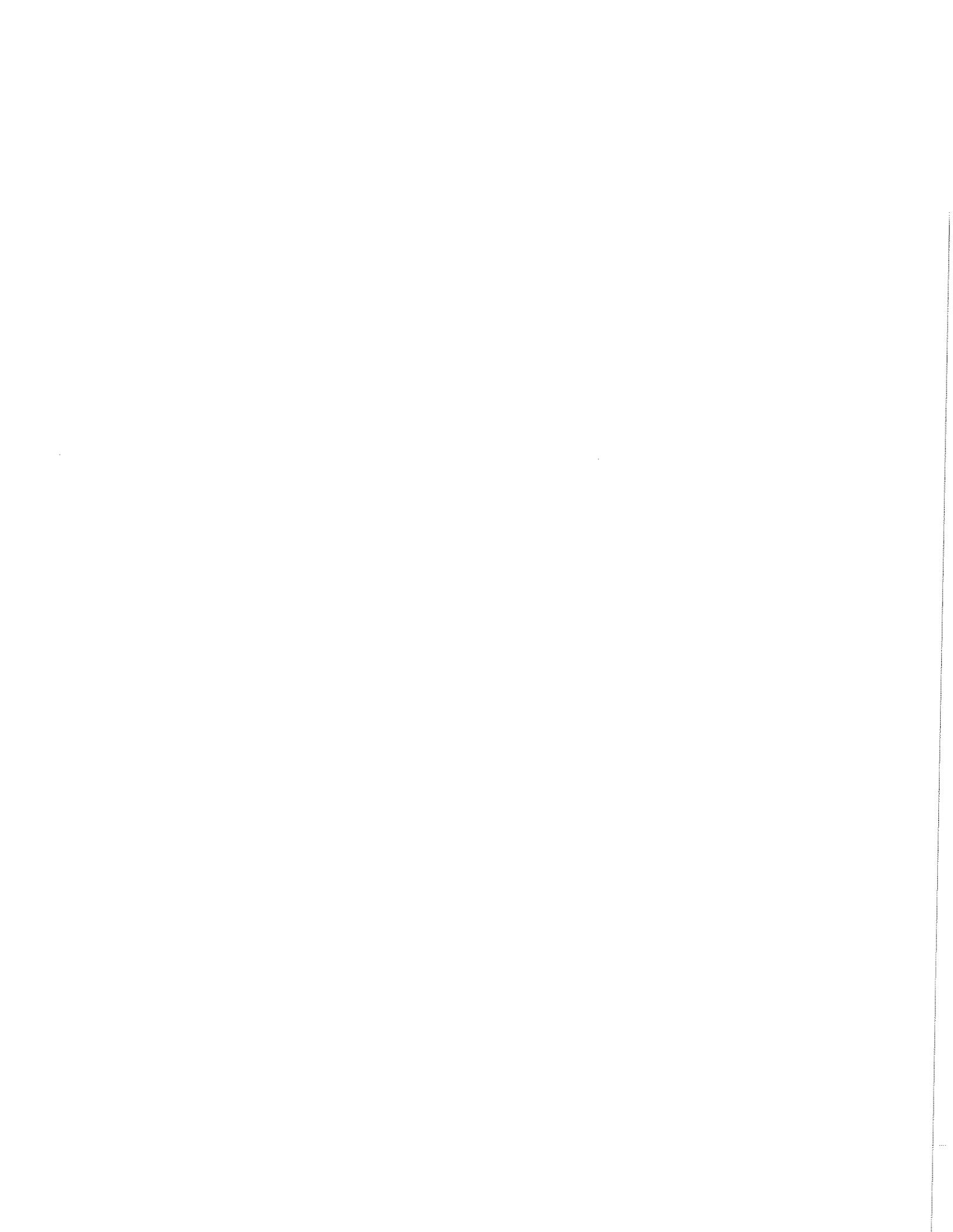


**Town of Lewisville, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

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

|   |                  |                   |
|---|------------------|-------------------|
| Net changes in fund balances - total governmental funds   |                  | \$ 533,368        |
| <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>  |                  |                   |
| Capital outlay expenditures which were capitalized  | \$ 103,800       |                   |
| Depreciation expense for governmental activities  | <u>(310,123)</u> | (206,323)         |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>   |                  |                   |
| Change in unavailable revenue for tax revenues  |                  | (4,964)           |
| <p>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.</p> |                  |                   |
| Principal payments on long-term debt  | 186,666          |                   |
| Decrease in accrued interest payable  | <u>489</u>       | 187,155           |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>  |                  |                   |
| Compensated absences  |                  | <u>(8,607)</u>    |
| Total changes in net position of governmental activities  |                  | <u>\$ 500,629</u> |

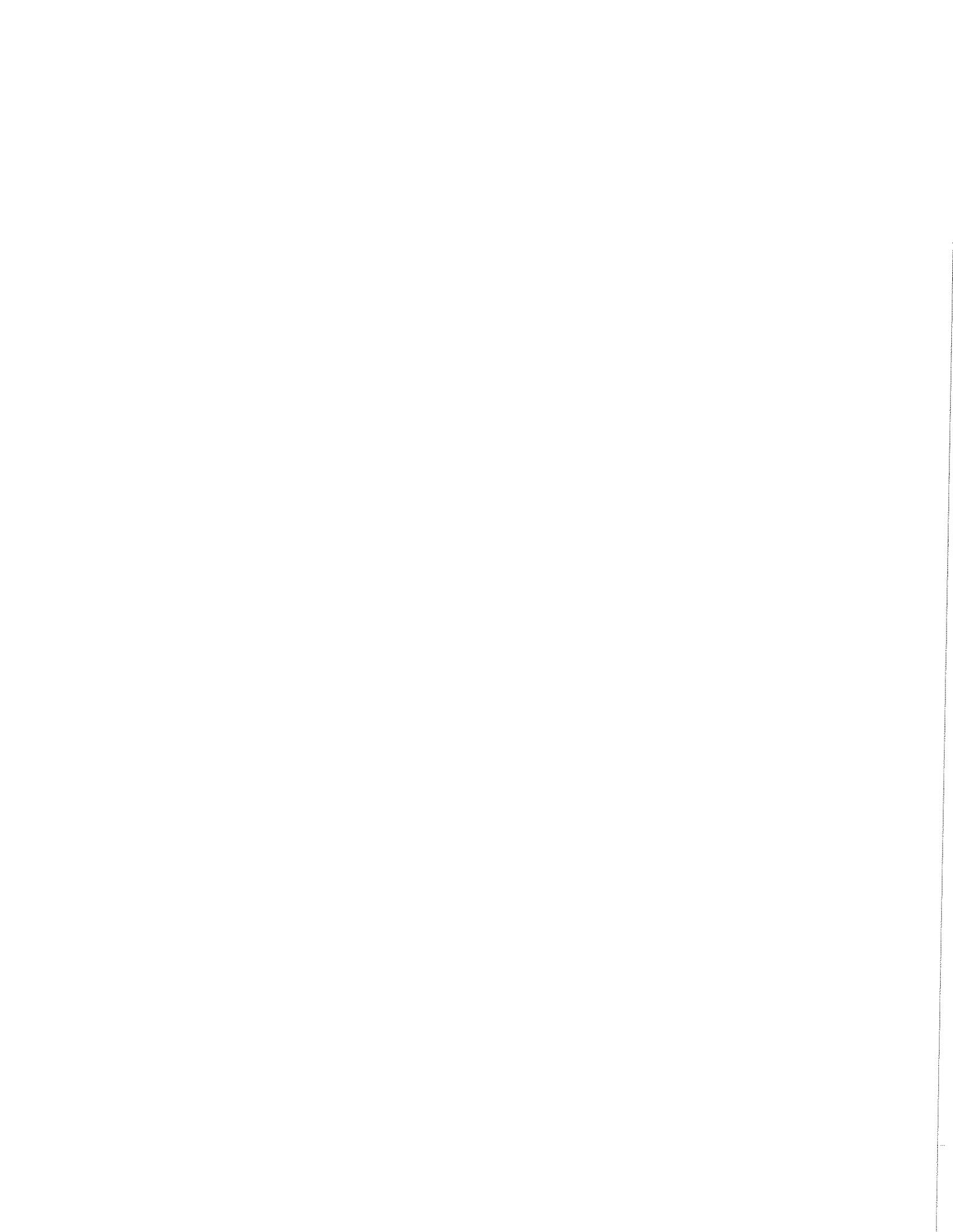
The notes to the financial statements are an integral part of this statement.



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, 2014

|  | General Fund     |                  |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|------------------|------------------|---------------------|--|
|  | Original         | Final            | Actual Amounts      |  |
| Revenues:  |                  |                  |                     |  |
| Ad valorem taxes   | \$ 2,038,220     | \$ 2,038,220     | \$ 2,210,298        | \$ 172,078   |
| Other taxes and licenses   | 26,000           | 26,000           | 26,593              | 593  |
| Unrestricted intergovernmental   | 1,267,090        | 1,267,090        | 1,390,374           | 123,284  |
| Restricted intergovernmental   | 378,300          | 378,300          | 394,406             | 16,106   |
| Investment earnings  | 1,720            | 1,720            | 453                 | (1,267)  |
| Miscellaneous  | 31,700           | 31,700           | 45,918              | 14,218   |
| Total revenues   | <u>3,743,030</u> | <u>3,743,030</u> | <u>4,068,042</u>    | <u>325,012</u>   |
| Expenditures:  |                  |                  |                     |  |
| Current:   |                  |                  |                     |  |
| General government   | 934,320          | 966,441          | 865,310             | 101,131  |
| Public works   | 1,713,840        | 1,823,093        | 1,581,404           | 241,689  |
| Planning   | 133,330          | 139,330          | 125,678             | 13,652   |
| Parks and recreation   | 144,980          | 148,330          | 117,562             | 30,768   |
| Public safety  | 495,330          | 505,330          | 454,942             | 50,388   |
| Debt service:  |                  |                  |                     |  |
| Principal retirement   | 186,666          | 186,666          | 186,666             | -  |
| Interest and other charges   | 49,564           | 49,564           | 49,555              | 9  |
| Total expenditures   | <u>3,658,030</u> | <u>3,818,754</u> | <u>3,381,117</u>    | <u>437,637</u>   |
| Revenues over (under) expenditures   | 85,000           | (75,724)         | 686,925             | 762,649  |
| Other financing sources (uses):  |                  |                  |                     |  |
| Transfers from other funds   | -                | -                | -                   | -  |
| Transfers to other funds   | (200,000)        | (210,000)        | (210,000)           | -  |
| Total other financing sources (uses)   | <u>(200,000)</u> | <u>(210,000)</u> | <u>(210,000)</u>    | <u>-</u>   |
| Fund balance appropriated  | 115,000          | 285,724          | -                   | (285,724)  |
| Net change in fund balance   | <u>\$ -</u>      | <u>\$ -</u>      | 476,925             | <u>\$ 476,925</u>  |
| Fund balances, beginning   |                  |                  | 5,003,925           |  |
| Fund balances, ending  |                  |                  | <u>\$ 5,480,850</u> |  |
| A legally budgeted Stormwater Capital Reserve Fund, a legally budgeted Lewisville-Clemmons Road Widening Grant Fund, and a legally budgeted Stormwater - Beroth Circle Repairs Fund are consolidated into the General Fund for reporting purposes: |                  |                  |                     |  |
| Investment earnings - Stormwater Capital Reserve Fund  |                  |                  | 35                  |  |
| Investment earnings - Lewisville-Clemmons Road Widening  |                  |                  | 16                  |  |
| Investment earnings - Stormwater - Beroth Circle Repairs   |                  |                  | 1                   |  |
| Expenditures - Stormwater - Beroth Circle Repairs  |                  |                  | (69,330)            |  |
| Stormwater Capital Reserve Fund - Transfers from other funds   |                  |                  | 3,001               |  |
| Stormwater Capital Reserve Fund - Transfers to other funds   |                  |                  | (72,330)            |  |
| Stormwater - Beroth Circle Repairs - Transfers to other funds  |                  |                  | (3,001)             |  |
| Stormwater - Beroth Circle Repairs - Transfers from other funds  |                  |                  | 72,330              |  |
| Fund balance, beginning - Stormwater Capital Reserve Fund  |                  |                  | 359,572             |  |
| Fund balance, beginning - Lewisville-Clemmons Road Widening  |                  |                  | 151,432             |  |
| Fund balance, beginning - Stormwater - Beroth Circle Repairs   |                  |                  | -                   |  |
| Fund balance, ending (Exhibit 4)   |                  |                  | <u>\$ 5,922,576</u> |  |

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



**Town of Lewisville, North Carolina**

**Notes to the Financial Statements**

**For the Fiscal Year Ended June 30, 2014**

**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 fund:

**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, street maintenance and construction, and sanitation services. Additionally, the Town has legally



adopted a Stormwater Capital Reserve Fund, a Lewisville-Clemmons Road Widening Grant Fund, and a Stormwater – Beroth Circle Repairs Fund. Under GASB 54 guidance these funds are consolidated in the General Fund. The budgetary comparison for these funds has been included in the supplemental information.

The Town reports the following non-major governmental funds:

**MSD Special Revenue Fund.** This fund is used to account for the operation and activities of the Municipal Service District, a special tax district of the Town.

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

**Municipal Building Capital Projects Fund.** This fund is used to account for the construction of a Town Hall building.

**Sidewalks and Bike Paths Capital Projects Fund.** This fund is used to account for funds to be used in the sidewalks and bike paths project.

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

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

**Greenways Capital Projects Fund.** This fund is used to account for funds to be used in future greenways projects.

**Shallowford Road Roundabout Grant Capital Projects Fund.** This fund is used to account for funds to be used in the construction of a roundabout on Shallowford Road.

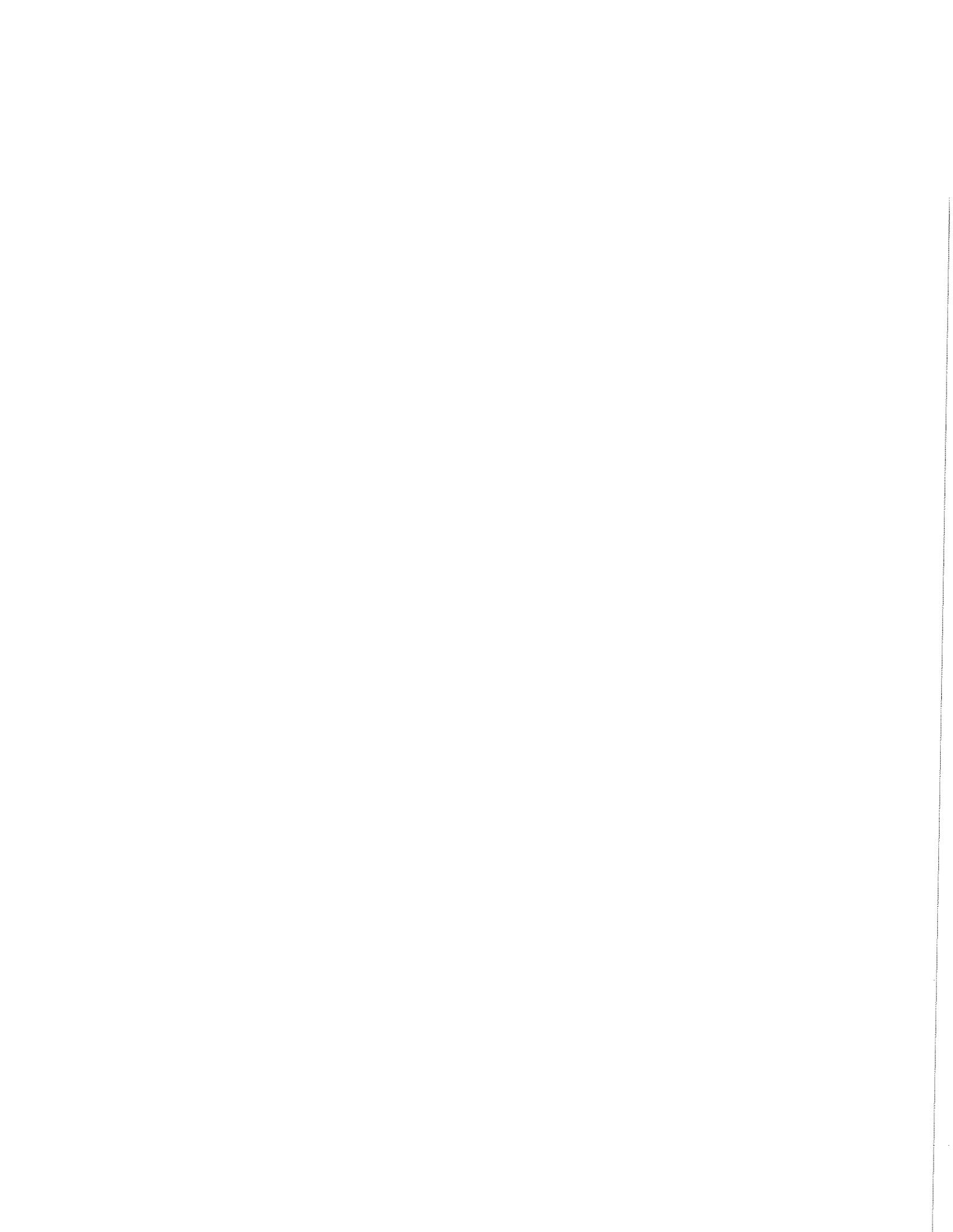
**Lewisville-Vienna Road Sidewalk Extension Grant Capital Projects Fund.** This fund is used to account for funds to be used in the construction of additional sidewalks along Lewisville-Vienna Road.

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

### 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 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 judgments, 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 utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. 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 assets 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.



#### 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 Stormwater Capital Reserve Fund, the Stormwater – Beroth Circle Repairs Fund, the MSD Special Revenue Fund, the Municipal Buildings/Land Capital Projects Fund, the Sidewalks and Bike Paths Capital Projects Fund, the GWR ROW Construction Reserve Capital Projects Fund, and the Greenways Capital Projects Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Lewisville-Clemmons Road Widening Grant Fund, the Municipal Building Capital Projects Fund, the GWR ROW Construction Capital Projects Fund, the Shallowford Road Roundabout Grant Capital Projects Fund, the Lewisville-Vienna Road Sidewalk Extension Grant Capital Projects Fund, and the Jack Warren Park Maintenance Facility/Playground Expansion Capital Projects Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional 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

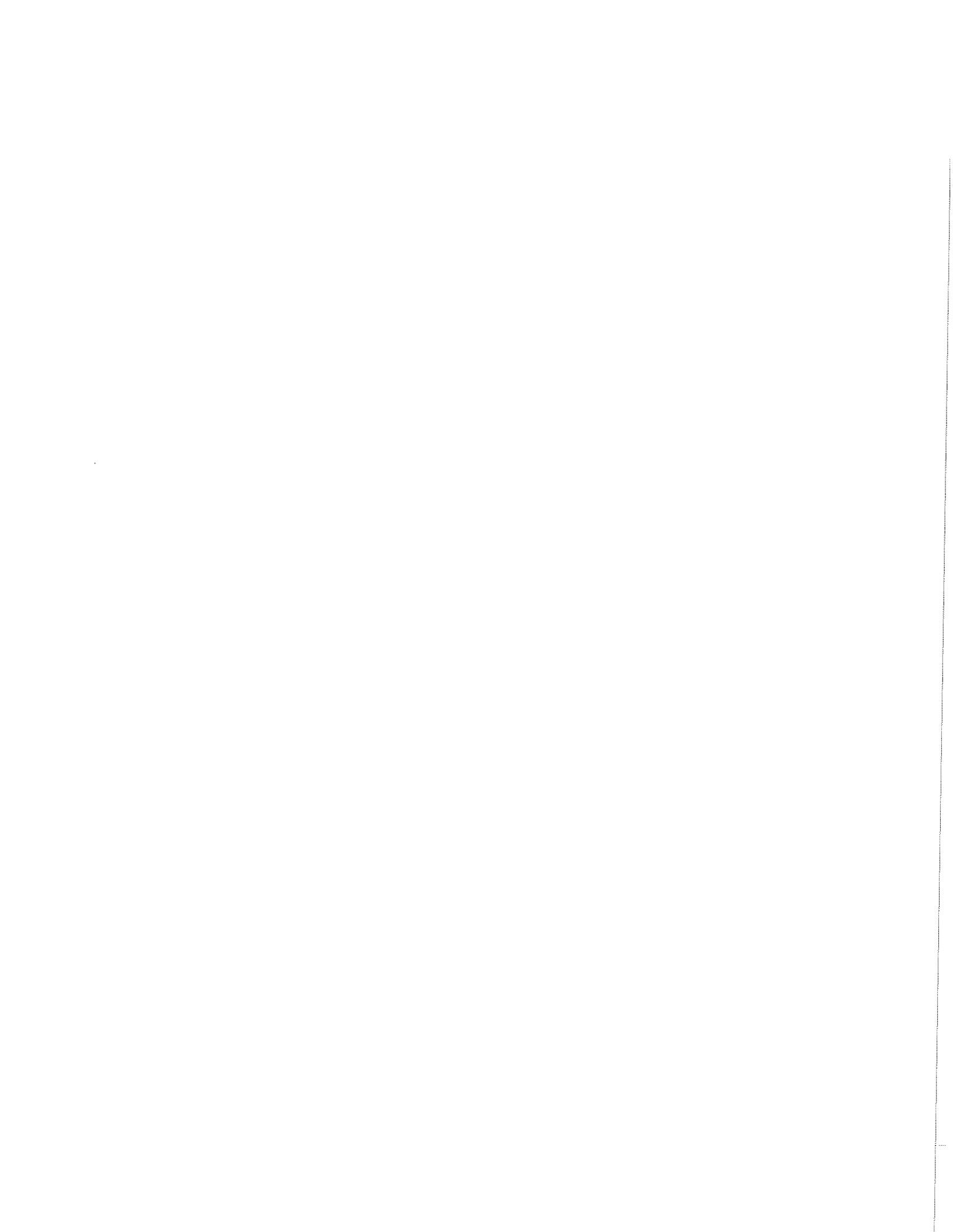
##### 1. Deposits and Investments

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 reported at fair value as determined by quoted market prices. The securities of the NCCMT- Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

##### 2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.



### 3. Restricted Assets

Powell Bill funds are classified as restricted cash because it can be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

#### Town of Lewisville Restricted Cash

##### Governmental Activities

|                               |                              |
|-------------------------------|------------------------------|
| General Fund                  |                              |
| Streets                       | \$ 613,353                   |
| Total Governmental Activities | <u>613,353</u>               |
| <br>Total Restricted Cash     | <br><u><u>\$ 613,353</u></u> |

### 4. Ad Valorem Taxes Receivable

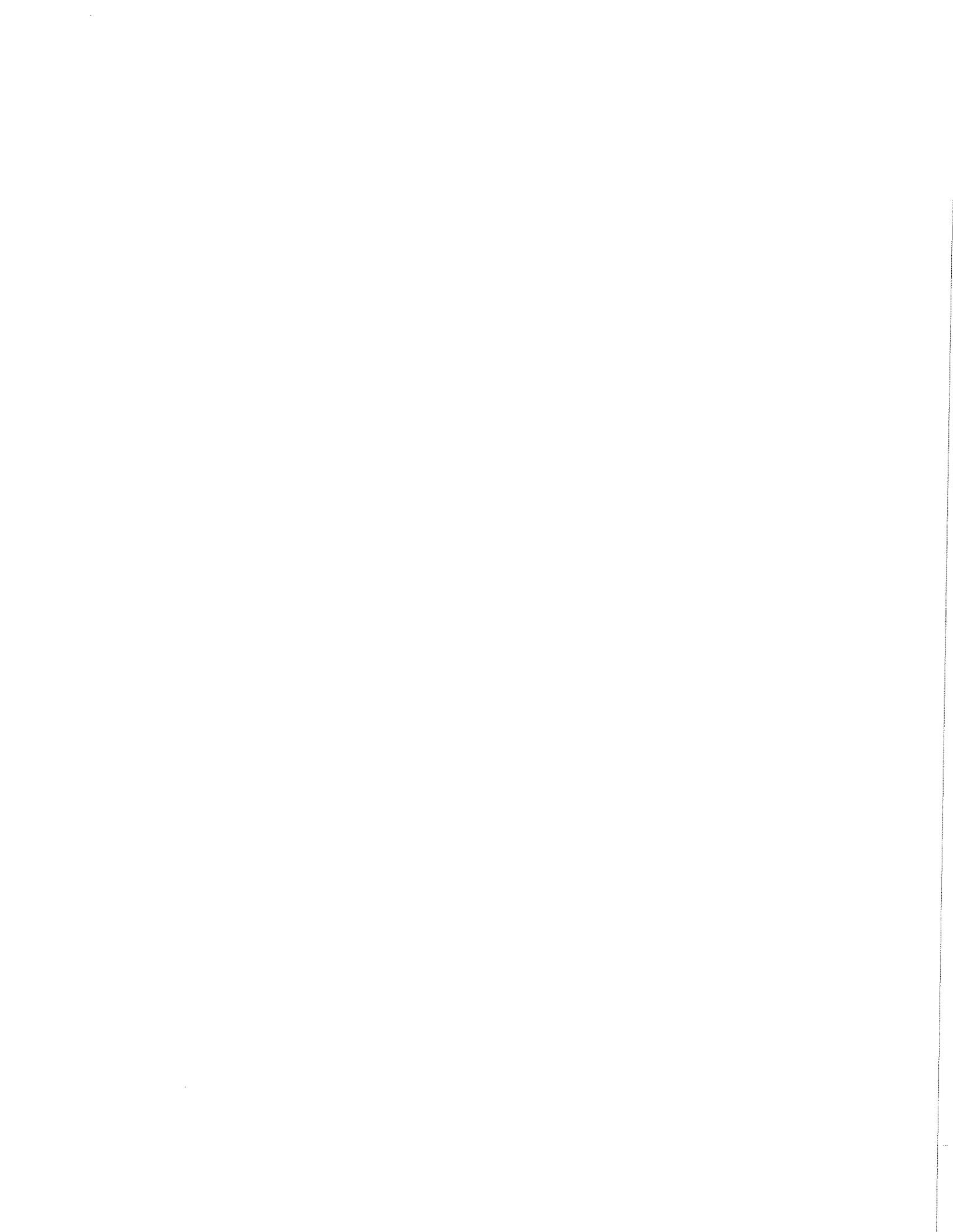
In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2013.

### 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. Purchased or constructed capital assets are reported at cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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.



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

| Asset Class             | Estimated<br>Useful Lives |
|-------------------------|---------------------------|
| Park and infrastructure | 30                        |
| Buildings               | 20                        |
| Vehicles                | 5                         |
| Furniture and equipment | 5-10                      |
| Computer equipment      | 3                         |

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

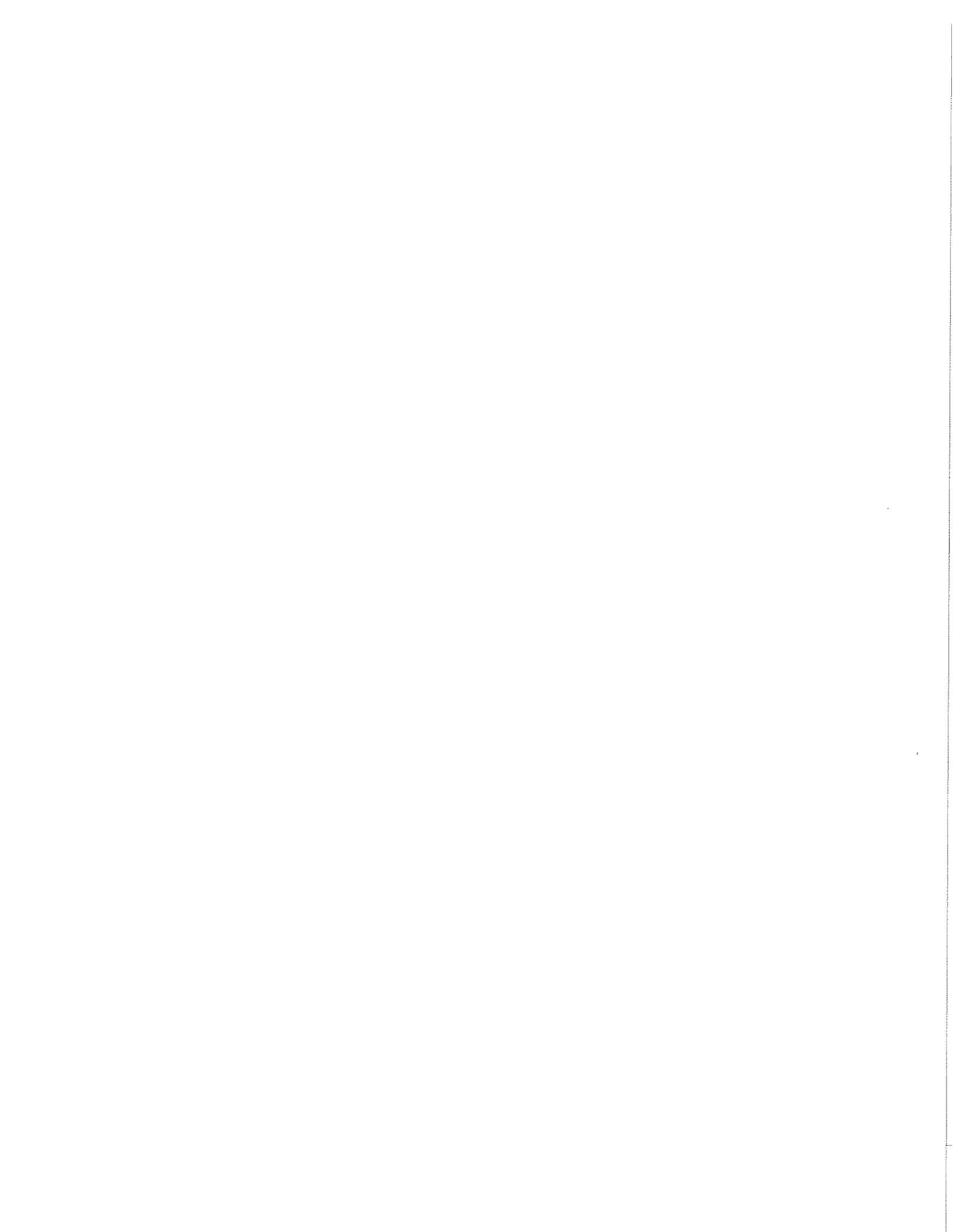
#### 8. Long-Term Obligations

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 provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide funds, 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 provide 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.



## 10. Net Position/Fund Balances

### Net position

Net position in government-wide financial statements are 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 – portion of fund balance that is restricted by State Statute [G.S.159-8(a)].

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 formal action that results is a resolution. Any changes or removal of specific purpose requires majority action by the governing body.

Committed for Stormwater Capital Reserve Fund – This fund is used to account for funds to be used in the stormwater project.

Committed for Lewisville-Clemmons Road Widening Grant Fund – This fund is used to account for funds to be used in the widening of Lewisville-Clemmons Road at the entrance to Warren Park.

Committed for Stormwater – Beroth Circle Repairs Fund – This fund is used to account for the funds to be used in the repairs on Beroth Circle.

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



Committed for Capital Projects Funds – These funds are used to account for the revenue 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 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. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

## **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, 2014, the Town's deposits had a carrying amount of \$632,034 and a bank balance of \$660,567. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2014, the Town's petty cash fund totaled \$200.

## 2. Investments

At June 30, 2014, the Town of Lewisville had \$7,135,062 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no formal policy regarding credit risk.

## 3. Capital Assets

### Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2014, was as follows:

|  | Beginning<br>Balances | Increases | Decreases | Ending<br>Balances  |
|--|-----------------------|-----------|-----------|---------------------|
| <b>Governmental activities:</b>                  |                       |           |           |                     |
| <b>Capital assets not being depreciated:</b>     |                       |           |           |                     |
| Land   | \$ 1,216,857          | \$ -      | \$ -      | \$ 1,216,857        |
| Construction in progress                         | 925,405               | 84,047    | -         | 1,009,452           |
| Total capital assets not being depreciated       | 2,142,262             | 84,047    | -         | 2,226,309           |
| <b>Capital assets being depreciated:</b>         |                       |           |           |                     |
| Buildings  | 3,363,778             | -         | -         | 3,363,778           |
| Furniture and equipment                          | 227,178               | 19,753    | -         | 246,931             |
| Vehicles and motorized equipment                 | 37,587                | -         | -         | 37,587              |
| Computer equipment                               | 17,980                | -         | -         | 17,980              |
| Infrastructure                                   | 1,079,200             | -         | -         | 1,079,200           |
| Park   | 2,448,669             | -         | -         | 2,448,669           |
| Total capital assets being depreciated           | 7,174,392             | 19,753    | -         | 7,194,145           |
| <b>Less accumulated depreciation for:</b>        |                       |           |           |                     |
| Buildings  | 963,412               | 145,510   | -         | 1,108,922           |
| Furniture and equipment                          | 135,538               | 33,951    | -         | 169,489             |
| Vehicles and motorized equipment                 | 37,587                | -         | -         | 37,587              |
| Computer equipment                               | 17,980                | -         | -         | 17,980              |
| Infrastructure                                   | 143,631               | 35,973    | -         | 179,604             |
| Park   | 823,326               | 94,689    | -         | 918,015             |
| Total accumulated depreciation                   | 2,121,474             | 310,123   | -         | 2,431,597           |
| Total capital assets being depreciated, net      | 5,052,918             |           |           | 4,762,548           |
| <b>Governmental activity capital assets, net</b> | <b>\$ 7,195,180</b>   |           |           | <b>\$ 6,988,857</b> |



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

|                            |                   |
|----------------------------|-------------------|
| General government         | \$ 175,490        |
| Public works               | 36,138            |
| Planning                   | 513               |
| Parks and recreation       | 97,982            |
| Total depreciation expense | <u>\$ 310,123</u> |

B. Liabilities

1. Pension Plan Obligations

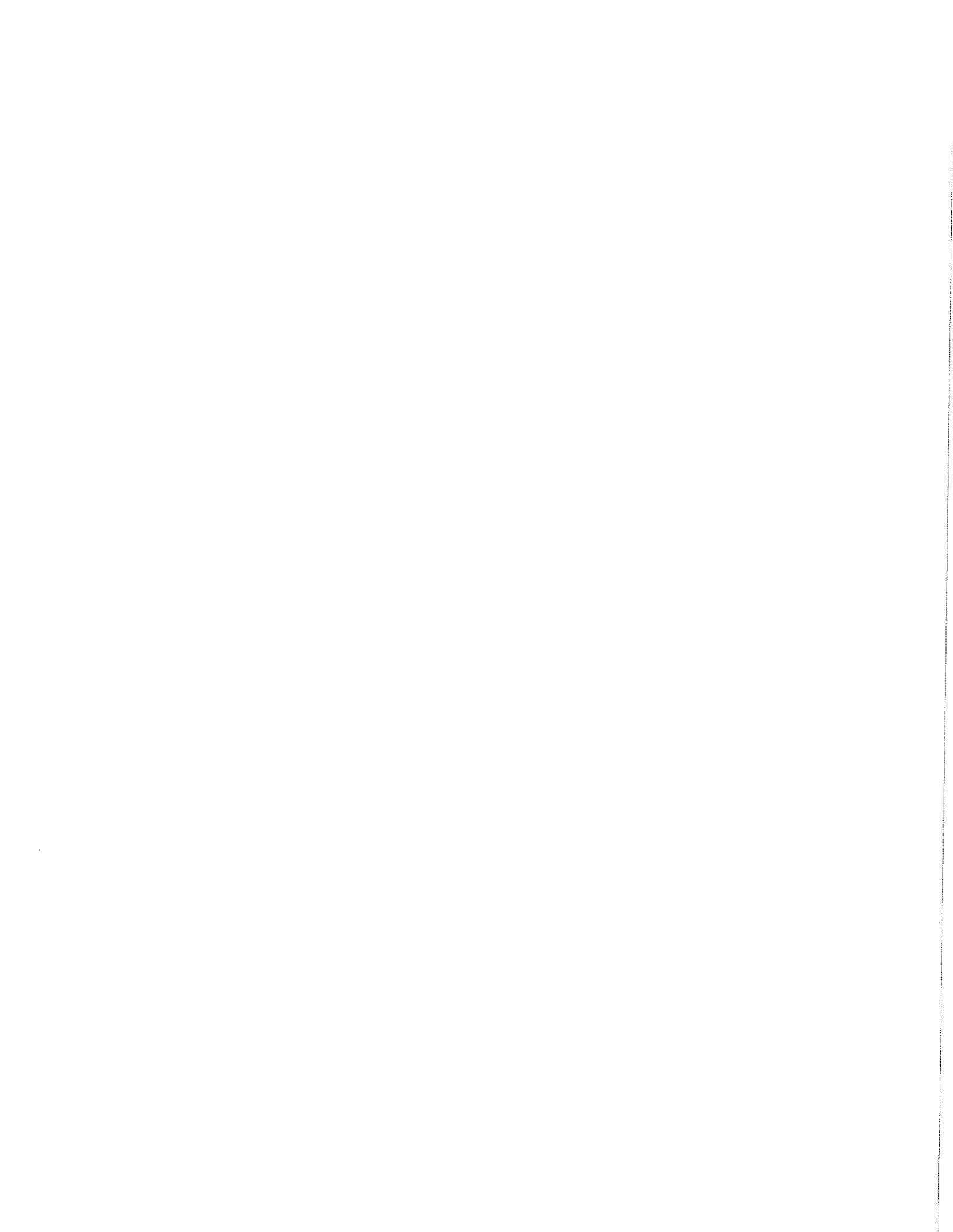
a. Local Governmental Employees' Retirement System

*Plan Description.* The Town of Lewisville contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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, or by calling (919) 981-5454.

*Funding Policy.* Plan members are required to contribute six percent of their annual covered salary. The Town is required to contribute at an actuarially determined rate. For the Town, the current rate is 7.07% of annual covered payroll. The contribution requirements of members and of the Town of Lewisville are established and may be amended by the North Carolina General Assembly. The Town's contributions to LGERS for the years ended June 30, 2014, 2013, and 2012, were \$42,034, \$41,262, and \$40,357, respectively. The contributions made by the Town equaled the required contributions for each year.

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 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, 2014 amounted to \$11,574, which consisted of \$4,440 from employees and \$7,134 from the Town. Information regarding the plan may be obtained by writing to ICMA Retirement Corporation, 777 N. Capital Street NE, Washington, D.C. 20002-4240.



### c. Supplemental Retirement Income Plan

All permanent full time employees of the Town are eligible to participate in the Supplemental Retirement Income Plan (Plan) (401(k) Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Under the provisions of the plan, employees may contribute up to 100% of compensation, subject to the maximum established by the Internal Revenue Code. Total contributions for the year ended June 30, 2014 amounted to \$1,080 from employees. 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That 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

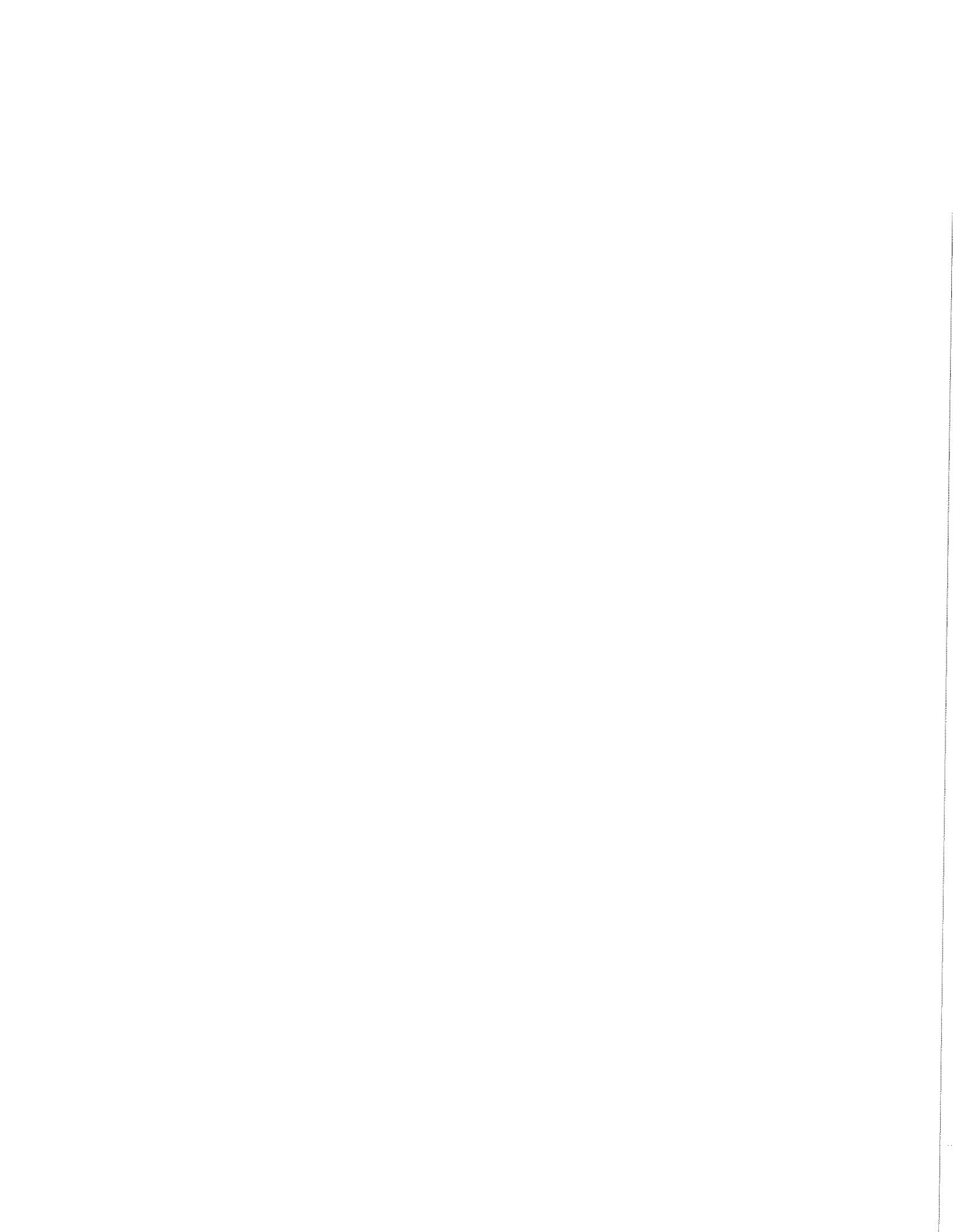
Deferred inflows of resources at year-end are comprised of the following:

|   | <u>Unavailable<br/>Revenue</u> |
|---|--------------------------------|
| Taxes receivable (General Fund)         | \$ 45,568                      |
| Taxes receivable (Special Revenue Fund) | <u>336</u>                     |
| Total                                   | <u>\$ 45,904</u>               |

### 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 three 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 \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. 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. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies 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 officer is individually bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$30,000.

#### 4. Commitments

The Town has entered into a contract for solid waste collection expiring in June 2017 for approximately \$694,000 per year.

#### 5. Long-Term Obligations

##### a. Financing Agreement

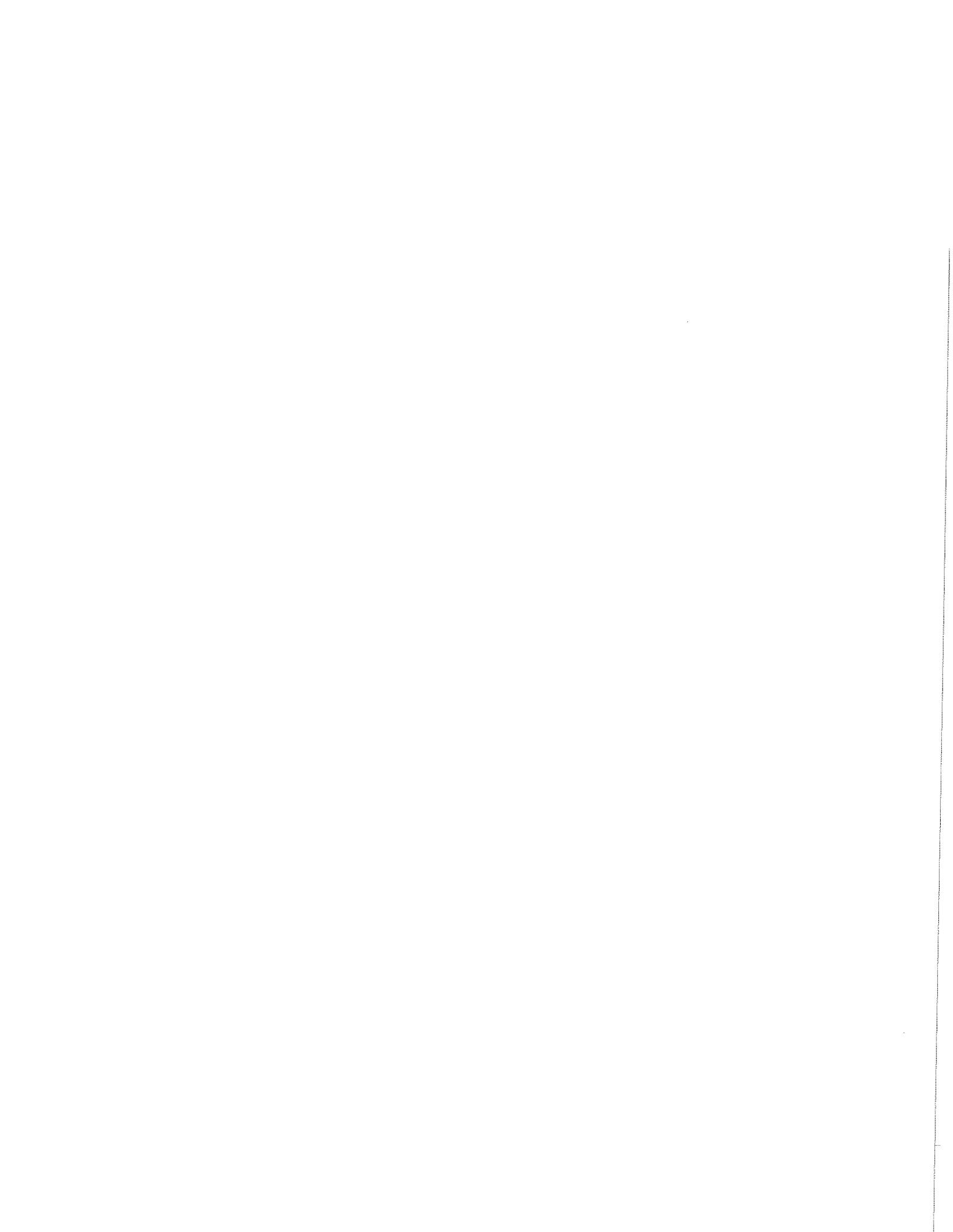
On November 24, 2008, the Town entered into a financing agreement with a bank for a loan of \$2,800,000 to be used to construct a new Town Hall Building. Principal payments of \$93,333 plus interest at 3.91% are due each May 24 and November 24 through November 24, 2023. On May 24, 2013 the financing agreement was modified to an interest rate of 2.59%. The loan is secured by a Deed of Trust on the Town Hall Building. A summary of the annual requirements of the financing agreement follows:

|           | <u>Principal</u>    | <u>Interest</u>   |
|-----------|---------------------|-------------------|
| 2015      | \$ 186,666          | \$ 44,721         |
| 2016      | 186,666             | 39,886            |
| 2017      | 186,666             | 35,051            |
| 2018      | 186,666             | 30,217            |
| 2019      | 186,666             | 25,382            |
| 2020-2024 | 840,004             | 54,391            |
|           | <u>\$ 1,773,334</u> | <u>\$ 229,648</u> |

##### b. Changes in Long-Term Liabilities

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u>  | <u>Ending<br/>Balance</u> | <u>Current Portion<br/>of Balance</u> |
|---|------------------------------|------------------|-------------------|---------------------------|---------------------------------------|
| Governmental activities:                    |                              |                  |                   |                           |                                       |
| Financing agreement                         | \$ 1,960,000                 | \$ -             | \$ 186,666        | \$ 1,773,334              | \$ 186,666                            |
| Compensated absences                        | 43,233                       | 8,608            | -                 | 51,841                    | 20,158                                |
| Governmental activity long-term liabilities | <u>\$ 2,003,233</u>          | <u>\$ 8,608</u>  | <u>\$ 186,666</u> | <u>\$ 1,825,175</u>       | <u>\$ 206,824</u>                     |

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



At June 30, 2014, the Town of Lewisville had a legal debt margin of \$97,356,022.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2014, consist of the following:

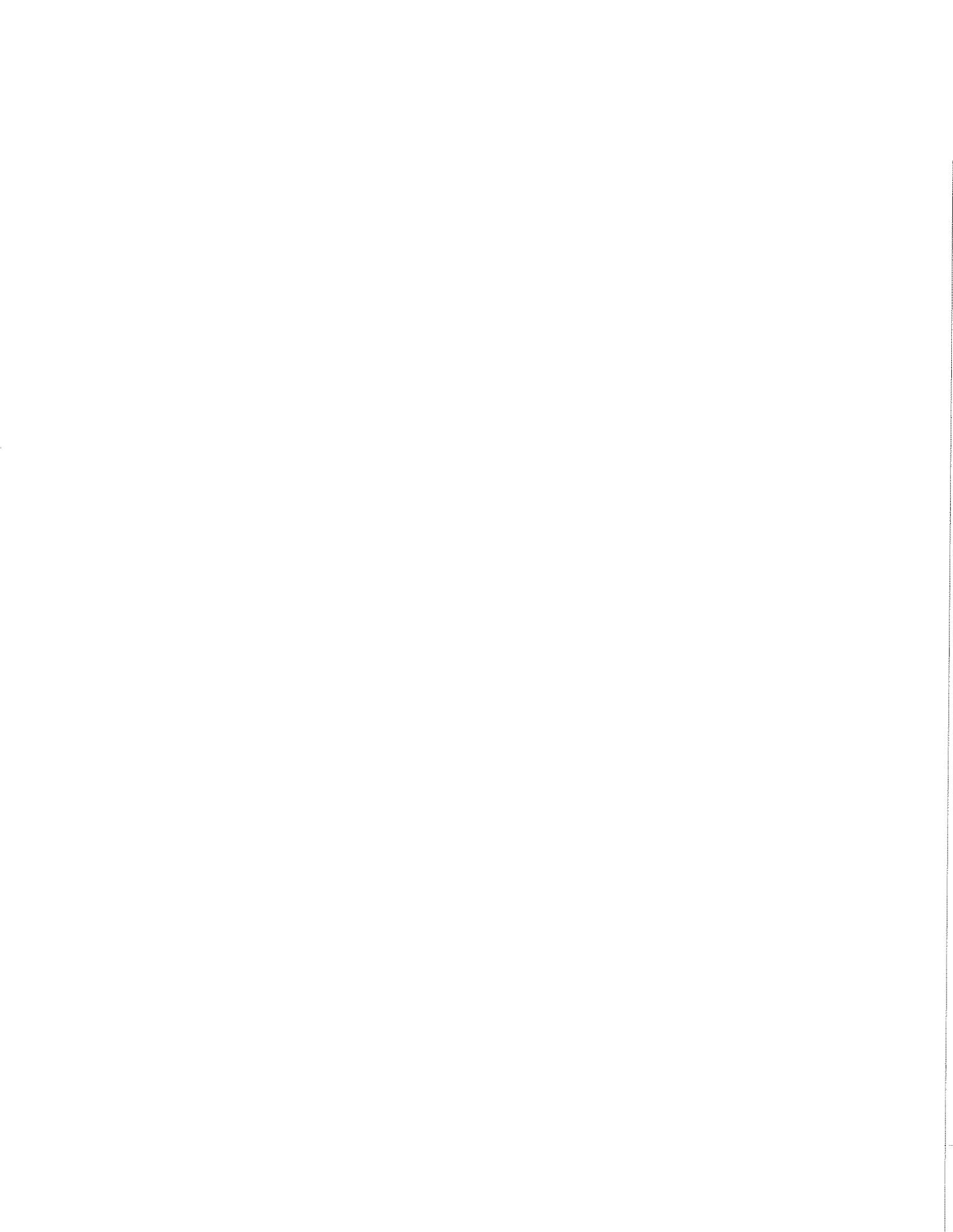
Transfers from General Fund to Non-Major Funds

|   |                   |
|---|-------------------|
| From the General Fund to the Municipal Building/Land Capital Projects Fund for future projects                            | \$ 100,000        |
| From the General Fund to the GWR ROW/Construction Reserve Capital Projects Fund for future projects                       | 100,000           |
| From the General Fund to the Lewisville-Vienna Road Sidewalk Extension Grant Capital Projects Fund for construction costs | <u>10,000</u>     |
|   | <u>\$ 210,000</u> |

Other Transfers

|   |                  |
|---|------------------|
| From the Stormwater Capital Reserve Fund to the Stormwater - Beroth Circle Repairs Fund to pay for road repairs               | <u>\$ 72,330</u> |
| From the Stormwater - Beroth Circle Repairs Fund to the Stormwater Capital Reserve Fund as Beroth Circle repairs are complete | <u>\$ 3,001</u>  |

Transfers are used to move unrestricted revenues to finance various programs that the government 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

|                                  |                     |
|----------------------------------|---------------------|
|                                  | <u>Governmental</u> |
| Capital assets                   | \$ 6,988,857        |
| Less: long-term debt             | <u>1,773,334</u>    |
| Net investment in capital assets | <u>\$ 5,215,523</u> |

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               | \$ 5,922,576 |
| Less:   |              |
| Restricted for Stabilization by State Statute   | 278,689      |
| Restricted for Streets                          | 613,353      |
| Committed to Stormwater Capital Reserve Fund    | 290,279      |
| Committed to Lewisville-Clemmons Road Widening  | 151,447      |
| Committed to Stormwater - Beroth Circle Repairs | -            |
| Appropriated fund balance in 2014/2015 budget   | 51,410       |
| Remaining fund balance                          | 4,537,398    |

**III. Jointly Governed Organizations**

The Town, in conjunction with twelve counties and sixty 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 \$2,683 to the Council during the fiscal year ended June 30, 2014.

**IV. Summary Disclosure of Significant Contingencies**

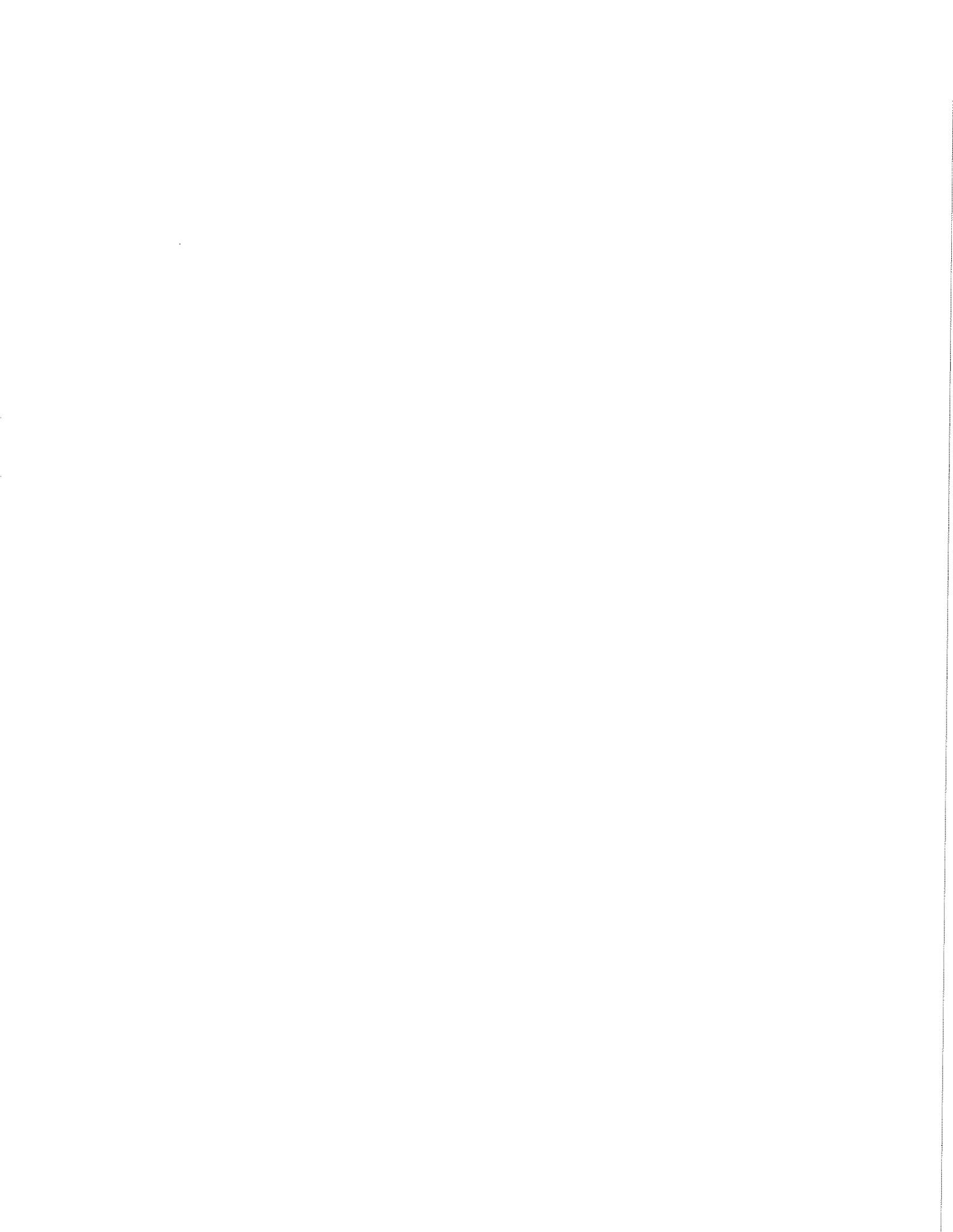
Federal and State Assisted Programs

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.

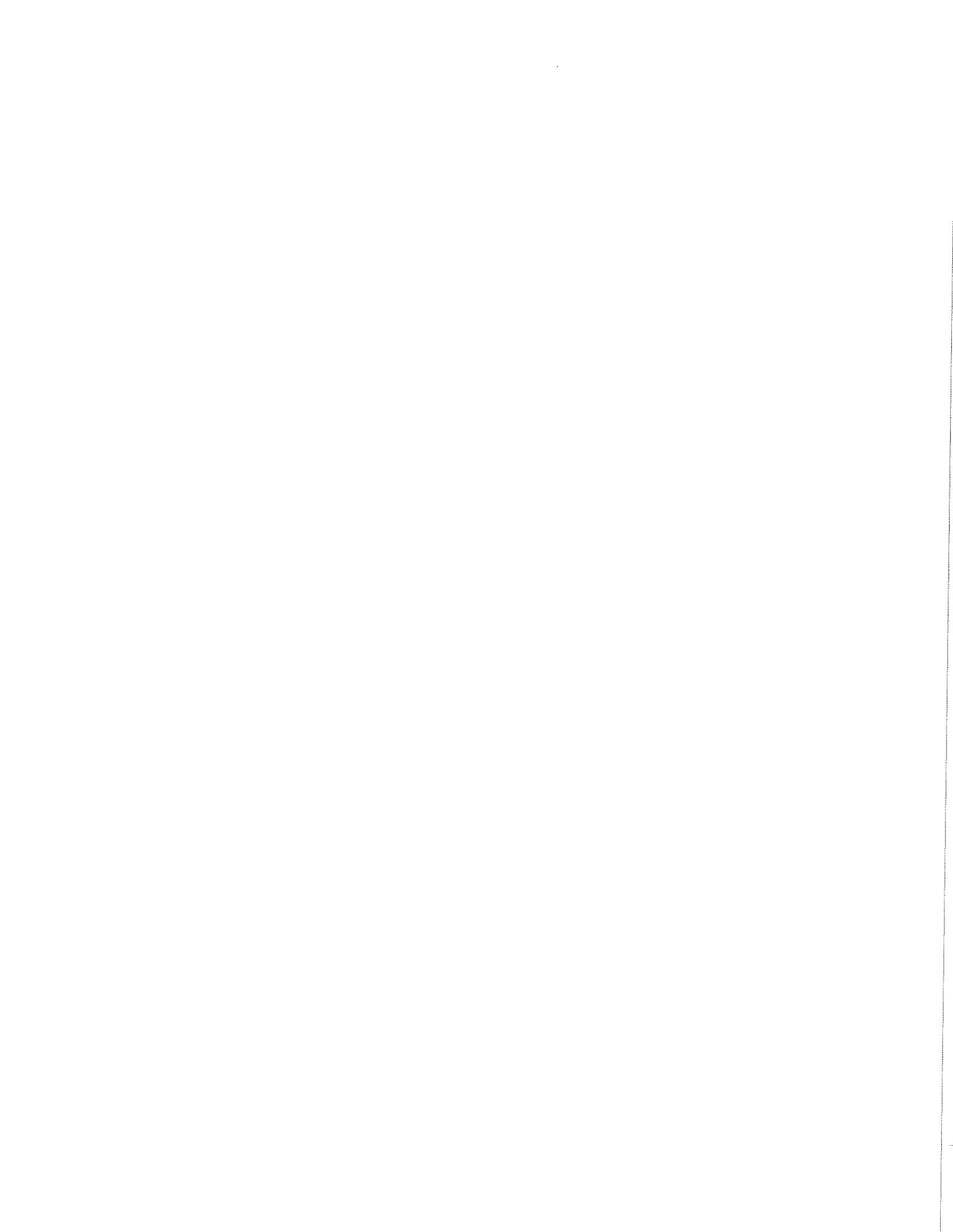


## **V. Subsequent Events**

Subsequent events have been evaluated through October 17, 2014, which is the date the financial statements were available to be issued.



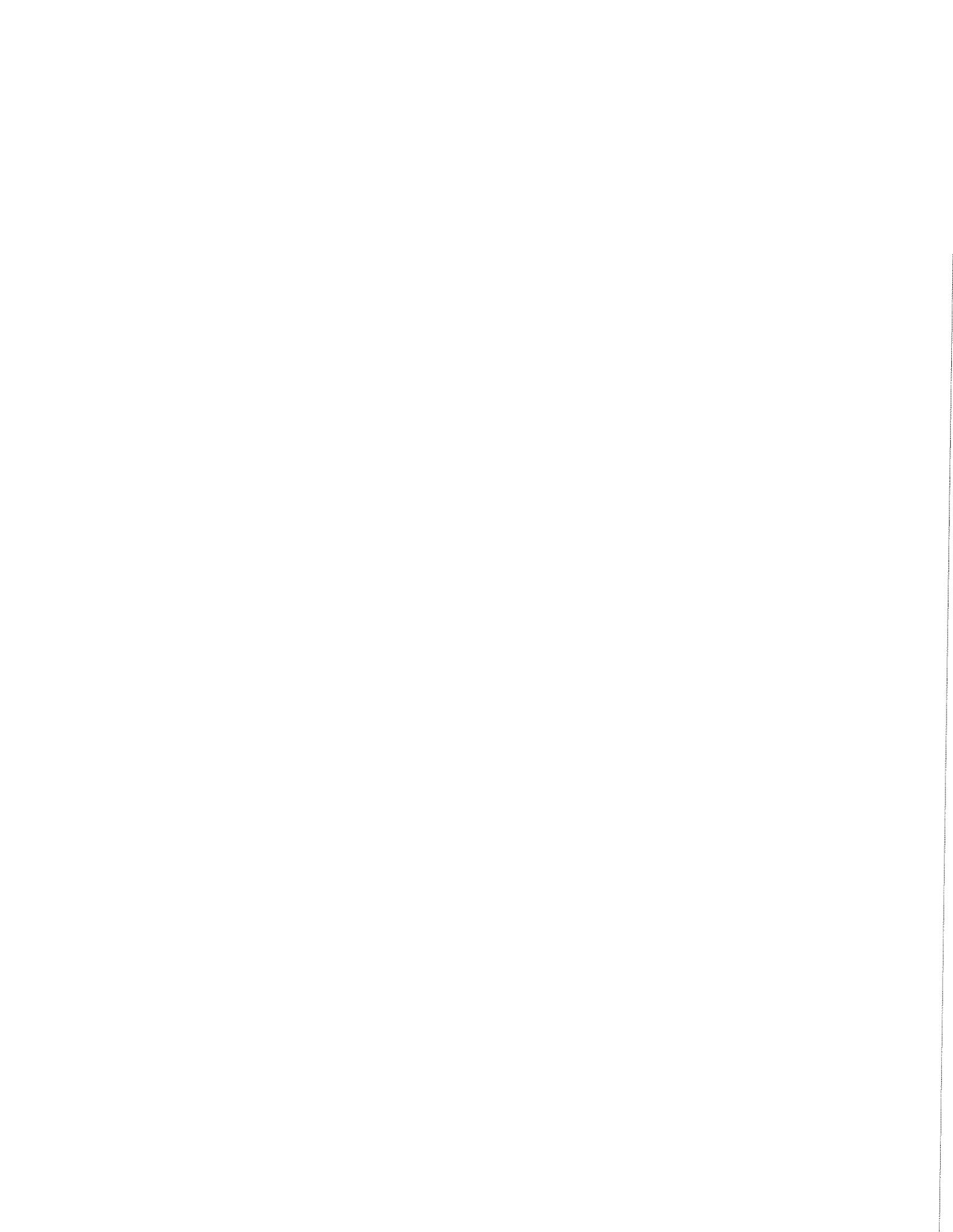
## Individual Fund Statements and Schedules



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, 2014

|                                 | Budget           | Actual           | Variance<br>Positive<br>(Negative) |
|---------------------------------|------------------|------------------|------------------------------------|
| <b>Revenues:</b>                |                  |                  |                                    |
| Ad valorem taxes:               |                  |                  |                                    |
| Taxes                           | \$               | \$ 2,199,920     | \$                                 |
| Penalties and interest          |                  | 10,378           |                                    |
| Total                           | <u>2,038,220</u> | <u>2,210,298</u> | <u>172,078</u>                     |
| Other taxes and licenses:       |                  |                  |                                    |
| Cable franchise tax             |                  | 26,593           |                                    |
| Total                           | <u>26,000</u>    | <u>26,593</u>    | <u>593</u>                         |
| Unrestricted intergovernmental: |                  |                  |                                    |
| Local option sales taxes        |                  | 670,731          |                                    |
| Telecommunications sales tax    |                  | 55,688           |                                    |
| Utility franchise tax           |                  | 340,211          |                                    |
| Piped natural gas tax           |                  | 25,662           |                                    |
| Video franchise fee             |                  | 158,960          |                                    |
| Beer and wine tax               |                  | 56,035           |                                    |
| ABC profit distribution         |                  | 83,087           |                                    |
| Total                           | <u>1,267,090</u> | <u>1,390,374</u> | <u>123,284</u>                     |
| Restricted intergovernmental:   |                  |                  |                                    |
| Powell Bill allocation          |                  | 356,173          |                                    |
| Local occupancy tax             |                  | 31,034           |                                    |
| Solid waste disposal tax        |                  | 7,199            |                                    |
| Total                           | <u>378,300</u>   | <u>394,406</u>   | <u>16,106</u>                      |
| Investment earnings             | <u>1,720</u>     | <u>453</u>       | <u>(1,267)</u>                     |
| Miscellaneous                   | <u>31,700</u>    | <u>45,918</u>    | <u>14,218</u>                      |
| Total revenues                  | <u>3,743,030</u> | <u>4,068,042</u> | <u>325,012</u>                     |
| <b>Expenditures:</b>            |                  |                  |                                    |
| General government:             |                  |                  |                                    |
| Salaries and employee benefits  |                  | 529,686          |                                    |
| Professional services           |                  | 52,396           |                                    |
| Membership dues                 |                  | 17,366           |                                    |
| Support contracts               |                  | 87,012           |                                    |
| Other operating expenditures    |                  | 178,850          |                                    |
| Total                           | <u>966,441</u>   | <u>865,310</u>   | <u>101,131</u>                     |

cont.



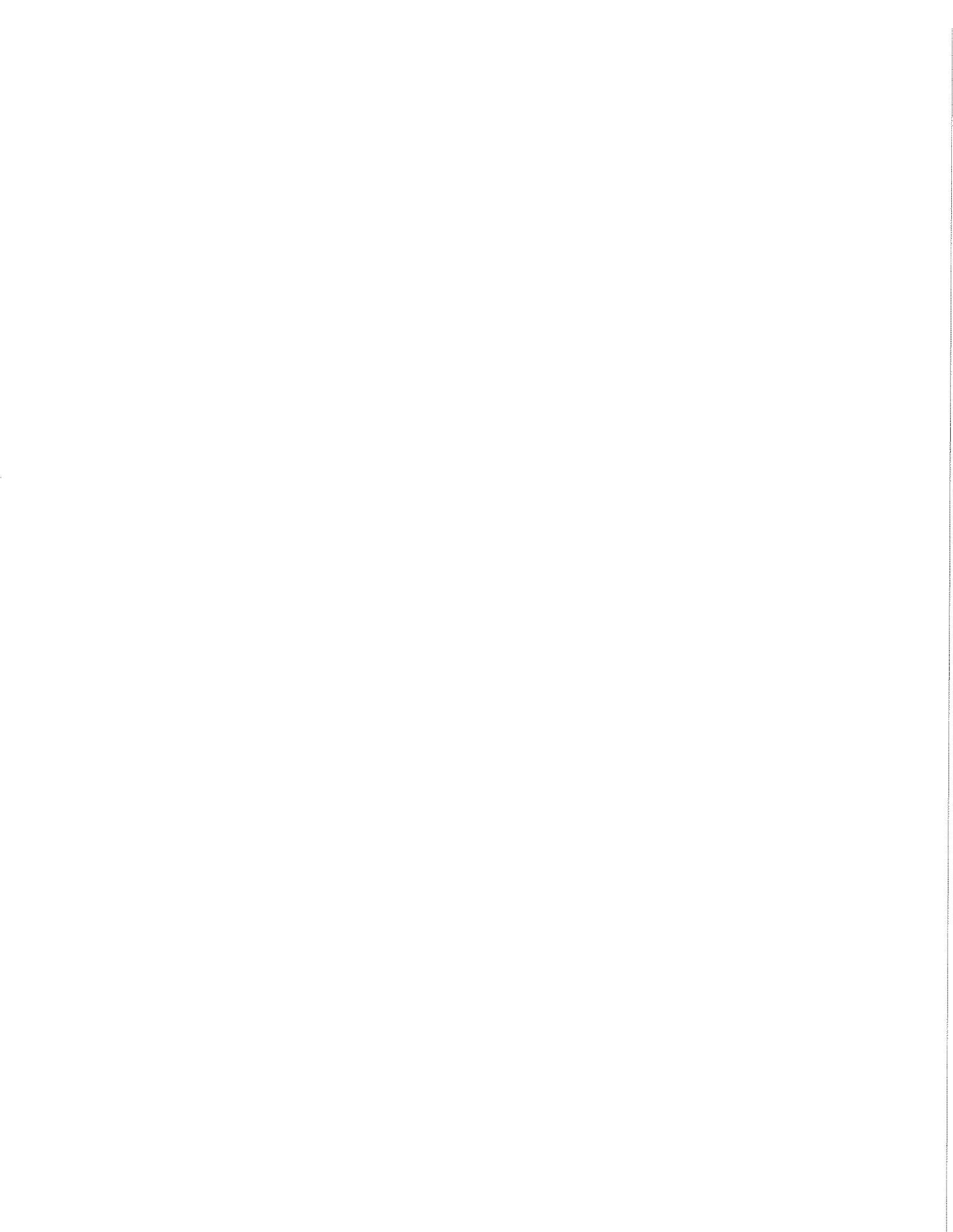
Town of Lewisville, North Carolina  
 General Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2014

|                                      | Budget           | Actual              | Variance<br>Positive<br>(Negative) |
|--------------------------------------|------------------|---------------------|------------------------------------|
| Public works:                        |                  |                     |                                    |
| Salaries and employee benefits       |                  | 194,995             |                                    |
| Support contracts                    |                  | 903,137             |                                    |
| Road paving, repairs and maintenance |                  | 395,227             |                                    |
| Capital outlay                       |                  | 19,753              |                                    |
| Other operating expenditures         |                  | 68,292              |                                    |
| Total                                | <u>1,823,093</u> | <u>1,581,404</u>    | <u>241,689</u>                     |
| Planning:                            |                  |                     |                                    |
| Salaries and employee benefits       |                  | 87,730              |                                    |
| Support contracts                    |                  | 10,995              |                                    |
| Other operating expenditures         |                  | 26,953              |                                    |
| Total                                | <u>139,330</u>   | <u>125,678</u>      | <u>13,652</u>                      |
| Parks and recreation:                |                  |                     |                                    |
| Event expenses                       |                  | 67,851              |                                    |
| Other operating expenditures         |                  | 49,711              |                                    |
| Total                                | <u>148,330</u>   | <u>117,562</u>      | <u>30,768</u>                      |
| Public safety:                       |                  |                     |                                    |
| Support contracts                    |                  | 444,968             |                                    |
| Other operating expenditures         |                  | 9,974               |                                    |
| Total                                | <u>505,330</u>   | <u>454,942</u>      | <u>50,388</u>                      |
| Debt service:                        |                  |                     |                                    |
| Principal retirement                 |                  | 186,666             |                                    |
| Interest and other charges           |                  | 49,555              |                                    |
| Total                                | <u>236,230</u>   | <u>236,221</u>      | <u>9</u>                           |
| Total expenditures                   | <u>3,818,754</u> | <u>3,381,117</u>    | <u>437,637</u>                     |
| Revenues over (under) expenditures   | <u>(75,724)</u>  | <u>686,925</u>      | <u>762,649</u>                     |
| Other financing sources (uses):      |                  |                     |                                    |
| Transfers from other funds           | -                | -                   | -                                  |
| Transfers to other funds             | <u>(210,000)</u> | <u>(210,000)</u>    | <u>-</u>                           |
| Total other financing sources (uses) | <u>(210,000)</u> | <u>(210,000)</u>    | <u>-</u>                           |
| Fund balance appropriated            | 285,724          | -                   | (285,724)                          |
| Net change in fund balance           | <u>\$ -</u>      | 476,925             | <u>\$ 476,925</u>                  |
| Fund balances, beginning             |                  | 5,003,925           |                                    |
| Fund balances, ending                |                  | <u>\$ 5,480,850</u> |                                    |



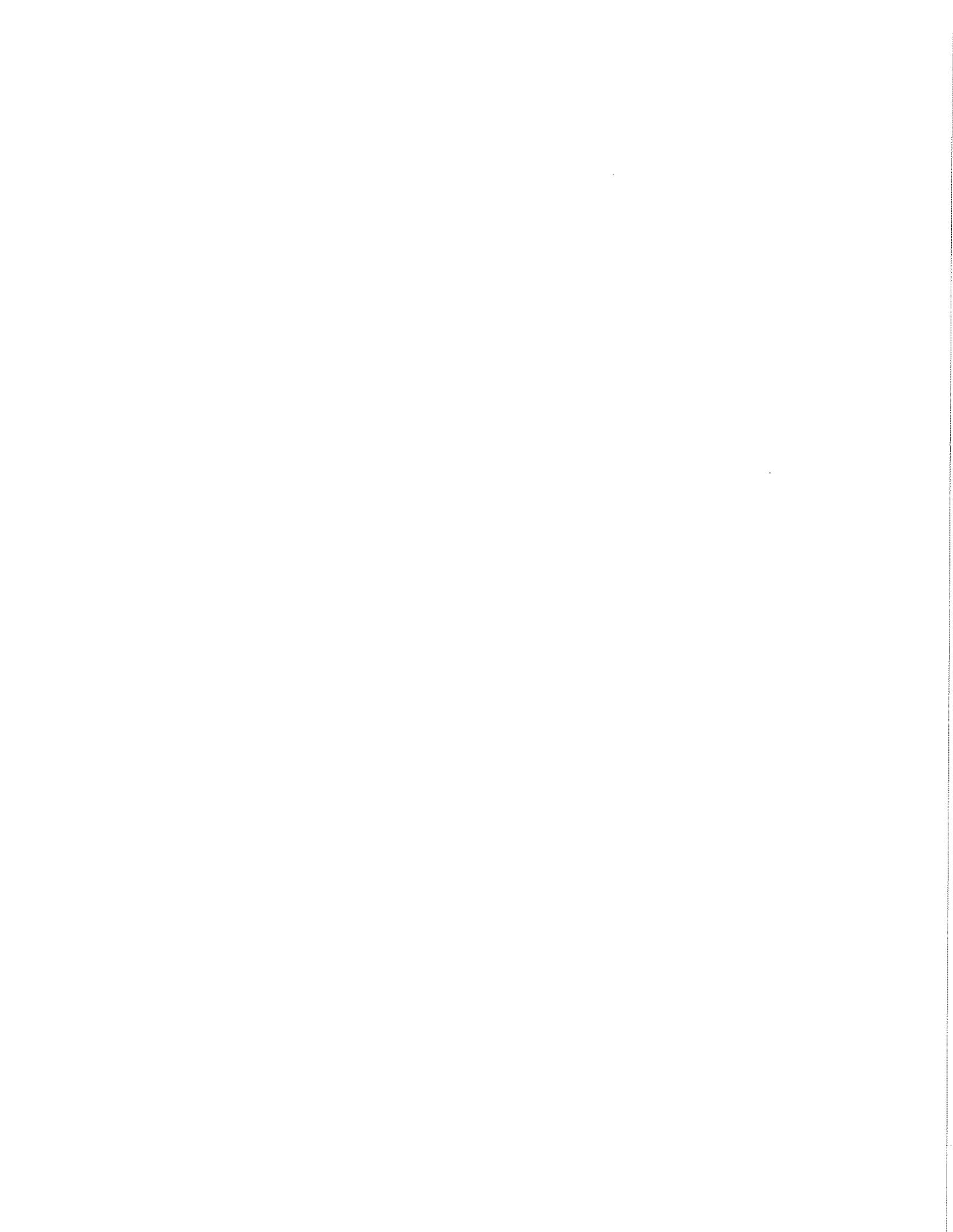
**Town of Lewisville, North Carolina**  
**Stormwater Capital Reserve Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2014**

|                                      | Budget      | Actual            | Variance<br>Positive<br>(Negative) |
|--------------------------------------|-------------|-------------------|------------------------------------|
| Revenues:                            |             |                   |                                    |
| Investment earnings                  | \$ -        | \$ 35             | \$ 35                              |
| Total revenues                       | -           | 35                | 35                                 |
| Expenditures                         | -           | -                 | -                                  |
| Revenues over (under) expenditures   | -           | 35                | 35                                 |
| Other financing sources (uses):      |             |                   |                                    |
| Transfers from other funds:          |             |                   |                                    |
| Stormwater - Beroth Circle Repairs   | -           | 3,001             | 3,001                              |
| Transfers to other funds:            |             |                   |                                    |
| Stormwater - Beroth Circle Repairs   | (72,330)    | (72,330)          | -                                  |
| Total other financing sources (uses) | (72,330)    | (69,329)          | 3,001                              |
| Fund balance appropriated            | 72,330      | -                 | (72,330)                           |
| Net change in fund balance           | <u>\$ -</u> | (69,294)          | <u>\$ (69,294)</u>                 |
| Fund balance, beginning              |             | 359,572           |                                    |
| Fund balance, ending                 |             | <u>\$ 290,278</u> |                                    |



Town of Lewisville, North Carolina  
Lewisville-Clemmons Road Widening Grant Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
From Inception and For the Fiscal Year Ended June 30, 2014

|                                    | Project<br>Author -<br>ization | Prior<br>Year     | Actual<br>Current<br>Year | Total to<br>Date  | Variance<br>Positive<br>(Negative) |
|------------------------------------|--------------------------------|-------------------|---------------------------|-------------------|------------------------------------|
| Revenues:                          |                                |                   |                           |                   |                                    |
| Investment earnings                | \$ -                           | \$ 572            | \$ 16                     | \$ 588            | \$ 588                             |
| Total revenues                     | <u>-</u>                       | <u>572</u>        | <u>16</u>                 | <u>588</u>        | <u>588</u>                         |
| Expenditures:                      |                                |                   |                           |                   |                                    |
| Public works                       | 175,000                        | 24,140            | -                         | 24,140            | 150,860                            |
| Total expenditures                 | <u>175,000</u>                 | <u>24,140</u>     | <u>-</u>                  | <u>24,140</u>     | <u>150,860</u>                     |
| Revenues over (under) expenditures | <u>(175,000)</u>               | <u>(23,568)</u>   | <u>16</u>                 | <u>(23,552)</u>   | <u>151,448</u>                     |
| Other financing sources            |                                |                   |                           |                   |                                    |
| Transfers from other funds:        |                                |                   |                           |                   |                                    |
| General Fund                       | 175,000                        | 175,000           | -                         | 175,000           | -                                  |
| Total other financing sources      | <u>175,000</u>                 | <u>175,000</u>    | <u>-</u>                  | <u>175,000</u>    | <u>-</u>                           |
| Net change in fund balance         | <u>\$ -</u>                    | <u>\$ 151,432</u> | <u>16</u>                 | <u>\$ 151,448</u> | <u>\$ 151,448</u>                  |
| Fund balance, beginning            |                                |                   | <u>151,432</u>            |                   |                                    |
| Fund balance, ending               |                                |                   | <u>\$ 151,448</u>         |                   |                                    |



**Town of Lewisville, North Carolina**  
**Stormwater - Beroth Circle Repairs Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2014**

|                                      | Budget      | Actual      | Variance<br>Positive<br>(Negative) |
|--------------------------------------|-------------|-------------|------------------------------------|
| Revenues:                            |             |             |                                    |
| Investment earnings                  | \$ -        | \$ 1        | \$ 1                               |
| Total revenues                       | -           | 1           | 1                                  |
| Expenditures:                        |             |             |                                    |
| Public works                         | 72,330      | 69,330      | 3,000                              |
| Revenues over expenditures           | (72,330)    | (69,329)    | 3,001                              |
| Other financing sources (uses):      |             |             |                                    |
| Transfers from other funds:          |             |             |                                    |
| Stormwater Capital Reserve Fund      | 72,330      | 72,330      | -                                  |
| Transfers to other funds:            |             |             |                                    |
| Stormwater Capital Reserve Fund      | -           | (3,001)     | (3,001)                            |
| Total other financing sources (uses) | 72,330      | 69,329      | (3,001)                            |
| Fund balance appropriated            | -           | -           | -                                  |
| Net change in fund balance           | <u>\$ -</u> | <u>-</u>    | <u>\$ -</u>                        |
| Fund balance, beginning              |             | -           |                                    |
| Fund balance, ending                 |             | <u>\$ -</u> |                                    |

Town of Lewisville, North Carolina  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2014

|   | MSD<br>Special Revenue<br>Fund | Municipal<br>Buildings/Land<br>Capital<br>Projects<br>Fund | Municipal<br>Building<br>Capital<br>Projects<br>Fund | Sidewalks and<br>Bike Paths<br>Capital<br>Projects<br>Fund |
|---|--------------------------------|--|--|--|
| <b>Assets</b>   |                                |  |  |  |
| Cash and cash equivalents   | \$ 71,700                      | \$ 392,146   | \$ 223,840   | \$ 77,647  |
| Taxes receivable, net   | 336                            | -  | -  | -  |
| Due from other governments  | -                              | -  | -  | -  |
| Other receivables, net  | 246                            | -  | -  | -  |
| <b>Total assets</b>   | <b>\$ 72,282</b>               | <b>\$ 392,146</b>  | <b>\$ 223,840</b>                                    | <b>\$ 77,647</b>   |
| <b>Liabilities</b>  |                                |  |  |  |
| Accounts payable and accrued liabilities                                  | \$ -                           | \$ -   | \$ -   | \$ -   |
| <b>Total liabilities</b>  | <b>-</b>                       | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| <b>Deferred Inflows of Resources</b>                                      |                                |  |  |  |
| Property taxes receivable   | 336                            | -  | -  | -  |
| <b>Total deferred inflows of resources</b>                                | <b>336</b>                     | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| <b>Fund Balances</b>  |                                |  |  |  |
| Restricted by stabilization by state statute                              | 246                            | -  | -  | -  |
| Committed   | 71,700                         | 392,146  | 223,840  | 77,647   |
| <b>Total fund balances</b>  | <b>71,946</b>                  | <b>392,146</b>   | <b>223,840</b>                                       | <b>77,647</b>  |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 72,282</b>               | <b>\$ 392,146</b>  | <b>\$ 223,840</b>                                    | <b>\$ 77,647</b>   |

| GWR ROW/<br>Construction<br>Reserve<br>Capital<br>Projects<br>Fund | GWR ROW/<br>Construction<br>Capital<br>Projects<br>Fund | Greenways<br>Capital<br>Projects<br>Fund | Shallowford<br>Road<br>Roundabout<br>Grant<br>Capital<br>Projects<br>Fund | Lewisville-Vienna<br>Road Sidewalk<br>Extension<br>Grant<br>Capital<br>Projects<br>Fund | Jack Warren<br>Park<br>Maintenance<br>Facility/<br>Playground<br>Expansion<br>Capital<br>Projects<br>Fund | Total Nonmajor<br>Governmental<br>Funds |
|--|---|--|---|---|---|---|
| \$ 288,768   | \$ 257,175  | \$ 75,110                                | \$ 504,694  | \$ 24,654   | \$ 19,569   | \$ 1,935,303                            |
| -  | -   | -  | -   | -   | -   | 336                                     |
| -  | -   | -  | -   | -   | -   | -                                       |
| -  | -   | -  | -   | -   | -   | 246                                     |
| <u>\$ 288,768</u>  | <u>\$ 257,175</u>                                       | <u>\$ 75,110</u>                         | <u>\$ 504,694</u>   | <u>\$ 24,654</u>  | <u>\$ 19,569</u>  | <u>\$ 1,935,885</u>                     |
| \$ -   | \$ 221  | \$ -                                     | \$ -  | \$ -  | \$ -  | \$ 221                                  |
| -  | 221   | -  | -   | -   | -   | 221                                     |
| -  | -   | -  | -   | -   | -   | 336                                     |
| -  | -   | -  | -   | -   | -   | 336                                     |
| -  | -   | -  | -   | -   | -   | 246                                     |
| 288,768  | 256,954   | 75,110                                   | 504,694   | 24,654  | 19,569  | 1,935,082                               |
| <u>288,768</u>   | <u>256,954</u>  | <u>75,110</u>                            | <u>504,694</u>  | <u>24,654</u>   | <u>19,569</u>   | <u>1,935,328</u>                        |
| \$ 288,768   | \$ 257,175  | \$ 75,110                                | \$ 504,694  | \$ 24,654   | \$ 19,569   | \$ 1,935,885                            |

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, 2014

|                                      | MSD<br>Special Revenue<br>Fund | Municipal<br>Buildings/Land<br>Capital<br>Projects<br>Fund | Municipal<br>Building<br>Capital<br>Projects<br>Fund | Sidewalks and<br>Bike Paths<br>Capital<br>Projects<br>Fund | GWR ROW/<br>Construction<br>Reserve<br>Capital<br>Projects<br>Fund |
|--------------------------------------|--------------------------------|--|--|--|--|
| Revenues:                            |                                |  |  |  |  |
| Restricted intergovernmental         | \$ -                           | \$ -   | \$ -   | \$ -   | \$ -   |
| Ad valorem taxes                     | 30,053                         | -  | -  | -  | -  |
| Investment earnings                  | 8                              | 39   | 23   | 8  | 28   |
| <b>Total revenues</b>                | <b>30,061</b>                  | <b>39</b>  | <b>23</b>  | <b>8</b>   | <b>28</b>  |
| Expenditures:                        |                                |  |  |  |  |
| Public works                         | 30,485                         | -  | -  | -  | -  |
| <b>Total expenditures</b>            | <b>30,485</b>                  | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   |
| Revenues over (under) expenditures   | (424)                          | 39   | 23   | 8  | 28   |
| Other financing sources (uses):      |                                |  |  |  |  |
| Transfers from other funds           | -                              | 100,000  | -  | -  | 100,000  |
| Transfers to other funds             | -                              | -  | -  | -  | -  |
| Total other financing sources (uses) | -                              | 100,000  | -  | -  | 100,000  |
| <b>Net change in fund balance</b>    | <b>(424)</b>                   | <b>100,039</b>   | <b>23</b>  | <b>8</b>   | <b>100,028</b>   |
| Fund balance, beginning              | 72,370                         | 292,107  | 223,817  | 77,639   | 188,740  |
| <b>Fund balance, ending</b>          | <b>\$ 71,946</b>               | <b>\$ 392,146</b>  | <b>\$ 223,840</b>                                    | <b>\$ 77,647</b>   | <b>\$ 288,768</b>  |

| GWR ROW/<br>Construction<br>Capital<br>Projects<br>Fund | Greenways<br>Capital<br>Projects<br>Fund | Shallowford<br>Road<br>Roundabout<br>Grant<br>Capital<br>Projects<br>Fund | Lewisville-Vienna<br>Road Sidewalk<br>Extension<br>Grant<br>Capital<br>Projects<br>Fund | Jack Warren<br>Park<br>Maintenance<br>Facility/<br>Playground<br>Expansion<br>Capital<br>Projects<br>Fund | Total Nonmajor<br>Governmental<br>Funds |
|---|--|---|---|---|---|
| \$ -  | \$ -                                     | \$ -  | \$ -  | \$ -  | \$ -                                    |
| -   | -  | -   | -   | -   | 30,053                                  |
| 27  | 8  | 55  | 2   | 2   | 200                                     |
| 27  | 8  | 55  | 2   | 2   | 30,253                                  |
| 221   | -  | 78,426  | 5,400   | -   | 114,532                                 |
| 221   | -  | 78,426  | 5,400   | -   | 114,532                                 |
| (194)   | 8  | (78,371)  | (5,398)   | 2   | (84,279)                                |
| -   | -  | -   | 10,000  | -   | 210,000                                 |
| -   | -  | -   | -   | -   | -                                       |
| -   | -  | -   | 10,000  | -   | 210,000                                 |
| (194)   | 8  | (78,371)  | 4,602   | 2   | 125,721                                 |
| 257,148   | 75,102                                   | 583,065   | 20,052  | 19,567  | 1,809,607                               |
| \$ 256,954  | \$ 75,110                                | \$ 504,694  | \$ 24,654   | \$ 19,569   | \$ 1,935,328                            |



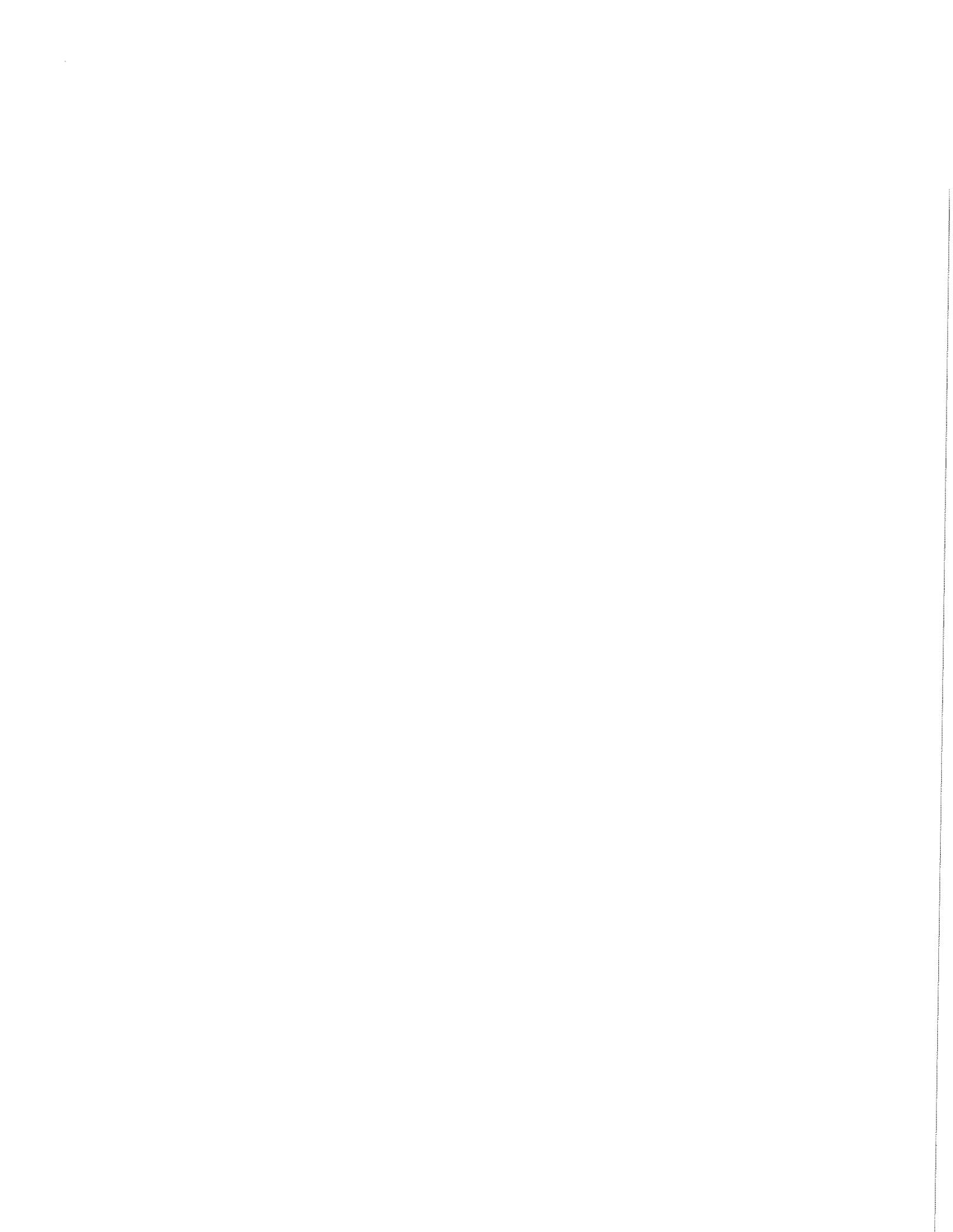
**Town of Lewisville, North Carolina**  
**Special Revenue Fund - MSD Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2014**

|                                    | Budget      | Actual           | Variance<br>Positive<br>(Negative) |
|------------------------------------|-------------|------------------|------------------------------------|
| Revenues:                          |             |                  |                                    |
| Ad valorem taxes                   | \$ 29,640   | \$ 30,053        | \$ 413                             |
| Investment earnings                | 20          | 8                | (12)                               |
| Total revenues                     | 29,660      | 30,061           | 401                                |
| Expenditures:                      |             |                  |                                    |
| Public works                       | 45,346      | 30,485           | 14,861                             |
| Revenues over (under) expenditures | (15,686)    | (424)            | 15,262                             |
| Fund balance appropriated          | 15,686      | -                | (15,686)                           |
| Net change in fund balance         | <u>\$ -</u> | (424)            | <u>\$ (424)</u>                    |
| Fund balance, beginning            |             | <u>72,370</u>    |                                    |
| Fund balance, ending               |             | <u>\$ 71,946</u> |                                    |



**Town of Lewisville, North Carolina**  
**Municipal Buildings/Land Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2014**

|                                      | Budget    | Actual     | Variance<br>Positive<br>(Negative) |
|--------------------------------------|-----------|------------|------------------------------------|
| Revenues:                            |           |            |                                    |
| Investment earnings                  | \$ -      | \$ 39      | \$ 39                              |
| Total revenues                       | -         | 39         | 39                                 |
| Expenditures                         | 100,000   | -          | 100,000                            |
| Revenues over expenditures           | (100,000) | 39         | 100,039                            |
| Other financing sources (uses):      |           |            |                                    |
| Transfer from other funds:           |           |            |                                    |
| General Fund                         | 100,000   | 100,000    |                                    |
| Total other financing sources (uses) | 100,000   | 100,000    | -                                  |
| Fund balance appropriated            | -         | -          | -                                  |
| Net change in fund balance           | \$ -      | 100,039    | \$ 100,039                         |
| Fund balance, beginning              |           | 292,107    |                                    |
| Fund balance, ending                 |           | \$ 392,146 |                                    |



Town of Lewisville, North Carolina  
 Capital Projects Fund - Municipal Building  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 From Inception and For the Fiscal Year Ended June 30, 2014

|   | Project<br>Author -<br>ization | Prior<br>Year      | Actual<br>Current<br>Year | Total to<br>Date   | Variance<br>Positive<br>(Negative) |
|---|--------------------------------|--------------------|---------------------------|--------------------|------------------------------------|
| Revenues:                                     |                                |                    |                           |                    |                                    |
| Investment earnings                           | \$ -                           | \$ 5,579           | \$ 23                     | \$ 5,602           | \$ 5,602                           |
| Total revenues                                | <u>-</u>                       | <u>5,579</u>       | <u>23</u>                 | <u>5,602</u>       | <u>5,602</u>                       |
| Expenditures:                                 |                                |                    |                           |                    |                                    |
| Capital outlay                                | 3,057,151                      | 2,838,913          | -                         | 2,838,913          | 218,238                            |
| Total expenditures                            | <u>3,057,151</u>               | <u>2,838,913</u>   | <u>-</u>                  | <u>2,838,913</u>   | <u>218,238</u>                     |
| Revenues over (under) expenditures            | <u>(3,057,151)</u>             | <u>(2,833,334)</u> | <u>23</u>                 | <u>(2,833,311)</u> | <u>223,840</u>                     |
| Other financing sources                       |                                |                    |                           |                    |                                    |
| Transfers from other funds:                   |                                |                    |                           |                    |                                    |
| General Fund                                  | 90,598                         | 90,598             | -                         | 90,598             | -                                  |
| Municipal Building/Land Capital Projects Fund | 166,553                        | 166,553            | -                         | 166,553            | -                                  |
| Proceeds from construction loan               | 2,800,000                      | 2,800,000          | -                         | 2,800,000          | -                                  |
| Total other financing sources                 | <u>3,057,151</u>               | <u>3,057,151</u>   | <u>-</u>                  | <u>3,057,151</u>   | <u>-</u>                           |
| Net change in fund balance                    | <u>\$ -</u>                    | <u>\$ 223,817</u>  | <u>23</u>                 | <u>\$ 223,840</u>  | <u>\$ 223,840</u>                  |
| Fund balance, beginning                       |                                |                    | 223,817                   |                    |                                    |
| Fund balance, ending                          |                                |                    | <u>\$ 223,840</u>         |                    |                                    |



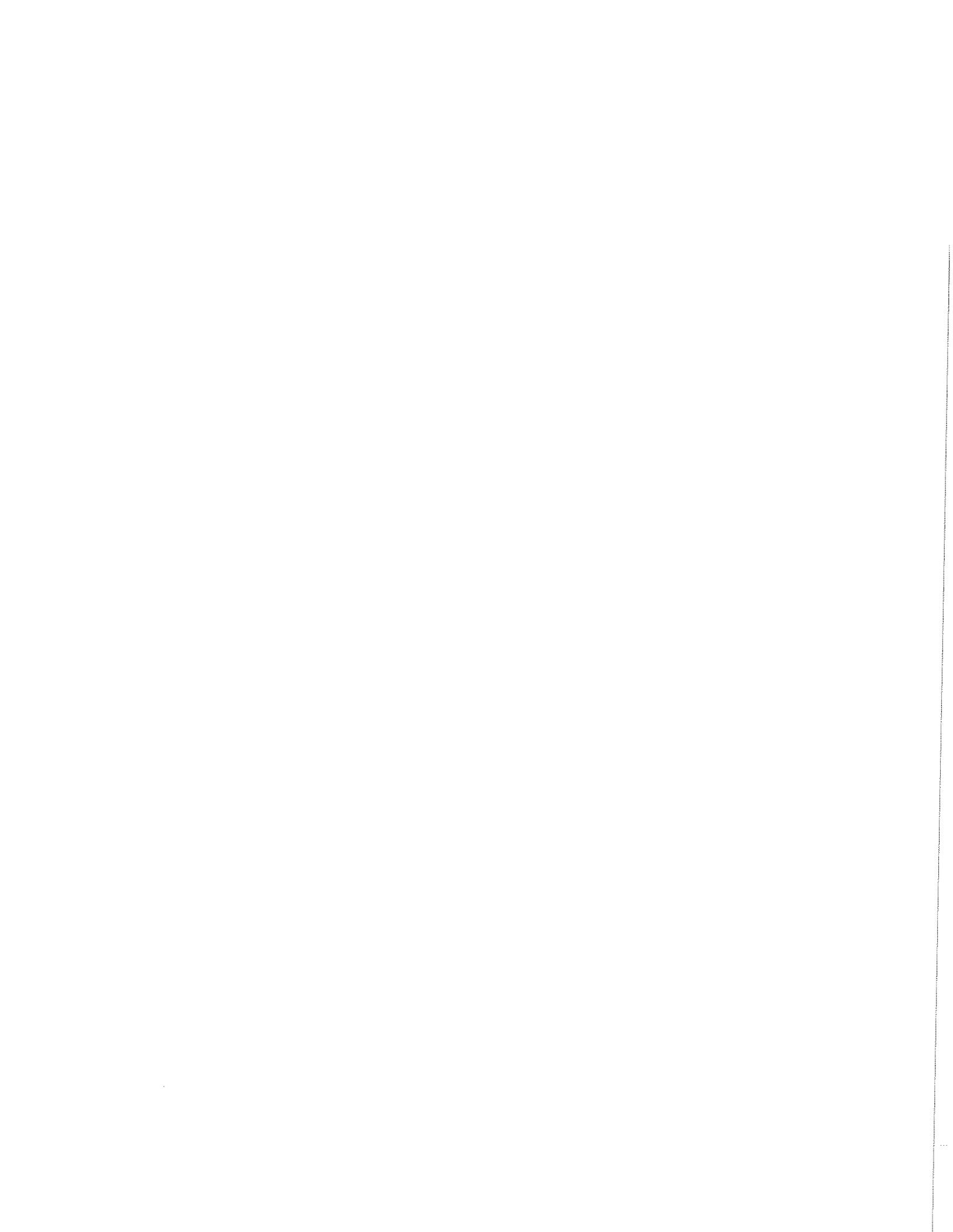
**Town of Lewisville, North Carolina**  
**Sidewalks and Bike Paths Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2014**

|                                      | Budget | Actual    | Variance<br>Positive<br>(Negative) |
|--------------------------------------|--------|-----------|------------------------------------|
| Revenues:                            |        |           |                                    |
| Investment earnings                  | \$ -   | \$ 8      | \$ 8                               |
| Total revenues                       | -      | 8         | 8                                  |
| Expenditures                         | -      | -         | -                                  |
| Revenues over expenditures           | -      | 8         | 8                                  |
| Other financing sources (uses):      |        |           |                                    |
| Transfer from other funds:           |        |           |                                    |
| General Fund                         | -      | -         | -                                  |
| Total other financing sources (uses) | -      | -         | -                                  |
| Fund balance appropriated            | -      | -         | -                                  |
| Net change in fund balance           | \$ -   | 8         | \$ 8                               |
| Fund balance, beginning              |        | 77,639    |                                    |
| Fund balance, ending                 |        | \$ 77,647 |                                    |



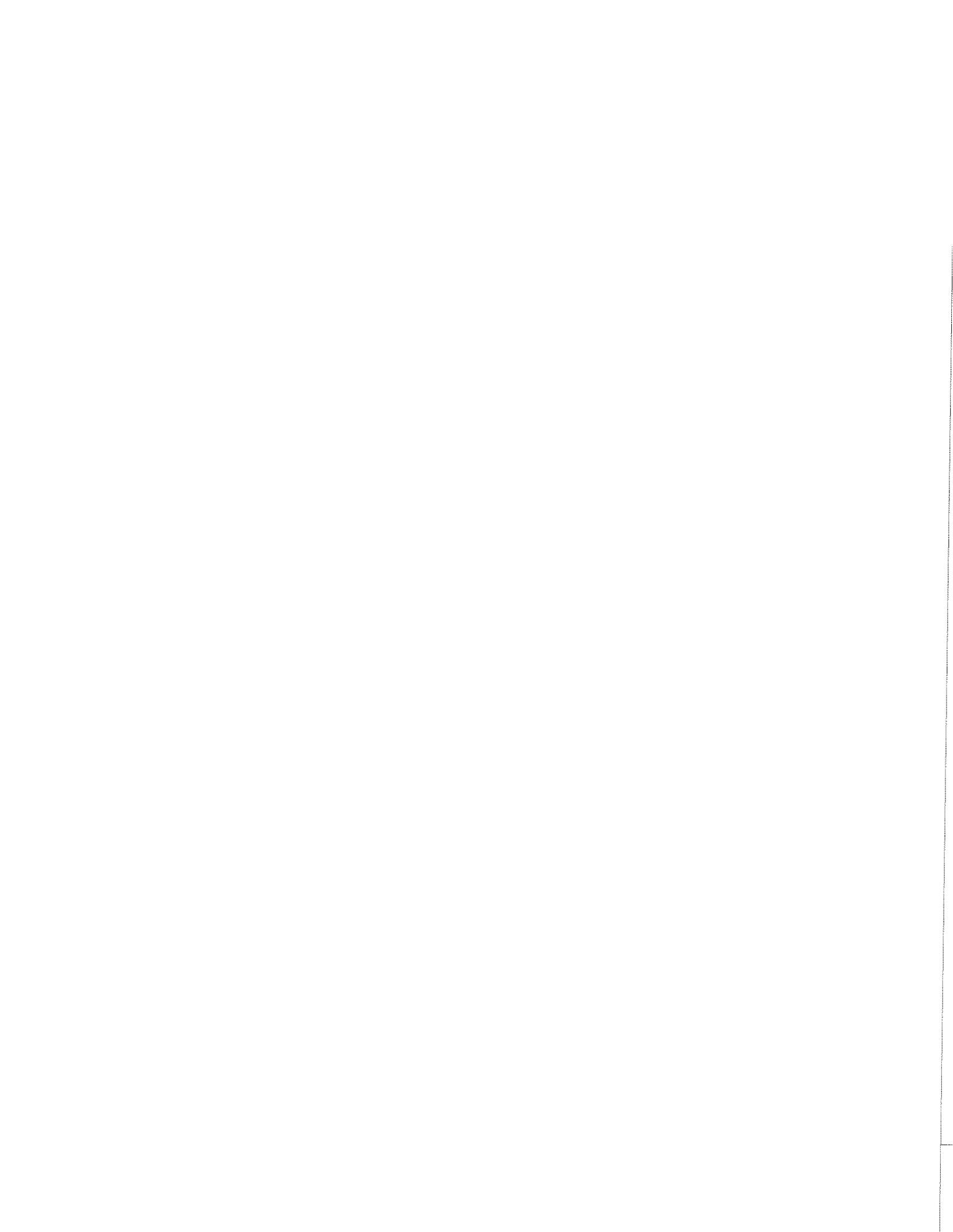
**Town of Lewisville, North Carolina**  
**GWR ROW/Construction Reserve Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2014**

|                                      | Budget      | Actual            | Variance<br>Positive<br>(Negative) |
|--------------------------------------|-------------|-------------------|------------------------------------|
| Revenues:                            |             |                   |                                    |
| Investment earnings                  | \$ -        | \$ 28             | \$ 28                              |
|                                      | -           | 28                | 28                                 |
| Total revenues                       |             |                   |                                    |
|                                      | 100,000     | -                 | 100,000                            |
| Expenditures                         |             |                   |                                    |
|                                      | (100,000)   | 28                | 100,028                            |
| Revenues over (under) expenditures   |             |                   |                                    |
| Other financing sources (uses):      |             |                   |                                    |
| Transfer from other funds:           |             |                   |                                    |
| General Fund                         | 100,000     | 100,000           | -                                  |
| Total other financing sources (uses) | 100,000     | 100,000           | -                                  |
| Fund balance appropriated            | -           | -                 | -                                  |
| Net change in fund balance           | <u>\$ -</u> | 100,028           | <u>\$ 100,028</u>                  |
| Fund balance, beginning              |             | 188,740           |                                    |
| Fund balance, ending                 |             | <u>\$ 288,768</u> |                                    |



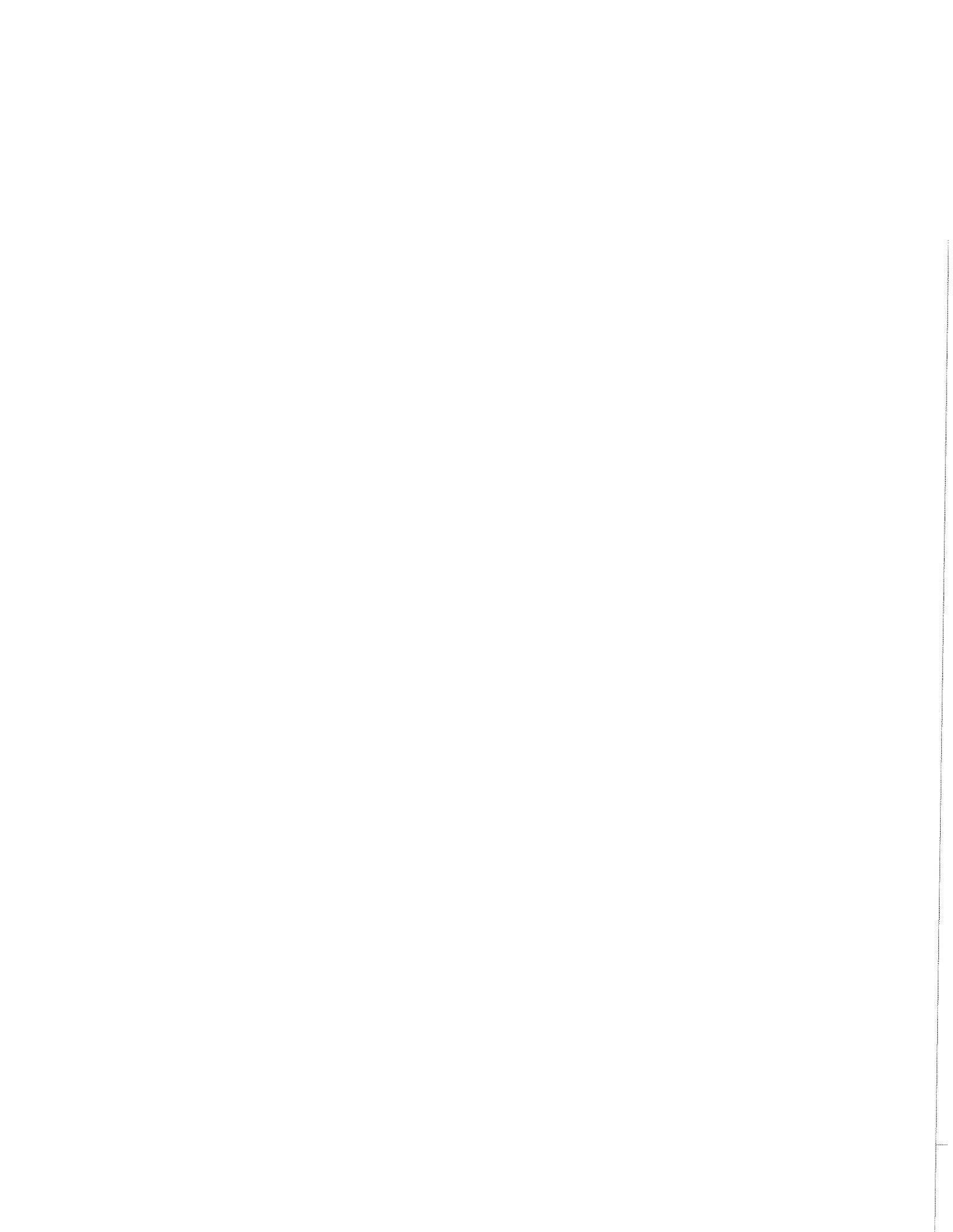
Town of Lewisville, North Carolina  
 Capital Projects Fund - GWR ROW/Construction  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 From Inception and For the Fiscal Year Ended June 30, 2014

|                                    | Project<br>Author -<br>ization | Actual        |                 | Total to<br>Date | Variance<br>Positive<br>(Negative) |
|------------------------------------|--------------------------------|---------------|-----------------|------------------|------------------------------------|
|                                    |                                | Prior<br>Year | Current<br>Year |                  |                                    |
| Revenues:                          |                                |               |                 |                  |                                    |
| Investment earnings                | \$ -                           | \$ 5,181      | \$ 27           | \$ 5,208         | \$ 5,208                           |
| Total revenues                     | -                              | 5,181         | 27              | 5,208            | 5,208                              |
| Expenditures:                      |                                |               |                 |                  |                                    |
| Capital outlay                     | 1,068,000                      | 816,033       | 221             | 816,254          | 251,746                            |
| Total expenditures                 | 1,068,000                      | 816,033       | 221             | 816,254          | 251,746                            |
| Revenues over (under) expenditures | (1,068,000)                    | (810,852)     | (194)           | (811,046)        | 256,954                            |
| Other financing sources            |                                |               |                 |                  |                                    |
| Transfers from other funds:        |                                |               |                 |                  |                                    |
| General Fund                       | 200,000                        | 200,000       | -               | 200,000          | -                                  |
| GWR ROW/Construction Reserve       |                                |               |                 | 868,000          | -                                  |
| Capital Projects Fund              | 868,000                        | 868,000       | -               | 1,068,000        | -                                  |
| Total other financing sources      | 1,068,000                      | 1,068,000     | -               | 1,068,000        | -                                  |
| Net change in fund balance         | \$ -                           | \$ 257,148    | (194)           | \$ 256,954       | \$ 256,954                         |
| Fund balance, beginning            |                                |               | 257,148         |                  |                                    |
| Fund balance, ending               |                                |               | \$ 256,954      |                  |                                    |



Town of Lewisville, North Carolina  
 Capital Projects Fund - Shallowford Road Roundabout Grant  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 From Inception and For the Fiscal Year Ended June 30, 2014

|                                       | Project<br>Author -<br>ization | Actual        |                 | Total to<br>Date | Variance<br>Positive<br>(Negative) |
|---------------------------------------|--------------------------------|---------------|-----------------|------------------|------------------------------------|
|                                       |                                | Prior<br>Year | Current<br>Year |                  |                                    |
| Revenues:                             |                                |               |                 |                  |                                    |
| Investment earnings                   | \$ -                           | \$ 585        | \$ 55           | \$ 640           | \$ 640                             |
| Total revenues                        | -                              | 585           | 55              | 640              | 640                                |
| Expenditures:                         |                                |               |                 |                  |                                    |
| Capital outlay                        | 611,747                        | 29,267        | 78,426          | 107,693          | 504,054                            |
| Total expenditures                    | 611,747                        | 29,267        | 78,426          | 107,693          | 504,054                            |
| Revenues over (under) expenditures    | (611,747)                      | (28,682)      | (78,371)        | (107,053)        | 504,694                            |
| Other financing sources               |                                |               |                 |                  |                                    |
| Transfers from other funds:           |                                |               |                 |                  |                                    |
| General Fund                          | 515,337                        | 515,337       | -               | 515,337          | -                                  |
| Grainland Drive Capital Projects Fund | 96,410                         | 96,410        | -               | 96,410           | -                                  |
| Total other financing sources         | 611,747                        | 611,747       | -               | 611,747          | -                                  |
| Net change in fund balance            | \$ -                           | \$ 583,065    | (78,371)        | \$ 504,694       | \$ 504,694                         |
| Fund balance, beginning               |                                |               | 583,065         |                  |                                    |
| Fund balance, ending                  |                                |               | \$ 504,694      |                  |                                    |



Town of Lewisville, North Carolina  
 Capital Projects Fund - Lewisville-Vienna Road Sidewalk Extension Grant  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 From Inception and For the Fiscal Year Ended June 30, 2014

|                                    | Project<br>Author -<br>ization | Actual        |                 | Total to<br>Date | Variance<br>Positive<br>(Negative) |
|------------------------------------|--------------------------------|---------------|-----------------|------------------|------------------------------------|
|                                    |                                | Prior<br>Year | Current<br>Year |                  |                                    |
| Revenues:                          |                                |               |                 |                  |                                    |
| Investment earnings                | \$ -                           | \$ 52         | \$ 2            | \$ 54            | \$ 54                              |
| Total revenues                     | -                              | 52            | 2               | 54               | 54                                 |
| Expenditures:                      |                                |               |                 |                  |                                    |
| Capital outlay                     | 122,500                        | 12,500        | 5,400           | 17,900           | 104,600                            |
| Total expenditures                 | 122,500                        | 12,500        | 5,400           | 17,900           | 104,600                            |
| Revenues over (under) expenditures | (122,500)                      | (12,448)      | (5,398)         | (17,846)         | 104,654                            |
| Other financing sources            |                                |               |                 |                  |                                    |
| Transfers from other funds:        |                                |               |                 |                  |                                    |
| General Fund                       | 122,500                        | 32,500        | 10,000          | 42,500           | (80,000)                           |
| Total other financing sources      | 122,500                        | 32,500        | 10,000          | 42,500           | (80,000)                           |
| Net change in fund balance         | \$ -                           | \$ 20,052     | 4,602           | \$ 24,654        | \$ 24,654                          |
| Fund balance, beginning            |                                |               | 20,052          |                  |                                    |
| Fund balance, ending               |                                |               | \$ 24,654       |                  |                                    |

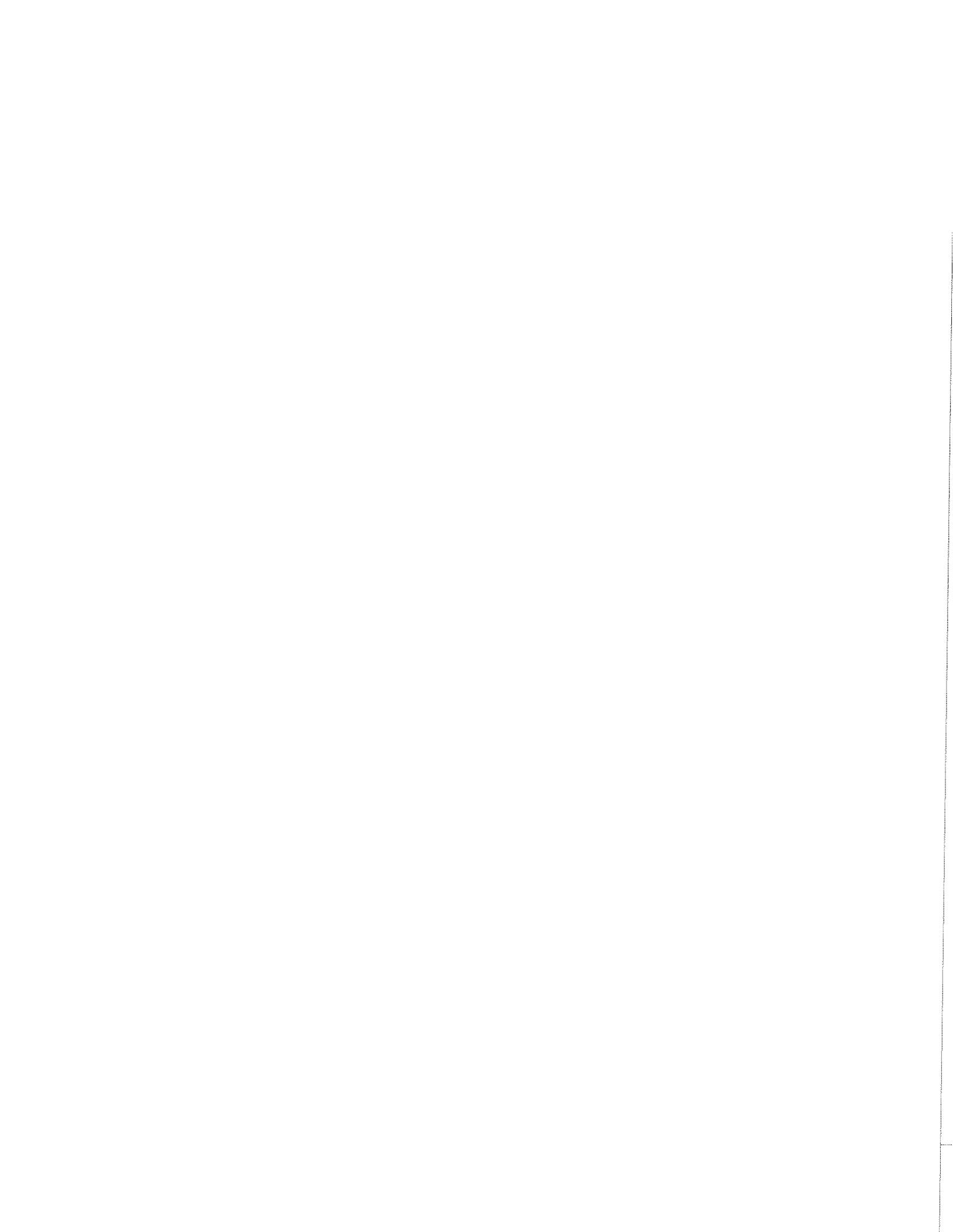


Town of Lewisville, North Carolina  
 Capital Projects Fund - Jack Warren Park Maintenance Facility/Playground Expansion  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 From Inception and For the Fiscal Year Ended June 30, 2014

|   | Project<br>Author -<br>ization | Actual           |                  | Total to<br>Date | Variance<br>Positive<br>(Negative) |
|---|--------------------------------|------------------|------------------|------------------|------------------------------------|
|   |                                | Prior<br>Year    | Current<br>Year  |                  |                                    |
| Revenues:   |                                |                  |                  |                  |                                    |
| Investment earnings                               | \$ -                           | \$ 48            | \$ 2             | \$ 50            | \$ 50                              |
| Total revenues                                    | <u>-</u>                       | <u>48</u>        | <u>2</u>         | <u>50</u>        | <u>50</u>                          |
| Expenditures:                                     |                                |                  |                  |                  |                                    |
| Capital outlay                                    | 55,000                         | 35,481           | -                | 35,481           | 19,519                             |
| Total expenditures                                | <u>55,000</u>                  | <u>35,481</u>    | <u>-</u>         | <u>35,481</u>    | <u>19,519</u>                      |
| Revenues over (under) expenditures                | <u>(55,000)</u>                | <u>(35,433)</u>  | <u>2</u>         | <u>(35,431)</u>  | <u>19,569</u>                      |
| Other financing sources                           |                                |                  |                  |                  |                                    |
| Transfers from other funds:                       |                                |                  |                  |                  |                                    |
| Municipal Buildings/Land Capital<br>Projects Fund | 55,000                         | 55,000           | -                | 55,000           | -                                  |
| Total other financing sources                     | <u>55,000</u>                  | <u>55,000</u>    | <u>-</u>         | <u>55,000</u>    | <u>-</u>                           |
| Net change in fund balance                        | <u>\$ -</u>                    | <u>\$ 19,567</u> | <u>2</u>         | <u>\$ 19,569</u> | <u>\$ 19,569</u>                   |
| Fund balance, beginning                           |                                |                  | 19,567           |                  |                                    |
| Fund balance, ending                              |                                |                  | <u>\$ 19,569</u> |                  |                                    |



## Other Schedules



Town of Lewisville, North Carolina  
Schedule of Ad Valorem Taxes Receivable  
June 30, 2014

| <u>Fiscal Year</u> | Uncollected<br>Balance<br>June 30, 2013     | <u>Additions</u>    | <u>Collections<br/>And Credits</u> | Uncollected<br>Balance<br>June 30, 2014 |
|--------------------|---|---------------------|------------------------------------|---|
| 2013-2014          | \$ -  | \$ 2,197,203        | \$ 2,173,364                       | \$ 23,839                               |
| 2012-2013          | 28,931                                      | -                   | 23,430                             | 5,501                                   |
| 2011-2012          | 7,222                                       | -                   | 2,565                              | 4,657                                   |
| 2010-2011          | 6,332                                       | -                   | 636                                | 5,696                                   |
| 2009-2010          | 5,448                                       | -                   | 1,865                              | 3,583                                   |
| 2008-2009          | 760   | -                   | -                                  | 760                                     |
| 2007-2008          | 500   | -                   | 46                                 | 454                                     |
| 2006-2007          | 391   | -                   | -                                  | 391                                     |
| 2005-2006          | 456   | -                   | -                                  | 456                                     |
| 2004-2005          | 231   | -                   | -                                  | 231                                     |
| 2003-2004          | 249   | -                   | 249                                | -                                       |
|                    | <u>\$ 50,520</u>                            | <u>\$ 2,197,203</u> | <u>\$ 2,202,155</u>                | <u>45,568</u>                           |
|                    | Less: allowance for uncollectible accounts: |                     |                                    |   |
|                    | General Fund                                |                     |                                    | -                                       |
|                    | Ad valorem taxes receivable - net           |                     |                                    | <u>\$ 45,568</u>                        |
|                    | <u>Reconcilement with revenues:</u>         |                     |                                    |   |
|                    | Ad valorem taxes - General Fund             |                     |                                    | \$ 2,210,298                            |
|                    | Reconciling items:                          |                     |                                    |   |
|                    | Interest collected                          |                     |                                    | (10,378)                                |
|                    | Discounts allowed                           |                     |                                    | 1,986                                   |
|                    | Taxes written off                           |                     |                                    | 249                                     |
|                    | Subtotal                                    |                     |                                    | <u>(8,143)</u>                          |
|                    | Total collections and credits               |                     |                                    | <u>\$ 2,202,155</u>                     |



Town of Lewisville, North Carolina  
 Analysis of Current Tax Levy  
 Town - Wide Levy  
 For the Year Ended June 30, 2014

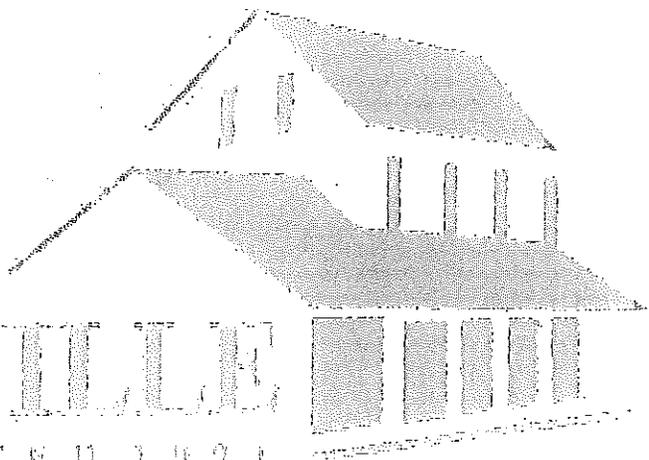
|                                    | Town - Wide             |       | Total Levy          |  |                                 |
|------------------------------------|-------------------------|-------|---------------------|--|---------------------------------|
|                                    | Property<br>Valuation   | Rate  | Total<br>Levy       | Property<br>excluding<br>Registered<br>Motor<br>Vehicles | Registered<br>Motor<br>Vehicles |
| Original levy:                     |                         |       |                     |  |                                 |
| Property taxed at current rate     | \$ 1,227,761,017        | 0.177 | \$ 2,173,137        | \$ 1,896,042   | \$ 277,095                      |
| Penalties                          | -                       |       | 3,966               | 2,473  | 1,493                           |
| Total                              | <u>1,227,761,017</u>    |       | <u>2,177,103</u>    | <u>1,898,515</u>   | <u>278,588</u>                  |
| Discoveries:                       |                         |       |                     |  |                                 |
| Current year taxes                 | 15,738,418              | 0.177 | 27,857              | 27,857   | -                               |
| Prior year taxes                   | -                       |       | -                   | -  | -                               |
| Penalties                          | -                       |       | -                   | -  | -                               |
| Total                              | <u>15,738,418</u>       |       | <u>27,857</u>       | <u>27,857</u>  | <u>-</u>                        |
| Abatements                         | (4,382,486)             | 0.177 | (7,757)             | (6,345)  | (1,412)                         |
| Total property valuation           | <u>\$ 1,239,116,949</u> |       |                     |  |                                 |
| Net levy                           |                         |       | 2,197,203           | 1,920,027  | 277,176                         |
| Uncollected taxes at June 30, 2014 |                         |       | <u>(23,839)</u>     | <u>(17,448)</u>  | <u>(6,391)</u>                  |
| Current year's taxes collected     |                         |       | <u>\$ 2,173,364</u> | <u>\$ 1,902,579</u>                                      | <u>\$ 270,785</u>               |
| Current levy collection percentage |                         |       | <u>98.92%</u>       | <u>99.09%</u>  | <u>97.69%</u>                   |



# Statistical Section

LEWESVILLE

INCORPORATED 1891



## Statistical Section

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This part of the Town of Lewisville comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

### Contents

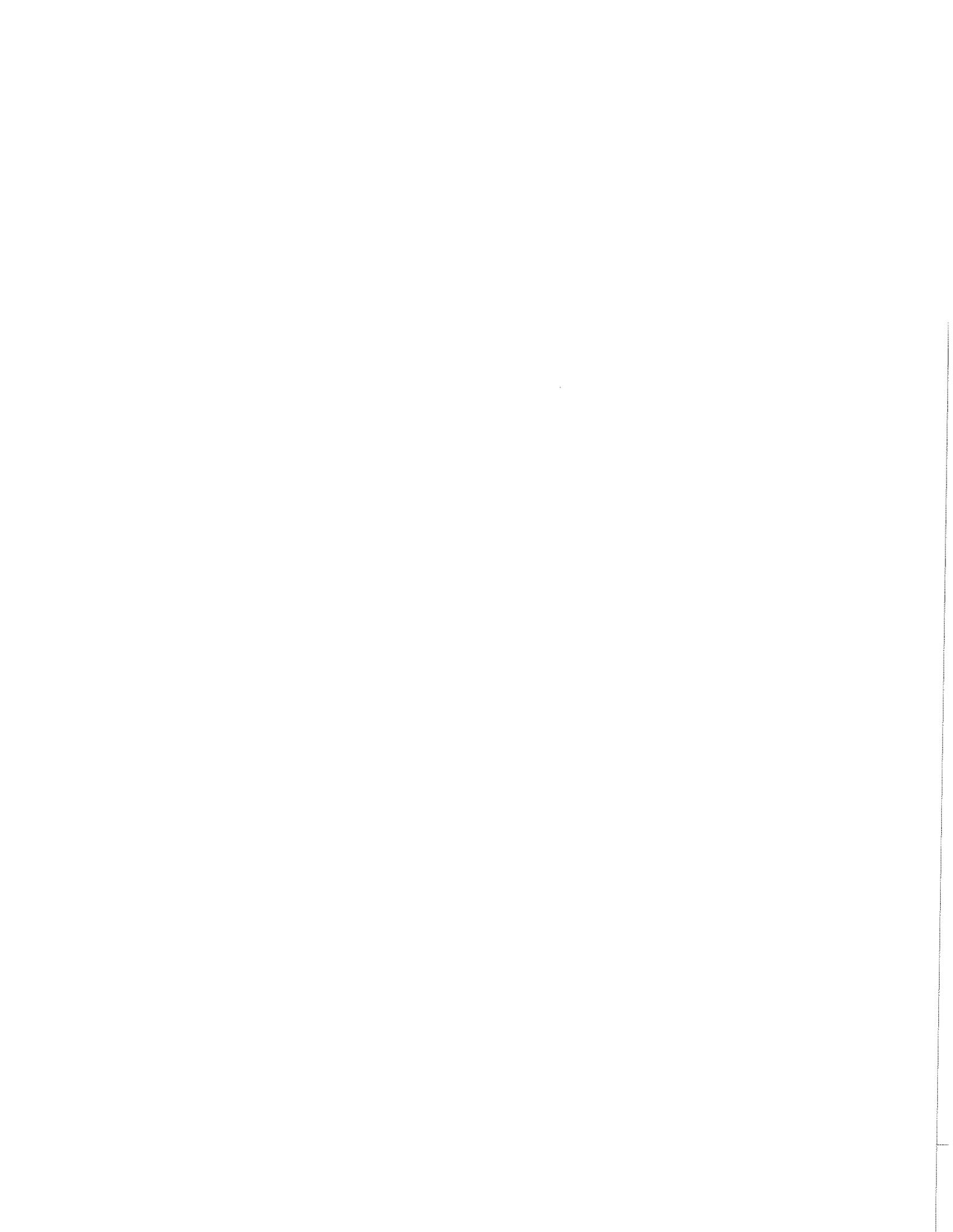
**Financial Trends** – These schedules contain trend information to assist the reader in understanding how the Town's financial performance and well-being have changed over time.

**Revenue Capacity** - These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property taxes.

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

**Demographic and Economic Information** – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.

**Operating Information** – These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.

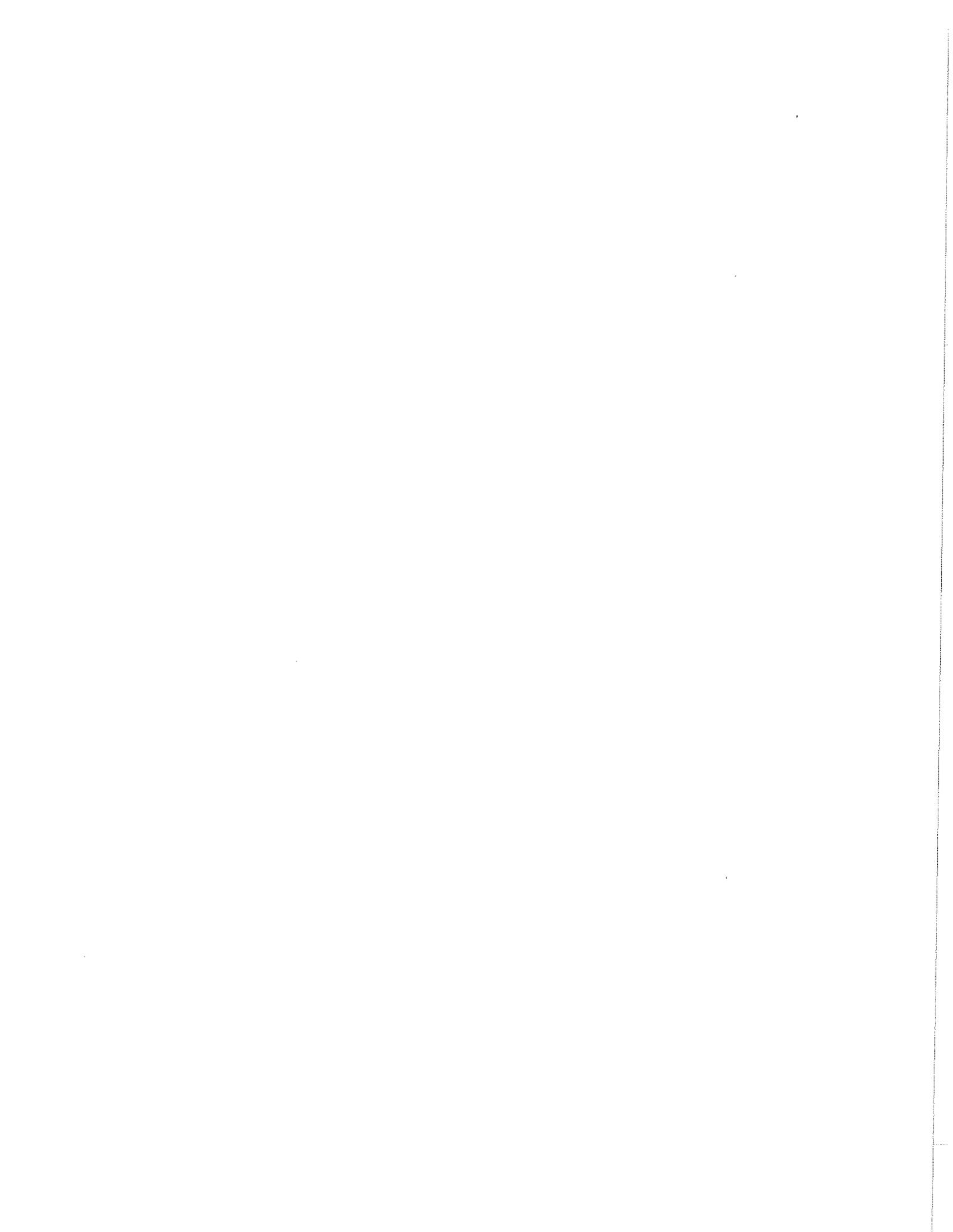


Net Position

Schedule 1

Town of Lewisville  
 Net Position by Category  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

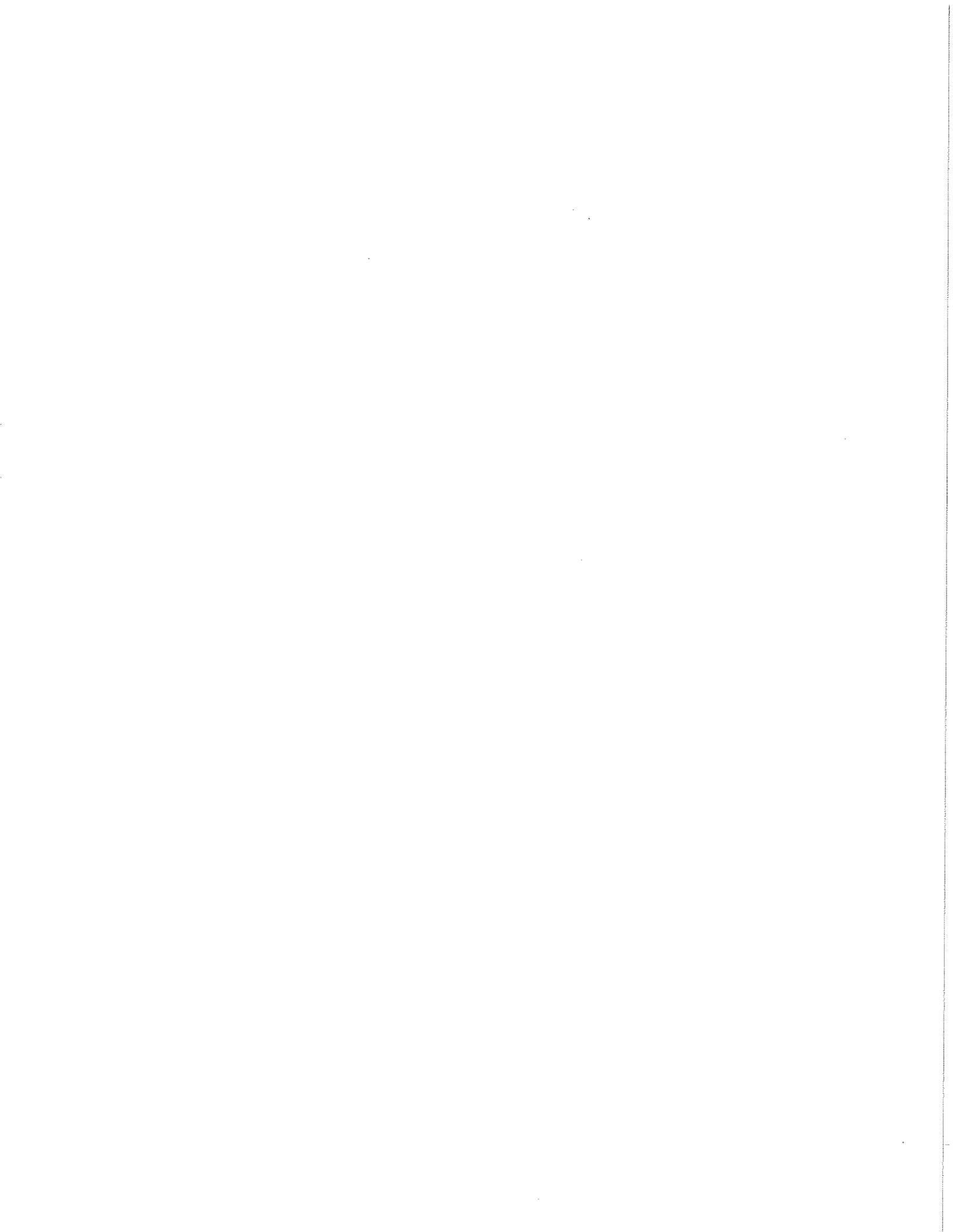
|  | 2005          | 2006          | 2007          | 2008         | 2009          | 2010          | 2011          |
|--|---------------|---------------|---------------|--------------|---------------|---------------|---------------|
| Governmental Activities                    |               |               |               |              |               |               |               |
| Net investment in capital assets           | \$ 2,260,428  | \$ 2,971,213  | \$ 2,671,743  | \$ 2,724,737 | \$ 3,685,961  | \$ 4,006,504  | \$ 4,506,171  |
| Restricted                                 | 279,711       | 301,886       | 390,396       | 389,091      | 468,074       | \$545,039     | 1,087,541     |
| Unrestricted                               | 3,303,590     | 3,778,671     | 4,764,091     | 5,430,789    | 5,852,914     | \$6,134,352   | 5,554,467     |
| Total governmental activities net position | \$ 5,843,729  | \$ 7,051,770  | \$ 7,826,230  | \$ 8,544,617 | \$ 10,006,949 | \$ 10,685,895 | \$ 11,148,179 |
|  |               |               |               |              |               |               |               |
|  | 2012          | 2013          | 2014          |              |               |               |               |
|  | \$ 5,075,036  | \$ 5,235,180  | \$ 5,215,523  |              |               |               |               |
|  | 870,989       | 936,457       | 892,288       |              |               |               |               |
|  | 5,750,890     | 6,390,568     | 6,955,023     |              |               |               |               |
|  | \$ 11,696,915 | \$ 12,562,205 | \$ 13,062,834 |              |               |               |               |



Schedule 2  
Changes in Net Position

Town of Lewisville  
Changes in Net Position, Last Ten Years  
(accrual basis of accounting)

|   | Fiscal Year    |                |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           | 2014           |
| <b>Expenses</b>   |                |                |                |                |                |                |                |                |                |                |
| Governmental activities:                                  |                |                |                |                |                |                |                |                |                |                |
| General Government  | \$ 593,340     | \$ 581,676     | \$ 709,087     | \$ 696,694     | \$ 709,775     | \$ 777,620     | \$ 974,603     | \$ 1,012,936   | \$ 1,053,173   | \$ 1,046,683   |
| Public Works  | 1,459,753      | 1,620,044      | 1,666,237      | 2,130,308      | 1,511,191      | 1,842,650      | 1,973,582      | 1,817,363      | 1,432,703      | 1,699,946      |
| Community Development                                     | 64,035         | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Planning  | 93,721         | 85,153         | 99,945         | 110,854        | 107,015        | 115,883        | 117,609        | 117,361        | 117,030        | 126,574        |
| Parks and Recreation                                      | 151,781        | 165,509        | 374,490        | 165,952        | 156,916        | 167,490        | 286,870        | 203,504        | 202,023        | 215,543        |
| Public Safety   | 145,840        | 309,748        | 308,860        | 319,410        | 319,225        | 335,550        | 410,063        | 405,408        | 451,896        | 454,942        |
| Interest on long-term debt                                | 4,320          | 959            | -              | -              | 65,468         | 103,266        | 95,967         | 88,669         | 78,747         | 49,065         |
| Total governmental activities                             | \$ 2,512,790   | \$ 2,773,069   | \$ 3,158,619   | \$ 3,423,218   | \$ 2,869,590   | \$ 3,342,439   | \$ 3,858,694   | \$ 3,645,241   | \$ 3,335,572   | \$ 3,592,753   |
| <b>Program Revenues</b>                                   |                |                |                |                |                |                |                |                |                |                |
| Governmental activities:                                  |                |                |                |                |                |                |                |                |                |                |
| Charges for services                                      | \$ 11,280      | \$ 10,355      | \$ 4,867       | \$ 11,015      | \$ 2,000       | \$ 5,890       | \$ 4,256       | \$ 5,190       | \$ 2,660       | \$ 3,780       |
| Parks and recreation                                      | 12,836         | 18,329         | 15,351         | 14,085         | 13,197         | 13,245         | 12,348         | 11,897         | 11,593         | 16,516         |
| Operating grants and contributions                        | 298,052        | 386,781        | 384,026        | 433,315        | 402,371        | 350,507        | 359,190        | 342,001        | 351,383        | 363,371        |
| Capital grants and contributions                          | -              | 255,000        | -              | 24,831         | 432,795        | 42,363         | 228,608        | 58,407         | -              | -              |
| Total governmental activities program revenues            | \$ 322,168     | \$ 670,465     | \$ 404,244     | \$ 483,246     | \$ 850,363     | \$ 412,005     | \$ 604,402     | \$ 417,495     | \$ 365,636     | \$ 383,657     |
| <b>Net (Expense)/Revenue</b>                              |                |                |                |                |                |                |                |                |                |                |
| Total primary government net expense                      | \$ (2,190,622) | \$ (2,102,604) | \$ (2,754,375) | \$ (2,939,972) | \$ (2,019,227) | \$ (2,930,434) | \$ (3,254,292) | \$ (3,227,746) | \$ (2,969,936) | \$ (3,209,086) |
| <b>General Revenues and Other Changes in Net Position</b> |                |                |                |                |                |                |                |                |                |                |
| Governmental activities:                                  |                |                |                |                |                |                |                |                |                |                |
| Taxes   |                |                |                |                |                |                |                |                |                |                |
| Property taxes  | \$ 1,874,621   | \$ 1,924,259   | \$ 1,965,120   | \$ 2,026,748   | \$ 2,050,723   | \$ 2,309,330   | \$ 2,321,072   | \$ 2,337,360   | \$ 2,358,788   | \$ 2,235,387   |
| Local Option Sales Taxes                                  | 560,500.00     | 655,402.00     | 595,811        | 701,899        | 605,831        | 565,945        | 613,458        | 686,670        | 681,564        | 670,731        |
| Other taxes   | 574,735        | 585,432        | 625,107        | 682,512        | 714,911        | 637,671        | 692,902        | 658,839        | 674,260        | 694,183        |
| Unrestricted grants and contributions                     | 20             | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Other   | 99,632         | 145,552        | 242,797        | 247,200        | 110,094        | 96,434         | 89,144         | 111,613        | 120,614        | 109,414        |
| Total governmental activities                             | \$ 3,109,508   | \$ 3,310,645   | \$ 3,528,835   | \$ 3,658,359   | \$ 3,481,559   | \$ 3,609,380   | \$ 3,716,576   | \$ 3,776,482   | \$ 3,835,226   | \$ 3,709,715   |
| <b>Changes in Net Position</b>                            |                |                |                |                |                |                |                |                |                |                |
| Governmental activities                                   | \$ 918,886     | \$ 1,208,041   | \$ 774,460     | \$ 718,387     | \$ 1,462,332   | \$ 678,946     | \$ 462,284     | \$ 548,736     | \$ 865,290     | \$ 500,629     |



Fund Balances

Schedule 3

Town of Lewisville  
Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)

|                                    | 2005         | 2006      | 2007      | 2008      | 2009      | 2010      |
|------------------------------------|--------------|-----------|-----------|-----------|-----------|-----------|
| General Fund                       |              |           |           |           |           |           |
| Reserved                           | \$ 313,202   | 326,640   | 415,471   | 414,369   | 505,683   | 573,263   |
| Unreserved                         | 2,742,172    | 2,953,867 | 3,481,855 | 3,383,499 | 3,800,234 | 3,751,231 |
| Total General Fund                 | \$ 3,055,374 | 3,280,507 | 3,897,326 | 3,797,868 | 4,305,917 | 4,324,494 |
| All Other Governmental Funds       |              |           |           |           |           |           |
| Reserved                           | \$ 9         | 52        | 187       | 25,222    | 25,431    | 94,038    |
| Unreserved, reported in:           |              |           |           |           |           |           |
| Special revenue funds              | 506,900      | 776,095   | 1,238,880 | 1,552,795 | 781,507   | 975,272   |
| Capital Projects funds             |              |           |           | 427,680   | 2,918,486 | 1,256,956 |
| Total all other governmental funds | \$ 506,909   | 776,147   | 1,239,067 | 2,005,697 | 3,725,424 | 2,326,266 |
| Total                              | \$ 3,562,283 | 4,056,654 | 5,136,393 | 5,803,565 | 8,031,341 | 6,650,760 |
| General Fund                       |              |           |           |           |           |           |
| Restricted                         | \$ 1,086,487 | 870,370   | 934,579   | 892,042   |           |           |
| Committed                          | 506,034      | 485,773   | 511,004   | 441,726   |           |           |
| Assigned                           | -            | -         | -         | 51,410    |           |           |
| Unassigned                         | 3,405,786    | 3,384,764 | 4,069,346 | 4,537,398 |           |           |
| Total General Fund                 | \$ 4,998,307 | 4,740,907 | 5,514,929 | 5,922,576 |           |           |
| All Other Governmental Funds       |              |           |           |           |           |           |
| Restricted                         | \$ 1,054     | 619       | 1,878     | 246       |           |           |
| Committed                          | 1,612,155    | 1,851,117 | 1,807,729 | 1,935,082 |           |           |
| Unassigned                         | -            | -         | -         | -         |           |           |
| Total all other governmental funds | \$ 1,613,209 | 1,851,736 | 1,809,607 | 1,935,328 |           |           |
| Total                              | \$ 6,611,516 | 6,592,643 | 7,324,536 | 7,857,904 |           |           |

GASB Statement No. 54 had to be implemented starting fiscal year 2011

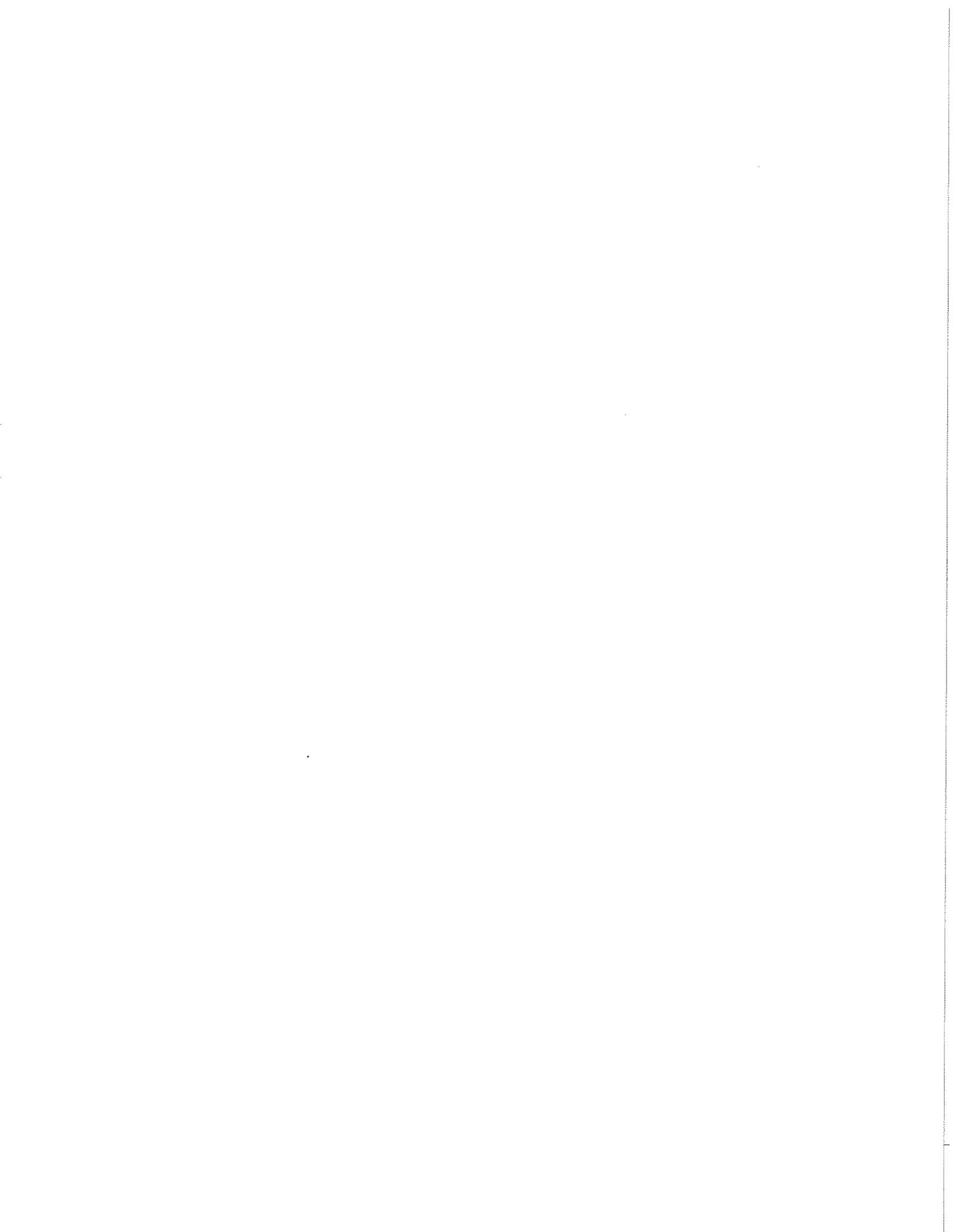


Schedule 4

Town of Lewisville  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

|   | Fiscal Year  |           |           |           |             |             |           |             |           |           |
|---|--------------|-----------|-----------|-----------|-------------|-------------|-----------|-------------|-----------|-----------|
|   | 2005         | 2006      | 2007      | 2008      | 2009        | 2010        | 2011      | 2012        | 2013      | 2014      |
| <b>Revenues</b>   |              |           |           |           |             |             |           |             |           |           |
| Ad Valorem taxes  | \$ 1,871,079 | 1,920,877 | 1,964,907 | 2,018,545 | 2,042,935   | 2,306,956   | 2,313,950 | 2,345,514   | 2,358,321 | 2,240,351 |
| Other taxes and licenses                                | 138,807      | 131,989   | 108,657   | 22,017    | 24,443      | 23,793      | 26,687    | 26,916      | 28,263    | 26,593    |
| Unrestricted intergovernmental*                         | 1,294,479    | 1,495,626 | 1,596,287 | 1,820,536 | 2,131,465   | 1,643,582   | 1,310,847 | 1,340,581   | 1,379,067 | 1,390,374 |
| Restricted intergovernmental*                           | 20           | -         | -         | -         | -           | -           | 621,387   | 436,494     | 367,378   | 394,406   |
| Contributions   | 61,410       | 140,902   | 226,751   | 242,037   | 99,729      | 12,314      | 8,320     | 3,966       | 2,823     | 705       |
| Investment Earnings                                     | 62,339       | 39,442    | 42,171    | 35,946    | 27,349      | 32,710      | 37,355    | 48,659      | 44,544    | 45,918    |
| Miscellaneous   | 3,428,134    | 3,728,836 | 3,938,773 | 4,139,081 | 4,325,921   | 4,019,355   | 4,318,546 | 4,202,130   | 4,200,396 | 4,098,347 |
| <b>Total revenues</b>                                   | \$ 3,428,134 | 3,728,836 | 3,938,773 | 4,139,081 | 4,325,921   | 4,019,355   | 4,318,546 | 4,202,130   | 4,200,396 | 4,098,347 |
| <b>Expenditures</b>                                     |              |           |           |           |             |             |           |             |           |           |
| General government                                      | \$ 562,466   | 539,474   | 677,344   | 661,165   | 737,221     | 718,472     | 787,798   | 823,649     | 834,916   | 865,310   |
| Public Works  | 1,455,124    | 1,606,793 | 1,644,376 | 2,110,028 | 1,510,947   | 1,819,274   | 2,245,179 | 1,855,617   | 1,396,541 | 1,650,734 |
| Community Development                                   | 64,034       | -         | -         | -         | -           | -           | -         | -           | -         | -         |
| Planning  | 93,207       | 81,357    | 99,228    | 109,787   | 105,638     | 112,368     | 116,380   | 116,547     | 116,144   | 156,163   |
| Parks and recreation                                    | 111,591      | 124,771   | 123,099   | 206,625   | 115,974     | 126,548     | 233,868   | 115,936     | 106,027   | 117,562   |
| Public Safety   | 145,841      | 309,748   | 308,860   | 319,408   | 319,225     | 335,550     | 410,063   | 405,408     | 451,897   | 454,942   |
| Debt service  | -            | -         | -         | -         | -           | -           | -         | -           | -         | -         |
| Interest and other charges                              | 4,320        | 939       | -         | -         | 54,740      | 104,006     | 96,707    | 89,409      | 82,110    | 49,555    |
| Principal   | 90,566       | 43,451    | -         | -         | 93,333      | 186,667     | 186,667   | 186,667     | 186,667   | 186,666   |
| Capital Outlay  | 26,805       | 527,932   | 6,127     | 64,895    | 1,935,817   | 1,997,051   | 281,128   | 627,770     | 294,201   | 84,047    |
| Total expenditures                                      | \$ 2,553,954 | 3,234,465 | 2,859,034 | 3,471,909 | 4,872,895   | 5,399,936   | 4,357,790 | 4,221,003   | 3,468,503 | 3,564,979 |
| Excess(deficiency) of revenues                          | \$ 874,180   | 494,371   | 1,079,739 | 667,172   | (546,974)   | (1,380,581) | (39,244)  | (18,873)    | 731,893   | 533,368   |
| Other Financing Sources (Uses)                          |              |           |           |           |             |             |           |             |           |           |
| Transfers from other funds                              | \$ 437,000   | 230,000   | 395,000   | 775,000   | 1,313,656   | 542,319     | 191,818   | 1,417,720   | 240,337   | 210,000   |
| Transfers to other funds                                | (437,000)    | (230,000) | (395,000) | (775,000) | (1,313,656) | (542,319)   | (191,818) | (1,417,720) | (240,337) | (210,000) |
| Monies loaned under long-term receivable                | -            | -         | -         | -         | (50,500)    | -           | -         | -           | -         | -         |
| Monies received under long-term receivable              | -            | -         | -         | -         | 25,250      | -           | -         | -           | -         | -         |
| Proceeds from construction loan                         | -            | -         | -         | -         | 2,800,000   | -           | -         | -           | -         | -         |
| Total other financing sources (uses)                    | -            | -         | -         | -         | 2,774,750   | -           | -         | -           | -         | -         |
| Net change in fund balances                             | \$ 874,180   | 494,371   | 1,079,739 | 667,172   | 2,227,776   | (1,380,581) | (39,244)  | (18,873)    | 731,893   | 533,368   |
| Debt service as a percentage of noncapital expenditures | 3.75%        | 1.64%     | -         | -         | 5.04%       | 8.50%       | 6.95%     | 7.84%       | 8.50%     | 6.79%     |

\*Began GASB Statement No. 54 participation fiscal year 2011



Schedule 5

Revenue Base Information

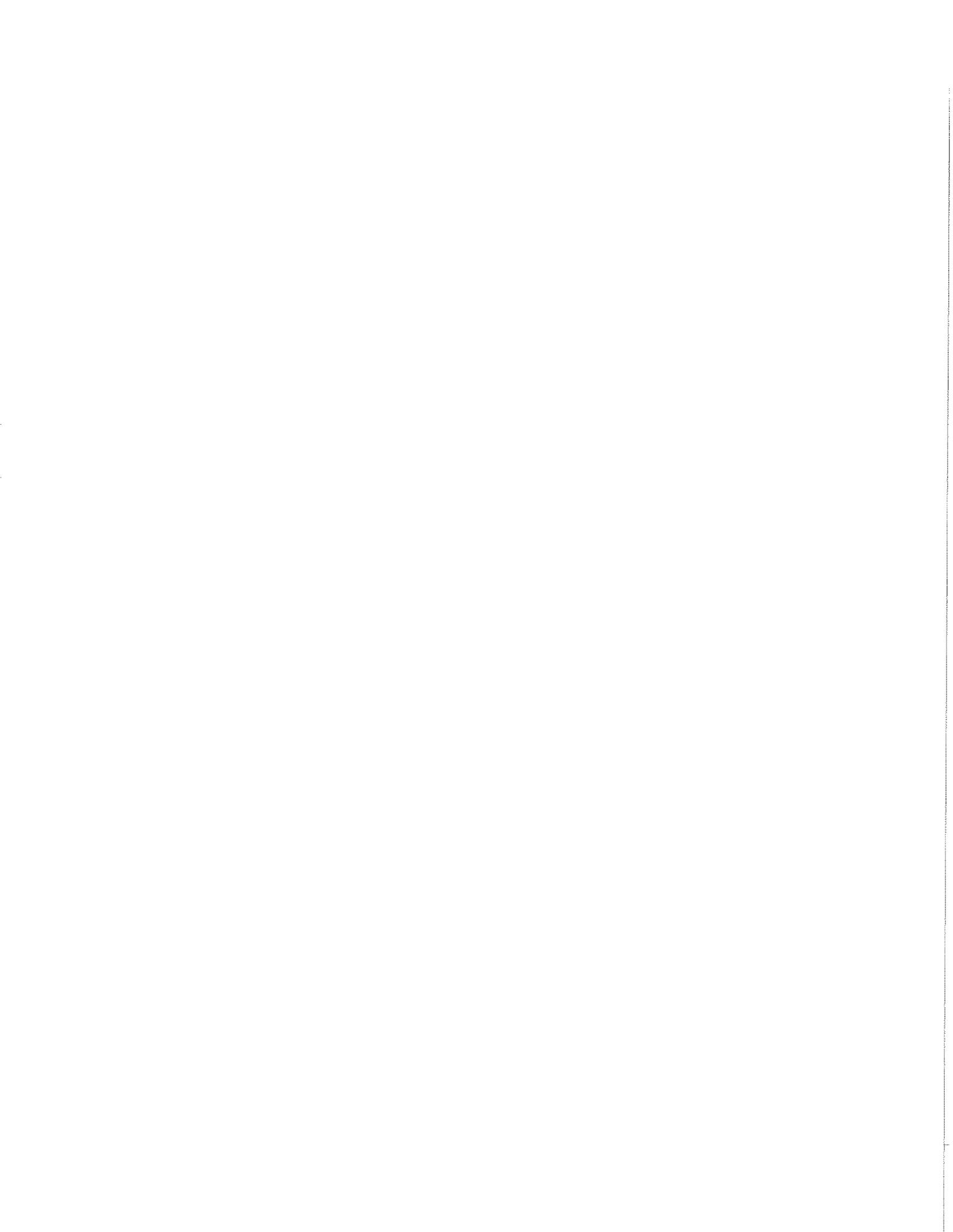
Town of Lewisville  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

| Fiscal Year<br>Ended<br>June 30 | Tax Year<br>Ended<br>December<br>31 | Real          |             |            | Personal      |        |  | Public Service |  |  | Direct |  |  |
|---------------------------------|-------------------------------------|---------------|-------------|------------|---------------|--------|--|----------------|--|--|--------|--|--|
|                                 |                                     | Property      |             |            | Property      |        |  | Companies      |  |  | Rates  |  |  |
| 2005                            | 2004                                | 812,340,680   | 111,406,150 | 14,826,857 | 938,573,687   | 0.1950 |  |                |  |  |        |  |  |
| 2006                            | 2005                                | 918,856,240   | 129,898,170 | 15,337,694 | 1,064,092,104 | 0.1770 |  |                |  |  |        |  |  |
| 2007                            | 2006                                | 946,827,050   | 133,015,990 | 11,998,760 | 1,091,841,800 | 0.1770 |  |                |  |  |        |  |  |
| 2008                            | 2007                                | 972,869,570   | 134,999,640 | 16,209,600 | 1,124,078,810 | 0.1770 |  |                |  |  |        |  |  |
| 2009                            | 2008                                | 996,332,782   | 135,472,035 | 13,089,730 | 1,144,894,547 | 0.1770 |  |                |  |  |        |  |  |
| 2010                            | 2009                                | 1,143,138,522 | 129,018,748 | 12,790,127 | 1,284,947,397 | 0.1770 |  |                |  |  |        |  |  |
| 2011                            | 2010                                | 1,150,779,348 | 123,816,565 | 11,978,288 | 1,286,574,201 | 0.1770 |  |                |  |  |        |  |  |
| 2012                            | 2011                                | 1,156,635,029 | 128,007,613 | 11,933,530 | 1,296,576,172 | 0.1770 |  |                |  |  |        |  |  |
| 2013                            | 2012                                | 1,162,525,518 | 134,753,619 | 12,068,961 | 1,309,348,098 | 0.1770 |  |                |  |  |        |  |  |
| 2014                            | 2013                                | 1,055,272,908 | 129,358,791 | 12,386,287 | 1,197,017,986 | 0.1770 |  |                |  |  |        |  |  |

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

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.

Tax rates are at \$100 valuation



Revenue Rate Information

Schedule 6

Town of Lewisville, North Carolina  
Direct and Overlapping Property Tax Rates  
Last Ten Years  
(rate per \$100 of assessed value)

|   | Year Taxes Are Payable |               |               |               |               |               |               |               |               |               |
|---|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | <u>2005</u>            | <u>2006</u>   | <u>2007</u>   | <u>2008</u>   | <u>2009</u>   | <u>2010</u>   | <u>2011</u>   | <u>2012</u>   | <u>2013</u>   | <u>2014</u>   |
| Town of Lewisville <sup>(1)</sup><br>General Fund | 0.1950                 | 0.1770        | 0.1770        | 0.1770        | 0.1770        | 0.1770        | 0.1770        | 0.1770        | 0.1770        | 0.1770        |
| Forsyth County <sup>(2)</sup>                     | 0.7080                 | 0.6660        | 0.6660        | 0.6960        | 0.6960        | 0.6740        | 0.6740        | 0.6740        | 0.7168        | 0.7168        |
| Lewisville Fire District <sup>(3)</sup>           | <u>0.0500</u>          | <u>0.0500</u> | <u>0.0600</u> | <u>0.0600</u> | <u>0.0600</u> | <u>0.0600</u> | <u>0.0600</u> | <u>0.0600</u> | <u>0.0740</u> | <u>0.0780</u> |
| Combined Tax Rate                                 | <u>0.9530</u>          | <u>0.8930</u> | <u>0.9030</u> | <u>0.9330</u> | <u>0.9330</u> | <u>0.9110</u> | <u>0.9110</u> | <u>0.9110</u> | <u>0.9678</u> | <u>0.9718</u> |
| Municipal Service District <sup>(4)</sup>         | 0.05*                  | 0.05*         | 0.05*         | 0.05*         | 0.05*         | 0.05*         | 0.05*         | 0.05*         | 0.05*         | 0.05*         |

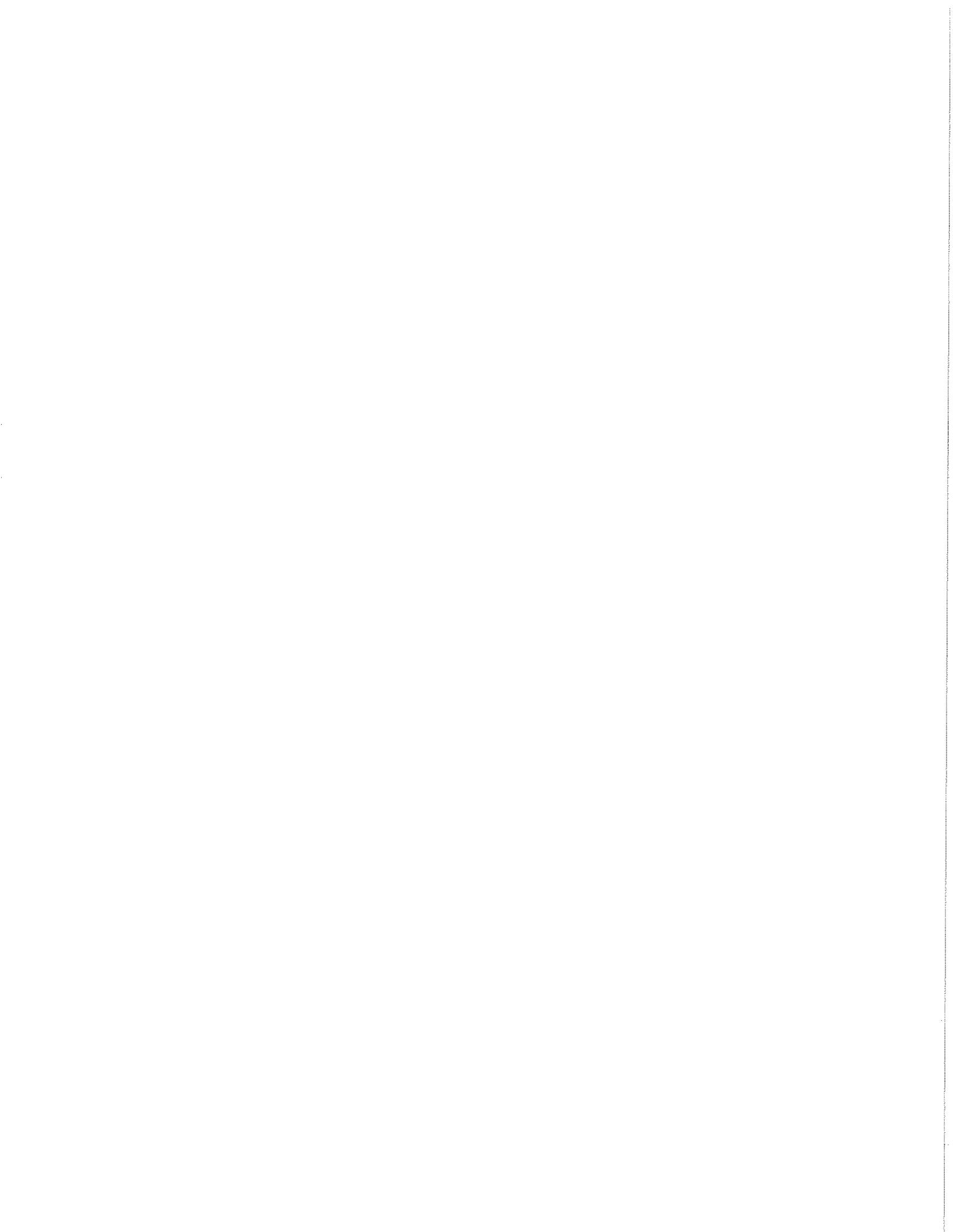
\*excludes motor vehicles

<sup>(1)</sup> Town of Lewisville tax rates 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.

<sup>(2)</sup> Forsyth County has a unified tax rate.

<sup>(3)</sup> The Forsyth County Board of Commissioners sets each Fire Tax District.

<sup>(4)</sup> Lewisville Municipal Service District is a separate fund. Tax rate is set by Municipal Council but only applies to those in that special district.



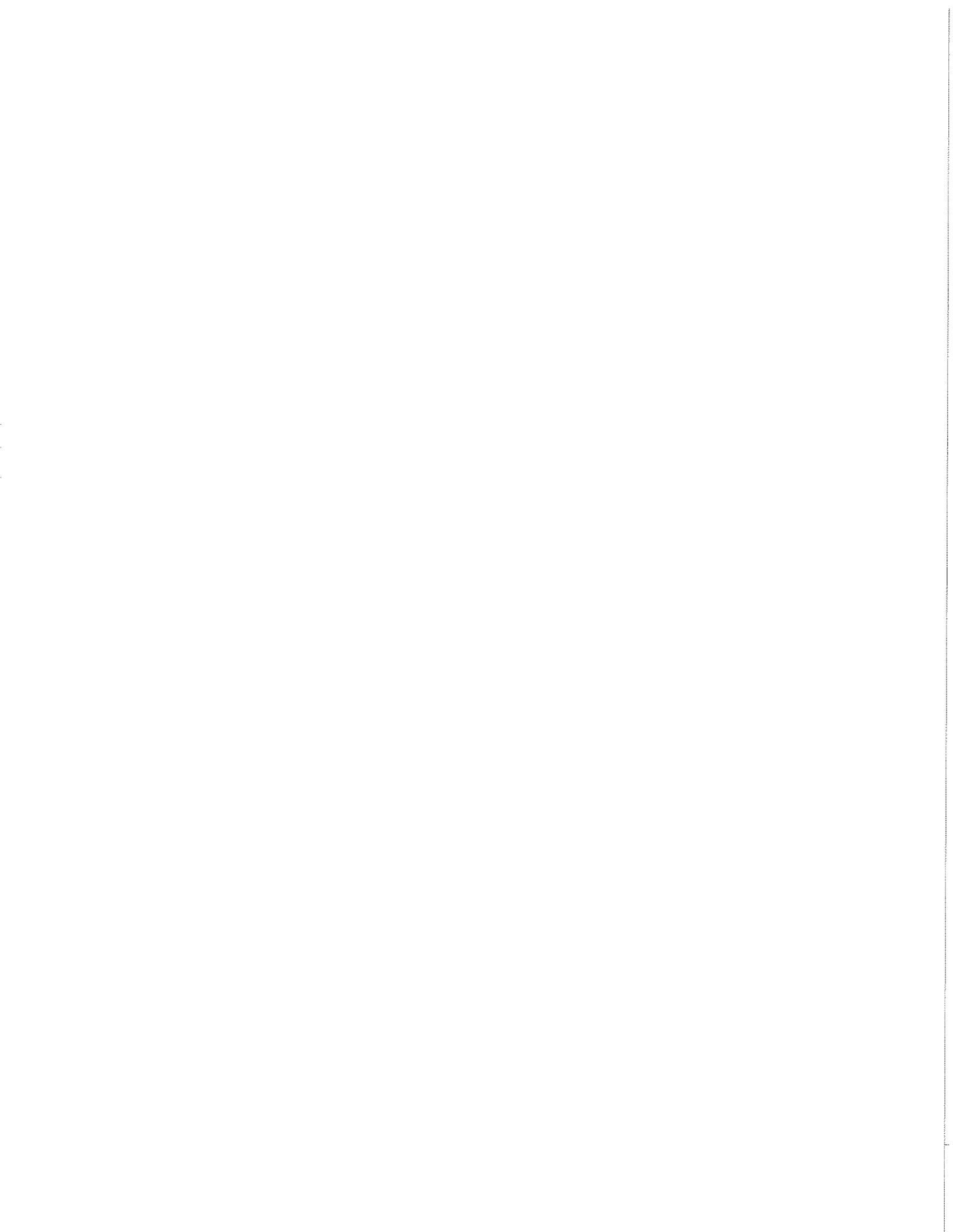
Schedule 7

Town of Lewisville  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
Top Ten

| Taxpayer                      | 2005                 |      |                                     | 2014                 |      |                                     |
|-------------------------------|----------------------|------|-------------------------------------|----------------------|------|-------------------------------------|
|                               | Assessed Valuation   | Rank | Percent of Total Assessed Valuation | Assessed Valuation   | Rank | Percent of Total Assessed Valuation |
| Kaplan Partners               | \$ 17,798,200        | 1    | 1.88%                               | 23,254,250           | 1    | 1.94%                               |
| Gemini Lewisville Commons LLC | 7,736,100            | 2    | 0.82%                               | 6,480,600            | 2    | 0.54%                               |
| Kent Corporation              | 4,882,300            | 3    | 0.52%                               | 4,133,300            | 7    | 0.35%                               |
| Yopp Properties LLC           | 4,874,800            | 4    | 0.51%                               | 5,881,100            | 4    | 0.49%                               |
| WLM Stone Point LLC           | 4,571,699            | 5    | 0.48%                               | 4,494,490            | 5    | 0.38%                               |
| FFNC Inc.                     | 3,244,898            | 6    | 0.34%                               | -                    | -    | -                                   |
| Flippin Construction Inc.     | 3,106,290            | 7    | 0.33%                               | -                    | -    | -                                   |
| Lanier Williams               | 2,414,700            | 8    | 0.26%                               | 2,704,720            | 10   | 0.23%                               |
| Kerry J Gilliland             | 1,572,000            | 9    | 0.17%                               | -                    | -    | -                                   |
| Robert M McBride              | 1,378,798            | 10   | 0.15%                               | -                    | -    | -                                   |
| Duke Energy Corp              | -                    | -    | -                                   | 6,214,150            | 3    | 0.52%                               |
| Windstream North Carolina Inc | -                    | -    | -                                   | 4,212,110            | 6    | 0.35%                               |
| Vienna Village Inc            | -                    | -    | -                                   | 3,358,090            | 9    | 0.28%                               |
| Greenwood Developers, Inc     | -                    | -    | -                                   | 3,698,720            | 8    | 0.31%                               |
|                               | <u>\$ 51,579,785</u> |      | <u>5.46%</u>                        | <u>\$ 64,431,530</u> |      | <u>5.39%</u>                        |

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

Assessed values reported for tax year 2013 and fiscal year ending 2014.



Levies and Collections  
Information

Town of Lewisville  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Schedule 8

| Fiscal Year | Taxes Levied for Fiscal Year | Collection on Current Year Levy |         | Collection on Prior Years' Levies | Total Tax Collections | Percent of Total Tax Collections to Net Tax Levy |
|-------------|------------------------------|---------------------------------|---------|-----------------------------------|-----------------------|--|
|             |                              | Amount                          | Percent |                                   |                       |  |
| 2005        | 1,848,608                    | 1,828,153                       | 98.89%  | 15,731                            | 1,843,884             | 99.74%   |
| 2006        | 1,891,245                    | 1,868,951                       | 98.82%  | 18,387                            | 1,887,338             | 99.79%   |
| 2007        | 1,931,514                    | 1,908,418                       | 98.80%  | 22,461                            | 1,930,879             | 99.97%   |
| 2008        | 1,993,785                    | 1,965,868                       | 98.60%  | 19,403                            | 1,985,271             | 99.57%   |
| 2009        | 2,021,339                    | 1,989,500                       | 98.42%  | 24,000                            | 2,013,500             | 99.61%   |
| 2010        | 2,269,709                    | 2,236,942                       | 98.56%  | 30,642                            | 2,267,584             | 99.91%   |
| 2011        | 2,282,452                    | 2,250,367                       | 98.59%  | 24,711                            | 2,275,078             | 99.68%   |
| 2012        | 2,296,287                    | 2,269,669                       | 98.75%  | 36,925                            | 2,306,594             | 100.36%  |
| 2013        | 2,321,461                    | 2,292,530                       | 98.75%  | 28,350                            | 2,320,880             | 99.97%   |
| 2014        | 2,197,203                    | 2,173,364                       | 98.92%  | 28,791                            | 2,202,155             | 100.23%  |

A revaluation of all property is required every eight (8) years by State statute. Real property was revalued on January 1 of 1997, 2001, 2005, 2009, and 2013

Source: Forsyth County Tax Department



Total Outstanding Debt Information

Town of Lewisville  
Ratios of Outstanding Debt by Type  
Last ten fiscal years

| Fiscal<br>Year | Governmental Activities |                                     |               |
|----------------|-------------------------|-------------------------------------|---------------|
|                | Installment<br>Purchase | Percentage<br>of Personal<br>Income | Per<br>Capita |
| 2014           | \$ 1,773,334            | 0.42%                               | \$137.36      |
| 2013           | \$ 1,960,000            | 0.49%                               | \$153.01      |
| 2012           | \$ 2,146,667            | 0.53%                               | \$168.05      |
| 2011           | \$ 2,333,333            | 0.56%                               | \$184.00      |
| 2010           | \$ 2,520,000            | 0.51%                               | \$180.09      |
| 2009           | \$ 2,706,667            | 0.58%                               | \$198.96      |
| 2008           | \$                      |                                     |               |
| 2007           | \$                      |                                     |               |
| 2006           | \$                      |                                     |               |
| 2005           | \$ 43,451               |                                     |               |

Note: 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

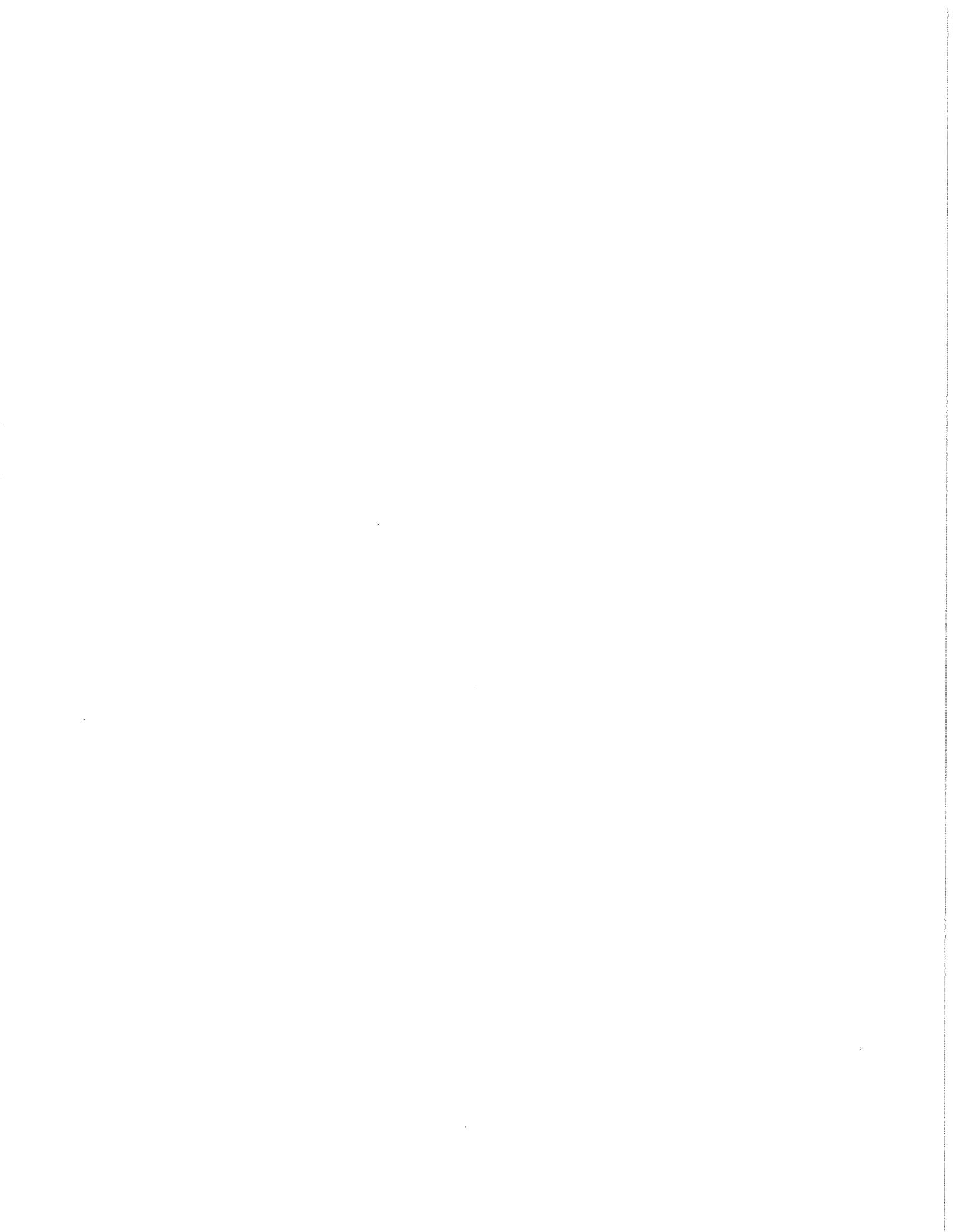


Schedule 10

**Direct and Overlapping Governmental  
Activities Debt**  
Lewisville, North Carolina  
As of June 30, 2014

| Governmental Unit                        | Debt Outstanding | Percentage<br>Applicable to<br>Forsyth County | Estimated<br>Share of Direct and<br>Overlapping Debt |
|--|------------------|---|--|
| <b>Debt repaid with property taxes</b>   |                  |   |  |
| Forsyth County                           | \$ 544,704,357   | 100%  | 544,704,357  |
| Town of Lewisville Direct Debt           | 1,773,334        | 100%  | 1,773,334  |
| <b>Total Direct and Overlapping Debt</b> |                  |   | <b>\$ 546,477,691</b>                                |

Source: Forsyth County Finance Department  
Town of Lewisville Finance Department



Debt Limit Information

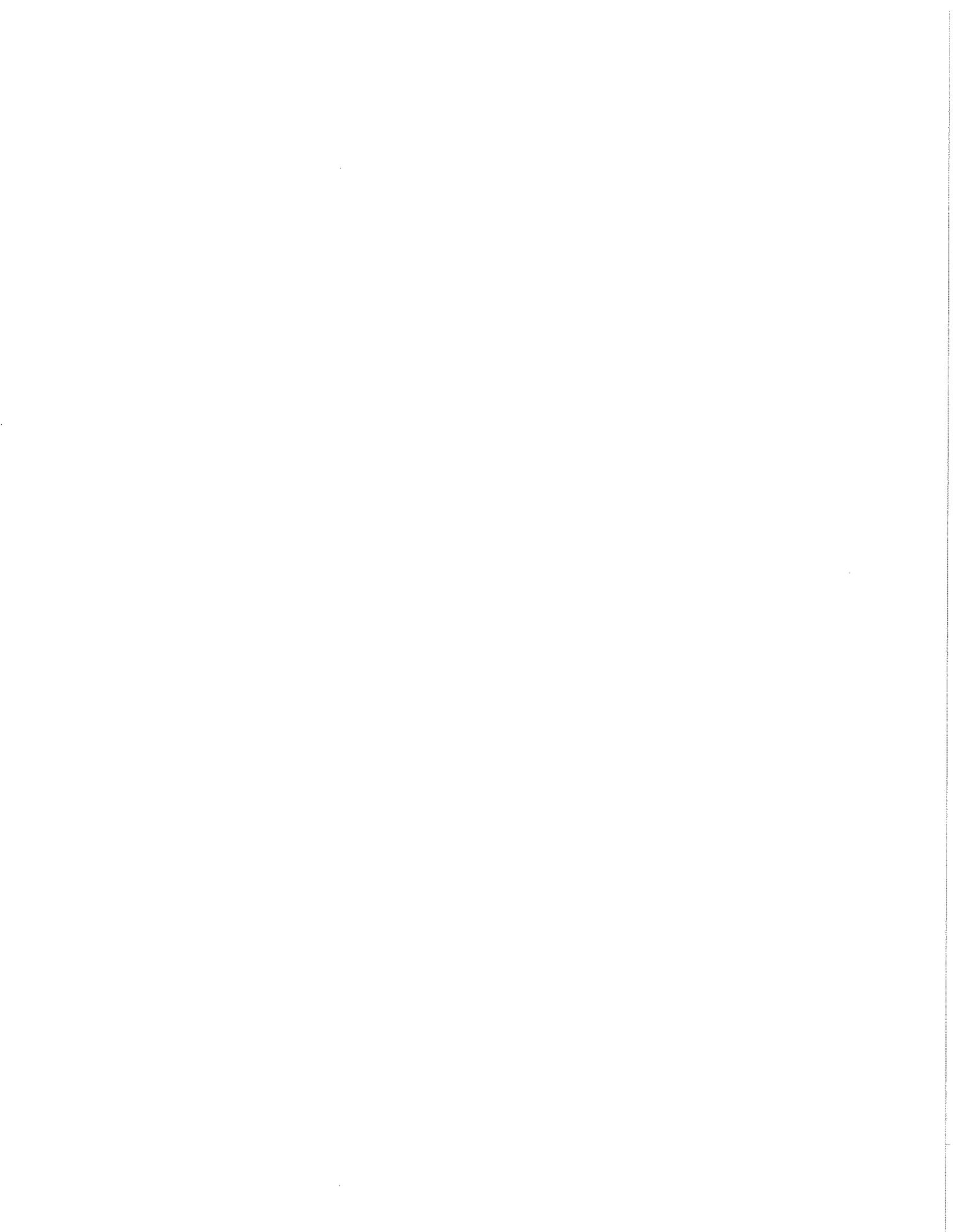
Schedule 11

Town of Lewisville  
 Legal Debt Margin Information  
 Last ten fiscal years

|  |                   |
|--|-------------------|
| Legal Debt Margin Calculation for Fiscal Year 2014 |                   |
| Assessed value                                     | \$ 1,239,116,949  |
| Debt limit ( 8% of assessed value)                 | 99,129,356        |
| Debt applicable to limit:                          |                   |
| Town Hall Financing Agreement                      | 1,773,334         |
| Legal debt margin                                  | <u>97,356,022</u> |

|   | Fiscal Year   |               |               |               |               |                  |                  |                  |                  |                  |
|---|---------------|---------------|---------------|---------------|---------------|------------------|------------------|------------------|------------------|------------------|
|   | 2005          | 2006          | 2007          | 2008          | 2009          | 2010             | 2011             | 2012             | 2013             | 2014             |
| Debt limit  | \$ 75,727,836 | 85,340,429    | 87,119,412    | 89,937,989    | 91,152,226    | 102,356,249      | 102,938,305      | 103,648,000      | 104,687,412      | 99,129,356       |
| Total debt applicable to limit                                      | <u>43,451</u> | <u>27,359</u> | <u>27,474</u> | <u>31,773</u> | <u>35,756</u> | <u>2,520,000</u> | <u>2,333,333</u> | <u>2,146,667</u> | <u>1,960,000</u> | <u>1,773,334</u> |
| Legal debt margin   | \$ 75,684,385 | 85,313,070    | 87,091,938    | 89,906,216    | 91,116,470    | 99,836,249       | 100,604,972      | 101,501,333      | 102,727,412      | 97,356,022       |
| Total debt applicable to the limit<br>as a percentage of debt limit | 0.0574%       | 0.0321%       | 0.0315%       | 0.0353%       | 0.0392%       | 2.4620%          | 2.2667%          | 2.0711%          | 1.8722%          | 1.7889%          |

Source: Assessed values from Forsyth County tax office



Demographic and Economic Information

Town of Lewisville  
 Demographic and Economic Statistics (unaudited)  
 Last ten calendar years

Schedule 12

| Year | Lewisville    |                    |                               | Forsyth County   |                       |  |
|------|---------------|--------------------|-------------------------------|------------------|-----------------------|--|
|      | Population(1) | Personal Income(4) | Per Capita Personal Income(4) | Construction (3) | Unemployment Rate (2) |  |
| 2005 | 12,601        | n/a                |                               | 289,172,315      | 4.70%                 |  |
| 2006 | 12,852        | n/a                |                               | 231,423,168      | 4.30%                 |  |
| 2007 | 13,090        | n/a                |                               | 200,052,692      | 4.40%                 |  |
| 2008 | 13,379        | n/a                |                               | 160,345,402      | 5.70%                 |  |
| 2009 | 13,604        | \$468,100,036      | \$34,409                      | 102,742,009      | 9.60%                 |  |
| 2010 | 13,993        | \$489,838,958      | \$35,006                      | 105,430,204      | 10.10%                |  |
| 2011 | 12,681        | \$417,331,710      | \$32,910                      | 71,730,837       | 10.00%                |  |
| 2012 | 12,774        | \$402,764,220*     | \$31,530*                     | 78,409,976       | 9.00%                 |  |
| 2013 | 12,810        | \$402,374,910*     | \$31,411*                     | 82,291,066       | 8.80%                 |  |
| 2014 | 12,910        | \$423,228,530*     | \$32,783*                     | 98,533,593       | 6.30%                 |  |

Sources: (1) Office of Budget and Management for the State of North Carolina  
 (2) Employment Security Commission  
 (3) City of Winston-Salem Inspections Division  
 Separate information was not available for Lewisville.  
 (4) Northwest Piedmont Council of Governments Marketing Profile  
 and U.S Census Bureau

Notes: \* Personal Income based on 2010 Census  
 Calendar Year 2012 is the most recent data available



Principal Employers

Town of Lewisville  
Principal Employers  
Last nine years

| Employer                     | 2006      |      |                                     | 2007      |      |                                     | 2008      |      |                                     | 2009      |      |                                     |
|------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|
|                              | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment |
| Kaplan's                     | 190       | 1    | n/a                                 | 190       | 1    | n/a                                 | 211       | 2    | n/a                                 | 216       | 2    | n/a                                 |
| Forsyth Country Day School   | 126       | 2    | n/a                                 | 126       | 2    | n/a                                 | 239       | 1    | n/a                                 | 298       | 1    | n/a                                 |
| Lowe's Foods                 | 96        | 3    | n/a                                 | 96        | 3    | n/a                                 | 110       | 3    | n/a                                 | 100       | 3    | n/a                                 |
| Lewisville Elementary School | 70        | 4    | n/a                                 | 70        | 4    | n/a                                 | 80        | 4    | n/a                                 | 80        | 4    | n/a                                 |
| Food Lion                    | 41        | 5    | n/a                                 | 41        | 5    | n/a                                 | 61        | 5    | n/a                                 | 61        | 5    | n/a                                 |
| Total                        | 523       |      | n/a                                 | 523       |      | n/a                                 | 701       |      | n/a                                 | 755       |      | n/a                                 |

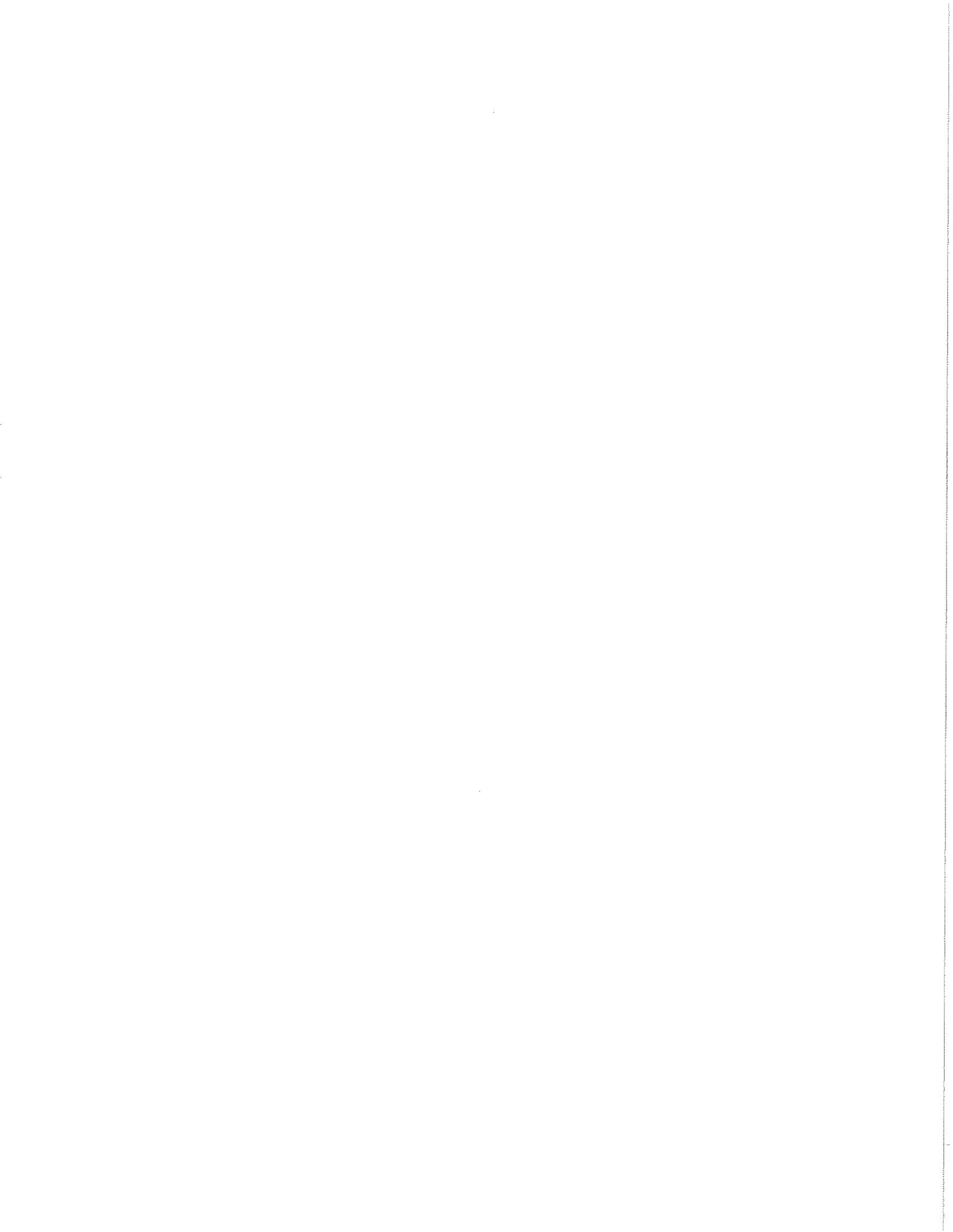
  

| Employer                     | 2010      |      |                                     | 2011      |      |                                     | 2012      |      |                                     | 2013      |      |                                     |
|------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|
|                              | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment |
| Kaplan's                     | 280       | 2    | n/a                                 | 250       | 2    | n/a                                 | 250       | 2    | n/a                                 | 240       | 1    | n/a                                 |
| Forsyth Country Day School   | 298       | 1    | n/a                                 | 277       | 1    | n/a                                 | 259       | 1    | n/a                                 | 195       | 2    | n/a                                 |
| Lowe's Foods                 | 65        | 4    | n/a                                 | 106       | 3    | n/a                                 | 106       | 3    | n/a                                 | 107       | 3    | n/a                                 |
| Lewisville Elementary School | 80        | 3    | n/a                                 | 87        | 4    | n/a                                 | 87        | 4    | n/a                                 | 67        | 4    | n/a                                 |
| Food Lion                    | 40        | 5    | n/a                                 | 42        | 5    | n/a                                 | 54        | 5    | n/a                                 | 52        | 5    | n/a                                 |
| Total                        | 763       |      | n/a                                 | 762       |      | n/a                                 | 756       |      | n/a                                 | 661       |      | n/a                                 |

| Employer                     | 2014      |      |                                     |
|------------------------------|-----------|------|-------------------------------------|
|                              | Employees | Rank | Percentage of Total Town Employment |
| Kaplan's                     | 225       | 1    | n/a                                 |
| Forsyth Country Day School   | 199       | 2    | n/a                                 |
| Lowe's Foods                 | 150       | 3    | n/a                                 |
| Lewisville Elementary School | 75        | 4    | n/a                                 |
| Food Lion                    | 58        | 5    | n/a                                 |
| Total                        | 707       |      | n/a                                 |

Source: Town of Lewisville Planning Department

Note: Data started 2006



Government Employment Information

Schedule 14

Town of Lewisville  
 Full-Time Equivalent Town Government Employees by Function/Program  
 Last Ten Fiscal Years

| Function/Program    | Full-time Equivalent Employees as of June 30 |             |             |             |             |             |             |             |             |             |
|---------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                     | <u>2005</u>                                  | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
| General Government  | 1  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Management services | 1  | 1           | 1           | 1           | 1           | 1           | 2           | 2           | 2           | 2           |
| Finance             | 1  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Planning            | 2  | 2           | 3           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Public Works        | 3  | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Other               |  |             |             |             |             |             |             |             |             |             |
| <b>Total</b>        | <b>8</b>                                     | <b>8</b>    | <b>9</b>    | <b>10</b>   | <b>10</b>   | <b>10</b>   | <b>11</b>   | <b>11</b>   | <b>11</b>   | <b>11</b>   |

Source: Town Finance Office



Operating Indicators

Town of Lewisville  
 Operating Indicators by Function/Program  
 Last nine years

Schedule 15

| Function/Program           | Fiscal Year |         |          |         |         |         |         |         |         |
|----------------------------|-------------|---------|----------|---------|---------|---------|---------|---------|---------|
|                            | 2006        | 2007    | 2008     | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    |
| Public Works               |             |         |          |         |         |         |         |         |         |
| Street resurfacing (miles) | 2.45        | 2.54    | 7.70     | 2.12    | 2.86    | 3.52    | 3.85    | 1.75    | 2.92    |
| Planning                   |             |         |          |         |         |         |         |         |         |
| Developer fees paid        | \$10,355    | \$4,867 | \$11,015 | \$2,000 | \$5,890 | \$4,256 | \$5,190 | \$2,660 | \$3,780 |
| Community Policing         |             |         |          |         |         |         |         |         |         |
| Parking violations         | 124         | 75      | 40       | 35      | 77      | 52      | 25      | 70      | 23      |
| Parks & Recreation         |             |         |          |         |         |         |         |         |         |
| Facility rentals           | 90          | 92      | 48       | 57      | 50      | 68      | 85      | 68      | 87      |

Source: Provided by various departments

Note: Previous years unavailable.



Capital Asset Information

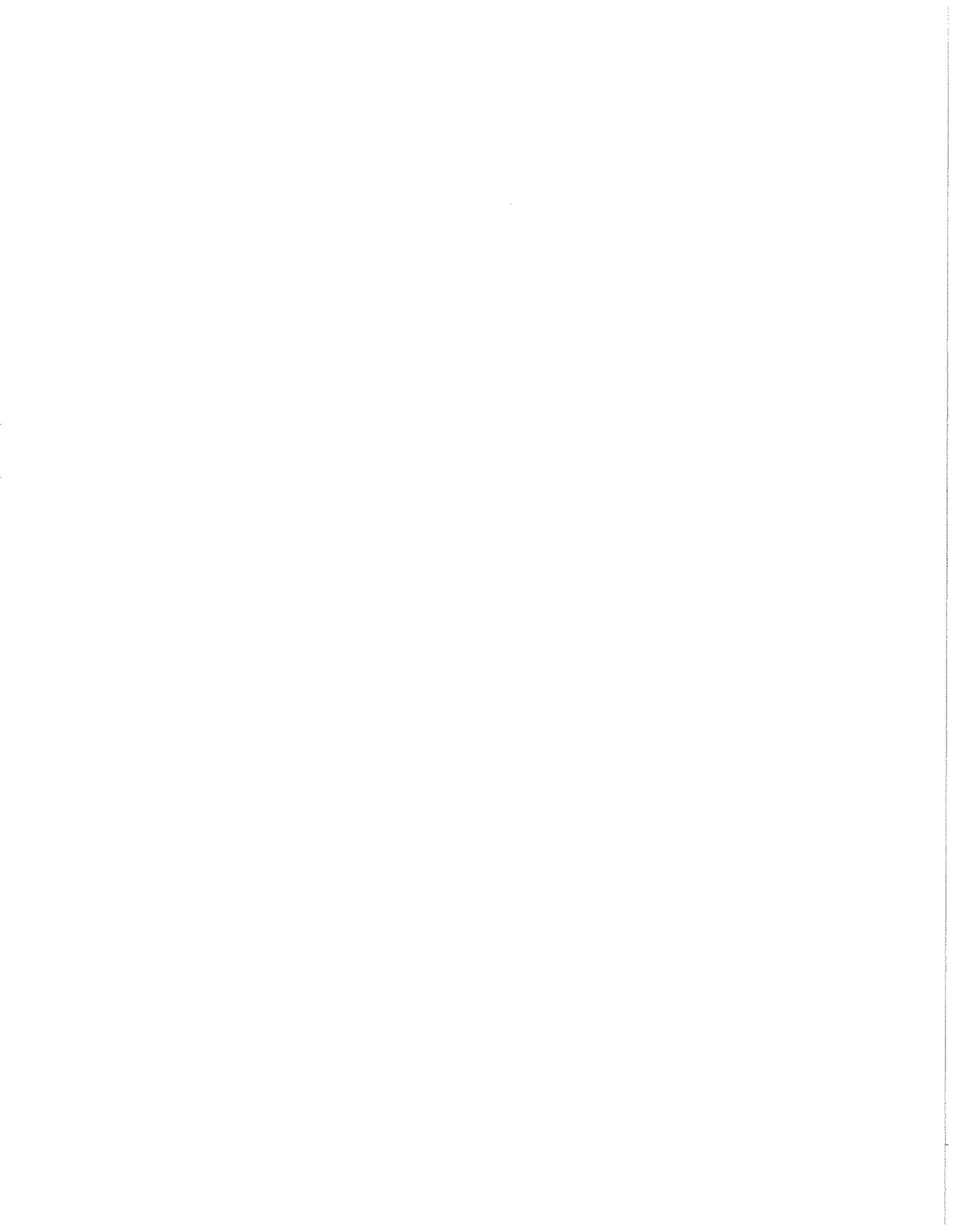
Schedule 16

Town of Lewisville  
 Capital Asset and Infrastructure Statistics by Function/Program  
 Last Ten Fiscal Years

| Function/Program                | Fiscal Year |        |        |        |        |        |        |        |        |        |
|---------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                 | 2005        | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   |
| Police *                        | 2           | 4      | 4      | 4      | 4      | 5      | 5      | 5      | 6      | 6      |
| Streets                         |             |        |        |        |        |        |        |        |        |        |
| Streets (miles) Total           | 75.24       | 104.68 | 105.21 | 105.83 | 106.20 | 106.20 | 106.20 | 106.20 | 106.64 | 106.64 |
| Streets (miles) town maintained | 55.27       | 55.27  | 55.40  | 55.40  | 55.40  | 55.40  | 55.40  | 55.40  | 56.34  | 55.48  |
| Streetlights                    | 105         | 105    | 121    | 121    | 121    | 123    | 123    | 123    | 123    | 123    |
| Parks and recreation            |             |        |        |        |        |        |        |        |        |        |
| Playgrounds                     | 1           | 1      | 1      | 1      | 1      | 2      | 2      | 2      | 2      | 2      |
| Community Centers               | 1           | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Public Works                    |             |        |        |        |        |        |        |        |        |        |
| Vehicles                        | 2           | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      | 2      |

Sources : Various town departments

\* Police are contracted services from Forsyth County Deputies



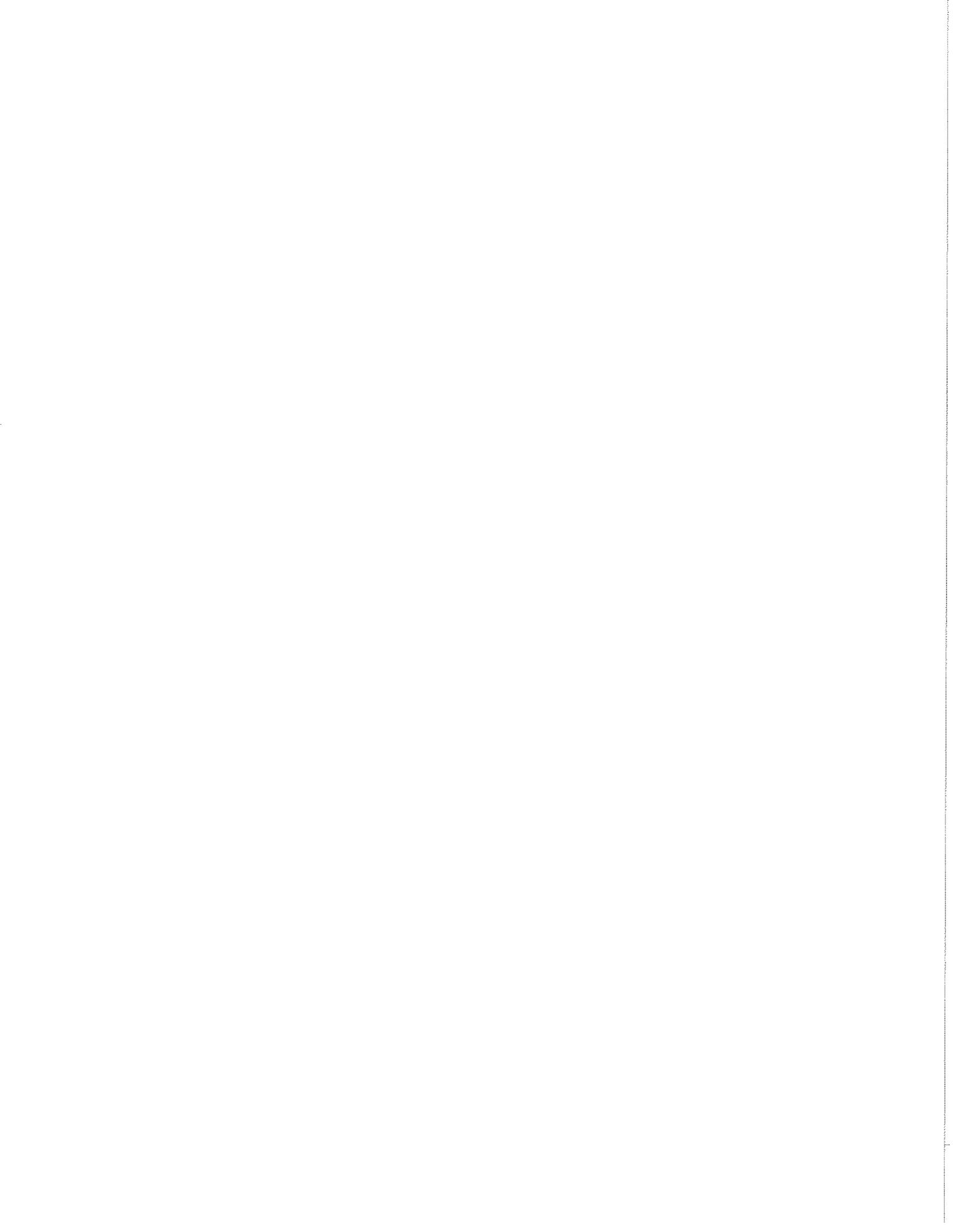
GENERAL GOVERNMENT REVENUES BY SOURCE (UNAUDITED)

Schedule 17

Town of Lewisville  
 Revenues by source  
 Last ten fiscal years  
 (modified accrual basis of accounting)

| Fiscal Year | Ad Valorem Taxes | Unrestricted Inter-Governmental | Restricted Inter-Governmental | Other Taxes & Licenses | Investment Earnings | Miscellaneous | Totals    |
|-------------|------------------|---------------------------------|-------------------------------|------------------------|---------------------|---------------|-----------|
| 2005        | 1,843,884        | 996,427                         | 298,052                       | 138,807                | 57,877              | 62,359        | 3,397,406 |
| 2006        | 1,890,741        | 1,108,845                       | 386,781                       | 131,989                | 114,024             | 39,442        | 3,671,822 |
| 2007        | 1,934,043        | 1,212,261                       | 384,026                       | 108,657                | 181,920             | 42,171        | 3,863,078 |
| 2008        | 1,988,111        | 1,362,390                       | 433,315                       | 22,017                 | 178,883             | 35,946        | 4,020,662 |
| 2009        | 2,012,848        | 1,296,299                       | 402,371                       | 24,443                 | 64,530              | 27,349        | 3,827,840 |
| 2010        | 2,273,167        | 1,241,309                       | 359,910                       | 23,793                 | 7,231               | 32,710        | 3,938,120 |
| 2011        | 2,279,702        | 1,310,847                       | 621,387                       | 26,687                 | 5,910               | 37,355        | 4,281,888 |
| 2012        | 2,311,840        | 1,340,581                       | 436,494                       | 26,916                 | 2,894               | 48,659        | 4,167,384 |
| 2013        | 2,324,343        | 1,379,067                       | 387,378                       | 28,263                 | 2,035               | 44,544        | 4,165,630 |
| 2014        | 2,210,298        | 1,390,374                       | 394,406                       | 26,593                 | 453                 | 45,918        | 4,068,042 |

Includes General Fund only.



GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (UNAUDITED)

Town of Lewisville  
Expenditures by function  
Last ten fiscal years

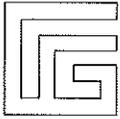
| Fiscal Year | General Government | Public Works | Development | Planning | Parks & Recreation | Public Safety | Debt Service | Totals    |
|-------------|--------------------|--------------|-------------|----------|--------------------|---------------|--------------|-----------|
| 2005        | \$ 580,446         | 1,445,821    | 64,034      | 93,207   | 120,416            | 145,841       | 94,886       | 2,544,651 |
| 2006        | \$ 539,474         | 2,111,479    | -           | 81,357   | 130,241            | 309,748       | 44,390       | 3,216,689 |
| 2007        | \$ 677,344         | 1,836,601    | -           | 99,228   | 129,226            | 308,860       | -            | 2,851,259 |
| 2008        | \$ 718,615         | 2,072,299    | -           | 109,787  | 125,010            | 319,409       | -            | 3,345,120 |
| 2009        | \$ 737,221         | 1,484,754    | -           | 105,638  | 115,974            | 319,225       | 148,073      | 2,910,865 |
| 2010        | \$ 734,694         | 1,807,644    | -           | 112,368  | 128,548            | 335,550       | 290,673      | 3,407,477 |
| 2011        | \$ 787,798         | 2,120,598    | -           | 116,380  | 283,868            | 410,063       | 283,374      | 3,952,081 |
| 2012        | \$ 823,649         | 1,839,510    | -           | 116,547  | 115,936            | 405,408       | 276,076      | 3,577,126 |
| 2013        | \$ 834,916         | 1,373,510    | -           | 116,144  | 105,027            | 451,897       | 268,777      | 3,151,271 |
| 2014        | \$ 865,310         | 1,581,404    | -           | 125,678  | 117,562            | 454,942       | 236,221      | 3,381,117 |

Includes General Fund only.  
Development Department discontinued in 2006  
Debt Service Final Pay in 2006, then new construction loan in 2009



# 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, 2014, 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 17, 2014.

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 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.

*Gibson + Company, P.A.*

October 17, 2014

