

**COPPELL INDEPENDENT
SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

YEAR ENDED AUGUST 31, 2019

RUTHERFORD, TAYLOR & COMPANY, P.C.
Certified Public Accountants
3500 Joe Ramsey Blvd.
Greenville, Texas 75401
(903) 455-6252

COPPELL INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2019

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CERTIFICATE OF BOARD

Coppell Independent School District
Name of School District

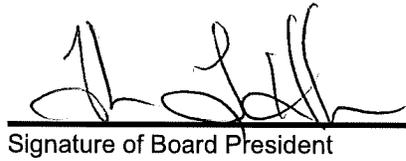
Dallas
County

057-922
Co.-Dist. Number

We, the undersigned, certify that the attached auditor's report of the above named school district was reviewed and X **approved**/ _____ **disapproved** for the year ended August 31, 2019, at a meeting of the board of school trustees of such school district on December 16, 2019.



Signature of Board Secretary



Signature of Board President

If the auditor's report was checked above as disapproved, the reasons(s) therefore is/are (attach list if necessary):

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board

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 Coppell Independent School District (District), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 from 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, 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 Coppell Independent School District as of August 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules identified in the table of contents as other supplementary information are presented for the purpose of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used in the preparation of the basic financial statements. Such information has been subjected to the auditing procedures of the basic financial statement 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 the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary information schedules and the schedule of expenditures of federal awards 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. 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 assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



December 12, 2019
Greenville, Texas

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

Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coppell Independent School District (District), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report on Internal Control – Continued

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rutherford, Taylor & Company PC

December 12, 2019
Greenville, Texas

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Members of the Board

Report on Compliance for Each Major Federal Program

We have audited Coppell Independent School District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Report on Internal Control Over Compliance

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

Internal Control over Compliance with the Uniform Guidance – Continued

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

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

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



December 12, 2019
Greenville, Texas

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2019

Financial Statement Findings (Section II)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2019

Federal Award Findings and Questioned Costs (Section III)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2019

Prior Year Findings (Section IV)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2019

Corrective Action Plans (Section V)

NONE

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2019

This section of Coppell Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended August 31, 2019. Please read it in conjunction with the District's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The General Fund reported an ending fund balance of \$ 70,004,102. This was an increase in the fund balance from the prior year in the amount of \$ 9,213,384. The unassigned general fund balance increased \$ 9,525,246 from the prior year, while other committed fund balance decreased by \$ 310,383.
- The District's implementation of GASB Statement 75 requires the recording of the District's proportionate share of the TRS-Care retiree medical insurance plan liability. The current year increase of \$ 7,909,703 contributed to the declining net position.
- Since the District is subject to recapture payments to the state, the District frequently elects to pay for capital improvement items with bonded debt. The District's debt management practice is to utilize appropriate bond instruments, depending upon the circumstances at each instance. The District elected to issue Capital Appreciation Bonds in various refunding series. The implementation of GASB 34 brings the accretion of interest related to these bonds onto the District's books as shown in Exhibit F-1 Note E – Long-Term Obligations. The accreted interest of \$ 52,127,184 is treated as a liability, and flows through the statement of net position as a decrease in the District's net asset value. The necessity to issue long-term debt instruments to meet capital improvement requirements of facilities, and the recording of depreciation of assets has resulted in negative unrestricted net position of \$ 42,767,725 in the governmental activities.
- General revenues accounted for \$ 190,440,799, or 88.69% of all fiscal year 2019 revenue. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$ 24,263,172 or 11.31% of total fiscal year 2019 revenues.
- The District had approximately \$ 214,936,779 in expenses related to governmental activities; of which \$ 9,184,548 of these expenses were offset by program-specific charges for services. General revenues of \$190,440,799 provided for the remaining cost of these programs, resulting in a \$ 232,808 decrease in net position for the year's activity.
- The District issued bonds during the year totaling \$ 96,300,000 to provide financing for a new elementary school as well as other facility improvements and capital equipment. A portion of the proceeds, \$ 23,265,000, was used to refund outstanding maturities of outstanding bonded debt to achieve reduced interest payments over the life of the debt.

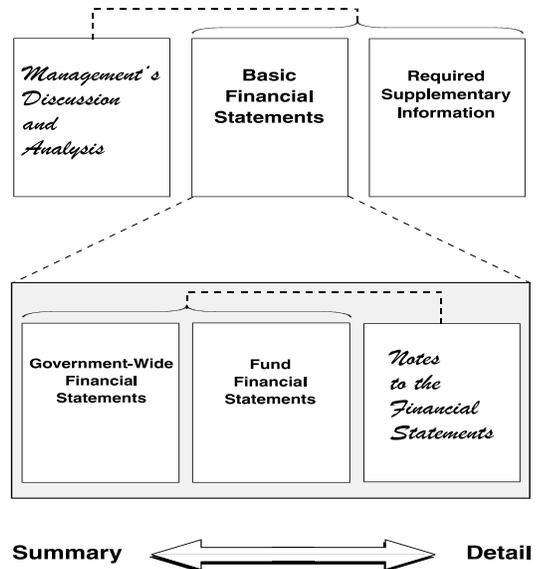
COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District’s operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses, such as a print shop.
- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the District’s Annual Financial Report



The basic financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the basic financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District’s basic financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District’s Government-wide and Fund Financial Statements

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency’s government (except fiduciary funds) and the Agency’s component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> ♦ Statement of net assets ♦ Statement of activities 	<ul style="list-style-type: none"> ♦ Balance sheet ♦ Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> ♦ Statement of net assets ♦ Statement of revenues, expenses and changes in fund net assets ♦ Statement of cash flows 	<ul style="list-style-type: none"> ♦ Statement of fiduciary net assets ♦ Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency’s funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2019

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base and student population.

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

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- Governmental funds—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.
- Proprietary funds—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities.
- Fiduciary funds—The District is the trustee, or fiduciary, for certain funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$ (23,021,303) at August 31, 2019.

Coppell Independent School District's Net Position			Table A-1
	Governmental Activities		Percent Change 2018-2019
	2019	2018	
Assets:			
Cash and Investments	\$ 164,850,066	\$ 141,087,110	16.84%
Other Assets	3,353,688	2,525,843	32.77%
Capital Assets less Accumulated Depreciation	<u>367,595,105</u>	<u>322,473,920</u>	13.99%
Total Assets	<u>\$ 535,798,859</u>	<u>\$ 466,086,873</u>	14.96%
Total Deferred Outflows of Resources	<u>\$ 29,509,937</u>	<u>\$ 11,350,638</u>	159.98%
Liabilities:			
Current Liabilities	\$ 18,494,285	\$ 21,001,670	-11.94%
Long-term Liabilities	<u>554,872,308</u>	<u>462,211,314</u>	20.05%
Total Liabilities	<u>\$ 573,366,593</u>	<u>\$ 483,212,984</u>	18.66%
Total Deferred Inflows of Resources	<u>\$ 14,963,506</u>	<u>\$ 17,013,022</u>	-12.05%
Net Position:			
Net Investment In Capital Assets	\$ 8,543,878	\$ 20,335,182	-57.98%
Restricted	11,202,544	8,248,889	35.81%
Unrestricted	<u>(42,767,725)</u>	<u>(51,372,566)</u>	16.75%
Total Net Position	<u>\$ (23,021,303)</u>	<u>\$ (22,788,495)</u>	-1.02%

Approximately \$ 10,207,109 of the District's restricted net position represents funds available for debt retirement. These funds are restricted for retirement of tax supported debt. The unrestricted net asset represents resources available to fund the programs of the District next year.

CHANGES IN NET POSITION

The District's total revenues were \$ 214,703,971. 81% of the District's revenue comes from local property taxes (See Table A-2). 12% comes from state aid and federal grants, while only 7% relates to charges for services and investment earnings.

The total cost of all programs and services was \$ 214,936,779. 43% of these expenses were for instruction and instructional related support services. Because of the District's property wealth, payments are required to be sent to the state totaling \$43,794,260 or 20%.

The District's base tax collections (current and delinquent) percentage for FY 2019 is 100.06%. The total tax collections (base tax plus penalty and interest) percentage for FY 2019 was 100.23%.

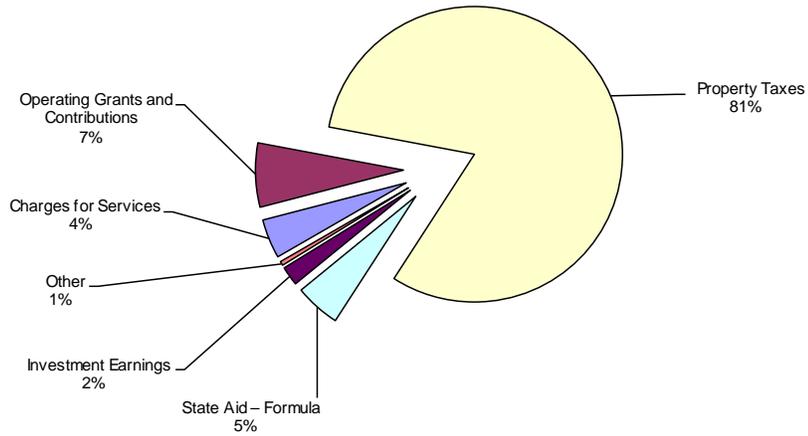
COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2019

GOVERNMENTAL ACTIVITIES

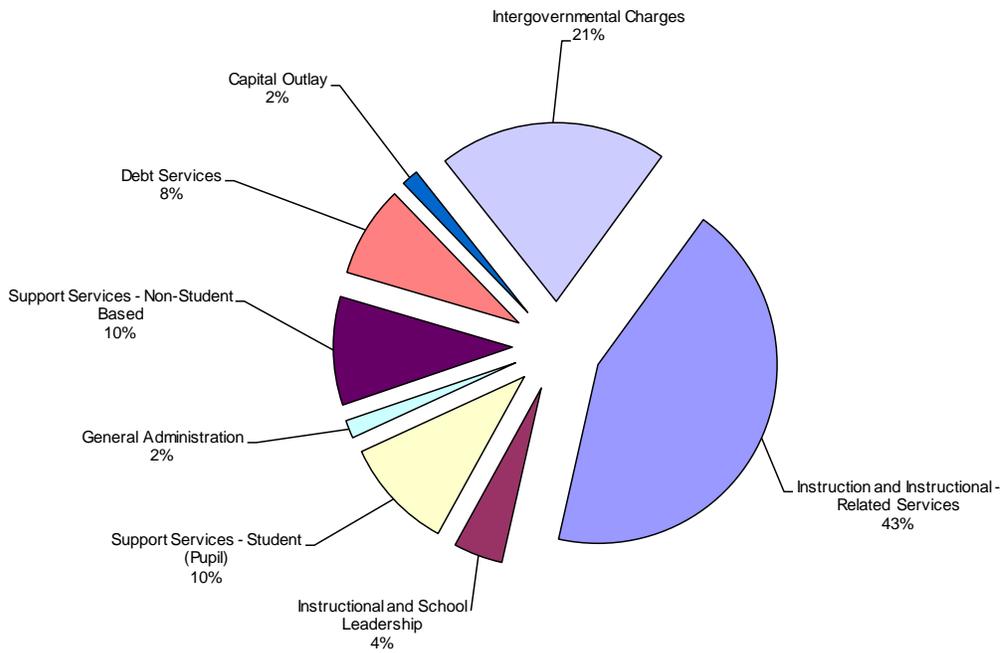
Changes in Coppell Independent School District's Net Position			Table A-2
	Governmental Activities		Percent Change
	2019	2018	2018-2019
Program Revenues:			
Charges for Services	\$ 9,184,548	\$ 7,290,492	25.98%
Operating Grants and Contributions	15,078,624	(11,096,154)	-235.89%
General Revenues:			
Property Taxes	174,263,694	160,831,824	8.35%
State Aid – Formula	10,650,681	6,654,530	60.05%
Investment Earnings	4,555,664	3,150,056	44.62%
Other	970,760	457,873	112.02%
Total Revenues	\$ 214,703,971	\$ 167,288,621	28.34%
Expenses:			
Instruction	\$ 88,294,353	\$ 45,858,161	92.54%
Instructional Resources and Media Services	2,232,861	1,434,725	55.63%
Curriculum and Staff Development	3,040,624	1,895,858	60.38%
Instructional Leadership	2,599,985	1,452,410	79.01%
School Leadership	6,975,567	4,077,018	71.09%
Guidance, Counseling and Evaluation Services	5,967,574	3,249,555	83.64%
Social Work Services	367,633	120,593	204.85%
Health Services	1,321,895	762,213	73.43%
Student (Pupil) Transportation	4,461,406	4,400,137	1.39%
Food Services	5,401,919	4,107,690	31.51%
Co-curricular/Extracurricular Activities	4,247,258	3,077,877	37.99%
General Administration	3,533,235	2,492,094	41.78%
Plant Maintenance and Operations	12,501,765	8,734,806	43.13%
Security and Monitoring Services	575,066	185,264	210.40%
Data Processing Services	7,820,888	3,414,359	129.06%
Community Services	166,047	148,203	12.04%
Debt Service	17,737,455	16,694,347	6.25%
Capital Outlay	3,312,461	-	-100.00%
Contracted Instructional Services between Schools	43,794,260	39,825,359	9.97%
Payments for Shared Service Arrangements	250	44,012	-99.43%
Payments to Juvenile Justice Alternative Ed. Prgm.	3,000	5,700	-47.37%
Other Intergovernmental Charges	581,277	553,043	5.11%
Total Expenses	\$ 214,936,779	\$ 142,533,424	50.80%
Increase (Decrease) in Net Position	\$ (232,808)	\$ 24,755,197	-100.94%
Net Position - Beginning (September 1)	\$ (22,788,495)	\$ 9,837,655	331.65%
Prior Period Adjustment	-	(57,381,347)	-100.00%
Net Position - Beginning, as Restated	\$ (22,788,495)	\$ (47,543,692)	-52.07%
Net Position - Ending (August 31)	\$ (23,021,303)	\$ (22,788,495)	1.02%

**COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2019**

Government-wide Revenue for Fiscal Year 2019 - See Table A-2



Government-wide Expenses for Fiscal Year 2019 - See Table A-2



**COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2019**

- Table A-3 presents the cost of selected District functions as well as the selected function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local property tax dollars.
- The cost of all governmental activities this year was \$ 214,936,779.
- However, the amount that our taxpayers paid for these activities through local property taxes was \$ 174,263,694.
- Some of the cost was paid by those who directly benefited from the programs \$ 9,184,548, or
- By grants and contributions \$ 15,078,624.

Coppell Independent School District's Net Cost of Selected District Functions Governmental Activities							Table A-3
	<u>Total Cost of Services</u>		<u>% Change</u>	<u>Net Cost of Services</u>		<u>% Change</u>	
	<u>2019</u>	<u>2018</u>		<u>2019</u>	<u>2018</u>		
Instruction	\$ 88,294,353	\$ 45,858,161	92.54%	\$ 76,573,150	\$ 52,447,981	46.00%	
School Leadership	6,975,567	4,077,018	71.09%	6,441,634	5,129,110	25.59%	
General Administration	3,533,235	2,492,094	41.78%	3,308,478	2,971,279	11.35%	
Plant Maintenance and Operations	12,501,765	8,734,806	43.13%	10,144,505	8,719,934	16.34%	
Debt Service	17,737,455	16,694,347	6.25%	17,084,057	16,071,210	6.30%	
Contracted Instructional Services	43,794,260	39,825,359	9.97%	43,794,260	39,825,359	9.97%	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues in the governmental funds totaled \$ 210,722,588. This represents an increase of \$ 22,935,527 from the prior year revenues of \$ 187,787,061. The change represents an increase in local property taxes collected due to growth in assessed property values and increased state aid due to increased enrollment and attendance.

Expenditures in the governmental funds totaled 271,101,096. This represents an increase of \$ 17,452,779 from the prior year expenditures of \$ 253,648,317. The majority of this change is a result of increased capital outlay expenditures related to construction projects ongoing in the District and increased recapture costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Trustees adopted an original General Fund Budget deficit of \$ 49,606. Due to current State funding formulas, the district anticipated the subsequent year's recapture payment to the State to increase substantially due to the significant growth in tax values from the previous year. Recapture payments are based upon the prior year's growth in taxable assessed values. Thus, the Board wanted to ensure adequate funds were available to cover the increase in recapture due to the State in the subsequent year.

Over the course of the year, the District revised its budget to reflect activities in the District. With these adjustments, actual expenditures were \$ 6,139,078 below final General Fund budgeted amounts. The most significant positive variances in the District's budget occurred in the instruction function, which relates to classroom activities including, teacher salaries and benefits.

Resources available were \$ 1,914,143 above the final budgeted amount. The favorable variance was due to unanticipated collection of property taxes collections during the year as well as additional state aid related to enrollment growth.

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At year end, the District had invested \$ 471,988,562 in a broad range of capital assets, including land, equipment, buildings and vehicles (See Table A-4).

Coppell Independent School District's Capital Assets			Table A-4
	Governmental Activities		Total Percentage Change
	2019	2018	2018-2019
Land	\$ 46,880,011	\$ 46,880,011	0.00%
Construction in Progress	154,827,723	109,487,531	41.41%
Buildings and Improvements	229,708,182	228,662,683	0.46%
Equipment	34,216,782	29,713,085	15.16%
Vehicles	6,355,864	5,464,841	16.30%
Totals at historical cost	\$ 471,988,562	\$ 420,208,151	12.32%
Less accumulated depreciation	(104,393,457)	(97,734,231)	6.81%
Net Capital Assets	<u>\$ 367,595,105</u>	<u>\$ 322,473,920</u>	13.99%

DEBT

At year-end, the District had \$ 476,930,982 in debt outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the basic financial statements.

Bond Ratings -
The District's bonds presently carry "AAA" and "AA+" ratings.

Coppell Independent School District's Debt			Table A-5
	Governmental Activities		Total Percentage Change
	2019	2018	2018-2019
Bonds Payable	\$ 382,497,377	\$ 322,504,946	18.60%
Other Debt Payable	94,433,605	85,743,513	10.13%
Total Debt Payable	<u>\$ 476,930,982</u>	<u>\$ 408,248,459</u>	16.82%

COPPELL INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2019

ECONOMIC FACTORS

The District continues to experience growth of assessed property tax values. The 2019 assessed taxable values grew by 6.98% from the 2018 Certified Tax Roll to the 2019 Certified Tax Roll. The District's certified taxable values from 2018 were \$ 12,037,551,055 which was up \$ 1,154,162,394 or 10.6%, from the 2017 certified taxable values of \$ 10,883,388,661. Approximately 54.1% of the District's taxable assessed values are Commercial and Business Personal Property. While the District is experiencing growth in both residential and commercial values, a large portion of this growth continues to come from the development of Cypress Waters (Northlake). Development of new commercial buildings continues to be strong along with general increases in residential assessed values.

Demographic data and studies reflect student growth in Coppell ISD will continue through at least the next 10 years. Part of this growth is due to several residential developments with the majority being on the southern end of the District's boundaries and Cypress Waters. The District has also seen some regeneration of new students within existing neighborhoods. The District's enrollment reached 12,925 students in 2018-2019, which was an increase of 311 new students, or approximately a 2.46% increase in enrollment.

The District opened both the relocated Middle School West and the Freshman Center for the 2018-2019 school year. To further manage the growth in the southern section of the District, the Board of Trustees elected to build a new elementary school which has opened in 2019-2020 to accommodate the increase in enrollment in that area. The project was part of the District's 2016 bond election.

In 2011-2012, the Board of Trustees began to allow students that live in the City of Coppell, but not within the District's boundaries, to attend Coppell ISD. Their acceptance was limited to two of the District's lower enrollment elementary campuses and has recently been expanded to include one of the high schools. Thus, the District gained approximately \$ 900,000 in additional state aid for 2018-2019. The District has annually received additional revenue that ranges from \$ 700,000 to \$ 1M from the open enrollment program.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Diana Sircar, Chief Financial Officer for the District.

BASIC FINANCIAL STATEMENTS

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2019

1

Data Control Codes	Governmental Activities
ASSETS	
1110 Cash and Investments	\$ 164,850,066
1225 Property Taxes Receivable, Net	1,419,871
1240 Due from Other Governments	1,678,617
1250 Accrued Interest	50,367
1267 Due from Fiduciary	34,407
1290 Other Receivables	83,054
1300 Inventories	87,372
Capital Assets:	
1510 Land	46,880,011
1520 Buildings and Improvements, Net	145,571,098
1530 Furniture and Equipment, Net	20,316,273
1580 Construction in Progress	154,827,723
1000 Total Assets	\$ 535,798,859
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Outflows - Refunding	\$ 3,221,079
1705 Deferred Outflows - Pensions	19,484,577
1706 Deferred Outflows - OPEB	6,804,281
1700 Total Deferred Outflows of Resources	\$ 29,509,937
LIABILITIES	
2110 Accounts Payable	\$ 5,901,906
2140 Interest Payable	1,500,755
2165 Accrued Liabilities	6,692,125
2180 Due to Other Governments	2,527,358
2300 Unearned Revenues	1,872,141
Noncurrent Liabilities:	
2501 Due within one year	14,885,824
2502 Due in more than one year	462,045,158
2540 Net Pension Liability	37,268,874
2545 Net OPEB Liability	40,672,452
2000 Total Liabilities	\$ 573,366,593
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflows - Pensions	\$ 2,101,897
2606 Deferred Inflows - OPEB	12,861,609
2600 Total Deferred Inflows of Resources	\$ 14,963,506
NET POSITION	
3200 Net Investment in Capital Assets	\$ 8,543,878
Restricted For:	
3820 Federal and State Programs	888,192
3850 Debt Service	10,207,109
3890 Other Purposes	107,243
3900 Unrestricted	(42,767,725)
3000 Total Net Position	\$ (23,021,303)

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2019

Data Control Codes Functions/Programs	1 Expenses	3 Charges for Services	4 Operating Grants and Contributions	6 Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Program Revenues			
Governmental Activities:				
11 Instruction	\$ 88,294,353	\$ 2,094,410	\$ 9,626,793	\$ (76,573,150)
12 Instructional Resources and Media Services	2,232,861	-	134,277	(2,098,584)
13 Curriculum and Staff Development	3,040,624	-	247,899	(2,792,725)
21 Instructional Leadership	2,599,985	-	218,471	(2,381,514)
23 School Leadership	6,975,567	-	533,933	(6,441,634)
31 Guidance, Counseling and Evaluation Services	5,967,574	131,934	1,647,728	(4,187,912)
32 Social Work Services	367,633	-	24,508	(343,125)
33 Health Services	1,321,895	-	99,347	(1,222,548)
34 Student (Pupil) Transportation	4,461,406	65,449	-	(4,395,957)
35 Food Services	5,401,919	4,228,469	843,207	(330,243)
36 Co-curricular/Extracurricular Activities	4,247,258	466,000	332,574	(3,448,684)
41 General Administration	3,533,235	12,657	212,100	(3,308,478)
51 Plant Maintenance and Operations	12,501,765	2,185,629	171,631	(10,144,505)
52 Security and Monitoring Services	575,066	-	138,969	(436,097)
53 Data Processing Services	7,820,888	-	183,394	(7,637,494)
61 Community Services	166,047	-	10,395	(155,652)
72 Interest on Long-term Debt	16,791,377	-	653,398	(16,137,979)
73 Debt Issuance Costs and Fees	946,078	-	-	(946,078)
81 Capital Outlay	3,312,461	-	-	(3,312,461)
91 Contracted Instructional Services between Schools	43,794,260	-	-	(43,794,260)
93 Payments for Shared Services Arrangements	250	-	-	(250)
95 Payments to Juvenile Justice Alternative Ed. Prgm.	3,000	-	-	(3,000)
99 Other Intergovernmental Charges	581,277	-	-	(581,277)
TG Total Governmental Activities	<u>\$ 214,936,779</u>	<u>\$ 9,184,548</u>	<u>\$ 15,078,624</u>	<u>\$ (190,673,607)</u>
TP Total Primary Government	<u>\$ 214,936,779</u>	<u>\$ 9,184,548</u>	<u>\$ 15,078,624</u>	<u>\$ (190,673,607)</u>
General Revenues:				
MT Property Taxes, Levied for General Purpose				\$ 139,597,995
DT Property Taxes, Levied for Debt Service				34,665,699
IE Investment Earnings				4,555,664
GC Grants and Contributions Not Restricted to Specific Programs				10,650,681
MI Miscellaneous				970,760
TR Total General Revenues				<u>\$ 190,440,799</u>
CN Change in Net Position				\$ (232,808)
NB Net Position - Beginning (September 1)				<u>(22,788,495)</u>
NE Net Position - Ending (August 31)				<u>\$ (23,021,303)</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AUGUST 31, 2019

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds	
ASSETS						
1110	Cash and Investments	\$ 78,720,859	\$ 11,165,475	\$ 71,053,496	\$ 3,910,237	\$ 164,850,067
1225	Property Taxes Receivable, Net	1,137,581	282,290	-	-	1,419,871
1240	Due from Other Governments	1,181,383	23,320	-	473,914	1,678,617
1260	Accrued Interest	50,367	-	-	-	50,367
1260	Due from Other Funds	4,776	232,625	-	29,631	267,032
1290	Other Receivables	78,900	4,154	-	-	83,054
1300	Inventories	-	-	-	87,372	87,372
1000	Total Assets	<u>\$ 81,173,866</u>	<u>\$ 11,707,864</u>	<u>\$ 71,053,496</u>	<u>\$ 4,501,154</u>	<u>\$ 168,436,380</u>
LIABILITIES						
Current Liabilities:						
2110	Accounts Payable	\$ 253,981	\$ -	\$ 5,300,925	\$ 347,000	\$ 5,901,906
2150	Payroll Deductions and Withholdings	24,278	-	-	-	24,278
2160	Accrued Wages Payable	6,667,847	-	-	-	6,667,847
2170	Due to Other Funds	232,625	-	-	-	232,625
2180	Due to Other Governments	2,527,212	-	-	146	2,527,358
2300	Unearned Revenue	326,240	-	-	1,545,901	1,872,141
2000	Total Liabilities	<u>\$ 10,032,183</u>	<u>\$ -</u>	<u>\$ 5,300,925</u>	<u>\$ 1,893,047</u>	<u>\$ 17,226,155</u>
DEFERRED INFLOWS OF RESOURCES						
2610	Deferred Property Tax Revenue	\$ 1,137,581	\$ 282,290	\$ -	\$ -	\$ 1,419,871
2600	Total Deferred Inflows of Resources	<u>\$ 1,137,581</u>	<u>\$ 282,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,419,871</u>
FUND BALANCES						
Nonspendable Fund Balances:						
3410	Inventories	\$ -	\$ -	\$ -	\$ 87,372	\$ 87,372
Restricted Fund Balances:						
3450	Federal/State Funds Grants	-	-	-	882,461	882,461
3480	Retirement of Long-Term Debt	-	11,425,574	-	-	11,425,574
3490	Other Restrictions of Fund Balance	-	-	65,752,571	108,245	65,860,816
Committed Fund Balances:						
3510	Construction	1,000,000	-	-	-	1,000,000
3520	Claims and Judgment	750,000	-	-	-	750,000
3530	Capital Expenditures for Equipment	1,000,000	-	-	-	1,000,000
3545	Other Committed Fund Balance	437,600	-	-	1,530,029	1,967,629
3600	Unassigned	66,816,502	-	-	-	66,816,502
3000	Total Fund Balances	<u>\$ 70,004,102</u>	<u>\$ 11,425,574</u>	<u>\$ 65,752,571</u>	<u>\$ 2,608,107</u>	<u>\$ 149,790,354</u>
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 81,173,866</u>	<u>\$ 11,707,864</u>	<u>\$ 71,053,496</u>	<u>\$ 4,501,154</u>	<u>\$ 168,436,380</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET (GOVERNMENTAL FUNDS)
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2019

Total fund balances - Balance Sheet (governmental funds)	\$ 149,790,354
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the funds.	367,595,105
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,419,870
Payables for bond principal which are not due in the current period are not reported in the funds.	(382,497,377)
Payables for debt interest which are not due in the current period are not reported in the funds.	(1,500,755)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	3,221,079
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(37,268,874)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(2,101,897)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	19,484,577
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(40,672,452)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(12,861,609)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	6,804,281
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(52,127,184)
Bond premiums are amortized in the SNA but not in the funds.	<u>(42,306,421)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ (23,021,303)</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED AUGUST 31, 2019

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES					
5700 Local and Intermediate Sources	\$ 143,264,275	\$ 35,292,571	\$ 3,121,665	\$ 6,817,032	\$ 188,495,543
5800 State Program Revenues	15,249,713	278,432	-	1,514,670	17,042,815
5900 Federal Program Revenues	1,092,539	374,966	-	3,716,725	5,184,230
5020 Total Revenues	\$ 159,606,527	\$ 35,945,969	\$ 3,121,665	\$ 12,048,427	\$ 210,722,588
EXPENDITURES					
Current:					
0011 Instruction	\$ 64,281,746	\$ -	\$ 11,225,256	\$ 4,450,813	\$ 79,957,815
0012 Instructional Resources and Media Services	1,661,613	-	199,373	85,255	1,946,241
0013 Curriculum and Staff Development	2,855,720	-	-	15,394	2,871,114
0021 Instructional Leadership	2,328,562	-	-	90,206	2,418,768
0023 School Leadership	6,326,156	-	8,505	111,042	6,445,703
0031 Guidance, Counseling and Evaluation Services	3,804,362	-	-	1,736,311	5,540,673
0032 Social Work Services	345,855	-	-	-	345,855
0033 Health Services	1,219,393	-	66	12	1,219,471
0034 Student (Pupil) Transportation	4,357,490	-	771,832	-	5,129,322
0035 Food Services	-	-	71,204	5,170,195	5,241,399
0036 Co-curricular/Extracurricular Activities	2,322,896	-	5,616	429,210	2,757,722
0041 General Administration	3,112,222	-	1,153	295	3,113,670
0051 Plant Maintenance and Operations	9,782,572	-	1,881,091	16,930	11,680,593
0052 Security and Monitoring Services	520,117	-	40,443	1,000	561,560
0053 Data Processing Services	3,534,903	-	4,990,384	-	8,525,287
0061 Community Services	132,597	-	-	25,638	158,235
0071 Principal on Long-term Debt	-	13,042,569	-	-	13,042,569
0072 Interest on Long-term Debt	-	21,546,721	-	-	21,546,721
0073 Debt Issuance Cost and Fees	-	225,114	720,964	-	946,078
0081 Capital Outlay	-	-	53,273,513	-	53,273,513
0091 Contracted Instructional Services between Schools	43,794,260	-	-	-	43,794,260
0093 Payments for Shared Service Arrangements	250	-	-	-	250
0095 Payments to Juvenile Justice Alternative Ed. Prgm	3,000	-	-	-	3,000
0099 Other Intergovernmental Charges	581,277	-	-	-	581,277
6030 Total Expenditures	\$ 150,964,991	\$ 34,814,404	\$ 73,189,400	\$ 12,132,301	\$ 271,101,096
1100 Excess (Deficiency) of Revenues Over Expenditures	\$ 8,641,536	\$ 1,131,565	\$ (70,067,735)	\$ (83,874)	\$ (60,378,508)
OTHER FINANCING SOURCES (USES)					
7911 Capital-Related Debt Issued	\$ -	\$ 20,640,000	\$ 75,660,000	\$ -	\$ 96,300,000
7912 Sale of Real or Personal Property	565,578	-	-	18,349	583,927
7915 Transfer In	6,270	-	-	-	6,270
7916 Premium or Discount on Issuance of Bonds	-	4,485,016	8,925,964	-	13,410,980
8911 Transfer Out	-	-	-	(6,270)	(6,270)
8949 Other Uses	-	(23,682,882)	-	-	(23,682,882)
7080 Net Other Financing Sources (Uses)	\$ 571,848	\$ 1,442,134	\$ 84,585,964	\$ 12,079	\$ 86,612,025
1200 Net Changes in Fund Balances	\$ 9,213,384	\$ 2,573,699	\$ 14,518,229	\$ (71,795)	\$ 26,233,517
0100 Fund Balance - Beginning (September 1)	60,790,718	8,851,875	51,234,342	2,679,902	123,556,837
3000 Fund Balance - Ending (August 31)	\$ 70,004,102	\$ 11,425,574	\$ 65,752,571	\$ 2,608,107	\$ 149,790,354

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2019

Net change in fund balances - total governmental funds	\$ 26,238,517
<p>Amounts reported for governmental activities in the statement of activities ("SOA") are different because:</p>	
Capital outlays are not reported as expenses in the SOA.	53,186,433
The depreciation of capital assets used in governmental activities is not reported in the funds.	(8,065,248)
The gain or loss on the sale of capital assets is not reported in the funds.	583,927
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(583,927)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	277,655
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	25,035,740
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	13,042,569
The accretion of interest on capital appreciation bonds is not reported in the funds.	2,810,470
(Increase) decrease in accrued interest from beginning of period to end of period.	587,015
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(96,300,000)
Bond premiums are reported in the funds but not in the SOA.	(13,410,980)
GASB 75 requires certain expenditures to be de-expended and recorded as deferred resource outflow.	(2,281,357)
Pension contributions deferred in the prior year were expended in the current year	2,492,978
Pension expense relating to GASB 75 is recorded in the SOA but not in the funds.	(3,020,386)
GASB 68 requires certain expenditures to be de-expended and recorded as deferred resource outflow.	606,331
Pension contributions deferred in the prior year were expended in the current year	(558,774)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	<u>(873,771)</u>
Change in net position of governmental activities - statement of activities	<u>\$ (232,808)</u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
AUGUST 31, 2019

Data Control Codes	Internal Service Fund <hr/> Print Shop Fund <hr/>
ASSETS	
Current Assets:	
1110 Cash and Investments	\$ -
Receivables	
1290 Other Receivables (net)	<hr/> -
Total Current Assets	<hr/> \$ -
Noncurrent Assets:	
Capital Assets:	
1530 Furniture and Equipment	\$ 29,685
1570 Accumulated Depreciation	<hr/> (29,685)
Total Noncurrent Assets	<hr/> \$ -
1000 Total Assets	<hr/> \$ -
LIABILITIES	
Current Liabilities:	
2180 Due to Other Governments	<hr/> \$ -
2000 Total Liabilities	<hr/> \$ -
NET POSITION	
3900 Unrestricted Net Position	<hr/> \$ -
3000 Total Net Position	<hr/> \$ -

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2019

Data Control Codes		Internal Service Fund
		Print Shop Fund
		<u> </u>
	OPERATING REVENUES	
5700	Local and Intermediate Sources	\$ 8,723
		<u> </u>
5020	Total Revenues	\$ 8,723
		<u> </u>
	OPERATING EXPENSES	
6200	Professional and Contracted Services	\$ 7,414
6300	Supplies and Materials	1,306
		<u> </u>
6030	Total Expenses	\$ 8,723
		<u> </u>
1300	Change in Net Position	\$ -
0100	Total Net Position - Beginning (September 1)	<u> </u>
		-
3000	Total Net Position - Ending (August 31)	\$ -
		<u> </u>

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED AUGUST 31, 2019

		Internal Service Fund
		Print Shop Fund
Cash Flows from Operating Activities:		
Operating Transactions with Other Funds	\$	8,723
Cash Payments to Other Suppliers for Goods and Services		(8,723)
Net Cash Provided by (Used for) Operating Activities	\$	-
Cash Flows from Non-capital Financing Activities:		
NONE		
Cash Flows from Capital and Related Financing Activities:		
NONE		
Cash Flows from Investing Activities:		
NONE		
Net Increase (Decrease) in Cash and Investments	\$	-
Cash and Investments - Beginning (September 1)		-
Cash and Investments - Ending (August 31)	\$	-
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Change in Net Position		
Adjustments to Reconcile Operating Income to Net Cash		-
Provided by Operating Activities		-
Depreciation		-
Change in Assets and Liabilities:		
(Increase) Decrease in Other Receivables		-
Increase (Decrease) in Accounts Payable		-
Increase (Decrease) in Due to Other Governments		-
Net Cash Provided by (Used for) Operating Activities	\$	-

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
 AUGUST 31, 2019

Data Control Codes		Agency Funds
	ASSETS	
1110	Cash and Investments	\$ 300,940
1000	Total Assets	\$ 300,940
	LIABILITIES	
	Current Liabilities:	
2110	Accounts Payable	\$ 14,583
2170	Due to Other Funds	34,407
2190	Due to Student Groups	251,950
2000	Total Liabilities	\$ 300,940
	NET POSITION	
3000	Total Net Position	\$ -

The accompanying notes are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

A. Summary of Significant Accounting Policies

The basic financial statements of the Coppell Independent School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's *Financial Accountability System Resource Guide (Guide)*. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees (Board), a seven member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and as a body corporate has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the Board, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District is not included in any other governmental "reporting entity" as defined by GASB in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

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

2. Basis of Presentation – Basis of Accounting

a. Basis of Presentation

Government-wide Statements – The statement of net position (SNP) and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities (SOA) presents a comparison between direct expenses and program revenues for each function of the District'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. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, 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 District's funds, with separate statements presented for each fund category. 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 nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

A. Summary of Significant Accounting Policies (Continued)

The District reports the following major governmental funds:

General Fund – This is the District’s primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund – This fund is used to account for tax revenues and for the payment of principal, interest and related costs on long-term debts for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund.

Capital Projects Fund – This fund is used to account for proceeds of long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

In addition, the District reports the following fund types:

Special Revenue Funds – The District accounts for resources restricted to or designated for specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a special revenue fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods. The Board can commit specific types of resources to specific purposes which are included as special revenue funds.

Internal Service Funds – These funds are proprietary type funds. These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District’s governmental activities, this fund type is included in the “Governmental Activities” column of the government-wide financial statements. The District operates a print shop as an internal service fund.

Agency Funds – These funds are reported in the fiduciary fund financial statements. These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

b. Measurement Focus – Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements – These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund 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. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements 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, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

A. Summary of Significant Accounting Policies (Continued)

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. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital lease are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund accounting," all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen not to apply future FASB Standards.

3. Budgetary Data

The official budget was prepared for adoption for the general, food service and debt service funds. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1.
- b. A meeting of the Board is called for the purpose of adopting the proposed budget with public notice given at least 10 days prior to the meeting.
- c. Prior to the expenditure of funds, the budget is adopted by the Board.

After adoption, the budget may be amended through action by the Board. Budget amendments are approved at the functional expenditure level. All amendments are before the fact and reflected in the official minutes of the Board. Budgets are controlled at the function level by personnel responsible for organizational financial reporting. All budget appropriations lapse at the year end. Budget amendments throughout the year were not significant.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

A. Summary of Significant Accounting Policies (Continued)

4. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. End-of-year outstanding encumbrances that were provided for in the subsequent year's budget are:

General Fund	\$	0
Special Revenue Fund		0
Capital Projects Fund		<u>0</u>
Total	<u>\$</u>	<u>0</u>

5. Financial Statement Amounts

Cash and Investments

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as a part of the District's cash and temporary investments.

For the purpose of the statement of cash flows, highly liquid investments are considered to be investments if they have a maturity of three months or less when purchased.

Fund Balance

Governmental funds utilize a fund balance presentation for equity. Fund balance is categorized as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the Board. Committed resources cannot be used for any other purpose unless the Board removes or changes the specific use by taking the same formal action that imposed the constraint originally.

Assigned fund balance – represents amounts the District intends to use for specific purposes as expressed by the Board or an official delegated the authority. The Board has delegated the authority to assign fund balances to the Superintendent.

Unassigned fund balance – represents the residual classification for the general fund or deficit balances in other funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

A. Summary of Significant Accounting Policies (Continued)

The following schedule provides information about the specific fund balance classification by fund:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
Nonspendable					
Inventory	\$ -	\$ -	\$ -	\$ 87,372	\$ 87,372
Restricted					
Child Nutrition Program	-	-	-	882,460	882,460
Education Foundation Grants	-	-	-	12,903	12,903
College Prep Testing	-	-	-	94,340	94,340
Education Foundation Grants	-	-	-	-	-
Retirement of Long Term Debt	-	11,425,574	-	-	11,425,574
Capital Projects	-	-	65,752,571	-	65,752,571
Other Programs	-	-	-	1,002	1,002
Committed					
Land Acquisition	1,000,000	-	-	-	1,000,000
Claims and Judgements	750,000	-	-	-	750,000
Capital Expenditures for Equipment	1,000,000	-	-	-	1,000,000
Residential Set Asides	437,600	-	-	-	437,600
Campus Activity Funds	-	-	-	1,530,029	1,530,029
Unassigned	<u>66,816,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,816,502</u>
Totals	<u>\$70,004,102</u>	<u>\$11,425,574</u>	<u>\$ 65,752,571</u>	<u>\$ 2,608,106</u>	<u>\$ 149,790,353</u>

Inventories

On government-wide financial statements, inventories are presented at cost using the weighted average method and are expensed when used. On fund financial statements, inventories of governmental funds are valued at cost. For all funds, cost is determined using the weighted average method, and are determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time of purchase. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they do not represent available spendable resources.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the 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. A capitalization threshold of \$ 5,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	15-70
Vehicles	5-10
Other Equipment	3-15

Accretion

Accretion is an adjustment of the difference between the price of a bond issued at an original discount and the par value of the bond. For governmental activities debt, the accreted value is recognized as it accrues by fiscal year.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

A. Summary of Significant Accounting Policies (Continued)

6. Deferred Outflows and Inflows of Resources

The District implemented GASB Statement Number 68, *Accounting and Financial Reporting for Pensions* and GASB Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits and Other Pensions*. In addition to assets and liabilities, the government-wide Statement of Net Position and governmental fund Balance Sheet report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District reports certain deferred inflows and outflows related to pensions on the government-wide Statement of Net Position. At the governmental fund level, earned but unavailable revenue is reported as a deferred inflow of resources. To the extent practical, this change in accounting principle is required to be reported as an adjustment to prior periods.

The District also implemented GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which amends the transition provisions of GASB 68. GASB 71 requires that, at transition, governments recognize a beginning deferred outflow of resources for pension contributions made subsequent to the measurement date of the beginning Net Pension Liability. Implementation is reflected in the financial statements and the prior period adjustment.

7. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

8. Interfund Activities

Interfund activity results from loans, service provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfer" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

9. Vacation, Sick Leave and Other Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Sick leave accrues at various rates established by the State and adopted by the Board of Trustees. Sick leave vests, accumulates and is recorded as an expense as it incurs.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

A. Summary of Significant Accounting Policies (Continued)

10. Pensions

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

11. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expenses, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit term. There are no investments as this a pay-as-you-go plan and all cash is held in a cash account.

12. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from these estimates.

13. Data Control Codes

Data control codes refer to the account code structure prescribed by the Agency in the *Guide*. The Agency requires the District to display these codes in its financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

14. Accounting System

In accordance with Texas Education Code, Chapter 44, Subchapter A, the District adopted and implemented an accounting system which at least meets the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. The District's accounting system uses codes and the code structure presented in the accounting code section of the *Guide*. Mandatory codes are utilized in the form provided in that section.

B. Deposits, Securities and Investments

The District's funds are deposited and invested under the terms of a depository contract. The contract requires the depository to pledge approved securities in an amount significant to protect the District's day-to-day balances. The pledge is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At year end, all District cash deposits appear to have been covered by FDIC insurance or by pledged collateral held by the District's agent bank in the name of the District. The District's deposits appear to have been properly secured throughout the fiscal year.

The District's investment policies and types of investments are governed by the Public Funds Investment Act. The Act requires specific training, reporting and establishment of local policies. The District appears to have been in substantial compliance with the requirements of the Act.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

B. Deposits, Securities and Investments (Continued)

State statutes and local policy authorize the District to invest in the following types of investment goods:

- a. obligations of the U.S. or its agencies or instrumentalities,
- b. obligations of the State of Texas or its agencies,
- c. obligations guaranteed by the U.S. or State of Texas or their agencies or instrumentalities,
- d. obligations of other states, agencies or political subdivisions having a national investment rating of "A" or greater,
- e. guaranteed or secured certificates of deposit issued by a bank domiciled in the State of Texas, or
- f. fully collateralized repurchase agreements.

District investments include deposits in external investment pools, such as Lone Star Investment Pool, TexSTAR, TexPool, LOGIC, TexasTERM and Texas CLASS. All Lone Star Investment Pool, TexSTAR, TexPool, LOGIC and Texas CLASS accounts are reported at share price (fair value) and are presented as cash and investments.

The *Lone Star Investment Pool* is an investment pool available to governmental entities. The pool was established under the guidance of the Texas Public Funds Investment Act. A board of directors made up of members of the pool is responsible for the overall operation of the pool. The Board has employed various third party organizations to assist in the operations. These third parties are as follows: American Beacon Advisors and BNY Mellon Cash Investment Strategies – Investment Managers, RBC Wealth Management – Investment Consultant, Bank of New York Mellon – Custodian, First Public – Administration. In combination with these third party organizations, the pool has received an AAAm rating from Standard and Poor's. This rating allows the pool to meet the standards required by the Texas Public Funds Investment Act.

Texas Local Government Investment Pool (TexPool) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments.

The Comptroller of Public Accounts (Comptroller) is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, (Trust Company), which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. (Federated), under an agreement with the Comptroller, acting on behalf of the Trust Company.

The Comptroller maintains oversight of the services provided to TexPool by Federated. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy and approves any fee increases. As required by the Public Funds Investment Act, the Advisory Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities (Participants) to invest their public funds and funds under their control through the investment pools.

J. P. Morgan Investment Management, Inc. (JPMIM) and First Southwest Asset Management, Inc. (FSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors (Board). JPMIM provides investment services, and FSAM provides participant services and marketing. Custodial, transfer agency, fund accounting and depository services are provided by JPMorgan Chase Bank and/or its subsidiary J.P. Morgan Investor Services Co.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

B. Deposits, Securities and Investments (Continued)

The Board may establish separate Funds within TexSTAR from time to time. Participants choose the Funds in which their deposits are invested. Participants' assets in the Funds are represented by units of beneficial interest (units). The Board may issue an unlimited number of units in each Fund.

TexSTAR is rated AAAM by Standard & Poor's rating agency. This rating and the fund's operational settings allow the fund to comply with the requirement of the Public Funds Investment Act.

Local Government Investment Cooperative (LOGIC) was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Public Funds Investment Act allows eligible local governments, state agencies, and nonprofit corporations of the State of Texas to jointly invest their funds in permitted investments.

The Cooperative's governing body is a six-member Board of Directors (Board) comprised of employees, officers or elected officials of participant Government Entities or individuals who do not have a business relationship with LOGIC and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of LOGIC.

Day to day administration of LOGIC will be performed by First Southwest, a division of Hilltop Securities Inc. and JPMorgan Chase Investment Management, Inc. First Southwest will provide administrative, participant support and marketing services. JPMorgan Chase will provide investment management, custody, fund accounting and transfer agency services.

Portfolios will maintain an AAA or equivalent rating from at least one nationally recognized rating agency in compliance with the requirements of the Public Funds Investment Act. Class A Units of LOGIC I are currently rated AAAM by Standard & Poor's.

The Texas Cooperative Liquid Assets Securities System Trust (TexasCLASS), was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. The TexasCLASS Trust Agreement (Trust) is an agreement of indefinite term regarding the investment, reinvestment and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate (Participants), MBIA Municipal Investors Service Corporation as Program Administrator (Program Administrator), and Wells Fargo Bank Texas, NA as Custodian (Custodian).

TexasCLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. The Board administers the affairs of the Trust. It also selects the consultants for TexasCLASS, including the Program Administrator and the Custodian.

The Board of Trustees has appointed an Advisory Board composed of Participants and other persons who do not have a business relationship with the Trust and are qualified to advise the Trust. The Advisory Board provides advice to the Board of Trustees and the Program Administrator about the Investment Policy and Investment Strategy of the Trust and about other matters as requested by the Board of Trustees and the Program Administrator.

The Fund is rated AAAM by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's.

Texas TERM Local Government Investment Pool (TexasTERM) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (PFIA). TexasTERM offers a series of professionally managed portfolios that are available to municipalities, counties, school districts, special districts and other governmental entities in the State of Texas.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

B. Deposits, Securities and Investments (Continued)

An Advisory Board is responsible for the overall management of TexasTERM. With respect to TexasTERM, the Advisory Board's responsibilities include formulation and implementation of its investment and operating policies. The Advisory Board selects and oversees the activities of the Investment Advisor/Administrator and the Custodian for TexasTERM and monitor TexasTERM investment performance and the method of valuing its shares. Board members serve a term of two years. Annually, Board members are elected by the Participants for positions for staggered two-year term.

TexasTERM purchases only investments of the type in which Texas local governments are permitted to invest their own funds. TexasTERM complies with statutory investment restrictions for Texas local governments as provided in the PFIA.

The Investment Advisor and Administrator for TexasTERM is PFM Asset Management LLC. The Custodian for TexasTERM is U. S. Bank, N. A.

The TexasTERM portfolio is a fixed rate, fixed term portfolio option rated AAf by Standard and Poor's Corporation rating agency.

The following table identifies the District's investment at year end:

	Credit Rating	Fair Value
TexPool	AAAm	\$ 49,668
Lone Star Investment Pool	AAAm	35,993,957
LOGIC	AAA	80,063,771
TexasCLASS	AAAm	38,853,324
TexSTAR	AAAm	107,167
TexasTERM	AAAf	4,630,757
Certificate of Deposit (TexasTERM)	n/a	3,157,000
Total		<u>\$ 162,855,644</u>

In addition, the following is disclosed regarding coverage of combined cash balances on the date of highest balance:

- a. Name of bank: JP Morgan Chase Bank, Coppell, Texas.
- b. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$ 4,724,245.
- c. Largest cash, savings and time deposit combined account balances amounted to \$ 4,963,909, and occurred during the month of August 2019.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$ 250,665.

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

B. Deposits, Securities and Investments (Continued)

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

C. Property Taxes

Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the October 1 levy date. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

Property taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Section 33.05, Property Tax Code, requires the tax collector for the District to cancel and remove from the delinquent tax rolls a tax on real property that has been delinquent for more than 20 years or a tax on personal property that has been delinquent for more than 10 years. Delinquent taxes meeting this criteria may not be canceled if litigation concerning these taxes is pending.

The District levied taxes on property within the District at \$ 1.1700 to fund general operations and \$ 0.2905 for the payment of principal and interest on long term debt. The rates were levied on property assessed totaling \$ 11,883,985,279.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

D. Capital Assets

Capital asset activities during the year were as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
<u>Governmental Activities</u>				
Capital Assets not Being Depreciated:				
Land	\$ 46,880,011	\$ -	\$ -	\$ 46,880,011
Construction in Progress	109,487,531	45,340,192	-	154,827,723
Total Capital Assets not being Depreciated	\$ 156,367,542	\$ 45,340,192	\$ -	\$ 201,707,734
Capital Assets being Depreciated:				
Building and Improvements	\$ 228,662,683	\$ 1,124,773	\$ 79,274	\$ 229,708,182
Equipment	29,713,085	5,830,445	1,326,748	34,216,782
Vehicles	5,464,841	891,023	-	6,355,864
Total Capital Assets being Depreciated	\$ 263,840,609	\$ 7,846,241	\$ 1,406,022	\$ 270,280,828
Less Accumulated Depreciation for :				
Buildings and Improvements	\$ 78,906,153	\$ 5,310,205	\$ 79,274	\$ 84,137,084
Equipment	17,613,672	2,166,964	1,326,748	18,453,888
Vehicles	1,214,406	588,079	-	1,802,485
Total Accumulated Depreciation	\$ 97,734,231	\$ 8,065,248	\$ 1,406,022	\$ 104,393,457
Total Capital Assets being Depreciated, Net	\$ 166,106,378	\$ (219,007)	\$ -	\$ 165,887,371
Governmental Activities Capital Assets, Net	\$ 322,473,920	\$ 45,121,185	\$ -	\$ 367,595,105

Depreciation was charged to governmental activities functions as follows:

Instruction	\$ 4,302,917
Instructional Resources and Media Services	175,453
Curriculum and Staff Development	4,867
Instructional Leadership	5,615
School Leadership	84,648
Guidance, Counseling and Evaluation Services	21,797
Health Services	16,929
Student (Pupil) Transportation	103,916
Food Services	322,791
Co-curricular/Extracurricular Activities	773,199
General Administration	246,709
Plant Maintenance and Operations	779,190
Data Processing Services	1,224,962
Community Services	2,255
Totals	<u>\$ 8,065,248</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

E. Long Term Obligations

Long Term Obligation Activity

Long-term activities during the year were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 322,504,946	\$ 96,300,000	\$ 36,307,569	\$ 382,497,377	\$ 14,885,824
Accreted Interest Payable	54,937,654	4,646,980	7,457,450	52,127,184	-
Unamortized Premium (Discount)	30,805,859	13,410,980	1,910,418	42,306,421	-
Total Governmental Activities	<u>\$ 408,248,459</u>	<u>\$ 114,357,960</u>	<u>\$ 45,675,437</u>	<u>\$ 476,930,982</u>	<u>\$ 14,885,824</u>

Bonds

The District has issued various series of general obligation bonds to fund facility construction and improvements. Bonds mature at various times with varying rates of interest. The bonds issued require the District to levy and ad valorem tax annually to retire the current maturities.

The District issued "Coppell Independent School District Unlimited Tax School Building Bonds, Series 2019" dated May 23, 2019 totaling \$ 75,660,000. The Bonds were issued to construct and equip District facilities, as well as other improvements including technology. The bonds incur various interest rates but average to 2.35%. Bonds require the payment of interest semiannually with annual principal payments. The bonds will fully mature in 2048.

The Board approved the order authorizing the issuance of "Coppell Independent School District Unlimited Tax Refunding Bonds, Series 2019A," totaling \$ 20,640,000. The proceeds will be used to refund outstanding bonds currently obligated by the District. The Board deems it advisable and in the best interests of the District to refund \$ 23,265,000 in outstanding obligations in order to achieve a restructuring of the debt service requirements of the District resulting in a gross debt service savings of \$ 3,457,217, a net present value debt service savings of \$ 2,843,356 and to achieve a restructuring of the District's cash flow position.

The District refunded \$ 23,265,000 in outstanding bonds on August 15, 2019. The debt is considered defeased and has been removed from the District's long term debt payable.

The following bonded debt issues are outstanding at year end:

Description	Rate	Outstanding Balance
Unlimited Tax Refunding Bonds, Series 1995	5.00% - 7.00%	\$ 5,644,214
Unlimited School Building & Refunding Bonds, Series 2001	5.25% - 5.67%	7,589,009
Unlimited Tax Building Bonds, Series 2011	5.37%	6,434,154
Unlimited Tax School Building Bonds, Series 2013A	3.99%	18,875,000
Unlimited Tax Qualified School Construction Bonds, Taxable Series 2013B	5.00%	7,995,000
Unlimited Tax School Building Bonds, Series 2014	3.74%	45,220,000
Unlimited Tax School Building Bonds, Series 2016A	2.38%	1,050,000
Unlimited Tax School Building Bonds, Series 2016B	3.06%	76,115,000
Unlimited Tax Refunding Bonds, Series 2016C	2.09%	14,215,000
Unlimited Tax Refunding Bonds, Series 2016D	1.42%	21,875,000
Unlimited Tax School Building & Refunding Bonds, Series 2018	3.52%	81,185,000
Unlimited Tax School Building Bonds, Series 2019	3.12%	75,660,000
Unlimited Tx Refunding Bonds, Series 2019A	2.35%	20,640,000
Total		<u>\$ 382,497,377</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

E. Long Term Obligations (Continued)

Maturity requirements on bonded debt at year end, are as follows:

<u>Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 14,885,824	\$ 21,299,829	\$ 36,185,653
2021	14,642,906	20,388,902	35,031,808
2022	15,572,415	20,024,749	35,597,164
2023	16,573,565	19,567,112	36,140,677
2024	17,662,329	19,026,207	36,688,536
2025-2029	72,314,179	103,693,803	176,007,982
2030-2034	70,079,478	58,988,527	129,068,005
2035-2039	65,841,681	30,152,723	95,994,404
2040-2044	65,375,000	14,150,714	79,525,714
2045-2049	29,550,000	2,367,600	31,917,600
 Totals	 <u>\$ 382,497,377</u>	 <u>\$ 309,660,166</u>	 <u>\$ 692,157,543</u>

In prior years, the District has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial purposes, the debt has been defeased and therefore removed as a liability from the basic financial statements. As of August 31, 2019, the amount of defeased debt outstanding but removed from the basic financial statements amounted to \$ 15,440,000 including current year defeased amounts.

There are a number of limitations and restrictions contained in the general obligation bond indentures. The District appears to be in compliance with all significant limitations and restrictions as of last year.

Voters have authorized the issuance of additional bonds for construction and improvements. The following presents these authorizations:

<u>Date of Authorization</u>	<u>Amount Authorized</u>	<u>Amount Issued</u>	<u>Remaining Unissued</u>
May 7, 2016	\$ 249,040,000	\$ 249,040,000	\$ -

F. Pension Plan

1. *Plan Description*

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

F. Pension Plan (Continued)

2. *Benefits Provided*

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1) above.

3. *Contributions*

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employees' contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

Contribution Rates

	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2019 Employer Contributions	\$	2,492,978
2019 Member Contributions	\$	5,884,645
2018 NECE On-Behalf Contributions	\$	3,267,075

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

F. Pension Plan (Continued)

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

On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.

During a new member's first 90 days of employment.

When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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

When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

At August 31, 2019, the District reported a liability of \$ 37,268,874 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 37,268,874
State's proportionate share that is associated with the District	<u>53,414,452</u>
Total	<u>\$ 90,683,326</u>

The net pension liability was measured as of August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contribution to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At August 31, 2018, the employer's proportion of the collective net pension liability was 0.0677093588%, which was an increase of 0.0016011894% from its proportion measured as of August 31, 2017.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

F. Pension Plan (Continued)

Changes Since the Prior Actuarial Valuation

The following changes have occurred to the actuarial assumptions or other inputs that affects measurement of the total premium liability since the prior measurement date:

- a. Use of the roll forward method for the 2018 valuation
- b. Use of the 2017 experience study which includes demographic assumptions such as post-retirement mortality, termination rates, and rates of retirement
- c. Use of economic assumption such as salary increases
- d. Change in discount rate from 8.0% to 6.907%
- e. Change in assumed rate of return from 8.0% to 7.25%

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

For the year ended August 31, 2019, the District recognized pension expense of \$ 10,588,350 and revenue of \$ 5,286,607 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 232,304	\$ 914,431
Changes of actuarial assumptions	13,437,224	419,914
Differences between projected and actual investment earnings	-	707,150
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	<u>3,456,748</u>	<u>60,402</u>
Total as of August 31, 2018 measurement date	\$ 17,126,276	\$ 2,101,897
Contributions paid to TRS subsequent to the measurement date	<u>2,492,978</u>	<u>-</u>
Total as of fiscal year end	<u>\$ 19,619,254</u>	<u>\$ 2,101,897</u>

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

Fiscal Year Ending August 31	Amount
2020	\$ 3,999,666
2021	2,511,519
2022	2,101,423
2023	2,487,263
2024	2,396,618
Thereafter	1,527,890

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

F. Pension Plan (Continued)

5. *Actuarial Assumptions*

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

Valuation Date	August 31, 2017 rolled forward
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.91%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.30%
Salary Increases including inflation	3.05% tp 9.05%
Payroll Growth Rate	2.50%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

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

6. *Discount Rate*

The discount rate used to measure the total pension liability was 6.907%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized on the next page:

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

F. Pension Plan (Continued)

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

* The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

7. *Discount Rate Sensitivity Analysis*

The following presents the District's share of the net pension liability of the plan using the discount rate of 6.907%, as well as what the District's share of the net pension liability would be if it were calculated using a discount rate that is 1 – percentage point lower (5.907%) or 1 – percentage point higher (7.907%) than the current rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
District's proportionate share of the net pension liability	\$ 56,247,668	\$ 37,268,874	\$ 21,904,415

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

F. Pension Plan (Continued)

8. *Pension Plan Fiduciary Net Position*

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2016 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2018 and 2017.

<u>Net Pension Liability</u>	<u>August 31, 2018</u>	<u>August 31, 2017</u>
Total Pension Liability	\$ 209,611,328,793	\$ 179,336,834,819
Less: Plan Fiduciary Net Position	(154,568,901,833)	(147,361,922,120)
Net Pension Liability	<u>\$ 55,042,426,960</u>	<u>\$ 31,974,912,699</u>
Net Position as percentage of Total Pension Liability	73.74%	82.17%

G. Defined Other Post-Employment Benefit Plans

1. *Plan Description*

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

2. *OPEB Plan Fiduciary Net Position*

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

3. *Benefits Provided*

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

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

G. Defined Other Post-Employment Benefit Plans (Continued)

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

TRS-Care Plan Premium Rates			
Effective Sept. 1, 2017 - Dec. 31, 2018			
	<u>TRS-Care 1</u> <u>Basic Plan</u>	<u>TRS-Care 2</u> <u>Optional Plan</u>	<u>TRS-Care 3</u> <u>Optional Plan</u>
Retiree *	\$ -	\$ 70	\$ 100
Retiree and Spouse	20	175	255
Retiree * and Children	41	132	182
Retiree and Family	61	237	337
Surviving Children only	28	62	82

* or surviving spouse

4. *Contributions*

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates

	<u>2018</u>	<u>2019</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%
2019 Employer Contributions	\$ 606,331	
2019 Member Contributions	\$ 503,040	
2018 NECE On-Behalf Contributions	\$ 870,469	

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$ 535 per retiree.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

G. Defined Other Post-Employment Benefit Plans (Continued)

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$ 15.6 million in fiscal year 2017 and \$ 394.6 million in fiscal year 2018.

5. *Actuarial Assumptions*

The total OPEB liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017 rolled forward
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	3.69%
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	2.50%
Projected Salary Increases	3.05% to 9.05%
Healthcare Trend Rates	4.50% to 12.00%
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

6. *Discount Rate*

A single discount rate of 3.69% was used to measure the total OPEB liability. There was a change of 0.27% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of August 31, 2018.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

G. Defined Other Post-Employment Benefit Plans (Continued)

7. *Discount Rate Sensitivity Analysis*

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% greater than the discount rate that was used (3.69%) in measuring the Net OPEB Liability.

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
District's proportionate share of the net OPEB liability	\$ 48,414,192	\$ 40,672,452	\$ 34,548,237

8. *Healthcare Cost Trend Rates Sensitivity Analysis*

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 33,779,134	\$ 40,672,452	\$ 49,751,101

9. *OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs*

At August 31, 2019, the District reported a liability of \$ 40,672,452 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective Net OPEB Liability	\$ 40,672,452
State's proportionate share that is associated with the District	<u>63,093,299</u>
Total	<u><u>\$ 103,765,751</u></u>

The net OPEB liability was measured as of August 31, 2018 and the Total OPEB Liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contribution to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At August 31, 2018, the employer's proportion of the collective net OPEB liability was 0.0814574534%, which was an increase of 0.0061169728% from its proportion measured as of August 31, 2017.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

G. Defined Other Post-Employment Benefit Plans (Continued)

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurements of the total OPEB liability since the prior measurement period:

- a. use of a roll-forward method for the actuarial assumption
- b. known retirees that discontinued health insurance were adjusted
- c. changes in the healthcare trend rate allowing for the return of the Health Insurance Fee
- d. demographic and economic changes resulting from the 2017 experience study
- e. discount rate increase from 3.42% to 3.69%

Changes to the benefits provided since the prior measurement date include:

- a. changes of retiree registration entry date
- b. requiring retiree to contribute \$200 monthly towards insurance premiums
- c. various changes in Medicare eligible retirees including prescription coverage and other appropriate health benefit plans.

For the year ended August 31, 2019, the District recognized OPEB expense of \$ 3,727,500 and revenue of \$ 2,294,955 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual actuarial experiences	\$ 2,158,336	\$ 641,871
Changes in actuarial assumptions	678,713	12,219,738
Differences between projected and actual investment earnings	7,113	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	<u>3,353,788</u>	<u>-</u>
Total as of August 31, 2018 measurement date	\$ 6,197,950	\$ 12,861,609
Contributions paid to TRS subsequent to the measurement date	<u>606,331</u>	<u>-</u>
Total at fiscal year end	<u>\$ 6,804,281</u>	<u>\$ 12,861,609</u>

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

<u>Fiscal Year Ending August 31</u>	<u>Amount</u>
2019	\$ (1,183,562)
2020	(1,183,562)
2021	(1,183,562)
2022	(1,184,907)
2023	(1,185,676)
Thereafter	(742,390)

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

H. Medicare Part D

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2019, 2018 and 2017, the subsidy payments received by TRS-Care on behalf of the District were \$275,411, \$212,986 and \$200,996, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statement of the district.

I. Risk Management

Health Care

During the year ended, employees of the Coppell Independent School District were covered by a health insurance plan (the Plan). The District paid premiums of up to \$ 311 per month per full time employee and \$ 225 per month per part time employee, and employees, at their option, authorized payroll withholdings to provide dependents coverage under the Plan. All premiums were paid to Teacher Retirement System of Texas (Aetna). The Plan was authorized by Article 3.51-2, Texas Insurance Code, and was documented by contractual agreement.

The contract between the Coppell Independent School District and Teacher Retirement System of Texas (Aetna) is renewable September 1 of each year and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for Aetna are available for the year ended December 31, 2018 and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

Workers' Compensation

The Coppell Independent School District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers' Compensation Program is authorized by Chapter 504, Texas Labor Code. All districts participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members and their injured employees.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$ 2,000,000. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2018, the Fund carries a discounted reserve of \$ 58,364,320 for future development on reported claims and claims that have been incurred but not yet reported. For the year ended August 31, 2019, the fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is approved by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2018, are available at the TASB offices and have been filed with the Texas State Board of Insurance of Austin.

Property and Casualty

The Coppell Independent School District participated in the TASB Risk Management Fund's (the Fund's) Property Program with Coverage in Auto Physical Damage, Crime, Equipment Breakdown and Property.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

I. Risk Management (Continued)

The Fund was created and is operating under the provisions of the Interlocal Cooperation Act, Charter 791 of the Texas Government Code. All members participating in the Fund executed Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for the Property Program. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended, the Fund anticipates Coppell Independent School District has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of the fund year end, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Liability Coverage Program

The Coppell Independent School District participated in the TASB Risk Management Fund's (the Fund's) Liability Program with coverage in Sexual Misconduct Endorsement, SP Legal Liability, Manuscript Special, Auto Liability and General Liability.

The Fund was created and is operating under the provisions of the Interlocal Cooperation Act, Charter 791 of the Texas Government Code. All members participating in the Fund executed Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for the Property Program. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended, the Fund anticipates Coppell Independent School District has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2018, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

Unemployment Compensation Pool

The Coppell Independent School District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operating under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year, the fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2018, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

J. Litigation

The District appears to have no litigation at year end with financial implications.

K. Commitments and Contingencies

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at year end, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Construction commitments related to the origin bond projects are as follows:

<u>Project</u>	<u>Commitment</u>	<u>Expense Incurred</u>	<u>Remaining</u>
Construction Projects	\$ 67,598,866	\$ 53,064,529	\$ 14,534,337

L. Revenue from Local and Intermediate Sources

During the year ended, the District received revenue from local and intermediate sources consisting of the following:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Project Fund</u>	<u>Other Governmental</u>	<u>Total</u>
Property Tax Collections	\$ 139,376,573	\$ 34,609,466	\$ -	\$ -	\$ 173,986,039
Rent	207,878	-	-	67,610	275,488
Tuition and Fees	29,863	-	-	-	29,863
Investment Income	2,621,737	655,078	1,244,747	34,102	4,555,664
Food Service Income	-	-	-	4,214,452	4,214,452
Gifts and Bequests	3,065	-	-	257,857	260,922
Co-curricular/Extracurricular Activities	304,141	-	-	2,217,587	2,521,728
Other	721,018	28,027	1,876,918	25,424	2,651,387
Totals	<u>\$ 143,264,275</u>	<u>\$ 35,292,571</u>	<u>\$ 3,121,665</u>	<u>\$ 6,817,032</u>	<u>\$ 188,495,543</u>

M. Shared Service Arrangement

The District participates in cooperative programs with other local districts. The District does not account for revenue or expenditures of these programs and does not disclose them in these financial statements.

<u>Shared Service Agreement</u>	<u>Fiscal Agent</u>	<u>Service</u>
Regional Day School for the Deaf	Plano Independent School District	Deaf Education Services

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019

N. Receivables

Receivables at year end, for the District's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General	Debt Service	Capital Project Fund	Other Nonmajor	Total
Due from Other Governments	\$ 1,181,384	\$ 23,320	\$ -	\$ 473,913	\$ 1,678,617
Property Taxes	1,263,979	313,656	-	-	1,577,635
Less Allowance for Uncollectible					
Property Taxes	(126,398)	(31,366)	-	-	(157,764)
Other Receivables	129,266	4,155	-	-	133,421
Net Receivables	<u>\$ 2,448,231</u>	<u>\$ 309,765</u>	<u>\$ -</u>	<u>\$ 473,913</u>	<u>\$ 3,231,909</u>

O. Subsequent Events

The District's management has evaluated subsequent events through December 12, 2019, the date which the financial statements were available for use.

R. Interfund Balances and Activities

Interfund Receivable and Payables

The composition of interfund balances as of year end are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Agency Fund	\$ 4,776
Campus Activity Fund	Agency Fund	21,289
College Prep Testing Fund	Agency Fund	8,342
Debt Service Fund	General Fund	232,625
	Totals	<u>\$ 267,032</u>

Transfer between Funds

Funds were transferred between accounting funds during the year as identified below:

Transfers From	Transfers To	Amount	Reason
AP Incentive	General Fund	\$ 6,270	Close excess equity

REQUIRED SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2019

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 141,158,096	\$ 142,584,363	\$ 143,264,275	\$ 679,912
5800	State Program Revenues	13,701,021	14,069,021	15,249,713	1,180,692
5900	Federal Program Revenues	469,000	1,039,000	1,092,539	53,539
5020	Total Revenues	\$ 155,328,117	\$ 157,692,384	\$ 159,606,527	\$ 1,914,143
EXPENDITURES					
Instruction and Instructional Related Services:					
0011	Instruction	\$ 65,567,653	\$ 66,573,562	\$ 64,281,746	\$ 2,291,816
0012	Instructional Resources and Media Services	1,708,551	1,716,812	1,661,613	55,199
0013	Curriculum and Staff Development	2,939,903	2,941,936	2,855,720	86,216
	Total Instruction and Instr. Related Services	<u>\$ 70,216,107</u>	<u>\$ 71,232,310</u>	<u>\$ 68,799,079</u>	<u>\$ 2,433,231</u>
Instructional and School Leadership:					
0021	Instructional Leadership	\$ 2,526,719	\$ 2,440,897	\$ 2,328,562	\$ 112,335
0023	School Leadership	6,444,529	6,468,984	6,326,156	142,828
	Total Instructional and School Leadership	<u>\$ 8,971,248</u>	<u>\$ 8,909,881</u>	<u>\$ 8,654,718</u>	<u>\$ 255,163</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	\$ 3,707,420	\$ 3,988,089	\$ 3,804,362	\$ 183,727
0032	Social Work Services	237,649	375,149	345,855	29,294
0033	Health Services	1,258,020	1,262,197	1,219,393	42,804
0034	Student (Pupil) Transportation	4,394,612	4,795,164	4,357,490	437,674
0036	Co-curricular/Extracurricular Activities	2,512,807	2,514,036	2,322,896	191,140
	Total Support Services - Student (Pupil)	<u>\$ 12,110,508</u>	<u>\$ 12,934,635</u>	<u>\$ 12,049,996</u>	<u>\$ 884,639</u>
Administrative Support Services:					
0041	General Administration	\$ 3,725,255	\$ 3,615,090	\$ 3,112,222	\$ 502,868
	Total Administrative Support Services	<u>\$ 3,725,255</u>	<u>\$ 3,615,090</u>	<u>\$ 3,112,222</u>	<u>\$ 502,868</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	\$ 9,592,304	\$ 10,371,609	\$ 9,782,572	\$ 589,037
0052	Security and Monitoring Services	697,733	764,233	520,117	244,116
0053	Data Processing Services	3,614,942	3,786,435	3,534,903	251,532
	Total Support Services - Nonstudent Based	<u>\$ 13,904,979</u>	<u>\$ 14,922,277</u>	<u>\$ 13,837,592</u>	<u>\$ 1,084,685</u>
Ancillary Services:					
0061	Community Services	\$ 180,605	\$ 180,605	\$ 132,597	\$ 48,008
	Total Ancillary Services	<u>\$ 180,605</u>	<u>\$ 180,605</u>	<u>\$ 132,597</u>	<u>\$ 48,008</u>
Intergovernmental Charges:					
0091	Contracted Inst. Services betw een Public Schools	\$ 45,592,744	\$ 44,692,744	\$ 43,794,260	\$ 898,484
0093	Payments for Shared Service Agreements	60000	10,250	250	10,000
0095	Payments to Juvenile Justice AEP	35,000	25,000	3,000	22,000
0099	Other Intergovernmental Charges	581,277	581,277	581,277	-
	Total Intergovernmental Charges	<u>\$ 46,269,021</u>	<u>\$ 45,309,271</u>	<u>\$ 44,378,787</u>	<u>\$ 930,484</u>
6030	Total Expenditures	\$ 155,377,723	\$ 157,104,069	\$ 150,964,991	\$ 6,139,078
1100	Excess(Deficiency) of Revenues Over Expenditures	<u>\$ (49,606)</u>	<u>\$ 588,315</u>	<u>\$ 8,641,536</u>	<u>\$ 8,053,221</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real or Personal Property	\$ -	\$ 352,642	\$ 565,578	\$ 212,936
7915	Transfer In			6,270	6,270
7949	Other Resources	-	-	-	-
7080	Net Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 352,642</u>	<u>\$ 571,848</u>	<u>\$ 219,206</u>
1200	Net Change in Fund Balance	\$ (49,606)	\$ 940,957	\$ 9,213,384	\$ 8,272,427
0100	Fund Balance - Beginning (September 1)	60,790,718	60,790,718	60,790,718	-
3000	Fund Balance - Ending (August 31)	<u>\$ 60,741,112</u>	<u>\$ 61,731,675</u>	<u>\$ 70,004,102</u>	<u>\$ 8,272,427</u>

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
YEAR ENDED AUGUST 31, 2019

	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>
District's proportion of the net pension liability	0.06777093588%	0.00661081694%	0.0638784790%	0.0670572000%	0.0452436000%
District's proportionate share of the net pension liability	\$ 37,268,874	\$ 21,137,831	\$ 24,138,727	\$ 23,703,828	\$ 12,085,191
State's proportionate share of the net pension liability associated with the District	<u>53,414,452</u>	<u>31,473,783</u>	<u>38,296,604</u>	<u>36,606,023</u>	<u>30,472,758</u>
Total	<u>\$ 90,683,326</u>	<u>\$ 52,611,614</u>	<u>\$ 62,435,331</u>	<u>\$ 60,309,851</u>	<u>\$ 42,557,949</u>
District's covered-employee payroll (for Measurement Year)	\$ 72,675,274	\$ 68,070,692	\$ 65,701,421	\$ 63,457,253	\$ 58,634,799
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	51.28%	31.05%	36.74%	37.35%	20.61%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

Note: Only five years of data is presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

* The years above present data for the measurement period ending date. The measurement period represents the period for which the pension plan prepares its reports which provides a 12 month delay for financial reporting in accordance with GASB 68.

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 YEAR ENDED AUGUST 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,492,978	\$ 2,281,357	\$ 2,165,747	\$ 2,028,934	\$ 1,985,593
Contributions in relations to the contractual required contributions	<u>(2,492,978)</u>	<u>(2,281,357)</u>	<u>(2,165,747)</u>	<u>(2,028,934)</u>	<u>(1,985,593)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered employee payroll	\$ 76,423,915	\$ 72,675,274	\$ 68,070,692	\$ 65,701,421	\$ 63,457,253
Contributions as a percentage of covered employee payroll	3.26%	3.14%	3.18%	3.09%	3.13%

Note: Only five years of data is presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS
 YEAR ENDED AUGUST 31, 2019

	<u>2018*</u>	<u>2017 *</u>
District's proportion of the Net OPEB Liability (Asset)	0.0814574534%	0.0753404806%
District's proportionate share of the Net OPEB Liability (Asset)	\$ 40,672,452	\$ 32,762,749
State's proportionate share of the Net OPEB Liability (Asset) associated with the District	<u>63,093,299</u>	<u>55,454,727</u>
Total	<u>\$ 103,765,751</u>	<u>\$ 88,217,476</u>
District's covered-employee payroll (for Measurement Year)	\$ 72,675,274	\$ 68,070,692
District's proportionate share of the Net OPEB Liability as a percentage of it's covered-employee payroll	55.96%	48.13%
Plan fiduciary net position as a percentage of the Total OPEB Liability	1.57%	0.91%

Note: Only two years of data is presented in accordance with GASB 75 paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

* The years above present data for the measurement period ending date. The measurement period represents the period for which the pension plan prepares its reports which provides a 12 month delay for financial reporting in accordance with GASB 75

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 YEAR ENDED AUGUST 31, 2019

	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 606,331	\$ 558,774
Contributions in relations to the contractual required contributions	<u>(606,331)</u>	<u>(558,774)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 76,423,915	\$ 72,675,274
Contributions as a percentage of covered employee payroll	0.79%	0.77%

Note: Only two years of data is presented in accordance with GASB 75, paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2019

A. Budget

The official budget was prepared for adoption for all Government Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at the time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

B. Defined Benefit Pension Plan

1. Changes of Assumptions

The following changes occurred in the plan assumptions:

- a. A roll forward method was used to determine the August 31, 2018 valuation.
- b. Demographic assumptions including post retirement mortality, termination rates and rates of retirement were updated based on the experience study performed for the period ended August 31, 2017.
- c. The same experience study resulted in changes to the economic assumptions including rates of salary increases for individual participants.
- d. The discount rate was decreased from 8.0% to 6.907%.
- e. The assumed long term rate of return decreased from 8.0% to 7.25%.

2. Changes of Benefit Terms

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

COPPELL INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2019

C. OPEB Healthcare Plan

1. Changes of Assumptions

The following changes occurred in the plan assumptions:

- a. A roll forward method was used to develop the August 31, 2018 valuation.
- b. Adjustments were made for known retirees that discontinued their health insurance in the 2018 year.
- c. The health care trend rate assumption was adjusted to allow for the anticipated return of the Health Insurance Fee.
- d. The demographic and economic assumptions were changed to consider the result of the experience study for the year ended August 31, 2017.
- e. The discount rate was increased from 3.42% to 3.69%

2. Changes of Benefit Terms

These following changes have occurred in the benefits terms:

- a. Implemented a high-deductible health plan that provides a zero cost generic prescriptions for certain preventative drugs and zero premium for disability retirees who retired as a disability retiree and are not eligible to enroll in Medicare.
- b. Created a single Medicare advantage plan and Medicare prescription drug plan for all Medicare eligible participants.
- c. Allowed the system (TRS) to provide other appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- d. Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the Retiree reaches 65 years of age rather than waiting for the next enrollment period.
- e. Eliminated free coverage under the TRS-Care except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month towards health insurance premiums.

OTHER SUPPLEMENTARY INFORMATION

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 YEAR ENDED AUGUST 31, 2019

Tax Roll Year	Last Ten Years Ended August 31	1 Tax Rates		3 Assessed/Appraised Value For School Tax Purposes	10 Beginning Balance 9/1/2018	20 Current Year's Total Levy	30 Maintenance Tax Collections	30a Debt Service Tax Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/2019
		Maintenance	2 Debt Service							
XXXX	2010 and Prior Years	Various	Various	Various	\$ 64,123	\$ -	\$ 158	\$ 37	\$ (6,429)	\$ 57,499
2010	2011	1.170000	0.254200	7,165,643,028	33,731	-	126	27	(3,279)	30,299
2011	2012	1.170000	0.254200	7,073,590,226	46,462	-	164	36	(24,009)	22,253
2012	2013	1.170000	0.248800	7,338,482,661	86,758	-	5,567	1,184	(46,729)	33,278
2013	2014	1.170000	0.262400	7,777,220,748	129,726	-	11,962	2,683	(49,246)	65,835
2014	2015	1.170000	0.279000	8,544,108,516	107,786	-	9,955	2,374	7,501	102,958
2015	2016	1.170000	0.269000	9,151,485,306	160,499	-	13,658	3,140	11,156	154,857
2016	2017	1.170000	0.322700	10,301,841,696	225,214	-	21,333	5,884	3,070	201,067
2017	2018	1.170000	0.307700	10,877,707,180	414,830	-	20,281	5,334	(141,139)	248,076
2018	2019	1.170000	0.290500	11,883,985,279	-	173,565,605	139,042,712	34,522,893	661,513	661,513
1000	TOTALS				\$ 1,269,129	\$ 173,565,605	\$ 139,125,916	\$ 34,543,592	\$ 412,409	\$ 1,577,635

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHOOL BREAKFAST AND NATIONAL SCHOOL LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2019

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 4,271,487	\$ 4,271,487	\$ 4,262,572	\$ (8,915)
5800	State Program Revenues	114,196	114,196	131,389	17,193
5900	Federal Program Revenues	573,800	573,800	570,274	(3,526)
5020	Total Revenues	\$ 4,959,483	\$ 4,959,483	\$ 4,964,235	\$ 4,752
EXPENDITURES					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	\$ 4,971,367	\$ 5,593,167	\$ 5,170,195	\$ 422,972
	Total Support Services - Student (Pupil)	\$ 4,971,367	\$ 5,593,167	\$ 5,170,195	\$ 422,972
6030	Total Expenditures	\$ 4,971,367	\$ 5,593,167	\$ 5,170,195	\$ 422,972
1100	Excess (Deficiency) of Revenues Over Expenditures	\$ (11,884)	\$ (633,684)	\$ (205,960)	\$ 427,724
Other Financing Sources (Uses):					
7912	Sale of Real or Personal Property	\$ -	\$ 10,966	\$ 18,349	\$ 7,383
7080	Total Other financing Sources and (Uses)	\$ -	\$ 10,966	\$ 18,349	\$ 7,383
1200	Net Change in Fund Balance	\$ (11,884)	\$ (622,718)	\$ (187,611)	\$ 435,107
0100	Fund Balances - Beginning (September 1)	1,157,444	1,157,444	1,157,444	-
3000	Fund Balances - Ending (August 31)	\$ 1,145,560	\$ 534,726	\$ 969,833	\$ 435,107

COPPELL INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED AUGUST 31, 2019

Data Control Codes	Budgeted Amounts		Actual	Variance with Final Budget	
	Original	Final		Positive (Negative)	
REVENUES					
5700	Local and Intermediate Sources	\$ 34,697,354	\$ 34,697,354	\$ 35,292,571	\$ 595,217
5800	State Program Revenues	259,799	259,799	278,432	18,633
5900	Federal Program Revenues	372,568	372,568	374,966	2,398
5020	Total Revenues	\$ 35,329,721	\$ 35,329,721	\$ 35,945,969	\$ 616,248
EXPENDITURES					
Debt Service:					
0071	Principal on Long-term Debt	\$ 13,042,569	\$ 13,042,569	\$ 13,042,569	\$ -
0072	Interest on Long-term Debt	22,089,311	22,089,311	21,546,721	542,590
0073	Debt Issuance Costs and Fees	13,001	230,459	225,114	5,345
	Total Debt Service	\$ 35,144,881	\$ 35,362,339	\$ 34,814,404	\$ 547,935
6030	Total Expenditures	\$ 35,144,881	\$ 35,362,339	\$ 34,814,404	\$ 547,935
1100	Excess (Deficiency) of Revenues Over Expenditures	\$ 184,840	\$ (32,618)	\$ 1,131,565	\$ 1,164,183
OTHER FINANCING SOURCES (USES)					
7911	Capital-Related Debt Issued	\$ -	\$ 20,640,000	\$ 20,640,000	\$ -
7915	Premium or Discount on Issuance of Bonds	-	4,485,016	4,485,016	-
8949	Other Uses	-	(23,682,882)	(23,682,882)	-
7080	Net Other Financing Sources (Uses)	\$ -	\$ 1,442,134	\$ 1,442,134	\$ -
1200	Net Change in Fund Balance	\$ 184,840	\$ 1,409,516	\$ 2,573,699	\$ 1,164,183
0100	Fund Balance - Beginning (September 1)	8,851,875	8,851,875	8,851,875	-
3000	Fund Balance - Ending (August 31)	\$ 9,036,715	\$ 10,261,391	\$ 11,425,574	\$ 1,164,183

COPPELL INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
 AS OF AUGUST 31, 2019

<u>Data Control Codes</u>		<u>Response</u>
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$ 52,127,184
SF11	Net Pension Assets (1920) at fiscal year-end.	\$ -0-
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$ 37,268,874
SF13	Net Pension Expenses (6147) at fiscal year end.	\$ 0

FEDERAL AWARDS SECTION

COPPELL INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2019

Federal Grantor/ Pass Through Grantor/ Program Title	(02) Federal CFDA Number	(2A) Pass-Through Grantor's Number	(03) Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through Education Service Center, Region X:			
ESEA Title III Part A - LEP - Immigrant	84.365	19671001057950	\$ 312,224
Total passed through Education Service Center, Region X			<u>\$ 312,224</u>
Passed through the Texas Education Agency:			
ESEA Title I Part A - Improving Basic Programs	84.010	19610101057922	\$ 453,101
ESEA Title I Part A - Improving Basic Programs	84.010	18610101057922	2,896
IDEA - B Formula (A) *	84.027	186600010579226600	482,841
IDEA - B Formula (A) *	84.027	196600010579226600	1,662,600
IDEA - B Preschool (A) *	84.173	186610010579226610	10,587
IDEA - B Preschool (A) *	84.173	196610010579226610	27,680
Vocational Education - Basic Grant	84.048	1942000605792210	69,146
ESEA Title II Part A - Teacher & Principal Training	84.367	19694501057922	83,546
ESEA Title IV Part A Subpart I	84.424	19680101057922	41,830
Total passed through the Texas Education Agency			<u>\$ 2,834,227</u>
Total Department of Education			<u>\$ 3,146,451</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Department of Agriculture:			
School Breakfast Program (B)	10.553	0600	\$ 51,777
National School Lunch Program (B)	10.555	0600	380,152
Commodity Supplemental Food Program	10.565	057027A	138,345
Total Department of Agriculture			<u>\$ 570,274</u>
Total Expenditure of Federal Awards			<u>\$ 3,716,725</u>

* Denotes Major Program

A - Special Education Cluster

B - Child Nutrition Cluster

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

COPPELL INDEPENDENT SCHOOL DISTRICT
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED AUGUST 31, 2019

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Coppell Independent School District and is presented on the modified accrual basis of accounting. Expenditures are recognized in the accounting period in which a fund liability occurs. Funds are considered earned to the extent of expenditures made.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

B. Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. No provision has been made for amounts on hand at August 31, 2019.

C. Reconciliation of Federal Revenue with Financial Statements

The District records amounts received from the federal government or other recipients of federal grant as federal revenue in the financial statements. This reconciliation identifies the difference between the financial statement revenues and the schedule of expenditures of federal awards:

Total Federal Expenditures (Exhibit K-1)	\$ 3,716,725
Qualified School Construction Bonds Interest	374,965
School Health and Related Services	<u>1,092,539</u>
Federal Revenue (Exhibit C-3)	<u>\$ 5,184,230</u>